7904021591

FEDERAL ELECTION COMMISSION

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

THIS IS THE END OF MUR # 260

Date Filmed 4/27/79 Camera No. --- 2

Cameraman BPC

∴ Note, see merged files 236, 260, 266
Parts I, II, + Depositions

HCC 408
NRN

RECEIVED
FEDERAL ELECTION
COMMISSION

'77 MAY 9 PM 4:12

Law Offices

Markowitz & Glanstein

50 Broadway

New York, N.Y. 10004

Telephone (212) 943-6148

RICHARD H. MARKOWITZ
JOEL C. GLANSTEIN
—
STEVEN THALER

PHILADELPHIA, PA. OFFICE
MARKOWITZ & KIRSCHNER
1500 WALNUT STREET
PHILADELPHIA, PENNSYLVANIA 19102
215-893-5400

771446

May 5, 1977

William Oldaker, Esquire
General Counsel
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20563

Re: MUR 260(76)

Dear Mr. Oldaker:

Your letter dated April 18, 1977, addressed to Mr. Leon Shapiro, MEBA Political Action Fund, has been referred to me for reply. I call your attention to my letter of December 23, 1976, to the Federal Election Commission in connection with this matter.

I will attempt to answer the questions attached to your letter as follows:

A.1. To our knowledge, there were no such communications. I also believe that a correction is needed to the statement that the reception was held by MEBA-PAF for Senator Jackson. Although the MEBA Political Action Fund made independent expenditures in connection with this reception, it cannot properly be said that the reception was actually held by it.

2. $3,037.50

3. No.

B.1. (a) The expenditures referred to were in connection with a reception held for persons in the labor movement who were supporting Senator Henry Jackson in the New York primary election. A sign was placed at the reception which read "New York State Labor For Senator Jackson". The MEBA Political Action Fund decided to provide a meeting place for labor union officials who had worked for and supported Senator Jackson in the New York primary election, and this was the purpose of the event. The date of the event was April 6, 1976.

7904012159 2

(b) We are unable to provide you with a list of the persons or groups who attended this event. No such list was made and many persons were in attendance.

(c) $1,957.48

(d) The use of the term in the MEBA-Political Action Fund Report of "N.Y. Labor Committee for Senator Henry Jackson" was simply for lack of any better name or reference and for the purpose of identifying this independent expenditure as closely as possible. The term is descriptive of the type of individuals who were to attend the reception and does not represent any formal political committee of any kind since we have no knowledge of any such committee and are unaware of its existence.

C.1. (1) Officers and representatives of District No. 1-Pacific Coast District, MEBA.

(2) In April and May, 1976.

(3) Members and friends of District No. 1-Pacific Coast District, MEBA.

(4) Funds which were collected were sent directly to the Jackson Campaign Committee.

I trust that this answers your inquiry.

Very truly yours,

Richard H. Markowitz

RICHARD H. MARKOWITZ

RHM:ac

7904012159 3

Markowitz & Glanstein
50 Broadway
New York, N.Y. 10004

FEDERAL ELECTION COMMISSION
'77 MAY 9 PM 4:09

William Oldaker, Esquire
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D. C. 20563

CERTIFIED
No. 483917
MAIL

P 904 011 215

4/18/77

FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Leon Shapiro
MEBA-Political Action Fund
17 Battery Place, Room 1930
New York, N.Y. 10004

Re: MUR 260(76)

Dear Mr. Shapiro:

In furtherance of its investigation in the above-referenced matter, the Commission asks that you answer the enclosed questions.

We would appreciate your committee's response to the enclosed questions within 15 days of receipt of this letter, as well as your submission of any other factual or legal materials which you deem relevant to the Commission's investigation of this matter.

This letter shall remain confidential in accordance with 2 U.S.C. §437g(a)(3) unless you state to the Commission in writing that you wish the investigation to be made public. The attorney assigned to this matter is Judith W. Browning (telephone number 202/523-4178).

Sincerely,

William Oldaker
General Counsel

Enclosure

JWB
4-14-77

7904012195

QUESTIONS

A.1. Set forth the dates, parties involved, and substance of all communications between MEBA/MEBA-PAF and Senator Jackson, his campaign staff, or his Senatorial staff relating to Senator Jackson's attendance at the April, 1976, reception held by MEBA-PAF for Senator Jackson in Baltimore, Maryland.

2. What was the total amount of expenditures made by MEBA-PAF in regard to the April, 1976, Baltimore reception?

3. Were any expenditures made for the Baltimore reception from funds other than those of MEBA-PAF? If so, please list such funds and the amounts expended.

B.1. You state in your letter of December 23, 1976, that you have no knowledge of a "New York Labor Committee for Senator Henry Jackson." However, on reports filed with the Commission, MEBA-PAF shows expenditures on April 6 and 20, 1976, for "Deposit re rental of suite for N.Y. Labor Committee for Sen. Henry Jackson" and "Balance of expenditure re suite for N.Y. Labor Committee for Senator Jackson, plus beverage, food, etc." Therefore, please provide the following information:

(a) Set forth the date and purpose of the event for which the above-mentioned expenditures were made.

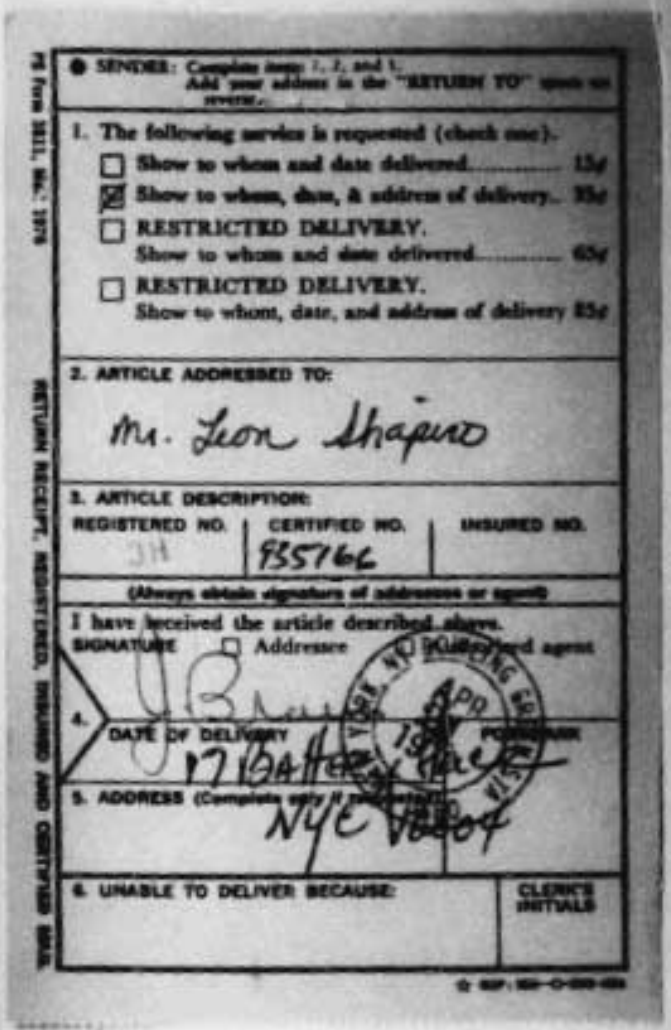
(b) Set forth a list of the persons or groups who attended the event for which the above-mentioned expenditures were made.

(c) Set forth the total amount expended by MEBA-PAF with regard to this event.

(d) Explain the use of the name "N.Y. Labor Committee for Senator Henry Jackson" in MEBA-PAF reports filed with the Commission.

C.1. In response to a question regarding a payment of $2,337.12 to Martin Stationery Co. on May 11, 1976 you note that this expenditure was for "the printing of receipt books used in the solicitation of contributions to Senator Henry Jackson." With regard to this solicitation please provide the following information:

7904012596



● SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
- ☐ Show to whom and date delivered..... 15¢
- ☒ Show to whom, date, & address of delivery.. 35¢
- ☐ RESTRICTED DELIVERY.
  Show to whom and date delivered..... 65¢
- ☐ RESTRICTED DELIVERY.
  Show to whom, date, and address of delivery 85¢

2. ARTICLE ADDRESSED TO:
Mr. Leon Shapiro

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
JH	P35766	

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent

4. DATE OF DELIVERY 17 Battery Place NYC 10004 POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

PS Form 3811, Mar. 1979 RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

7 9 0 4 0 1 2 1 5 9 7

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of Marine Engineers Beneficial Association Political Action Fund (MEBA-PAF)	MUR 260 (76)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on April 12, 1977, the Commission adopted the recommendation of the General Counsel that the letter, requesting additional information, attached to the Memorandum to the Commission, dated April 11, 1977, regarding MUR 260 (76), be sent.

Marjorie W Emmons

Marjorie W. Emmons
Secretary to the Commission

7904012 1598

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

APRIL 12, 1977

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE EMMONS MWE

RE: MUR 260; MUR 266; MUR 351

The General Counsel's reports on the three above-named MURS were circulated to the Commissioners at 4:00 p.m. on April 11, 1977, on a 24-hour no-objection basis.

As of 4:00 p.m. on April 12, 1977, we have received no objections to the General Counsel's recommendations on these reports.

7904012159 9

FEDERAL ELECTION COMMISSION

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

April 11, 1977

MEMORANDUM TO: Commission

FROM: William Oldaker

SUBJECT: MUR 260 (76)

This case involves certain expenditures made by the Marine Engineers Beneficial Association Political Action Fund (MEBA-PAF) for a reception held for Senator Henry Jackson. Although MEBA-PAF reported the reception costs as independent expenditures, Senator Jackson attended the event; thus, there is a question as to whether the expenditures were not in fact contributions-in-kind to Jackson.

In response to questions posed in the Commission's letter of November 22, 1976, MEBA-PAF's counsel states on December 23, 1976, that although Senator Jackson attended the reception, neither he nor his agents were contacted with regard to any of the reception's costs. While mere attendance at an event by the candidate may be enough to imply consent to any related expenditures, and thereby make those expenditures non-independent, answers to follow-up questions might more clearly establish how strong the contacts between MEBA-PAF and Senator Jackson were with respect to the reception.

In addition, there are still some unresolved questions regarding MEBA-PAF's reported expenditures for the "New York Labor Committee for Henry Jackson" and the purchase of receipt books used in soliciting contributions to Senator Jackson. Insufficient information was provided by MEBA-PAF in its December 23rd response to the Commission; therefore, we recommend sending the attached follow-up questions.

[NOTE: The question of MEBA-PAF's affiliation with Labor for Jackson, an unauthorized, single-candidate committee, was raised in the 48-hour report for this case. That issue is dealt with in the General Counsel report for MUR 236 (76).]

7904012160 0

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Leon Shapiro
MEBA-Political Action Fund
17 Battery Place, Room 1930
New York, N.Y. 10004

Re: MUR 260(76)

Dear Mr. Shapiro:

In furtherance of its investigation in the above-referenced matter, the Commission asks that you answer the enclosed questions.

We would appreciate your committee's response to the enclosed questions within 15 days of receipt of this letter, as well as your submission of any other factual or legal materials which you deem relevant to the Commission's investigation of this matter.

This letter shall remain confidential in accordance with 2 U.S.C. §437g(a)(3) unless you state to the Commission in writing that you wish the investigation to be made public. The attorney assigned to this matter is Judith W. Browning (telephone number 202/523-4178).

Sincerely,

William Oldaker
General Counsel

Enclosure

7904012160 1

QUESTIONS

A.1. Set forth the dates, parties involved, and substance of all communications between MEBA/MEBA-PAF and Senator Jackson, his campaign staff, or his Senatorial staff relating to Senator Jackson's attendance at the April, 1976, reception held by MEBA-PAF for Senator Jackson in Baltimore, Maryland.

2. What was the total amount of expenditures made by MEBA-PAF in regard to the April, 1976, Baltimore reception?

3. Were any expenditures made for the Baltimore reception from funds other than those of MEBA-PAF? If so, please list such funds and the amounts expended.

B.1. You state in your letter of December 23, 1976, that you have no knowledge of a "New York Labor Committee for Senator Henry Jackson." However, on reports filed with the Commission, MEBA-PAF shows expenditures on April 6 and 20, 1976, for "Deposit re rental of suite for N.Y. Labor Committee for Sen. Henry Jackson" and "Balance of expenditure re suite for N.Y. Labor Committee for Senator Jackson, plus beverage, food, etc." Therefore, please provide the following information:

(a) Set forth the date and purpose of the event for which the above-mentioned expenditures were made.

(b) Set forth a list of the persons or groups who attended the event for which the above-mentioned expenditures were made.

(c) Set forth the total amount expended by MEBA-PAF with regard to this event.

(d) Explain the use of the name "N.Y. Labor Committee for Senator Henry Jackson" in MEBA-PAF reports filed with the Commission.

C.1. In response to a question regarding a payment of $2,337.12 to Martin Stationery Co. on May 11, 1976 you note that this expenditure was for "the printing of receipt books used in the solicitation of contributions to Senator Henry Jackson." With regard to this solicitation please provide the following information:

7804012160

1) Who took part in the solicitation effort?

2) On what date(s) did the solicitation occur?

3) What persons or group of persons were solicited?

4) How were funds collected from solicitees handled, e.g., were they sent directly to the Jackson Campaign Committee?

790401216003

CC #1172

Law Offices
Markowitz & Glanstein
50 Broadway
New York, N.Y. 10004
Telephone (212) 943-6148

'76 DEC 27 PM 10:22

RICHARD H. MARKOWITZ
JOEL C. GLANSTEIN
STEVEN THALER
ELEANOR E. GLANSTEIN

PHILADELPHIA, PA. OFFICE
MARKOWITZ & KIRSCHNER
1500 WALNUT STREET
PHILADELPHIA, PENNSYLVANIA 19102
215-893-5400

December 23, 1976

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

Re: MUR 260 (76)

Attention: David R. Spiegel, Esquire

764293

Dear Sir:

The undersigned is counsel for the MEBA Political Action Fund, which is in receipt of a communication dated November 22, 1976, from John G. Murphy, Jr., General Counsel of the Federal Election Commission.

That communication states that the Federal Election Commission has determined that it has reason to believe that violations of 2 USC 433(b)(2), 434(b) and 441a(a)(2)(A) have occurred. The MEBA Political Action Fund vehemently denies that it has in any way or in any fashion violated any provision of the Federal Election Campaign Act Amendments of 1976, or of any other applicable statute.

The communication from the Federal Election Commission refers to a purported transfer of a substantial portion of funds from the MEBA Political Action Fund to Labor for Jackson. The letter states that such alleged transfer "may indicate an affiliation of the two committees." There was no such transfer of funds and there is no affiliation between the two committees. The MEBA Political Action Fund made a contribution to Labor for Jackson, as it has made contributions to many other political committees.

The expenditures referred to in the third paragraph of the letter of November 22, 1976, which were made by the MEBA Political Action Fund, did not in any way amount to contributions to the campaign of any candidate for any office. Such expenditures

7904012160 4

were independent expenditures and did not in any way constitute a contribution to any candidate.

In accordance with your request, I am setting forth the answers of the MEBA Political Action Fund to the questions attached to the communication from the Federal Election Commission. These answers set forth in detail the position of the MEBA Political Action Fund and constitute its answer to your inquiries.

You first inquire as to the identity of those persons at the MEBA Political Action Fund who are involved in the process of planning and authorizing payments from the accounts of the MEBA Political Action Fund. You also request the identity of those persons responsible for setting general policy regarding the expenditures of the MEBA Political Action Fund. The planning and authorizing of payments from the MEBA Political Action Fund and the setting of general policy regarding its expenditures is done by the officers of District No. 1-Pacific Coast District, MEBA. These are as follows:

J. M. Calhoon, President
Charles A. Black, Executive Vice President
Leon Shapiro, Secretary-Treasurer
I. A. Lamy, East Coast Vice-President
C. E. DeFries, Gulf Coast Vice President

The decisions of these officers are implemented by all of the above and by Frank Laurito, Chief Accountant of District No. 1-Pacific Coast District, MEBA.

With regard to the expenditures referred to in Question 2 in this communication, the answers to your questions are as follows:

(a) Two receptions were held for Senator Henry Jackson. The first was in October, 1975, and was held for delegates to the AFL-CIO Convention. The second was in April, 1976, and was held in Baltimore, Maryland. The expenditure to the Hyatt on Union Square was for the cost of this reception and the expenditure to Kelly Press was for the printing of invitations to that reception. The expenditure to Schumick Caterers was for the cost of catering at the Baltimore, Maryland reception, and the expenditure to Tadder Associates was for photographic services in connection with the Baltimore, Maryland reception.

(b) No other group shared expenses for these receptions.

7904012160 5

(c) Senator Jackson attended both receptions.

(d) There were no fund raising communications to invitees at either reception.

(e) Senator Jackson or his agents were not contacted in regard to these expenditures.

(f) The reception in San Francisco was attended by delegates to the AFL-CIO Convention. The reception in Baltimore, Maryland was attended by persons residing in the state senatorial districts represented by the state senators for whom the reception was given.

In regard to your Question 3, the answers are as follows:

(a) Neither Senator Henry Jackson nor any of his agents were contacted with regard to these expenditures.

(b) The expenditures paid to Maurer, Fleisher, Zon and Anderson were for work performed in connection with the printing of a pamphlet supporting the candidacy of Senator Henry Jackson. The expenditure to Millennium Group was for the production of buttons supporting Senator Henry Jackson. The expenditure to Martin Stationery Co. was for the printing of receipt books used in the solicitation of contributions to Senator Henry Jackson.

(c) The pamphlets for which an expenditure was made were distributed to members of unions in Massachusetts and Florida. The buttons were distributed to members of District No. 1-Pacific Coast District, MEBA. The receipt books were distributed primarily to officials or representatives of District No. 1-Pacific Coast District, MEBA.

In regard to your Question 4, the answers to your inquiries are as follows:

(a) We have no knowledge of a N. Y. Labor Committee for Senator Henry Jackson. The MEBA Political Action Fund made no expenditure in connection with a suite for any such committee. We are unable to answer your question as we have no knowledge of any such committee.

7904012160 5

(b) The MEBA Political Action fund hosted a hospitality suite at the Essex House in New York City for various trade unionists who had supported the campaign of Senator Henry Jackson.

The above constitute answers to the inquiries contained in the communication sent by the Federal Election Commission to the MEBA Political Action Fund. These answers fully set forth all of the information in our possession. We have no objection to meeting with you for the purpose of giving to you further explanation if you desire it.

You may rest assured that the MEBA Political Action Fund has at all times complied, and will continue to comply fully with the provisions of applicable law. We will be glad to discuss this matter with you in further detail so as to convince you that there is absolutely no basis or justification for the Federal Election Commission to have any cause whatsoever to believe that the MEBA Political Action Fund has violated any provision of the law.

Very truly yours,

Richard H. Markowitz

RHM:ac

7904012160 7

CC #172

RECEIVED
FEDERAL ELECTION
COMMISSION

'76 DEC 27 AM 10:22

Law Offices

Markowitz & Glanstein

50 Broadway

New York, N.Y. 10004

Telephone (212) 943-6148

RICHARD H. MARKOWITZ
JOEL C. GLANSTEIN

STEVEN THALER
ELEANOR E. GLANSTEIN

PHILADELPHIA, PA. OFFICE
MARKOWITZ & KIRSCHNER
1500 WALNUT STREET
PHILADELPHIA, PENNSYLVANIA 19102
215-893-5400

December 23, 1976

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

Re: MUR 260 (76)

Attention: David R. Spiegel, Esquire

764293

Dear Sir:

The undersigned is counsel for the MEBA Political Action Fund, which is in receipt of a communication dated November 22, 1976, from John G. Murphy, Jr., General Counsel of the Federal Election Commission.

That communication states that the Federal Election Commission has determined that it has reason to believe that violations of 2 USC 433(b)(2), 434(b) and 441a(a)(2)(A) have occurred. The MEBA Political Action Fund vehemently denies that it has in any way or in any fashion violated any provision of the Federal Election Campaign Act Amendments of 1976, or of any other applicable statute.

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The expenditures referred to in the third paragraph of the letter of November 22, 1976, which were made by the MEBA Political Action Fund, did not in any way amount to contributions to the campaign of any candidate for any office. Such expenditures

7904012160 3

were independent expenditures and did not in any way constitute a contribution to any candidate.

In accordance with your request, I am setting forth the answers of the MEBA Political Action Fund to the questions attached to the communication from the Federal Election Commission. These answers set forth in detail the position of the MEBA Political Action Fund and constitute its answer to your inquiries.

You first inquire as to the identity of those persons at the MEBA Political Action Fund who are involved in the process of planning and authorizing payments from the accounts of the MEBA Political Action Fund. You also request the identity of those persons responsible for setting general policy regarding the expenditures of the MEBA Political Action Fund. The planning and authorizing of payments from the MEBA Political Action Fund and the setting of general policy regarding its expenditures is done by the officers of District No. 1-Pacific Coast District, MEBA. These are as follows:

J. M. Calhoon, President
Charles A. Black, Executive Vice President
Leon Shapiro, Secretary-Treasurer
I. A. Lamy, East Coast Vice-President
C. E. DeFries, Gulf Coast Vice President

The decisions of these officers are implemented by all of the above and by Frank Laurito, Chief Accountant of District No. 1-Pacific Coast District, MEBA.

With regard to the expenditures referred to in Question 2 in this communication, the answers to your questions are as follows:

(a) Two receptions were held for Senator Henry Jackson. The first was in October, 1975, and was held for delegates to the AFL-CIO Convention. The second was in April, 1976, and was held in Baltimore, Maryland. The expenditure to the Hyatt on Union Square was for the cost of this reception and the expenditure to Kelly Press was for the printing of invitations to that reception. The expenditure to Schumick Caterers was for the cost of catering at the Baltimore, Maryland reception, and the expenditure to Tadder Associates was for photographic services in connection with the Baltimore, Maryland reception.

(b) No other group shared expenses for these receptions.

7904012160 9

(c) Senator Jackson attended both receptions.

(d) There were no fund raising communications to invitees at either reception.

(e) Senator Jackson or his agents were not contacted in regard to these expenditures.

(f) The reception in San Francisco was attended by delegates to the AFL-CIO Convention. The reception in Baltimore, Maryland was attended by persons residing in the state senatorial districts represented by the state senators for whom the reception was given.

In regard to your Question 3, the answers are as follows:

(a) Neither Senator Henry Jackson nor any of his agents were contacted with regard to these expenditures.

(b) The expenditures paid to Maurer, Fleisher, Zon and Anderson were for work performed in connection with the printing of a pamphlet supporting the candidacy of Senator Henry Jackson. The expenditure to Millennium Group was for the production of buttons supporting Senator Henry Jackson. The expenditure to Martin Stationery Co. was for the printing of receipt books used in the solicitation of contributions to Senator Henry Jackson.

(c) The pamphlets for which an expenditure was made were distributed to members of unions in Massachusetts and Florida. The buttons were distributed to members of District No. 1-Pacific Coast District, MEBA. The receipt books were distributed primarily to officials or representatives of District No. 1-Pacific Coast District, MEBA.

In regard to your Question 4, the answers to your inquiries are as follows:

(a) We have no knowledge of a N. Y. Labor Committee for Senator Henry Jackson. The MEBA Political Action Fund made no expenditure in connection with a suite for any such committee. We are unable to answer your question as we have no knowledge of any such committee.

7904012160

(b) The MEBA Political Action fund hosted a hospitality suite at the Essex House in New York City for various trade unionists who had supported the campaign of Senator Henry Jackson.

The above constitute answers to the inquiries contained in the communication sent by the Federal Election Commission to the MEBA Political Action Fund. These answers fully set forth all of the information in our possession. We have no objection to meeting with you for the purpose of giving to you further explanation if you desire it.

You may rest assured that the MEBA Political Action Fund has at all times complied, and will continue to comply fully with the provisions of applicable law. We will be glad to discuss this matter with you in further detail so as to convince you that there is absolutely no basis or justification for the Federal Election Commission to have any cause whatsoever to believe that the MEBA Political Action Fund has violated any provision of the law.

Very truly yours,

Richard H. Markowitz

RHM:ac

7904021611

Markowitz & Glanstein
50 Broadway
New York, N.Y. 10004

7904012161 2

FEDERAL ELECTION COMMISSION

'79 DEC 17 (1) 10:19

REGISTERED
NO. 194175

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

Return Receipt Requested
Showing Address
Where Delivered

Attention: David R. Spiegel, Esquire

REGISTERED
RETURN RECEIPT REQUESTED

15 DEC 1976

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Richard H. Markowitz, Esq.
Markowitz & Glanstein
50 Broadway
New York, N.Y. 10004

Re: MUR 260 (76)

Dear Mr. Markowitz:

This is in response to your letter of December 2, 1976, requesting an extension of time in which to respond in this matter.

While we can appreciate the fact that collecting relevant materials is a more difficult task at this time of year, the Commission is stautorily mandated to proceed expeditiously. We further note that the basis of the Commission's reason to believe determination was indicated in the notification letter and it is our understanding that the materials mentioned therein are all available to you. Therefore, we would appreciate your response to our request for information by the due date originally set in our November 22, 1976, letter.

Needless to say, should you choose to respond before the Commission concludes its investigation in this matter, your response will be given every consideration.

Sincerely yours,

John G. Murphy, Jr.
General Counsel

JBrowning:pjg:12/9/76
cc: Chron file
MUR file
JB

7904012613

Law Offices
Markowitz & Glanstein
50 Broadway
New York, N.Y. 10004
Telephone (212) 943-6148

RECEIVED
FEDERAL ELECTION
COMMISSION

'76 DEC 6 PM 4:19

RICHARD H. MARKOWITZ
JOEL C. GLANSTEIN
STEVEN THALER
ELEANOR E. GLANSTEIN

764048

PHILADELPHIA, PA. OFFICE
MARKOWITZ & KIRSCHNER
1500 WALNUT STREET
PHILADELPHIA, PENNSYLVANIA 19102
215-893-5400

7904012161 4

December 2, 1976

David R. Spiegel, Esquire
Federal Election Commission
1325 K Street, N.W.
Washington, D. C. 20463

Re: MUR 260 (76)

Dear Mr. Spiegel:

The undersigned is counsel for the MEBA Political Action Fund. The letter from John G. Murphy, Jr., General Counsel for the Federal Election Commission, to Mr. Leon Shapiro, Treasurer of the MEBA Political Action Fund, dated November 22, 1976, in regard to the above matter, has been referred to me for reply.

The letter from the Federal Election Commission requests that the MEBA Political Action Fund respond to your questions within 15 days from the date of the receipt of the letter. Unfortunately, your letter was received immediately prior to the Thanksgiving holiday. Moreover, in this busy season the MEBA Political Action Fund is unable to spare the time of its available personnel to review its records in a fashion necessary to answer your questions within that period of time. Thus, we would appreciate an extension of time until December 31, 1976 within which to answer these questions.

It is the position of the MEBA Political Action Fund that some of the statements in this communication are in error. The MEBA Political Action Fund did not transfer any funds to Labor for Jackson and there is certainly no affiliation whatsoever between the MEBA Political Action Fund and Labor for Jackson. Our reports show that the MEBA Political Action Fund made a contribution to this committee and that is the extent of the relationship.

The MEBA Political Action Fund is operated at all times in strict conformity with the Federal Election Campaign Act and its amendments. It has not violated any law. I am sure that our reply to your questions will convince you of that fact.

As you are aware, I spoke to you on the telephone on December 1 and requested an opportunity to meet with you to discuss this communication. You advised me that this was not your normal procedure and you would prefer to have our answer in writing. I will supply such an answer after we have reviewed our records and are able to prepare it. I am sure that our answer will be forwarded to you on or before December 31, 1976.

Very truly yours,

Richard H. Markowitz

RHM:ac

7904012161 5

Markowitz & Glanstein
50 Broadway
New York, N.Y. 10004

'76 DEC 6 PM 4:12

David R. Spiegel, Esquire
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

79040121615

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

November 22, 1976

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Leon Shapiro
MEBA-Political Action Fund
17 Battery Place, Room 1930
New York, New York 10004

Re: MUR 260 (76)

Dear Mr. Shapiro:

This letter is to notify you that, on the basis of information ascertained in the normal oourse of carrying out its supervisory responsibilities, the Federal Election Commission has determined that it has reason to believe that violations of 2 U.S.C. §§433(b)(2), 434(b), and 441a(a)(2)(A) have occurred.

The Commission has determined that the transfer of a substantial portion of funds from MEBA-Political Action Fund to Labor for Jackson may indicate an affiliation of the two committees. Failure to report such affiliation constitutes a violation of 2 U.S.C. §433(b)(2).

In addition, expenditures made by MEBA-Political Action Fund on April 6 and 20, 1976, for rental of a suite for the N.Y. Labor Committee for Senator Henry Jackson, as well as certain expenditures in April, May, and June, 1976, in support of the Jackson campaign may amount to contributions, resulting in violation of 2 U.S.C. §§434(b) and 441a(a)(2)(A).

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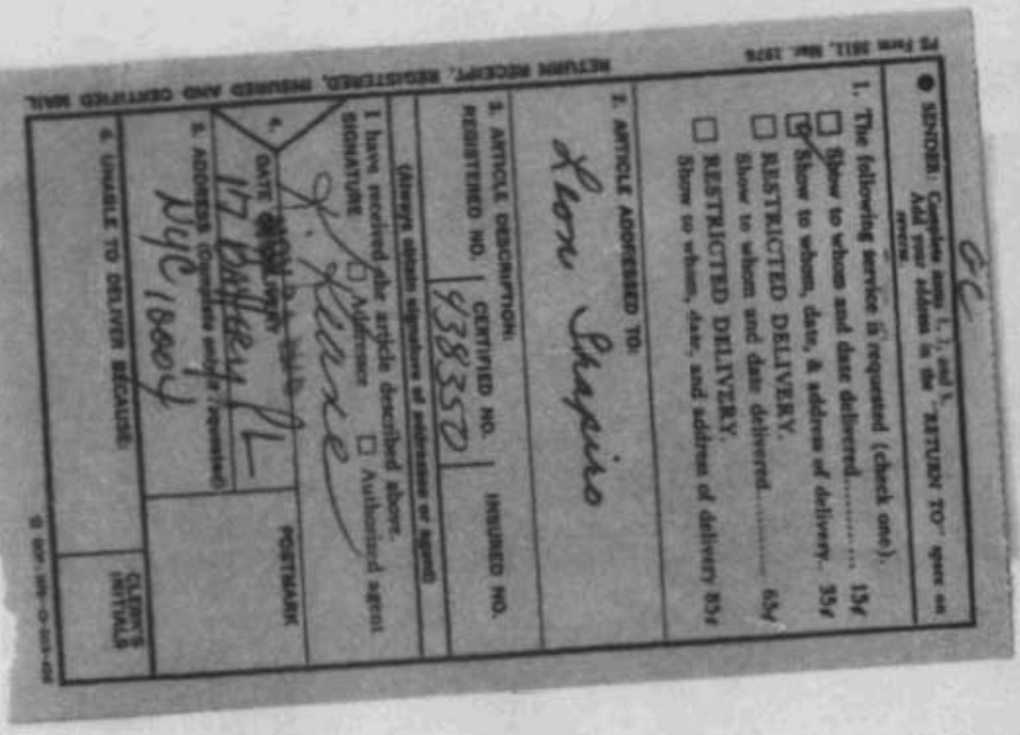
Upon making a determination that there is reason to believe that a violation has occurred, the Commission is required to make an investigation and to afford you a reasonable opportunity to demonstrate that no action should be taken. 2 U.S.C. §437g(a). As part of this process, we would appreciate your committee's response to the attached questions within 15 days of receipt of this letter, as well as your submission of any factual or legal materials which you deem relevant to the Commission's investigation of this matter.

This letter of notification shall remain confidential in accordance with 2 U.S.C. §437g(a)(3) unless you state to the Commission in writing that you wish the investigation to be made public. The attorney assigned to this matter is David R. Spiegel (telephone no. 202/382-4055).

Sincerely yours,

/s/

John G. Murphy, Jr.
General Counsel



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LIST

1. Identify those persons at MEBA-Political Action Fund involved in the process of planning and authorizing payments from MEBA-Political Action Fund's accounts. Also identify those persons responsible for setting general policy regarding MEBA-Political Action Fund expenditures.

2. The following expenditures were made by MEBA-Political Action Fund with respect to receptions in honor of Senator Jackson:

April 2, 1976, $7,287.38 paid to Hyatt on Union Square for hosting a reception re Senator Henry Jackson.

June 4, 1976, $2,912.00 paid to Schumick Caterers for catering costs for reception held for Henry Jackson, April 15, 1976.

June 4, 1976, $125.50 paid to Tadder Associates for photographic services rendered re reception held for Henry Jackson, April 15, 1976.

June 30, 1976, $204.54 paid to Kelly Press for printing costs re Henry Jackson reception, San Francisco, October 1975.

With respect to the above mentioned disbursements, please provide the following information:

(a) a detailed description of the type of expenditures made;

(b) identification of any groups which shared expenses for this reception;

(c) whether Senator Jackson or any of his agents or representatives attended the reception;

(d) a description of any fundraising communications to invitees used for the reception. Include samples of such communications;

(e) was Henry Jackson or any of his agents contacted with regard to these expenditures? If so, explain the nature of the contact and identify persons contacted.

(f) identification of the classes of persons in attendance at the receptions; e.g. members of MEBA-Political Action Fund, members of the general public, etc.

list (Cont'd.)

3. The following expenditures were made by MEBA-Political Action Fund in support of Senator Jackson:

April 12, 1976, $1,108.36 paid to Maurer, Fleisher, Zon and Anderson, for design layout, composition, art and filmwork for pamphlets re Senator Henry Jackson.

April 12, 1976, $200.00, paid to Millennium Group for deposit for order of 10,000 Spring Pin Buttons re Senator Henry Jackson.

April 21, 1976, $160.00 paid to Millennium Group for balance due re buttons re Senator Henry Jackson.

May 11, 1976, $2,337.12 paid to Martin Stationery Co. for printing of receipt books re Henry Jackson.

With respect to the above-mentioned disbursements, please provide the following information:

(a) Was Henry Jackson or any of his agents contacted with regard to these expenditures? If so, explain the nature of these contacts, and identify persons contacted.

(b) Provide a detailed description of the nature of the expenditures.

(c) Identification of the class of persons to whom each of the materials was distributed, e.g., members of MEBA-Political Action Fund, members of the general public, etc.

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4. On April 6 and 20, 1976, MEBA-Political Action Fund made expenditures on Marriotts Essex House relating to a suite for the N.Y. Labor Committee for Senator Henry Jackson. With respect to these disbursements, please provide the following information:

(a) Identification of the committee, including its address, phone number, and the names of its officers.

(b) A detailed description of the purpose of the expenditures.

7904012162 1

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
MEBA-PAF (Marine Engineers) MUR 260 (76)
Beneficial Association)
Political Action Fund))

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on November 16, 1976, the Commission adopted the recommendation of the General Counsel to find reason to believe violations of 2 U.S.C. §434(b) and 2 U.S.C. §441a(a)(2)(A) had been committed in the above-captioned matter.

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

7904012162 2

November 16, 1976

MEMORANDUM FOR: BILL OLDAKER

FROM: MARJORIE EMMONS MWE

RE: MUR 260 (76), MUR 308 (76), MUR 310 (76) and MUR 316 (76)

The above mentioned MURs were transmitted to the Commission on November 15, 1976 at 12:45 p.m.

As of 2:00 p.m. on November 16, 1976, no objections have been received on these MURs.

231 Consent out

7904012162 3

DATE AND TIME OF TRANSMITTAL: 11-15-76

NO. MUR 260 (76)

REC'D: October 6, 1976

FEDERAL ELECTION COMMISSION
Washington, D. C.

Complainant's Name: Internally generated

Respondent's Name: MEBA-PAF (Marine Engineers Beneficial Association Political Action Fund.)

Relevant Statute: 2 U.S.C. §434(b); 2 U.S.C. §433(b)(2); 2 U.S.C. §441a(a)(2)(A) MEBA-PAF.

Internal Reports Checked:

Federal Agencies Checked: None

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SUMMARY OF ALLEGATION

Allegation #1: MEBA-PAF failed to report certain expenditures as contributions-in-kind, thereby violating 2 U.S.C. §434(b)

Allegation #2: MEBA-PAF failed to report affiliation with Labor for Jackson, a violation of 2 U.S.C. §433(b)(2)

Allegation #3: MEBA-PAF exceeded the contribution limits of 2 U.S.C. §441a(a)(2)(A)

PRELIMINARY LEGAL ANALYSIS

Allegation #1: MEBA-PAF is a multi-candidate committe which contributed to and made expenditures on behalf of Henry Jackson's presidential campaign. Its only direct contribution to Jackson was $5,000 transferred to Jackson's principal campaign committee in April, 1976 (See Attachments 1 & 2).

However, MEBA-PAF made certain expenditures which it did not report as contributions-in-kind to Jackson, but whose purposes are suggestive of

(Continuation Sheet)

RECOMMENDATION

Reason to believe violations occurred with respect to allegations 1 - 3. A proposed notification, including specific questions pertaining to the reports is attached. (See Attachment 8).

CONTINUATION SHEET-PRELIMINARY LEGAL ANALYSIS

contributions rather than independent expenditures.

A description of those expenditures follows:

a) In April, May, and June, 1976, MEBA-PAF made expenditures in support of the Jackson campaign totalling $14,334.90. (See Attachments 3-5). It is not clear whether MEBA-PAF intended these expenditures to be "independent" in light of Buckley v. Valeo, 424 U.S. 1 (1976). However, since four of the expenditures involve Jackson receptions, it is reasonable to presume there was cooperation, consultation or concert with the candidate, his principal campaign committee, or agents.

If any of these transactions were made in cooperation, consultation or concert, and assuming the purpose of these expenditures was one which reached an audience beyond the union membership, then MEBA-PAF misreported the expenditures as "independent expenditures" rather than as contributions in kind as per 2 U.S.C. §441a(a)(7)(B). This would result in a reporting violation of 2 U.S.C. §434(b).

b) MEBA-PAF made expenditures totalling $1,876.48 on April 6, and 20, 1976, for the "rental of suite for N.Y. Labor Committee for Senator Henry Jackson" (See Attachment 6). The N. Y. Labor Committee for Senator Henry Jackson is not a registered political committee; thus, one

amounts would be added to MEBA-PAF's $5,000 direct contribution to Jackson (See attachments 1-2), resulting in a violation of the contribution limits (2 U.S.C. §441a(a)(2)(A)). Thus, reason to believe as to allegation #1 gives reason to believe as to this allegation.

7904012162 6

cannot be sure of its status. It may be an unauthorized single-candidate committee making independent expenditures. In the absence of more information on this committee, the $1,876.48 could be a contribution to Jackson.

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Allegation #2: A reporting violation (2 U.S.C. §433(b)(2)) is suggested by a transfer of $20,000 on May 1, 1976, from MEBA-PAF to Labor for Jackson, a non-authorized single-candidate committee. (See Attachment 7). Labor for Jackson's reported receipts totalled $32,500. The Commission, in its proposed regulations, Part 110.3 (a)(1)(iii)(E), has indicated that the transfer of funds between committees which represents a substantial portion of the funds of either the transferor or transferee committee is one of the indicia which establishes affiliation of committees. Although the regulation itself does not apply to the period prior to May 11, 1976, the indicia set forth by the regulations clearly represent an operative interpretation of what is "control or direction" under 18 U.S.C. §610. See Buckley v. Valeo 424 U.S. 1, 28, fn. 31 (1976). Thus affiliation between MEBA-PAF and Labor for Jackson is suggested. Since no affiliation was reported by MEBA-PAF, there is reason to believe a violation of 2 U.S.C. §433(b)(2) has occurred.

Allegation #3: If any of the expenditures described in Attachments 3-6 do not meet the standards for "independent expenditures," the

amounts would be added to MEBA-PAF's $5,000 direct contribution to Jackson (See attachments 1-2), resulting in a violation of the contribution limits (2 U.S.C. §441a(a)(2)(A)). Thus, reason to believe as to allegation #1 gives reason to believe as to this allegation.

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ATTACHMENTS 1 & 2:

MEBA-PAF's $5000 transfer to Jackson for President Committee

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(Full Name of Candidate or Committee)

Part No. 10
(Page for itemizing Part 7, 8, or 10)

SEE REVERSE SIDE FOR INSTRUCTIONS

(Use separate page(s) for each numbered Part)

Date (month, day, year)	Full Name, Mailing Address, and ZIP Code	Occupation and Principal Place of Business, if any (If self-employed, also check box)	Amount of Expenditure This Period
4/9/75	McFall for Congress Committee 146 N. Grant Street	Political Committee ☐ Aggregate Year-to-Date $	This period $ 500.00
	Manteca, Calif. 95336 John J. McFall, Treas.	☐ Aggregate Year-to-Date $	This period $
4/9/75	Howard W. Cannon Dinner Committee P.O. Box 1230	Political Committee ☐ Aggregate Year-to-Date $	This period $ 5,000.00
3 88	Washington, D. C. 20510 Jerry Mack, Treas.	☐ Aggregate Year-to-Date $	This period $
4/11/75	Jackson for President 511 2nd Street N.E. Washington, D.C. 20002	Political Committee ☐ Aggregate Year-to-Date $	This period $ 1,000.00
	Walter T. Skallerup, Treas.	☐ Aggregate Year-to-Date $	This period $
4/16/75	Communications Fund For Congressman Charles H. Wilson P.O. Box 1253	Political Committee ☐ Aggregate Year-to-Date $	This period $ 500.00
	Washington, D. C. 20013 John J. Moorcones, Treas.	☐ Aggregate Year-to-Date $	This period $
/16/75	Blouin for Congress Committee 7809 Beard Court	Political Committee ☐ Aggregate Year-to-Date $	This period $ 500.00
	Falls Church, Va. 22043 John Baker, Treas.	☐ Aggregate Year-to-Date $	This period $
/28/75	Friends of Glenn Beall 901 6th St., N.W. (No. 308A) Washington, D. C. 20024 Anne Hopkins, Treas.	Political Committee ☐ Aggregate Year-to-Date $	This period $ 5,000.00

TOTAL THIS PERIOD _____
(Last page of this Part only)

SF REVERSE SIDE FOR INSTRUCTIONS

(Use separate page(s) for each numbered Part)

Date (month, day, year)	Full Name, Mailing Address, and ZIP Code	Occupation and Principal Place of Business, if any (If self-employed, also check box)	Amount of Expenditure This Period
4/28/75	Committee to Elect Henry J. Nowak to Congress 108 Vern Lane	Political Committee ☐ Aggregate Year-to-Date $	This period $ 500.00
	Cheektowaga, N.Y. 14227 James F. Schmidt, Treas.	☐ Aggregate Year-to-Date $	This period $
4/30/75	Democratic Congressional Dinner Committee 4200 Washington Hilton Hotel	Political Committee ☐ Aggregate Year-to-Date $	This period $ 5,000.00
	Washington, D. C. 20009 Aiden Kirwin, Treas.	☐ Aggregate Year-to-Date $	This period $
4/30/75	Jackson For President 511 2nd St., N.E. Washington, D. C. 20002	Political Committee ☐ Aggregate Year-to-Date $ 5,000.00	This period $ 4,000.00
	Walter T. Skallerup, Treas.	☐ Aggregate Year-to-Date $	This period $
3/6/75	Friends of Bill Anderson Committee 135 North Carolina Avenue, S.E.	Political Committee ☐ Aggregate Year-to-Date $	This period $ 5,000.00
	Wash. D.C. 20003 Carmen Cavalieri, Treas.	☐ Aggregate Year-to-Date $	This period $
3/1/75	McGee for Senate Committee 1211 Connecticut Ave., N.W. Washington, D.C. 20036	Political Committee ☐ Aggregate Year-to-Date $	This period $ 2,500.00
	William C. Dell, Sr., Treas.	☐ Aggregate Year-to-Date $	This period $
3/5/75	Citizens Committee for District Attorney John Mamoulides 3000 Kingman St. (Rm.108) Metairie, La. 70002 Barry Trinchard, Chairman	Political Committee ☐ Aggregate Year-to-Date $	This period $ 120.00

TOTAL THIS PERIOD _____
(Last page of this Part only)

ATTACHMENT #2

ATTACHMENTS 3-5 :

MEBA-PAF expenditures in support of Jackson campaign

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...ary 1976
...eral Election Commission
...5 K Street, N.W.
...ington, D.C. 20463

for Lines 20, 21, 22, and/or 23 of FEC Form 3

(see instructions on back)

(Use separate schedule(s) for each numbered line).

Name of Candidate or Committee in full

M.E.B.A. POLITICAL ACTION FUND

Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
Marriotts Essex House 160 Central Park South New York, N.Y. 10019	Deposit re rental of suite for N.Y. Labor Committee for Sen. Henry Jackson	4-6-76	700.00
Worldwide Mail Service, Co., Inc. 34 Hubert Street New York, N.Y. 10013	Deposit for direct mail costs re mailing of literature to members re Sen. Henry Jackson	4-1-76	2,600.00
Hyatt on Union Square San Francisco, California 94108	Hosted reception re Senator Henry Jackson	4-2-76	7,287.38
Maurer, Fleisher, Zon & Anderson, Inc. 1120 Connecticut Ave., N.W. Washington, D. C. 20036	Purpose of Expenditure Writing Design, Layout, Composition, Art & Film work for pamphlets re Sen. Henry Jackson	4-12-76	1,108.36
Millennium Group 1007 Filbert Street Philadelphia, Pa. 19107	Deposit for order of 10,000 Spring Pin Buttons re Sen. Henry Jackson	4-12-76	200.00
Marriotts Essex House 160 Central Park South New York, N.Y. 10019	Balance of expenditure re suite for N.Y. Labor Committee for Sen. Jackson, plus beverage, food, etc.	4-20-76	1,176.48
William Fast c/o District No. 1-PCD, MEBA 201 S.W. Arthur (Rm.#212) Portland, Oregon 97201	Reimbursed travel expenses re Washington State COPE meetings	4-20-76	220.00
The Millennium Group 1007 Filbert Street Philadelphia, Pa. 19107	Balance due re buttons re Senator Henry Jackson	4-21-76	160.00

Subtotal of expenditures this page (optional) ▶ $ 13,452.22

Total this period (last page this line number only) ▶ $

Page

ATTACHMENT #3

Federal Election Commission 325 K Street, N.W. Washington, D.C. 20463	for Lines 20, 21, 22, and/or 23 of FEC Form 3 (see instructions on back)	(Use separate schedule(s) for each numbered line).

Name of Candidate or Committee in full

M.E.B.A. POLITICAL ACTION FUND

2.

Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
Martin Stationery Co. 71 Murray Street New York, N.Y. 10007	Printing of Receipt Books Re: Jimmy Carter	6-4-76	1,750.53
Schunick Caterers, Inc. Greenmount & Eager Sts. Baltimore, Maryland	Catering costs for Reception held for Henry Jackson 4-15-76	6-4-76	2,912.00
Tadder Associates, Inc. 501 St. Paul Place Baltimore, Maryland 21202	Photographic Services rendered re Reception held for Henry Jackson-4/15/76	6-4-76	125.50
Maurer, Fleisher, Zon & Anderson, Inc 1120 Connecticut Ave., N.W. Washington, D. C. 20036	Design, Artwork Letterheads, etc. Re Lanny Davis for Congress	6-4-76	128.42
Joseph S. Miller 210 A Street Washington, D. C. 20002	Public Relations Reimbursed Expenses May, 1976	6-9-76	1,205.32
Joseph S. Miller 210 A Street Washington, D. C. 20002	Public Relations Retainer-June, 1976	6-30-76	2,163.32
Joseph S. Miller 210 A Street Washington, D. C. 20002	Public Relations Reimbursed Expenses June, 1976	6-30-76	412.00
Kelly Press, Inc. 5788 2nd St. N.E. Washington, D. C. 20011	Printing Costs Re: Henry Jackson Reception-San Francisco 10/75	6-30-76	204.54
Subtotal of expenditures this page (optional) ▶			$8,901.63
Total this period (last page this line number only) ▶			$8,901.63

...2 K Street, N.W.
...shington, D.C. 20463

For Lines 20, 21, 22, and/or 23 of FEC Form 3
(see instructions on back)

Use separate schedule(s) for each numbered line.

Name of Candidate or Committee in full
M.E.B.A. POLITICAL ACTION FUND

3

Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
Martin Stationery Co. 71 Murray Street New York, New York 10007	Printing of Receipt Books- Re: Henry Jackson	5-11-76	$ 2,337.12
Computer Programming & Systems, Inc. 1014 Hope Street Stamford, Connecticut 06907	Political Action Fund Mailing to Membership & Retirees re: Henry Jackson	5-17-76	$ 1,760.00
Tanner Products Company 5044 Westminster St. Louis, Mo. 63108	Campaign Buttons & Bumper strips Re: Jimmy Carter	5-27-76	$ 767.00
Joseph S. Miller 210 'A' Street, N.E. Washington, D. C. 20002	Public Relations Retainer -May,1976	5-28-76	$ 2,163.32

Subtotal of expenditures this page (optional) ▶ $ 7,027.44

Total this period (last page this line number only) ▶ $ 7,027.44

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ATTACHMENT #5

ATTACHMENT 6:

MEBA-PAF's expenditures for rental of suite for N.Y. Labor Committee for Senator Henry Jackson

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...ry 1976
...ral Election Commission
...K Street, N.W.
...ington, D.C. 20463

for Lines 20, 21, 22, and/or 23 of FEC Form 3
(see instructions on back)

(Use separate schedule(s) for each numbered line).

Name of Candidate or Committee in full

M.E.B.A. POLITICAL ACTION FUND

Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
Marriotts Essex House 160 Central Park South New York, N.Y. 10019	Deposit re rental of suite for N.Y. Labor Committee for Sen.Henry Jackson	4-6-76	700.00
Worldwide Mail Service, Co., Inc. 34 Hubert Street New York, N.Y. 10013	Deposit for direct mail costs re mailing of literature to members re Sen. Henry Jackson	4-1-76	2,600.00
Hyatt on Union Square San Francisco, California 94108	Hosted reception re Senator Henry Jackson	4-2-76	7,287.38
Maurer, Fleisher, Zon & Anderson, Inc. 1120 Connecticut Ave., N.W. Washington, D. C. 20036	Writing Design, Layout, Composition, Art & Film work for pamphlets re Sen. Henry Jackson	4-12-76	1,108.36
Millennium Group 1007 Filbert Street Philadelphia, Pa. 19107	Deposit for order of 10,000 Spring Pin Buttons re Sen.Henry Jackson	4-12-76	200.00
Marriotts Essex House 160 Central Park South New York, N.Y. 10019	Balance of expenditure re suite for N.Y. Labor Committee for Sen. Jackson, plus beverage, food, etc.	4-20-76	1,176.48
William Fast c/o District No. 1-PCD, MEBA 201 S.W. Arthur (Rm.#212) Portland, Oregon 97201	Reimbursed travel expenses re Washington State COPE meetings	4-20-76	220.00
The Millennium Group 1007 Filbert Street Philadelphia, Pa. 19107	Balance due re buttons re Senator Henry Jackson	4-21-76	160.00
Subtotal of expenditures this page (optional) ▶			$ 13,452.22
Total this period (last page this line number only) ▶			$

Page

ATTACHMENT #6

ATTACHMENT 7:

MEBA-PAF transfer to Labor for Jackson

7904012163 8

Name of Candidate or Committee in full

Labor for Jackson Committee

Full Name, mailing address and ZIP code	Occupation	Date (month, day, year)	Amount of each receipt this period
Sheet Metal Workers Political Action League Jackson Fund 1750 New York Avenue, N. W. Washington, D. C. 20006			
Principal place of business 1750 New York Avenue, N. W. Washington, D. C. 20006	Political Committee ☐ Check if Contributor is self-employed Aggregate Year-to-Date ▶ $	4/14/76	$ 7,500.00
Full Name, mailing address and ZIP code NEBA Political Action Fund 17 Battery Place New York, New York 10004			
Principal place of business 17 Battery Place New York, New York 10004	Political Committee ☐ Check if Contributor is self-employed Aggregate Year-to-date ▶ $	5/5/76	$20,000.00
Full Name, mailing address and ZIP code Engineers Political Education Committee 1125 - 17th Street, N. W. Washington, D. C. 20036			
Principal place of business 1125 - 17th Street, N. W. Washington, D. C. 20036	Political Committee ☐ Check if Contributor is self-employed Aggregate Year-to-date ▶ $	6/30/76	$ 5,000.00
Full Name, mailing address and ZIP code			
Principal place of business	Occupation ☐ Check if Contributor is self-employed Aggregate Year-to-date ▶ $		
Full Name, mailing address and ZIP code			
Principal place of business	Occupation ☐ Check if Contributor is self-employed Aggregate Year-to-date ▶ $		
Full Name, mailing address and ZIP code			
Principal place of business	Occupation ☐ Check if Contributor is self-employed Aggregate Year-to-date ▶ $		
Subtotal of receipts this page (optional) ▶			$
Total this period (last page this line number only) ▶			$32,500.00

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ATTACHMENT 7

ATTACHMENT # 8

Letter of notification to MEBA-PAF, including specific questions pertaining to reports.

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CCH 876
MUR 260

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

October 6, 1976

MEMORANDUM

TO: Bill Oldaker

THROUGH: Drew McKay

FROM: Michael Hershman

SUBJECT: MEBA-PAF VIOLATIONS

Attached is a preliminary report, for your information and action, on the Marine Engineers Beneficial Association. On the basis of our report, it appears that there may be reporting and contribution limitation violations.

We would like to meet with you at your earliest convenience to discuss the scope of this matter and to determine what additional information you may require.

7904012164 1

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

October 6, 1976 Re: IS#11

MEMORANDUM

TO: Drew McKay

THROUGH: Michael Hershman
Fred Rayano

FROM: Keith A. Vance

SUBJECT: MARINE ENGINEERS BENEFICIAL ASSOCIATION POLITICAL ACTION FUND VIOLATIONS

We conducted a routine review of records and reports within the Commission filed by the Marine Engineers Beneficial Association (MEBA), and its designated affiliate, the Professional Air Traffic Controllers Organization Political Action Committee (PATCO-PAC) (see Attachment #1), relative to expenditures made on behalf of the Honorable Henry Jackson.

The reports reflect the following:

On April 2, 1976, PATCO-PAC made a transfer in the amount of $2,500.00 to Henry Jackson (see Attachment #2).

On April 11, 1976, MEBA made a transfer to the Jackson for President Committee (JFPC), Henry Jackson's principal campaign committee, in the amount of $1,000.00 (see Attachment #3).

On April 30, 1976, MEBA made a transfer to JFPC in the amount of $4,000.00 (see Attachment #4).

Thus, during the month of April, 1976, MEBA and PATCO-PAC made total transfers to the Honorable Henry Jackson and JFPC in the amount of $7,500.00, which may be in excess of the contribution limitations specified in 2 U.S.C. Section 441a(a)(2)(A).

The May 10, 1976 report filed by MEBA indicates expenditures in the amount of $1,876.48, regarding "rental of suite" for a N.Y. Labor

7904012164 2

Committee for Sen. Henry Jackson (see Attachment #5). N.Y. Labor Committee for Sen. Henry Jackson has not been identified in MEBA's registration or amendments as an affiliated organization. A review of the registered political committees did not disclose any political committee named "N.Y. Labor Committee for Sen. Henry Jackson." If MEBA and N.Y. Labor Committee for Sen. Henry Jackson are affiliated, MEBA has not amended its registration forms as required by 2 U.S.C. Section 433(c). In addition, there may be a violation of 2 U.S.C. Section 433(b)(2) which requires a political committee to list the name, address and relationship of affiliated or connected organizations on its statement of organization.

On May 1, 1976, MEBA made a transfer of $20,000.00 to Labor for Jackson (see Attachment #6), an unauthorized registered single-candidate committee, with total receipts of $32,500.00 (see Attachment #7). Since the transfer of $20,000.00 between MEBA and Labor for Jackson represents a substantial portion (61%) of Labor for Jackson's funds, the conclusion may be made that both MEBA and Labor for Jackson are affiliated organizations. However, Labor for Jackson has not been identified in MEBA's registration or amendments as an affiliated organization in accordance with 2 U.S.C. Section 433(b)(2). Furthermore, MEBA has not amended its registration forms as required by 2 U.S.C. Section 433(c).

Since the $20,000.00 transfer to Labor for Jackson was made by MEBA prior to May 11, 1976, and if the Labor for Jackson Committee is affiliated with JFPC, the payment would be in excess of the contribution limitations specified in 2 U.S.C. Section 441a(a)(2).

Although partisan efforts by segregated funds are not in violation of the Federal Election Campaign Act, I note the following for informational purposes.

The statement of organization filed with the Commission by Labor for Jackson on April 16, 1976, designates Henry Jackson as the only candidate it is supporting. Reports filed with the Commission indicate total expenditures by Labor for Jackson in the amount of $30,704.55 (see Attachment #8).

On April 2, 1976, MEBA made an expenditure designated as "Hosted reception re Senator Henry Jackson," in the amount of $7,287.38 (see Attachment #5).

On April 12, 1976, MEBA made an expenditure of $1,108.36 for work concerning pamphlets relating to Henry Jackson (see Attachment #5).

On April 12 and 21, 1976, MEBA made expenditures for ordering "10,000 Spring Pin Buttons re Sen. Henry Jackson" in the amounts of $200.00 and $160.00, respectively (see Attachment #5).

7904012164 3

On June 4, 1976, MEBA made expenditures in the amount of $3,037.50 for a reception on behalf of Jackson (see Attachment #9).

Again, on June 30, 1976, MEBA made an expenditure in the amount of $204.54, for a Jackson reception (see Attachment #9).

On May 11, 1976, MEBA made an expenditure in the amount of $2,337.12 for "Printing of receipt books for Jackson" (see Attachment #10).

In retrospect, MEBA has made expenditures totalling $54,415.93 on behalf of the Honorable Henry Jackson.

7904012164 4

UNITED STATES HOUSE OF REPRESENTATIVES

Office of the Clerk
Washington, D.C.

FEDERAL ELECTION COMMISSION

REGISTRATION FORM AND STATEMENT OF ORGANIZATION FOR A POLITICAL COMMITTEE

'75 JUL 14 12 23

☐ New Registration
☑ Registration Amendment

I.D. # HR 032352

SEE REVERSE SIDE FOR ADDITIONAL INSTRUCTIONS
ALL QUESTIONS MUST BE ANSWERED FOR NEW REGISTRATIONS

1. Full name of committee: PATCO Political Action Committee

Mailing address and ZIP code: 2100 M Street, NW, Suite 706, Washington, D. C. 20037

Telephone number: (202) 296-6444

2. Affiliated or connected organizations:

Name of affiliated or connected organization	Mailing address and ZIP code	Relationship
Professional Air Traffic Controllers Organization, Affiliated with MEBA, AFL-CIO	2100 M Street, N. W. Washington, D. C. 20037	An organization whose primary purpose is to support the reporting committee.

3. Area, scope and jurisdiction of the committee:
   (a) Will this committee operate in more than one State? YES
   (b) Will it operate on a statewide basis in one State? NO
   (c) Will it primarily support candidates seeking State or local office? NO
   (d) Will it support a candidate for the U.S. House of Representatives in an aggregate amount in excess of $1,000 during the calendar year? UNKNOWN

4. (a) If the committee is supporting individual candidates for the U.S. House of Representatives, list each candidate by name, address, office sought, and party affiliation:

Full names of candidates	Mailing address and ZIP code	State and Congressional District	Party
SEE ATTACHED SCHEDULE II			

(b) List by name, address, office sought, and party affiliation, any candidate for other Federal or public office that this committee is supporting:

Full names of candidates	Mailing address and ZIP code	Office sought	Party
SEE ATTACHED SCHEDULE I			

5. If this committee is supporting the entire ticket of a party, give name of party: .....

*Submit additional information on separate continuation sheets appropriately labeled and attached to this Statement of Organization. Indicate in the appropriate box above when information is continued on separate page(s).

Revised January 1974

U.S. GOVERNMENT PRINTING OFFICE : 1974—O-26-770

H.R. ELECTION FORM 1

ATTACHMENT #1

7904012164S

Schedule B
January 1976
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Itemized Expenditures
Campaign Fundraising, Loans, and Transfers
for Lines 20, 21, 22, and/or 23 of FEC Form 3
(see instructions on back)

Page 1 of 2 for
LINE NUMBER 23B
(Use separate schedule(s) for each numbered line).

Name of Candidate or Committee in full

PATCO POLITICAL ACTION COMMITTEE

Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
Lanny Davis Citizens for Davis 11137 Georgia Ave. Silver Spring, MD 20902 Michele Davidson, Treas.	Congressional Candidate	4/02/76	250.00
Robert C. Nix Robert Nix Campaign Committee P. O. Box 144 Dickerson, MD 20753 Max T. Lloyd, Treas.	Congressional Candidate	4/02/76	500.00
Henry Jackson 511 Second Street, N.E. Washington, D. C. 20002 Walter Skallerup, Treas.	Presidential Candidate	4/02/76	2500.00
Morris Udall Udall 76 Campaign 401 C Street, NE Washington, D. C. 20002 Stanley Kurz, Treas.	Presidential Candidate	4/02/76 4/12/76	1000.00 3000.00
Patrica Schroeder Schroeder for Congress Committee 2000 Gaylord Denver, CO 80205 Michael Driver, Treas.	Congressional Candidate	4/12/76	500.00
Charles H. Wilson Charles H. Wilson Campaign Committee P. O. Box 1968 Washington, D. C. 20013 John Moorcones, Treasurer	Congressional Candidate	4/12/76	500.00
Admiral Elmo Zumwalt Virginians for Zumwalt P. O. Box 562 Richmond, VA 23204 Malcolm S. Wine, Treas.	Senatatorial Candidate	4/12/76	500.00
Barry Goldwater, Jr. Goldwater Committee P. O. Box 23413, L'Enfant Plaza St. Washington, D. C. 20024 Lale Prince, Treas.	Congressional Candidate	4/12/76	500.00

Subtotal of expenditures this page (optional) ▶ $ 9250.00

Total this period (last page this line number only) ▶ $

ATTACHMENT #2

7900401216

ITEMIZED EXPENDITURES—PERSONAL SERVICES, LOANS, AND TRANSFERS

MEBA POLITICAL ACTION FU

(Full Name of Candidate or Committee)

Part No. 10

(Use for itemizing Part 7, 8, or 10)

SEE REVERSE SIDE FOR INSTRUCTIONS

(Use separate page(s) for each numbered Part)

Date (month, day, year)	Full Name, Mailing Address, and ZIP Code	Occupation and Principal Place of Business, if any (If self-employed, also check box)	Amount of Expenditure This Period
4/9/75	McFall for Congress Committee 146 N. Grant Street	Political Committee ☐ Aggregate Year-to-Date $	This period $ 500.00
	Manteca, Calif. 95336 John J. McFall, Treas.	☐ Aggregate Year-to-Date $	This period $
4/9/75	Howard W. Cannon Dinner Committee P.O. Box 1230	Political Committee ☐ Aggregate Year-to-Date $	This period $ 5,000.00
	Washington, D. C. 20510 Jerry Mack, Treas.	☐ Aggregate Year-to-Date $	This period $
4/11/75	Jackson for President 511 2nd Street N.E. Washington, D.C. 20002	Political Committee ☐ Aggregate Year-to-Date $	This period $ 1,000.00
	Walter T. Skallerup, Treas.	☐ Aggregate Year-to-Date $	This period $
4/16/75	Communications Fund For Congressman Charles H. Wilson P.O. Box 1253	Political Committee ☐ Aggregate Year-to-Date $	This period $ 500.00
	Washington, D. C. 20013 John J. Moorcones, Treas.	☐ Aggregate Year-to-Date $	This period $
4/16/75	Blouin for Congress Committee 7809 Beard Court	Political Committee ☐ Aggregate Year-to-Date $	This period $ 500.00
	Falls Church, Va. 22043 John Baker, Treas.	☐ Aggregate Year-to-Date $	This period $
4/28/75	Friends of Glenn Beall 901 6th St., N.W. (No. 308A) Washington, D. C. 20024 Anne Hopkins, Treas.	Political Committee ☐ Aggregate Year-to-Date $	This period $ 5,000.00

TOTAL THIS PERIOD _____
(Last page of this Part only)

Revised January 1974

ATTACHMENT #3

ITEMIZED EXPENDITURES—PERSONAL SERVICES, LOANS, AND TRANSFERS

MEBA POLITICAL ACTION FUND

(Full Name of Candidate or Committee)

Part No. 10

(Use for itemizing Part 7, 8, or 10)

SEE REVERSE SIDE FOR INSTRUCTIONS

(Use separate page(s) for each numbered Part)

Date (month, day, year)	Full Name, Mailing Address, and ZIP Code	Occupation and Principal Place of Business, if any (If self-employed, also check box)	Amount of Expenditure This Period
4/28/75	Committee to Elect Henry J. Nowak to Congress 108 Vern Lane	Political Committee ☐ Aggregate Year-to-Date $	This period $ 500.00
	Cheektowaga, N.Y. 14227 James F. Schmidt, Treas.	☐ Aggregate Year-to-Date $	This period $
4/30/75	Democratic Congressional Dinner Committee 4200 Washington Hilton Hotel	Political Committee ☐ Aggregate Year-to-Date $	This period $ 5,000.00
	Washington, D. C. 20009 Aiden Kirwin, Treas.	☐ Aggregate Year-to-Date $	This period $
4/30/75	Jackson For President 511 2nd St., N.E. Washington, D. C. 20002	Political Committee ☐ Aggregate Year-to-Date $ 5,000.00	This period $ 4,000.00
	Walter T. Skallerup, Treas.	☐ Aggregate Year-to-Date $	This period $
3/1/75	Friends of Bill Anderson Committee 135 North Carolina Avenue S.E.	Political Committee ☐ Aggregate Year-to-Date $	This period $ 5,000.00
	Wash. D.C. 20003 Carmen Cavalieri, Treas.	☐ Aggregate Year-to-Date $	This period $
3/1/75	McGee for Senate Committee 1211 Connecticut Ave., N.W. Washington, D.C. 20036	Political Committee ☐ Aggregate Year-to-Date $	This period $ 2,500.00
	William C. Dell, Sr., Treas.	☐ Aggregate Year-to-Date $	This period $
3/5/75	Citizens Committee for District Attorney John Mamoulides	Political Committee ☐ Aggregate Year-to-Date $	This period $ 120.00
	3000 Kingman St. (Rm.108) Metairie, La. 70002 Barry Trinchard, Chairman		TOTAL THIS PERIOD (Last page of this Part only)

Revised January 1974

ATTACHMENT #4

Schedule B
January 1976
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Itemized Expenditures
Campaign Fundraising, Loans, and Transfers
for Lines 20, 21, 22, and/or 23 of FEC Form 3

(see instructions on back)

Page 1 of 2 for
LINE NUMBER 20
(Use separate schedule(s) for each numbered line).

Name of Candidate or Committee in full

M.E.B.A. POLITICAL ACTION FUND

Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
Marriotts Essex House 160 Central Park South New York, N.Y. 10019	Deposit re rental of suite for N.Y. Labor Committee for Sen.Henry Jackson	4-6-76	700.00
Worldwide Mail Service, Co., Inc. 34 Hubert Street New York, N.Y. 10013	Deposit for direct mail costs re mailing of literature to members re Sen. Henry Jackson	4-1-76	2,600.00
Hyatt on Union Square San Francisco, California 94108	Hosted reception re Senator Henry Jackson	4-2-76	7,287.38
Maurer, Fleisher, Zon & Anderson, Inc. 1120 Connecticut Ave., N.W. Washington, D. C. 20036	Writing Design, Layout, Composition, Art & Film work for pamphlets re Sen. Henry Jackson	4-12-76	1,108.36
Millennium Group 1007 Filbert Street Philadelphia, Pa. 19107	Deposit for order of 10,000 Spring Pin Buttons re Sen.Henry Jackson	4-12-76	200.00
Marriotts Essex House 160 Central Park South New York, N.Y. 10019	Balance of expenditure re suite for N.Y. Labor Committee for Sen. Jackson, plus beverage, food, etc.	4-20-76	1,176.48
William Fast c/o District No. 1-PCD, MEBA 201 S.W. Arthur (Rm.#212) Portland, Oregon 97201	Reimbursed travel expenses re Washington State COPE meetings	4-20-76	220.00
The Millennium Group 1007 Filbert Street Philadelphia, Pa. 19107	Balance due re buttons re Senator Henry Jackson	4-21-76	160.00
Subtotal of expenditures this page (optional) ▶			$ 13,452.22
Total this period (last page this line number only) ▶			$

7 7 0 8 0 1 5 2 1 9 6 3 4 6

Page

ATTACHMENT #5

Schedule B
January 1976
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Itemized Expenditures
Campaign Fundraising, Loans, and Transfers
for Lines 20, 21, 22, and/or 23 of FEC Form 3
(see instructions on back)

Page ___ of ___ for

LINE NUMBER 23

(Use separate schedule(s) for each numbered line).

Name of Candidate or Committee in full

M.E.B.A. POLITICAL ACTION FUND

Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
Labor for Jackson 2727 29th St., N.W. Washington, D. C. 20008 Edward J. Carlough, Treasurer	Contribution to Labor Committee	5-1-76	$ 20,000.00
Committee for the ReElection of Senator Hartke P.O. Box 4406 Indianapolis, Indiana 46204 Frank W. Otten, Treasurer	Contribution to Political Committee	5-1-76	$ 1,500.00
Brown for President Committee P.O. Box 67457 Los Angeles, Calif. 90067 Marina R. Pfaelzer, Treasurer	Contribution to Political Committee	5-4-76	$ 5,000.00
Democratic Congressional Dinner Committee The Washington Hilton (Suite 4200) Washington, D. C. 20009	Contribution to Political Committee	5-7-76 5-14-76	$ 5,000.00 $ 2,500.00
Jimmy Carter Presidential Campaign Committee P.O. Box 1976 Atlanta, Georgia 30301 R. J. Lipshutz, Treasurer	Contribution to Political Committee	5-10-76	$ 5,000.00
Richard C. White Congressional Club P.O. Box 165 El Paso, Texas 79942 William Baker Hardie, Treasurer	Contribution to Political Committee	5-11-76	$ 500.00
People Who Care About San Francisco 55 Jordan Avenue San Francisco, Calif. 94118 Lawrence E. Meyers, Treasurer	Contribution to Political Committee	5-17-76	$ 1,000.00
Abzug for Senate 25 W. 57th Street New York, N.Y. 10019 Clair Chase, Treasurer	Contribution to Political Committee	5-26-76	$ 5,000.00
Subtotal of expenditures this page (optional) ▶			$ 45,500.00
Total this period (last page this line number only) ▶			$

Page

ATTACHMENT #6

FEC Form 3
January 1976
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Report of Receipts and Expenditures for Candidate or Committee Supporting any Candidate(s) for Nomination or Election to Federal Office

AM 10:20

Note: *Committees authorized by a candidate to receive contributions and make expenditures in connection with more than one election must maintain separate records with respect to each election.*

1(a) Name of Candidate or Committee (in full)
Labor for Jackson Committee

2 Identification Number
C 00 032240

(b) Address (number and street)
2727 - 29th Street, N. W., #505

3(a) Is this a report of receipts and expenditures for only one election? ☐ Yes XX No

(b) If "Yes," for which election?
_____ on _____
(General, Primary, Runoff) (Date)

(c) City, State and ZIP code
Washington, D. C. 20008

4 Type of Report (Check appropriate box and complete, if applicable)
(a) ☐ Amendment
(b) ☐ April 10 Report
(c) ☐ July 10 report
(d) ☐ October 10 report
(e) ☐ January 31 Report
(f) ☐ Alternative Monthly Report
(g) XX Termination

(h) ☐ Tenth day report preceding _____ election on _____ in the state of _____
(primary, general or convention) (date)

(i) ☐ Thirtieth day report following _____ election on _____ in the state of _____
(primary, general or convention) (date)

Committee Summary of Receipts and Expenditures

5 Covering Period: From 7/1/76 Through 8/24/76

Section A - Cash Balance Summary	Column A This Period	Column B Calendar Year-To-Date
6 Cash on hand January 1, 19 76		$ - 0 -
7 Cash on hand at beginning of reporting period	$ 1,795.45	
8 Add total receipts (from line 19)	$ - 0 -	$ 32,500.00
(a) Subtotal	$ - 0 -	$ 32,500.00
9 Subtract total expenditures (From line 24)	$ 1,795.45	$ 32,500.00
10 Cash on hand at close of reporting period	$ - 0 -	$ - 0 -
11 Contributed items on hand to be liquidated (attach itemized list) $ _____		
Section B - Presidential Campaign Expenditures Subject to Limitation - Summary (Applies Only To Presidential Candidates Receiving Federal Funds)		
12 Operating expenditures (from line 20)	$	$
13 Less Refunds and Rebates (from line 17)	$	$
14 (a) Expenditures subject to limitation	$	$
(b) Expenditures from prior years subject to limitation		$
(c) Total expenditures subject to limitation		$

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

Edward J Carlough
(Signature of Treasurer or Candidate)

8/24/76
(Date)

Note: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. §441 (text on reverse side of form).

For further information Contact: Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

✓

STAGE II E.103

ATTACHMENT #7a

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SCHEDULE A
January 1976
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Contributions, Ticket Purchases, Loans, Rebates, and Transfers for Line Numbers 15, 16, 17 and/or 18 of FEC Form

(see instructions on back)

LINE NUMBER 10b

(Use separate schedule(s) for each numbered line).

Name of Candidate or Committee in full
Labor for Jackson Committee

Full Name, mailing address and ZIP code	Occupation	Date (month, day, year)	Amount of each receipt this period
Sheet Metal Workers Political Action League Jackson Fund 1750 New York Avenue, N. W. Washington, D. C. 20006 Principal place of business: 1750 New York Avenue, N. W. Washington, D. C. 20006	Political Committee ☐ Check if Contributor is self-employed Aggregate Year-to-Date ▶ $	4/14/76	$ 7,500.00
MEBA Political Action Fund 17 Battery Place New York, New York 10004 Principal place of business: 17 Battery Place New York, New York 10004	Political Committee ☐ Check if Contributor is self-employed Aggregate Year-to-date ▶ $	5/5/76	$20,000.00
Engineers Political Education Committee 1125 - 17th Street, N. W. Washington, D. C. 20036 Principal place of business: 1125 - 17th Street, N. W. Washington, D. C. 20036	Political Committee ☐ Check if Contributor is self-employed Aggregate Year-to-date ▶ $	6/30/76	$ 5,000.00
Full Name, mailing address and ZIP code Principal place of business	Occupation ☐ Check if Contributor is self-employed Aggregate Year-to-date ▶ $	Date (month, day, year)	Amount of each receipt this period
Full Name, mailing address and ZIP code Principal place of business	Occupation ☐ Check if Contributor is self-employed Aggregate Year-to-date ▶ $	Date (month, day, year)	Amount of each receipt this period
Full Name, mailing address and ZIP code Principal place of business	Occupation ☐ Check if Contributor is self-employed Aggregate Year-to-date ▶ $	Date (month, day, year)	Amount of each receipt this period
Subtotal of receipts this page (optional) ▶			$
Total this period (last page this line number only) ▶			$32,500.00

77 0 31 0 21 3 2 0 4

Page

ATTACHMENT #7

...ection Commission
...K Street, N.W.
...shington, D.C. 20463

Detailed Summary Schedule of Receipts and Expenditures
(Page 2)

Name of Candidate or Committee	Report Covering the period From:	To:
Labor for Jackson Committee	7/1/76	8/24/76

Part I - Receipts	Column A This Period	Column B Calendar year-to-d...
15 Contributions and other Income:		
(a) Itemized (use Schedule A)	$	
(b) Unitemized	$	
(c) Sales and Collections Included Above: List by event on memo Schedule D ($ _____)		
(d) Subtotal of contributions and other income	$	$
16 Loans and Loan Repayments Received:		
(a) Itemized (use Schedule A)	$	
(b) Unitemized	$	
(c) Subtotal of loans and loan repayments received	$	$
17 Refunds, Rebates, etc.:		
(a) Itemized (use Schedule A)	$	
(b) Unitemized	$	
(c) Subtotal of refunds, rebates, etc.	$	$
18 Transfers In:		
(a) From Affiliated Committee (Itemize all on Schedule A)	$	
(b) From other Committees (Itemize all on Schedule A)	$ - 0 -	
(c) Subtotal of transfers in	$ - 0 -	$ 32,500.00
19 Total Receipts	$ - 0 -	$ 32,500.00

Part II - Expenditures		
20 Operating Expenditures:		
(a) Itemized (use Schedule B)	$	
(b) Unitemized	$	
(c) Subtotal of operating expenditures	$	$ 30,704.55
21 Loans, Loan Repayments, and Contribution Refunds:		
(a) Itemized (use Schedule B)	$	
(b) Unitemized	$	
(c) Subtotal of loans and loan repayments made and contribution refunds	$	$
22 Fundraising Expenditures: (Apply to 20% Exemption—Presidential Campaigns Receiving Federal Funds)		
(a) Itemized (use Schedule B)	$	
(b) Unitemized	$	
(c) Subtotal of fundraising expenditures	$	$
23 Transfers Out:		
(a) To Affiliated Committee (Itemize all on Schedule B)	$	
(b) To Other Committees (Itemize all on Schedule B)	$ 1,795.45	
(c) Subtotal of transfers out	$ 1,795.45	$ 1,795.45
24 Total Expenditures	$ 1,795.45	$ 32,500.00

Part III - Debts and Obligations	
25 Debts and obligations owed to the Committee (Itemize all on Schedule C)	$ - 0 -
26 Debts and obligations owed by the Committee (Itemize all on Schedule C)	$ - 0 -

Part IV - Receipts and Expenditures, Net of Transfers to and from Affiliated Committees	
27 Total Receipts (from line 19)	$ - 0 -
28 Less Transfers In (from line 18(a))	$
29 Net Receipts	$ - 0 -
30 Total Expenditures (from line 24)	$ 1,795.45
31 Less Transfers out (from line 23(a))	$
32 Net Expenditures	$ 1,795.45

ATTACHMENT #8

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Schedule B
January 1976
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Itemized Expenditures
Campaign Fundraising, Loans, and Transfers
for Lines 20, 21, 22, and/or 23 of FEC Form 3
(see instructions on back)

Page 1 of 1 for
LINE NUMBER 20
(Use separate schedule(s) for each numbered line).

Name of Candidate or Committee in full

M.E.B.A. POLITICAL ACTION FUND

Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
Martin Stationery Co. 71 Murray Street New York, N.Y. 10007	Printing of Receipt Books Re: Jimmy Carter	6-4-76	1,750.53
Schunick Caterers, Inc. Greenmount & Eager Sts. Baltimore, Maryland	Catering costs for Reception held for Henry Jackson 4-15-76	6-4-76	2,912.00
Tadder Associates, Inc. 501 St. Paul Place Baltimore, Maryland 21202	Photographic Services rendered re Reception held for Henry Jackson-4/15/76	6-4-76	125.50
Maurer, Fleisher, Zon & Anderson, Inc. 1120 Connecticut Ave., N.W. Washington, D. C. 20036	Design, Artwork Letterheads, etc. Re Lanny Davis for Congress	6-4-76	128.42
Joseph S. Miller 210 A Street Washington, D. C. 20002	Public Relations Reimbursed Expenses May, 1976	6-9-76	1,205.32
Joseph S. Miller 210 A Street Washington, D. C. 20002	Public Relations Retainer-June, 1976	6-30-76	2,163.32
Joseph S. Miller 210 A Street Washington, D. C. 20002	Public Relations Reimbursed Expenses June, 1976	6-30-76	412.00
Kelly Press, Inc. 5788 2nd St. N.E. Washington, D. C. 20011	Printing Costs Re: Henry Jackson Reception-San Francisco 10/75	6-30-76	204.54
Subtotal of expenditures this page (optional) ▶			$8,901.63
Total this period (last page this line number only) ▶			$8,901.63

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Page

ATTACHMENT #9

Schedule B
January 1976
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Campaign Fundraising, Loans, and Transfers for Lines 20, 21, 22, and/or 23 of FEC Form 3

(see instructions on back)

LINE NUMBER 20

(Use separate schedule(s) for each numbered line).

Name of Candidate or Committee in full

M.E.B.A. POLITICAL ACTION FUND

Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
Martin Stationery Co. 71 Murray Street New York, New York 10007	Printing of Receipt Books- Re: Henry Jackson	5-11-76	$ 2,337.12
Computer Programming & Systems, Inc. 1014 Hope Street Stamford, Connecticut 06907	Political Action Fund Mailing to Membership & Retirees re: Henry Jackson	5-17-76	$ 1,760.00
Tanner Products Company 5044 Westminster St. Louis, Mo. 63108	Campaign Buttons & Bumper strips Re: Jimmy Carter	5-27-76	$ 767.00
Joseph S. Miller 210 'A' Street, N.E. Washington, D. C. 20002	Public Relations Retainer -May, 1976	5-28-76	$ 2,163.32
Subtotal of expenditures this page (optional). ▶			$ 7,027.44
Total this period (last page this line number only) ▶			$ 7,027.44

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Page

ATTACHMENT #10

FEDERAL ELECTION COMMISSION

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

THIS IS THE BEGINNING OF MUR # 260

Date Filmed 4/27/79 Camera No. --- 2

Cameraman GPC

7904021655

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

THIS IS THE END OF MURS# 236, 260, 266

Date Filmed 4/27/79 Camera No. --- 2

Cameraman SPC

∴ Note, see Depositions

7904021877

FEDERAL ELECTION COMMISSION

Telephone Memos
Corrected Certification

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 Kathleen Imig Parker

date 4/2/79

FEC 9-21-77

7904012180

GCC #
9685

RECEIVED
FEDERAL ELECTION
COMMISSION

'79 MAR 23 PM 12:57

Edward J. Carlough
General President

SHEET
METAL
WORKERS'
INTERNATIONAL
ASSOCIATION

1750 New York Avenue, N.W.
Washington, D.C.
20006
202/296-5880

March 20, 1979

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: Murs 236 and 266

901698

Dear Mr. Oldaker:

With reference to the conciliation agreement between the Federal Election Commission and the Sheet Metal Workers' International Association Political Action League, I am enclosing check #1046 in the amount of $7,000.

Sincerely yours,

Edward J. Carlough

Edward J. Carlough
General President

Enclosure

EJC/jal
OPEIU-2

7904021801

SHEET METAL WORKERS'
INTERNATIONAL ASSOCIATION
POLITICAL ACTION LEAGUE
1750 NEW YORK AVENUE, N. W.
WASHINGTON, D. C. 20006

1046

March 20, 19 79 — 15-52 / 540

PAY TO THE ORDER OF U.S. TREASURY $ 7,000.00

SEVEN-THOUSAND 00/100---------- DOLLARS

NATIONAL SAVINGS / TRUST COMPANY
WASHINGTON, D.C.

Richard J. Carlough CHAIRMAN
David S. Ives TREASURER

⑈001046⑈ ⑆0540⑈0052⑆ 057⑈1026954⑈

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FEDERAL ELECTION COMMISSION
79 MAR 23

SHEET METAL WORKERS' INTERNATIONAL ASSOCIATION

1750 New York Avenue, N.W.
Washington, D.C.
20006

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

23071

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

March 13, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Justin D. Simon, General Counsel
Marine Engineers Beneficial Association
2101 L Street, N.W.
Washington, D.C. 20037

RE: MUR 260

Dear Mr. Simon:

On March 8, 1979, the Commission considered the matter referenced above.

The Commission determined to take no further action concerning the alleged possible violations contained therein and to close the file.

Thank you for your cooperation in this matter.

Sincerely,

William C. Oldaker
General Counsel

BY:

Charles N. Steele
Associate General Counsel

7904021881

MLK 260 - Parker

PS Form 3811, Apr. 1977 RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

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3/12/79

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Justin D. Simon, General Counsel
Marine Engineers Beneficial Association
2101 L Street, N.W.
Washington, D.C. 20037

RE: MUR 260

Dear Mr. Simon:

On March , 1979, the Commission considered the matter referenced above.

The Commission determined to take no further action concerning the alleged possible violations contained therein and to close the file.

Thank you for your cooperation in this matter.

Sincerely,

William C. Oldaker
General Counsel

BY:

Charles N. Steele
Associate General Counsel

7904012 1885

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 260
Marine Engineers Beneficial Association	)	
Marine Engineers Beneficial Association Political Action Fund	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on March 8, 1979, the Commission determined by a vote of 5 to 1 adopt the following recommendations, as set forth in the General Counsel's Report dated February 27, 1979, regarding the above-captioned matter:

1. Find no reasonable cause to believe that MEBA-PAF's purchase of the receipt books was a violation of 18 U.S.C. §608(b)(2) and close the file on this matter.

2. Find no reasonable cause to believe that MEBA violated 18 U.S.C. §610 by paying the salaries of MEBA employees who voluntarily solicited contributions to the Jackson presidential campaign and close the file on this matter.

3. Take no further action concerning MEBA's possible violation of 18 U.S.C. §610 by paying for support services in connection with the Jackson solicitation procedure.

Continued

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4. Send the letter attached to the above-named report.

Commissioners Friedersdorf, Harris, McGarry, Thomson and Tiernan voted affirmatively for the above actions. Commissioner Aikens dissented.

Attest:

3/8/79
Date

Marjorie W. Emmons
Secretary to the Commission

Received in Office of Commission Secretary: 3-5-79, 9:56
Circulated on 48 hour vote basis: 3-5-79, 1:00
Objection filed 3-6-79, 4:36 p.m.
Placed on agenda for Executive Session of March 8, 1979

7904012183

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS mwe

DATE: MARCH 7, 1979

SUBJECT: OBJECTION - MUR 260- General Counsel's Report dated 2-27-79; Received in OCS 3-5-79, 9:56

The above-named document was circulated on a 48 hour vote basis at 1:00, March 5, 1979.

Commissioner Aikens submitted an objection at 4:36, March 6, 1979, thereby placing MUR 260 on the Amended Agenda for March 8, 1979.

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March 5, 1979

MEMORANDUM TO: Marge Emmons

FROM: Elissa T. Garr

SUBJECT: MUR 260

Pleasehave the attached General Counsel's Report on MUR 260 distributed to the Commission on a 48 hour tally basis.

Thank you.

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OFFICE OF THE
COMMISSION SECRETARY

BEFORE THE FEDERAL ELECTION COMMISSION

79 FEB 27 P 2: 52

79 MAR 5 A 9: 56

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

In the Matter of	)	
	)	
Marine Engineers Beneficial Association	)	MUR 260
Marine Engineers Beneficial Association Political Action Fund	)	

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GENERAL COUNSEL'S REPORT

This matter was last considered by the Commission on November 1, 1978. It involves certain expenditures made by MEBA-PAF in connection with solicitation of contributions for the presidential campaign of Senator Henry Jackson. There are three issues remaining for resolution:

(1) Whether MEBA-PAF's purchase of receipt books for contributions to the Jackson for President campaign was a violation of 18 U.S.C. §608(b)(2) as a contribution to the Jackson campaign in excess of the limitations of that provision of the Act;

(2) Whether MEBA's payment of the salaries of employees who participate in the effort to solicit contributions to the Jackson campaign was a violation of 18 U.S.C. §610;

(3) Whether MEBA violated 18 U.S.C. §610 by permitting the use of MEBA offices, equipment and supplies to implement and facilitate solicitation of contributions to the Jackson for President campaign.

LEGAL ANALYSIS

A. Purchase of Receipt Books by MEBA-PAF

As outlined in the General Counsel report considered by the Commission on November 1, 1978, there appears no reasonable cause to believe that the actual expenditure for the receipt books was a contribution to the Jackson presidential campaign. There is nothing in the record which would indicate that the expenditure was "authorized or requested by the candidate, an authorized committee of the candidate,

or an agent of the candidate." 18 U.S.C. §608(c)(2)(B). It does not appear that the "receipt books" expenditure was made in cooperation with the candidate's campaign organization or with the consent of the candidate, his agents, or committee.

The deposition of Mr. Calhoon indicates that the "receipt books" solicitation procedure was suggested by "some of our people in the northwest." And the Laurito deposition states that the decision to implement the procedure was made by the officers of MEBA's Political Action Fund. There is nothing in the record to support a contention that the Jackson campaign - Senator Jackson, the JFP Committee or a staff member - requested that MEBA-PAF purchase the receipt books or that they gave prior consent to their purchase. Thus, MEBA-PAF's purchase of the receipt books would not represent an expenditure "on behalf of" the Jackson presidential candidacy within the meaning of 18 U.S.C. §608(c)(2)(B).

Following its November consideration of this matter, the Commission determined to "take no further action at this time" with regard to this issue. Since further investigation has disclosed no additional facts which would indicate that MEBA-PAF's purchase of the receipt books represents a FECA violation, the Office of General Counsel recommends that the Commission find no reasonable cause to believe that MEBA-PAF's purchase of the receipt books was a violation of 18 U.S.C. §608(b)(2) and close the file on this matter.

B. Payment of Salaries of Solicitors by MEBA

The receipt books were distributed to MEBA district offices together with instructions for implementing the solicitation procedure.

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The solicitation procedure took place from March, 1976 - May 10, 1976 when the procedure was discontinued by direction of J. M. Calhoon, MEBA President. Solicitations took place during regular working hours either at the MEBA branch offices or when the MEBA employees boarded ships to conduct union business. See Laurito Deposition.

In response to the Commission's request, MEBA attorneys submitted job descriptions of employees who participated in the voluntary solicitation of contributions to the Jackson campaign. These employees - elected officials and appointed MEBA representatives all appear to work on a 24-hour on-call basis rather than a normal 8-hour day work week. As stated by the MEBA attorneys:

> There were no persons employed by the MEBA for the purpose of collecting any fund for the Jackson for President Committee. Similarly, no MEBA personnel were compensated, directly or indirectly, for engaging in such a collection effort. This activity was conducted on a purely voluntary basis and was not done in lieu of the individual's regular responsibilities.

Simon January 3, 1979 Response at 2. (Attached)

These job descriptions appear to support MEBA's contention that employees participating in the solicitation effort are not required to keep regular, fixed working hours but instead are required to be available to conduct MEBA business at the convenience of the membership. There is no indication from the record or from additional investigation that the duties of these employees were not completed satisfactorily during the period when they were also participating in solicitation of contributions to the Jackson campaign. It seems that the effort by MEBA employees was a volunteer effort in addition to their MEBA duties.

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Therefore, the Office of General Counsel recommends that the Commission find no reasonable cause to believe that MEBA violated 18 U.S.C. §610 by paying the salaries of MEBA employees who solicitated contributions to the Jackson presidential campaign and close the file on this matter.

C. Payment for Support Services by MEBA

In November, 1978, the Commission found reasonable cause to believe that MEBA violated 18 U.S.C. §610 by permitting the use of MEBA offices, equipment and supplies to implement and facilitate solicitation of contributions to the Jackson presidential campaign. MEBA attorneys have submitted additional information which indicates that MEBA absorbed a total of $78.45 in administrative and support costs relative to the solicitation procedure as follows:

One clerical employee (Preparation of 7 weekly summaries) 10 hours total -	$ 51.86
One stockroom employee	5.59
Mailing	14.00
Xerox copies	7.00
	$ 78.45

MEBA states that these employees performed these functions in addition to their normal duties but without additional compensation, and that MEBA did not set aside special space or facilities for these functions. The solicitation effort lasted less than 7 weeks.

Therefore, the Office of General Counsel recommends that the Commission take no further action concerning MEBA's possible violation of 18 U.S.C. §610 since the amount of the violations appears to be de minimis.

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Finally, two related issues were of concern to the Commission during its November, 1978 consideration of this matter - whether AO 1976-51 or the analysis contained therein should be applied to the MEBA employee's solicitation effort and whether MEBA-PAF acted as a conduit for the receipt of earmarked contributions and thus had reporting obligations.

Advisory Opinion 1976-51, issued by the Commission in September, 1976, applied FECA's registration and reporting requirements to a group of individuals who met to discuss foreign policy and who agreed to make contributions to certain candidates. The AO decided that the group was a political committee subject to FECA.

Initially, it is important that AO 1976-51 was issued in September, 1976 and the activities under review herein took place in April - May, 1976. In addition, in the matter being investigated here, MEBA-PAF was already a political committee registered with the Commission and fulfilling its reporting responsibilities. It is not at all certain, however, that the activity engaged in by MEBA-PAF in connection with the Jackson contributions was such that reporting responsibilities would be triggered. That is, at the time of the activity - Pre-1976 Amendments and Pre-Regulations - it is not clear that FECA would consider the ministerial activity of a political committee transmitting checks to a candidate conduit activity. In addition, the Commission has, from time to time, considered the issue of "earmarking" and "conduit activity" without resolving the question of whether Labor Union or Corporate PACs (separate segregated funds) can accept earmarked contributions and if they can what contribution

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limitations should be applied. Therefore, it would not seem reasonable to attempt to resolve such an issue in the context of an enforcement action, especially an enforcement action pertaining to activities entered into before the 1976 amendments and before the prescription of FEC's regulations. It should also be noted that MEBA-PAF did provide the Jackson for President Committee with names, addresses and occupations of individual contributors so that JFP would be able to meet FECA reporting requirements.

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RECOMMENDATIONS

1. Find no reasonable cause to believe that MEBA-PAF's purchase of the receipt books was a violation of 18 U.S.C. §608(b)(2) and close the file on this matter.

2. Find no reasonable cause to believe that MEBA violated 18 U.S.C. §610 by paying the salaries of MEBA employees who voluntarily solicited contributions to the Jackson presidential campaign and close the file on this matter.

3. Take no further action concerning MEBA's possible violation of 18 U.S.C. §610 by paying for support services in connection with the Jackson solicitation procedure.

4. Send the attached letter.

2/27/79
Date

William C. Oldaker
William C. Oldaker
General Counsel
by Harry L. Hanson

Attachments

1. MEBA submission dated January 3, 1979.
2. MEBA submission dated January 29, 1979.
3. Letter to respondent.

6048

CHARLES H. MORIN
DAVID I. SHAPIRO
SIDNEY DICKSTEIN
ARTHUR J. GALLIGAN
JUDAH BEST
SEYMOUR GLANZER
HENRY C. CASHEN II
JAMES VanR. SPRINGER
RICHARD LITTELL
THOMAS W. MACK
ARTHUR D. MASON
FREDERICK M. LOWTHER
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SCOTT H. DuBOFF
PETER HAFNER JOST
KENNETH M. SIMON
NORTON CUTLER
WILLIAM W. OSBORNE, JR.

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FEDERAL ELECTION COMMISSION
'79 JAN 3 PM 4:37

January 3, 1979

800799

William C. Oldaker, Esquire
General Counsel
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

Dear Mr. Oldaker:

In accordance with my letter of December 20, 1978 to Hal Ponder, I am hereby responding to your letter of December 7, 1978. In your letter, you requested time records and job descriptions of Marine Engineer Beneficial Association ("MEBA") members/personnel who may have been involved in collecting funds for the Jackson For President Committee in 1976.

As I have previously explained to several members of your staff, the MEBA does not utilize traditional time records for its personnel. All of the elected officials and appointed MEBA representatives are on call on a 24-hour/day basis, seven days a week. The only records which are kept are attendance-type records which reflect only that an employee worked on a particular day. There are no records kept to our knowledge reflecting the number of hours actually worked, and there is really no need to do so as these individuals are salaried and not paid overtime. When I explained this to Mr. Ponder, who called on your behalf, he agreed that it was unnecessary to produce attendance records.

You have also requested that we provide "job descriptions" for the stated purpose of demonstrating that personnel who collected funds for the Jackson For President Committee

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did so "outside and in addition to their responsibilities as MEBA employees." Since your request evidences what may be a misperception (which we have already addressed in our formal submission), permit me to make a few brief comments. There were no persons employed by the MEBA for the purpose of collecting any funds for the Jackson For President Committee. Similarly, no MEBA personnel were compensated, directly or indirectly, for engaging in such a collection effort. This activity was conducted on a purely voluntary basis and was not done in lieu of the individual's regular responsibilities. Consequently, as I have tried to explain repeatedly, knowledge of generic "job descriptions" requested is largely irrelevant since this voluntary activity was not part of anybody's "job."

In any event, in the interest of cooperation, the following list of the activities of MEBA officers and representatives is provided pursuant to your request. While their specific duties vary from port to port, I understand that the following list of activities is comprehensive:

<u>BRANCH AGENTS</u>:

1. The Branch Agent is in charge of the particular Branch he has been elected to. He is also responsible for the port area within the jurisdiction of the Branch on a 24-hour/day basis, seven days a week.

2. His responsibilities are such that he is responsible for implementing the policies of the District as set forth by the President, the District Executive Committee, and/or any rules or regulations that would be adopted by a majority vote of the membership.

3. He implements the By-Laws and Shipping Rules of the District.

4. He assigns duties to his Branch Patrolmen and/or Representatives, as required.

5. He is also called upon to negotiate and administer local area contracts (ferries, tow boats, tugs, etc.).

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6. He acts as Chairman at the regular monthly Membership Meetings and any special meetings that are called.

7. He may also become involved with efforts to organize entities in his area or jurisdiction.

8. The Branch Agent may also participate in State and County AFL-CIO bodies and may be called upon to also participate in area Port Councils, i.e., Maritime Trades Department - MTD.

9. The Branch Agent prepares a weekly financial report reflecting the weekly income of the District and accounts for same to the Secretary-Treasurer.

10. He approves and authorizes the expenses incurred in his port.

11. In certain branches where there is only a Branch Agent, the Branch Agent may in fact become an authorized dues collector.

12. In some ports, the Branch Agent also acts as the area Vice President. These Branch Agents and area Vice Presidents form the District Executive Committee together with the District President and the Secretary-Treasurer.

13. The Branch Agents also become involved in processing grievances from members and, when necessary (one-man ports), cover ships, collect dues and settle "beefs."

14. Branch Agents are also required to handle special assignments from the area Vice Presidents, the Secretary-Treasurer and, of course, the President or the District Executive Committee.

15. Branch Agents also become involved with supervising strike committees when required, attend licensed personnel board meetings and arbitrations, where required, and assist trial committee members in performance of their duties, when necessary.

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16. They serve as Trustees, when so designated, to the Pension Fund, the Welfare Plan, the Vacation Plan, etc.

17. They deal with correspondence with contracted companies relating to contract grievances, issues, etc.

18. Branch Agents are on call and available to serve the Organization on a daily 24-hour basis, seven days a week.

19. They are responsible for the hiring of clerical employees at the Branch.

20. Branch Agents enforce or implement the Collective Bargaining Contracts of the District on behalf of the membership.

ELECTED PATROLMEN AND/OR ASSIGNED REPRESENTATIVES:

1. They perform whatever duties are assigned to them by the Branch Agent of the port to which they are assigned, or by the District President and/or the District Executive Committee.

I would point out at this juncture, that an assigned Representative in a small area port, would be the only MEBA Representative at such port and, for all practical purposes, would have pretty much the same duties as a Branch Agent.

2. Patrolmen are involved in ship coverage which would include grievance processing, again, settling of "beefs," dues collection, whenever ships enter their respective ports.

3. Patrolmen may also be asked to attend licensed personnel board hearings and arbitrations, where required.

4. Patrolmen and/or Representatives may also administer local contracts. They may also become involved in preparing correspondence with personnel of contracted companies related to contract issues.

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5. Patrolmen and/or Representatives make visits to members in U.S. Public Health Service hospitals.

6. Patrolmen and/or Representatives become involved in organizing efforts assigned to them.

7. They are on call 24 hours a day, seven days a week.

8. Patrolmen and/or Representatives become involved with the processing of membership applications, group shipping applications, dues collections at the branch offices.

9. Some Patrolmen and Representatives become involved in the dispatching of engineers to various job assignments and become directly involved in the mechanics of the administration of shipping rules.

10. Patrolmen and/or Representatives may also become involved with preparation of the weekly transmittal of monies to District Headquarters.

11. In many cases, they attend the monthly membership meetings.

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COLLECTORS:

Collectors are salaried employees who are authorized to collect dues and perform other ship coverage functions. They would be employed on a 24 hour/day basis (seven days a week) to meet vessels whenever they entered port.

Although there is no information to suggest that MEBA employees such as secretaries, bookkeepers, office clerks, etc. in any way solicited contributions, it is possible that contributions may on occasion have been left with such persons for transmittal. This accommodation by MEBA employees would clearly have been in addition to their regular functions, would have been sporadic, and involved an infinitesimal amount of time.

I hope this information has clarified matters for you. I look forward to our meeting on January 9, 1979, with you, Mr. Ponder and Ms. Perkins. Judd and I hope you had a pleasant holiday season.

Sincerely,

DICKSTEIN, SHAPIRO & MORIN

By Justin D. Simon
Justin D. Simon

General Counsel, Marine Engineers Beneficial Association

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CHARLES H. MORIN
DAVID I. SHAPIRO
SIDNEY DICKSTEIN
ARTHUR J. GALLIGAN
JUDAH BEST
SEYMOUR GLANZER
HENRY C. CASHEN II
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'79 JAN 29 PM 3 13

January 29, 1979

BY MESSENGER

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William C. Oldaker, Esquire
General Counsel
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

Dear Bill:

Let me begin by thanking you for giving Judd Best and myself the opportunity to meet with you and your staff last Monday in an attempt to clarify the remaining issues in your investigation of the MEBA-Political Action Fund. It was reassuring to know that you concurred in our conclusion regarding the ambiguity of § 608(b)(6), at least in May 1975. Our discussion of the technical, if not also de minimis, nature of any possible § 610 violation I think also helped put this matter into a more reasonable perspective.

During our discussion we promised to provide you with data concerning any involvement of the MEBA in the solicitation effort, as well as to provide you with references to the legislative history of the 1974 Act which support our position that the reporting obligation of § 608(b)(6) do not apply to the type of ministerial functions engaged in by the MEBA-PAF to support the voluntary activity of its members. Permit me to address this second issue first.

Since the activity in question took place prior to the effective date of the 1976 amendments, the appropriate legislative history accompanies the 1974 amendments enacting § 608 (b)(6). A comprehensive review of Senate, House and Conference Reports and Floor Debate reveals that nowhere is there any suggestion that the terms "conduit" (or "intermediary") or "earmarking" were meant to apply to a situation where an organization merely performs the ministerial function of delivering checks to a campaign committee. What does emerge from that legislative history is that § 608(b)(6) was intended to avoid the undisclosed use of intermediaries who were then being used to circumvent the contribution-expenditure limitations imposed on individuals, political committees, etc. What discussion there is about "conduits" and "earmarking" relate to two types of activity far different from that involved here: (1) the Babcock-Hammer type arrangement where contributions were made in the name of another or directed by another; or (2) the use of political committees, especially Congressional Campaign Committees, to place earmarked or restricted funds with candidates designated by the original contributors. See Hearings before the Senate Subcommittee on Privileges and Elections, 93d Cong., 1st Sess (April 11-12 and June 6-7, 1973) at pp. 16-17 ("pass-through donations"), p. 25 ("laundering of donations"), p. 29 ("laundering"), p. 152 ("laundering"-"contributions . . . channelled through conduit committees thus separating the original contributors from direct association with the recipient candidates"), p. 189 ("earmarking" contributions to candidates via gifts to congressional campaign committees"), 198 ("'Earmarking' of gifts to Congressional Campaign Committees would be prohibited"), p. 200 ("Shielding of the identity of the original donor so that his relationship with the candidate is not made public"), p. 277 ("secretly earmark contributions through conduit committees"); see also Federal Elections Campaign Act of 1973, S.R. 93-310, 93d Cong., 1st Sess., p. 9 ("earmarked, encumbered or restricted contributions"). Indeed, Conference Report, Federal Election Campaign Act Amendemnts of 1974, H.R. 93-1438, 93d Cong., 1st Sess., p. 51, contains no hint that § 608(b)(6) would be applied to a case where a person or entity merely delivers voluntary contributions to a candidate, where all relevant information about the identity of the actual contributor is clearly revealed to the recipient.

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It must be remembered that in the legislative context of § 608(b)(6)'s enactment, the terms "conduit" and "earmarking" were terms of art, and while the use of such colloquial terminology may admit to a more expansive construction of their meaning years later, it cannot be seriously maintained that Congress intended to paint so broadly as to cover the conduct addressed by your investigation. The term "intermediary," while more neutral, is used in context merely as a synonym for the term "conduit" and, as such, clarifies the reach of the statute to persons whose interposition between the contributor and the candidate is designed to obscure the relationship between the donor and the recipient. There is simply no evidence of such an intent herein, and since the purpose of § 608(b)(6) was to enforce the contribution limitations and to avoid the use of conduits in "circumventing such limitations," we are unable to understand the need to impose a more expansive construction. Simply stated, this is not the type of situation where a conduit was used to conceal the identity of the original contributor, either in intent or result. Full reporting and adherence to contribution limitation requirements were ensured by the independent expenditures for receipt books. There was no commingling of funds, nor did anyone but the individual contributors have any direction or control over the delivery of the funds. What we have is nothing more than a procedure which provided a more convenient substitute for scores of individual mailings by persons who might not otherwise have had the opportunity to do. There is nothing in this which subjects the MEBA-PAF to any reporting requirements under § 608(b)(6).*/

Turning now to the first issue, as we discussed with you it now appears that a single MEBA clerical employee may have rendered some assistance in the handling of the checks

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*/ While the regulations and at least one advisory opinion suggest that the FEC has interpreted § 608(b)(6) more expansively, no such administrative gloss was available at the time of this activity.

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received from MEBA members. It appears that this employee prepared seven (7) weekly summaries of contributions listing the date, name, receipt number and amount of each contribution received during that week. It is our understanding that this was done to ensure that the amounts being forwarded matched the receipts fully identifying the actual contributor. Based upon a realistic assessment of the amount of time required to assemble such a list, it was determined that a total of 9.8 (or 10) hours were devoted by this employee over the course of the entire seven weeks during which such summaries were prepared. While there is no way of establishing that this work was done in lieu of this employee's other responsibilities, we have nonetheless attempted to quantify the cost as measured by this employee's weekly salary (paid on a 35-hour week basis). Our total for this 10 hours is $51.86. We also factored in the cost of a stockroom employee who may have assisted in posting these summaries, and that cost equals an approximate $5.59. We have an additional $14.00 as an approximation of the mailing costs involved. As best as can be established a total of 157 xerox copies were made relating to this matter, at a cost (based on today's rates) of $7.00. Hence, the total of the quantifiable costs amount to $78.45.

While such a de minimis cost scarcely requires further comment, it should be reiterated that there is no indication that any clerical staff involvement would have been in lieu of other job responsibilities or that any overtime was incurred. Second, the MEBA did not hire anyone to perform these functions. A regular clerical employee was used. Third, no special space, desk or other facilities were made available to or utilized by the employee, nor was any such space or facilities required. It would be virtually impossible to quantify miniscule relationship between this activity and MEBA "overhead" during the 10 hours involved.

In short, we are dealing with an insignificant use of MEBA resources which were drawn upon, in part, to ensure proper accountability of member's funds. It is far from clear that these "paper" expenses could even be viewed as a "contribution" under § 610, as the legislative history of the FECA suggests that they are too far removed to be viewed as such.

Statement of Senator Howard W. Cannon, Congressional Record, October 8, 1974 at S 18538-S 18539.

If there was ever a case where de minimis non curat lex we suggest this is it.

Again, thank you for your cooperation and insights in this matter and I would like to hear from you when this matter is or can be or has been put to rest.

Sincerely,

Justin D Simon

Justin D. Simon

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FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Justin D. Simon, General Counsel
Marine Engineers Beneficial Association
2101 L Street, N.W.
Washington, D.C. 20037

RE: MUR 260

Dear Mr. Simon:

On March , 1979, the Commission considered the matter referenced above.

The Commission determined to take no further action concerning the alleged possible violations contained therein and to close the file.

Thank you for your cooperation in this matter.

Sincerely,

William C. Oldaker
General Counsel

BY:

Charles N. Steele
Associate General Counsel

7904021908

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

March 13, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. A. Raymond Randolph
Sharp, Randolph & Janis
Suite 501
1800 Massachusetts Ave., N.W.
Washington, D.C. 20036

Re: MURs 236 and 266

Dear Mr. Randolph:

On March 8, 1979, the Federal Election Commission considered the proposed conciliation agreement in MURs 236 and 266. The Commission determined to accept the Agreement and to conclude its investigation of matters contained therein.

A copy of the signed Conciliation Agreement is enclosed. The Commission's file on these matters will remain open pending receipt of the $7,000 civil penalty which is due within 30 days of the date of the Agreement. Thereafter, the file will be closed and put on the public record.

Thank you for your consideration of these matters.

Sincerely,

William C. Oldaker
General Counsel

Enclosures

7904012199

7904012191O

Peer King MUR: 236/266

PS Form 3811, Apr. 1977 RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
   - ☐ Show to whom and date delivered ____¢
   - ☑ Show to whom, date, and address of delivery ____¢
   - ☐ RESTRICTED DELIVERY Show to whom and date delivered ____¢
   - ☐ RESTRICTED DELIVERY Show to whom, date, and address of delivery $____
   (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
A. Raymond Randolph
1900 M Gen Ave NW, Suite 501
Wash, D.C. 20036

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	438293	

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent

4. S H Hyman

DATE OF DELIVERY

POSTMARK

MAR 15 1979

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

☆GPO 1977—O—249-095

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Sheet Metal Workers International Association Political Action League and Labor for Jackson	)	MUR 236, 266 (76)

CONCILIATION AGREEMENT

This matter having been initiated on the basis of information ascertained by the Commission in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that respondent, Sheet Metal Workers International Association Political Action League (SMWIA-PAL), violated 2 U.S.C. §434(b) & 18 U.S.C. 608(b)(2) and that respondent Labor for Jackson violated 2 U.S.C. § 434(b) & 18 U.S.C. §608(b)(1).

Now, therefore, the respective parties herein, the Federal Election Commission and respondents Sheet Metal Workers International Association Political Action League and Labor for Jackson, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent Sheet Metal

7904012-911

7904012191 2

Workers International Association Political Action League and Labor for Jackson and the subject matter of this proceeding;

II. That respondents SMWIA-PAL and Labor for Jackson have had a reasonable opportunity to demonstrate that no action should be taken in this matter;

III. That respondents have promptly and fully cooperated with the Commission in its investigation.

IV. That SMWIA President Edward Carlough served simultaneously as Chairman of SMWIA-PAL and Treasurer of Labor for Jackson. During its existence, Labor for Jackson made expenditures in support of the presidential candidacy of Senator Jackson which were reported to the Commission as independent expenditures. SMWIA-PAL also made similar expenditures including expenses in connection with a reception held in Bal Harbour, Florida for Senator Jackson.

V. That the Commission contends that these expenditures were in-kind contributions in behalf of Senator Jackson rather than independent expenditures.

VI. As a result of SMWIA-PAL's and Labor for Jackson's desire to resolve this matter promptly and avoid

protracted and costly litigation, SMWIA-PAL and Labor for Jackson agree for the purposes of this conciliation agreement with the contentions of the Commission set forth above.

VII. SMWIA-PAL will pay a civil penalty in the amount of $7,000 pursuant to 2 U.S.C. § 437g(a)(6)(B).

VIII. Respondents will not undertake any activity which is in violation of the Federal Election Campaign Act, 2 U.S.C. § 431 et seq.

GENERAL CONDITIONS

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

II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has

7904012191 3

approved the entire agreement.

III. It is agreed that respondents Sheet Metal Workers International Association Political Action League, shall have 30 days from the date of this agreement to implement and comply with the requirements contained herein, or to so notify the Commission.

IV. It is agreed that Labor for Jackson is no longer in existence.

Date: March 13, ~~Feb 12 1979~~

William D. Oldaker
General Counsel
Federal Election Commission

Date: Feb. 12 1979

Edward J. Carlough
Chairman
Sheet Metal Workers International Association Political Action League

Edward J. Carlough
Former Treasurer
Labor for Jackson

A. Raymond Randolph, Jr.
Attorney for Respondents.

7904012191 4

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MURs 236/266 (76)
Sheet Metal Workers	)	
International Association	)	
Political Action League	)	
and Labor for Jackson	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on March 8, 1979, the Commission approved by a vote of 5-1 the recommendation, as set forth in the General Counsel's Memorandum dated March 2, 1979, that the Commission accept the signed Conciliation Agreement attached to the above-named memorandum and close the files on MUR 236 (76) and MUR 266 (76).

Commissioners Harris, Friedersdorf, McGarry, Thomson, and Tiernan voted affirmatively for the above action. Commissioner Aikens dissented.

Attest:

3/8/79
Date

Marjorie W. Emmons
Secretary to the Commission

Received in Office of Commission Secretary: 3-5-79, 9:55
Circulated on 48 hour vote basis: 3-5-79, 1:00
Objection filed 3-6-79, 4:35 p.m.
Placed on Agenda for Executive Session of March 8, 1979.

7904012915

FEDERAL ELECTION COMMISSION

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

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS mwe

DATE: MARCH 7, 1979

SUBJECT: OBJECTION - MURS 236/266 - Memorandum dated 3-2-79 With Conciliation Agreement; Received in OCS 3-5-79, 9:55

The above-named document was circulated on a 48 hour vote basis at 1:00, March 5, 1979.

Commissioner Aikens submitted an objection at 4:35, March 6, 1979, thereby placing MURs 236/266 on the Amended Agneda for March 8, 1979.

7904012191 6

March 5, 1979

MEMORANDUM TO: Marge Emmons

FROM: Elissa T. Garr

SUBJECT: MURs 236 and 266

Please have the attached Memo distributed to the Commission on a 48 hour tally basis.

Thank you.

7904012 1917

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY
79 MAR 5 A9: 55

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

March 2, 1979

MEMORANDUM

TO: THE COMMISSION

FROM: WILLIAM C. OLDAKER

SUBJECT: Attached Conciliation Agreement
MURs 236/266 (76)

Attached is a Conciliation Agreement signed by Edward J. Carlough, Chairman of the Sheet Metal Workers (SMWIA-PAL) International Association Political Action League/and Former Treasurer of Labor for Jackson, and by A. Raymond Randolph, Jr., Attorney for Respondents.

The Office of General Counsel recommends that the Commission accept the attached Conciliation Agreement as a resolution of matters considered in MURs 236/266 (76).

The attached Conciliation Agreement is the result of extensive negotiations with attorneys for the respondents. By signing the Agreement, respondents admit that expenditures made by Labor for Jackson in support of the presidential candidacy of Senator Jackson were in-kind contributions to the Jackson campaign rather than independent expenditures as reported; that expenditures made by SMWIA-PAL in support of the Jackson presidential candidacy were also in-kind contributions. These were the findings of the Commission in MURs 236/266 (76). The Agreement requires payment of a civil penalty in the amount of $7,000.

The Office of General Counsel recommends that the Commission accept the attached Conciliation Agreement and close the file on MUR 236 (76) and on MUR 266 (76).

Attachment

Conciliation Agreement

7904012918

Perkins GOOH 9390

LAW OFFICES
SHARP, RANDOLPH & GREEN
SUITE 501
1900 MASSACHUSETTS AVENUE, N.W.
WASHINGTON, D.C. 20036

900971

'79 FEB 22 PM 3:30

JAMES E. SHARP
A. RAYMOND RANDOLPH, JR.
THOMAS C. GREEN
V. THOMAS LANKFORD, JR.

TELEPHONE
(202) 659-2400

February 21, 1979

Hal Ponder, Esq.
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: MUR 236, 266 (76)

Dear Hal:

Enclosed is a signed copy of the Conciliation Agreement. When the Commission approves it, please send me a copy bearing Mr. Oldaker's signature.

Sincerely yours,

A. Raymond Randolph, Jr.

A. Raymond Randolph, Jr.

cmb
Enclosure

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Sheet Metal Workers International Association Political Action League and Labor for Jackson	)	MUR 236, 266 (76)

CONCILIATION AGREEMENT

This matter having been initiated on the basis of information ascertained by the Commission in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that respondent, Sheet Metal Workers International Association Political Action League (SMWIA-PAL), violated 2 U.S.C. §434(b) & 18 U.S.C. 608(b)(2) and that respondent Labor for Jackson violated 2 U.S.C. § 434(b) & 18 U.S.C. §608(b)(1).

Now, therefore, the respective parties herein, the Federal Election Commission and respondents Sheet Metal Workers International Association Political Action League and Labor for Jackson, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent Sheet Metal

7904012920

Workers International Association Political Action League and Labor for Jackson and the subject matter of this proceeding;

II. That respondents SMWIA-PAL and Labor for Jackson have had a reasonable opportunity to demonstrate that no action should be taken in this matter;

III. That respondents have promptly and fully cooperated with the Commission in its investigation.

IV. That SMWIA President Edward Carlough served simultaneously as Chairman of SMWIA-PAL and Treasurer of Labor for Jackson. During its existence, Labor for Jackson made expenditures in support of the presidential candidacy of Senator Jackson which were reported to the Commission as independent expenditures. SMWIA-PAL also made similar expenditures including expenses in connection with a reception held in Bal Harbour, Florida for Senator Jackson.

V. That the Commission contends that these expenditures were in-kind contributions in behalf of Senator Jackson rather than independent expenditures.

VI. As a result of SMWIA-PAL's and Labor for Jackson's desire to resolve this matter promptly and avoid

7904012192 1

protracted and costly litigation, SMWIA-PAL and Labor for Jackson agree for the purposes of this conciliation agreement with the contentions of the Commission set forth above.

VII. SMWIA-PAL will pay a civil penalty in the amount of $7,000 pursuant to 2 U.S.C. § 437g(a)(6)(B).

VIII. Respondents will not undertake any activity which is in violation of the Federal Election Campaign Act, 2 U.S.C. § 431 et seq.

GENERAL CONDITIONS

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

II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has

7904012922

approved the entire agreement.

III. It is agreed that respondents Sheet Metal Workers International Association Political Action League, shall have 30 days from the date of this agreement to implement and comply with the requirements contained herein, or to so notify the Commission.

IV. It is agreed that Labor for Jackson is no longer in existence.

Date: Feb 12 1979

William D. Oldaker
General Counsel
Federal Election Commission

Date: Feb. 12 1979

Edward J. Carlough
Chairman
Sheet Metal Workers International Association Political Action League

Edward J. Carlough
Former Treasurer
Labor for Jackson

A. Raymond Randolph, Jr.
Attorney for Respondents.

7904012192 3

Petition GCC# 9394

LAW OFFICES
SHARP, RANDOLPH & GREEN
SUITE 501
1800 MASSACHUSETTS AVENUE, N.W.
WASHINGTON, D. C. 20036

FEDERAL ELECTION COMMISSION

900971

'79 FEB 22 PM 3:30

JAMES E. SHARP
A. RAYMOND RANDOLPH, JR.
THOMAS C. GREEN
V. THOMAS LANKFORD, JR.

TELEPHONE
(202) 659-3400

February 21, 1979

Hal Ponder, Esq.
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: MUR 236, 266 (76)

Dear Hal:

Enclosed is a signed copy of the Conciliation Agreement. When the Commission approves it, please send me a copy bearing Mr. Oldaker's signature.

Sincerely yours,

A. Raymond Randolph, Jr.

A. Raymond Randolph, Jr.

cmb
Enclosure

7904012924

LAW OFFICES
SHARP, RANDOLPH & GREEN
SUITE 501
1800 MASSACHUSETTS AVENUE, N.W.
WASHINGTON, D. C. 20036

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WASHINGTON DC
PM
21 FEB
1979

Hal Ponder, Esq.
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

7904012192 5

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS MWE

DATE: FEBRUARY 5, 1979

SUBJECT: MUR 260 (76) - Interim Investigative Report dated 1-3-79; Signed by GC 2-1-79; Received in OCS 2-1-79, 3:52

The above-named document was circulated on a 24 hour no-objection basis at 3:00, February 2, 1979.

The Commission Secretary's Office has received no objections to the Interim Investigative Report as of 4:00 this date.

February 1, 1979

MEMORANDUM TO: Marge Emmons

FROM: Elissa T. Garr

SUBJECT: MUR 260

Please have the attached Interim Invest Report on MUR 260 distributed to the Commission.

Thank you.

7904012 1927

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY
79 FEB 1 P3: 52

BEFORE THE FEDERAL ELECTION COMMISSION
January 30, 1979

In the Matter of	)	
	)	
Marine Engineers Beneficial Association Political Action Fund	)	MUR 260 (76)

INTERIM INVESTIGATIVE REPORT

Staff of the Office of General Counsel met with respondent's attorney on January 22, 1979. A final submission is due from respondent this week. A full report will then be prepared for the Commission's consideration.

2/1/79
Date

William C. Oldaker
General Counsel

7904012 1928

FEDERAL ELECTION COMMISSION

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

7904012 1929

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS mwe

DATE: FEBRUARY 5, 1979

SUBJECT: MUR 236 (76) & 266 (76) - Interim Conciliation Report dated 1-30-79; Signed by the GC 2-1-79 Received in OCS 2-1-79, 3:53

The above-named document was circulated on a 24 hour no-objection basis at 3:00, February 2, 1979.

The Commission Secretary's Office has received no objections to the Interim Conciliation Report as of 4:00, this date.

February 1, 1979

MEMORANDUM TO: Marge Emmons

FROM: Elissa T. Garr

SUBJECT: MURs 236 and 266

Please have the attached Intemim Conciliation Report on MURs 236 and 266 distributed to the Commission.

Thankyou.

7904012 1930

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

79 FEB 1 P3: 52

BEFORE THE FEDERAL ELECTION COMMISSION
January 30, 1979

In the Matter of	)	
	)	
Labor for Jackson, and	)	MUR 236 (76)
Sheet Metal Workers International	)	MUR 266 (76)
Association Political Action League	)	

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INTERIM CONCILIATION REPORT

The staff of the Office of General Counsel met with respondents' attorneys on January 26, 1979 to discuss language of a conciliation agreement on these two matters.

A tentative agreement was reached which should be finalized this week in preparation for presentation to the Commission.

2/1/79
Date

William C. Oldaker
General Counsel

236 GCC# 9170

CHARLES H. MORIN
DAVID I. SHAPIRO
SIDNEY DICKSTEIN
ARTHUR J. GALLIGAN
JUDAH BEST
SEYMOUR GLANZER
HENRY C. CASHEN II
JAMES vanR. SPRINGER
RICHARD LITTELL
THOMAS W. MACK
ARTHUR D. MASON
FREDERICK M. LOWTHER
ROBERT J. HIGGINS
M. J. MINTZ
JAMES C. TREADWAY, JR.
HOWARD E. O'LEARY, JR.
LEIGH S. RATINER
IRA H. POLON
KENNETH L. ADAMS
BARRY Wm. LEVINE
ANGELO V. ARCADIPANE
IRA R. MITZNER
RICHARD P. PERRIN
GEORGE T. BOGGS
JOEL B. KLEINMAN
JUSTIN D. SIMON
LESLIE J. RUSEN
ROSLYN A. MAZER
STEPHEN G. KOZEY
HELEN R. KANOVSKY
WALTER J. WALVICK
CHARLES J. LANDY
SCOTT M. DuBOFF
PETER HAFNER JOST
KENNETH H. SIMON
NORTON CUTLER
WILLIAM W. OSBORNE, JR.

DICKSTEIN, SHAPIRO & MORIN
2101 L STREET, N.W.
WASHINGTON, D.C. 20037
202 785-9700
TELEX 892608 DSM WSH

FEDERAL ELECTION COMMISSION

'79 JAN 29 PM 3:18

NEW YORK OFFICE
745 FIFTH AVENUE
NEW YORK, N.Y. 10022
212 832-1900

BOSTON OFFICE
THREE CENTER PLAZA
BOSTON, MASSACHUSETTS 02108
617 227-7700

January 29, 1979

BY MESSENGER

900523

7904012132

William C. Oldaker, Esquire
General Counsel
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

Dear Bill:

Let me begin by thanking you for giving Judd Best and myself the opportunity to meet with you and your staff last Monday in an attempt to clarify the remaining issues in your investigation of the MEBA-Political Action Fund. It was reassuring to know that you concurred in our conclusion regarding the ambiguity of § 608(b)(6), at least in May 1975. Our discussion of the technical, if not also de minimis, nature of any possible § 610 violation I think also helped put this matter into a more reasonable perspective.

During our discussion we promised to provide you with data concerning any involvement of the MEBA in the solicitation effort, as well as to provide you with references to the legislative history of the 1974 Act which support our position that the reporting obligation of § 608(b)(6) do not apply to the type of ministerial functions engaged in by the MEBA-PAF to support the voluntary activity of its members. Permit me to address this second issue first.

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Since the activity in question took place prior to the effective date of the 1976 amendments, the appropriate legislative history accompanies the 1974 amendments enacting § 608(b)(6). A comprehensive review of Senate, House and Conference Reports and Floor Debate reveals that nowhere is there any suggestion that the terms "conduit" (or "intermediary") or "earmarking" were meant to apply to a situation where an organization merely performs the ministerial function of delivering checks to a campaign committee. What does emerge from that legislative history is that § 608(b)(6) was intended to avoid the undisclosed use of intermediaries who were then being used to circumvent the contribution-expenditure limitations imposed on individuals, political committees, etc. What discussion there is about "conduits" and "earmarking" relate to two types of activity far different from that involved here: (1) the Babcock-Hammer type arrangement where contributions were made in the name of another or directed by another; or (2) the use of political committees, especially Congressional Campaign Committees, to place earmarked or restricted funds with candidates designated by the original contributors. See Hearings before the Senate Subcommittee on Privileges and Elections, 93d Cong., 1st Sess (April 11-12 and June 6-7, 1973) at pp. 16-17 ("pass-through donations"), p. 25 ("laundering of donations"), p. 29 ("laundering"), p. 152 ("laundering"-"contributions . . . channelled through conduit committees thus separating the original contributors from direct association with the recipient candidates"), p. 188 ("earmarking" contributions to candidates via gifts to congressional campaign committees"), 198 ("'Earmarking' of gifts to Congressional Campaign Committees would be prohibited"), p. 200 ("Shielding of the identity of the original donor so that his relationship with the candidate is not made public"), p. 277 ("secretly earmark contributions through conduit committees"); see also Federal Elections Campaign Act of 1973, S.R. 93-310, 93d Cong., 1st Sess., p. 9 ("earmarked, encumbered or restricted contributions"). Indeed, Conference Report, Federal Election Campaign Act Amendemnts of 1974, H.R. 93-1438, 93d Cong., 1st Sess., p. 51, contains no hint that § 608(b)(6) would be applied to a case where a person or entity merely delivers voluntary contributions to a candidate, where all relevant information about the identity of the actual contributor is clearly revealed to the recipient.

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It must be remembered that in the legislative context of § 608(b)(6)'s enactment, the terms "conduit" and "earmarking" were terms of art, and while the use of such colloquial terminology may admit to a more expansive construction of their meaning years later, it cannot be seriously maintained that Congress intended to paint so broadly as to cover the conduct addressed by your investigation. The term "intermediary," while more neutral, is used in context merely as a synonym for the term "conduit" and, as such, clarifies the reach of the statute to persons whose interposition between the contributor and the candidate is designed to obscure the relationship between the donor and the recipient. There is simply no evidence of such an intent herein, and since the purpose of § 608(b)(6) was to enforce the contribution limitations and to avoid the use of conduits in "circumventing such limitations," we are unable to understand the need to impose a more expansive construction. Simply stated, this is not the type of situation where a conduit was used to conceal the identity of the original contributor, either in intent or result. Full reporting and adherence to contribution limitation requirements were ensured by the independent expenditures for receipt books. There was no commingling of funds, nor did anyone but the individual contributors have any direction or control over the delivery of the funds. What we have is nothing more than a procedure which provided a more convenient substitute for scores of individual mailings by persons who might not otherwise have had the opportunity to do. There is nothing in this which subjects the MEBA-PAF to any reporting requirements under § 608(b)(6).*/

Turning now to the first issue, as we discussed with you it now appears that a single MEBA clerical employee may have rendered some assistance in the handling of the checks

---

*/ While the regulations and at least one advisory opinion suggest that the FEC has interpreted § 608(b)(6) more expansively, no such administrative gloss was available at the time of this activity.

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received from MEBA members. It appears that this employee prepared seven (7) weekly summaries of contributions listing the date, name, receipt number and amount of each contribution received during that week. It is our understanding that this was done to ensure that the amounts being forwarded matched the receipts fully identifying the actual contributor. Based upon a realistic assessment of the amount of time required to assemble such a list, it was determined that a total of 9.8 (or 10) hours were devoted by this employee over the course of the entire seven weeks during which such summaries were prepared. While there is no way of establishing that this work was done in lieu of this employee's other responsibilities, we have nonetheless attempted to quantify the cost as measured by this employee's weekly salary (paid on a 35-hour week basis). Our total for this 10 hours is $51.86. We also factored in the cost of a stockroom employee who may have assisted in posting these summaries, and that cost equals an approximate $5.59. We have an additional $14.00 as an approximation of the mailing costs involved. As best as can be established a total of 157 xerox copies were made relating to this matter, at a cost (based on today's rates) of $7.00. Hence, the total of the quantifiable costs amount to $78.45.

While such a de minimis cost scarcely requires further comment, it should be reiterated that there is no indication that any clerical staff involvement would have been in lieu of other job responsibilities or that any overtime was incurred. Second, the MEBA did not hire anyone to perform these functions. A regular clerical employee was used. Third, no special space, desk or other facilities were made available to or utilized by the employee, nor was any such space or facilities required. It would be virtually impossible to quantify miniscule relationship between this activity and MEBA "overhead" during the 10 hours involved.

In short, we are dealing with an insignificant use of MEBA resources which were drawn upon, in part, to ensure proper accountability of member's funds. It is far from clear that these "paper" expenses could even be viewed as a "contribution" under § 610, as the legislative history of the FECA suggests that they are too far removed to be viewed as such.

Statement of Senator Howard W. Cannon, Congressional Record, October 8, 1974 at S 18538-S 18539.

If there was ever a case where de minimis non curat lex we suggest this is it.

Again, thank you for your cooperation and insights in this matter and I would like to hear from you when this matter is or can be or has been put to rest.

Sincerely,

Justin D Simon

Justin D. Simon

tle

7904012 1936

DICKSTEIN, SHAPIRO & MORIN
2101 L STREET, N.W.
WASHINGTON, D.C. 20037

79 JAN 29 PM 3 48

William C. Oldaker, Esquire
General Counsel
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

79040127

000# 9126

LAW OFFICES
SHARP & RANDOLPH
SUITE 501
1600 MASSACHUSETTS AVENUE, N.W.
WASHINGTON, D. C. 20036

JAMES E. SHARP
A. RAYMOND RANDOLPH, JR.
V. THOMAS LANKFORD, JR.

TELEPHONE
(202) 659-2400

January 24, 1979

William C. Oldaker, Esq.
Federal Election Commission
Office of General Counsel
1325 K Street, N.W.
Washington, D.C. 20463

Re: MURS 236, 266

Dear Mr. Oldaker:

This is in response to your letter of January 9, 1979, and is intended to supplement our letters of November 17, 1978, and January 2, 1979, copies of which I have attached.

Aside from a number of procedural issues, the major point of disagreement in MUR 236 and 266 now appears to be whether all money expended by SMWIA-PAL in support of Senator Jackson's candidacy and all money expended by Labor for Jackson should be considered contributions rather than independent expenditures.

A.
MUR 266

We believe there is absolutely no factual or legal basis for concluding that the $50,000 expended by SMWIA-PAL should be considered as contributions to Senator Jackson. The proposed conciliation agreement indicates three grounds on which the staff relies to support the conclusion that these independent expenditures were contributions. None of these grounds has any validity. I will discuss them in turn.

1. Paragraph III E states:

> Approximately $13,000 of these expenditures were reimbursements to SMWIA employees who simultaneously had been reimbursed for other expenditures, as were other SMWIA employees, by the Labor for Jackson Committee (LFJ) and the Jackson for President Committee (JFP). SMWIA employees routinely submitted vouchers

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for reimbursement of "independent" expenses for Jackson to SMWIA offices and were paid by either SMWIA-PAL, LPJ or JFP. This inter-relationship and knowledge by JFP of SMWIA-PAL expenditures indicates consent or authorization for those expenditures.

The actual facts are as follows. The Massachusetts presidential primary election took place on March 2, 1976, and the Florida primary occurred on March 9, 1976. SMWIA-PAL participated in neither one of these early primaries and had not yet endorsed Senator Jackson's candidacy. During the March 1976 Florida primary, however, many individuals from various building trades volunteered to work for Senator Jackson. Mr. Hinkle was among them. He expended $186.16 for gasoline and a battery during the Florida primary 1/ and was reimbursed by Jackson for President on April 8, 1976. Mr. McLaughlin was also reimbursed by Jackson for President in the amount of $647.01 for a suite Mr. McLaughlin rented in Boston during the March 1976 Massachusetts primary election. 2/

By the time of the New York primary, which took place on April 6, 1976, SMWIA-PAL had come out in support of Senator Jackson's candidacy. All of the money at issue here -- approximately $50,000 -- was spent by SMWIA-PAL with respect to the New York primary. Mr. Hinkle and Mr. McLaughlin served as SMWIA-PAL volunteers during that primary and personally dispersed approximately $13,000 of SMWIA-PAL funds.

However, as both Mr. Hinkle and Mr. McLaughlin testified, they had no contact with any member of Senator Jackson's staff or the Senator himself with respect to the New York election. There is not an iota of evidence that they coordinated or cooperated or even communicated with Jackson for President in making expenditures in New York. 3/

We are therefore at a loss to understand how the foregoing facts in any way lead to the conclusion that the SMWIA-PAL expenditures of $50,000 in New York should be considered contributions. The only possible basis would be reliance upon -- or more accurately,

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1/ Hinkle deposition, p. 11.

2/ McLaughlin deposition, p. 18.

3/ Hinkle deposition, pp. 7, 10. McLaughlin deposition, pp. 12, 15, 21-22.

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misreliance upon -- Section 109.1(b)(4)(i)(B) of the Commission's regulations, which "presumes" that expenditures are contributions when made by a person who received reimbursement from a candidate. But this regulation was not in effect at the time of the expenditures and cannot be applied retroactively -- and sub silentio -- to this case. 4/ (Indeed, had the regulation been in effect SMWIA-PAL would at least have had the option of simply not letting Mr. Hinkle or Mr. McLaughlin volunteer to work on behalf of Senator Jackson's candidacy because this would give rise to a presumption.)

2. Paragraph III F of the proposed conciliation agreement deals with $7000 SMWIA-PAL spent with respect to the filming of a speech by Senator Jackson. I have already discussed this topic at length in my letter of November 17, 1978, at pp. 7-9, and rely upon that submission here.

There is simply no rational ground for supposing that this $7000 expenditure was made in cooperation with the candidate. Paragraph III F of proposed conciliation agreement states that "members of the Senator's personal staff viewed the video cassettes" and that this "indicates consent by JFP" for the expenditures. Such a conclusion is incredible. Robert Keefe, Executive Director of Senator Jackson's campaign, was the only witness who testified about seeing video cassettes and he happened to see these by chance as he was walking down the street where they shown. When he saw them he "cried" 5/ because he considered the activity so counterproductive. On these facts, no court would hold that the expenditures were contributions and the Supreme Court indicated as much in Buckley v. Valeo, 424 U.S. 1, 47 (1976), as I pointed out in my November 17, 1978, letter, at p. 9.

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4/ Moreover, the regulation only gives rise to a presumption. We have serious doubts that such a presumption would be valid in such a sensitive First Amendment area, but aside from that the presumption is overcome in this case because there is no evidence of any coordination by Mr. Hinkle or Mr. McLaughlin with Senator Jackson's representatives.

5/ Robert Keefe deposition, p. 41.

3. Paragraph III G of the proposed conciliation agreement states that Mr. Carlough had a close relationship with JFP and was apprised of its policies. Therefore, it is concluded that what SMWIA-PAL spent must have been a contribution.

But the premise is erroneous and the conclusion does not follow. As Mr. Carlough testified, SMWIA-PAL operated on its own; Senator Jackson's campaign people were considered by SMWIA-PAL as having nothing to offer; Mr. Carlough did not have contact with JFP people running the campaign in the field. 6/ Mr. Keefe testified to the same effect. He knew of no calls between Mr. Carlough and Senator Jackson, 7/ he became aware of SMWIA-PAL activity in support of Senator Jackson's candidacy only through others, 8/ he was not pleased with what SMWIA-PAL was doing, 9/ and the only meeting he could recall involving Mr. Carlough was after the April 27 Pennsylvania primary when Senator Jackson decided to withdraw from the race. 10/

B.
MUR 236

Much of what has just been discussed applies as well to the question whether Labor for Jackson expenditures, which related to the April 27, 1976, Pennsylvania primary, should be considered

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6/ Carlough deposition, pp. 22-24, 29-30.

7/ Keefe deposition, pp. 31-32.

8/ Id. at 41, 53.

9/ Id. at 41, 43.

10/ Id. at 57. Paragraph III G asserts that Mr. Carlough was a labor adviser to Senator Jackson. The evidence actually shows only that in early March 1976, Mr. Carlough's name "presumably" was on a "paper organization" called the Massachusetts Labor Committee for Jackson. Keefe deposition, p. 28, 31-32.

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as independent expenditures.

My letter of November 17, 1978 (at pp. 10-12), discusses in detail the formation and demise of Labor for Jackson (L for J) and its sources of funding. As to the matters raised in Mr. Oldaker's letter of December 4, 1978, I have already indicated why Mr. Carlough's actions cannot serve as basis for concluding that moneys expended by SMWIA-PAL or L for J were spent in consultation with Senator Jackson or his staff. In addition, with respect to L for J Mr.Keefe was asked "what did you discuss with them at that time about independent expenditures or formation of the Labor for Jackson Committee?" He replied "Absolutely nothing. They just informed us. That was it, period." 11/ Moreover, there were no meetings between L for J and the JFP people 12/ and there is no evidence whatsoever of any cooperation or consultation that would even come close to the level needed to transform independent expenditures into contributions.

I trust that the foregoing, together with our previous correspondence, states clearly our position on MUR 236 & 266. We firmly believe that there was no misreporting in either case, but are willing to discuss the Bal Harbour question further in the hope of reaching some resolution of this investigation, which has consumed so much of everyone's time and resources.

Sincerely yours,

A. Raymond Randolph, Jr.

cmb
Enclosures

11/ Id. at 19.

12/ Id. at 57.

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TELEPHONE
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January 2, 1979

Ms. Kathleen Imig Perkins
Office of General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

re: MUR 266 & 236

Dear Ms. Perkins:

On January 8, 1979, it will be thirty days since we received notice of the Commission's action in MUR 266. Thirty days is the minimum period of time for conciliation under the Act. We believe, however, that further efforts at conciliation are warranted under the circumstances and that it would be premature to end our discussions at this point.

As you know, part of the difficulty we have encountered has resulted from General Counsel Oldaker's "reason to believe" letter of December 4, 1978, in MUR 236(76), which you gave us when we met. More that two years ago we received a "reason to believe" letter in MUR 236(76) and during the Commission's investigation we were led to believe that MUR 236 had been consolidated with MUR 266. Indeed, depositions taken in the past two years bear both MUR numbers. We have never received separate notification of the Commission's final disposition of MUR 236, as instituted in 1976. For a number of reasons Mr. Fisher and I discussed with you, we believed that Mr. Oldaker's letter of December 4, 1978, labelled "Re: MUR 266," represented the Commission's decision not only in MUR 266 but also in MUR 236. (Another area of misunderstanding arises from the fact that although Mr. Oldaker wrote me on November 6, 1978, regarding

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MUR 266, and stated that the investigation therein was continuing, his letter of December 4, 1978, regarding MUR 266 informed us for the first time that the Commission actually reached its decision on the issues involved in this case on June 22, 1977, and November 1, 1978.) When we met last month, you and Mr. Ponder stated that we would receive a letter of explanation. We are still awaiting such a letter.

We therefore believe it would be in the best interest of all parties that the period of conciliation be extended. I will be engaged in a two week trial that begins January 8, 1979, and therefore will be unable to confer until that trial ends. I suggest that we meet again at the earliest opportunity after my trial is concluded.

Please consider this letter also as a response to Mr. Oldaker's letter of December 4, 1978, regarding MUR 236. Our position has been, as stated in my letter of November 17, 1978, that no violations of the Act occurred and that the information developed during the past two years, through depositions and other submissions, demonstrates this conclusively. When we receive your letter of explanation regarding the status of MUR 236(76), we will be able to respond more fully to the Commission's "reason to believe" finding in MUR 236(76).

If there are any difficulties in extending the period of conciliation would you kindly inform me as promptly as possible. Thank you for your cooperation and assistance.

Sincerely yours,

A. Raymond Randolph, Jr.

ARR:cb
cc: Donald Fisher, Esq.
William C. Oldaker, Esq., General Counsel
Harry L. Ponder, Esq., General Counsel

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November 17, 1978

William C. Oldaker, Esq.
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

RE: MUR 266

Dear Mr. Oldaker:

Thank you for your letter of November 6, 1978. The Sheet Metal Workers International Association -- Political Action League (SMWIA-PAL) believes, for the reasons that follow, that no action by the Commission is warranted as a result of this investigation. Section 437g of the Act (2 U.S.C. § 437g) requires that the Commission give any person who receives notice of an alleged violation "a reasonable opportunity to demonstrate that no action should be taken against such person by the Commission under this Act." We therefore respectfully request that this letter be submitted to the Commission when the staff makes its report and recommendation on MUR 266.

INTRODUCTION

The Sheet Metal Workers International Association -- Political Action League (SMWIA-PAL) is a separate segregated fund (see 2 U.S.C. § 441b). For two years now the staff of the Federal Election Commission has been conducting an investigation into the activities of SMWIA-PAL during the Spring of 1976 in connection with the presidential primary campaign of Senator Henry Jackson. In the course of this lengthy investigation, SMWIA-PAL and its officers and members have fully and promptly cooperated with the FEC staff's numerous inquiries and requests for the taking of depositions.

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The issues involved in this investigation have finally been narrowed, the Commission's staff has informed us, to three questions: (1) whether a payment reported by SMWIA-PAL to the Commission as an independent expenditure in connection with a February 16, 1976, reception for Senator Jackson in Bal Harbour, Florida, should be considered a contribution to Senator Jackson; (2) whether payments reported by SMWIA-PAL to the Commission as independent expenditures in connection with the making of cassette tapes from the film of a March 6, 1978, rally for Senator Jackson in Florida should be considered a contribution to Senator Jackson; (3) whether SMWIA-PAL and the Labor for Jackson Committee, which was formed in mid-April 1976, should be considered as affiliated committees.

As we discuss below, SMWIA-PAL fully complied with the requirements of the Federal Election Act in connection with the matters under consideration. We note, however, that even if it were concluded that some item was not correctly reported, this could not possibly be considered a willful violation of the Act. We believe the Commission's staff concurs in this evaluation.

All of the events at issue here took place after the Supreme Court's decision in Buckley v. Valeo, 424 U.S. 1 (1976), which was handed down on January 30, 1976. The Act was, at the time, one of the most complex pieces of federal legislation ever enacted and the Buckley v. Valeo decision added still further complications. Moreover, during the period of 1976 in question here, no Commission regulations were in effect; indeed, from March 22, 1976, through May 21, 1976, the Commission had gone out of existence as a result of the Supreme Court's decision. See Federal Election Commission, 1976 Annual Report 1-2. As the Commission itself has acknowledged, in the Spring of 1976 -- when all the activities at issue here took place -- there was much uncertainty among those subject to the original Act about its interpretation and application. Id. at 2.

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A.
THE EXPENDITURES FOR THE BAL HARBOUR RECEPTION WERE INDEPENDENT EXPENDITURES

It has long been the practice of union leaders to sponsor receptions for prominent politicans during the annual mid-winter meeting of the AFL-CIO Executive Council. 1/ Such a reception was held on the evening of February 16, 1976, in honor of Senator Henry Jackson at the Americana Hotel in Bar Harbour, Florida. 2/ Persons were invited to the reception by the eleven international union presidents listed on the invitations: I.W. Abel (United Steelworkers); Harold J. Buoy (International Brotherhood of Boilermakers); Jesse M. Calhoun (National Marine Engineers Beneficial Association); Edward J. Carlough (Sheet Metal Workers International Association); Sol C. Chaikin (International Ladies' Garment Workers Union); Thomas W. Gleason (International Longshoremen's Association); Andrew T. Haas (International Association of Asbestos Workers); John H. Lyons (International Association of Iron Workers, Bridge and Structural); Charles H. Pillard (International Brotherhood of Electrical Workers); William Sidell (United Brotherhood of Carpenters and Joiners); J.C. Turner (International Union of Operating Engineers). 3/

After the original sponsors had decided to hold the reception, Edward J. Carlough, General President of the Sheet Metal Workers International Association (SMWIA) and Chairman of the SMWIA-Political Action League (PAL), assisted in organizing it and

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1/ Deposition of Robert J. Keefe, at p. 49.

2/ Exhibit B to Letter of David S. Turner, Dec. 16, 1976 (hereinafter Turner letter).

3/ Ibid.

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in checking with Senator Jackson or his staff in regard to a date when he would be able to attend. 4/ Mr. Carlough had no discussions with Senator Jackson or his staff regarding who would be attending the reception, what Senator Jackson would say or whether there would be solicitations for political contributions. 5/

Invitations to the reception were issued to officers, members and families of the sponsoring unions and other affiliated AFL-CIO organizations then attending the winter meetings of the AFL-CIO in Miami, Florida (Turner letter, p. 10 and Exhibit B thereto). The reception lasted from 6:00 p.m. to 7:30 p.m. and Senator Jackson, who had been invited to attend, gave a short talk, as did AFL-CIO President Meany (Turner letter Exhibit B). 6/ There is no evidence that any political contributions were solicited or received in conjunction with the reception or that there were any communications to the attendees expressly advocating Senator Jackson's candidacy for President.

By February 16, 1976, thirteen union organizations had joined in sponsoring the reception (Turner letter, Exhibit A), the cost of which totalled $15,148.60 (Turner letter pp. 7-8). Although counsel had initially advised that the cost of the reception could be paid out of union treasury funds because it consisted of a communication to members of the unions and their families, attorneys determined after the reception that the proper method of payment would be from voluntary funds (Exhibit A to Turner letter).

On May 7, 1976, SMWIA-PAL paid for the total cost of the reception and reported this to the Federal Election Commission

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4/ Deposition of Edward J. Carlough, at pp. 9-12.

5/ Id. at 11-12.

6/ See also Deposition of Robert J. Keefe, at p. 49.

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as independent expenditures for a reception in honor of Senator Jackson, indicating that the expenses were "to be shared by several committees" (SMWIA-PAL Report to the FEC, 6/8/76, at p. 6). On the same date, May 7, 1976, Mr. Carlough sent letters to the other twelve co-sponsoring organizations requesting reimbursement of their pro rata share of the costs of the reception (Exhibit A to Turner letter). The following organizations responded in the amounts indicated: I.B.E.W.-COPE ($1,176.86); I.L.G.W.U. Campaign Committee ($1,118.96); Boilermakers-Blacksmiths Legislative Education-Action Program ($1,176.86); Laborers Political League ($1,176.86); United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry Education Committee ($1,176.86); and staff employees of the International Association of Heat and Frost Insulators and Asbestos Workers ($1,210.00).

These amounts received by SMWIA-PAL were also reported to the Federal Election Commission on Schedule A as "reimbursement-shared expenses for reception in honor of Senator Henry Jackson." (See SMWIA-PAL REC Reports filed June 8, 1976 (at p. 4); July 12, 1976 (at p. 5); November 24, 1976; and Turner letter, pp. 9-10). The reimbursements totalled $9,390.12, which resulted in SMWIA-PAL absorbing $5,758.48 of the cost of the reception or $4,581.62 more than its pro rata share of the expenses ($1,176.86).

In our view, the expenditures by SMWIA-PAL in connection with the Bal Harbour reception for Senator Jackson were not contributions within the meaning of the Act as it then stood. By the time of the reception in February 1976, the Supreme Court had held the expenditure limits in Section 608(e)(1) unconstitutional under the First Amendment to the Constitution. 7/ Buckley v. Valeo,

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7/ This provision was repealed by Pub.L. 94-283 on May 11, 1976, 90 Stat. 496.

supra, 424 U.S. at 51. In so holding the Court interpreted Section 608(b), which sets limits on contributions, to cover "prearranged or coordinated expenditures amounting to disguised contributions." 424 U.S. at 47. 8/ Thus, under Section 608(b), expenditures "authorized or requested" by the candidate were to be treated as expenditures by the candidate and contributions by the persons making the expenditures. 424 U.S. at 46 n. 53.

The costs incurred at the Bal Harbour reception are not of that order. The reception was not requested by Senator Jackson. The expenses incurred in connection with the reception were not in any way approved or authorized by Senator Jackson or his representatives. The idea of such a reception, which is a traditional function during AFL-CIO conventions, was not originated by Senator Jackson's campaign committee. What Senator Jackson said at the reception was not cleared through the labor officials who organized the reception and there is no evidence that Senator Jackson solicited contributions or even votes at the reception. Indeed, it was not until the month following the reception that SMWIA-PAL first announced its support for Senator Jackson's candidacy. 9/

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8/ It appears that the Commission did not, at the time, agree with this interpretation. Rather, as the Court pointed out, the Commission argued that prearranged or coordinated expenditures were not contributions and that it was therefore necessary to have expenditure limitations in order to prevent circumvention of the contribution limits. 424 U.S. at 46.

9/ Although the Commission's regulations do not apply here because they did not become effective until April 13, 1977, we note that under the regulations, candidates for office may be invited to address members of a labor organization if the labor organization does not then endorse the candidate or solicit contributions from the audience (11 C.F.R. § 114.4(b)(2)).

Of course Senator Jackson was invited to attend the reception but that hardly warrants transforming the expenditures involved into expenditures by him and contributions by SMWIA-PAL and the labor committees that shared the costs. Otherwise, no group interested in learning more about a candidate could invite him to speak or attend a reception with its members without running the risk of exceedint the limits on contributions. Such a restriction on the First Amendment's guarantee of freedom of speech, which protects the free flow of information, 10/ cannot be read into the Act as it stood during the period in question.

B.

THE EXPENDITURES IN CONNECTION WITH THE MAKING OF FILMS OF A RALLY WERE INDEPENDENT EXPENDITURES

On March 6, 1976, three days before the Florida presidential primary election, Senator Henry Jackson appeared at a rally in Ft. Lauderdale, Florida. 11/ Senator Jackson, Daniel Patrick Moynihan, Mr. Carlough and others spoke at the rally, which was held by political committees of local Florida labor unions (Turner letter, p. 12). Shortly before March 6, 1976, Mr. Carlough decided to have the rally filmed for his union. 12/ Senator Jackson was not consulted in advance and became aware of the filming only when he arrived to speak (EC 18-19).

Mr. Carlough decided to make a film of the rally for the purpose of educating members of the SMWIA. As Mr. Carlough stated to the Commission staff: 13/

10/ See First Nat'l Bank of Boston v. Bellotti, 435 U.S. 765, 783 (1978).

11/ Deposition of Edward J. Carlough, at p. 18.

12/ Id. at 18-19.

13/ Id. at 20.

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> First, we were going to make the film, pick out the best parts of it, and then use it as an educational film in our union halls -- or wives, we have some women's divisions in our locals, at coffee meetings of the wives to advance Senator Jackson's candidacy among our own members and also to demonstrate the reason why I was going out in front and supporting the Senator's candidacy at that time.

After the rally, Mr. Carlough advised Senator Jackson that he intended to use the film in the manner described above (EC 19). Neither Senator Jackson nor any member of his staff were shown a copy of the film. 14/

Later, SMWIA-PAL decided that portions of the film should also be used in the independent campaign on behalf of Senator Jackson's candidacy. 15/ Segments of the film were accordingly included in 15-minute and 5-minute cassettes, which SMWIA-PAL volunteers showed to the public during the primary campaign. 16/ SMWIA-PAL paid Hearst Metrotone News Division $2,307.84 on April 27, 1976, and $4,458.26 on May 26, 1976, for services in connection with the making of these tapes and reported these amounts to the FEC as independent expenditures 17/ (SMWIA-PAL FEC Reports 5/14/76, Schedule B, p. 14; 6/8/76, Schedule B, at p. 6).

There is no evidence that Senator Jackson or any member of his staff cooperated, were consulted, or participated in the preparation of the cassettes shown to the public as part of the SMWIA-PAL independent campaign on behalf of Senator Jackson's candidacy.

14/ Deposition of Edward J. Carlough, at p. 20.

15/ Id. at 18.

16/ Ibid.

17/ Id. at 17-18.

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The fact that Senator Jackson became aware that the rally was being filmed is immaterial to whether the expenses involved in making cassettes were "independent expenditures." As to those expenses, there is no evidence of any prior consultation, agreement or cooperation between the candidate and SMWIA-PAL. Indeed, neither Senator Jackson nor his representatives even knew that cassettes were being made for the purpose of the SMWIA-PAL's independent campaign on behalf of his candidacy. Moreover, when the Executive Director of Senator Jackson's campaign committee discovered that SMWIA-PAL was campaigning for Senator Jackson by showing such cassettes to the public he "cried" because he viewed the activity as unproductive and a misuse of "a lot of time and energy." 18/

As the Supreme Court held in Buckley v. Valeo, supra, 424 U.S. at 47, "Unlike contributions, such independent expenditures may well provide little assistance to the candidate's campaign and indeed may prove counterproductive. The absence of prearrangement and coordination of an expenditure with the candidate or his agent . . . undermines the value of the expenditure to the candidate . . . ." From the point of view of Senator Jackson's campaign committee, that certainly describes the situation here. We therefore believe that these expenditures by SMWIA-PAL were properly reported as "independent expenditures" and that there is no factual or legal basis for concluding otherwise.

18/ Deposition of Robert J. Keefe, at pp. 40-43.

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C.
LABOR FOR JACKSON AND SMWIA-PAL WERE NOT AFFILIATED

Labor for Jackson was formed on April 14, 1976, and on that date filed a Statement of Organization with the Federal Election Commission, naming Joseph D. Keenan as Chairman and Edward J. Carlough as Treasurer. In a letter from Mr. Keenan on May 20, 1976, Labor for Jackson reported to the FEC that there were no organizations affiliated with it.

Labor for Jackson was set up for the purpose of making independent expenditures on behalf of the presidential candidacy of Senator Henry Jackson [19/] and to attract a broad base of labor support for the Senator. [20/] Jesse M. Calhoun, President of the Marine Engineers Beneficial Association (MEBA) and the MEBA Political Action Fund, Mr. Carlough and another union official asked Mr. Keenan to serve as Chairman of Labor for Jackson. Mr. Keenan, who had been International Secretary of the International Brotherhood of Electrical Workers, agreed. [21/]

The initial funding of Labor for Jackson consisted of a $20,000 contribution from the MEBA Political Action Fund, a $7500 contribution from SMWIA-PAL and a $5000 contribution from the Engineers Political Education Committee (Labor for Jackson FEC Report, Schedule A, p. 1, 7/9/76). [22/]

Labor for Jackson made independent expenditures on behalf of Senator Jackson's candidacy in the Pennsylvania Presidential

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19/ Id. at 27.

20/ Id. at 28, 50-51.

21/ Id, at 39; Deposition of Joseph D. Keenan, at pp. 4-5.

22/ Deposition of Edward J. Carlough, at pp. 38-39.

primary election, which was held on April 27, 1976 (Labor for Jackson FEC Report, Schedule B, 7/9/76). Many of the volunteers for Labor for Jackson were members of the SMWIA, but volunteers from other unions also participated in the Pennsylvania primary campaign for Senator Jackson, [23] including iron workers, engineers and carpenters. [24] Bills sent to Labor for Jackson were approved for payment by its Treasurer, Mr. Carlough, and checks were signed by Mr. Keenan.

Labor for Jackson functioned for only a short time because, shortly after the Pennsylvania primary, Senator Jackson withdrew as a presidential candidate. On August 24, 1976, Labor for Jackson refunded the balance remaining in its account to its contributors, returning $104.92 to the MEBA Political Action Fund, $414.38 to SMWIA-PAL and $276.15 to the Engineers Political Education Committee (Labor for Jackson FEC Report 8/24/76, p. 1).

In determining whether two committees or segregated funds are "affiliated" it is important to keep in mind that the purpose of the "affiliation" rule is to prevent evasion of the contribution limitations by a proliferation of connected committees, each of which would otherwise be entitled to make separate contributions to the candidate. [25] Thus, with respect to the contribution limits in the Act, all affiliated committees are treated as one committee. [26]

It is immediately apparent that purposes of the affiliation rule are inapplicable to the instant case. We are aware of no allegation -- nor could there be any on this record -- that

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24/ Id. at 34.

25/ See, e.g., Section 110.3(a), (11 C.F.R. § 110.3(a)).

26/ Ibid.

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Labor for Jackson made any contributions to Senator Jackson or to his campaign committee. As we stated above, Labor for Jackson was organized in order to make independent expenditures and that is what it did. It was not formed for the purpose of evading the contribution limits of the Act, which is what the affiliation rule was designed to prevent.

In any event, Labor for Jackson was not, in fact, affiliated with SMWIA-PAL. More than 75 percent of Labor for Jackson's funding came from labor groups other than SMWIA-PAL. To be sure, Edward J. Carlough, who was Chairman of SMWIA-PAL, served as Treasurer for Labor for Jackson. Labor for Jackson, however, was set up, not as an arm of SMWIA-PAL, but in order to attract a broad base of labor support. During the short time it functioned, Labor for Jackson was only partially successful in accomplishing this goal. But this was because Senator Jackson withdrew from the presidential primary race only a few weeks after Labor for Jackson began operating, which hardly gave it sufficient time to accomplish its objective.

Therefore, in light of the facts that more than 75 percent of the funding of Labor for Jackson came from other labor groups, that the committee made independent expenditures rather than contributions, and that it was formed in order to attract wider support from labor organizations, Labor for Jackson cannot be considered "affiliated" with SMWIA-PAL.

CONCLUSION

For the foregoing reasons, under Section 437d of the Act (2 U.S.C. § 437d), the Commission should take no action against SMWIA-PAL.

Respectfully submitted,

A. Raymond Randolph, Jr.

ARR:cb

(b)Cc: Carlough
Fisher
Lynch

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FEDERAL ELECTION COMMISSION

January 19, 1979

Hal Ponder, Esq.
Office of General Counsel
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

Re: MUR 236, 266

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Dear Hal:

Enclosed is a copy of our revised conciliation agreement. Would you please give me a call after you have a chance to review it.

Sincerely yours,

A. Raymond Randolph, Jr.

ARR:cb
Enclosure

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
	)	
Sheet Metal Workers International Association Political Action League	)	MUR 236, 277 (76)

CONCILIATION AGREEMENT

This matter having been initiated on the basis of information ascertained by the Commission in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that respondent, Sheet Metal Workers International Association Political Action League (SMWIA-PAL), violated 2 U.S.C. §434(b) & 18 U.S.C. 608 (b)(2).

Now, therefore, the respective parties herein, the Federal Election Commission and respondents Sheet Metal Workers International Association Political Action League and Labor for Jackson, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent Sheet Metal Workers International Association Political Action League and Labor for Jackson and the subject matter of this proceeding;

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II. That respondents Sheet Metal Workers International Association Political Action League and Labor for Jackson have had a reasonable opportunity to demonstrate that no action should be taken in this matter;

III. Respondents have promptly and fully cooperated with the Commission in its investigation.

IV. That the pertinent facts in this matter are as follows:

A. On February 16, 1976, a reception was held in Bal Harbour, Florida, for Senator Jackson and his family. Expenses in connection with the reception totalled $15,304.08 were advanced by SMWIA-PAL, and were reported on FEC Form 3 as independent expenditures. SMWIA-PAL was subsequently reimbursed a substantial portion of these expenses by political action committees of several labor organizations.

B. SMWIA President Edward Carlough, who also served as Chairman of SMWIA-PAL, discussed the possibility of the Bal Harbour Reception with Senator Jackson and with members of the Jackson staff prior to the reception.

C. The time and place of the Reception was coordinated with Senator Jackson's campaign schedule so that he could attend the Bal Harbour Reception and meet with AFL-CIO leaders.

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V. The Commission contends that:

A. The Bal Harbour Reception was held in cooperation with the Jackson campaign organization and the discussions referred to in paragraph IV B would indicate authorization or consent for the expenditures in connection with the Reception.

B. SMWIA-PAL's expenditures related to the Bal Harbour Reception were contributions to the Jackson campaign, not independent expenditures as reported by SMWIA-PAL. Although not done wilfully, the misreporting of these expenditures constitutes a violation of 2 U.S.C. §434(b), and the contributions exceed the FECA limitations in violation of 18 U.S.C. §608(b)(2).

VI. As a result of SMWIA-PAL's and Labor for Jackson's desire to resolve this matter promptly and avoid protracted and costly litigation, SMWIA-PAL and Labor for Jackson agree for the purposes of this conciliation agreement with the contentions of the Commission set forth above.

VII. SMWIA-PAL will pay a civil penalty in the amount of $1500 pursuant to 2 U.S.C. §437g(a)(6)(B).

7904012196O

VIII. Respondents will not undertake any activity which is in violation of the Federal Election Campaign Act, 2 U.S.C. § 431 et seq.

GENERAL CONDITIONS

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

II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

III. It is agreed that respondent, Sheet Metal Workers International Association Political Action League, shall have 30 days from the date of this agreement to implement and comply with the requirements contained herein, or to so notify the Commission.

7904012196

IV. It is agreed that Labor for Jackson is no longer in existence.

Date: _____

William D. Oldaker
General Counsel
Federal Election Commission

Date: _____

Edward J. Carlough
Chairman
Sheet Metal Workers International
Association Political Action League

Edward J. Carlough
Former Treasurer
Labor for Jackson

7904012196 2

LAW OFFICES
SHARP & RANDOLPH
SUITE 501
1800 MASSACHUSETTS AVENUE, N.W.
WASHINGTON, D. C. 20036

Hal Ponder, Esq.
Office of General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

7904012196 4

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS mwe

DATE: JANUARY 11, 1979

SUBJECT: MUR 236 (66)/MUR 266 (76) - Interim Investigative/Conciliation Report dated 1-9-79; Received in OCS 1-10-79, 11:03

The above-named document was circulated on a 24 hour no-objection basis at 2:30, January 10, 1979.

The Commission Secretary's Office has received no objections to the Interim Investigative/Conciliation Report as of 3:30, this date.

January 10, 1979

MEMBRANDUM TO: Marge Emmons

FROM: Elissa T. Barr

SUBJECT: MURs 236 and 266

Please hhve the attached Interim Repprt distribueed to the Commission on a 24 hour no-objection basis.

Thank you.

7904012196 5

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

BEFORE THE FEDERAL ELECTION COMMISSION

79 JAN 10 AM: 03

In the Matter of	)	
	)	
Labor for Jackson, and	)	MUR 236 (76)
Sheet Metal Workers International	)	MUR 266 (76)
Association Political Action League	)	

INTERIM INVESTIGATIVE/CONCILIATION REPORT

The Office of General Counsel is proceeding with the investigation and conciliation efforts in the two above-captioned matters. Since the same attorneys are representing the two respondents, discussion with staff will proceed on a parallel basis. Staff of the Office of General Counsel met with respondents' attorneys on December 18, 1978 to discuss the proposed conciliation agreement in MUR 266(76). Respondents' attorneys have agreed to submit a final written response no later than January 24, 1979 concerning both MUR 236(76) and MUR 266(76) and including any proposed changes in the conciliation agreement in MUR 266. A final conciliation meeting is scheduled for January 26, 1979.

9 January 1979
Date

William C. Oldaker
General Counsel

7904012196 5

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

January 9, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. A. Raymond Randolph
Sharp, Randolph and Janis
Suite 501
1800 Massachusetts Ave., N.W.
Washington, D.C. 20036

RE: MURs 236 and 266

Dear Mr. Randolph:

This is in response to your letter dated January 2, 1979 requesting additional time to conclude conciliation of the matters being investigated by the Commission in MUR 236 and MUR 266. Respondent in MUR 236 is Labor for Jackson and respondent in MUR 266 is the Sheet Metal Workers International Association Political Action League.

Since you have expressed some confusion over the status of these two MURs, I would just like to state that the alleged violations stated in the two letters dated December 4, 1978 - one to you as the attorney for SMWIA-PAL and one to Edward J. Carlough as Treasurer of Labor for Jackson - are the matters now under consideration by the Commission as possible FECA violations. Conciliation efforts will be concerned only with these matters as set forth in the two December 4th letters.

We would like to set January 24, 1979 as the final date for your submission of any materials in response to the Commission's findings in MURs 236 and 266. This submission should include any changes which you would like to suggest in the conciliation agreement which accompanied the letter to you in MUR 266. Then we would like to meet with you on January 26, 1979 for a final conciliation session.

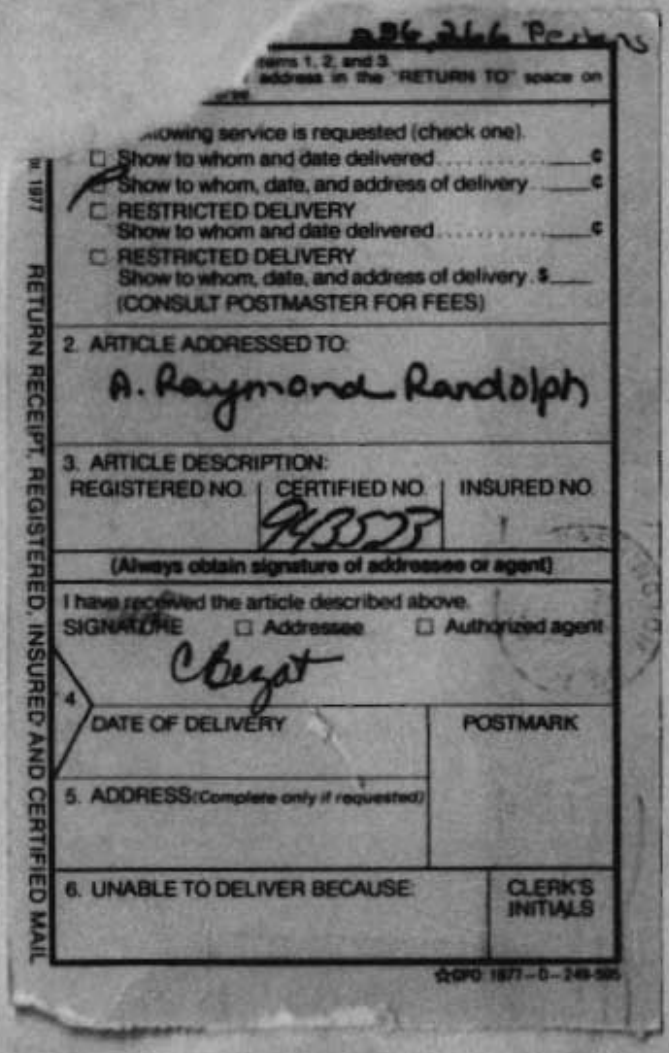
7904012 0967

Please contact Kathleen Imig Perkins, the attorney assigned to this matter, at 202/523-4060, if the above procedure meets with your schedule.

Sincerely,

William C. Oldaker
General Counsel

Charles N. Steele
Associate General Counsel



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- ☐ Show to whom, date, and address of delivery ..... ¢
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- ☐ RESTRICTED DELIVERY Show to whom, date, and address of delivery . $
(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
A. Raymond Randolph

3. ARTICLE DESCRIPTION:
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(Always obtain signature of addressee or agent)

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☆GPO 1977—O—249-525

790401219 63

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

7904012196 9

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS mwe

DATE: JANUARY 8, 1979

SUBJECT: MUR 260 (76) - Interim Investigative Report dated 1-2-79; Received in OCS 1-5-79, 11:04

The above-named document was circulated on a 24 hour no-objection basis at 3:00, January 5, 1979.

The Commission Secretary's Office has received no objections to Interim Investigative Report as of 4:00, this date.

January 5, 1979

MEMORANDUM TO: Marge Emmons

FROM: Elissa T. Garr

SUBJEC T: MUR 260

Please have the attached Interim Investigative Report on MUR 260 distributed to theCCommission on a 24 hour no-objection basis.

Thank you.

7904012 1970

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

BEFORE THE FEDERAL ELECTION COMMISSION

79 JAN 5 AM: 04

In the Matter of	)	
	)	
Marine Engineers Beneficial Association Political Action Fund	)	MUR 260 (76)
	)	

INTERIM INVESTIGATIVE REPORT

Investigation of this matter is continuing. The Office of General Counsel will receive a written response to the Commission's questions from respondent's attorney on January 3, 1979. Staff of the Office of General Counsel will meet with respondent's attorney on January 9, 1979. We will then prepare a full report on the status of these matters including further recommendations.

2 January 1979
Date

William C. Oldaker
General Counsel

7904012197 1

LAW OFFICES
SHARP & RANDOLPH
SUITE 501
1600 MASSACHUSETTS AVENUE, N.W.
WASHINGTON, D.C. 20036

JAMES E. SHARP
A. RAYMOND RANDOLPH, JR.
V. THOMAS LANKFORD, JR.

TELEPHONE
(202) 659-2400

RECEIVED
FEDERAL ELECTION
COMMISSION

'79 JAN 3 AM 11:04

January 2, 1979

Ms. Kathleen Imig Perkins
Office of General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

re: MUR 266 & 236

Dear Ms. Perkins:

On January 8, 1979, it will be thirty days since we received notice of the Commission's action in MUR 266. Thirty days is the minimum period of time for conciliation under the Act. We believe, however, that further efforts at conciliation are warranted under the circumstances and that it would be premature to end our discussions at this point.

As you know, part of the difficulty we have encountered has resulted from General Counsel Oldaker's "reason to believe" letter of December 4, 1978, in MUR 236(76), which you gave us when we met. More that two years ago we received a "reason to believe" letter in MUR 236(76) and during the Commission's investigation we were led to believe that MUR 236 had been consolidated with MUR 266. Indeed, depositions taken in the past two years bear both MUR numbers. We have never received separate notification of the Commission's final disposition of MUR 236, as instituted in 1976. For a number of reasons Mr. Fisher and I discussed with you, we believed that Mr. Oldaker's letter of December 4, 1978, labelled "Re: MUR 266," represented the Commission's decision not only in MUR 266 but also in MUR 236. (Another area of misunderstanding arises from the fact that although Mr. Oldaker wrote me on November 6, 1978, regarding

7904012197 2

MUR 266, and stated that the investigation therein was continuing, his letter of December 4, 1978, regarding MUR 266 informed us for the first time that the Commission actually reached its decision on the issues involved in this case on June 22, 1977, and November 1, 1978.) When we met last month, you and Mr. Ponder stated that we would receive a letter of explanation. We are still awaiting such a letter.

We therefore believe it would be in the best interest of all parties that the period of conciliation be extended. I will be engaged in a two week trial that begins January 8, 1979, and therefore will be unable to confer until that trial ends. I suggest that we meet again at the earliest opportunity after my trial is concluded.

Please consider this letter also as a response to Mr. Oldaker's letter of December 4, 1978, regarding MUR 236. Our position has been, as stated in my letter of November 17, 1978, that no violations of the Act occurred and that the information developed during the past two years, through depositions and other submissions, demonstrates this conclusively. When we receive your letter of explanation regarding the status of MUR 236(76), we will be able to respond more fully to the Commission's "reason to believe" finding in MUR 236(76).

If there are any difficulties in extending the period of conciliation would you kindly inform me as promptly as possible. Thank you for your cooperation and assistance.

Sincerely yours,

A. Raymond Randolph, Jr.

ARR:cb
cc: Donald Fisher, Esq.
William C. Oldaker, Esq., General Counsel
Harry L. Ponder, Esq., General Counsel

7904012173

LAW OFFICES
SHARP & RANDOLPH
SUITE 501
1800 MASSACHUSETTS AVENUE, N.W.
WASHINGTON, D. C. 20036

79 JAN 3 AM 11:09

Ms. Kathleen Imig Perkins

Office of the General Counsel
Federal Election Commission
1325 K Street NW
Washington, D.C. 20463

LAW OFFICES
SHARP & RANDOLPH
SUITE 501
1800 MASSACHUSETTS AVENUE, N.W.
WASHINGTON, D. C. 20036

William C. Oldaker, Esq.
General Counsel
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 24063

6049

LAW OFFICES
SHARP & RANDOLPH
SUITE 501
1600 MASSACHUSETTS AVENUE, N.W.
WASHINGTON, D.C. 20036

JAMES E. SHARP
A. RAYMOND RANDOLPH, JR.
V. THOMAS LANGFORD, JR.

RECEIVED
FEDERAL ELECTION
COMMISSION
900002

'79 JAN 4 AM 8:43

TELEPHONE
(202) 659-2400

January 2, 1979

Ms. Kathleen Imig Perkins
Office of General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

re: MUR 266 & 236

Dear Ms. Perkins:

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7904012976

MUR 266, and stated that the investigation therein was continuing, his letter of December 4, 1978, regarding MUR 266 informed us for the first time that the Commission actually reached its decision on the issues involved in this case on June 22, 1977, and November 1, 1978.) When we met last month, you and Mr. Ponder stated that we would receive a letter of explanation. We are still awaiting such a letter.

We therefore believe it would be in the best interest of all parties that the period of conciliation be extended. I will be engaged in a two week trial that begins January 8, 1979, and therefore will be unable to confer until that trial ends. I suggest that we meet again at the earliest opportunity after my trial is concluded.

Please consider this letter also as a response to Mr. Oldaker's letter of December 4, 1978, regarding MUR 236. Our position has been, as stated in my letter of November 17, 1978, that no violations of the Act occurred and that the information developed during the past two years, through depositions and other submissions, demonstrates this conclusively. When we receive your letter of explanation regarding the status of MUR 236(76), we will be able to respond more fully to the Commission's "reason to believe" finding in MUR 236(76).

If there are any difficulties in extending the period of conciliation would you kindly inform me as promptly as possible. Thank you for your cooperation and assistance.

Sincerely yours,

A. Raymond Randolph, Jr.

ARR:cb
cc: Donald Fisher, Esq.
William C. Oldaker, Esq., General Counsel
Harry L. Ponder, Esq., General Counsel

7904012 1977

LAW OFFICES
SHARP & RANDOLPH
SUITE 501
1600 MASSACHUSETTS AVENUE, N.W.
WASHINGTON, D. C. 20036

'79 JAN 4 AM 8:42

Harry L. Ponder, Esq.
General Counsel
Federal Election Commission
1325 K Street NW
Washington, D.C. 20463

234 6004 6048

CHARLES H. MORIN
DAVID L. SHAPIRO
SIDNEY DICKSTEIN
ARTHUR J. GALLIGAN
JUDAH BEST
SEYMOUR GLANZER
HENRY C. CASHEN II
JAMES VAN R. SPRINGER
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HELEN R. KANOVSKY
WALTER J. WALVICK
CHARLES J. LANDY
SCOTT M. DuBOFF
PETER HAFNER JOST
KENNETH M. SIMON
NORTON CUTLER
WILLIAM K. OSBORNE, JR.

DICKSTEIN, SHAPIRO & MORIN

2101 L STREET, N.W.
WASHINGTON, D.C. 20037
202 785-9700

TELEX 892605 DSM WSH

NEW YORK OFFICE
745 FIFTH AVENUE
NEW YORK, N.Y. 10022
212 832-1900

BOSTON OFFICE
THREE CENTER PLAZA
BOSTON, MASSACHUSETTS 02108
617 227-7700

RECEIVED
FEDERAL ELECTION
COMMISSION
'79 JAN 3 PM 4:37

January 3, 1979

800799

7904012 1979

William C. Oldaker, Esquire
General Counsel
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

Dear Mr. Oldaker:

In accordance with my letter of December 20, 1978 to Hal Ponder, I am hereby responding to your letter of December 7, 1978. In your letter, you requested time records and job descriptions of Marine Engineer Beneficial Association ("MEBA") members/personnel who may have been involved in collecting funds for the Jackson For President Committee in 1976.

As I have previously explained to several members of your staff, the MEBA does not utilize traditional time records for its personnel. All of the elected officials and appointed MEBA representatives are on call on a 24-hour/day basis, seven days a week. The only records which are kept are attendance-type records which reflect only that an employee worked on a particular day. There are no records kept to our knowledge reflecting the number of hours actually worked, and there is really no need to do so as these individuals are salaried and not paid overtime. When I explained this to Mr. Ponder, who called on your behalf, he agreed that it was unnecessary to produce attendance records.

You have also requested that we provide "job descriptions" for the stated purpose of demonstrating that personnel who collected funds for the Jackson For President Committee

7904012 1980

did so "outside and in addition to their responsibilities as MEBA employees." Since your request evidences what may be a misperception (which we have already addressed in our formal submission), permit me to make a few brief comments. There were no persons employed by the MEBA for the purpose of collecting any funds for the Jackson For President Committee. Similarly, no MEBA personnel were compensated, directly or indirectly, for engaging in such a collection effort. This activity was conducted on a purely voluntary basis and was not done in lieu of the individual's regular responsibilities. Consequently, as I have tried to explain repeatedly, knowledge of generic "job descriptions" requested is largely irrelevant since this voluntary activity was not part of anybody's "job."

In any event, in the interest of cooperation, the following list of the activities of MEBA officers and representatives is provided pursuant to your request. While their specific duties vary from port to port, I understand that the following list of activities is comprehensive:

BRANCH AGENTS:

1. The Branch Agent is in charge of the particular Branch he has been elected to. He is also responsible for the port area within the jurisdiction of the Branch on a 24-hour/day basis, seven days a week.

2. His responsibilities are such that he is responsible for implementing the policies of the District as set forth by the President, the District Executive Committee, and/or any rules or regulations that would be adopted by a majority vote of the membership.

3. He implements the By-Laws and Shipping Rules of the District.

4. He assigns duties to his Branch Patrolmen and/or Representatives, as required.

5. He is also called upon to negotiate and administer local area contracts (ferries, tow boats, tugs, etc.).

6. He acts as Chairman at the regular monthly Membership Meetings and any special meetings that are called.

7. He may also become involved with efforts to organize entities in his area or jurisdiction.

8. The Branch Agent may also participate in State and County AFL-CIO bodies and may be called upon to also participate in area Port Councils, i.e., Maritime Trades Department - MTD.

9. The Branch Agent prepares a weekly financial report reflecting the weekly income of the District and accounts for same to the Secretary-Treasurer.

10. He approves and authorizes the expenses incurred in his port.

11. In certain branches where there is only a Branch Agent, the Branch Agent may in fact become an authorized dues collector.

12. In some ports, the Branch Agent also acts as the area Vice President. These Branch Agents and area Vice Presidents form the District Executive Committee together with the District President and the Secretary-Treasurer.

13. The Branch Agents also become involved in processing grievances from members and, when necessary (one-man ports), cover ships, collect dues and settle "beefs."

14. Branch Agents are also required to handle special assignments from the area Vice Presidents, the Secretary-Treasurer and, of course, the President or the District Executive Committee.

15. Branch Agents also become involved with supervising strike committees when required, attend licensed personnel board meetings and arbitrations, where required, and assist trial committee members in performance of their duties, when necessary.

7904012 1981

16. They serve as Trustees, when so designated, to the Pension Fund, the Welfare Plan, the Vacation Plan, etc.

17. They deal with correspondence with contracted companies relating to contract grievances, issues, etc.

18. Branch Agents are on call and available to serve the Organization on a daily 24-hour basis, seven days a week.

19. They are responsible for the hiring of clerical employees at the Branch.

20. Branch Agents enforce or implement the Collective Bargaining Contracts of the District on behalf of the membership.

ELECTED PATROLMEN AND/OR ASSIGNED REPRESENTATIVES:

1. They perform whatever duties are assigned to them by the Branch Agent of the port to which they are assigned, or by the District President and/or the District Executive Committee.

I would point out at this juncture, that an assigned Representative in a small area port, would be the only MEBA Representative at such port and, for all practical purposes, would have pretty much the same duties as a Branch Agent.

2. Patrolmen are involved in ship coverage which would include grievance processing, again, settling of "beefs," dues collection, whenever ships enter their respective ports.

3. Patrolmen may also be asked to attend licensed personnel board hearings and arbitrations, where required.

4. Patrolmen and/or Representatives may also administer local contracts. They may also become involved in preparing correspondence with personnel of contracted companies related to contract issues.

7904012198 2

5. Patrolmen and/or Representatives make visits to members in U.S. Public Health Service hospitals.

6. Patrolmen and/or Representatives become involved in organizing efforts assigned to them.

7. They are on call 24 hours a day, seven days a week.

8. Patrolmen and/or Representatives become involved with the processing of membership applications, group shipping applications, dues collections at the branch offices.

9. Some Patrolmen and Representatives become involved in the dispatching of engineers to various job assignments and become directly involved in the mechanics of the administration of shipping rules.

10. Patrolmen and/or Representatives may also become involved with preparation of the weekly transmittal of monies to District Headquarters.

11. In many cases, they attend the monthly membership meetings.

7904012183

COLLECTORS:

Collectors are salaried employees who are authorized to collect dues and perform other ship coverage functions. They would be employed on a 24 hour/day basis (seven days a week) to meet vessels whenever they entered port.

Although there is no information to suggest that MEBA employees such as secretaries, bookkeepers, office clerks, etc. in any way solicited contributions, it is possible that contributions may on occasion have been left with such persons for transmittal. This accommodation by MEBA employees would clearly have been in addition to their regular functions, would have been sporadic, and involved an infinitesimal amount of time.

I hope this information has clarified matters for you. I look forward to our meeting on January 9, 1979, with you, Mr. Ponder and Ms. Perkins. Judd and I hope you had a pleasant holiday season.

Sincerely,

DICKSTEIN, SHAPIRO & MORIN

By Justin D. Simon
Justin D. Simon

General Counsel, Marine
Engineers Beneficial
Association

tle

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RECEIVED
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COMMISSION

'79 JAN 3 PM 4:32

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COMMISSION
'79 JAN 3 PM 4:37

DICKSTEIN, SHAPIRO & MORIN
2101 L STREET, N. W.
WASHINGTON, D. C. 20037

William C. Oldaker, Esquire
General Counsel
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

CHARLES H. MORIN
DAVID I. SHAPIRO
SIDNEY DICKSTEIN
ARTHUR J. GALLIGAN
JUDAH BEST
SEYMOUR GLANZER
HENRY C. CASHEN II
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CHARLES J. LANDY
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PETER HAFNER JOST
KENNETH H. SIMON
NORTON CUTLER
WILLIAM W. OSBORNE, JR.

ACO 5981

DICKSTEIN, SHAPIRO & MORIN
2101 L STREET, N.W.
WASHINGTON, D.C. 20037
202 785-9700
TELEX 892606 DSH WSH

NEW YORK OFFICE
745 FIFTH AVENUE
NEW YORK, N.Y. 10022

BOSTON OFFICE
THREE CENTER PLAZA
BOSTON, MASSACHUSETTS 02108
617 227-7700

RECEIVED
FEDERAL ELECTION
COMMISSION
'78 DEC 26 AM 10:36

December 20, 1978

808659

7904021985

Hal Ponder, Esquire
Office of the General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Dear Mr. Ponder:

This will confirm our agreement of this date that the MEBA Political Action Fund ("MEBA-"PAF") shall have until January 3, 1979 to respond to your letter of December 7, 1978. It is understood that no action will be taken regarding the MEBA-PAF prior to that date.

It is also agreed that we will meet with Kathy Perkins and Bill Oldaker on January 9, 1979 for the purpose of discussing the parameters of this investigation in the future. As I explained to Ms. Perkins on December 11 and to you both yesterday and today, I am most dismayed at the fact that we were not accorded the opportunity, as promised, to meet with the staff to resolve any similar questions prior to the submission of the staff report to the Commission. There is no question in my mind that had this agreement been acted upon that the Commission would have been in a position to be satisfied that there were no Campaign Act violations by the MEBA-PAF.

As I explained to you further, my client desires to cooperate with the Commission in every conceivable way, and its track record in abiding by this commitment has been excellent. On the other hand, we feel that this investigation has been going

on for over a year, and that it is only fair that this matter be resolved one way or the other. While it is obvious that the FEC's activity on this investigation has been sporatic and has been impaired by the attrition of staff investigators, I think you can understand our frustration in having to repeatedly answer the same questions over and over again, especially in view of the fact that no one at the Commission has ever articulated a theory of violation which is in any way relevant to the activities under scrutiny. I am therefore hoping that our January 9 meeting will serve to focus the issues on both sides and permit us, once and for all, to take whatever proper steps are required to permit us to move on.

Sincerely,

Justin D. Simon

Justin D. Simon

tle

7904012198 7

DICKSTEIN, SHAPIRO & MORIN
2101 L STREET, N.W.
WASHINGTON, D.C. 20037

7900102-96

78 DEC 27 AM 10:36

Hal Ponder, Esquire
Office of the General Counsel
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

December 7, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Justin D. Simon
Dickstein, Shapiro and Morin
2101 L Street, N.W.
Washington, D.C. 20037

RE: MUR 260(76)

Dear Mr. Simon:

On November 1, 1978, the Commission considered the matter of the Marine Engineers Beneficial Association and the Marine Engineers Beneficial Association Political Action Fund (MEBA and MEBA-PAF) (MUR 260). The Commission determined to take no further action concerning the MEBA-PAF expenditures in connection with the New York City Hospitality Suite, the Baltimore Reception, or the San Francisco Reception, and to close the investigation of these matters. The Commission also determined to defer further action in connection with MEBA-PAF's purchase of receipt books to conduct the solicitation of contributions to the Jackson for President Committee, pending additional investigation.

In this regard, the Commission is particularly considering the nature of the activities of MEBA employees involved in the Jackson for President solicitation effort. The Commission requests that MEBA submit any relevant time records and job descriptions of these employees in an effort to demonstrate that their solicitation activities were outside and in addition to their responsibilities as MEBA employees. Also, the memorandum which you submitted to the Commission in this matter stated "that the procedures followed by the MEBA-PAF were responsive to and consistent with FEC AO 1976-51." MEBA-PAF Submission at 21 n. 11. Please expand upon this statement in light of the fact that AO 1976-51 applied the $1,000 contribution limitation of 18 U.S.C. §608(b)(1) to the aggregate contributions of a group of individuals untilizing a contribution procedure similar to that employed by MEBA-PAF. The Commission is specifically considering whether MEBA's payment of the salaries of these employees, while they participated in the solicitation effort, was a violation of 18 U.S.C. §610 and whether the results of the solicitation effort exceeded FECA's contribution limitations.

7904012987

The Commission also found reasonable cause to believe that MEBA violated 18 U.S.C. §610 by permitting the use of MEBA offices, equipment and supplies to implement and facilitate solicitation of contributions for the Jackson for President Committee. Our plan is to defer conciliation on this issue pending further discussion with you concerning the additional matters set forth above.

Please submit any materials which you consider relevant to the Commission's consideration of the above issues within 10 days of your receipt of this notification. Where appropriate, statements should be submitted under oath.

If you have any questions, please contact Kathleen Imig Perkins, the attorney assigned to this matter, at 202/523-4060.

This matter will remain confidential in accordance with 2 U.S.C. §437g(a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public.

Sincerely,

William C. Oldaker
General Counsel

7904012190

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MU 260
Marine Engineers Beneficial Association	)	
Marine Engineers Beneficial Association Political Action Fund	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on December 5, 1978, the Commission determined by a vote of 6-0 to adopt the following recommendations, as set forth in the General Counsel's memorandum dated November 29, 1978, regarding the above-captioned matter:

1. Approve the proposed letter, attached to the above-named memorandum, to the attorney representing the MEBA/MEBA-PAF notifying the respondents of the Commission's finding of Reasonable Cause To Believe; and

2. Requests additional information concerning MEBA employees involved in the Jackson for President solicitation effort.

Attest:

12/5/78
Date

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

Received in Office of Commission Secretary: 11-29-78, 3:10
Circulated on a 48 hour vote basis:

7900401219 91

November 29, 1978

MEMORANDUM TO: Marge Emmons

FROM: Elissa T. Garr

SUBJECT: MUR 260

Please have the attached memo on MUR 260 distributed to the Commission on a 48 hour tally basis.

Thank you.

7900401219922

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

'78 NOV 29 P3: 10

November 29, 1978

MEMORANDUM TO: THE COMMISSION

FROM: WILLIAM C. OLDAKER
GENERAL COUNSEL

SUBJECT: LETTER - MUR 260 (76)

Attached for your consideration and approval is the proposed letter to the attorney representing the Marine Engineers Beneficial Association and the Marine Engineers Beneficial Association Political Action Fund. As per the Commission's action of November 1, 1978, this letter notifies MEBA/MEBA-PAF of the Commission's RCTB finding and requests additional information concerning MEBA employees involved in the Jackson for President solicitation effort.

We recommend that you approve this letter for mailing.

7904012 1993

7904012194

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Justin D. Simon
Dickstein, Shapiro and Morin
2101 L Street, N.W.
Washington, D.C. 20037

RE: MUR 260(76)

Dear Mr. Simon:

On November 1, 1978, the Commission considered the matter of the Marine Engineers Beneficial Association and the Marine Engineers Beneficial Association Political Action Fund (MEBA and MEBA-PAF) (MUR 260). The Commission determined to take no further action concerning the MEBA-PAF expenditures in connection with the New York City Hospitality Suite, the Baltimore Reception, or the San Francisco Reception, and to close the investigation of these matters. The Commission also determined to defer further action in connection with MEBA-PAF's purchase of receipt books to conduct the solicitation of contributions to the Jackson for President Committee, pending additional investigation.

In this regard, the Commission is particularly considering the nature of the activities of MEBA employees involved in the Jackson for President solicitation effort. The Commission requests that MEBA submit any relevant time records and job descriptions of these employees in an effort to demonstrate that their solicitation activities were outside and in addition to their responsibilities as MEBA employees. Also, the memorandum which you submitted to the Commission in this matter stated "that the procedures followed by the MEBA-PAF were responsive to and consistent with FEC AO 1976-51." MEBA-PAF Submission at 21 n. 11. Please expand upon this statement in light of the fact that AO 1976-51 applied the $1,000 contribution limitation of 18 U.S.C. §608(b)(1) to the aggregate contributions of a group of individuals untilizing a contribution procedure similar to that employed by MEBA-PAF. The Commission is specifically considering whether MEBA's payment of the salaries of these employees, while they participated in the solicitation effort, was a violation of 18 U.S.C. §610 and whether the results of the solicitation effort exceeded FECA's contribution limitations.

The Commission also found reasonable cause to believe that MEBA violated 18 U.S.C. §610 by permitting the use of MEBA offices, equipment and supplies to implement and facilitate solicitation of contributions for the Jackson for President Committee. Our plan is to defer conciliation on this issue pending further discussion with you concerning the additional matters set forth above.

Please submit any materials which you consider relevant to the Commission's consideration of the above issues within 10 days of your receipt of this notification. Where appropriate, statements should be submitted under oath.

If you have any questions, please contact Kathleen Imig Perkins, the attorney assigned to this matter, at 202/523-4060.

This matter will remain confidential in accordance with 2 U.S.C. §437g(a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public.

Sincerely,

William C. Oldaker
General Counsel

7904010-12-9

7904021997

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

December 4, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. A. Raymond Randolph
Sharp, Randolph and Janis
Suite 401
1220 Nineteenth St., N.W.
Washington, D.C. 20036

RE: MUR 266

Dear Mr. Randolph:

On June 22, 1977, the Commission determined that reasonable cause existed to believe that the Sheet Metal Workers International Association Political Action League (SMWIA-PAL) violated 2 U.S.C. §434(b) and 2 U.S.C. §441a(a)(2)(A) [18 U.S.C. §608(b)(2) at the time of the violation] in connection with SMWIA-PAL expenditures to host a reception for Senator Henry Jackson in Bal Harbour, Florida. The Commission recommended that conciliation efforts on this matter be deferred pending further investigation of an additional alleged violation of FECA.

On November 1, 1978, the Commission found that there was reasonable cause to believe that SMWIA-PAL violated 2 U.S.C. §434(b) and 18 U.S.C. §608(b)(2) in connection with approximately $65,000. in expenditures made to promote the candidacy of Senator Jackson [The $65,000 amount includes the $15,304.08 expended by SMWIA-PAL to host the Bal Harbour Reception]. The Commission recommended that conciliation efforts be initiated with respondent on the above matters.

Specifically, the Commission has determined that reasonable cause exists to believe that:

(1) The SMWIA-PAL expenditures to host the Bal Harbour, Florida Reception ($15,304.08) were contributions to the Jackson campaign and thus a violation of 18 U.S.C. §608(b)(2) when taken in conjunction with SMWIA-PAL's direct contribution to the Jackson for President Committee.

(2) These expenditures were reported to the FEC as independent expenditures, instead of correctly being reported as contribution representing a violation Of 2 U.S.C. §434(b).

(3) Additional SMWIA-PAL expenditures (approximately $50,000.) made in support of the Jackson candidacy and reported as independent expenditures, were in reality in-kind contributions

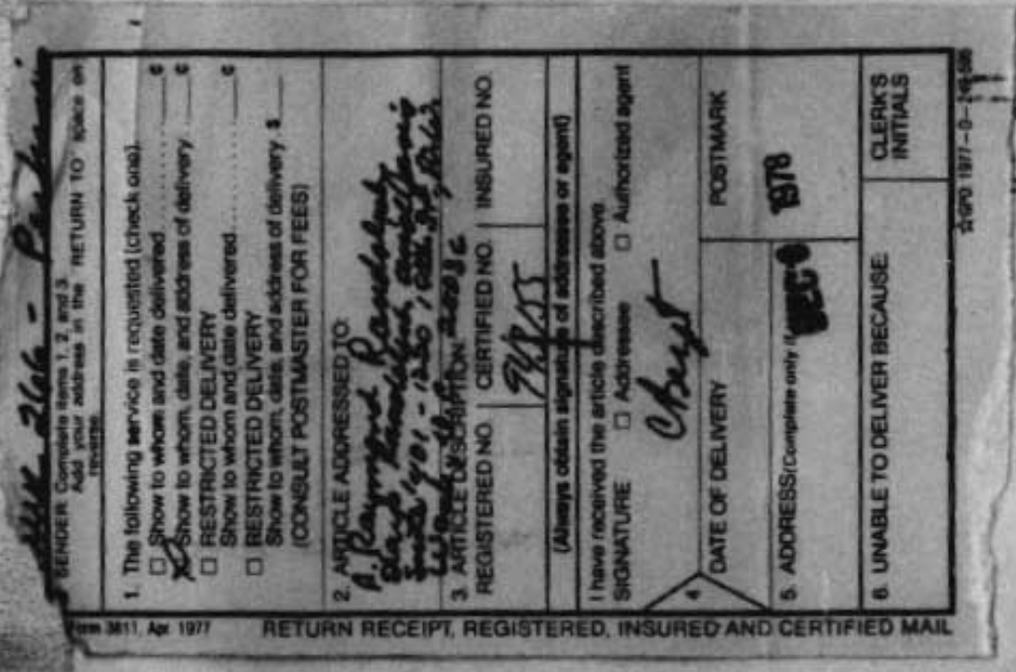
to the Jackson campaign and thus a violation of 18 U.S.C. §608(b)(2) when taken in conjunction with other SMWIA-PAL contributions to the Jackson for President Committee.

(4) These expenditures were reported to the FEC as independent expenditures thus violating the disclosure provisions of 2 U.S.C. §434(b).

The Commission has a duty to attempt to correct such violations for a period of 30 days by informal persuasion, conference, and by entering into a conciliation agreement with respondent. 2 U.S.C. §437g(a)(5)(A). If the Commission is unable to correct such violations by such informal methods and by entering into a conciliation agreement with respondent, the Commission may find probable cause to believe that the violations occurred and institute a civil action in United States District Court seeking payment of a civil penalty not in excess of the total amount of the expenditures involved in the alleged violations herein.

We enclose a conciliation agreement that this office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions contained in the enclosed conciliation agreement, please sign and return it [along with the stated civil penalty] to the Commission within ten days. I will then recommend that the Commission approve the agreement.

If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Kathleen Imig Perkins, the attorney assigned to this matter, at 202/523-4060 within 10 days.



Oldaker
Counsel

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
	)	
Sheet Metal Workers International Association Political Action League	)	MUR 266 (76)
	)	

CONCILIATION AGREEMENT

This matter having been initiated on the basis of information ascertained by the Commission in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that respondent, Sheet Metal Workers International Association Political Action League (SMWIA-PAL), violated 2 U.S.C. §434(b) and 18 U.S.C. §608(b)(2),

Now, therefore, the respective parties herein, the Federal Election Commission and respondent Sheet Metal Workers International Association Political Action League, having duly entered into conciliation pursuant to 2 U.S.C. §437g(a)(5), do hereby agree as follows:

I. That the Federal Election Commission has jurisdiction over respondent Sheet Metal Workers International Association Political Action League and the subject matter of this proceeding;

II. That respondent Sheet Metal Workers International Association Political Action League has had a reasonable opportunity to demonstrate that no action should be taken in this matter;

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III. That the pertinent facts in this matter are as follows:

A. On February 16, 1976, SMWIA-PAL hosted a reception in Bal Harbour, Florida for Senator Jackson and his family. Expenses in connection with the reception totalled $15,304.08, were paid by SMWIA-PAL, and were reported on FEC Form 3 as independent expenditures.

B. SMWIA President, Edward Carlough, who also served as Chairman of SMWIA-PAL, discussed the possibility of the Bal Harbour Reception with Senator Jackson and with members of the Jackson staff prior to the reception. Such discussions would indicate authorization or consent for the expenditures.

C. The time and place of the Reception was coordinated with Senator Jackson's campaign schedule so that he could attend the Bal Harbour Reception and meet with AFL-CIO leaders. Such coordination indicates that the Reception was held in cooperation with the Jackson campaign organization.

D. During the period March-June, 1976, SMWIA-PAL made additional expenditures totalling approximately $50,000 which were reported on FEC Form 3 as independent expenditures in support of Senator Jackson's candidacy.

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E. Approximately $13,000 of these expenditures were reimbursements to SMWIA employees who simultaneously had been reimbursed for other expenditures, as were other SMWIA employees, by the Labor for Jackson Committee (LFJ) and the Jackson for President Committee (JFP). SMWIA employees routinely submitted vouchers for reimbursement of "independent" expenses for Jackson to SMWIA offices and were paid by either SMWIA-PAL, LFJ or JFP. This interrelationship and knowledge by JFP of SMWIA-PAL expenditures indicates consent or authorization for those expenditures.

F. Approximately $7,000 of these additional expenditures were costs related to the filming, production and editing of video cassette recordings of speeches given by Senator Jackson. Prior to a speech given by Senator Jackson in Fort Lauderdale, Florida, SMWIA-PAL contacted the Senator and informed him of their intent to film the speech. In addition, members of the JFP Committee staff or members of the Senator's personal staff viewed the video cassettes following their production. This cooperation indicates consent or authorization by JFP for the SMWIA-PAL expenditures in connection with the filming.

G. Edward J. Carlough served simultaneously as President of SMWIA and Chairman of SMWIA-PAL. In his position as Chairman of SMWIA-PAL, Mr. Carlough controlled and directed the expenditure of SMWIA-PAL funds. In addition, Mr. Carlough, an early supporter and advisor on labor matters to Senator Jackson and the Jackson for President Committee, was in frequent contact with

7904012200 1

members of Senator Jackson's staff and was apprised of the committee's general policies and strategies. This close relationship and knowledge of JFP policies and campaign strategies indicates cooperation between JFP and SMWIA-PAL.

Wherefore, the Commission and respondent Sheet Metal Workers International Association Political Action League agree:

I. SMWIA-PAL's expenditures related to the Bal Harbour Reception were contributions to the Jackson campaign, not independent expenditures as reported by SMWIA-PAL. The mis-reporting of these expenditures constitutes a violation of 2 U.S.C. §434(b), and the contributions exceed the FECA limitations in violation of 18 U.S.C. §608(b)(2).

II. Approximately $50,000 in additional SMWIA-PAL expenditures, reported by SMWIA-PAL as independent expenditures, were really contributions to the Jackson campaign. The mis-reporting of these expenditures constitutes a violation of 2 U.S.C. §434(b), and the contributions exceed the FECA limitations in violation of 18 U.S.C. §608(b)(2).

III. Respondent will pay a civil penalty in the amount of $10,000 pursuant to 2 U.S.C. §437g(a)(6)(B).

IV. Respondent will not undertake any activity which is in violation of the Federal Election Campaign Act, 2 U.S.C. §431 et seq.

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GENERAL CONDITIONS

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

II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

III. It is agreed that respondent, Sheet Metal Workers International Association Political Action League, shall have 30 days from the date of this agreement to implement and comply with the requirements contained herein, or to so notify the Commission.

7904012200 3

Date: _____

William C. Oldaker
General Counsel
Federal Election Commission

Date: _____

Edward J. Carlough
Chairman
Sheet Metal Workers International Association Political Action League

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Sheet Metal Workers) MUR 266 (76)
International Association)
Political Action League)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on November 29, 1978, the Commission, meeting in an executive session at which a quorum was present, took the following actions in MUR 266 (76):

1. Failed to pass the following motion:

   MOVED that the Commission approve the letter and conciliation agreement attached to the General Counsel's November 20, 1978 memorandum on MUR 266 (76) subject to amendment of the civil penalty to the figure of $35,000.

   The vote was as follows:

   YEA (3) Commissioners Aikens, McGarry, and Tiernan

   NAY (1) Commissioner Harris

2. Passed the following motion by a vote of 4-0:

   MOVED that the Commission approve the letter and conciliation agreement attached to the General Counsel's November 20, 1978 memorandum on MUR 266 (76), subject to amendment of the civil penalty to the figure of $10,000.

   Commissioners Aikens, Harris, McGarry, and Tiernan voted affirmatively for this action.

Commissioners Springer and Thomson were not present at the time of the votes.

Attest:

12/1/78
Date

Marjorie W. Emmons
Secretary to the Commission

7904012200 4

FEDERAL ELECTION COMMISSION

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

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS

DATE: NOVEMBER 22, 1978

SUBJECT: OBJECTION - MUR 266 - Memo dated 11-20-78
Received in OCS: 11-21-78, 10:09

The above-named document was circulated on a 48 hour vote basis as 3:30, November 21, 1978.

Commissioner Harris submitted an objection at 11:03, November 22, 1978, thereby placing MUR 266 on the Executive Session Agenda for November 29, 1978.

A copy of Commissioner Harris' vote sheet is attached.

ATTACHMENT:
Copy of vote sheet

7904012005

48 HOUR TALLY SHEET

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

FEDERAL ELECTION COMMISSION
1325 K STREET N.W. 78 NOV 22 AM : 03
WASHINGTON, D.C. 20463

Date and Time Transmitted: Nov. 21, 1978 - 3:30

Commissioner SPRINGER, AIKENS, TIERNAN, MCGARRY, THOMSON, HARRIS

RETURN TO OFFICE OF COMMISSION SECRETARY BY: November 24, 1978 - 3:30

MUR No. 266 Conciliation Agreement and Letter

( ) I approve the recommendation

(✓) I object to the recommendation

COMMENTS: of think the proposed civil penalty is substantial (i.e too high).

Date: _____ Signature: _____

THE OFFICE OF GENERAL COUNSEL WILL TAKE NO ACTION IN THIS MATTER UNTIL THE APPROVAL OF FOUR COMMISSIONERS IS RECEIVED. PLEASE RETURN ALL PAPERS NO LATER THAN THE DATE AND TIME SHOWN ABOVE TO THE OFFICE OF COMMISSION SECRETARY. ONE OBJECTION PLACES THE ITEM ON THE EXECUTIVE SESSION AGENDA.

7904012200 5

November 21, 1978

MEMORANDUM TO: Marge Emmons

FROM: Elissa T. Garr

SUBJECT: MUR 266

Please have the attached concil agt and letter distributed to the Commission on a 48 hour tally basis.

Thank you.

7904012 2007

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

78 NOV 21 A10: 09

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

November 20, 1978

TO: THE COMMISSION

FROM: WILLIAM C. OLDAKER

SUBJECT: MUR 266 (CONCILIATION AGREEMENT & LETTER TO RESPONDENT)

Attached for your consideration is a proposed conciliation agreement and letter to be sent to respondent's attorney in MUR 266.

We recommend that the Commission approve these for mailing.

7904012200 8

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. A. Raymond Randolph
Sharp, Randolph and Janis
Suite 401
1220 Nineteenth St., N.W.
Washington, D.C. 20036

RE: MUR 266

Dear Mr. Randolph:

On June 22, 1977, the Commission determined that reasonable cause existed to believe that the Sheet Metal Workers International Association Political Action League (SMWIA-PAL) violated 2 U.S.C. §434(b) and 2 U.S.C. §441a(a)(2)(A) [18 U.S.C. §608(b)(2) at the time of the violation] in connection with SMWIA-PAL expenditures to host a reception for Senator Henry Jackson in Bal Harbour, Florida. The Commission recommended that conciliation efforts on this matter be deferred pending further investigation of an additional alleged violation of FECA.

On November 1, 1978, the Commission found that there was reasonable cause to believe that SMWIA-PAL violated 2 U.S.C. §434(b) and 18 U.S.C. §608(b)(2) in connection with approximately $65,000. in expenditures made to promote the candidacy of Senator Jackson [The $65,000 amount includes the $15,304.08 expended by SMWIA-PAL to host the Bal Harbour Reception]. The Commission recommended that conciliation efforts be initiated with respondent on the above matters.

Specifically, the Commission has determined that reasonable cause exists to believe that:

(1) The SMWIA-PAL expenditures to host the Bal Harbour, Florida Reception ($15,304.08) were contributions to the Jackson campaign and thus a violation of 18 U.S.C. §608(b)(2) when taken in conjunction with SMWIA-PAL's direct contribution to the Jackson for President Committee.

(2) These expenditures were reported to the FEC as independent expenditures, instead of correctly being reported as contribution representing a violation 0f 2 U.S.C. §434(b).

(3) Additional SMWIA-PAL expenditures (approximately $50,000.) made in support of the Jackson candidacy and reported as independent expenditures, were in reality in-kind contributions

to the Jackson campaign and thus a violation of 18 U.S.C. §608(b)(2) when taken in conjunction with other SMWIA-PAL contributions to the Jackson for President Committee.

(4) These expenditures were reported to the FEC as independent expenditures thus violating the disclosure provisions of 2 U.S.C. §434(b).

The Commission has a duty to attempt to correct such violations for a period of 30 days by informal persuasion, conference, and by entering into a conciliation agreement with respondent. 2 U.S.C. §437g(a)(5)(A). If the Commission is unable to correct such violations by such informal methods and by entering into a conciliation agreement with respondent, the Commission may find probable cause to believe that the violations occurred and institute a civil action in United States District Court seeking payment of a civil penalty not in excess of the total amount of the expenditures involved in the alleged violations herein.

We enclose a conciliation agreement that this office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions contained in the enclosed conciliation agreement, please sign and return it [along with the stated civil penalty] to the Commission within ten days. I will then recommend that the Commission approve the agreement.

If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Kathleen Imig Perkins, the attorney assigned to this matter, at 202/523-4060 within 10 days.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

Conciliation Agreement

7904012200

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

December 4, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Edward J. Carlough, Treasurer
Labor for Jackson
1750 New York Ave., N.W.
Washington, D.C. 20006

RE: MUR 236(76)

Dear Mr. Carlough:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found reason to believe that Labor for Jackson (LFJ) may have violated certain provisions of the Federal Election Campaign Act of 1971, as amended (the Act). Specifically, it appears that, during the period of its existence, Labor for Jackson made approximately $30,000 in expenditures in support of the presidential candidacy of Senator Henry Jackson. These expenditures were reported on FEC Form 3 as independent expenditures.

It also appears that, and the Commission has found reason to believe that, the following factors would render these expenditures in-kind contributions to the Jackson campaign rather than independent expenditures:

(1) The working relationship among LFJ/JFP/Sheet Metal Workers International Association/SMWIA-Political Action League -- the fact that certain SMWIA employees made expenditures in support of the candidacy of Senator Jackson and were reimbursed by either SMWIA-PAL, LFJ, or JFP;

(2) The overlapping positions held by Edward J. Carlough, Treasurer of Labor for Jackson, Chairman of SMWIA-PAL, and an informal adviser on labor matters to Senator Jackson;

(3) The frequent contact between Edward J. Carlough and members of Senator Jackson's staff and his knowledge of JFP's general policies and campaign strategies.

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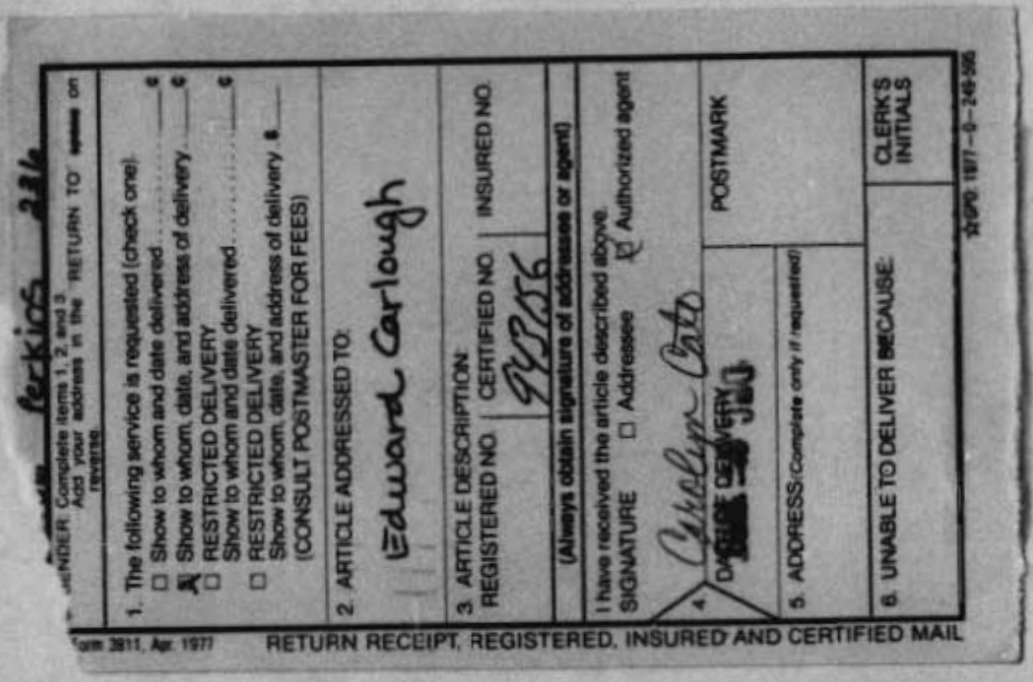
Therefore, reason exists to believe that the $30,000 expended by LFJ was inreality an in-kind contribution to the Jackson campaign and thus in violation of FECA's contribution limitations for single-candidate committees set forth at 18 U.S.C. § 608(b)(1) at the time of the violation . [Now 2 U.S.C. § 441a(a)(1)] In addition, there is reason to believe that these expenditures were not properly reported as in-kind contributions in violation of 2 U.S.C. § 434(b).

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

Sincerely,

William C. Oldaker
General Counsel



BEFORE THE FEDERAL ELECTION COMMISSION

In the matter of)
)
Labor for Jackson) MUR 236 (76)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on November 30, 1978, the Commission, in meeting in Executive Session at which a quorum was present, determined by a vote of 4 to 1 to adopt the General Counsel's Recommendations to take the following actions in the above captioned matter:

(1) Find no reasonable cause to believe that Labor for Jackson violated 2 U.S.C. §433 (b) (2) by failing to report affiliation with SMWIA - PAL.

(2) Find no reason to believe that SMWIA - PAL violated 2 U.S.C. §433 (b) (2) by failing to report affiliation with Labor for Jackson.

(3) Find reason to believe that Labor for Jackson violated 18 U.S.C. §608 (b) (1) by making in-kind contributions to the Jackson for President Committee in excess of the limitations of that provision of the Act.

(4) Send the letter attached to the General Counsel's report dated November 16, 1978.

Commissioners Harris, McGarry, Thomson, and Tiernan voted affirmatively for the above determinations. Commissioner Aikens dissented. Commissioner Springer was not present at the time of the vote.

Attest:

12/6/78
Date

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

7904012201 3

EXECUTIVE SESSION
November 29, 1978

BEFORE THE FEDERAL ELECTION COMMISSION
November 13, 1978

In the Matter of)
) MUR 236 (76)
Labor for Jackson)

GENERAL COUNSEL'S REPORT

I. ALLEGATIONS

The unresolved question in this matter is whether Labor for Jackson (LFJ) was affiliated with the Sheet Metal Workers International Association Political Action League (SMWIA - PAL) and required to report said affiliation pursuant to 2 U.S.C. §433 (b)(2). On November 1, 1978, the Commission determined that there existed no reasonable cause to believe that the Marine Engineers Beneficial Association Political Action Fund (MEBA - PAF) violated the Federal Election Campaign Act by failing to report affiliation with LFJ pursuant to 2 U.S.C. §433(b)(2). On that same date, the Commission found reason to believe that Labor for Jackson (LFJ) violated both 2 U.S.C. §434(b) and 18 U.S.C. §608(b)(2)[The correct citation for this violation is 18 U.S.C. §608(b)(1).] in connection with in-kind contributions made to the Jackson for President Committee. This report will restate the background of this matter and will then provide a detailed analysis of the remaining unresolved issue.

II. BACKGROUND

Labor for Jackson (LFJ) was organized on April 14, 1976, and on that date filed a Statement of Organization with the Federal Election Commission, naming Joseph D. Keenan as Chairman and

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Edward J. Carlough as Treasurer. On May 20, 1976, Labor for Jackson reported to the FEC that there were no organizations affiliated with it. According to deposition testimony of Edward J. Carlough, Labor for Jackson was organized to "make independent expenditures in behalf of Senator Jackson's candidacy" and to "establish a broad base of independent activity on the Senator's behalf." Carlough Deposition at 27-28, 50-51.

The initial funding of Labor for Jackson was a $7,500 transfer from the Sheet Metal Workers Political Action League (SMWIA - PAL) made on April 14, 1976. In addition, the MEBA Political Action Fund (MEBA - PAF) transferred $20,000 to LFJ on May 5, 1976 and the Engineers Political Education Committee transferred $5,000 on June 30, 1976. These transfers comprised the total contributions to LFJ during its existence. [The Commission has previously agreed that the $7,500 transfer by SMWIA - PAL and the $20,000 transfer by MEBA - PAF were not violations of FECA since the 1974 FECA Amendments did not clearly limit contributions from one political committee to another. 18 U.S.C. §608(b)(2) limited contributions from a political committee to a candidate, but not to another committee, regardless of affiliation. See September 17, 1976 OGC Report.]

Labor for Jackson made expenditures on behalf of Senator Jackson's candidacy in the Pennsylvania Presidential primary election which was held on April 27, 1976. Additional expenditures were made during May and June, 1976. All of these expenditures were reported to the FEC as independent expenditures. On August 24, 1976, LFJ refunded the balance in its account to SMWIA - PAL, MEBA - PAF and the Engineers Political Education Committee in proportion to their transfers to LFJ and terminated.

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Labor for Jackson existed and received contributions and made expenditures from April, 1976 - August, 1976. Thus any alleged FECA violations by LFJ took place during a time period following the Supreme Court's decision in Buckley v. Valeo, partially before the effective date of the 1976 FECA Amendments, May 11, 1976; and before the Commission's prescription of its present regulations, April 13, 1977. Thus, the analysis of the alleged affiliation between LFJ and MEBA - PAF and LFJ and SMWIA - PAL, the subject matter of this investigation, will take into account the law in effect at the time of the alleged violation.

III. INVESTIGATION AND ANALYSIS

A. Affiliation with SMWIA - PAL

The FECA disclosure provisions prior to the 1976 Amendments required that a political committee's statement of organization, filed with the Commission, include "the names, addresses, and relationships of affiliated or connected organizations." 2 U.S.C. §433(b)(2). This provision was not affected by the 1976 Amendments and remains effective in the current law. However, at the time of the alleged disclosure violations committed by LFJ and SMWIA - PAL [April - August, 1976] the Commission had not defined "affiliated or connected" for purposes of disclosure. Several early Advisory Opinions had discussed direction and control by one group over another for purposes of imposition of an aggregate contribution limitation. See AO 1975-35 and AO 1975-45. And the Conference Report on the 1974 Amendments indicated that direction or control by one person or group over contributions made by another would require imposition of one contribution limitation. S. Rep. No. 93-1237, 93d Cong., 1st Sess. 51-52 (1974). This language of the Conference Report was

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adopted by the Supreme Court in Buckley where it discussed contribution limitations as applied to parent corporations and their subsidiaries or to national and regional unions. See Buckley v. Valeo, 424 U.S. 1, 28 n. 31 (1976).

But neither the Commission itself, FECA's 1974 legislative history nor the Supreme Court in Buckley defined what was meant by the "affiliated or connected organizations" disclosure requirement during this period. Therefore, since the requirements of this disclosure provision were not defined at the time of the alleged violation, it is the recommendation of the Office of General Counsel that the Commission find no reasonable cause to believe that Labor for Jackson violated 2 U.S.C. §433(b)(2) by failing to report affiliation with SMWIA - PAL and no reason to believe that SMWIA - PAL violated the same provision by failing to report affiliation with LFJ.

B. Independent Expenditures made by LFJ

The Labor for Jackson Committee made approximately $30,000 in independent expenditures in support of Senator Jackson. On November 1, 1978, the Commission found reason to believe that LFJ violated both 2 U.S.C. §434(b) and 18 U.S.C. §608(b)(2). This reference to §608(b)(2) was an inadvertent error in both the October 30, 1978 Office of General Counsel Report and the November 3, 1978 Commission Certification. Since LFJ was not a multi-candidate committee, the applicable contribution limitation is the $1,000 maximum limitation contained in 18 U.S.C. §608(b)(1).

Therefore, it is the recommendation of the Office of General Counsel that the Commission amend the action it took on November 1,

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1978 as stated in the November 3, 1978 Commission certification and find reason to believe that Labor for Jackson violated 18 U.S.C. §608(b)(1) by making in-kind contributions to the Jackson for President Committee in excess of the limitations of that provision of the Act.

IV. RECOMMENDATIONS

(1) Find no reasonable cause to believe that Labor for Jackson violated 2 U.S.C. §433(b)(2) by failing to report affiliation with SMWIA - PAL.

(2) Find no reason to believe that SMWIA - PAL violated 2 U.S.C. §433(b)(2) by failing to report affiliation with Labor for Jackson.

(3) Find reason to believe that Labor for Jackson violated 18 U.S.C. §608(b)(1) by making in-kind contributions to the Jackson for President Committee in excess of the limitations of that provision of the Act.

(4) Send attached letter.

11/16/78
Date

William C. Oldaker
General Counsel

ATTACHMENTS

Letter to Edward J. Carlough

7904012201 8

November 29, 1978

MEMORANDUM TO: Marge Emmons

FROM: Elissa T. Carr

SUBJECT: MURs 260/266

Please have the attached memo on MURs 260/266 distributed to the Commission on an informational basis. Please return the original to the docket.

Thank you.

7904012201 9

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

November 29, 1978

MEMORANDUM

TO: THE COMMISSION

FROM: William C. Oldaker

SUBJECT: MURs 260/266

For your information, attached please find memoranda submitted by the attorneys for the Marine Engineers Beneficial Association Political Action Fund and the Sheet Metal Workers International Association Political Action League - MURs 260 and 266 respectively.

These documents do not alter our recommendations in these matters as adopted by the Commission on November 1, 1978. We are proceeding with further investigation and conciliation efforts.

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BEFORE THE
FEDERAL ELECTION COMMISSION

In The Matter of the :
:
MARINE ENGINEERS BENEFICIAL :
ASSOCIATION - POLITICAL :
ACTION FUND :
:

SUBMISSION TO THE FEDERAL ELECTION COMMISSION AND ITS STAFF REGARDING THE MARINE ENGINEERS BENEFICIAL ASSOCIATION POLITICAL ACTION FUND

At a meeting with the Commission's General Counsel, Mr. William Oldaker, and his assistant, Mr. Paul Lovejoy, questions were raised on behalf of the Commission concerning two activities of the Marine Engineers Beneficial Association Political Action Fund ("MEBA-PAF") in connection with the 1976 presidential campaign of Senator Henry Jackson of Washington. Counsel for the MEBA-PAF was informed that the Commission staff had not yet arrived at a final determination as to its position regarding these activities. Because the legal issues involved were ones of first impression and because any Commission action regarding these activities could well be construed as ex post facto rulemaking, the Commission staff permitted the MEBA-PAF to make this submission to demonstrate its position that no action

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can or should be taken against the MEBA-PAF in connection with these activities. The opportunity to make such a formal submission was viewed as especially appropriate in this matter since the General Counsel has expressed the view that, at worst, any violations would be technical in nature.

I. The Basic Facts Concerning Both Activities Are Undisputed

There are two activities which have been examined by the Commission staff. The first involves the hosting of a hospitality suite with refreshments at the Essex House in New York City on the evening of the presidential primary in New York. The second involves the expenditure of MEBA-PAF funds for the purpose of recording and facilitating the reporting of contributions to the Jackson for President Committee collected voluntarily by MEBA members to the Federal Election Commission. The important facts concerning each activity can be stated briefly.

A. New York City Hospitality Suite

On the evening of the April 1976 presidential primary in New York State, the MEBA-PAF hosted a hospitality suite at the Essex House in New York City. The administrative record reveals that the decision to host the suite was made on an

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impromptu basis by Leon Shapiro of the MEBA-PAF in consultation with his assistant, Frank A. Laurito, Chief Accountant for the MEBA. Arrangements for this suite were made exclusively by representatives of the MEBA-PAF, which was solely responsible for and paid all of the expenses associated with the operation of the suite. Neither Mr. Shapiro nor Mr. Laurito notified, consulted or otherwise had contact with Senator Jackson or his Senatorial or campaign staff regarding this activity. Similarly, there is no evidence that anyone from the MEBA-PAF had contacted Senator Jackson or his Senatorial or campaign staff regarding this event.

The purpose of this hospitality suite was to provide a meeting place where volunteers associated with the labor movement who had worked on the Jackson campaign in New York could meet socially while waiting for the election returns to come in. The function was not intended, nor was it used, as a fundraising vehicle for any candidate for federal, state or local office. The suite was located in the same hotel as the election night campaign headquarters of the Jackson campaign. The hospitality suite was not intended to be, nor was it, used in lieu of any election night campaign activity being staged by or on behalf of Senator Jackson.

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The cost of the suite and the refreshments was $1,876.43. The suite was "catered" by hotel room service. No invitations were sent out inviting persons to attend. The only notice of the event was the 2'x3' sign placed in the lobby of the hotel. All of the funds expended were from the MEBA-PAF, the expenses were paid for by check and all expenditures were duly and promptly reported to the Commission.

During the course of the reception, Senator Jackson appeared, possibly shook a few hands and left the hospitality suite. There is no evidence in the record that Senator Jackson had been invited to appear or even that anyone associated with the MEBA-PAF had any advance notice that he would appear. A clear inference from the record is that either the Senator or a member of his staff saw the placard in the hotel lobby and suggested that the Senator appear to express his appreciation to his supporters in the labor movement. There is no indication as to how many persons were in the suite when Senator Jackson appeared, or how long the Senator stayed.

B. The Receipt Books and Fundraising Activity

Sometime around the middle of March 1976, the leadership of the MEBA-PAF determined to support the candidacy of Senator Jackson by encouraging members of the MEBA to make

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voluntary contributions to Senator Jackson's principal campaign committee, the Jackson for President Committee. For the purpose of ensuring that all funds collected would be properly reported to the Federal Election Commission and for internal union accountability for such funds,[1/] it was determined that the MEBA-PAF would prepare a four-part (NCR-type) receipt. The receipt was designed by Mr. Laurito and receipt books were printed and assembled professionally at the expense of the MEBA-PAF, which promptly reported the expenditure. The receipt books were then mailed to the various MEBA branches (locals). At the same time the receipt books were sent out, a letter was prepared by Mr. Laurito in consultation with the former General Counsel for the Union to explain how the fundraising activity should be handled to ensure compliance with the FECA of 1971, as amended. This letter and a follow-up letter were sent out over the signature of MEBA President, Jesse M. Calhoon. Union members then, on a voluntary basis, spoke with other Union members about making contributions to the Jackson for President Committee. Other than Union members, it is possible that "friends" of the MEBA were contacted. The evidence reveals

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1/ It has long been the policy of the MEBA that no funds of any kind will ever be collected from a Union member without issuing the member a written receipt.

that this latter group would include families of Union members, retired Union members[2] and non-member Union employees.[3]

During the course of the Commission's investigation, the staff inquired whether such voluntary activity took place during "regular business hours." While the local Union offices have regular business hours, the evidence reveals that the concept of "regular business hours" has only partial application to the MEBA. Union members are employed in the United States merchant fleet and their contact with other members largely occurs at the time they enter ports, which could be at any time of day or night. While there is no direct evidence on point, it appears that at least some Union members were spoken to about making contributions at such times, incidental to Union business. Other members and friends would have been contacted randomly either when they came to Union offices or socially. Under the procedures devised by Mr. Laurito and counsel, members were encouraged to make contributions by check, made payable

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2/ Retirees of the Union can hardly be considered "outsiders" since the Union continues to represent them in various respects. For example, recently the MEBA negotiated increased pension and health and welfare benefits for its retired members.

3/ As a practical matter, however, there is no direct evidence that anyone but members were solicited.

directly to the Jackson for President Committee. No cash in excess of $100 was allowed to be collected, and the receipt books permitted the identification of the contributors (by name in full in ink), the date of the contribution, the amount of the contribution and the address, social security number and occupation of the contributor. Checks collected at the local level along with the signed receipts were forwarded weekly to the MEBA-PAF office in New York City (located in the same facility as the MEBA itself) where they were then forwarded to the Jackson for President Committee.

The record is further undisputed on two other important facts. First, the entire collection effort was conducted on a purely voluntary basis by Union members. Secondly, all of the expenses associated with this effort were defrayed by the MEBA-PAF and were properly reported. The collection effort lasted slightly more than one month.

After the receipt books had been prepared and mailed to the various MEBA branches and the collection effort was underway, the President of the MEBA, Mr. Calhoon, and Mr. Laurito met with Walter Skallerup, Treasurer of the Jackson for President Committee. The sole purpose of that meeting was to notify the Jackson Committee of the fact that it would soon be

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receiving voluntary contributions from MEBA members and to explain the receipts that would be accompanying these contributions. The evidence refutes any suggestion that this meeting was held to consult with or obtain the approval of the Jackson Committee for the MEBA-PAF's independent activity; the authorization or consent of the Jackson Committee was neither solicited nor given; they did, however, express their pleasure when informed of this fait accompli.

II. Both Of The Activities Of The MEBA-PAF Being Considered By The Commission Staff Were Properly Conducted

Although some of the Commission staff's concerns regarding the two activities of the MEBA-PAF discussed in Part I of this Memorandum involve certain recurring themes, for the sake of clarity, we will discuss each event separately. Before beginning this recitaté, it is important that the Commission and its staff clearly understand the relevant body of law applicable to these matters.

Both expenditures discussed above were made during the period following the Buckley v. Valeo decision [424 U.S. 1 (January 1976)] and prior to the effective date of the 1976 Amendments (May 11, 1976). Similarly, these activities occurred before the Commission originally submitted its proposed

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regulations to Congress in August of 1976 and resubmitted them in January 1977. Thus, the MEBA-PAF did not have benefit of the Commission's regulatory elaboration of those sections of the FECA which were unaffected by the Buckley decision and the 1976 Amendments.[4/]

A. The Hospitality Suite

As explained by the Commission staff, the rationale for its inquiry regarding the hospitality suite was that if the expenditure was not an independent expenditure, the MEBA-PAF would have exceeded its contribution limitation to Senator Jackson by an amount equal to the cost of the suite and refreshments. Conversely, if the expenditure was an independent expenditure, there was no violation because the restrictions on independent expenditures imposed by the FECA had been held unconstitutional in Buckley, 424 U.S. at 51.

During the relevant period, the FECA did not expressly define the term "independent expenditure." Rather, it was expressed as an amalgam of 18 U.S.C. §§ 608(c)(2)(B) and (e)(1).

4/ The 1976 Amendments themselves did not become effective until after the activities were under examination.

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Thus, an independent expenditure was an expenditure made ~~on behalf of~~ relating to 608(e)(1) a clearly identified candidate for federal office, but which was not authorized or requested by the candidate, the candidate's authorized committee or an agent of the candidate. The Supreme Court in Buckley concluded that this definition would also include expenditures "placed in cooperation with or with the consent" of the candidate, etc., 424 U.S. at 46 n.23, and that the statutory prohibition was aimed at expenditures by third persons that were controlled by or coordinated with the candidate and his/her campaign. Id. at 46.

Judged by these statutory criteria, it is inconceivable that the staff or the Commission could conclude that the expenditure for the hospitality suite was anything but an independent expenditure. There is no evidence whatever that the event was authorized or requested by Senator Jackson or anyone associated with his campaign. On the contrary, it is conceded by the staff that the decision to host the suite was arrived at solely within the MEBA-PAF. Indeed, the staff further concedes that there is no evidence that the Senator was even invited to attend or otherwise had foreknowledge of the expenditure. The record establishes that the suite would have been hosted regardless of

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whether the candidate had known of the event and had appeared.[5/] Under these circumstances, there is no basis for any challenge to the independent nature of this expenditure.

The staff, however, has speculated that the mere presence of the Senator at the event may be sufficient to vitiate it as an independent expenditure. This position has no statutory foundation in the context of this case. First, the statute in effect at the time speaks only in terms of authorization or requests for an expenditure to be made on behalf of a candidate. Here, it is conceded that the decision to hold the event was made independently, and the holding of the event proceeded entirely without the authorization, consent or even notice to the candidate. Secondly, it is conceded that the candidate appeared while the event was taking place after virtually all of the obligations underlying the expenditure had already been incurred. Under these circumstances, the fortuitous appearance of the candidate can in no way constitute request, authorization, coordination or control.

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5/ In acknowledging this fact, we are in no way conceding that an invitation to appear at such an event would in any way affect the independent quality of the expenditure.

A review of the statute, as well as its legislative history, reveals that Congress did not intend to characterize such expenditures as "contributions" within the meaning of 18 U.S.C. §§ 591 and 608 merely because the candidate appeared. To adopt such a per se rule would not only be inconsistent with the construction of independent expenditures articulated by the Supreme Court, but would, in this case, compel the conclusion that the only way the MEBA-PAF could have avoided a violation would be for it to have barred Senator Jackson from entering the suite. It cannot be argued that Congress intended to impose such an unseemly burden.

Two further observations are appropriate. First, the staff concedes that this is a case of first impression and the Commission has never formally (by rulemaking) or informally (by advisory opinion) articulated such a per se rule in this context. Under these circumstances and assuming, arguendo, that the Commission now believes that the FECA, as amended in 1976, sanctions such a rule, it should not be applied in an adjudicatory context involving conduct prior to the 1976 Amendments, but should be the subject of formal rulemaking. The ex post facto application of such a rule or interpretation to this April 1976 activity would not only raise serious due process problems, but would also be of dubious value precedentially, because it would necessarily depend on a construction

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of the Act as it stood in 1974 (without § 431(p)) and without reference to the new regulations. Secondly, if the concern of the Commission is, as expressed by the staff, to discourage the holding of meetings held solely for the purpose of providing a forum for specific candidates, then not only is that concern absent in this case, but this case would provide a totally inappropriate vehicle for articulating a prophylactic rule against such conduct as all of the relevant factors are absent here.[6/]

B. The Collection Of Funds

Several theories have been articulated by the Commission staff regarding the possible inappropriateness of the MEBA-PAF's activity in collecting funds to be given to the Jackson for President Committee. First, did the funds expended by the MEBA-PAF for the receipt books constitute a violation of the

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6/ We are constrained to note that the hospitality suite expenditure would certainly qualify as an independent expenditure under the new regulations now in effect. The staff has taken the position that Senator Jackson's presence may constitute his "consent" to the expenditure within the meaning of 11 C.F.R. § 109.1. While we disagree that mere presence would be sufficient to show "consent," we are constrained to note that the regulations speak expressly in terms of "prior consent" and that element cannot be found in this case.

contribution limitations in § 441a (actually the statute operating at the time was § 608 of Title 18)? Secondly, did the statute prohibit a union political action fund from soliciting members of the union and others for contributions to federal candidates? And thirdly, is this a situation where the political action committee was functioning as a conduit for earmarked funds or facilitating contributions in the name of another? The answers to each of these questions is no.

With regard to the expenditure for the receipt books, the question of a violation again turns on the characterization of that expense. If it was an independent expenditure, there could be no violation; if it was not, then it would constitute a contribution. Having previously summarized the facts and having discussed the applicable law, it is readily apparent that this expenditure must be characterized as "independent" for several reasons. First, it is conceded that the MEBA-PAF's decision to engage in this collection effort was arrived at purely on its own and without any contact whatever with the Jackson for President Committee. Secondly, the receipt books were designed, printed and sent out to the local branches, and the collection effort began without any contact with Senator Jackson or his staff.

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The Commission staff has conceded these facts, but has suggested that the meeting which took place between Messrs. Calhoon and Laurito and Mr. Skallerup and the comptroller of the Jackson Committee may have altered the character of the prior independent expenditure. This speculation is unwarranted. The evidence reveals that the MEBA-PAF presented the Jackson Committee with a fait accompli. The purpose of the meeting was merely to notify the Committee of what the MEBA-PAF was doing and to explain the receipts that would accompany the contributions. The consent, approval or advice of the Jackson Committee was neither solicited nor received. Furthermore, even if the Jackson Committee's actions could be implied as approval or consent, this approval would have been given after the expenditure was made and not before as the Commission's present regulation construes the statute to proscribe. The statute did not and does not disqualify an independent expenditure merely because the party expending the funds notifies a candidate or his/her committee that the expenditure has been made. Nor does the statute have a similar impact where notification of on-going activities is given. Both the legislative history of the statute and the Supreme Court's discussion in Buckley make it clear that the classification of an expenditure as a contribution-in-kind turns on a level of conduct approaching coordination with or control by the candidate or his/her

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committee. Mere notification is not sufficient; and notification after-the-fact, as here, can never be sufficient in a context such as this activity.

Finally, it should again be noted that neither the Congress nor the Commission has ever articulated a rule or policy that mere notification disqualifies an expenditure from being treated as independent. For the reasons set forth earlier, this case does not provide an appropriate vehicle for announcing such a rule or policy and applying it retroactively. This is especially true where, as here, there is no evidence or rational basis to infer that the mere act of notification was intended or in fact did serve to coordinate activity or to permit the candidate or campaign committee to exert any influence over the independent activity.

The second issue concerns not the MEBA-PAF's expenditures, but the collection activity itself. The Commission staff could not and has never questioned the propriety of the Union or its political action fund urging the membership and their families to make voluntary direct contributions to federal candidates; such activities were clearly permitted under 18 U.S.C. § 610 and remain so under 2 U.S.C. § 441b(b)(2)(A) Nor has the Commission staff questioned the voluntariness of this collection activity. The only questions are: (a) could

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the MEBA-PAF solicit non-members;[7] and (b) was the MEBA-PAF's role in transmitting these contributions to the Jackson Committee constitute a violation of § 441a? Again, the answers are no.

First, at the time of this activity, the FECA placed no limit on the persons with whom a political action fund could communicate for any purpose. Nor did the statute distinguish partisan communications in general from those which were intended as solicitations of funds.[8] Similarly, then and now, the FECA did not and does not discriminate against the First Amendment rights of members of labor organizations by restricting the voluntary political activity they can engage in, so long as their activity is not funded by the general treasury. Hence, there could be no violation of the FECA where, as here, such voluntary activity involves communications with non-members and is funded by the political action fund.

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7/ Once again we must emphasize that there is no evidence in the record that anyone, other than a member was solicited. See also note 2, supra.

8/ Indeed, a labor organization itself could expend treasury funds to communicate to union members on "any subject." 18 U.S.C. § 610; see also 2 U.S.C. § 431(f)(4)(C); and the present § 441b(b)(2)(A).

The staff responds by suggesting that § 441b(b)(4) of the FECA can be read to imply a restriction of the use of political action funds to communications to members only. This is preposterous for several reasons. First, § 441b(b)(4) did not go into effect until May 11, 1976, which in fact was four days after the MEBA-PAF recalled its receipt books and suspended its collection efforts.[9/] There were no analogous restrictions in 18 U.S.C. § 610. Secondly, even had § 441b(b)(4) been in effect while the solicitation effort was taking place, that statute does not restrict partisan communications by political action funds seeking contributions to candidates. That section clearly and unambiguously prohibits only solicitations to non-members for the purpose of raising funds for the political action fund. No greater restriction is imposed by the Commission's regulations which purport to elaborate on the provision of § 441b(b)(4). See Sections 114.5(g)(2) and 114.5(i).

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9/ It should be noted that Senator Jackson withdrew his candidacy after his defeat in the Pennsylvania primary, which preceded the effective date of the 1976 Amendments. As the Commission staff never inquired when the collection effort terminated, there is no evidence in the record on this question. Accordingly, we are submitting a copy of the termination notice dated May 7, 1976 for its inclusion in the administrative record.

Thus, while the regulation promulgated in 1977 do distinguish between communications in general and "solicitations," the only context in which this distinction is made operative is the restriction against soliciting non-members for contributions to the political action fund. Indeed, the explanation and justification of these regulations transmitted by the Commission to the Speaker of the United States House of Representatives makes it clear "that there is no restriction on the persons to whom a separate segregated fund may communicate so long as voluntary contributions are used for the communications," and that the regulations impose no greater restriction than that imposed by the statute. Communication from the Chairman of the Federal Election Commission (HD No. 95-44), January 11, 1977 at p. 108. Thirdly, if Congress or the Commission had intended to prohibit union members from using political action funds to engage in fundraising activities for political candidates, we are confident that they would have used language expressly prohibiting solicitations for federal candidates. The reason they did not and could not have imposed such a restriction on the independent political activity of union members is that it would be held unconstitutional by virtue of the principals articulated in the

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Buckley decision, as well as other leading cases in this area;[10/] see Pipefitters Local Union No. 562 v. United States, 407 U.S. 385, 407, 414-415, 420-421 (1972).

The short of it is that there was and can be no statutory authority for the Commission to take the position that members of the MEBA could not engage in such fundraising activity on behalf of candidates for federal office, using political action funds. Such a policy or rule would therefore exceed the Commission's statutory authority and subject § 441b to grave constitutional challenge.

Finally, the Commission staff recently discussed the collection effort in the context of the Commission's concern regarding earmarking and the use of conduits. These legal concepts have no application in the context of this case. As the statutes read at the time, and still read, the prohibitions against earmarking and the use of conduits have been designed to ensure compliance with the contribution/expenditure

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10/ A related theory is that since labor unions are allowed to expend treasury funds to defray certain administrative expenses of their political action funds, see 2 U.S.C. § 441b(b)(2)(C), that the activity of these funds should be restricted to solicitations to its own members. This theory is spurious for numerous reasons, which need not be discussed since there is no evidence whatever that the MEBA's treasury paid such expenses during this period; and, as a matter of fact, it did not.

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limitations by ensuring the proper identification and disclosure of the actual contributor. None of these considerations are applicable in this case, nor does the record establish any factual predicate for any concern in this area. On the contrary, the record reveals that the MEBA-PAF took great pains to ensure the proper identification of the actual contributors and fully disclosed its own role, all in strict compliance with 18 U.S.C. § 608(b)(6).[11/] It is ironic that the Commission staff even raises these issues where, as here, the main purpose of the purchase of the receipt books was to ensure the identification of the actual contributor and the purpose of the meeting with the Jackson Committee was to ensure that the Committee was aware of the purpose of the receipts and would be able to properly report and account for the contributions it received. Thus, we are not dealing with a case involving monies contributed or entrusted to a political action fund which are earmarked for a candidate. Nor is this a case where a political action fund is used to conceal the identity of the actual contributor. On the contrary, the reported expenditure which precipitated this inquiry was designed

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11/ We note that the procedures followed by the MEBA-PAF were responsive to and consistent with FEC AO 1976-51.

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to ensure that such abuses would not occur and the requirements of 18 U.S.C. 608(b)(6) were strictly adhered to. The MEBA-PAF's role in collecting and transmitting the checks to the Jackson Committee was purely a ministerial act, and cannot possibly be construed otherwise.

Conclusion

As we have demonstrated, the activities of the MEBA-PAF which have been the subject of the Commission staff's inquiry did not violate any provision of the FECA. While we appreciate and support the interest of the Commission in evolving adequate standards to ensure the integrity of the federal election process, we submit that the articulation of new rules or novel constructions of prior statutes is totally inappropriate in the context of the adjudicatory process.

Dated: August 22, 1978

Respectfully submitted,

DICKSTEIN, SHAPIRO & MORIN

By: _____
Judah Best

By: _____
Justin D. Simon

General Counsel to the National Marine Engineers Beneficial Association

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GCC# 5626

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November 17, 1978

William C. Oldaker, Esq.
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

RE: MUR 266

Dear Mr. Oldaker:

Thank you for your letter of November 6, 1978. The Sheet Metal Workers International Association -- Political Action League (SMWIA-PAL) believes, for the reasons that follow, that no action by the Commission is warranted as a result of this investigation. Section 437g of the Act (2 U.S.C. § 437g) requires that the Commission give any person who receives notice of an alleged violation "a reasonable opportunity to demonstrate that no action should be taken against such person by the Commission under this Act." We therefore respectfully request that this letter be submitted to the Commission when the staff makes its report and recommendation on MUR 266.

INTRODUCTION

The Sheet Metal Workers International Association -- Political Action League (SMWIA-PAL) is a separate segregated fund (see 2 U.S.C. § 441b). For two years now the staff of the Federal Election Commission has been conducting an investigation into the activities of SMWIA-PAL during the Spring of 1976 in connection with the presidential primary campaign of Senator Henry Jackson. In the course of this lengthy investigation, SMWIA-PAL and its officers and members have fully and promptly cooperated with the FEC staff's numerous inquiries and requests for the taking of depositions.

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The issues involved in this investigation have finally been narrowed, the Commission's staff has informed us, to three questions: (1) whether a payment reported by SMWIA-PAL to the Commission as an independent expenditure in connection with a February 16, 1976, reception for Senator Jackson in Bal Harbour, Florida, should be considered a contribution to Senator Jackson; (2) whether payments reported by SMWIA-PAL to the Commission as independent expenditures in connection with the making of cassette tapes from the film of a March 6, 1978, rally for Senator Jackson in Florida should be considered a contribution to Senator Jackson; (3) whether SMWIA-PAL and the Labor for Jackson Committee, which was formed in mid-April 1976, should be considered as affiliated committees.

As we discuss below, SMWIA-PAL fully complied with the requirements of the Federal Election Act in connection with the matters under consideration. We note, however, that even if it were concluded that some item was not correctly reported, this could not possibly be considered a willful violation of the Act. We believe the Commission's staff concurs in this evaluation.

All of the events at issue here took place after the Supreme Court's decision in Buckley v. Valeo, 424 U.S. 1 (1976), which was handed down on January 30, 1976. The Act was, at the time, one of the most complex pieces of federal legislation ever enacted and the Buckley v. Valeo decision added still further complications. Moreover, during the period of 1976 in question here, no Commission regulations were in effect; indeed, from March 22, 1976, through May 21, 1976, the Commission had gone out of existence as a result of the Supreme Court's decision. See Federal Election Commission, 1976 Annual Report 1-2. As the Commission itself has acknowledged, in the Spring of 1976 -- when all the activities at issue here took place -- there was much uncertainty among those subject to the original Act about its interpretation and application. Id. at 2.

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A.
THE EXPENDITURES FOR THE BAL HARBOUR RECEPTION WERE INDEPENDENT EXPENDITURES

It has long been the practice of union leaders to sponsor receptions for prominent politicans during the annual mid-winter meeting of the AFL-CIO Executive Council. 1/ Such a reception was held on the evening of February 16, 1976, in honor of Senator Henry Jackson at the Americana Hotel in Bar Harbour, Florida. 2/ Persons were invited to the reception by the eleven international union presidents listed on the invitations: I.W. Abel (United Steelworkers); Harold J. Buoy (International Brotherhood of Boilermakers); Jesse M. Calhoun (National Marine Engineers Beneficial Association); Edward J. Carlough (Sheet Metal Workers International Association); Sol C. Chaikin (International Ladies' Garment Workers Union); Thomas W. Gleason (International Longshoremen's Association); Andrew T. Haas (International Association of Asbestos Workers); John H. Lyons (International Association of Iron Workers, Bridge and Structural); Charles H. Pillard (International Brotherhood of Electrical Workers); William Sidell (United Brotherhood of Carpenters and Joiners); J.C. Turner (International Union of Operating Engineers). 3/

After the original sponsors had decided to hold the reception, Edward J. Carlough, General President of the Sheet Metal Workers International Association (SMWIA) and Chairman of the SMWIA-Political Action League (PAL), assisted in organizing it and

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1/ Deposition of Robert J. Keefe, at p. 49.

2/ Exhibit B to Letter of David S. Turner, Dec. 16, 1976 (hereinafter Turner letter).

3/ Ibid.

in checking with Senator Jackson or his staff in regard to a date when he would be able to attend. 4/ Mr. Carlough had no discussions with Senator Jackson or his staff regarding who would be attending the reception, what Senator Jackson would say or whether there would be solicitations for political contributions. 5/

Invitations to the reception were issued to officers, members and families of the sponsoring unions and other affiliated AFL-CIO organizations then attending the winter meetings of the AFL-CIO in Miami, Florida (Turner letter, p. 10 and Exhibit B thereto). The reception lasted from 6:00 p.m. to 7:30 p.m. and Senator Jackson, who had been invited to attend, gave a short talk, as did AFL-CIO President Meany (Turner letter Exhibit B). 6/ There is no evidence that any political contributions were solicited or received in conjunction with the reception or that there were any communications to the attendees expressly advocating Senator Jackson's candidacy for President.

By February 16, 1976, thirteen union organizations had joined in sponsoring the reception (Turner letter, Exhibit A), the cost of which totalled $15,148.60 (Turner letter pp. 7-8). Although counsel had initially advised that the cost of the reception could be paid out of union treasury funds because it consisted of a communication to members of the unions and their families, attorneys determined after the reception that the proper method of payment would be from voluntary funds (Exhibit A to Turner letter).

On May 7, 1976, SMWIA-PAL paid for the total cost of the reception and reported this to the Federal Election Commission

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4/ Deposition of Edward J. Carlough, at pp. 9-12.

5/ Id. at 11-12.

6/ See also Deposition of Robert J. Keefe, at p. 49.

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as independent expenditures for a reception in honor of Senator Jackson, indicating that the expenses were "to be shared by several committees" (SMWIA-PAL Report to the FEC, 6/8/76, at p. 6). On the same date, May 7, 1976, Mr. Carlough sent letters to the other twelve co-sponsoring organizations requesting reimbursement of their pro rata share of the costs of the reception (Exhibit A to Turner letter). The following organizations responded in the amounts indicated: I.B.E.W.-COPE ($1,176.86); I.L.G.W.U. Campaign Committee ($1,118.96); Boilermakers-Blacksmiths Legislative Education-Action Program ($1,176.86); Laborers Political League ($1,176.86); United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry Education Committee ($1,176.86); and staff employees of the International Association of Heat and Frost Insulators and Asbestos Workers ($1,210.00).

These amounts received by SMWIA-PAL were also reported to the Federal Election Commission on Schedule A as "reimbursement-shared expenses for reception in honor of Senator Henry Jackson." (See SMWIA-PAL REC Reports filed June 8, 1976 (at p. 4); July 12, 1976 (at p. 5); November 24, 1976; and Turner letter, pp. 9-10). The reimbursements totalled $9,390.12, which resulted in SMWIA-PAL absorbing $5,758.48 of the cost of the reception or $4,581.62 more than its pro rata share of the expenses ($1,176.86).

In our view, the expenditures by SMWIA-PAL in connection with the Bal Harbour reception for Senator Jackson were not contributions within the meaning of the Act as it then stood. By the time of the reception in February 1976, the Supreme Court had held the expenditure limits in Section 608(e)(1) unconstitutional under the First Amendment to the Constitution. [7/] Buckley v. Valeo,

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7/ This provision was repealed by Pub.L. 94-283 on May 11, 1976, 90 Stat. 496.

supra, 424 U.S. at 51. In so holding the Court interpreted Section 608(b), which sets limits on contributions, to cover "prearranged or coordinated expenditures amounting to disguised contributions." 424 U.S. at 47. 8/ Thus, under Section 608(b), expenditures "authorized or requested" by the candidate were to be treated as expenditures by the candidate and contributions by the persons making the expenditures. 424 U.S. at 46 n. 53.

The costs incurred at the Bal Harbour reception are not of that order. The reception was not requested by Senator Jackson. The expenses incurred in connection with the reception were not in any way approved or authorized by Senator Jackson or his representatives. The idea of such a reception, which is a traditional function during AFL-CIO conventions, was not originated by Senator Jackson's campaign committee. What Senator Jackson said at the reception was not cleared through the labor officials who organized the reception and there is no evidence that Senator Jackson solicited contributions or even votes at the reception. Indeed, it was not until the month following the reception that SMWIA-PAL first announced its support for Senator Jackson's candidacy. 9/

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8/ It appears that the Commission did not, at the time, agree with this interpretation. Rather, as the Court pointed out, the Commission argued that prearranged or coordinated expenditures were not contributions and that it was therefore necessary to have expenditure limitations in order to prevent circumvention of the contribution limits. 424 U.S. at 46.

9/ Although the Commission's regulations do not apply here because they did not become effective until April 13, 1977, we note that under the regulations, candidates for office may be invited to address members of a labor organization if the labor organization does not then endorse the candidate or solicit contributions from the audience (11 C.F.R. § 114.4(b)(2)).

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Of course Senator Jackson was invited to attend the reception but that hardly warrants transforming the expenditures involved into expenditures by him and contributions by SMWIA-PAL and the labor committees that shared the costs. Otherwise, no group interested in learning more about a candidate could invite him to speak or attend a reception with its members without running the risk of exceedint the limits on contributions. Such a restriction on the First Amendment's guarantee of freedom of speech, which protects the free flow of information, [10/] cannot be read into the Act as it stood during the period in question.

B.

THE EXPENDITURES IN CONNECTION WITH THE MAKING OF FILMS OF A RALLY WERE INDEPENDENT EXPENDITURES

On March 6, 1976, three days before the Florida presidential primary election, Senator Henry Jackson appeared at a rally in Ft. Lauderdale, Florida. [11/] Senator Jackson, Daniel Patrick Moynihan, Mr. Carlough and others spoke at the rally, which was held by political committees of local Florida labor unions (Turner letter, p. 12). Shortly before March 6, 1976, Mr. Carlough decided to have the rally filmed for his union. [12/] Senator Jackson was not consulted in advance and became aware of the filming only when he arrived to speak (EC 18-19).

Mr. Carlough decided to make a film of the rally for the purpose of educating members of the SMWIA. As Mr. Carlough stated to the Commission staff: [13/]

10/ See First Nat'l Bank of Boston v. Bellotti, 435 U.S. 765, 783 (1978).

11/ Deposition of Edward J. Carlough, at p. 18.

12/ Id. at 18-19.

13/ Id. at 20.

> First, we were going to make the film, pick out the best parts of it, and then use it as an educational film in our union halls -- or wives, we have some women's divisions in our locals, at coffee meetings of the wives to advance Senator Jackson's candidacy among our own members and also to demonstrate the reason why I was going out in front and supporting the Senator's candidacy at that time.

After the rally, Mr. Carlough advised Senator Jackson that he intended to use the film in the manner described above (EC 19). Neither Senator Jackson nor any member of his staff were shown a copy of the film. 14/

Later, SMWIA-PAL decided that portions of the film should also be used in the independent campaign on behalf of Senator Jackson's candidacy. 15/ Segments of the film were accordingly included in 15-minute and 5-minute cassettes, which SMWIA-PAL volunteers showed to the public during the primary campaign. 16/ SMWIA-PAL paid Hearst Metrotone News Division $2,307.84 on April 27, 1976, and $4,458.26 on May 26, 1976, for services in connection with the making of these tapes and reported these amounts to the FEC as independent expenditures 17/ (SMWIA-PAL FEC Reports 5/14/76, Schedule B, p. 14; 6/8/76, Schedule B, at p. 6).

There is no evidence that Senator Jackson or any member of his staff cooperated, were consulted, or participated in the preparation of the cassettes shown to the public as part of the SMWIA-PAL independent campaign on behalf of Senator Jackson's candidacy.

14/ Deposition of Edward J. Carlough, at p. 20.

15/ Id. at 18.

16/ Ibid.

17/ Id. at 17-18.

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The fact that Senator Jackson became aware that the rally was being filmed is immaterial to whether the expenses involved in making cassettes were "independent expenditures." As to those expenses, there is no evidence of any prior consultation, agreement or cooperation between the candidate and SMWIA-PAL. Indeed, neither Senator Jackson nor his representatives even knew that cassettes were being made for the purpose of the SMWIA-PAL's independent campaign on behalf of his candidacy. Moreover, when the Executive Director of Senator Jackson's campaign committee discovered that SMWIA-PAL was campaigning for Senator Jackson by showing such cassettes to the public he "cried" because he viewed the activity as unproductive and a misuse of "a lot of time and energy." 18/

As the Supreme Court held in Buckley v. Valeo, supra, 424 U.S. at 47, "Unlike contributions, such independent expenditures may well provide little assistance to the candidate's campaign and indeed may prove counterproductive. The absence of prearrangement and coordination of an expenditure with the candidate or his agent . . . undermines the value of the expenditure to the candidate . . . ." From the point of view of Senator Jackson's campaign committee, that certainly describes the situation here. We therefore believe that these expenditures by SMWIA-PAL were properly reported as "independent expenditures" and that there is no factual or legal basis for concluding otherwise.

18/ Deposition of Robert J. Keefe, at pp. 40-43.

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C.
LABOR FOR JACKSON AND
SMWIA-PAL WERE NOT
AFFILIATED

Labor for Jackson was formed on April 14, 1976, and on that date filed a Statement of Organization with the Federal Election Commission, naming Joseph D. Keenan as Chairman and Edward J. Carlough as Treasurer. In a letter from Mr. Keenan on May 20, 1976, Labor for Jackson reported to the FEC that there were no organizations affiliated with it.

Labor for Jackson was set up for the purpose of making independent expenditures on behalf of the presidential candidacy of Senator Henry Jackson [19/] and to attract a broad base of labor support for the Senator. [20/] Jesse M. Calhoun, President of the Marine Engineers Beneficial Association (MEBA) and the MEBA Political Action Fund, Mr. Carlough and another union official asked Mr. Keenan to serve as Chairman of Labor for Jackson. Mr. Keenan, who had been International Secretary of the International Brotherhood of Electrical Workers, agreed. [21/]

The initial funding of Labor for Jackson consisted of a $20,000 contribution from the MEBA Political Action Fund, a $7500 contribution from SMWIA-PAL and a $5000 contribution from the Engineers Political Education Committee (Labor for Jackson FEC Report, Schedule A, p. 1, 7/9/76). [22/]

Labor for Jackson made independent expenditures on behalf of Senator Jackson's candidacy in the Pennsylvania Presidential

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19/ Id. at 27.

20/ Id. at 28, 50-51.

21/ Id, at 39; Deposition of Joseph D. Keenan, at pp. 4-5.

22/ Deposition of Edward J. Carlough, at pp. 38-39.

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primary election, which was held on April 27, 1976 (Labor for Jackson FEC Report, Schedule B, 7/9/76). Many of the volunteers for Labor for Jackson were members of the SMWIA, but volunteers from other unions also participated in the Pennsylvania primary campaign for Senator Jackson, 23/ including iron workers, engineers and carpenters. 24/ Bills sent to Labor for Jackson were approved for payment by its Treasurer, Mr. Carlough, and checks were signed by Mr. Keenan.

Labor for Jackson functioned for only a short time because, shortly after the Pennsylvania primary, Senator Jackson withdrew as a presidential candidate. On August 24, 1976, Labor for Jackson refunded the balance remaining in its account to its contributors, returning $104.92 to the MEBA Political Action Fund, $414.38 to SMWIA-PAL and $276.15 to the Engineers Political Education Committee (Labor for Jackson FEC Report 8/24/76, p. 1).

In determining whether two committees or segregated funds are "affiliated" it is important to keep in mind that the purpose of the "affiliation" rule is to prevent evasion of the contribution limitations by a proliferation of connected committees, each of which would otherwise be entitled to make separate contributions to the candidate. 25/ Thus, with respect to the contribution limits in the Act, all affiliated committees are treated as one committee. 26/

It is immediately apparent that purposes of the affiliation rule are inapplicable to the instant case. We are aware of no allegation -- nor could there be any on this record -- that

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24/ Id. at 34.

25/ See, e.g., Section 110.3(a), (11 C.F.R. § 110.3(a)).

26/ Ibid.

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Labor for Jackson made any contributions to Senator Jackson or to his campaign committee. As we stated above, Labor for Jackson was organized in order to make independent expenditures and that is what it did. It was not formed for the purpose of evading the contribution limits of the Act, which is what the affiliation rule was designed to prevent.

In any event, Labor for Jackson was not, in fact, affiliated with SMWIA-PAL. More than 75 percent of Labor for Jackson's funding came from labor groups other than SMWIA-PAL. To be sure, Edward J. Carlough, who was Chairman of SMWIA-PAL, served as Treasurer for Labor for Jackson. Labor for Jackson, however, was set up, not as an arm of SMWIA-PAL, but in order to attract a broad base of labor support. During the short time it functioned, Labor for Jackson was only partially successful in accomplishing this goal. But this was because Senator Jackson withdrew from the presidential primary race only a few weeks after Labor for Jackson began operating, which hardly gave it sufficient time to accomplish its objective.

Therefore, in light of the facts that more than 75 percent of the funding of Labor for Jackson came from other labor groups, that the committee made independent expenditures rather than contributions, and that it was formed in order to attract wider support from labor organizations, Labor for Jackson cannot be considered "affiliated" with SMWIA-PAL.

CONCLUSION

For the foregoing reasons, under Section 437d of the Act (2 U.S.C. § 437d), the Commission should take no action against SMWIA-PAL.

Respectfully submitted,

A. Raymond Randolph, Jr.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Marine Engineers Beneficial Association	)	MUR 260 (76)
	)	
Marine Engineers Beneficial Association Political Action Fund	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on November 1, 1978, the Commission, meeting in an executive session at which a quorum was present, took the following actions in MUR 260 (78):

1. Determined by a vote of 5-1 to adopt the recommendations of the General Counsel contained in the General Counsel's Report signed October 27, 1978.

   Commissioners Harris, McGarry, Springer, Thomson, and Tiernan voted affirmatively. Commissioner Aikens dissented.

2. Determined by a vote of 6-0 to reconsider the vote to adopt the recommendations of the General Counsel in the report dated October 27, 1978.

3. Determined by a vote of 6-0 to strike the finding of No Reasonable Cause to Believe in recommendation number 4 contained in the General Counsel's Report dated October 27, 1978, and insert in lieu thereof the words, "Take no further action at this time with regard to the MEBA-PAF purchase of receipt books to conduct the solicitation of contributions to the Jackson for President Committee."

4. Determined by a vote of 6-0 to adopt the recommendations in the General Counsel's Report in MUR 260 (78) dated October 27, 1978 subject to the above amendment to recommendation number 4.

   TO WIT:

   a. Take no further action concerning the MEBA-PAF expenditures in connection with the New York City Hospitiality Suite and close the file on this matter.

continued on page two

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b. Take no further action concerning the MEBA-PAF expenditures to hold the Baltimore Reception and close the file on this matter.

c. Take no further action concerning the MEBA-PAF expenditures to hold the San Francisco Reception and close the file on this matter.

d. Take no further action at this time with regard to the MEBA-PAF purchase of receipt books to conduct the solicitation of contributions to the Jackson for President Committee."

e. Request that MEBA submit time records and job descriptions for MEBA employees involved in the Jackson for President solicitation effort and continue the investigation of whether MEBA's payment of the salaries of these employees, while they participated in the solitication effort, was a violation of 18 U.S.C. §610.

f. Find reasonable cause to believe that MEBA violated 18 U.S.C. §610 by permitting the use of MEBA offices, equipment and supplies to implement and facilitate solicitation of contributions for the Jackson for President Committee and proceed with conciliation efforts in this regard.

Attest:

11-3-78
Date

Marjorie W. Emmons
Secretary to the Commission

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Executive Session
November 1, 1978

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Marine Engineers Beneficial Association	)	MUR 260(78)
Marine Engineers Beneficial Association Political Action Fund	)	

General Counsel's Report

I. Background

It is important to note at the outset that the activities which form the allegations in this complaint took place during or prior to April and May, 1976. The New York City Hospitality Suite was held on April 6, 1976. The Baltimore reception took place in April, 1976, and the San Francisco reception in October, 1975. Finally, the receipt books for contributions to be made to the Jackson for President Committee were purchased and distributed to MEBA branch offices during April and May, 1976. The importance of these dates is that they place the alleged violations of FECA during a time period following the Supreme Court's decision in Buckley v. Valeo, 424 U.S.1 (1976), decided on January 30, 1976; before the effective date of the 1976 FECA Amendments, May 11, 1976; and before the Commission's prescription of its present regulations, April 13, 1977.

Thus, analysis of this matter must take into account that the Supreme Court had, at the time of the alleged violations, already declared FECA's "independent expenditure" limitations unconstitutional; that the applicable statute was FECA as amended by the Federal Election Campaign Act Amendments of 1974;

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and that Respondents did not have the benefit of FEC regulations to assist them in ensuring that their activities were in compliance with FECA. Consequently, the analysis which follows will be based upon FECA, as amended in 1974 and as limited by the decision of the Supreme Court in Buckley.

II. Allegations

Four separate activities of MEBA/MEBA-PAF are under review here as possible violations of FECA. First, on April 6, 1976, the date of the New York Presidential Primary, MEBA-PAF hosted a hospitality suite for "friends of labor" who had volunteered to work in Senator Jackson's New York presidential primary campaign. The hospitality suite was at New York City's Essex House, which was also the site of the Jackson for President Committee headquarters. The question presented is whether the cost of the New York hospitality suite, paid for by MEBA-PAF, was a contribution to the Jackson for President Committee. Since MEBA-PAF had already made a direct contribution of $5,000 to the Jackson for President Committee, such a determination would mean that MEBA-PAF violated FECA's contribution limitations, then 18 U.S.C. § 608(b)(2). If, however, the cost of the New York City hospitality suite is determined to be an independent expenditure made by MEBA-PAF, no violation of FECA would have occurred since at the time the expenditure was made FECA's independent expenditure limitations had been held unconstitutional.

Second, in April, 1976, MEBA-PAF expended $3,307.50 to host a reception in Baltimore, Maryland. Senator Jackson attended

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the reception. However, Respondent claims that the primary purpose of the Baltimore reception was to support the candidacies of various Maryland State Senate candidates. Such a contribution to state candidates would not be subject to FECA's proscriptions. Again, however, if the cost of the reception is determined to be a contribution to the Jackson presidential primary campaign, MEBA-PAF would have violated 18 U.S.C. § 608(b)(2).

Third, in October, 1975, MEBA-PAF hosted a reception in San Francisco, California. The expenditures made by MEBA-PAF in connection with this reception totalled $7,493.92 and once again Senator Jackson attended. Apparently, this reception was a hospitality suite held in conjunction with an AFL-CIO convention. However, a determination that the MEBA-PAF expenditure for this reception was a contribution to the Jackson campaign would render it a violation of 18 U.S.C. § 608(b)(2).

Finally, on May 11, 1976, MEBA-PAF spent $2,337.12 to purchase receipt books which would record contributions to the Jackson for President Committee. (Although the check for the receipt books was drawn on May 11, the purchase was actually made prior thereto and collections ceased as of May 10, 1976.) Once again, the question presented here is whether this expenditure is a contribution to the Jackson campaign and thus a violation of 18 U.S.C. § 608(b)(2), or whether it is an independent expenditure and thus no FECA violation. These receipt books were distributed to MEBA branch offices with instructions that MEBA employees solicit contributions to the Jackson for President Committee from MEBA members and "friends of the maritime industry." Contributions were in the

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form of cash (under $100) or checks made payable to the Jackson for President Committee. The checks and money orders for cash contributions were mailed or delivered by MEBA to the Jackson for President Committee along with copies of receipts issued to contributors. Funds for contributions to the Jackson for President Committee were not channelled through MEBA-PAF accounts. Rather, individual contributors made checks payable directly to the Jackson for President Committee and MEBA delivered the checks to the Jackson for President Committee. In the case of cash contributions, MEBA employees collected the cash, drew money orders payable to the Jackson for President Committee and delivered the money orders to the Committee. However, this procedure raises an additional question as to a possible violation of FECA. Does the time spent by MEBA employees in this solicitation procedure during working hours and MEBA's transfer of the checks and money orders through the New York or Washington MEBA offices to the Jackson for President Committee and use of MEBA offices and facilities in this regard represent an in-kind contribution by MEBA to the Jackson campaign in violation of 18 U.S.C. § 610?

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III. Legal Analysis

A. New York City Hospitality Suite - April 6, 1976

The question presented by the expenditure of MEBA-PAF funds to host the New York City Hospitality Suite is whether the expenditures should be classified an expenditure "on behalf of" the Jackson presidential candidacy within the meaning of 18 U.S.C. § 608(c)(2)(B) and thus classified as a contribution or whether the expenditure was an independent expenditure within the meaning of 18 U.S.C. § 608(e)(1). If the expenditure was an independent expenditure, it was not a violation of FECA since Buckley had held the FECA limitations on independent expenditures unconstitutional See Buckley v. Valeo, supra at 51, 46 n. 53. If, however, the expenditure was a contribution to the Jackson primary campaign, it was a violation of 18 U.S.C. § 608(c)(2)(B), left effective by Buckley.

18 U.S.C. § 608(c)(2)(B) provided that expenditures "authorized or requested by the candidate, an authorized committee of the candidate, or an agent of the candidate" would be treated as contributions by the person or group making the expenditure. The Supreme Court in Buckley, in upholding the constitutionality of this subsection, quoted the House and Senate Reports to explain the difference between an expenditure under § 608(c)(2)(B) and an independent expenditure under § 608(e). House Report No. 93-1239 defined an independent

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expenditure as one "incurred without the request or consent of a candidate or his agent." H.R. Rept. No. 93-1239, 93d Cong., 2d Sess. 6 (1974) and Senate Report No. 93-689 stated that an expenditure "not at the request or suggestion of the candidate or his agent" would be considered an independent expenditure. But an expenditure made "in cooperation with the candidate's campaign organization" would be a contribution "by the supporter and an expenditure by the candidate." S. Rept. No. 93-689, 93rd Cong., 2d Sess. 18 (1974). The Supreme Court proceeded to hold that the "authorized or requested" language of § 608(c)(2)(B) included expenditures "placed in cooperation with or with the consent of a candidate, his agents, or an authorized committee of the candidate." Buckley v. Valeo, supra, at 46 n. 53.

Therefore, criteria to be considered in determining whether the MEBA-PAF expenditures in connection with the New York City Hospitality Suite were contributions to the Jackson campaign and thus a violation of 18 U.S.C. § 608(b)(2) are:

1. Were the expenditures "authorized" or "requested" by Senator Jackson, his agent or the JFP Committee?

2. Were the expenditures for the Suite incurred with the "consent" of Senator Jackson or his agent?

3. Was the Suite held "in cooperation with" the Jackson campaign organization?

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If any of the above is answered in the affirmative, the expenditure would be deemed a contribution.

It appears from the depositions that the New York City hospitality suite was sponsored and paid for solely by MEBA-PAF. The suite was held for labor individuals involved in the Jackson campaign in New York on the evening of the New York primary election and was attended by Senator Jackson. There is nothing in the record which would indicate that Senator Jackson, the JFP Committee or any Jackson staff person "requested" that the suite be held by MEBA-PAF or that expenditures be made by MEBA-PAF for the suite. It appears that the decision to hold the suite was made on an impromptu basis and that all arrangements were made by MEBA-PAF personnel without consultation with Senator Jackson or the JFP Committee staff. It does not appear to have been organized or held "in cooperation with" the Jackson campaign organization.

The only questions remaining then are whether the expenditures were "authorized" by the Jackson campaign or whether Senator Jackson or his campaign gave "consent" to the expenditures. Certainly it is clear that authorization or consent need not be in writing or even verbal. Conduct could indicate "authorization" or "consent." Thus, Senator Jackson's conduct could have indicated "authorization" for or "consent" to the expenditures. However, nothing in the record

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indicates such conduct and respondent states that Senator Jackson was not invited to the suite, that he did not make a speech in the suite, and that no MEBA-PAF personnel knew that Senator Jackson would attend. He merely attended the event. The question then is whether Senator Jackson's attendance, coupled with the timing of the suite - the night of the primary -, and the place of the suite - the same hotel as the JFP Committee Headquarters - indicates "consent" or "authorization." We think not.

The legislative history of FECA indicates that consent or authorization must be given prior to an expenditure for it to be considered a contribution. The House Report, No. 93-1239, speaks of expenditures incurred without the "consent" of the candidate or the campaign. And the Senate Conference Report speaks of expenditures of a person "authorized" to make said expenditures by the candidate or the candidate's agents.

In this case, then, "consent" or "authorization" would have had to have been given by Senator Jackson or his agent prior to the time that the hospitality suite was held. The mere fact of Senator Jackson's attendance at the suite could not operate to transform the expenditures for the suite from "independent expenditures" to "contributions." In this regard, it is interesting to note also that the FEC's present regulations, although not effective at the time of this alleged violation, speak also of expenditures made "with the

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prior consent" of the candidate or agent. 11 C.F.R. § 109.1(a).

Therefore, it is recommended that the Commission take no further action concerning the expenditures of MEBA-PAF in connection with the New York City Hospitality Suite and close the file on this allegation.

B. Baltimore Maryland Reception - April, 1976

The Baltimore Reception raises the same question of a possible MEBA-PAF violation of 18 U.S.C. § 608(b)(2). However, the record supports respondent's contention that the Baltimore reception was held for the primary purpose of supporting certain candidates for the Maryland State Senate. Senator Jackson was invited and did attend the reception, but it does not appear that the Baltimore reception was held for the purpose of promoting the candidacy of Senator Jackson. See Depositions of J. M. Calhoon, President of MEBA, and Frank Laurito, MEBA's Chief Accountant.

Therefore, it is recommended that the Commission take no further action concerning the expenditures of MEBA-PAF to hold the Baltimore reception and close the file on this allegation.

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C. San Francisco, California Reception - October, 1975

In October, 1975, MEBA-PAF held a reception for MEBA members at the AFL-CIO Convention in San Francisco. Senator Jackson, who had addressed the Convention that day, was invited and did attend the reception. It appears from the record that this reception and the expenditures in connection with it were not for the purpose of promoting Senator Jackson's presidential candidacy nor in connection with any Federal election. The reception was in connection with the AFL-CIO Convention and for the purpose of entertaining MEBA members there. See Depositions of J. M. Calhoon, President of MEBA, and Frank Laurito, MEBA's Chief Accountant. Thus the expenditures for the San Francisco Reception were not limited by FECA.

Therefore, it is recommended that the Commission take no further action concerning the expenditures of MEBA-PAF to hold the San Francisco Reception and close the file on this allegation.

D. Receipt Books

During April and May, 1976 (ending May 10, 1976), MEBA-PAF implemented a procedure to facilitate contributions by MEBA "members and friends" to the Jackson for President Committee. MEBA-PAF purchased receipt books, including copies for the contributor, MEBA and the JFP Committee. The receipt

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books were distributed to MEBA district offices and branch agents where MEBA officials used them to solicit contributions to the JFP Committee. The solicitations were conducted at the MEBA district offices during the normal course of conducting union business at these offices. In addition, MEBA employees requested voluntary contributions from members when they boarded vessels to collect union dues and to conduct other union business. Contributions received as a result of such solicitations were forwarded by the MEBA branch or district offices to the MEBA New York office, recorded, and then transferred either directly to the Jackson for President Committee, or through the MEBA Washington office to the JFP Committee. Contributions were in the form of checks made payable to the Jackson for President Committee or cash (under $100). The cash contributions were converted to money orders made payable to the JFP Committee, and the checks and money orders were delivered to the JFP Committee without being deposited in or channelled through any MEBA or MEBA-PAF account.

The "receipt book" procedure raises several questions. First, was the purchase of the receipt books by MEBA-PAF an expenditure "on behalf of" the Jackson presidential candidacy within the meaning of 18 U.S.C. § 608(c)(2)(B) and thus a contribution? If so, the expenditure represents a violation

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by MEBA-PAF of 18 U.S.C. § 608(b)(2). Second, does the expenditure of time and effort by MEBA employees to implement the solicitation procedure - soliciting contributions, filling out receipts, converting cash to money orders, transporting checks and money orders to the JFP Committee - represent an in-kind contribution by MEBA in violation of 18 U.S.C. § 610. Finally, does the use of MEBA offices and facilities in the solicitation procedure represent an in-kind contribution in violation of 18 U.S.C. § 610?

For reasons similar to those outlined in the analysis of the New York Hospitality Suite question, we have concluded that the actual expenditure for the receipt books was not a contribution to the Jackson primary campaign and thus not a violation of 18 U.S.C. § 608(b)(2). There is nothing in the record which would indicate that the expenditure was "authorized or requested by the candidate, an authorized committee of the candidate, or an agent of the candidate." 18 U.S.C. § 608(c)(2)(B). It does not appear that the "receipt books" expenditure was made in cooperation with the candidate's campaign organization or with the consent of the candidate, his agents, or committee.

The Calhoon deposition indicates that the "receipt books" solicitation procedure was suggested by "some of our people in the northwest." And the Laurito deposition states that the

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decision to implement the procedure was made by the officers of MEBA's Political Action Fund. There is nothing in the record to support a contention that the Jackson campaign - Senator Jackson, the JFP Committee or staff member - requested that MEBA-PAF purchase the receipt books or that they gave prior consent to their purchase. Thus, MEBA-PAF's purchase of the receipt books would not represent an expediture "on behalf of" the Jackson presidential candidacy within the meaning of 18 U.S.C. § 608(c)(2)(B).

The receipt books were distributed to MEBA district offices and MEBA employees implemented the solicitation procedure according to instructions forwarded by MEBA. The solicitation procedure took place from March, 1976 - May 10, 1976 when the procedure was discontinued by direction of J. M. Calhoon, MEBA President. Solicitations took place during regular working hours either at the MEBA branch offices or when the MEBA employees boarded ships to conduct union business. See Laurito Deposition.

The use of MEBA employees, during normal working hours, to implement the solication effort can be viewed as an in-kind contribution by MEBA to the JFP Committee in violation of 18 U.S.C. § 610. However, MEBA asserts that the time and effort expended by MEBA employees was voluntary and in addition to their normal duties as MEBA employees. Although the record

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indicates that the instructions for the solicitation effort and the circular letter discontinuing the collections came from MEBA President J. M. Calhoon on MEBA stationary and addressed to MEBA employees, this correspondence seems permissive rather than mandatory. Nowhere are MEBA employees instructed or ordered to conduct the solicitations.

It is therefore recommended that MEBA be asked to submit time records and job descriptions for MEBA employees involved in the JFP solicitation effort. Attorneys for MEBA have previously indicated that such a submission would be possible, and that it would demonstrate that the subject MEBA employees are not required to keep regular, fixed working hours but instead are required to be available to conduct MEBA business at the convenience of the membership. In addition, attorneys for MEBA have stated that these MEBA employees are required to complete certain tasks, e.g., collection of union dues, settlement of disputes, etc., during a fixed period and that all of these duties were completed during the time that the solicitation procedure took place. If the submission does so demonstrate, it should be concluded that the effort by MEBA employees was a volunteer effort in addition to their MEBA duties and thus not a contribution by MEBA for their time spent on the solicitation procedure in violation of 18 U.S.C. § 610.

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As previously discussed, the MEBA solicitation effort for the JFP Committee took place prior to the effective date of the FEC's current regulations. However, it should be noted that even under these regulations, the effort by MEBA employees might not be considered a MEBA contribution to the JFP Committee. See 11 C.F.R. § 100.4(a)(5).

Finally, MEBA did use or permit the use of MEBA offices, equipment and supplies in connection with the solicitation of contributions for the JFP Committee. Does this represent an expenditure or contribution by MEBA "in connection with" the JFP campaign in violation of 18 U.S.C. § 610? It is our opinion that it does. Expenditures for items such as postage, office supplies and equipment used to facilitate the solicitation process were "in connection with" the JFP campaign. And there is nothing in the record to indicate that such expenses were assumed by MEBA-PAF. Therefore, it is the recommendation of the Office of General Counsel that the Commission find reasonable cause to believe that MEBA violated 18 U.S.C. § 610 in using MEBA offices, equipment and supplies to implement and facilitate solicitation of contributions for the JFP Committee.

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IV. Recommendations

1. Taken no further action concerning the MEBA-PAF expenditures in connection with the New York City Hospitality Suite and close the file on this matter.

2. Take no further action concerning the MEBA-PAF expenditures to hold the Baltimore Reception and close the file on this matter.

3. Take no further action concerning the MEBA-PAF expenditures to hold the San Francisco Reception and close the file on this matter.

4. Find no reasonable cause to believe that MEBA-PAF's purchase of the receipt books to conduct the solicitation of contributions to the Jackson for President Committee was a violation of 18 U.S.C. § 608(b)(2) and close the file on this matter.

5. Request that MEBA submit time records and job descriptions for MEBA employees involved in the Jackson for President solicitation effort and continue the investigation of whether MEBA's payment of the salaries of these employees, while they participated in the solicitation effort, was a violation of 18 U.S.C. § 610.

6. Find reasonable cause to believe that MEBA violated 18 U.S.C. § 610 by permitting the use of MEBA offices,

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equipment and supplies to implement and facilitate solicitation of contributions for the Jackson for President Committee and proceed with conciliation efforts in this regard.

10/27/78
DATE

William C. Oldaker
General Counsel

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Labor for Jackson)

MUR 236

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on November 1, 1978, the Commission, meeting in an executive session at which a quorum was present, determined by a vote of 6-0 to take the following actions in MUR 236:

1. Find no reasonable cause to believe that Labor for Jackson violated 2 U.S.C. §433(b)(2) by failing to report affiliation with MEBA-PAF.

2. Find no reason to believe that MEBA-PAF violated 2 U.S.C. 433(b)(2) by failing to report affiliation with Labor for Jackson.

3. Defer action on recommendation number 3 contained in the General Counsel's Report signed October 30, 1978 pending further research.

4. Defer action on recommendation number 4 contained in the General Counsel's Report signed October 30, 1978 pending further research.

5. Find reason to believe that Labor for Jackson violated 2 U.S.C. §434(b) by failing to report certain expenditures as in-kind contributions to the Jackson campaign.

6. Find reason to believe that Labor for Jackson violated 18 U.S.C. §608(b)(2) by making in-kind contributions to the Jackson for President Committee in excess of the limitations of that provision of the Act.

Attest:

11/3/78
Date

Marjorie W. Emmons
Secretary to the Commission

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 236 (76)
Labor for Jackson)
)

GENERAL COUNSEL'S REPORT

I. Allegations

This matter involves the question of whether Labor for Jackson ("LFJ") is affiliated with Sheet Metal Workers International Association Political Action League ("SMWIA-PAL") and Marine Engineers Beneficial Association Political Action Fund ("MEBA-PAF") and thus in violation of 2 U.S.C. § 433(b)(2) by failing to report such affiliation. Related to this question is the issue of whether certain expenditures made by respondent were in fact independent as reported or were contributions to the Jackson campaign exceeding the limitations of 18 U.S.C. § 608(b)(2).

III. Background

Labor for Jackson (LFJ) was organized on April 14, 1976, and on that date filed a Statement of Organization with the Federal Election Commission, naming Joseph D. Keenan as Chairman and Edward J. Carlough as Treasurer. On May 20, 1976, Labor for Jackson reported to the FEC that there were no organizations affiliated with it. According to deposition testimony of Edward J. Carlough, Labor for Jackson was organized to "make independent expenditures in behalf of Senator Jackson's candidacy" and to "establish a broad base of independent activity on the Senator's behalf." Carlough Deposition at 27-28, 50-51.

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The initial funding of Labor for Jackson was a $7,500 transfer from the Sheet Metal Workers Political Action League (SMWIA-PAL) made on April 14, 1976. In addition, the MEBA Political Action Fund (MEBA-PAF) transferred $20,000 to LFJ on May 5, 1976 and the Engineers Political Education Committee transferred $5,000 on June 30, 1976. These transfers comprised the total contributions to LFJ during its existence. [The Commission has previously agreed that the $7,500 transfer by SMWIA-PAL and the $20,000 transfer by MEBA-PAF were not violations of FECA since the 1974 FECA Amendments did not clearly limit contributions from one political committee to another. 18 U.S.C. § 608(b)(2) limited contributions from a political committee to a candidate, but not to another committee, regardless of affiliation. See September 17, 1976 OGC Report.]

Labor for Jackson made expenditures on behalf of Senator Jackson's candidacy in the Pennsylvania Presidential primary election which was held on April 27, 1976. Additional expenditures were made during May and June, 1976. All of these expenditures were reported to the FEC as independent expenditures. On August 24, 1976, LFJ refunded the balance in its account to SMWIA-PAL, MEBA-PAF and the Engineers Political Education Committee in proportion to their transfers to LFJ and terminated.

Labor for Jackson existed and received contributions and made expenditures from April, 1976 - August, 1976. Thus any alleged FECA violations by LFJ took place during a time period

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following the Supreme Court's decision in Buckley v. Valeo, partially before the effective date of the 1976 FECA Amendments, May 11, 1976; and before the Commission's prescription of its present regulations, April 13, 1977. Thus, the analysis of the alleged affiliation between LFJ and MEBA-PAF and LFJ and SMWIA-PAL, the subject matter of this investigation, will take into account the law in effect at the time of the alleged violation. It is important to recognize, however, that the 1976 amendments made no substantive changes in 2 U.S.C. § 433(b), disclosure requirements, or 18 U.S.C. § 608(b)(2), contribution limitations, as those sections would apply to this matter.

On October 14, 1976, the Commission found reason to believe that LFJ may have violated 2 U.S.C. § 433(b)(2) by failing to report possible affiliation with MEBA-PAF and SMWIA-PAL. In the course of this investigation and related matters MUR 260 and MUR 266 depositions were authorized and taken of: Jimmy A. Hinkle, SMWIA organizer; Lawrence McLaughlin, SMWIA organizer; Ernest Miller, SMWIA Organizer; Edward Carlough, General President of SMWIA, Chairman of SMWIA-PAL, and Treasurer of LFJ; Joseph Keenan, Chairman of LFJ; Frank Scaduto, SMWIA Director of Governmental Affairs; Robert Keefe, Campaign Director of the Jackson for President Committee; Irving Hershy Gold, volunteer with the Jackson for President Committee; Leon Shapiro, Secretary-Treasurer of MEBA, and Treasurer of MEBA-PAF; Frank Laurito, Chief Accountant of MEBA and MEBA-PAF; and J.M. Calhoon, President of MEBA.

7904012207 7

III. Investigation and Analysis

A. Affiliation with MEBA-PAF

On May 5, 1976, MEBA-PAF transferred $20,000 to LPJ. This transfer constituted the majority of the $32,500 in aggregate contributions received by LPJ.

J.M. Calhoon, President of MEBA, did not hold a formal position with MEBA-PAF. However, our investigation indicates that Mr. Calhoon did exercise some control and direction regarding the expenditure of MEBA-PAF funds (see General Counsel's Report for MUR 260). Information obtained through the depositions of Mr. Calhoon, Edward Carlough, Joseph Keenan and Robert Keefe indicates that Mr. Calhoon was involved in discussions regarding the formation of LPJ.

FECA's present regulations set forth criteria to determine affiliation between political committees. 11 C.F.R. § 110.3(a) states that contributions made by committees "established, financed, maintained, or controlled by any corporation, labor organization, or any other person" shall be deemed to have been made by a single political committee. 11 C.F.R. § 110.3 (a)(1)(i). See also 11 C.F.R. § 100.14(c)(2). Other indicia of affiliation contained in the present FECA regulations include

(A) Ownership of a controlling interest in voting shares or securities;
(B) Provisions of by-laws, constitutions, or other documents by which one entity has the authority, power, or ability to direct another entity;
(C) The authority, power, or ability to hire, appoint, discipline, discharge, demote, or remove or otherwise influence the decision of the officers or members of an entity;
(D) Similar patterns of contributions;
(E) The transfer of funds between committees which

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> represent a substantial portion of the funds of either the transferor or transferee committee, other than the transfer of funds between the committees which jointly raised the funds so transferred. 11 C.F.R. § 110.3(a)(iii).

However, FECA's present regulations were not prescribed by the Commission, and totally binding, until April 13, 1977. We must, therefore, consider the criteria for affiliation recognized by the Commission during the time period under consideration here. The Commission recognized at an early date that control of committees by the same person or persons might indicate affiliation. In an Advisory Opinion to ADEPT, a multicandidate political committee which wanted to legally establish multicandidate political committees in several states, the Commission stated that it

> would regard committees which are controlled by the same person or group of persons as one entity.
>
> AO 1975-45, published in the Federal Register, November 19, 1975.

Advisory Opinion 1975-45 continued to state that committees would be considered under common control if they were funded mainly by transfers from one committee to the other, had the same treasurer or members, had overlapping officers, or similar patterns of contributions or expenditures. If it was determined that the committees were in reality one entity, the opinion concluded that the contribution limitations of 18 U.S.C. § 608(b)(2) would apply in the aggregate. AO 1975-45.

In addition, in Advisory Opinion 1975-35 to the Republican Congressional Boosters Club, published in the Federal Register on August 20, 1975, the Commission had stated:

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> "The Commission is of the opinion that the Federal Election Campaign Act of 1971, as amended, would not preclude a person from serving in an official capacity with more than one political committee raising funds for Federal purposes. The Commission points out, however, that the contribution limitations in 18 U.S.C. § 608(b)(1) and (2) and expenditure limitation in 18 U.S.C. § 608(e) apply to the committees which are, in fact, truly independent committees. Political committees which have the same person or persons serving as key officials or personnel may be compromising the independence of each committee. In a given case, such interconnection may lead to the legal conclusion that, for the purpose of applying the limitations, the several committees are in fact only one committee.
>
> AO 1975-35.

Therefore, criteria to determine affiliation of political committees, established by the Commission prior to the time period of the alleged FECA violations in this matter include:

(1) Control by the same person or group of persons;

(2) Funding of one committee mainly by transfers from another;

(3) Overlapping treasurers, members or officers; or

(4) Similar patterns of contributions or expenditures.

MEBA-PAF did transfer $20,000 to Labor for Jackson. And J.M. Calhoon, President of MEBA was involved in discussions pertaining to the formation of Labor for Jackson. However Mr. Calhoon did not hold a formal position with MEBA-PAF. Thus, although the above-mentioned conditions would seem to indicate some relationship between LFJ and MEBA-PAF, there is

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no real evidence of control of both MEBA-PAF and LPJ by the same person or group of persons, no overlapping officers or members and no evidence of a pattern of contributions or expenditures. Therefore, it is the recommendation of the Office of General Counsel that the Commission find no reasonable cause to believe that Labor for Jackson violated 2 U.S.C. § 433(b)(2) by failing to report affiliation with MEBA-PAF and no reason to believe tha MEBA-PAF violated 2 U.S.C. § 433(b)(2) by failing to report affiliation with LPJ.

B. Affiliation with SMWIA-PAL

Information gained through deposition and examination of documents filed with the Commission indicates that seventeen SMWIA employees were either advanced or reimbursed money from LPJ for purposes of making expenditures on behalf of LPJ in support of Senator Jackson and the Jackson for President Committee ("JFP"). Attachment I. Further, certain of these same SMWIA employees were reimbursed by JFP for expenditures made on behalf of JFP and in support of the candidacy of Senator Jackson (see General Counsel's Report for MUR 266).

In addition to the above situation, Edward J. Carlough, General President of SMWIA, served concurrently as Chairman of SMWIA-PAL and Treasurer of LPJ and SMWIA-PAL transferred $7,500 as the initial funding for LPJ.

Thus, the dual position of Mr. Carlough, together with the overlap of personnel and the transfer of funds, seems to overwhelmingly indicate a direct affiliation between LPJ and

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SMWIA-PAL, thus constituting a violation of 2 U.S.C. § 433(b)(2) by the failure of both parties to report the existing relationship. Therefore, it is the recommendation of the Office of General Counsel that the Commission find reasonable cause to believe that Labor for Jackson violated 2 U.S.C. § 433(b)(2) by failing to report affiliation with SMWIA-PAL and reason to believe that SMWIA-PAL violated the same provision by failing to report affiliation with LFJ.

C. Independent expenditures made by LFJ

The Labor for Jackson Committee made approximately $30,000 in independent expenditures in support of Senator Jackson. Approximately one quarter of these expenditures were made through SMWIA employees in the form of advanced or reimbursed monies. As mentioned above, and more thoroughly described in the General Counsel's Report for MUR 266, certain SMWIA employees made expenditures in support of the candidacy of Senator Jackson and were reimbursed by either SMWIA-PAL, LFJ, or JFP. From information through the depositions of Ernest Miller, Lawrence McLaughlin, and Jimmy Hinkle, it appears that in some instances these individuals submitted receipts for expenditures to SMWIA offices and received reimbursements from any of the three organizations. This would seem to exhibit a definite working relationship among SMWIA-PAL, LFJ and JFP. Also, Edward Carlough held an official

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position with both LFJ and SMWIA-PAL and served as an informal adviser to Senator Jackson and his staff on labor related matters. 1/

As the circumstances described herein indicate apparent affiliation between LFJ and SMWIA-PAL, the two organizations would be subject to a single contribution limit under 18 U.S.C. § 608(b)(2). In the General Counsel's report for MUR 266 we have set forth various conditions negating the possibility of expenditures made by SMWIA-PAL being independent of the Jackson for President Committee. Due to the apparent affiliation of LFJ and SMWIA-PAL, expenditures made by Labor for Jackson in support of Senator Jackson could not be independent of SMWIA-PAL and thus could neither be independent of the Jackson for President Committee. Thus, all expenditures made by LFJ in support of the Jackson candidacy would constitute in-kind contributions to the JFP Committee rather than independent expenditures, as reported by respondent. Therefore, respondent would have exceeded the contribution limits of 18 U.S.C. § 608 (b)(2) by making such expenditures, violating that provision and also violating 2 U.S.C. § 434(b) by failing to report such expenditures as in-kind contributions.

It is the recommendation of the Office of General Counsel that the Commission find reason to believe that Labor for Jackson violated 18 U.S.C. § 608(b)(2) and 2 U.S.C.

1/ This condition is described in greater detail in the General Counsel's Report for MUR 266.

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§ 434(b) in connection with its making expenditures in support of Senator Jackson and the Jackson for President Committee.

IV. Recommendations

(1) Find no reasonable cause to believe that Labor for Jackson violated 2 U.S.C. § 433(b)(2) by failing to report affiliation with MEBA-PAF.

(2) Find no reason to believe that MEBA-PAF violated 2 U.S.C. § 433(b)(2) by failing to report affiliation with Labor for Jackson.

(3) Find reasonable cause to believe that Labor for Jackson violated 2 U.S.C. § 433(b)(2) by failing to report affiliation with SMWIA-PAL.

(4) Find reason to believe that SMWIA-PAL violated 2 U.S.C. § 433(b)(2) by failing to report affiliation with Labor for Jackson.

(5) Find reason to believe that Labor for Jackson violated 2 U.S.C § 434(b) by failing to report certain expenditures as in-kind contributions to the Jackson campaign.

(6) Find reason to believe that Labor for Jackson violated 18 U.S.C. § 608(b)(2) by making in-kind contributions to the Jackson for President Committee in excess of the limitations of that provision of the Act.

10/30/78
DATE

William C. Oldaker
General Counsel

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SWMIA Employees Reimbursed By LFJ For Expenses Incurred In Connection With The Jackson Campaign

Name	Purpose of Expenditure	Date	Amount
Ernie Miller	Travel Expense, Rentals	4/19/76	$ 1,000.00
Jimmy Hinkle	Travel Expense, Rental	4/19/76	1,000.00
Ernie Miller	Car Rental	5/6/76	266.95
Jimmy Hinkle	Lodging	5/6/76	233.85
Richard Peck	Truck and Bus Rental	5/20/76	92.25
Jimmy Hinkle	Travel Expenses	5/27/76	170.00
Earle Harris	Truck Rentals	6/11/76	665.96
Ernie Miller	Truck Rental	6/11/76	288.14
Lawrence McLaughlin	Car Rental	6/11/76	257.71
John Giralamo	Truck Rental	6/11/76	202.99
James Farrarie	Truck Rental	6/11/76	689.91
George Schmitt	Truck Rental	6/11/76	187.03
Chester Nowak	Printing and Car Rental	6/11/76	1,170.77
Ralph Willham	Truck Rental	6/11/76	100.03
Paul Craig	Rental	6/11/76	15.00
Ivan Cage	Supplies	6/11/76	60.00
Roy Stringer	Car Rentals	6/11/76	814.54
Raymond Messer	Travel Expenses	6/11/76	289.35
Frank Walsh	Truck Rental	6/11/76	467.64
Al Kyde	Supplies	6/11/76	120.18
Chester Nowak	Supplies	6/11/76	65.00
		TOTAL:	$ 7,467.39

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FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

November 6, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

A. Raymond Randolph, Jr.
Sharp, Randolph and Janis
Suite 401
1220 Nineteenth Street, N.W.
Washington, D.C. 20036

RE: MUR 266

Dear Mr. Randolph:

We have received your letter dated October 20, 1978 forwarding your factual statements related to the Bal Harbour Reception, the filming of the Ft. Lauderdale Rally, and the issue of affiliation with Labor for Jackson. Please note that the investigation of these matters is MUR 266, not MUR 277 as stated in your letter. Please refer to MUR 266 in all further correspondence on these issues.

We have also noted your offer of a further submission outlining your legal analysis of the issues involved in MUR 266. We would be glad to accept any such document and include it in our consideration of these matters. In the interim, the attorney assigned to these matters, Kathleen Imig Perkins, will continue to conduct an expeditious investigation and report to the Commission as soon as possible.

Sincerely,

William C. Oldaker
General Counsel

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MLK 2166 - Perkins

SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
   - ☐ Show to whom and date delivered ..... ¢
   - ☒ Show to whom, date, and address of delivery ..... ¢
   - ☐ RESTRICTED DELIVERY. Show to whom and date delivered ..... ¢
   - ☐ RESTRICTED DELIVERY. Show to whom, date, and address of delivery ..... $
   - (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
A. Raymond Randolph Jr.
Stark Randolph & Jacobi
Suite 401 1220 19th St. N.W.
Washington D.C. 20036

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	P43987	

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent

C Bryant

4. DATE OF DELIVERY: 11/8/78 — POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: — CLERK'S INITIALS

P3 Form 3811, Apr. 1977 — RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

☆GPO: 1977—0—249-865

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Sheet Metal Workers)
International Association)
Political Action League)

MUR 266 (76)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on November 1, 1978, the Commission, meeting in an Executive Session at which a quorum was present, determined by a vote of 6-0 to adopt the recommendation of the General Counsel to take the following actions in MUR 266 (76):

1. Find reasonable cause to believe that SMWIA-PAL violated 2 U.S.C. §434(b) and 18 U.S.C. §608(b)(2) with regard to approximately $65,000 in expenditures made to promote the candidacy of Senator Jackson and reported as independent expenditures by respondent.

2. Begin conciliation efforts on the above issue and the issue of violation of 2 U.S.C. §434(b) and 18 U.S.C. §608(b)(2) in connection with the Bal Harbour, Florida reception sponsored by respondent.

Attest:

11/2/78
Date

Marjorie W. Emmons
Secretary to the Commission

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Executive Session
November 1, 1978

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
	)	MUR 266 (76)
Sheet Metal Workers International Association Political Action League	)	

GENERAL COUNSEL'S REPORT

I. Background

The activities and expenditures which form the basis of this investigation took place in February, 1976 (the Bal Harbour Reception) and during the period of March - June, 1976 ("Independent expenditures" made by SMWIA-PAL). This places the alleged FECA violations during a time period following the Supreme Court's decision in Buckley v. Valeo, 424 U.S. 1 (1976), decided on January 30, 1976; before the effective date of the 1976 FECA Amendments, May 11, 1976; and before the Commission's prescription of its present regulations, April 13, 1977.

Thus analysis of this matter must take into account that the Supreme Court had, at the time of the alleged violation, already declared FECA's "independent expenditure" limitations unconstitutional; that the applicable statute was FECA as amended by the Federal Election Campaign Act Amendments of 1974; and that respondent did not have the benefit of FEC regulations to assist them in ensuring that their activities were in compliance with FECA. Consequently, the analysis which follows will be based upon FECA, as amended in 1974 and as limited by the decision of the Supreme Court in Buckley.

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II. Allegations

The activities under review here raise questions of possible violations of FECA's contribution limitations, then 18 U.S.C. § 608(b)(2) and disclosure provisions, then, as now, 2 U.S.C. § 434(b). Specifically, Respondent Sheet Metal Workers International Association Political Action Fund (SMWIA-PAL) hosted a reception in Bal Harbour, Florida, on February 16, 1976. The expenses for this reception were paid by SMWIA-PAL and reported on FEC Form 3 as independent expenditures. The allegation is that these expenditures were in reality in-kind contributions to the Jackson campaign. If the allegation is proved true, the expenditures were in violation of 18 U.S.C. § 608(b)(2) when taken in conjunction with respondent's direct contribution to the Jackson for President Committee (JFP Committee), and the error in reporting them as independent expenditures represents a violation of 2 U.S.C. § 434 (b). The second allegation challenges the independence of approximately $65,000 in expenditures made by respondent during March-June, 1976, for the purpose of promoting the candidacy of Senator Jackson and supporting the Jackson for President Committee. If these expenditures were authorized or requested by Senator Jackson, his agent or the JFP Committee, incurred with their consent, or made in cooperation with the Jackson campaign, they forfeit their independent status and must be considered in-kind contributions to the Jackson campaign. As such, the expenditures would be in violation of 18 U.S.C. § 608(b)(2)

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(contribution limitations) and of 2 U.S.C. § 434(b) (disclosure provisions). The question of whether respondent is affiliated with the Labor for Jackson Committee and thus in violation of 2 U.S.C. § 433(b)(2) for not disclosing said affiliation is considered in the General Counsel's Report for MUR 236 (76).

III. Commission Action

On June 22, 1977, the Commission found reasonable cause to believe that SMWIA-PAL had violated 2 U.S.C. §434(b) and 2 U.S.C. § 441a(a)(2)(A) [18 U.S.C. § 608(b)(2) at the time of the alleged violations] in connection with the Bal Harbour reception and reason to believe that the same violations had occurred in connection with the independent expenditures. Conciliation efforts were deferred pending further investigation of the independent expenditure issue.

Depositions were authorized and taken of: Edward Carlough, General President of SMWIA, Chairman of SMWIA-PAL, and treasurer of LFJ; Frank Scaduto, SMWIA Director of Governmental Affairs; Jimmy A. Hinkle, SMWIA Organizer; Lawrence McLaughlin, SMWIA Organizer; and Ernest Miller, SMWIA Organizer.

IV. Legal Analysis

Bal Harbour Reception

On February 16, 1976, SMWIA-PAL hosted a reception in Bal Harbour, Florida. Edward J. Carlough, President of SMWIA and Chairman of SMWIA-PAL, in his deposition taken on August 12, 1977, identified the reception as one "for the Senator and his family." Carlough Deposition at 9.

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In addition, Mr. Carlough stated that he discussed plans for the reception with Bob Keefe, then a member of Senator Jackson's staff, and with Senator Jackson himself. The date for the reception was cleared with Senator Jackson's calendar as was the decision to hold the reception in Florida. Mr. Carlough also stated in his deposition that it was decided that the reception would be held "in conjunction with the AFL-CIO Executive Council because that would create the greatest exposure from AFL-CIO leaders and their families to the Senator and his family." Carlough Deposition at 11, 9-14.

The expenses for the Bal Harbour Reception, in the amount of $15,304.08, were paid by SMWIA-PAL and reported on FEC Form 3 as independent expenditures. The question presented here is whether these expenditures should be classified as expenditures "on behalf of" the Jackson presidential candidacy within the meaning of 18 U.S.C. §608(c)(2)(B) and thus classified as a contribution or whether the expenditures were independent expenditures within the meaning of 18 U.S.C. § 608(e)(1). If the expenditures were independent expenditures, it was not a violation of FECA since Buckley had held the FECA limitations on independent expenditures unconstitutional. See Buckley v. Valeo, supra at 51, 46, n. 53. If however, the expenditures were a contribution to the Jackson primary campaign, it was a violation of 18 U.S.C. § 608c(2)(B), left effective by Buckley.

18 U.S.C. §603c(2)(B) provided that expenditures "authorized or requested by the candidate, an authorized com-

mittee of the candidate, or an agent of the candidate" would be treated as contributions by the person or group making the expenditure. The Supreme Court in Buckley, in upholding the constitutionality of this subsection, quoted the House and Senate Reports to explain the difference between an expenditure under § 608(c)(2)(B) and an independent expenditure under § 608(e). House Report No. 93-1239 defined an independent expenditure as one "incurred without the request or consent of a candidate or his agent." H.R. Rept. No. 93-1239, 93rd Congress, 2nd Session 6 (1974) and Senate Report No. 93-689 stated that an expenditure "not at the request or suggestion of the candidate or his agent" would be considered an independent expenditure. But an expenditure made "in cooperation with the candidate's campaign organization" would be a contribution "by the supporter and an expenditure by the candidate." S. Rept. No. 93-689, 93rd Congress, 2nd Session 18 (1974). The Supreme Court proceeded to hold that the "authorized or requested" language of § 608c(2)(B) included expenditures "placed in cooperation with or with the consent of a candidate, his agents, or an authorized committee of the candidate." Buckley v. Valeo, supra, at 46 n. 53.

Therefore, criteria to be considered in determining whether the SMWIA-PAL expenditures in connection with the Bal Harbour Reception were contributions to the Jackson campaign and thus a violation of 18 U.S.C. § 608(b)(2) are:

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1) Were the expenditures "authorized" or "requested" by Senator Jackson, his agent, or the JFP Committee?

2) Were the expenditures for the reception incurred with the "consent" of Senator Jackson or his agent?

3) Was the reception held "in cooperation with" the Jackson campaign organization?

If any of the above is answered in the affirmative, the expenditures would be deemed a contribution.

The depositions taken of SMWIA-PAL officers and executives, particularly that of SMWIA President Carlough, would require affirmative answers to all of the above criteria. Discussions between Mr. Carlough and Senator Jackson or members of the Jackson staff prior to the reception would indicate "authorization" or "consent" for the expenditures. In addition, the fact that the time and place of the reception was coordinated with Senator Jackson's schedule would indicate that it was held "in cooperation with" the Jackson campaign organization.

Therefore, it is recommended that conciliation efforts be initiated on this issue. The Commission has previously found reasonable cause to believe that the expenditures related to the Bal Harbour Reception were contributions to the Jackson campaign and thus violations of 2 U.S.C. §434(b), disclosure provisions, and of 2 U.S.C. § 441a(a)(2)(A) [18 U.S.C. § 608(b)(2) at the time of the violations], contribution limitations.

Additional SMWIA-PAL "Independent Expenditures"

The investigation in this matter also centered on approximately $65,000 in expenditures made by SMWIA-PAL and

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reported on FEC Form 3 as independent expenditures[1/] The issue to be resolved is whether the expenditures were indeed "independent" or whether they were in reality in-kind contributions to the Jackson campaign. If the expenditures were in-kind contributions to the Jackson campaign, a violation of 18 U.S.C. § 608(b)(2) exists since SMWIA-PAL would have thus exceeded the contribution limitations contained therein and of 2 U.S.C. § 434(b) since SMWIA-PAL would have violated that provision's disclosure requirements.

Since these expenditures were made during the period March-June, 1976, the criteria for determining their "independence" of the Jackson campaign are those outlined in the analysis of the Bal Harbour Reception expenditures. Were the expenditures "authorized" or "requested" or incurred with the "consent" of Senator Jackson, his agent or the JFP Committee or were they made "in cooperation with" the Jackson campaign organization.

Information received through the depositions of Hinkle, McLaughlin, Miller, Scaduto, and Carlough indicates that various expenditures were made by Hinkle, McLaughlin, Miller and other SMWIA personnel in connection with the Jackson campaign.

Jimmy Hinkle, SMWIA Organizer, received $8,000 in reimbursements from SMWIA-PAL for expenditures made to promote Senator Jackson, including the printing of signs, literature, and other campaign materials. Mr. Hinkle also received $170.00

1/ Attachment I is a table showing the expenditures made by SMWIA-PAL which are under review here.

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from Labor for Jackson in payment for costs incurred in connection with its efforts in promoting Jackson's campaign. Additionally, Mr. Hinkle was reimbursed by the Jackson for President Committee through Ernest Miller of SMWIA who submitted the bills for costs incurred to Hershey Gold, a volunteer fund raiser with JFP.[2/]

Lawrence McLaughlin, SMWIA Organizer, received $5,000 in reimbursements from SMWIA-PAL for expenses relating to the production of materials concerning the promotion of the candidacy of Senator Jackson. Mr. McLaughlin also received $257.71 from Labor for Jackson for the cost of renting a car for use in distributing literature promoting Senator Jackson. Mr. McLaughlin submitted the bill for this expense to the SMWIA Washington office, and received a check reimbursing him for this cost from Labor for Jackson. Also, Mr. McLaughlin was reimbursed by the Jackson for President Committee for $704.71 in expenses incurred on behalf of that committee, partially for the rental of a hotel suite in connection with the Jackson campaign. In this instance, Mr. McLaughlin submitted the receipt for his expense to the SMWIA Washington office and received a check from the Jackson for President Committee.

Ernest Miller, SMWIA Organizer, received $266.95 from Labor for Jackson for the rental of a car in Pittsburgh for use

2/ Attachment II lists SMWIA employees who were reimbursed directly by the Jackson for President Committee or by Labor for Jackson for expenditures made in connection with the Jackson candidacy.

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in distributing campaign literature promoting Senator Jackson. Mr. Miller also received $230 in reimbursements from the Jackson for President Committee through Hershey Gold, a volunteer with JFP, while working on the Jackson campaign in Florida.

Additionally, two SMWIA employees, Paul Stuckenschneider and George Riley, received $1,274.56 and $490 respectively from the Jackson for President Committee for expenses incurred on behalf of the committee.

Information gained through the aforementioned depositions and examination of documents filed with the Commission by SMWIA-PAL indicates that respondent spent $7,052.04 for the filming, production and editing of video cassette recordings of speeches given by Senator Jackson. On at least one occasion, a speech given by Senator Jackson in Fort Lauderdale, Florida, SMWIA-PAL contacted the Senator before the speech was given, notifying him of their intent to film the speech. See Carlough Deposition at 19. Also, it appears that members of the Jackson for President Committee staff or members of the Senator's personal staff viewed the video cassettes following their production. These cassettes were used by SMWIA-PAL personnel to promote the candidacy of Senator Jackson. This discussion with Senator Jackson prior to the filming of the speech would indicate "consent" or "authorization."

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In addition to the above expenditures, SMWIA-PAL purchased air time on local television stations to promote Senator Jackson and made expenditures for the printing and production of literature, buttons, bumper stickers, and other materials relating to the candidacy of Senator Jackson.

These expenditures and reimbursements indicate a close working relationship among Labor for Jackson, the Jackson for President Committee, SMWIA-PAL, SMWIA employees, and Jackson staff members. In addition, Edward J. Carlough served concurrently as President of SMWIA, Chairman of SMWIA-PAL, and Treasurer of Labor for Jackson. 3/

The apparent relationship between SMWIA-PAL, Labor for Jackson and the Jackson for President Committee through the reimbursement of SMWIA employees for services rendered in connection with the campaign of Senator Jackson, and the prior knowledge and tacit approval of Senator Jackson and staff regarding the filming by SMWIA-PAL of speeches given by Senator Jackson, would indicate sufficient evidence of significant connections between respondent and the Jackson for President Committee to negate respondents claim that its expenditures to promote Senator Jackson were indeed independent.

Edward J. Carlough, President of SMWIA and Chairman of SMWIA-PAL, was an early supporter and advisor on labor

3/ The question of affiliation between Labor for Jackson and SMWIA-PAL is discussed in MUR 236 (76).

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matters to Senator Jackson and the Jackson for President Committee. Mr. Carlough was in frequent contact with members of Senator Jackson's staff and was apprised of the committee's general policies and strategies. Mr. Carlough was one of a group of labor leaders selected by the Jackson people as a target group for support for the Senator and as a public relations effort to enlist additional labor backing.

Mr. Carlough, as Chairman of SMWIA-PAL, was in a position to control or direct the expenditure of SMWIA-PAL funds. It is the belief of the General Counsel's Office that Mr. Carlough's position of control and influence regarding the expenditure of SMWIA-PAL funds, together with his close association with the Jackson for President Committee and his knowledge of the general strategies and policies of that committee, would indicate that SMWIA-PAL expenditures made to promote the candidacy of Senator Jackson were "in cooperation with" the Jackson campaign and thus not independent. In addition, the reimbursement of SMWIA personnel by the Jackson for President Committee for expenditures made on behalf of that committee, would imply prior "consent" or "authorization" by Senator Jackson or the JFP Committee for SMWIA-PAL expenditures in connection with the Jackson candidacy.

We therefore recommend that the Commission find reasonable cause to believe that SMWIA-PAL violated 2 U.S.C. § 434(b) in failing to report approximately $65,000 in expenditures as in-kind contributions to the Jackson for President Committee, and 18 U.S.C. § 608(b)(2) as such in-kind contributions,

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coupled with SMWIA-PAL's direct contribution of $3,500, exceed the contribution limits of the Act.

V. Recommendation

1. Find reasonable cause to believe that SMWIA-PAL violated 2 U.S.C.§434(b) and 18 U.S.C. § 608(b)(2) with regard to approximately $65,000 in expenditures made to promote the candidacy of Senator Jackson and reported as independent expenditures by respondent.

2. Begin conciliation efforts on the above issue and the issue of violations of 2 U.S.C. § 434(b) and 18 U.S.C. § 608(b)(2) in connection with the Bal Harbour, Florida reception sponsored by respondent.

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10/27/78
Date

William C. Oldaker
General Counsel

7904012210 Attachment I

Expenditures made by SMWIA-PAL in connection with the Jackson campaign

Individual or organization	Purpose	Date	Amount
Americana of Bal Harbour	Reception in honor of Senator Jackson	5/7/76	$ 11,567.16
World Wide Studios	Cost of photography at above reception	5/7/76	3,581.44
Hearst Metrotone News Division	Producing, filming, and editing of two rallys in support of Sen. Jackson's candidacy	5/26/76	4,458.26
Jimmy A. Hinkle	For purposes of making independent expenditures on behalf of PAL in support of Sen. Jackson's candidacy	4/6/76	3,000.00
Jimmy A. Hinkle	same	3/25/76	5,000.00
Lawrence D. McLaughlin	same	3/25/76	5,000.00
Edigan Press, INC.	Printing of folders and bumper stickers in support of Sen. Jackson's candidacy	4/15/76	22,101.35
Maurer, Fleisher, Zon & Anderson, Inc.	Production and cost of air time in support of Sen. Jackson's candidacy	4/19/76	7,736.26
Manhattan Cable Television	Cost of air time in support of Sen. Jackson's candidacy	4/19/76	75.00
True-Art Process Co., Inc.	Cost of printing political signs in support of Sen. Jackson's candidacy	4/27/76	518.95
Hearst Metrotone News Division	Filming of rally in support of Sen. Jackson's candidacy	4/27/76	2,307.84
Hearst Metrotone News Division	Video taping of cassettes in support of Sen. Jackson's candidacy	4/27/76	185.94
		TOTAL:	$ 65,532.20

ATTACHMENT II

SMWIA Employees Reimbursed By The Jackson For President Committee

Or By Labor For Jackson

SMWIA EMPLOYEE	DATE	AMOUNT
Jimmy A. Hinkle	3/8/76	$186.16 (JFP)
	5/27/76	$170.00 (LFJ)
Lawrence McLaughlin	6/11/76	$257.71 (LFJ)
	6/22/76	$647.00 (JFP)
Paul Stuckenschneider	4/2/76	$1,000.00 (JFP)
	4/14/76	$137.28 (JFP)
	5/22/76	$137.28 (JFP)
George Riley	6/22/76	$490.00 (JFP)
Ernest Miller	4/1/76	$115.00 (JFP)
	4/15/76	$115.00 (JFP)

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October 20, 1978

Ms. Cathy Perkins, Attorney
Office of General Counsel
Federal Election Commission
Room 476
Washington, D.C.

Re: MUR 266 (76)

Dear Ms. Perkins:

As we discussed by telephone, I am enclosing draft factual statements relating to the three areas (Bal Harbour, Rally and Affiliation) the Commission staff has indicated will be the subject of a report to the Commission in this matter. When you have reviewed these drafts would you kindly call me so that we may discuss any questions you might have. I do not anticipate any problems regarding the facts and, pursuant to our agreement with the Commission staff, we will next provide our legal analysis of the various issues involved in these factual situations so that the Commission will have the benefit of our views before it makes its decision.

Sincerely yours,

A. Raymond Randolph, Jr.

ARR:cb

cc: Donald W. Fisher
MULHOLLAND, HICKEY, LYMAN,
McCORMICK, FISHER & HICKEY
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Suite 741
Toledo, Ohio 43604

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DRAFT - BAL HARBOUR

It has long been the practice of union leaders to sponsor receptions for prominent politicians during the annual mid-winter meeting of the AFL-CIO Executive Council (RK 49). Such a reception was held on the evening of February 16, 1976, in honor of Senator Henry Jackson at the Americana Hotel in Bar Harbour, Florida (Turner letter Exhibit B). Persons were invited to the reception by the eleven international union presidents listed on the invitations: I. W. Abel (United Steelworkers); Harold J. Buoy (International Brotherhood of Boilermakers); Jesse M. Calhoun (National Marine Engineers Beneficial Association); Edward J. Carlough (Sheet Metal Workers International Association); Sol C. Chaikin (International Ladies' Garment Workers Union); Thomas W. Gleason (International Longshoremen's Association); Andrew T. Haas (International Association of Asbestos Workers); John H. Lyons (International Association of Iron Workers, Bridge and Structural); Charles H. Pillard (International Brotherhood of Electrical Workers); William Sidell (United Brotherhood of Carpenters and Joiners); J.C. Turner (International Union of Operating Engineers).

After the original sponsors had decided to hold the reception, Edward J. Carlough, General President of the Sheet Metal Workers International Association (SMWIA) and Chairman of the SMWIA-Political Action League (PAL), assisted in organizing it and in checking with Senator Jackson or his staff in regard to a date when he would be able to attend (EC 9-12). Mr. Carlough had no discussions with Senator Jackson or his staff regarding who would be attending the reception, what Senator Jackson would say or whether there would be solicitations for political contributions (EC 11-12).

Invitations to the reception were issued to officers, members and families of the sponsoring unions and other affiliated AFL-CIO organizations then attending the winter meetings of the AFL-

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CIO in Miami, Florida (Turner letter, p. 10 and Exhibit B). The reception lasted from 6:00 p.m. to 7:30 p.m. and Senator Jackson, who had been invited to attend, gave a short talk, as did AFL-CIO President Meany (RK 49, Turner letter Exhibit B). There is no evidence that any political contributions were solicited or received in conjunction with the reception or that there were any communications to the attendees expressly advocating Senator Jackson's cnadidacy for President.

By February 16, 1976, thirteen union organizations had joined in sponsoring the reception (Turner letter, Exhibit A), the cost of which totalled $15,148.60 (Turner letter pp. 7-8). Although counsel had initially advised that the cost of the reception could be paid out of union treasury funds because it consisted of a communication to members of the unions and their families, attorneys determined after the reception that the proper method of payment would be from voluntary funds (EC letter of May 1976, Exhibit A to Turner letter).

On May 7, 1976, SMWIA-PAL paid for the total cost of the reception and reported this to the Federal Election Commission as independent expenditures for a reception in honor of Senator Jackson, indicating that the expenses were "to be shared by several committees" (SMWIA-PAL report dated 6/8/76, at p. 6). On the same date, May 7, 1976, Mr. Carlough sent letters to the other twelve co-sponsoring organizations requesting reimbursement of their pro rata share of the costs of the reception (Exhibit A to Turner letter). The following organizations responded in the amounts indicated: I.B.E.W. - COPE ($1,176.86); I.L.G.W.U. Campaign Committee ($1,118.96); Boilermakers-Blacksmiths Legislative Education-Action Program ($1,176.86); Laborers Political League ($1,176.86); United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry Education Committee ($1,176.86); and staff employees of the International Association of Heat and Frost Insulators and Asbestos Workers ($1,210.00).

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These amounts received by SMWIA-PAL were also reported to the Federal Election Commission on Schedule A as "reimbursement-shared expenses for reception in honor of Senator Henry Jackson." (See SMWIA-PAL FEC reports filed June 8, 1976 (at p. 4); July 12, 1976 (at p. 5); November 24, 1976; and Turner letter, pp. 9-10). The reimbursements totalled $9,390.12, which resulted in SMWIA-PAL absorbing $5,758.48 of the cost of the reception or $4,581.62 more than its pro rata share of the expenses ($1,176.86).

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DRAFT - RALLY

On March 6, 1976, three days before the Florida presidential primary election, Senator Henry Jackson appeared at a rally in Ft. Lauderdale, Florida (EC 18). Senator Jackson, Daniel Patrick Moynihan, Mr.Carlough and others spoke at the rally, which was held by political committees of local Florida labor unions (Turner letter, p. 12). Shortly before March 6, 1976, Mr. Carlough decided to have the rally filmed for his union (EC 18-19). Senator Jackson was not consulted in advance and became aware of the filming only when he arrived to speak (EC 18-19).

Mr. Carlough decided to make a film of the rally for the purpose of educating members of the SMWIA. As Mr. Carlough stated to the Commission staff (EC 20):

> First, we were going to make the film, pick out the best parts of it, and then use it as an educational film in our union halls -- or wives, we have some women's divisions in our locals, at coffee meetings of the wives to advance Senator Jackson's candidacy amoung our own members and also to demonstrate the reason why I was going out in front and supporting the Senator's candidacy at that time.

After the rally, Mr. Carlough advised Senator Jackson that he intended to use the film in the manner described above (EC 19). Neither Senator Jackson nor any member of his staff were shown a copy of the film (EC 20).

Later, SMWIA-PAL decided that portions of the film should also be used in the independent campaign on behalf of Senator Jackson's candidacy (EC 18). Segments of the film were accordingly included in 15-minute and 5-minute cassettes, which SMWIA-PAL volunteers showed to the public during the primary campaign (EC 18). SMWIA-PAL paid Hearst Metrotone News Division $2,307.84 on April 27, 1976, and $4,458.26 on May 26, 1976, for services in connection with

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the making of these tapes and reported these amounts to the FEC as independent expenditures (EC 17-18); SMWIA-PAL FEC Reports 5/14/76, Schedule B, p. 14; 6/8/76, Schedule B, at p. 6).

There is no evidence that Senator Jackson or any member of his staff cooperated, participated or were consulted in the preparation of the cassettes shown to the public as part of the SMWIA-PAL independent campaign on behalf of Senator Jackson's candidacy.

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DRAFT - AFFILIATION

Labor for Jackson was formed on April 14, 1976, and on that date filed a Statement of Organization with the Federal Election Commission, naming Joseph D. Keenan as Chairman and Edward J. Carlough as Treasurer. In a letter from Mr. Keenan on May 20, 1976, Labor for Jackson reported to the FEC that there were no organizations affiliated with it.

Labor for Jackson was set up for the purpose of making independent expenditures on behalf of the presidential candidacy of Senator Henry Jackson (EC 27) and to attract a broad base of labor support for the Senator (EC 28, 50-51). Jesse M. Calhoun, President of the Marine Engineers Beneficial Association (MEBA) and the MEBA Political Action Fund, Mr. Carlough and another union official asked Mr. Keenan to serve as Chairman of Labor for Jackson (JK 5; EC 39). Mr. Keenan, who had been International Secretary of the International Brotherhood of Electrical Workers, agreed (JC 4).

The initial funding of Labor for Jackson consisted of a $20,000 contribution from the MEBA Political Action Fund, a $7500 contribution from SMWIA-PAL and a $5000 contribution from the Engineers Political Education Committee (L for J FEC Report Schedule A, p. 1, 7/9/76; EC 38-39).

Labor for Jackson made independent expenditures on behalf of Senator Jackson's candidacy in the Pennsylvania Presidential primary election, which was held on April 27, 1976 (L for J FEC Report, Schedule B, 7/9/76). Many of the volunteers for Labor for Jackson were members of the SMWIA, but volunteers from other unions also participated in the Pennsylvania primary campaign for Senator Jackson (CEC 29), including iron workers, engineers and carpenters (EC 34). Bills sent to Labor for Jackson were approved for payment by its Treasurer, Mr. Carlough, and checks were signed by Mr. Keenan (RK 11-12).

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Labor for Jackson functioned for only a short time because, shortly after the Pennsylvania primary, Senator Jackson withdrew as a presidential candidate. On August 24, 1976, Labor for Jackson refunded the balance remaining in its account to its contributors, returning $104.92 to the MEBA Political Action Fund, $414.38 to SMWIA-PAL, and $276.15 to the Engineers Political Education Committee (L for J FEC Report 8/24/76, p.1).

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September 21, 1978

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William C. Oldaker, Esquire
General Counsel
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

Dear Bill:

Please excuse this delay in responding to your letter of September 8, 1978. The press of other matters prevented me from having an opportunity to review adequately the enclosures which you were kind enough to send to me.

I must confess that the material which you sent me leaves me more perplexed than ever regarding the concerns which you have expressed about the fund-raising efforts engaged in by the MEBA-PAF. The materials dealt with national and state party committees, which I understand are covered by different sets of considerations than which apply to other political committees, especially in the area at issue here in our matter -- independent expenditures.

One recurring theme of these enclosures, however, which I think clearly supports the position which we urge in our formal submission to you, is that the test of the independence of the expenditures turns on the extent to which the candidate exercises "dominion and control" over the expenditures. The administrative record is clear and unambiguous in our case and compels the conclusion that there was no coordination, consultation or other indicia of control by the Jackson for President Committee over the determination by the MEBA-PAF to either expend money for receipt books, or to encourage its members to engage in voluntary fund-raising activities. Similarly, the memoranda

which you sent make it clear that the concern of the Commission with regard to earmarking is the concealment of the identity of the actual contributor and the comcomitant opportunity that such concealment affords for the evasion of contribution limitations. Such concerns are totally lacking in the case of the MEBA-PAF which reported all of the expenditures in this fund-raising activity, and where its whole purpose of its incurring the cost to purchase the receipt books was to make sure that the identification of the actual contributor could be accomplished.

While I do not want to reargue our submission, especially since Ms. Perkins has not yet indicated that she has taken issue with any of our conclusions, I did want to convey to you my reaction to the materials you provided.

Thank you very much for the opportunity to speak with Ms. Perkins. She assured me that she would be contacting me if she had any questions or need for additional information. She also indicated that she was aware that we would have the opportunity to discuss the staff recommendations with you prior to its submission to the Commission. As that has always been our understanding, please do not hesitate to call us as soon as you have completed and reviewed the recommendation.

Thank you very much for your consideration in this matter.

Warm regards,

Justin

Justin D. Simon

tle

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DICKSTEIN, SHAPIRO & MORIN
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WASHINGTON, D.C. 20037

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FEDERAL ELECTION COMMISSION

William C. Oldaker, Esquire
General Counsel
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

MUR 260

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August 23, 1978

BY HAND

William C. Oldaker, Esquire
General Counsel
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

Re: Marine Engineers Beneficial Association - Political Action Fund

Dear Mr. Oldaker:

Enclosed you will find an original and three copies of the Submission prepared by this firm on behalf of the Marine Engineers Beneficial Association-Political Action Fund ("MEBA-PAF"). It is our belief that this Submission clearly and amply demonstrates the fact that the activities which you discussed with us at our recent meeting were fully in accordance with the letter and spirit of the Federal Election Campaign Act, as amended. It is our hope that this Submission will aid the Commission and its staff in focusing on the issues presented and in making its own determination regarding these matters.

Should the Commission or any member of your staff wish to discuss this matter further, we would, of course, be delighted to do so. In addition to the points which we note in our Submission, there are a number of other legal issues which I attempted to bring to your attention on Tuesday morning when we both unsuccessfully attempted to reach one another. These issues relate to certain aspects of the legislative history of the 1974 and 1976 Amendments, as well as current legislative activity, which may be helpful to you in arriving at your

7904012211 5

recommendation to the Commission. Accordingly, I would like the opportunity to discuss these matters with you after you have had a chance to review our Submission.

Thank you for your consideration in this matter.

Sincerely,

Justin D. Simon

Enclosures

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BEFORE THE
FEDERAL ELECTION COMMISSION

In The Matter of the :
:
MARINE ENGINEERS BENEFICIAL :
ASSOCIATION - POLITICAL :
ACTION FUND :
:

SUBMISSION TO THE FEDERAL ELECTION COMMISSION AND ITS STAFF REGARDING THE MARINE ENGINEERS BENEFICIAL ASSOCIATION POLITICAL ACTION FUND

At a meeting with the Commission's General Counsel, Mr. William Oldaker, and his assistant, Mr. Paul Lovejoy, questions were raised on behalf of the Commission concerning two activities of the Marine Engineers Beneficial Association Political Action Fund ("MEBA-PAF") in connection with the 1976 presidential campaign of Senator Henry Jackson of Washington. Counsel for the MEBA-PAF was informed that the Commission staff had not yet arrived at a final determination as to its position regarding these activities. Because the legal issues involved were ones of first impression and because any Commission action regarding these activities could well be construed as ex post facto rulemaking, the Commission staff permitted the MEBA-PAF to make this submission to demonstrate its position that no action

7904012211 7

can or should be taken against the MEBA-PAF in connection with these activities. The opportunity to make such a formal submission was viewed as especially appropriate in this matter since the General Counsel has expressed the view that, at worst, any violations would be technical in nature.

I. The Basic Facts Concerning Both Activities Are Undisputed

There are two activities which have been examined by the Commission staff. The first involves the hosting of a hospitality suite with refreshments at the Essex House in New York City on the evening of the presidential primary in New York. The second involves the expenditure of MEBA-PAF funds for the purpose of recording and facilitating the reporting of contributions to the Jackson for President Committee collected voluntarily by MEBA members to the Federal Election Commission. The important facts concerning each activity can be stated briefly.

A. New York City Hospitality Suite

On the evening of the April 1976 presidential primary in New York State, the MEBA-PAF hosted a hospitality suite at the Essex House in New York City. The administrative record reveals that the decision to host the suite was made on an

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impromptu basis by Leon Shapiro of the MEBA-PAF in consultation with his assistant, Frank A. Laurito, Chief Accountant for the MEBA. Arrangements for this suite were made exclusively by representatives of the MEBA-PAF, which was solely responsible for and paid all of the expenses associated with the operation of the suite. Neither Mr. Shapiro or Mr. Laurito notified, consulted or otherwise had contact with Senator Jackson or his Senatorial or campaign staff regarding this activity. Similarly, there is no evidence that anyone from the MEBA-PAF had contacted Senator Jackson or his Senatorial or campaign staff regarding this event.

The purpose of this hospitality suite was to provide a meeting place where volunteers associated with the labor movement who had worked on the Jackson campaign in New York could meet socially while waiting for the election returns to come in. The function was not intended, nor was it used, as a fundraising vehicle for any candidate for federal, state or local office. The suite was located in the same hotel as the election night campaign headquarters of the Jackson campaign. The hospitality suite was not intended to be, nor was it, used in lieu of any election night campaign activity being staged by or on behalf of Senator Jackson.

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The cost of the suite and the refreshments was $1,876.43. The suite was "catered" by hotel room service. No invitations were sent out inviting persons to attend. The only notice of the event was the 2'x3' sign placed in the lobby of the hotel. All of the funds expended were from the MEBA-PAF, the expenses were paid for by check and all expenditures were duly and promptly reported to the Commission.

During the course of the reception, Senator Jackson appeared, possibly shook a few hands and left the hospitality suite. There is no evidence in the record that Senator Jackson had been invited to appear or even that anyone associated with the MEBA-PAF had any advance notice that he would appear. A clear inference from the record is that either the Senator or a member of his staff saw the placard in the hotel lobby and suggested that the Senator appear to express his appreciation to his supporters in the labor movement. There is no indication as to how many persons were in the suite when Senator Jackson appeared, or how long the Senator stayed.

B. The Receipt Books and Fundraising Activity

Sometime around the middle of March 1976, the leadership of the MEBA-PAF determined to support the candidacy of Senator Jackson by encouraging members of the MEBA to make

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voluntary contributions to Senator Jackson's principal campaign committee, the Jackson for President Committee. For the purpose of ensuring that all funds collected would be properly reported to the Federal Election Commission and for internal union accountability for such funds,[1/] it was determined that the MEBA-PAF would prepare a four-part (NCR-type) receipt. The receipt was designed by Mr. Laurito and receipt books were printed and assembled professionally at the expense of the MEBA-PAF, which promptly reported the expenditure. The receipt books were then mailed to the various MEBA branches (locals). At the same time the receipt books were sent out, a letter was prepared by Mr. Laurito in consultation with the former General Counsel for the Union to explain how the fundraising activity should be handled to ensure compliance with the FECA of 1971, as amended. This letter and a follow-up letter were sent out over the signature of MEBA President, Jesse M. Calhoon. Union members then, on a voluntary basis, spoke with other Union members about making contributions to the Jackson for President Committee. Other than Union members, it is possible that "friends" of the MEBA were contacted. The evidence reveals

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1/ It has long been the policy of the MEBA that no funds of any kind will ever be collected from a Union member without issuing the member a written receipt.

that this latter group would include families of Union members, retired Union members[2/] and non-member Union employees.[3/]

During the course of the Commission's investigation, the staff inquired whether such voluntary activity took place during "regular business hours." While the local Union offices have regular business hours, the evidence reveals that the concept of "regular business hours" has only partial application to the MEBA. Union members are employed in the United States merchant fleet and their contact with other members largely occurs at the time they enter ports, which could be at any time of day or night. While there is no direct evidence on point, it appears that at least some Union members were spoken to about making contributions at such times, incidental to Union business. Other members and friends would have been contacted randomly either when they came to Union offices or socially. Under the procedures devised by Mr. Laurito and counsel, members were encouraged to make contributions by check, made payable

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2/ Retirees of the Union can hardly be considered "outsiders" since the Union continues to represent them in various respects. For example, recently the MEBA negotiated increased pension and health and welfare benefits for its retired members.

3/ As a practical matter, however, there is no direct evidence that anyone but members were solicited.

directly to the Jackson for President Committee. No cash in excess of $100 was allowed to be collected, and the receipt books permitted the identification of the contributors (by name in full in ink), the date of the contribution, the amount of the contribution and the address, social security number and occupation of the contributor. Checks collected at the local level along with the signed receipts were forwarded weekly to the MEBA-PAF office in New York City (located in the same facility as the MEBA itself) where they were then forwarded to the Jackson for President Committee.

The record is further undisputed on two other important facts. First, the entire collection effort was conducted on a purely voluntary basis by Union members. Secondly, all of the expenses associated with this effort were defrayed by the MEBA-PAF and were properly reported. The collection effort lasted slightly more than one month.

After the receipt books had been prepared and mailed to the various MEBA branches and the collection effort was underway, the President of the MEBA, Mr. Calhoon, and Mr. Laurito met with Walter Skallerup, Treasurer of the Jackson for President Committee. The sole purpose of that meeting was to notify the Jackson Committee of the fact that it would soon be

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receiving voluntary contributions from MEBA members and to explain the receipts that would be accompanying these contributions. The evidence refutes any suggestion that this meeting was held to consult with or obtain the approval of the Jackson Committee for the MEBA-PAF's independent activity; the authorization or consent of the Jackson Committee was neither solicited nor given; they did, however, express their pleasure when informed of this fait accompli.

II. Both Of The Activities Of The MEBA-PAF Being Considered By The Commission Staff Were Properly Conducted

Although some of the Commission staff's concerns regarding the two activities of the MEBA-PAF discussed in Part I of this Memorandum involve certain recurring themes, for the sake of clarity, we will discuss each event separately. Before beginning this recitaté, it is important that the Commission and its staff clearly understand the relevant body of law applicable to these matters.

Both expenditures discussed above were made during the period following the Buckley v. Valeo decision [424 U.S. 1 (January 1976)] and prior to the effective date of the 1976 Amendments (May 11, 1976). Similarly, these activities occurred before the Commission originally submitted its proposed

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regulations to Congress in August of 1976 and resubmitted them in January 1977. Thus, the MEBA-PAF did not have benefit of the Commission's regulatory elaboration of those sections of the FECA which were unaffected by the Buckley decision and the 1976 Amendments.[4/]

A. The Hospitality Suite

As explained by the Commission staff, the rationale for its inquiry regarding the hospitality suite was that if the expenditure was not an independent expenditure, the MEBA-PAF would have exceeded its contribution limitation to Senator Jackson by an amount equal to the cost of the suite and refreshments. Conversely, if the expenditure was an independent expenditure, there was no violation because the restrictions on independent expenditures imposed by the FECA had been held unconstitutional in Buckley, 424 U.S. at 51.

During the relevant period, the FECA did not expressly define the term "independent expenditure." Rather, it was expressed as an amalgam of 18 U.S.C. §§ 608(c)(2)(B) and (e)(1).

4/ The 1976 Amendments themselves did not become effective until after the activities were under examination.

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Thus, an independent expenditure was an expenditure made on behalf of a clearly identified candidate for federal office, but which was not authorized or requested by the candidate, the candidate's authorized committee or an agent of the candidate. The Supreme Court in Buckley concluded that this definition would also include expenditures "placed in cooperation with or with the consent" of the candidate, etc., 424 U.S. at 46 n.23, and that the statutory prohibition was aimed at expenditures by third persons that were controlled by or coordinated with the candidate and his/her campaign. Id. at 46.

Judged by these statutory criteria, it is inconceivable that the staff or the Commission could conclude that the expenditure for the hospitality suite was anything but an independent expenditure. There is no evidence whatever that the event was authorized or requested by Senator Jackson or anyone associated with his campaign. On the contrary, it is conceded by the staff that the decision to host the suite was arrived at solely within the MEBA-PAF. Indeed, the staff further concedes that there is no evidence that the Senator was even invited to attend or otherwise had foreknowledge of the expenditure. The record establishes that the suite would have been hosted regardless of

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whether the candidate had known of the event and had appeared.[5/] Under these circumstances, there is no basis for any challenge to the independent nature of this expenditure.

The staff, however, has speculated that the mere presence of the Senator at the event may be sufficient to vitiate it as an independent expenditure. This position has no statutory foundation in the context of this case. First, the statute in effect at the time speaks only in terms of authorization or or requests for an expenditure to be made on behalf of a candidate. Here, it is conceded that the decision to hold the event was made independently, and the holding of the event proceeded entirely without the authorization, consent or even notice to the candidate. Secondly, it is conceded that the candidate appeared while the event was taking place after virtually all of the obligations underlying the expenditure had already been incurred. Under these circumstances, the fortuitous appearance of the candidate can in no way constitute request, authorization, coordination or control.

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5/ In acknowledging this fact, we are in no way conceding that an invitation to appear at such an event would in any way affect the independent quality of the expenditure.

A review of the statute, as well as its legislative history, reveals that Congress did not intend to characterize such expenditures as "contributions" within the meaning of 18 U.S.C. §§ 591 and 608 merely because the candidate appeared. To adopt such a per se rule would not only be inconsistent with the construction of independent expenditures articulated by the Supreme Court, but would, in this case, compel the conclusion that the only way the MEBA-PAF could have avoided a violation would be for it to have barred Senator Jackson from entering the suite. It cannot be argued that Congress intended to impose such an unseemly burden.

Two further observations are appropriate. First, the staff concedes that this is a case of first impression and the Commission has never formally (by rulemaking) or informally (by advisory opinion) articulated such a per se rule in this context. Under these circumstances and assuming, arguendo, that the Commission now believes that the FECA, as amended in 1976, sanctions such a rule, it should not be applied in an adjudicatory context involving conduct prior to the 1976 Amendments, but should be the subject of formal rulemaking. The ex post facto application of such a rule or interpretation to this April 1976 activity would not only raise serious due process problems, but would also be of dubious value precedentially, because it would necessarily depend on a construction

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of the Act as it stood in 1974 (without § 431(p)) and without reference to the new regulations. Secondly, if the concern of the Commission is, as expressed by the staff, to discourage the holding of meetings held solely for the purpose of providing a forum for specific candidates, then not only is that concern absent in this case, but this case would provide a totally inappropriate vehicle for articulating a prophylactic rule against such conduct as all of the relevant factors are absent here.[6/]

B. The Collection Of Funds

Several theories have been articulated by the Commission staff regarding the possible inappropriateness of the MEBA-PAF's activity in collecting funds to be given to the Jackson for President Committee. First, did the funds expended by the MEBA-PAF for the receipt books constitute a violation of the

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6/ We are constrained to note that the hospitality suite expenditure would certainly qualify as an independent expenditure under the new regulations now in effect. The staff has taken the position that Senator Jackson's presence may constitute his "consent" to the expenditure within the meaning of 11 C.F.R. § 109.1. While we disagree that mere presence would be sufficient to show "consent," we are constrained to note that the regulations speak expressly in terms of "prior consent" and that element cannot be found in this case.

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contribution limitations in § 441a (actually the statute operating at the time was § 608 of Title 18)? Secondly, did the statute prohibit a union political action fund from soliciting members of the union and others for contributions to federal candidates? And thirdly, is this a situation where the political action committee was functioning as a conduit for earmarked funds or facilitating contributions in the name of another? The answers to each of these questions is no.

With regard to the expenditure for the receipt books, the question of a violation again turns on the characterization of that expense. If it was an independent expenditure, there could be no violation; if it was not, then it would constitute a contribution. Having previously summarized the facts and having discussed the applicable law, it is readily apparent that this expenditure must be characterized as "independent" for several reasons. First, it is conceded that the MEBA-PAF's decision to engage in this collection effort was arrived at purely on its own and without any contact whatever with the Jackson for President Committee. Secondly, the receipt books were designed, printed and sent out to the local branches, and the collection effort began without any contact with Senator Jackson or his staff.

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The Commission staff has conceded these facts, but has suggested that the meeting which took place between Messrs. Calhoon and Laurito and Mr. Skallerup and the comptroller of the Jackson Committee may have altered the character of the prior independent expenditure. This speculation is unwarranted. The evidence reveals that the MEBA-PAF presented the Jackson Committee with a fait accompli. The purpose of the meeting was merely to notify the Committee of what the MEBA-PAF was doing and to explain the receipts that would accompany the contributions. The consent, approval or advice of the Jackson Committee was neither solicited nor received. Furthermore, even if the Jackson Committee's actions could be implied as approval or consent, this approval would have been given after the expenditure was made and not before as the Commission's present regulation construes the statute to proscribe. The statute did not and does not disqualify an independent expenditure merely because the party expending the funds notifies a candidate or his/her committee that the expenditure has been made. Nor does the statute have a similar impact where notification of on-going activities is given. Both the legislative history of the statute and the Supreme Court's discussion in Buckley make it clear that the classification of an expenditure as a contribution-in-kind turns on a level of conduct approaching coordination with or control by the candidate or his/her

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committee. Mere notification is not sufficient; and notification after-the-fact, as here, can never be sufficient in a context such as this activity.

Finally, it should again be noted that neither the Congress nor the Commission has ever articulated a rule or policy that mere notification disqualifies an expenditure from being treated as independent. For the reasons set forth earlier, this case does not provide an appropriate vehicle for announcing such a rule or policy and applying it retroactively. This is especially true where, as here, there is no evidence or rational basis to infer that the mere act of notification was intended or in fact did serve to coordinate activity or to permit the candidate or campaign committee to exert any influence over the independent activity.

The second issue concerns not the MEBA-PAF's expenditures, but the collection activity itself. The Commission staff could not and has never questioned the propriety of the Union or its political action fund urging the membership and their families to make voluntary direct contributions to federal candidates; such activities were clearly permitted under 18 U.S.C. § 610 and remain so under 2 U.S.C. § 441b(b)(2)(A) Nor has the Commission staff questioned the voluntariness of this collection activity. The only questions are: (a) could

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the MEBA-PAF solicit non-members;[7] and (b) was the MEBA-PAF's role in transmitting these contributions to the Jackson Committee constitute a violation of § 441a? Again, the answers are no.

First, at the time of this activity, the FECA placed no limit on the persons with whom a political action fund could communicate for any purpose. Nor did the statute distinguish partisan communications in general from those which were intended as solicitations of funds.[8] Similarly, then and now, the FECA did not and does not discriminate against the First Amendment rights of members of labor organizations by restricting the voluntary political activity they can engage in, so long as their activity is not funded by the general treasury. Hence, there could be no violation of the FECA where, as here, such voluntary activity involves communications with non-members and is funded by the political action fund.

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7/ Once again we must emphasize that there is no evidence in the record that anyone, other than a member was solicited. See also note 2, supra.

8/ Indeed, a labor organization itself could expend treasury funds to communicate to union members on "any subject." 18 U.S.C. § 610; see also 2 U.S.C. § 431(f)(4)(C); and the present § 441b(b)(2)(A).

The staff responds by suggesting that § 441b(b)(4) of the FECA can be read to imply a restriction of the use of political action funds to communications to members only. This is preposterous for several reasons. First, § 441b(b)(4) did not go into effect until May 11, 1976, which in fact was four days after the MEBA-PAF recalled its receipt books and suspended its collection efforts.[9/] There were no analogous restrictions in 18 U.S.C. § 610. Secondly, even had § 441b(b)(4) been in effect while the solicitation effort was taking place, that statute does not restrict partisan communications by political action funds seeking contributions to candidates. That section clearly and unambiguously prohibits only solicitations to non-members for the purpose of raising funds for the political action fund. No greater restriction is imposed by the Commission's regulations which purport to elaborate on the provision of § 441b(b)(4). See Sections 114.5(g)(2) and 114.5(i).

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9/ It should be noted that Senator Jackson withdrew his candidacy after his defeat in the Pennsylvania primary, which preceded the effective date of the 1976 Amendments. As the Commission staff never inquired when the collection effort terminated, there is no evidence in the record on this question. Accordingly, we are submitting a copy of the termination notice dated May 7, 1976 for its inclusion in the administrative record.

Thus, while the regulation promulgated in 1977 do distinguish between communications in general and "solicitations," the only context in which this distinction is made operative is the restriction against soliciting non-members for contributions to the political action fund. Indeed, the explanation and justification of these regulations transmitted by the Commission to the Speaker of the United States House of Representatives makes it clear "that there is no restriction on the persons to whom a separate segregated fund may communicate so long as voluntary contributions are used for the communications," and that the regulations impose no greater restriction than that imposed by the statute. Communication from the Chairman of the Federal Election Commission (HD No. 95-44), January 11, 1977 at p. 108. Thirdly, if Congress or the Commission had intended to prohibit union members from using political action funds to engage in fundraising activities for political candidates, we are confident that they would have used language expressly prohibiting solicitations for federal candidates. The reason they did not and could not have imposed such a restriction on the independent political activity of union members is that it would be held unconstitutional by virtue of the principals articulated in the

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Buckley decision, as well as other leading cases in this area;[10/] see Pipefitters Local Union No. 562 v. United States, 407 U.S. 385, 407, 414-415, 420-421 (1972).

The short of it is that there was and can be no statutory authority for the Commission to take the position that members of the MEBA could not engage in such fundraising activity on behalf of candidates for federal office, using political action funds. Such a policy or rule would therefore exceed the Commission's statutory authority and subject § 441b to grave constitutional challenge.

Finally, the Commission staff recently discussed the collection effort in the context of the Commission's concern regarding earmarking and the use of conduits. These legal concepts have no application in the context of this case. As the statutes read at the time, and still read, the prohibitions against earmarking and the use of conduits have been designed to ensure compliance with the contribution/expenditure

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10/ A related theory is that since labor unions are allowed to expend treasury funds to defray certain administrative expenses of their political action funds, see 2 U.S.C. § 441b(b)(2)(C), that the activity of these funds should be restricted to solicitations to its own members. This theory is spurious for numerous reasons, which need not be discussed since there is no evidence whatever that the MEBA's treasury paid such expenses during this period; and, as a matter of fact, it did not.

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limitations by ensuring the proper identification and disclosure of the actual contributor. None of these considerations are applicable in this case, nor does the record establish any factual predicate for any concern in this area. On the contrary, the record reveals that the MEBA-PAF took great pains to ensure the proper identification of the actual contributors and fully disclosed its own role, all in strict compliance with 18 U.S.C. § 608(b)(6).[11/] It is ironic that the Commission staff even raises these issues where, as here, the main purpose of the purchase of the receipt books was to ensure the identification of the actual contributor and the purpose of the meeting with the Jackson Committee was to ensure that the Committee was aware of the purpose of the receipts and would be able to properly report and account for the contributions it received. Thus, we are not dealing with a case involving monies contributed or entrusted to a political action fund which are earmarked for a candidate. Nor is this a case where a political action fund is used to conceal the identity of the actual contributor. On the contrary, the reported expenditure which precipitated this inquiry was designed

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11/ We note that the procedures followed by the MEBA-PAF were responsive to and consistent with FEC AO 1976-51.

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to ensure that such abuses would not occur and the requirements of 18 U.S.C. 608(b)(6) were strictly adhered to. The MEBA-PAF's role in collecting and transmitting the checks to the Jackson Committee was purely a ministerial act, and cannot possibly be construed otherwise.

Conclusion

As we have demonstrated, the activities of the MEBA-PAF which have been the subject of the Commission staff's inquiry did not violate any provision of the FECA. While we appreciate and support the interest of the Commission in evolving adequate standards to ensure the integrity of the federal election process, we submit that the articulation of new rules or novel constructions of prior statutes is totally inappropriate in the context of the adjudicatory process.

Dated: August 22, 1978

Respectfully submitted,

DICKSTEIN, SHAPIRO & MORIN

By: Judah Best
Judah Best

By: Justin D. Simon
Justin D. Simon

General Counsel to the National Marine Engineers Beneficial Association

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HEADQUARTERS
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Affiliated with AFL-CIO

DISTRICT No. 1 — PACIFIC COAST DISTRICT, MEBA (AFL-CIO)

J. M. CALHOON, PRESIDENT
C. A. BLACK, EXECUTIVE VICE PRESIDENT
LEON SHAPIRO, SECRETARY-TREASURER
L. A. LAMY, VICE PRESIDENT, ATLANTIC COAST
C. E. DEFRIES, VICE PRESIDENT, GULF COAST

May 7, 1976

CIRCULAR LETTER
NO. D-15-76

TO: ALL BRANCH AGENTS, PATROLMEN, REPRESENTATIVES AND AUTHORIZED COLLECTORS OF DISTRICT NO. 1 - PACIFIC COAST DISTRICT, MEBA

SUBJECT: JACKSON FOR PRESIDENT COMMITTEE - RECALL OF ALL RECEIPT BOOKS - USED AND UNUSED

Dear Sirs and Brothers:

Effective Monday, May 10, 1976, please discontinue collections for the Jackson for President Committee.

Please be sure to close out your Recap for the Week Ending May 8, 1976 and forward all receipt books to District Headquarters, together with the Recap.

Your prompt attention is requested.

Fraternally,

J. M. Calhoon, President

JMC:FAL:rl

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DICKSTEIN, SHAPIRO & MORIN
2101 L STREET, N. W.
WASHINGTON, D. C. 20037

William C. Oldaker, Esquire
General Counsel
Federal Election Commission
1325 K Street, N. W.
Washington, D. C.

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

June 6, 1978

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS mwe

SUBJECT: MURs 236, 260, 266 - Interim Report dated 6-1-78
Received in Office of Commission
Secretary: 6-2-78, 1:23

The above-mentioned document was circulated on a 24 hour no-objection basis at 10:30, June 5, 1978.

As of 10:30 a.m., this date, no objections have been received in the Office of Commission Secretary to the Interim Report.

7904012141

June 2, 1978

MEMORANDUM TO: Marge Emmons

FROM: Elissa T. Garr

SUBJECT: MURs 236,260,266

Please have the attached Interim Report distributed to the Commission.

Thank you.

7904012214 2

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	
Labor for Jackson,	MUR 236(76)
Marine Engineers Beneficial Association Political Action Fund	MUR 260(76)
and Sheet Metal Workers International Association Political Action League	MUR 266(76)

INTERIM REPORT

These matters involve questions of affiliation, in-kind contributions and independent expenditures on the part of Labor for Jackson ("LFJ"), Marine Engineers Beneficial Association Political Action Fund ("MEBA-PAF"), and Sheet Metal Workers International Association Political Action League ("SMWIA") with regard to the campaign of the Jackson for President Committee ("JFP").

The General Counsel's Office has now completed its investigation of these matters, concluding with the deposition of Mr. J. M. Calhoon, President of MEBA-PAF, on May 19, 1978. We are now in the process of analyzing the information received from the investigation and will prepare a report for submission to the Commission including recommendations as to the disposition of these matters.

6/1/78
Date

William C. Oldaker
General Counsel

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FEDERAL ELECTION COMMISSION

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

April 19, 1978

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS mwe

SUBJECT: MURs 236, 260, 266 (76) - Interim Report dated 4-14-78
Received in Office of Commission Secretary 4-14-78, 2:13

The above-mentioned document was circulated to the Commissioners at 10:00 a.m., April 18, 1978, on a 24 hour no-objection basis.

As of 10:00 a.m., this date, no objections have been received in the Office of Commission Secretary to the Interim Report.

7904012214

April 14, 1978

MEMORANDUM TO: Marge Emmons

FROM: Elissa T. Garr

SUBJECT: MUR 236, 260, 266

Please have the attached Interim Report on the above mentioned MURs distributed to the Commission on a 24 hour no-objection basis.

Thank you.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
	)	MUR 236 (76)
	)	MUR 260 (76)
Labor for Jackson,	)	MUR 266 (76)
Marine Engineers Beneficial Association Political Action Fund, and	)	
Sheet Metal Workers International Association Political Action League	)	

Interim Report

These matters involve questions of affiliation, in-kind contributions and independent expenditures on the part of Labor for Jackson ("LFJ"), Marine Engineers Beneficial Association Political Action Fund ("MEBA-PAF"), and Sheet Metal Workers International Association Political Action League ("SMWIA-PAL") with regard to the campaign of the Jackson for President Committee ("JFP").

During the investigation of these matters depositions have been taken of the following individuals: Jimmy A. Hinkle, SMWIA organizer; Lawrence McLaughlin, SMWIA organizer; Ernest F. Miller, SMWIA organizer; Edward J. Carlough, General President of SMWIA, Chairman of SMWIA-PAL, and Treasurer of LFJ; Joseph Daniel Keenan, Chairman of LFJ; Frank Scaduto, SMWIA Director of Governmental Affairs; Robert Joseph Keefe, Campaign Director of JFP; Irving Hershey Gold, volunteer with JFP; Leon Shapiro, Secretary-Treasurer of MEBA and Treasurer of MEBA-PAF; and Frank Laurito, Chief Accountant of MEBA and MEBA-PAF.

We are in the process of scheduling the deposition of J.M. Calhoon, President of MEBA. Following that deposition we will submit to the Commission an analysis of the information received

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from the aforementioned deponents and recommendations as to the disposition of these matters.

14 April 1978
DATE

WILLIAM C. OLDAKER
GENERAL COUNSEL

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MCC 3022
NW

DICKSTEIN, SHAPIRO & MORIN

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March 20, 1978

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M. J. MINTZ
JAMES C. TREADWAY, JR.
HOWARD E. O'LEARY, JR.
LEIGH B. RATINER
IRA M. POLON
KENNETH L. ADAMS
IRA R. MITZNER
RICHARD P. PERRIN
GEORGE T. BOGGS
JOEL B. KLEINMAN
JUSTIN D. SIMON
BARRY Wm. LEVINE
LESLIE J. RUBEN
ROSLYN A. MAZER
STEPHEN G. KOZEY
HELEN P. KANOVSKY
JOHN M. SCORCE
WALTER J. MALVICK
HOWARD A. JACK
CHARLES J. LANDY
SCOTT M. DuBOFF

BY HAND

Judy Browning, Esquire
Office of the General Counsel
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

Dear Ms. ~~Browning~~ Judy:

During the deposition of Frank A. Laurito on March 16, 1978, we offered to provide you with a copy of the letters sent to Branch Agents along with the receipt books used in collecting voluntary contributions for Senator Henry Jackson's 1976 Presidental campaign. Enclosed please find copies of the two circular letters.

As is evident from the content of the letters, the collection effort was purely voluntary and the "instructions" issued were to ensure compliance with the Federal Election Campaign Act and to provide for full accountability for the monies collected.

With respect to any remaining questions concerning the three areas of investigation, let me reiterate our offer to conduct an in-house investigation and to resolve any remaining questions by affidavit. It is my firm belief that this procedure would expedite the fact-finding portion of your investigation and obviate the need for numerous additional and time-consuming depositions of people who individually would be

7904012148

able to provide only small pieces of the total picture. While this procedure would be costly for MEBA, we believe that we have both an interest and an obligation to make certain that the Commission is satisfied that it has all of the facts concerning these areas, and that it has this information promptly.

Thank you once again for your courtesy in briefly postponing the deposition to permit my presence upon my return to Washington this past Wednesday.

Sincerely,

Justin

Justin D. Simon

Enclosure

tle

cc: Paul Lovejoy

7904012149

HEADQUARTERS
7 BATTERY PLACE, ROOM 1930
NEW YORK, NEW YORK 10004
(212) 425-7260

Affiliated with AFL-CIO

DISTRICT No. 1 — PACIFIC COAST DISTRICT, MEBA (AFL-CIO)

J. M. CALHOON, PRESIDENT
G. A. BLACK, EXECUTIVE VICE PRESIDENT
LEON SHAPIRO, SECRETARY-TREASURER
I. A. LAMY, VICE PRESIDENT, ATLANTIC COAST
G. E. DEFRIES, VICE PRESIDENT, GULF COAST

March 29, 1976

CIRCULAR LETTER
NO. D-8-76

TO: ALL BRANCH AGENTS, PATROLMEN, REPRESENTATIVES AND AUTHORIZED COLLECTORS OF DISTRICT NO. 1 - PACIFIC COAST DISTRICT, MEBA

SUBJECT: JACKSON FOR PRESIDENT COMMITTEE - RECEIPT BOOK COLLECTION AND TRANSMITTAL PROCEDURES

Dear Sirs and Brothers:

I have forwarded, under separate cover, a supply of the new 'Jackson for President Committee Receipt Books'. Within the next week or so, you will be receiving an additional supply of such books sufficient to meet your needs.

You will note that there are four (4) copies for each receipt, and they are as follows:

1) The Donor's (white) copy is to be issued to each individual who makes a voluntary contribution to the Committee.

2) The Original (green) copy

AND

3) The Committee (pink) copy are both to be transmitted to District Headquarters in the same manner as you account for the regular weekly Political Action Fund voluntary contributions.

4) The final (goldenrod) copy remains in the Receipt Book.

... ...

7904012250

CIRCULAR LETTER
NO. D-8-76

COLLECTIONS

a) You may solicit contributions for the Jackson for President Committee from any individual that wishes to make said contribution.

b) You may accept any amount up to $1,000.00 from an individual.

You are of course aware that the Reporting Requirements under the Federal Election Campaign Act are very stringent, so it is imperative that the Date, Amount of Contribution, Name, Address, Social Security Number and Occupation of each contributor be clearly indicated on each Receipt.

You will note that on this Receipt, the individual who makes a contribution MUST SIGN HIS OR HER NAME IN FULL IN INK.....
In other words, if an individual has a 'middle name' he must sign his name John James Smith, rather than John J. Smith.

This is an absolute MUST, the reason being that in order to qualify for the 'matching funds' from the Federal Government, the contributor must sign his name in full in ink. If he does not sign his name in full in ink, no 'matching funds' may be obtained for that contribution.

You will note that in the lower-right-hand-corner of the Receipt there is provision for the Collector to Print the Donor's name. Obviously, this provision has been made in the event the signature of the Donor is not legible. The name should also be PRINTED IN FULL IN INK.

With respect to the 'collections' made involving 'cash', it is suggested that at the end of the week, a cashier's check or money order be obtained, for the total amount of cash payments received for that period. Such Cashier's Check or Money Order must be made payable to the 'JACKSON FOR PRESIDENT COMMITTEE'.

... ...

7904012151

CIRCULAR LETTER
NO. D-8-76

In addition, any Personal Checks that are collected, must be made payable to the order of the 'JACKSON FOR PRESIDENT COMMITTEE'.

The Cashier's Checks, Money Orders and Personal Checks should be transmitted to District Headquarters, together with the Original (green) copy and the Committee's (pink) copy of all 'Jackson for President Committee' receipts issued, attached to the Weekly Recap Transmittal Sheet.

Under no circumstances should the Cashier's Checks, Money Orders, Checks or Cash that is collected for the 'Jackson for President Committee' be deposited in any District Port Depository Account or MEBA Political Action Fund Port Depository Account.

It is essential that the 'Jackson for President Committee Recap' arrive at District Headquarters as soon as possible but under no circumstances should it arrive later than Wednesday of each week.

Under separate cover, I have also forwarded a sufficient supply of 'Jackson for President Committee Forms' 153D and 155D for your Daily and Weekly Recap Reports. Samples of same are enclosed herewith.

The following is just for your information and should not be used as a 'selling point' when soliciting from an individual.
You may be asked a question as to whether or not the contribution is a tax deductible item.
The answer is that a 'tax credit' is available, equal to one-half of the contribution, but, it is limited to $25.00 ($50.00 on a joint return) or in lieu of the 'tax credit', an individual may elect to take an itemized deduction of $100.00 ($200.00 on a joint return).

Any questions relative to the above, may be directed to Frank Laurito at District Headquarters.

One final item, I have already expressed my feelings to you with respect to the effort I expect from the Officers and Representatives of MEBA in behalf of Senator Jackson. I am sure they are shared by all of you and will be reflected in a positive response to our effort from the membership and friends of the American Maritime Industry in general.

Fraternally,

J. M. Calhoon, President

JMC:FAL:rl
Enclosures

7904012152

JACKSON FOR PRESIDENT COMMITTEE

SECOND STREET, N.E., WASHINGTON, D.C. 20002

FROM _____ Date _____ 19____
NAME OF COLLECTOR

TO _____ Port _____
NAME OF PORT AGENT

Dear Sir and Brother:

Transmitted herewith are the following

1. Total amount of money collected on the above date $_____

2. Original and Committee copies of all JACKSON FOR PRESIDENT COMMITTEE receipts issued by me on the above date as follows:

BOOK NOS.	RECEIPTS ISSUED	BOOK NOS.	RECEIPTS ISSUED

Fraternally,

_____
NAME OF COLLECTOR

Form 155D-J.F.P.C.

79040122153

JACKSON FOR PRESIDENT COMMITTEE

1 SECOND STREET, N.E., WASHINGTON, D.C. 20002

FROM _____ Port _____

Name of Branch Agent

TO: HEADQUARTERS ACCOUNTING DEPT. Date _____ 19 ___

Dear Sir and Brother:

Transmitted herewith are the following:

1. Original and Committee copies of all JACKSON FOR PRESIDENT COMMITTEE Receipts issued by the above

during the Week Ending _____

2. Personal Checks, Cashiers Checks or Money Orders payable to the JACKSON FOR PRESIDENT COMMITTEE, are enclosed.

DATE	RECEIPTS ISSUED		AMOUNT COLLECTED	PERSONAL CHECKS CASHIERS CHECKS OR M.O.	
				DATE	AMOUNT
Mon.			$		$
Tues.					
Wed.					
Thurs.					
Fri.					
Total					

7904012154

(ove

UNISSUED JACKSON FOR PRESIDENT COMMITTEE RECEIPT BOOKS ON HAND

NUMBERS	DATE RECEIVED	NUMBERS	DATE RECEIVED

Fraternally,

Branch Agent

Form 1630-J.F.P.C.

79040122155

HEADQUARTERS
BATTERY PLACE, ROOM 1930
NEW YORK, NEW YORK 10004
(212) 425-7860

DISTRICT No. 1 — PACIFIC COAST DISTRICT, MEBA (AFL-CIO)

J. M. CALHOON, PRESIDENT
G. A. BLACK, EXECUTIVE VICE PRESIDENT
LEON SHAPIRO, SECRETARY-TREASURER
L. A. LAMY, VICE PRESIDENT, ATLANTIC COAST
G. E. DEFRIES, VICE PRESIDENT, GULF COAST

Affiliated with AFL-CIO

April 6, 1976

CIRCULAR LETTER
NO. D-11-76

TO: ALL BRANCH AGENTS, PATROLMEN, REPRESENTATIVES AND AUTHORIZED COLLECTORS OF DISTRICT NO. 1 - PACIFIC COAST DISTRICT, MEBA

SUBJECT: JACKSON FOR PRESIDENT COMMITTEE - COLLECTION OF CONTRIBUTIONS

Dear Sirs and Brothers:

This will supplement Circular Letter No. D-8-76, relative to the above-captioned subject matter.

This will advise you that under no circumstances shall a 'cash contribution' be accepted in excess of $100.00.

Any contribution that is made of more than $100.00, should be made by personal check or money order by the contributor, payable to the Jackson for President Committee.

The Federal Election Campaign Law places a limitation on contributions of currency of the United States or currency of any foreign country to or for the benefit of any candidate which, in the aggregate, exceed $100.00, with respect to any campaign of such candidate for nomination for election or for election to Federal Office.

The above must be strictly adhered to.

Fraternally,

J. M. Calhoon

J. M. Calhoon, President

JMC:FAL:rl

7904012156

7904012257

DICKSTEIN, SHAPIRO & MORIN
2101 L STREET, N. W.
WASHINGTON, D. C. 20037

Judy Browning, Esquire
Office of the General Counsel
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

801150

DICKSTEIN, SHAPIRO & MORIN

2101 L STREET, N. W.

WASHINGTON, D. C. 20037

202 785-9700

NEW YORK OFFICE
745 FIFTH AVENUE
NEW YORK, N. Y. 10022
212 838-1600

BOSTON OFFICE
THREE CENTER PLAZA
BOSTON, MASSACHUSETTS 02108
617 227-7700

CHARLES H. MORIN
DAVID I. SHAPIRO
SIDNEY DICKSTEIN
ARTHUR J. GALLIGAN
JUDAH BEST
SEYMOUR BLANZER
HENRY C. CASHEN II
JAMES VAN R. SPRINGER
RICHARD LITTELL
THOMAS W. HACK
ARTHUR D. HASON
FREDERICK M. LOWTHER
ROBERT J. HIGGINS
M. J. MINTZ
JAMES C. TREADWAY, JR.
HOWARD E. O'LEARY, JR.
LEIGH B. RATINER
IRA H. POLON
KENNETH L. ADAMS
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RICHARD P. PERRIN
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BARRY M. LEVINE
LESLIE J. RUBEN
ROSLYN A. MAZER
STEPHEN G. KOZEY
HELEN R. KANOVSKY
JOHN H. SCORCE
WALTER J. MALVICK
HOWARD A. JACK
CHARLES J. LANOY
SCOTT M. DuBOFF

March 20, 1978

BY HAND

Judy Browning, Esquire
Office of the General Counsel
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

Dear ~~Ms. Browning~~ Judy:

During the deposition of Frank A. Laurito on March 16, 1978, we offered to provide you with a copy of the letters sent to Branch Agents along with the receipt books used in collecting voluntary contributions for Senator Henry Jackson's 1976 Presidental campaign. Enclosed please find copies of the two circular letters.

As is evident from the content of the letters, the collection effort was purely voluntary and the "instructions" issued were to ensure compliance with the Federal Election Campaign Act and to provide for full accountability for the monies collected.

With respect to any remaining questions concerning the three areas of investigation, let me reiterate our offer to conduct an in-house investigation and to resolve any remaining questions by affidavit. It is my firm belief that this procedure would expedite the fact-finding portion of your investigation and obviate the need for numerous additional and time-consuming depositions of people who individually would be

7904012158

able to provide only small pieces of the total picture. While this procedure would be costly for MEBA, we believe that we have both an interest and an obligation to make certain that the Commission is satisfied that it has all of the facts concerning these areas, and that it has this information promptly.

Thank you once again for your courtesy in briefly postponing the deposition to permit my presence upon my return to Washington this past Wednesday.

Sincerely,

Justin

Justin D. Simon

Enclosure

tle

cc: Paul Lovejoy

7904012159

HEADQUARTERS
7 BATTERY PLACE, ROOM 1930
NEW YORK, NEW YORK 10004
(212) 425-7280

Affiliated with AFL-CIO

DISTRICT No. 1 — PACIFIC COAST DISTRICT, MEBA (AFL-CIO)

J. M. CALHOON, PRESIDENT
C. A. BLACK, EXECUTIVE VICE PRESIDENT
LEON SHAPIRO, SECRETARY-TREASURER
I. A. LAMY, VICE PRESIDENT, ATLANTIC COAST
G. E. DeFRIES, VICE PRESIDENT, GULF COAST

March 29, 1976

CIRCULAR LETTER
NO. D-8-76

TO: ALL BRANCH AGENTS, PATROLMEN, REPRESENTATIVES AND AUTHORIZED COLLECTORS OF DISTRICT NO. 1 - PACIFIC COAST DISTRICT, MEBA

SUBJECT: JACKSON FOR PRESIDENT COMMITTEE - RECEIPT BOOK COLLECTION AND TRANSMITTAL PROCEDURES

Dear Sirs and Brothers:

I have forwarded, under separate cover, a supply of the new 'Jackson for President Committee Receipt Books'. Within the next week or so, you will be receiving an additional supply of such books sufficient to meet your needs.

You will note that there are four (4) copies for each receipt, and they are as follows:

1) The Donor's (white) copy is to be issued to each individual who makes a voluntary contribution to the Committee.

2) The Original (green) copy

AND

3) The Committee (pink) copy are both to be transmitted to District Headquarters in the same manner as you account for the regular weekly Political Action Fund voluntary contributions.

4) The final (goldenrod) copy remains in the Receipt Book.

... ...

7904012160

CIRCULAR LETTER
NO. D-8-76

COLLECTIONS

a) You may solicit contributions for the Jackson for President Committee from any individual that wishes to make said contribution.

b) You may accept any amount up to $1,000.00 from an individual.

You are of course aware that the Reporting Requirements under the Federal Election Campaign Act are very stringent, so it is imperative that the Date, Amount of Contribution, Name, Address, Social Security Number and Occupation of each contributor be clearly indicated on each Receipt.

You will note that on this Receipt, the individual who makes a contribution MUST SIGN HIS OR HER NAME IN FULL IN INK.....
In other words, if an individual has a 'middle name' he must sign his name John James Smith, rather than John J. Smith.

This is an absolute MUST, the reason being that in order to qualify for the 'matching funds' from the Federal Government, the contributor must sign his name in full in ink. If he does not sign his name in full in ink, no 'matching funds' may be obtained for that contribution.

You will note that in the lower-right-hand-corner of the Receipt there is provision for the Collector to Print the Donor's name. Obviously, this provision has been made in the event the signature of the Donor is not legible. The name should also be PRINTED IN FULL IN INK.

With respect to the 'collections' made involving 'cash', it is suggested that at the end of the week, a cashier's check or money order be obtained, for the total amount of cash payments received for that period. Such Cashier's Check or Money Order must be made payable to the 'JACKSON FOR PRESIDENT COMMITTEE'.

... ...

7904012161

CIRCULAR LETTER
NO. D-8-76

In addition, any Personal Checks that are collected, must be made payable to the order of the 'JACKSON FOR PRESIDENT COMMITTEE'.

The Cashier's Checks, Money Orders and Personal Checks should be transmitted to District Headquarters, together with the Original (green) copy and the Committee's (pink) copy of all 'Jackson for President Committee' receipts issued, attached to the Weekly Recap Transmittal Sheet.

Under no circumstances should the Cashier's Checks, Money Orders, Checks or Cash that is collected for the 'Jackson for President Committee' be deposited in any District Port Depository Account or MEBA Political Action Fund Port Depository Account.

It is essential that the 'Jackson for President Committee Recap' arrive at District Headquarters as soon as possible but under no circumstances should it arrive later than Wednesday of each week.

Under separate cover, I have also forwarded a sufficient supply of 'Jackson for President Committee Forms' 153D and 155D for your Daily and Weekly Recap Reports. Samples of same are enclosed herewith.

The following is just for your information and should not be used as a 'selling point' when soliciting from an individual.
You may be asked a question as to whether or not the contribution is a tax deductible item.
The answer is that a 'tax credit' is available, equal to one-half of the contribution, but, it is limited to $25.00 ($50.00 on a joint return) or in lieu of the 'tax credit', an individual may elect to take an itemized deduction of $100.00 ($200.00 on a joint return).

Any questions relative to the above, may be directed to Frank Laurito at District Headquarters.

One final item, I have already expressed my feelings to you with respect to the effort I expect from the Officers and Representatives of MEBA in behalf of Senator Jackson. I am sure they are shared by all of you and will be reflected in a positive response to our effort from the membership and friends of the American Maritime Industry in general.

Fraternally,

J. M. Calhoon, President

JMC:FAL:rl
Enclosures

7904012216 2

JACKSON FOR PRESIDENT COMMITTEE

511 SECOND STREET, N.E., WASHINGTON, D.C. 20002

FROM _____ Date _____ 19____
NAME OF COLLECTOR

TO _____ Port _____
NAME OF PORT AGENT

Dear Sir and Brother:

Transmitted herewith are the following

1. Total amount of money collected on the above date $_____

2. Original and Committee copies of all JACKSON FOR PRESIDENT COMMITTEE receipts issued by me on the above date as follows:

BOOK NOS.	RECEIPTS ISSUED	BOOK NOS.	RECEIPTS ISSUED

Fraternally,

_____
NAME OF COLLECTOR

Form 1550-J.F.P.C.

79040122163

JACKSON FOR PRESIDENT COMMITTEE

511 SECOND STREET, N.E., WASHINGTON, D.C. 20002

FROM _____ Part_____

Name of Branch Agent

TO: HEADQUARTERS ACCOUNTING DEPT. Date_____ 19 ___

Dear Sir and Brother:

Transmitted herewith are the following:

1. Original and Committee copies of all JACKSON FOR PRESIDENT COMMITTEE Receipts issued by the above during the Week Ending_____

2. Personal Checks, Cashiers Checks or Money Orders payable to the JACKSON FOR PRESIDENT COMMITTEE, are enclosed.

DATE	RECEIPTS ISSUED		AMOUNT COLLECTED	PERSONAL CHECKS CASHIERS CHECKS OR M.O.	
				DATE	AMOUNT
Mon.			$		$
Tues.					
Wed.					
Thurs.					
Fri.					
Total					

7904012216 4

[ove

UNISSUED JACKSON FOR PRESIDENT COMMITTEE RECEIPT BOOKS ON HAND

NUMBERS	DATE RECEIVED	NUMBERS	DATE RECEIVED

Fraternally,

Branch Agent

Form 1630-J.F.P.C.

7904012165

HEADQUARTERS
7 BATTERY PLACE, ROOM 1930
NEW YORK, NEW YORK 10004
(212) 425-7260

Affiliated with AFL-CIO

DISTRICT No. 1 — PACIFIC COAST DISTRICT, MEBA (AFL-CIO)

J. M. CALHOON
PRESIDENT

C. A. BLACK
EXECUTIVE VICE PRESIDENT

LEON SHAPIRO
SECRETARY-TREASURER

I. A. LAMY, VICE PRESIDENT, ATLANTIC COAST

C. E. DEFRIES, VICE PRESIDENT, GULF COAST

April 6, 1976

CIRCULAR LETTER
NO. D-11-76

TO: ALL BRANCH AGENTS, PATROLMEN, REPRESENTATIVES AND AUTHORIZED COLLECTORS OF DISTRICT NO. 1 - PACIFIC COAST DISTRICT, MEBA

SUBJECT: JACKSON FOR PRESIDENT COMMITTEE - COLLECTION OF CONTRIBUTIONS

Dear Sirs and Brothers:

This will supplement Circular Letter No. D-8-76, relative to the above-captioned subject matter.

This will advise you that under no circumstances shall a 'cash contribution' be accepted in excess of $100.00.

Any contribution that is made of more than $100.00, should be made by personal check or money order by the contributor, payable to the Jackson for President Committee.

The Federal Election Campaign Law places a limitation on contributions of currency of the United States or currency of any foreign country to or for the benefit of any candidate which, in the aggregate, exceed $100.00, with respect to any campaign of such candidate for nomination for election or for election to Federal Office.

The above must be strictly adhered to.

Fraternally,

J. M. Calhoon

J. M. Calhoon, President

JMC:FAL:rl

7904012216S

7904012217

DICKSTEIN, SHAPIRO & MORIN
2101 L STREET, N. W.
WASHINGTON, D. C. 20037

Paul Lovejoy, Esquire
Office of the General Counsel
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

tutional Presidency
1420 N St., N. W.
ashington, D. C. 20005

7 9 0 4 0 1 2 2 1 6 8

HAND DELIVERED
Received 3/31/78
By: Joyce B. Kennard

Federal Election Commission
1325 K Street, NW
Washington, DC
20463

Attn: Mr. David Spiegel

FEDERAL ELECTION COMMISSION

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

March 22, 1978

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS MWE

SUBJECT: MUR 260 (76) - Interim Status Report dated 3-14-78
Signed by General Counsel: 3-17-78
Received in Office of Commission
Secretary: 3-17-78, 4:08

The above-mentioned document was circulated to the Commissioners on a 24 hour no-objection basis at 4:30, March 30, 1978.

As of 9:00 a.m., this date, no objections have been received in this office to the Interim Status Report.

7904012216 9

March 17, 1978

MEMORANDUM TO: Marge Emmons

FROM: Elissa T. Garr

SUBJECT: MUR 260

Please have the attached Interim Status Report on MUR 260 distributed to the Commission on a 24 hour no-objection basis.

Thank you.

7904012217 0

BEFORE THE FEDERAL ELECTION COMMISSION

March 14, 1978

In the Matter of	)	
	)	
Marine Engineers	)	MUR 260 (76)
Beneficial Association	)	
Political Action Committee	)	

INTERIM STATUS REPORT

On February 15, 1978, the Commission approved the issuance of subpoenas for the depositions of certain MEBA officials who had decision-making authority regarding the events which are the subjects of this MUR.

The first of these depositions involving Mr. Frank Laurito, Chief Accountant and financial officer of MEBA is scheduled to take place on March 16, 1978.

3/17/78
DATE

William C. Oldaker
General Counsel

7904012217 1

LCC2906

RECEIVED
FEDERAL ELECTION
COMMISSION

'77 MAR 8 PM 1:11

DICKSTEIN, SHAPIRO & MORIN
2101 L STREET, N.W.
WASHINGTON, D.C. 20037
202 785-9700

BOSTON OFFICE
THREE CENTER PLAZA
BOSTON, MASSACHUSETTS 02108
617 227-7100

NEW YORK OFFICE
745 FIFTH AVENUE
NEW YORK, N.Y. 10022
212 832-1000

March 6, 1978

800318

Judy Browning, Esquire
Office of the General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D. C. 20463

Dear Ms. Browning:

I am in receipt of the subpoena dated February 23, 1978, requiring the appearance for testimony of Frank Laurito on March 13, 1978.

As I indicated to you in our recent telephone conversation, Justin Simon of our office has been out of town for a period of time and will not return to Washington until on or about the 13th, the day of the Laurito deposition. In view of the fact that Mr. Simon has been primarily engaged in the handling of this matter, I would respectfully request that a continuance be granted so that he may familiarize himself with the specifics of this deposition.

I will be away from my office all of this week, and I would appreciate your contacting my secretary with regard to a convenient date of adjournment.

Thank you for your courtesies in this matter.

Sincerely,

Judah Best

JB:bz

cc: Mr. Frank Laurito

7904012172

DICKSTEIN, SHAPIRO & MORIN
2101 L STREET, N.W.
WASHINGTON, D.C. 20037

7900122

'77 MAR 6 PM 1:12

FEDERAL ELECTION COMMISSION

WASHINGTON, DC 20037
PM
7 MAR
1978

Judy Browning, Esquire
Office of the General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D. C. 20463

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

March 1, 1978

CERTIFIED MAIL -
RETURN RECEIPT REQUESTED

Mr. Judah Best
Dickstein, Shapiro & Morin
2101 L Street, N.W.
Washington, D.C. 20037

Re: MUR 260 (76)

Dear Mr. Best:

Enclosed is a subpoena requiring the appearance of Mr. Frank Laurito, Chief Accountant, Marine Engineers Beneficial Association, for a deposition on March 13, 1978.

I am sending the subpoena to you pursuant to a conversation with your associate, Justin Simon, on February 6, 1978, wherein Mr. Simon indicated that your firm would accept service of subpoenas issued with respect to MUR 260 (76).

The issues involved in the deposition of Mr. Laurito are identical to those covered in the deposition of Mr. Leon Shapiro on January 27, 1978. While you were in attendance at that meeting, should you have any questions regarding the March 13, 1978, deposition, please contact Judy Browning, the attorney assigned to this matter, at 523-4175.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

7904012217 4

MUR 260 JB

PS Form 3811, Apr. 1977

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
- ☐ Show to whom and date delivered ..... ¢
- ☒ Show to whom, date, and address of delivery .... ¢
- ☐ RESTRICTED DELIVERY
  Show to whom and date delivered ..... ¢
- ☐ RESTRICTED DELIVERY.
  Show to whom, date, and address of delivery. $
  (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Judah Best
Dickstein, Shapiro & Morin

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	438353	

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent

B J Mahoney

4. DATE OF DELIVERY 6 1978 POSTMARK

5. ADDRESS (Complete only if requested)

MAR

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

☆ GPO : 1977—O-234-537

UNITED STATES OF AMERICA

FEDERAL ELECTION COMMISSION

In the Matter of	)	SUBPOENA
	)	
Marine Engineers Beneficial Association Political Action Fund	)	To Appear for Deposition Upon Oral Examination MUR 260(76)

To: Mr. Frank Laurito
Chief Accountant
MEBA
c/o Dickstein, Shapiro & Morin
2101 L Street, N. W.
Washington, D.C. 20037

At the instance of the Federal Election Commission, pursuant to 2 U.S.C. 437d(a)(3), you are hereby subpoenaed to appear for deposition with regard to the Commission's investigation of the Marine Engineers Beneficial Association Political Action Fund's purchase of receipt books for solicitation of contributions for the Jackson for President Committee; failure to report affiliation with Labor for Jackson; and sponsorship of receptions in San Francisco in October 1975, and Baltimore in April 1976.

7904012217 6

Notice is hereby given that your deposition shall be taken at The Federal Election Commission, 1325 K St., N.W., Washington D.C., 20463, on March 13, 1978, at 10:30 A. M.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand at Washington, D. C. on this 23rd day of Feb. 1978.

Thomas E. Harris
Thomas E. Harris
Chairman

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

7904012177

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Marine Engineers)
Beneficial Association)
Political Action Committee) MUR 260 (76)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on February 15, 1978, the Commission determined by a vote of 6-0 to issue subpoenas to appear for deposition upon oral examination in the above-captioned matter to the following persons:

1. Mr. C. E. DeFries
   Vice President, MEBA

2. Mr. Charles A. Black
   Executive Vice President, MEBA

3. Mr. Frank Laurito
   Chief Accountant, MEBA

4. Mr. J. M. Calhoon
   President, MEBA

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

7904012178

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

February 23, 1978

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS

SUBJECT: Subpoenas in Relation to MUR 260 (76)

The attached subpoenas, approved February 15, 1978, have been signed and sealed this date.

7904012179

UNITED STATES OF AMERICA

FEDERAL ELECTION COMMISSION

In the Matter of	)	SUBPOENA
	)	
Marine Engineers Beneficial	)	To Appear for
Political Action Fund	)	Deposition Upon Oral
	)	Examination
		MUR 260 (76)

To: Mr. C. E. DeFries
Vice President
MEBA
c/o Dickstein, Shapiro & Morin
2101 L Street, N. W.
Washington, D.C. 20037

At the instance of the Federal Election Commission, pursuant to 2 U.S.C. 437d (a)(3), you are hereby subpoenaed to appear for deposition with regard to the Commission's investigation of the Marine Engineers Beneficial Association Political Action Fund's purchase of receipt books for solicitation of contributions for the Jackson for President Committee; failure to report affiliation with Labor for Jackson: and sponsorship of reception in San Francisco in October 1975, and Baltimore in April 1976.

7904012218O

Notice is hereby given that your deposition shall be taken at

, on 1978, at M.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand at Washington, D. C. on this 23rd day of February 1978.

Thomas E. Harris

Thomas E. Harris
Chairman

ATTEST:

Marjorie W. Emmons

Secretary to the Commission

7904012218 1

UNITED STATES OF AMERICA

FEDERAL ELECTION COMMISSION

In the Matter of	)	SUBPOENA
	)	
Marine Engineers Beneficial Association Political Action Fund	)	To Appear for Deposition Upon Oral Examination MUR 260 (76)

To: Mr. Charles A. Black
Executive Vice Presidnet
MEBA
c/o Dickstein, Shapiro & Morin
2101 L Street, N. W.
Washington, D.C. 20037

At the instance of the Federal Election Commission, pursuant to 2 U.S.C. 437d(a)(3), you are hereby subpoenaed to appear for deposition with regard to the Commission's investigation of the Marine Engineers Beneficial Association Political Action Fund's purchase of receipt books for solicitation of contributions for the Jackson for President Committee; failure to report affiliation with Labor for Jackson; and sponsorship of receptions in San Francisco in October 1975, and Baltimore in April 1976.

7904012218 2

Notice is hereby given that your deposition shall be taken at , on 1978, at M.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand at Washington, D. C. on this 23rd day of Feb 1978.

Thomas E. Harris
Thomas E. Harris
Chairman

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

7904012218 3

February 10, 1978

MEMORANDUM TO: Marge Emmons

FROM: Elissa T. Garr

SUBJECT: MUR 260 Team #3 Browning

Please have the attached General Counsel's Report on MUR 260 distributed to the Commission and placed on the Compliance Agenda for the Commission meeting of February 15, 1978.

Thank you.

7904012184

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Marine Engineers	)	MUR 260
Beneficial Association	)	
Political Action Committee	)	

GENERAL COUNSEL'S REPORT

7904012185

On January 27, 1978, the deposition of Mr. Leon Shapiro, Treasurer, Marine Engineers Beneficial Association Political Action Fund ("PAF"), was taken at the Federal Election Commission. Due to his illness during the period of time in which PAF held receptions for Senator Jackson, the period of time in which PAF purchased receipt books for the solicitation of contributions for the Jackson for President Committee, and the period of time which a transfer was made from PAF to Labor for Jackson, Mr. Shapiro was unable to provide the Commission with specific information relating to these events.

As a result of Mr. Shapiro's inability to provide the Commission with information necessary for this investigation, we recommend that depositions be taken of J. M. Calhoon, President of MEBA, C. E. DeFries, Regional Vice President of MEBA, Charles A. Black, Executive Vice President of MEBA, and Frank Laurito, Chief Accountant and financial officer of MEBA. These individuals were named by Mr. Shapiro as being directly involved in making

decisions regarding the events in question.

RECOMMENDATION

Issue attached subpoenas.

10 February 1978
DATE

WILLIAM C. OLDAKER
GENERAL COUNSEL
WCO

7904012218 3

MCL 2515

DICKSTEIN, SHAPIRO & MORIN
2101 L STREET, N.W.
WASHINGTON, D.C. 20037
202 785-9700

BOSTON OFFICE
THREE CENTER PLAZA
BOSTON, MASSACHUSETTS 02108
617 227-7100

NEW YORK OFFICE
745 FIFTH AVENUE
NEW YORK, N.Y. 10022
212 832-1900

January 24, 1978

BY HAND DELIVERY

Judy Browning, Esquire
Office of the General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D. C. 20463

Re: Marine Engineers Beneficial Association

Dear Judy:

This will confirm our agreement of January 23, 1978, that Mr. Leon Shapiro, Secretary-Treasurer of District 1-Pacific Coast M.E.B.A., will appear at your offices for deposition pursuant to your subpoena on Friday, January 27, 1978 at 2:30 p.m.

As you will recall, when I spoke with you yesterday, I expressed my confusion regarding your theory that the purchase of receipt books to facilitate the solicitation of funds from union members, their families and friends to be sent directly to a candidate's authorized committee may constitute a violation of 2 U.S.C. § 441a. While you acknowledged that the statute does not specifically address this question and that the only restriction expressly limiting the solicitation to "class members" involves the solicitation of funds for the political action committee itself, you stated that certain members of the Commission and the staff view the statute more expansively. Specifically, you stated that since union members would be involved in fund-raising, such partisan activity by a voluntary union political action committee should be restricted in the fashion anticipated by Section 441a for other official union partisan activities. In this regard, you stated that a more proper reformulation of the issue would be that the Commission is

7904012187

not so much concerned about the printing of the receipt books, as the activity of union members in soliciting funds. You stated that such activity may constitute a contribution unlawful union contribution "in kind."

While I vigorously, but amicably, disagreed (and still disagree) with such an expansive reading of Section 441a and believe that it is contrary to clear intent of the Congress, what concerns me more is that your recently articulated theory completely refocuses the ambit of at least a portion of your investigation, as it was explained to Judah Best and myself on January 12, 1978. As I am sure you appreciate, the body of law being administered by the Commission is both inherently uncertain and evolving and raises serious questions of notice. We are not only dealing with statutes and regulations that have not previously been applied to concrete factual situation, we are also dealing with statutes which have undergone four major revisions in only five years. Similarly, we are dealing with events which transpired prior to the promulgation of regulations, which may be used as criteria by which to scrutinize those events. Furthermore, the problem is compounded by your use of an explanatory memorandum to the Congress prepared by the Commission, which memorandum has never been published in the Federal Register and which could not even be obtained at the Commission--indeed, the members of your public information and documents sections were unaware of the existence of such a memorandum.

The short of it is that Mr. Best and I have concluded that it is imperative that we meet with you again prior to Mr. Shapiro's deposition to obtain further clarification of both the focus of your inquiry and the statutory basis for your present belief that violations may have occurred. Since we desire that deposition take place as scheduled, we request that such a meeting take place on Wednesday or Thursday of this week.

Warm regards,

Justin D. Simon

JDS:bz

7904012188

DICKSTEIN, SHAPIRO & MORIN
2101 L STREET, N.W.
WASHINGTON, D.C. 20037

7904012218

BY HAND DELIVERY

Judy Browning, Esquire
Office of the General Counsel
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

Rec'd 1-24-78
JB

December 30, 1977

MEMORANDUM TO: Marge Emmons

FROM: Jeff Bowman

SUBJECT: MUR's 236,260, and 266. Team#3
Staff Member-Browning

Please have the attached Interim Status Report on MUR's 236,260, and 266(76) distributed to the Commission and placed on the Compliance Agenda for the Commission meeting of January 4, 1978.

Thank you.

7904012219O

BEFORE THE FEDERAL ELECTION COMMISSION
December 21, 1977

In the Matter of	)	
	)	
Labor for Jackson	)	
Sheet Metal Workers	)	
International Association	)	MURS 236, 260, 266(76)
Political Action League	)	
	)	
and	)	
Marine Engineers Beneficial	)	
Association Political	)	
Action Fund	)	

7904012291

INTERIM STATUS REPORT

On December 7, 1977, an interim status report was considered by the Commission, wherein it was noted that we had completed depositions of several Labor for Jackson and Sheet Metal Workers officers and that we intended to depose an officer of the Marine Engineers Beneficial Association Political Action Fund, Mr. Leon Shapiro. The deposition would involve questions regarding alleged violations of the Act concerning the failure to report affiliation and the incorrect reporting of certain expenditures as "independent."

Authorization for the subpoena to depose has been approved by the Commission. The deposition is tentatively scheduled for the second week in January.

30 December 1977
Date

William C. Oldaker
General Counsel

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

December 28, 1977

Mr. Leon Shapiro
Treasurer
MEBA Political Action Fund
17 Battery Place - Room 1930
New York, NY 10004

Re: MUR 260(76)

Dear Mr. Shapiro:

The Federal Election Commission has found reason to believe that violations of 2 U.S.C. 441a and 441b occurred with regard to the Marine Engineers Beneficial Association Political Action Fund's purchase of receipt books for solicitation of contributions for the Jackson for President Committee. In addition, the Commission found reason to believe that a violation of 2 U.S.C. 433(b)(2) occurred with respect to the failure to report affiliation with Labor for Jackson.

In furtherance of the above referenced matters, the Commission has issued a subpoena requiring your appearance for a deposition on January 9,1978. The subpoena is enclosed herewith. If you intend to be represented by counsel in this matter, please have such counsel so notify us in writing.

If you have any questions, please contact Judy Browning, the attorney assigned to this matter, at 202-523-4175.

Sincerely,

William C. Oldaker
General Counsel

Enclosure: Subpoena

Charles N. Steele
Associate General Counsel

7904012192

MOR 460 LOEWY

PS Form 3811, Apr. 1977

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
- [X] Show to whom and date delivered.....¢
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- [ ] RESTRICTED DELIVERY
  Show to whom and date delivered.....¢
- [ ] RESTRICTED DELIVERY.
  Show to whom, date, and address of delivery.$____
  (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
MR. LEON SHAPIRO
17 Battery Place
New York, NY 10004

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	943907	

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE [ ] Addressee [ ] Authorized agent
McGuire

4. DATE OF DELIVERY 1 6 78 POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

☆ GPO : 1977—O-234-827

7900401 22193

UNITED STATES OF AMERICA

FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	SUBPOENA
Marine Engineers	)	
Beneficial Political	)	To Appear for Deposition
Action Fund	)	Upon Oral Examination
	)	MUR 260(76)

To: Mr. Leon Shapiro
Treasurer
MEBA Political Action Fund
17 Battery Place - Room 1930
New York, NY 10004

At the instance of the Federal Election Commission, pursuant to 2 U.S.C. §437d(a)(3), you are hereby subpoenaed to appear for deposition with regard to the Commission's investigation of the Marine Engineers Beneficial Association Political Action Fund's purchase of receipt books for solicitation of contributions for the Jackson for President Committee; and with regard to said Political Action Fund's failure to report affiliation with Labor for Jackson.

7904012219 4

Notice is hereby given that your deposition shall be taken at Phillips, Nizer, Law Office 40 West 57th St., NY, NY, Conference Room D, on Jan. 9, 1978, at 2:00 P.M.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand at Washington, D.C., on this 20th day of December, 1977.

Thomas E. Harris
Thomas E. Harris
Chairman

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

7904012219 5

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

DECEMBER 21, 1977

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE EMMONS mwe

RE: REQUEST FOR SUBPOENA IN MUR 260

Attached please find the subpoena requested by the Office of the General Counsel in MUR 260.

This subpoena has been approved by all the Commissioners except for Commissioner Staebler, who is on vacation at this time.

7904012196

MCC2321

RALPH FINK & ASSOCIATES, INC.
CERTIFIED STENOTYPE REPORTERS
140 NASSAU STREET
NEW YORK, NEW YORK 10038

RECTOR 2-5566

KAREN ANN CARNEY, CSR
RALPH FINK, CSR

RECEIVED
FEDERAL ELECTION
COMMISSION
77 DEC 27 AM 9:36

December 21, 1977

Paul Lovejoy, Esq.
Office of General Counsel
Federal Elections Commission
1325 K Street, N.W.
Washington, D.C. 20463

Dear Sir:

This is to inform you that we have arranged to have your deposition held at the offices of Messrs. Phillips, Nizer, Benjamin, Krim & Ballon located at 40 West 57th Street, New York, New York, in Conference Room D on the 33rd Floor, on January 9,1978.

Please have your people go to the Reception Desk where they will be informed as to where to go.

Our reporter will also be present there to assist you in any way possible.

If for any reason this deposition is cancelled please inform us on or before Friday, January 6, 1978.

Thank you for allowing us to be of service to you.

Very truly yours,

Ralph Fink

RALPH FINK & ASSOCIATES, INC.

RF/ep

7904012197

RALPH FINK & ASSOCIATES, INC.
CERTIFIED STENOTYPE REPORTERS
140 NASSAU STREET
NEW YORK, N. Y. 10038

RECEIVED
FEDERAL ELECTION
COMMISSION

'77 DEC 27 AM 9:25

YORK, NY
PM

Christmas 13c

7900210

Paul Lovejoy, Esq.
Office of General Counsel
Federal Elections Commission
1325 K Street, N.W.
Washington, D.C. 20463

December 2, 1977

MEMORANDUM TO: Marge Emmons

FROM: Elissa T. Garr

SUBJECT: MURs 236/260/266 Team #3 Browning

Please have the attached Interim Status Report on MURs 236,266,260 circulated to the Commission and placed on the Compliance Agenda for the Comission meeting of December 7, 1977.

Thank you.

7904012219

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Labor for Jackson,	)	
Sheet Metal Workers International Association Political Action League, and Marine Engineers Beneficial Association Political Action Fund	)	MUR 236, 260, 266(76)

INTERIM STATUS REPORT

On June 22, 1977, the Commission considered General Counsel's reports involving allegations that Labor for Jackson, an unauthorized single candidate committee, was affiliated with the political action committees of Sheet Metal Workers International Association and Marine Engineers Beneficial Association. In addition, the reports dealt with the questions of whether expenditures made by all three respondents were in fact "independent" as reported and whether the solicitation of contributions by Marine Engineers Beneficial Association Political Action Fund for the Jackson for President Committee constituted a 2 U.S.C. §441b violation.

During the June 22, 1977, meeting the Commission approved the recommendation that depositions be conducted

7904012200

of respondents' key officers and employees involved in making some of the expenditures in question. Subsequently, the following persons were deposed:

-Jimmy A. Hinkle, Sheet Metal Workers International Association employee who conducted campaign activities for Sheet Metal Workers' Political Action League and Labor for Jackson and also received money from Jackson for President Committee;

-Lawrence McLaughlin, Sheet Metal Workers International Association employee who conducted campaign activities for Sheet Metal Workers' Political Action League and Labor for Jackson and also received money from Jackson for President Committee;

-Edward Carlough, President of Sheet Metal Workers International Association, Chairman of its Political Action League, and Treasurer of Labor for Jackson;

-Joseph Keenan, Chairman of Labor for Jackson;

-Ernie Miller, Sheet Metal Workers International Association employee who received money from Jackson for President Committee;

-Frank Scaduto, Sheet Metal Workers International Association Director of Governmental Affairs, who took part in Sheet Metal Workers' Political Action League solicitation activity that resulted in loans to Jackson for President Committee;

-Robert Keefe, Political Advisor to Jackson for President Committee, whose name came up in a prior deposition in connection with the activities in question;

79040122201

-Hershey Gold, fundraiser for Jackson for President Committee, whose name came up in a prior deposition in connection with the activities in question.

We intend to depose one Marine Engineers Beneficial Association Political Action Fund officer, Leon Shapiro, and possibly Jesse Calhoon, President of the union. Unless other names of potential witnesses come up in these depositions, we anticipate that our investigation in this matter then will be completed and we can make our recommendations to the Commission.

12/2/77 Wint/Jeff.Lee

7904012202

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

November 15, 1977

Mr. Gil Todd Siegel
8920 Wilshire Blvd.
Suite 333
Beverly Hills, California 90211

Re: MUR 236

Dear Mr. Siegel:

This letter is to confirm a telephone conversation which you had with Judy Browning today, in which it was agreed that the deposition of Mr. Hershey Gold would be conducted on November 21, 1977, at 5:00 p.m. The deposition is to take place at your office, and we have arranged for a reporter to be present.

Thank you for your cooperation.

Sincerely yours,

William C. Oldaker
General Counsel

cc: Hershey Gold
5616 South Shenandoah Ave.
Los Angeles, California 90056

7904012203

236 JB

PS Form 3811, Apr. 1977

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
- ☐ Show to whom and date delivered ..... ¢
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- ☐ RESTRICTED DELIVERY
  Show to whom and date delivered ..... ¢
- ☐ RESTRICTED DELIVERY.
  Show to whom, date, and address of delivery. $
  (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:

Gil Todd Siegel
8920 Wilshire Blvd.;Suite 333
Beverly Hills, Ca. 90211

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	943098	

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent

4. DATE OF DELIVERY 11-18-79

POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

☆ GPO : 1977-O-234-527

7904012204

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

November 10, 1977

Racklin & Bernstein
1250 Wilshire Boulevard
Suite 206
Los Angeles, California 90017

Re: MUR 236

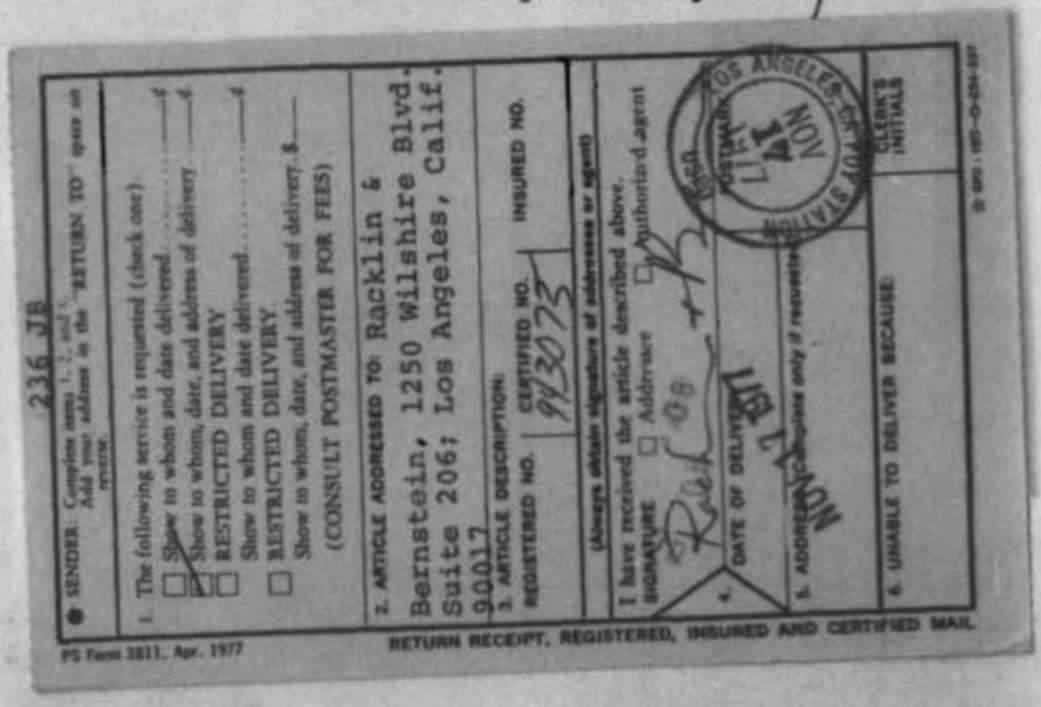
Dear Sir or Madam:

This letter is to confirm a telephone conversation which I had with you today, arranging for a reporter to be present at a deposition to be conducted on November 21, 1977, at 5:00 p.m., at the office of Mr. Gil Siegel, 8920 Wilshire Boulevard, Suite 333, Beverly Hills, California.

Thank you for your cooperation.

Sincerely,

Judy Browning
Judy Browning



7904012205

DOC 1862

RECEIVED
FEDERAL ELECTION
COMMISSION
77 OCT 25 AM 10:01

Gil Todd Siegel
ATTORNEY AND COUNSELOR AT LAW
8920 WILSHIRE BOULEVARD-SUITE 333
BEVERLY HILLS, CALIFORNIA 90211
TELEPHONE 652-8626

October 18, 1977

Ms. Judy Browning
Attorney at Law
Federal Election Commission
1325 "K", N.W.
Washington, D.C. 20463

Re: MUR 266 (76)

Dear Ms. Browning

This letter will serve to confirm my telephone conversation of October 17th with Yvonne Thompson of your office wherein I informed her that I was the Attorney for Hershey Gold.

Mr. Gold is in receipt of your letter of October 11, 1977 and accompaning subpoena for Deposition on October 26, 1977. As I explained to Miss Thompson, I will not be available on October 26th for said deposition. Will you be so kind as to contact my office so that we may arrange mutually convenient dates for the taking of said deposition.

In addition, I would appreciate it if the deposition could be taken in my office as opposed to that of the reporters office.

Thank you for your kind attention to this letter, and your anticipated cooperation.

Very truly yours,

GIL TODD SIEGEL

GTS/cpu
cc; Hershey Gold

7900401222205

Gil Todd Siegel
ATTORNEY AND COUNSELOR AT LAW
8920 WILSHIRE BOULEVARD-SUITE 333
BEVERLY HILLS, CALIFORNIA 90211

790401207

RECEIVED
FEDERAL ELECTION
COMMISSION

BEVERLY HILLS, CA
PM
19 OCT

United States Postage

'79 OCT 25 AM 8:46

Ms. Judy Browning
Attorney at Law
Federal Election Commission
1325 "K" N.W.
Washington, D.C. 20463

MCC 1790

LAW OFFICES

MULHOLLAND, HICKEY, LYMAN, McCORMICK, FISHER & HICKEY

SUITE 741 NATIONAL BANK BUILDING
TOLEDO, OHIO 43604

AREA CODE 419
TELEPHONE 243-6361

CLARENCE M. MULHOLLAND
RICHARD R. LYMAN
EDWARD J. McCORMICK, JR.
DONALD W. FISHER
R. JEFFREY SIXLER
RAYMOND J. SWEENEY

WASHINGTON OFFICE
1129 FIFTEENTH ST., N. W.
WASHINGTON, D. C. 20005

EDWARD J. HICKEY, JR.
WILLIAM J. HICKEY
MICHAEL R. WOLLY
THOMAS A. WOODLEY

October 11, 1977

Mr. David Spiegel
Office of General Counsel
Federal Election Commission
1325 K. Street, N.W.
Washington, D. C. 20463

702982

Re: Murs 236(76) and 266(76)

Dear Mr. Spiegel:

I tried to reach you by telephone on Friday, October 7th, but was unable to do so and, hence, will state my views in writing.

As counsel for SMWIA-PAL, I submit that the Respondent in the above captioned files is entitled to (1) notification of the names of the various individuals whose depositions are being taken by your agency; (2) be informed of the time and place of the depositions; and (3) attend these depositions. In this connection, I am not contending that counsel for the Respondent is entitled to cross-examine the deponents or object and argue objections on the record.

This position seems consistent with your procedure for processing alleged statutory violations. Conciliation, for instance, would be much more difficult to effectuate if the Respondent is not conversant with the evidence obtained by the Commission, some of which may be erroneous, biased, or otherwise unreliable, and given a fair opportunity to clarify or refute it. Section 110.10(b) of the Rules and Regulations states:

> "(b) Any party may request the General Counsel to subpoena particular persons or evidence, but such subpoenas shall not be obtainable as a matter of right."

7904012208

How can the Respondent avail himself of his rights under Section 110.10(b) if he is not fully aware of the testimony elicited from the witnesses heretofore subpoenaed by the Commission?

I was, moreover, under the impression from what you said after the deposition of Messrs. Scaduto, Miller, and Keenan that interrogations by depositions had been completed by the Commission. In order to verify my recollection, I contacted my colleague, Mr. Raymond Randolph. His recollection was identical with mine. Regardless of this, the most important matter for the Respondent is to bring the proceeding, which had its genesis well over a year and a half ago, to as speedy a conclusion as possible; in accordance with the requirement in Section 437g(3)(A) of the Act that "Any investigation under paragraph (2) shall be conducted expeditiously...." It has already caused the Respondent to expend a considerable amount of time and money.

Therefore, I request that the Commission determine, by the end of October, whether there is reasonable cause to believe that Respondent has committed a violation of the Act. You indicated at the time of the Scaduto, Miller, and Keenan depositions that such a timetable was realistic. If the Commission determines that a violation has occurred, I ask further that General Counsel initiate conferences in October or early November to attempt to correct the violation by the informal method of conciliation.

Very truly yours,

Donald W. Fisher

DWF/bd

7904012209

LAW OFFICES
MULHOLLAND, HICKEY, LYMAN, McCORMICK, FISHER & HICKEY
SUITE 741 NATIONAL BANK BUILDING
TOLEDO, OHIO 43604

'77 OCT 13 AM 10:14

Mr. David Spiegel
Office of General Counsel
Federal Election Commission
1325 K. Street, N.W.
Washington, D. C. 20463

7904011221

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

October 11, 1977

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Hershey Gold
5616 South Shenandoah Avenue
Los Angeles, California 90056

Re: MUR 266 (76)

Dear Mr. Gold:

The Federal Election Commission has found reason to believe that a violation of 2 U.S.C. §434(b) and 441a(a)(2)(A) occurred with a regard to certain disbursements made by Sheet Metal Workers' International Association Political Action League and reported by it as independent expenditures. In addition, the Commission has found reason to believe that Labor for Jackson violated 2 U.S.C. §434 (b)(2) by failing to report affiliation with Sheet Metal Workers' International Association Political Action League. Since your name has been mentioned concerning certain matters involved in these cases, we would like to depose you as soon as possible, and the Commission has issued the enclosed subpoena requiring your appearance for the deposition. In this connection you may wish to contact a lawyer.

Section 437d(a)(10) of Title 2 of the Federal Election Campaign Act of 1971, as amended, required that the Commission conduct investigations expeditiously; therefore, we will contact you in the near future in order to arrange a convenient time and date. The attorney assigned to this case is Judy Browning, who may be reached by telephone (202/523-4073 or toll-free line 800/424-9530).

Sincerely yours,

William C. Oldaker
General Counsel

7904012211

UNITED STATES OF AMERICA

FEDERAL ELECTION COMMISSION

SUBPOENA TO APPEAR FOR DEPOSITION UPON ORAL EXAMINATION

TO: HERSHEY GOLD, National Finance Chairman, JPPC
5616 South Shenandoah Avenue
Los Angeles, California 90056

7904012212

At the instance of the Federal Election Commission, pursuant to Section 437d of Title 2 of the United States Code, you are hereby subpoenaed to appear for deposition with regard to possible violations of 2 U.S.C., Sections 434(b) and 441a(a) invovling certain disbursements and contributions made on behalf of the 1976 Presidential Campaign of Senator Henry Jackson.

Notice is hereby given that deposition is to be taken at offices of Racklin & Bernstein, 1250 Wilshire Blvd., Suite 206, Los Angeles, California, on October 26, 1977, at 10:00 a.m., and at any and all adjournments thereof.

WHEREAS, the Chairman of the Federal Election Commission has hereunto set his hand at Washington, D.C. this 11th day of October, 1977.

Thomas E. Harris
THOMAS E. HARRIS
CHAIRMAN

Attest:

Marjorie W. Emmons
Secretary of the Commission

MUL 266 Drawing

PS Form 3811, Apr. 1977

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
   - ☐ Show to whom and date delivered ..... ¢
   - ☒ Show to whom, date, and address of delivery ..... ¢
   - ☐ RESTRICTED DELIVERY
     Show to whom and date delivered ..... ¢
   - ☐ RESTRICTED DELIVERY.
     Show to whom, date, and address of delivery $ ____
     (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Mr. Hershey Gold

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	438196	

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent

Deirdre Woodard

4. DATE OF DELIVERY 10-14-77 POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

U.S. CALIF. 94117

☆ GPO : 1977—O-234-837

7904012213

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

October 11, 1977

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS mwe

SUBJECT: Subpoena To Appear for Deposition Upon Oral Examination - Hershey Gold

Attached is the above-mentioned document signed, attested, and seal attached this date.

This document replaces the subpoena to Hershey Gold dated September 21, 1977.

P.S. It would be very helpful if subpoenas could have the MUR number appearing somewhere on the document, perhaps upper left-hand corner. Could this be done? M.

7904012221 4

UNITED STATES OF AMERICA

FEDERAL ELECTION COMMISSION

SUBPOENA TO APPEAR FOR DEPOSITION UPON ORAL EXAMINATION

TO: HERSHEY GOLD, National Finance Chairman, JFPC
5616 South Shenandoah Avenue
Los Angeles, California 90056

At the instance of the Federal Election Commission, pursuant to Section 437d of Title 2 of the United States Code, you are hereby subpoenaed to appear for deposition with regard to possible violations of 2 U.S.C., Sections 434(b) and 441a(a) invovling certain disbursements and contributions made on behalf of the 1976 Presidential Campaign of Senator Henry Jackson.

Notice is hereby given that deposition is to be taken at offices of Racklin & Bernstein, 1250 Wilshire Blvd., Suite 206, Los Angeles, California, on October 26, 1977, at 10:00 a.m., and at any and all adjournments thereof.

WHEREAS, the Chairman of the Federal Election Commission has hereunto set his hand at Washington, D.C. this 11th day of October, 1977.

Thomas E. Harris
THOMAS E. HARRIS
CHAIRMAN

Attest:
Marjorie W. Emmons
Secretary of the Commission

7904012215

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

September 21, 1977

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS mwe

SUBJECT: Authorization to Issue Subpoenas in Connection with MURS 236, 260, 266 (76)

The Commission has approved issuing subpoenas to the persons listed on the attached sheet.

The approval of the following Commissioners was obtained:

Commissioner Harris
Commissioner Aikens
Commissioner Springer
Commissioner Staebler
Commissioner Thomson

7904012216

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

September 21, 1977

MEMORANDUM

TO: The Commission

FROM: William Oldaker

SUBJECT: Authorization to issue subpoenas in connection with MURs 236, 260, 266

In the above numbered matters, staff, pursuant to Commission investigation, has been conducting an investigation into possible campaign law violations involving alleged independent expenditures for the Jackson for President Campaign made by Sheet Metal Workers Political Action League (SMWIA PAL), Labor for Jackson (LFJ), and Marine Engineers Beneficial Association Political Action Fund, (MEBA PAF). The investigation has also focused on the possible affiliation of the groups with regard to expenditures directed to the Jackson campaign.

In connection with this investigation, staff has already taken depositions of certain SMWIA PAL and LFJ officials including Edward Carlough, Chairman of SMWIA-PAL and Treasurer of LFJ. Although Mr. Carlough contended that expenditures made by these groups were independent of the Jackson Campaign, he admitted to having contacts with four members of the Senator's staff before, during, and after the time of the expenditures. These four persons are Hershey Gold, National Finance Chairman, Jackson for President Campaign; Donald D. Donohue and Sterling Munro, staff members of Jackson for President; and Robert J. Keefe, Staff Political Director, Jackson for President. In our opinion each of these individuals should be deposed as to the nature and extent of the contacts with Mr. Carlough and the organizations to which he was connected.

Accordingly, staff recommends the issuance of the attached subpoenas.

7904012217

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

7904012218

AUTHORIZATION TO ISSUE SUBPOENAS

The Commission hereby authorizes the issuance of subpoenas to the following persons in connection with MURs 236, 266, and 260 (76):

HERSHEY GOLD, National Finance Chairman, JFPC
5616 South Shenandoah Avenue
Los Angeles, California 90056

DONALD D. DONOHUE, Staff Member
3118 Patrick Henry Drive
Falls Church, Virginia 22044

ROBERT J. KEEFE, Staff Political Director
100 W. Linden Street
Alexandria, Virginia 22301

STERLING MUNRO, Staff Member
711 Lamberton Drive
Silver Spring, Maryland 20902

Thomas E. Harris
THOMAS E. HARRIS
CHAIRMAN

Joan D. Aikens
JOAN D. AIKENS
VICE CHAIRMAN

William L. Springer
WILLIAM L. SPRINGER
COMMISSIONER

Neil Staebler
NEIL STAEBLER
COMMISSIONER

Vernon W. Thomson
VERNON W. THOMSON
COMMISSIONER

ROBERT O. TIERNAN
COMMISSIONER

7904012219

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

September 23, 1977

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Robert J. Keefe
100 W. Linden Street
Alexandria, Virginia 22301

Re: MUR 266 (76)

Dear Mr. Keefe:

The Federal Election Commission has found reason to believe that a violation of 2 U.S.C. §434(b) and 441a(a)(2)(A) occurred with a regard to certain disbursements made by Sheet Metal Workers' International Association Political Action League and reported by it as independent expenditures. In addition, the Commission has found reason to believe that Labor for Jackson violated 2 U.S.C. §434 (b)(2) by failing to report affiliation with Sheet Metal Workers' International Association Political Action League. Since your name has been mentioned concerning certain matters involved in these cases, we would like to depose you as soon as possible, and the Commission has issued the enclosed subpoena requiring your appearance for the deposition. In this connection you may wish to contact a lawyer.

Section 437d(a)(10) of Title 2 of the Federal Election Campaign Act of 1971, as amended, required that the Commission conduct investigations expeditiously; therefore, we will contact you in the near future in order to arrange a convenient time and date. The attorney assigned to this case is Judy Browning, who may be reached by telephone (202/523-4073 or toll-free line 800/424-9530).

Sincerely yours,

William C. Oldaker
General Counsel

7904012222220

UNITED STATES OF AMERICAN

FEDERAL ELECTION COMMISSION

SUBPOENA TO APPEAR FOR DEPOSITION UPON ORAL EXAMINATION

TO: ROBERT J. KEEFE, Staff Political Director, PFPC
100 W. Linden Street
Alexandria, Virginia 22301

At the instance of the Federal Election Commission, pursuant to Section 437d of Title 2 of the United States Code, you are hereby subpoenaed to appear for deposition with regard to possible violations of 2 U.S.C., Sections 434(b) and 441a(b) involving certain disbursements and contributions made on half of the 1976 Presidential Campaign of Senator Henry Jackson.

Notice is hereby given that deposition is to be taken at offices of the Federal Election Commission, Washington, D.C., and at any and all adjournments thereof, on October 4, 1977, at 10:30 a.m.

WHEREAS, the Chairman of the Federal Election Commission has hereunto set his hand at Washington, D.C. this 21st day of Sept, 1977.

Thomas E. Harris
THOMAS E. HARRIS
CHAIRMAN

Attest:

Marjorie W. Emmons
Secretary of the Commission

7904012222221

MUR 266 Browning

PS Form 3811, Nov. 1976

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
- ☐ Show to whom and date delivered ..... 25¢
- ☒ Show to whom, date, & address of delivery ..... 45¢
- ☐ RESTRICTED DELIVERY.
Show to whom and date delivered ..... 85¢
- ☐ RESTRICTED DELIVERY.
Show to whom, date, and address of delivery .. $1.05

(Fees shown are in addition to postage charges and other fees).

2. ARTICLE ADDRESSED TO:
Robert J. Keefe

3. ARTICLE DESCRIPTION:
REGISTERED NO. | CERTIFIED NO. 938106 | INSURED NO.

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent

4. DATE OF DELIVERY

POSTMARK
CLERK'S INITIALS

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

☆ GPO : 1976—O-203-454

7 9 0 4 0 1 2 2 2 2 2

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

September 23, 1977

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ernie Miller, International Representative
Sheet Metal Workers' International Association
1750 New York Avenue N.W.
Washington, D.C. 20006

Re: MUR 266 (76)

Dear Mr. Miller:

The Federal Election Commission has found reason to believe that a violation of 2 U.S.C. §434(b) and 441a(a)(2)(A) occurred with a regard to certain disbursements made by Sheet Metal Workers' International Association Political Action League and reported by it as independent expenditures. In addition, the Commission has found reason to believe that Labor for Jackson violated 2 U.S.C. §434 (b)(2) by failing to report affiliation with Sheet Metal Workers' International Association Political Action League. Since your name has been mentioned concerning certain matters involved in these cases, we would like to depose you as soon as possible, and the Commission has issued the enclosed subpoena requiring your appearance for the deposition. In this connection you may wish to contact a lawyer.

Section 437d(a)(10) of Title 2 of the Federal Election Campaign Act of 1971, as amended, required that the Commission conduct investigations expeditiously; therefore, we will contact you in the near future in order to arrange a convenient time and date. The attorney assigned to this case is Judy Browning, who may be reached by telephone (202/523-4073 or toll-free line 800/424-9530).

Sincerely yours,

William C. Oldaker
General Counsel

cc: Donald W. Fisher
740 National Bank Bldg.
Toledo, Ohio 43604

UNITED STATES OF AMERICA

FEDERAL ELECTION COMMISSION

SUBPOENA TO APPEAR FOR DEPOSITION UPON ORAL EXAMINATION

TO: Ernie Miller, International Representative
Sheet Metal Workers' International Association
1750 New York Avenue, N.W.
Washington, D.C. 20463

At the instance of the Federal Election Commission, pursuant to §437d of Title 2 of the United States Code, you are hereby subpoenaed to appear for deposition with regard to possible violation of 2 U.S.C., §§434(b) and 441a(a)(2)(A) involving certain disbursements and contributions made on behalf of the 1976 presidential campaign of Senator Henry Jackson.

Notice is hereby given that deposition is to be taken at the office of the Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463, on

THURSDAY, SEPTEMBER 29, 1977 at 11:00 a.m.

WHEREAS, the Chairman of the Federal Election Commission has hereunto set his hand at Washington, D.C.

this 21st day of September, 1977.

Thomas E. Harris
THOMAS E. HARRIS
CHAIRMAN

ATTEST:

FEDERAL ELECTION COMMISSION

Marjorie W. Emmons
Secretary to the Commission

MUR 266 Browning

SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

PS Form 3811, Nov. 1976

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

1. The following service is requested (check one).
- ☐ Show to whom and date delivered ..... 25¢
- ☒ Show to whom, date, & address of delivery ..... 45¢
- ☐ RESTRICTED DELIVERY. Show to whom and date delivered ..... 85¢
- ☐ RESTRICTED DELIVERY. Show to whom, date, and address of delivery .. $1.05

(Fees shown are in addition to postage charges and other fees).

2. ARTICLE ADDRESSED TO:
Ernie Miller

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	438109	

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent
J. Schick (SMWIA)

4. DATE OF DELIVERY
SEP 26 1977

POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

☆ GPO : 1976-O-223-434

7904012222 5

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

September 23, 1977

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Joseph D. Keenan
Labor for Jackson Committee
2727 29th Street, N.W.
Washington, D.C. 20008

Re: MUR 266 (76)

Dear Mr. Keenan:

The Federal Election Commission has found reason to believe that a violation of 2 U.S.C. §434(b) and 441a(a)(2)(A) occurred with a regard to certain disbursements made by Sheet Metal Workers' International Association Political Action League and reported by it as independent expenditures. In addition, the Commission has found reason to believe that Labor for Jackson violated 2 U.S.C. §434 (b)(2) by failing to report affiliation with Sheet Metal Workers' International Association Political Action League. Since your name has been mentioned concerning certain matters involved in these cases, we would like to depose you as soon as possible, and the Commission has issued the enclosed subpoena requiring your appearance for the deposition. In this connection you may wish to contact a lawyer.

Section 437d(a)(10) of Title 2 of the Federal Election Campaign Act of 1971, as amended, required that the Commission conduct investigations expeditiously; therefore, we will contact you in the near future in order to arrange a convenient time and date. The attorney assigned to this case is Judy Browning, who may be reached by telephone (202/523-4073 or toll-free line 800/424-9530).

Sincerely yours,

William C. Oldaker
General Counsel

cc: Donald W. Fisher
740 National Bank Bldg.
Toledo, Ohio 43604

7904012222227

UNITED STATES OF AMERICA

FEDERAL ELECTION COMMISSION

SUBPOENA TO APPEAR FOR DEPOSITION UPON ORAL EXAMINATION

TO: Joseph D. Keenan, Former Chairman,
Labor for Jackson Committee
2727 29th Street, N.W.
Washington, D.C. 20008

At the instance of the Federal Election Commission, pursuant to §437d of Title 2 of the United States Code, you are hereby subpoenaed to appear for deposition with regard to possible violation of 2 U.S.C., §§434(b) and 441a(a)(2)(A) involving certain disbursements and contributions made on behalf of the 1976 presidential campaign of Senator Henry Jackson.

Notice is hereby given that deposition is to be taken at the office of the Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463, on

THURSDAY, SEPTEMBER 29, 1977 at 10:00 a.m.

WHEREAS, the Chairman of the Federal Election Commission has hereunto set his hand at Washington, D.C.

7904012228

this 21st day of September, 1977.

Thomas E. Harris
THOMAS E. HARRIS
CHAIRMAN

ATTEST:

FEDERAL ELECTION COMMISSION
STATES OF

Marjorie W. Emmons
Secretary to the Commission

MM 266 Browning

PS Form 3811, Nov. 1975

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
- ☐ Show to whom and date delivered ..... 25¢
- ☒ Show to whom, date, & address of delivery ..... 45¢
- ☐ RESTRICTED DELIVERY. Show to whom and date delivered ..... 85¢
- ☐ RESTRICTED DELIVERY. Show to whom, date, and address of delivery .. $1.05

(Fees shown are in addition to postage charges and other fees).

2. ARTICLE ADDRESSED TO:
Joseph D. Keeman

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	438108	

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent
L Harrison

4. DATE OF DELIVERY SEP 24 1977

POSTMARK U.S. POSTAL SERVICE SEP 24 1977

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

☆ GPO : 1976-O-203-450

7 9 0 4 0 1 2 2 2 3 0

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

September 23, 1977

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Frank Scaduto
Director of Governmental Affairs
Sheet Metal Workers' International Association
1750 New York Avenue, N.W.
Washington, D.C. 20006

Re: MUR 266 (76)

Dear Mr. Scaduto:

The Federal Election Commission has found reason to believe that a violation of 2 U.S.C. §434(b) and 441a(a)(2)(A) occurred with a regard to certain disbursements made by Sheet Metal Workers' International Association Political Action League and reported by it as independent expenditures. In addition, the Commission has found reason to believe that Labor for Jackson violated 2 U.S.C. §434 (b)(2) by failing to report affiliation with Sheet Metal Workers' International Association Political Action League. Since your name has been mentioned concerning certain matters involved in these cases, we would like to depose you as soon as possible, and the Commission has issued the enclosed subpoena requiring your appearance for the deposition. In this connection you may wish to contact a lawyer.

Section 437d(a)(10) of Title 2 of the Federal Election Campaign Act of 1971, as amended, required that the Commission conduct investigations expeditiously; therefore, we will contact you in the near future in order to arrange a convenient time and date. The attorney assigned to this case is Judy Browning, who may be reached by telephone (202/523-4073 or toll-free line 800/424-9530).

Sincerely yours,

William C. Oldaker
General Counsel

cc: Donald W. Fisher
740 National Bank Bldg.
Toledo, Ohio 43604

7904012231

UNITED STATES OF AMERICA

FEDERAL ELECTION COMMISSION

SUBPOENA TO APPEAR FOR DEPOSITION UPON ORAL EXAMINATION

TO: Frank Scaduto, Director of Governmental Affairs
Sheet Metal Workers' International Association
1750 New York Avenue, N.W.
Washington, D.C. 20006

At the instance of the Federal Election Commission, pursuant to §437d of Title 2 of the United States Code, you are hereby subpoenaed to appear for deposition with regard to possible violation of 2 U.S.C., §§434(b) and 441a(a)(2)(A) involving certain disbursements and contributions made on behalf of the 1976 presidential campaign of Senator Henry Jackson.

Notice is hereby given that deposition is to be taken at the office of the Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463, on

THURSDAY, SEPTEMBER 29, 1977 at 10:30 a.m.

WHEREAS, the Chairman of the Federal Election Commission has hereunto set his hand at Washington, D.C.

7904012232

this First day of September, 1977.

Thomas E. Harris
THOMAS E. HARRIS
CHAIRMAN

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

7904012233

7 9 0 4 0 1 2 2 2 3 4

MUR 266 Browning

PS Form 3811, Nov. 1976

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
- ☐ Show to whom and date delivered .....25¢
- ☑ Show to whom, date, & address of delivery .....45¢
- ☐ RESTRICTED DELIVERY.
Show to whom and date delivered .....85¢
- ☐ RESTRICTED DELIVERY.
Show to whom, date, and address of delivery ..$1.05

(Fees shown are in addition to postage charges and other fees).

2. ARTICLE ADDRESSED TO:
Frank Sciaduto

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	438107	

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent

4. J. Schied (Smwra)

DATE OF DELIVERY
SEP 26 1977

POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

☆ GPO : 1976-O-203-404

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

September 12, 1977

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS mwE

SUBJECT: Authorization to Issue Subpoenas in Connection with MURs 236, 260, 266

The Commission has approved issuing subpoenas to the persons listed on the attached sheet.

The approval of six Commissioners was obtained.

7904012235

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

MEMORANDUM TO: The Commission

FROM: William C. Oldaker

SUBJECT: Authorization to Issue Subpoenas in Connection with MURs 236, 260, 266

In the above numbered matters, staff, pursuant to Commission investigation, has been conducting an investigation into possible campaign law violations involving alleged independent expenditures for the Jackson for President Campaign made by Sheet Metal Workers Political Action League (SMWIA PAL), Labor for Jackson (LFJ), and Marine Engineers Beneficial Association Political Action Fund (MEBA PAF). The investigation has also focused on the possible affiliation of the groups with regard to expenditures directed to the Jackson campaign.

In connection with this investigation, staff has already taken depositions of certain SMWIA PAL and LFJ officials. It now appears that further depositions of other officials of these organizations are necessary - in particular:

(1) David Turner, Treasurer, SMWIA - Mr. Turner has been characterized by SMWIA as one of its two persons responsible for setting general policy. As such he would have knowledge of the organization's expenditures on behalf of the Jackson campaign and its ties to LFJ. His testimony would supplement testimony already supplied by SMWIA President, Edward Carlough, who has described certain general operations of SMWIA and conceded that he had certain social ties with members of Senator Jackson's staff.

(2) Frank Scaduto, Director of Governmental Affairs, SMWIA - Scaduto was involved in the arranging of $29,000 in loans from members of SMWIA to the

7904012236

Jackson campaign during the period when matching funds were cut off. Although Mr. Carlough has testified generally on these loans, specific information as to the mechanics by which the loans were arranged is lacking.

(3) Lawrence Cassidy, Assistant to the General President, SMWIA - Apart from working on the loans with Scaduto, Cassidy also helped arrange a reception at Bal Harbor, Fla., which Jackson attended. The costs of the reception have been listed as an independent expenditure by SMWIA PAL, although there appears to have been some discussion with the Senator both before and after the event.

(4) Paul Stuckenschneider, Director of Research and Education and International Representative, SMWIA - Mr. Stuckenschneider has received $1,100 in reimbursements directly from the Jackson campaign. He may have information as to the nature of the links between SMWIA and Jackson personnel.

(5) Ernie Miller, International Representative, SMWIA - Miller has been cited by a person we had previously deposed (Jimmy Hinkle) as a contact for submitting expenditures directly to the Jackson campaign. Like Stuckenschneider he could provide information as to the ties (if any) between SMWIA and the Jackson campaign.

(6) Joseph Keenan, Chairman, Labor for Jackson - As one of the two persons responsible for the planning and making of expenditures by LFJ for the Jackson campaign (Carlough is the other), Keenan can be expected to testify as to ties between LFJ and SMWIA, as well as possibly MEBA PAF (another group possible connected to LFJ). Mr. Keenan may also have knowledge whether Senator Jackson or his staff was consulted by Labor for Jackson.

We request that you sign the attached authorization for subpoena.

7904012237

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

7904012233

AUTHORIZATION TO ISSUE SUBPOENAS

The Commission hereby authorizes the issuance of subpoenas to the following persons in connection with MURs 236, 266 and 260 (77):

David S. Turner
General Secretary - Treasurer
Sheet Metal Workers' International Association
1750 New York Avenue, N.W.
Washington, D.C. 20006

Frank Scaduto
Director of Governmental Affairs
Sheet Metal Workers' International Association
1750 New York Avenue, N.W.
Washington, D.C. 20006

Lawrence J. Cassidy
Assistant to the General President
Sheet Metal Workers' International Association
1750 New York Avenue, N.W.
Washington, D.C. 20006

Paul F. Stuckenschneider
Director of Research and Education
Sheet Metal Workers' International Association
1750 New York Avenue, N.W.
Washington, D.C. 20006

Ernie Miller
International Representative
Sheet Metal Workers' International Association
1750 New York Avenue, N.W.
Washington, D.C. 20006

Joseph D. Keenan
Former Chairman
Labor for Jackson Committee
2727 29th Street, N.W.
Washington, D.C. 20008

7904012239

Thomas E. Harris
THOMAS E. HARRIS
CHAIRMAN

Joan D. Aikens
JOAN D. AIKENS
VICE CHAIRMAN

William L. Springer
WILLIAM L. SPRINGER
COMMISSIONER

Neil Staebler
NEIL STAEBLER
COMMISSIONER

Vernon W. Thomson
VERNON W. THOMSON
COMMISSIONER

Robert O. Tiernan
ROBERT O. TIERNAN
COMMISSIONER

FEC #1067

RECEIVED
FEDERAL ELECTION
COMMISSION

77 AUG 4 AM 10:26

LAW OFFICES

MULHOLLAND, HICKEY, LYMAN, McCORMICK, FISHER & HICKEY

SUITE 741 NATIONAL BANK BUILDING
TOLEDO, OHIO 43604
AREA CODE 419
TELEPHONE 243-6251

CLARENCE M. MULHOLLAND
RICHARD R. LYMAN
EDWARD J. McCORMICK, JR.
DONALD W. FISHER
R. JEFFREY SIXLER
RAYMOND J. SWEENEY

WASHINGTON OFFICE
1155 FIFTEENTH ST., N. W.
WASHINGTON, D. C. 20005

EDWARD J. HICKEY, JR.
WILLIAM J. HICKEY
MICHAEL S. MOLLY
THOMAS A. WOODLEY

August 2, 1977

Mrs. Judith W. Browning
Staff Attorney
Federal Election Commission
1325 K Street, N.W.
Washington, D. C. 20463

Dear Mrs. Browning:

This will acknowledge, with thanks, your letter of July 27, 1977, enclosing copies of pages of Jackson for President Committee reports showing reimbursements to George Riley (June 22, 1976) and Paul Stuckenschneider (May 22, 1976).

Sincerely yours,

Don Fisher

Donald W. Fisher

DWF/bd

7'90401222240

LAW OFFICES
MULHOLLAND, HICKEY, LYMAN, McCORMICK, FISHER & HICKEY
SUITE 741 NATIONAL BANK BUILDING
TOLEDO, OHIO 43604

Mrs. Judith W. Browning
Staff Attorney
Federal Election Commission
1325 K Street, N.W.
Washington, D. C. 20463

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

August 2, 1977

Mr. A. Raymond Randolph, Jr.
Sharp, Randolph & Janis
1220 Nineteenth St. N.W.
Washington, D.C. 20036

Re: MUR 266(76)

Dear Mr. Randolph:

Enclosed are copies of subpoenas which the Commission has issued today in furtherance of its investigation in the above-references matter.

If you have any questions regarding the investigation, please call Judy Browning (telephone number 202/523-4073), the attorney assigned to this matter.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

7904012224 2

7904010222443

MUR 266 Browning

SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one.)
- ☐ Show to whom and date delivered..... 15¢
- ☒ Show to whom, date, & address of delivery.. 35¢
- ☐ RESTRICTED DELIVERY. Show to whom and date delivered..... 65¢
- ☐ RESTRICTED DELIVERY. Show to whom, date, and address of delivery.. 85¢

2. ARTICLE ADDRESSED TO:
A. Raymond Randolph, Jr.
Sharp Randolph & Innis
Wash DC

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	943729	

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent
Laurie Hemfield

4. DATE OF DELIVERY: AUG 3 1977
POSTMARK: AUG 8 1977

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:
CLERK'S INITIALS

PS Form 3811, Mar. 1974 RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

August 2, 1977

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Lawrence D. McLaughlin
160 Green Street
Weymouth, Massachusetts 02191

Re: MUR 266 (76)

Dear Mr. McLaughlin:

In furtherance of its investigation in the above referenced matter, the Commission has issued a subpoena requiring your appearance for a deposition on August 12,1977. (The subpoena is enclosed herewith).

Sincerely yours,

William C. Oldaker
General Counsel

Enclosure
cc: A. Raymond Randolph, Jr.

7904012244

UNITED STATES OF AMERICA

FEDERAL ELECTION COMMISSION

SUBPOENA TO APPEAR FOR DEPOSITION UPON ORAL EXAMINATION

TO: Mr. Lawrence D. McLaughlin
160 Green Street
Weymouth, Massachusetts 02191

At the instance of the Federal Election Commission, pursuant to Section 437d of Title 2 of the United States Code, you are hereby subpoenaed to appear for deposition with regard to possible violations of 2 U.S.C., Sections 434(b) and 441a(a)(2)(A) involving certain disbursements made by Sheet Metal Workers' International Association Political Action League and reported by it as independent expenditures.

Notice is hereby given that deposition is to be taken at offices of the Federal Election Commission, Washington,D.C., August 12, 1977, 11:00a.m., and at any and all adjournments thereof.

WHEREAS, the Chairman of the Federal Election Commission has hereunto set his hand at Washington, D. C. this 1st day of August, 1977.

Thomas E. Harris
THOMAS E. HARRIS
CHAIRMAN

Attest:
Marjorie W. Emmons
Secretary to the Commission

7904012245

7900401222246

MAB 266 Browning

SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

PS Form 3811, Mar. 1976 RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

1. The following service is requested (check one).
- ☐ Show to whom and date delivered..... 15¢
- ☒ Show to whom, date, & address of delivery.. 35¢
- ☐ RESTRICTED DELIVERY.
  Show to whom and date delivered..... 65¢
- ☐ RESTRICTED DELIVERY.
  Show to whom, date, and address of delivery 85¢

2. ARTICLE ADDRESSED TO:
Lawrence McLaughlin
160 Green St.
Weymouth, Mass

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	943728	

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent
L. Mc Laughlin

4. DATE OF DELIVERY
AUG 5 - 1977

POSTMARK
AUG 5 1977
BOSTON MASS

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

☆ GPO: 1976-O-223-458

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

August 2, 1977

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Edward J. Carlough
Sheet Metal Workers' International
Association
1750 New York Avenue N.W.
Washington, D.C. 20006

Re: MUR 266(76)

Dear Mr. Carlough:

In furtherance of its investigation in the above referenced matter, the Commission has issued a subpoena requiring your appearance for a deposition on August 12,1977. (The subpoena is enclosed herewith).

Sincerely yours,

William C. Oldaker
General Counsel

Enclosure
cc: A. Raymond Randolph, Jr.

7904012247

UNITED STATES OF AMERICA

FEDERAL ELECTION COMMISSION

SUBPOENA TO APPEAR FOR DEPOSITION UPON ORAL EXAMINATION

TO: Mr. Edward J. Carlough
Sheet Metal Workers' International
Association
1750 New York Avenue, N.W.
Washington, D. C. 20006

At the instance of the Federal Election Commission, pursuant to Section 437d of Title 2 of the United States Code, you are hereby subpoenaed to appear for deposition with regard to possible violations of 2 U.S.C., Section 434(b) and 441a(a)(2)(A) involving certain disbursements made by Sheet Metal Workers' International Association Political Action League and reported by it as independent expenditures.

Notice is hereby given that deposition is to be taken at offices of the Federal Election Commission, Washington, D.C., August 12,1977, 10:00 a.m., and at any and all adjournments thereof.

WHEREAS, the Chairman of the Federal Election Commission has hereunto set his hand at Washington, D. C. this 1st day of August, 1977.

Thomas E. Harris
THOMAS E. HARRIS
CHAIRMAN

Attest:

Marjorie W. Emmons
Secretary to the Commission

7904012248

MUR 266 Browning

PS Form 3811, Mar. 1976

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
- ☐ Show to **whom and** date delivered..... 15¢
- ☒ Show to whom, date, & address of delivery.. 35¢
- ☐ RESTRICTED DELIVERY.
  Show to whom and date delivered..... 65¢
- ☐ RESTRICTED DELIVERY.
  Show to whom, date, and address of delivery 85¢

2. ARTICLE ADDRESSED TO:
Edward J. Carlough
Sheet Metal Workers' Intern'l
Assoc.

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	943721	

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent

4. R H Bansell

DATE OF DELIVERY 8-3-77.

POSTMARK

5. ADDRESS (Complete only if requested)
1750 N St NW

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

☆ GPO: 1976—O-203-465

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

August 2, 1977

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Jimmy A. Hinkle
2998 Boring Ridge Drive
Decatur, Georgia 30034

Re: MUR 266 (76)

Dear Mr. Hinkle:

In furtherance of its investigation in the above referenced matter, the Commission has issued a subpoena requiring your appearance for a deposition on August 12, 1977. (The subpoena is enclosed herewith).

Sincerely yours,

William C. Oldaker
General Counsel

Enclosure
cc: A. Raymond Randolph, Jr.

7904012250

UNITED STATES OF AMERICA

FEDERAL ELECTION COMMISSION

SUBPOENA TO APPEAR FOR DEPOSITION UPON ORAL EXAMINATION

TO: Mr. Jimmy A. Hinkle
2998 Boring Ridge Drive
Decatur, Georgia 30034

At the instance of the Federal Election Commission, pursuant to Section 437d of Title 2 of the United States Code, you are hereby subpoenaed to appear for deposition with regard to possible violations of 2 U.S.C., Sections 434(b) and 441a(a)(2)(A), involving certain disbursements made by Sheet Metal Workers' International Association Political Action League and reported by it as independent expenditures.

Notice is hereby given that deposition is to be taken at offices of the Federal Election Commission, Washington, D.C., August 12, 1977, 12:00 p.m., and at any and all adjournments thereof.

WHEREAS, the Chairman of the Federal Election Commission has hereunto set his hand at Washington, D. C. this 1st day of August, 1977.

Thomas E. Harris
THOMAS E. HARRIS
CHAIRMAN

Attest:

Marjorie W. Emmons
Secretary to the Commission

7904012251

7 9 0 4 0 1 2 2 2 5 2

MUL 266 Browning

PS Form 3811, Mar. 1978

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
- ☐ Show to whom and date delivered..... 15¢
- ☒ Show to whom, date, & address of delivery.. 55¢
- ☐ RESTRICTED DELIVERY.
  Show to whom and date delivered..... 65¢
- ☐ RESTRICTED DELIVERY.
  Show to whom, date, and address of delivery 85¢

2. ARTICLE ADDRESSED TO:
Jimmy A. Hinkle
2498 Boring Ridge Dr.
Decatur, GA

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	913726	

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent

X Diane Hinkle

4. DATE OF DELIVERY | POSTMARK

5. ADDRESS (Complete only if requested)
2998 Boring Ridge Dr.
Decatur, Ga. 30034

6. UNABLE TO DELIVER BECAUSE: | CLERK'S INITIALS

★ GPO: 1979-O-289-452

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

AUTHORIZATION TO ADMINISTER OATHS

The Commission hereby designates Judy Browning to take depositions in connection with MUR's 236, 260, and 266 which have been authorized by the Commission. The Commission further authorizes Ms. Browning to administer oaths for any such depositions.

Thomas E. Harris
Chairman

William L. Springer
Commissioner

Joan D. Aikens
Vice Chairman

Neil Staebler
Commissioner

Robert O. Tiernan
Commissioner

Vernon W. Thomson
Commissioner

7904012253

DCC 1034

LAW OFFICES
SHARP, RANDOLPH & JANIS
SUITE 401
1250 NINETEENTH STREET, N.W.
WASHINGTON, D.C. 20036

JAMES E. SHARP
A. RAYMOND RANDOLPH, JR.
N. RICHARD JANIS

TELEPHONE
(202) 659-2400

RECEIVED
FEDERAL ELECTION
COMMISSION
'77 AUG 1 AM 9 11

July 28, 1977

Judith W. Browning, Esq.
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

772268

Re: MUR 236 (76)

Dear Ms. Browning:

This letter will confirm our telephone conversation of yesterday. In order to expedite these proceedings and bring this inquiry to a prompt conclusion, we have agreed to have the depositions of Messrs. Carlough, Hinkle and McLaughlin taken in Washington, D.C., on August 12, 1977. I understand that you conduct depositions in accordance with the general practice in federal civil cases, but I would like to meet with you and Mr. Spiegel so that we can work out the procedural details.

I would also like to discuss further my request that you afford us a reasonable opportunity to demonstrate that no action should be taken in this case. As I read Section 437g(a)(4) of the Act, we are entitled to know, before the Commission is asked to decide whether there is reasonable cause under Section 437g(a)(5), the precise basis on which action is proposed, including the factual allegations and legal conclusions involved. This is because a person must be given an opportunity to know the case he has to meet if he is to have a fair opportunity for contesting it. Surely it is not sufficient for the Commission merely to inform a person that violations of certain sections of the Act are being investigated. Moreover, it seems to me that under Section 437g(a)(4), I am entitled to make a presentation to the Commission itself; it is, of course, the Commission, not its staff, that decides whether action should be taken under Section 437g(a)(5).

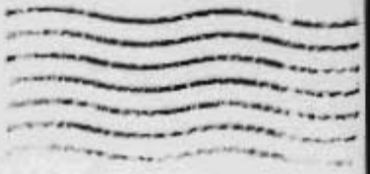
Sincerely yours,

A. Raymond Randolph, Jr.

ARR/ls

7904012254

LAW OFFICES
SHARP, RANDOLPH & JANIS
SUITE 401
1220 NINETEENTH STREET, N. W.
WASHINGTON, D. C. 20036



Judith W. Browning, Esq.
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

MUR# 898

Sheet Metal Workers' International Association

2998 Boring Ridge Drive
Decatur, Georgia 30034
Phone: (404) 284-7409

FEDERAL ELECTION COMMISSION
'77 JUL 14 AM 8:12

JIMMY A. HINKLE
International Organizer

July 12, 1977

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

772103

Dear Sir:

I have received your letter dated June 29, 1977, in regard to the Sheet Metal Workers' International Association Political Action League and Labor for Jackson.

As I have just returned from vacation, I would like to ask for sufficient time to meet with an attorney before giving a deposition in regard to this matter.

Sincerely,

Jimmy A. Hinkle

Jimmy A. Hinkle

7904012256

Sheet Metal Workers'
International Association
JIMMY A. HINKLE
International Organizer
2998 Boring Ridge Drive
Decatur, Georgia 30034

FEDERAL ELECTION COMMISSION

'77 JUL 14 AM 8:05

1977

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

7904012257

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

June 29, 1977

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Lawrence D. McLaughlin
160 Green Street
Weymouth, Massachusetts 02191

Re: MURs 236 (76) and 266 (76)

Dear Mr. McLaughlin:

The Federal Election Commission has found reason to believe that a violation of 2 U.S.C. §§434(b) and 441a(a)(2)(A) occurred with regard to certain disbursements made by Sheet Metal Workers' International Association Political Action League and reported by it as independent expenditures. In addition, the Commission has found reason to believe that Labor for Jackson violated 2 U.S.C. §434(b)(2) by failing to report affiliation with Sheet Metal Workers' International Association Political Action League. Since your name has been mentioned concerning certain matters involved in these cases, we would like to depose you as soon as possible at a time and place convenient to you. In this connection you may wish to contact a lawyer.

Section 437d(a)(10) of Title 2 of the Federal Election Campaign Act of 1971, as amended, requires that the Commission conduct investigations expeditiously; therefore, we will contact you in the near future in order to arrange a convenient time and date. The attorney assigned to this case is Judy Browning, who may be reached by telephone (202/523-4073 or toll-free line 800/424-9530).

Sincerely yours,

William C. Oldaker
General Counsel

7904012258

MMRS 2364266 Browning

PS Form 3811, Mar. 1978

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
- ☐ Show to whom and date delivered..... 15¢
- ☒ Show to whom, date, & address of delivery.. 35¢
- ☐ RESTRICTED DELIVERY.
  Show to whom and date delivered..... 65¢
- ☐ RESTRICTED DELIVERY.
  Show to whom, date, and address of delivery 85¢

2. ARTICLE ADDRESSED TO:

Mr. McLaughlin

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	943506	

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent

4. L. McLaughlin

DATE OF DELIVERY

POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

☆ GPO: 1979—O-303-404

7904012259

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

June 29, 1977

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Edward J. Carlough
Sheet Metal Workers' International
Association
1750 New York Avenue
Washington, D.C. 20006

Re: MURs 236 (76) and 266 (76)

Dear Mr. Carlough:

The Federal Election Commission has found reason to believe that a violation of 2 U.S.C. §§434(b) and 441a(a)(2)(A) occurred with regard to certain disbursements made by Sheet Metal Workers' International Association Political Action League and reported by it as independent expenditures. In addition, the Commission has found reason to believe that Labor for Jackson violated 2 U.S.C. §434(b)(2) by failing to report affiliation with Sheet Metal Workers' International Association Political Action League. Because of your involvement with both these committees, we would like to depose you as soon as possible at a time and place convenient to you. In this connection you may wish to contact a lawyer.

Section 437d(a)(10) of Title 2 of the Federal Election Campaign Act of 1971, as amended, requires that the Commission conduct investigations expeditiously; therefore, we will contact you in the near future in order to arrange a convenient time and date. The attorney assigned to this case is Judy Browning, who may be reached by telephone (202/523-4073 or toll-free line 800/424-9530).

Sincerely yours,

William C. Oldaker
General Counsel

7904012260

7904012261

MWCS 23L+26L Browning

PS Form 3811, Mar. 1974

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
- ☐ Show to whom and date delivered..... 15¢
- ☒ Show to whom, date, & address of delivery.. 35¢
- ☐ RESTRICTED DELIVERY.
  Show to whom and date delivered..... 65¢
- ☐ RESTRICTED DELIVERY.
  Show to whom, date, and address of delivery 85¢

2. ARTICLE ADDRESSED TO:

Mr. Carlough

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	943507	

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent

4. R H Bandell

DATE OF DELIVERY 6-30-77

POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

☆ GPO: 1974-O-535-454

FEDERAL ELECTION COMMISSION
1325 K STREET N.W.
WASHINGTON, D.C. 20463

June 29, 1977

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Jimmy A. Hinkle
2998 Boring Ridge Drive
Decatur, Georgia 30034

Re: MURs 236 (76) and 266 (76)

Dear Mr. Hinkle:

The Federal Election Commission has found reason to believe that a violation of 2 U.S.C. §§434(b) and 441a(a)(2)(A) occurred with regard to certain disbursements made by Sheet Metal Workers' International Association Political Action League and reported by it as independent expenditures. In addition, the Commission has found reason to believe that Labor for Jackson violated 2 U.S.C. §434(b)(2) by failing to report affiliation with Sheet Metal Workers' International Association Political Action League. Since your name has been mentioned concerning certain matters involved in these cases, we would like to depose you as soon as possible at a time and place convenient to you. In this connection you may wish to contact a lawyer.

Section 437d(a)(10) of Title 2 of the Federal Election Campaign Act of 1971, as amended, requires that the Commission conduct investigations expeditiously; therefore, we will contact you in the near future in order to arrange a convenient time and date. The attorney assigned to this case is Judy Browning, who may be reached by telephone (202/523-4073 or toll-free line 800/424-9530).

Sincerely yours,

William C. Oldaker
General Counsel

7904012262

MURS 2364266 Browning

● SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
- ☐ Show to whom and date delivered..... 13¢
- ☑ Show to whom, date, & address of delivery.. 35¢
- ☐ RESTRICTED DELIVERY. Show to whom and date delivered..... 65¢
- ☐ RESTRICTED DELIVERY. Show to whom, date, and address of delivery 85¢

2. ARTICLE ADDRESSED TO:

Mr. Hinkle

3. ARTICLE DESCRIPTION:

REGISTERED NO. | CERTIFIED NO. 993505 | INSURED NO.

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE ☐ Addressee ☐ Authorized agent

J.E. Hinkle

4. DATE OF DELIVERY 2-1-77

POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

P.S. Form 3811, Mar. 1976 RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

☆ GPO: 1976-O-213-456

7904040222653

FEDERAL ELECTION COMMISSION

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

June 20, 1977

MERMORANDUM TO: Marge Emmons

FROM: Charles Steele

SUBJECT: Compliance MURs 236(76) 260(76) & 266(76)

Would you please place the following items on the Compliance agenda of June 22, 1977:

MURs 236(76), 260(76), 266(76) - General Counsel's Reports.

7904012264

COVER MEMORANDUM TO: Commissioners

FROM: William C. Oldaker Bill

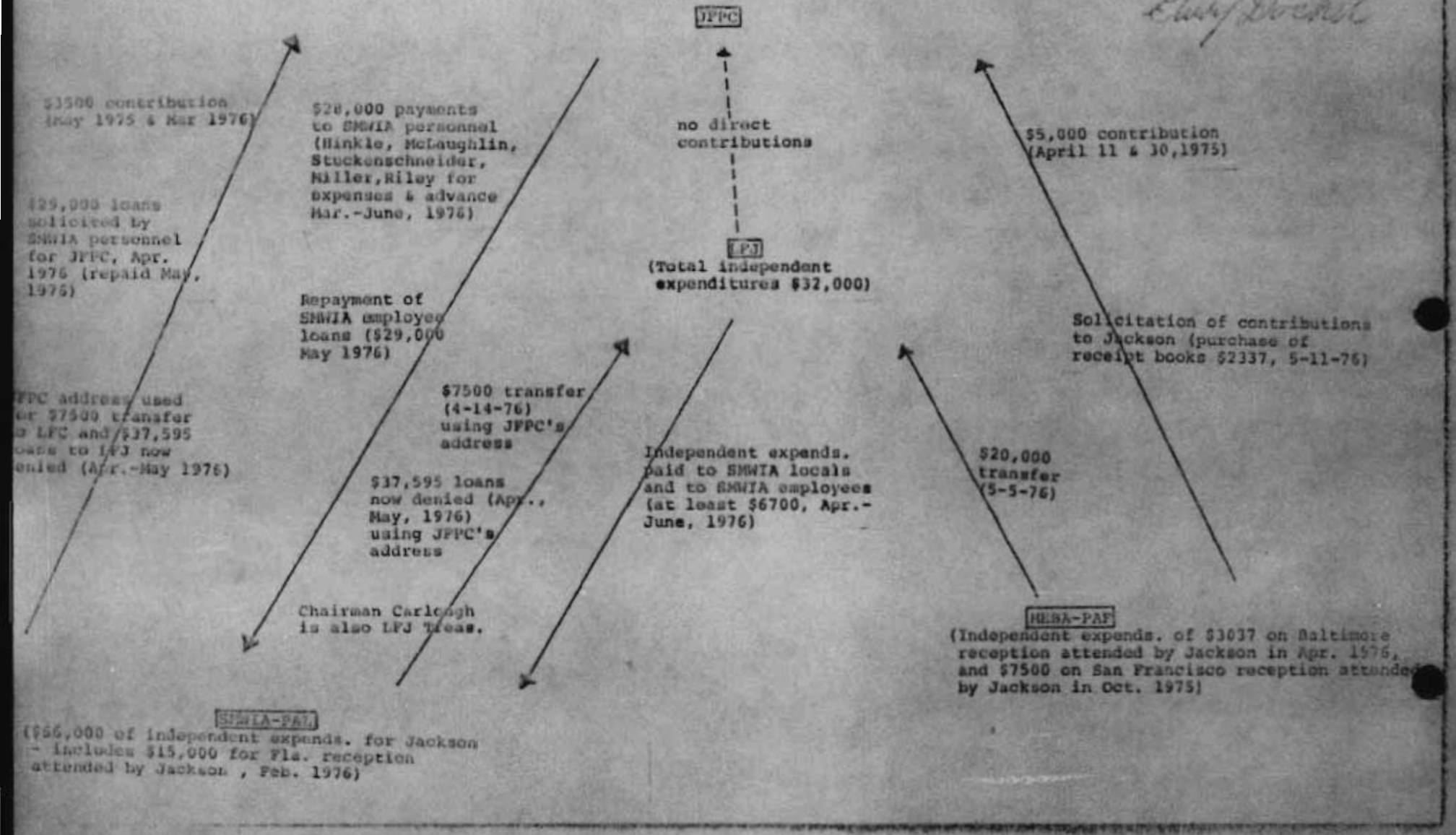
RE: MURs 236 (76), 260 (76), and 266 (76)

The three above-captioned matters involve overlapping issues and are so closely related that they will henceforth be treated together. Accordingly, three General Counsel reports are attached as well as a rather crude chart which attempts to make somewhat clear the interrelationship among these three respondents.

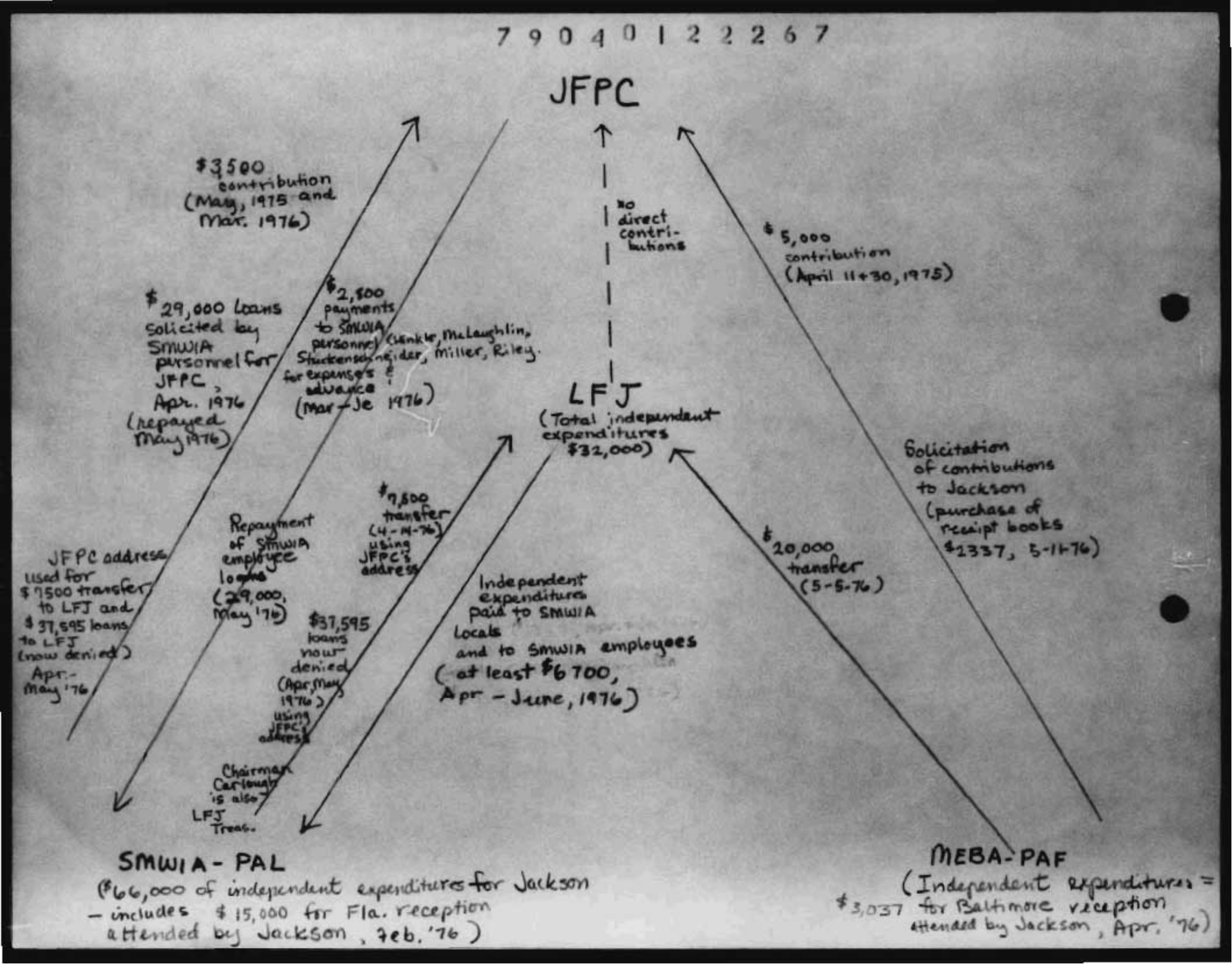
7904012265

7904012226 6

Exec/Docket



7 9 0 4 0 1 2 2 2 6 7



BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Marine Engineers Beneficial) MUR 260 (76)
Association Political)
Action Fund)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on June 22, 1977, the Commission determined by a vote of 6-0 to take the following actions in the above-captioned matter:

1. To find reasonable cause to believe that a violation of 2 U.S.C. Sections 434(b) and 441a(a)(2)(A) had been committed by the respondent in the above-captioned matter and to enter into a conciliation effort as soon as the remaining issues in this case have been further investigated as recommended by the General Counsel.

2. To close the file on the New York Labor Committee for Jackson in this matter.

3. To find reason to believe a violation of 2 U.S.C. 441 a and b had been committed by the respondent in this matter regarding the purchase of receipt books used in soliciting contributions to Senator Jackson.

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

7904012268

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Marine Engineers Beneficial Association Political Action Fund	)	MUR 260(76)
	)	

GENERAL COUNSEL'S REPORT

I. Allegations

This matter involves the question of whether certain expenditures made by Marine Engineers Beneficial Association Political Action Fund (MEBA-PAF) for a reception held for Senator Henry Jackson were contributions-in-kind rather than independent expenditures as reported by respondent. If the disbursements are found to be contributions, respondent will have exceeded the Act's contribution limits (2 U.S.C. §441a (a)(2)(A)). In addition, there are questions regarding expenditures made for the "New York Labor Committee for Henry Jackson," an unregistered organization, and the purchase by respondent of receipt books used in soliciting contributions to Senator Jackson. A final question, that of whether respondent is affiliated with Labor for Jackson, is dealt with in the General Counsel's report for MUR 236(76).

II. Commission Action

On October 14, 1976, the Commission found reason to believe that violations had occurred with regard to the reception-related expenditures noted above as well as the affiliation with Labor for Jackson issue. The remaining issues came to our attention through information received in response to Commission inquiries. Respondent was sent a request for

7904012269

information which was answered on December 23, 1976. After an analysis of this response plus information received in connection with two other MURs, a further request for follow-up information was approved by the Commission on April 14, 1977. This request was responded to on May 5, 1977.

III. Evidence

1. Reception-related expenditures. In April, 1976, respondent made expenditures totalling $3037.50 in connection with a Baltimore reception held for and attended by Senator Jackson. These payments were reported as independent expenditures made on behalf of the Jackson campaign. Respondent contends that there were no communications between it and Jackson or his staff regarding arrangements for his attendance.

Legal Analysis and Recommendation: Although respondent contends that there were no communications between it and Senator Jackson or his staff regarding his attendance at the Baltimore reception, this appears to be somewhat questionable since it would imply that Jackson's presence was a spontaneous, unplanned for occurrence. Moreover, Jackson's mere attendance at the function may be enough to suggest consent to any related expenditures. Such implied consent would negate the independence of these expenditures and result in a reporting violation by respondent. In addition, since respondent made a direct contribution of $5000 to the Jackson for President Committee on April 11 and 30, 1976, the additional reception-related expenditures as contributions-in-kind take respondent over its contribution limits.

It is recommended that a reasonable cause to believe finding

7904012270

be made regarding this violation of 2 U.S.C. §§ 434(b) and 441a(a)(2)(A), and that conciliation efforts be initiated as soon as the remaining issues in this MUR have been further investigated as set forth below.

2. Expenditures made for the "New York Labor Committee for Jackson."

On April 6, 1976, respondent reportedly spent $1957.48 on rental of a suite and the cost of food for a reception held for persons in the labor movement supporting Senator Jackson. The payments were reported as having been made for the New York Labor Committee for Jackson. Since no such committee was registered with the Commission, a request for information about the group was sent to respondent. In its May 5, 1977, response, MEBA-PAF indicated that the use of the name "New York Labor Committee..." was "simply for lack of any better name . . . for . . . identifying this independent expenditure as closely as possible. The term is descriptive of the type of individuals who were to attend the reception and does not represent any formal political committee. .."

Legal analysis and Recommendation: Since we have no knowledge that this organization's name appeared on any other reports, it is recommended that the file be closed with regard to this particular issue.

3. Purchase of Receipt Books Used in Soliciting Contributions to Senator Jackson

On May 11, 1976, respondent purchased receipt books for $2337.12 for the purpose of soliciting contributions to Jackson.

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Upon the Commission's request for an explanation of the use of these receipt books, respondent answered that they were used by the officers and representatives of District no. 1-Pacific Coast District, MEBA who, in April and May, 1976, solicited friends and members for funds to be collected and sent to the Jackson for President Committee.

Legal Analysis and Recommendation: Both the expenditure of PAC funds for receipt books and the solicitation effort by the labor organization officials would seem to be prohibited by §441b (see the explanation and justification of regulation 114.3(c)(2)). Labor organization activity involving the asking of persons to contribute to a particular candidate or political committee is limited to the asking of its members only, and, moreover, may not include facilitating the making of the contributions, as by providing envelopes addressed to the candidate. Certainly, then, a solicitation effort aimed at non-members as well as members and involving the actual collection of the contributions and forwarding by the labor organization to the candidate's principal campaign committee falls outside the scope of activities permitted by §441b. The use of PAC funds to purchase receipt books for such a solicitation effort would also be prohibited since general treasury funds would be involved in the expenditure.

Since this issue was not included in the original 48 hour report, it is recommended that reason to believe a violation of 2 U.S.C. §441b be found and depositions be taken to find what

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kinds of union time were spent in the organization and carrying out of this project. Specifically, a deposition should be taken of Leon Shapiro, Treasurer-Secretary of respondent.

William C. Oldaker
General Counsel

DATE: 6/20/77

7904012273

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 266 (76)
Sheet Metal Workers	)	
International Association	)	
Political Action League	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on June 22, 1977, the Commission determined by a vote of 6-0 to take the following actions:

1. Find reasonable cause to believe a violation of 2 U.S.C. Sections 434(b) and 441a(a)(2)(A) had been committed in connection with the reception held for Senator Henry Jackson, and that conciliation efforts be initiated as soon as the remaining issues in this MUR have been further investigated as recommended by the General Counsel.

2. Find reason to believe that a violation of 2 U.S.C. Sections 434(b) and 441a(a)(2)(A) had been committed by the respondent with regard to additional independent expenditures made in support of Senator Jackson's candidacy, and conduct an investigation to further probe the relationship of SMWIA and the Jackson for President Committees, including the taking of depositions from Mssrs Winkle, McLaughlin, Carlough, and Turner.

The Commission determined by a vote of 5-0 to take the following actions:

1. Close the file on the question of violation of 2 U.S.C. Section 441b in connection with the solicitation

(CONTINUED PAGE TWO)

7904012274

In the Matter of)
)
Sheet Metal Workers)
International Association)
Political Action League)

MUR 266 (76)
PAGE TWO OF TWO

resulting in SMWIA Employee Loans to the Jackson for President Committee,

2. Keep the file open to further investigate SMWIA contacts with the Jackson for President Committee with regard to the independent expenditure issue.

Commissioner Springer was not present during the vote on the latter two actions.

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

7904012227S

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
	)	MUR 266 (76)
Sheet Metal Workers International Association Political Action League	)	

GENERAL COUNSEL'S REPORT

I. Allegations

This matter involves the question of whether certain expenditures made by Sheet Metal Workers International Association Political Action League (SMWIA-PAL) for a reception held for Senator Henry Jackson were contributions-in-kind reather than independent expenditures as reported by respondent. If the disbursements are found to be contributions, respondent will have exceeded the Act's contribution limits (2 U.S.C. §441a(a)(2)(A)). In addition, there are questions regarding the independence of approximately $50,000 of additional expenditures made by respondent on behalf of the Jackson campaign, and a solicitation effort undertaken by certain SMWIA personnel which resulted in approximately $37,595 in loans from SMWIA personnel to the Jackson for President Committee. A final question, that of whether respondent is affiliated with Labor for Jackson, is dealt with in the General Counsel's report for MUR 236 (76).

II. Commission Action

In October, 1976, the Commission found reason to believe that a violation had occurred with regard to the reception-related expenditures and affiliation with Labor for Jackson noted

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above. The remaining issues have come to our attention through information received in response to Commission inquiries. Respondent was sent a request for information which was answered on December 16, 1976. Follow-up information was requested by the Commission in April, 1976, and a response to that request arrived on April 27, 1977.

III. Evidence

1. Reception-related expenditures. In February, 1976, respondent made expenditures totalling $15,304.08 in connection with a Bal Harbour, Florida, reception held for and attended by Senator Henry Jackson. These payments were reported as independent expenditures made on behalf of the Jackson campaign. Eight other organizations later contributed $9390.12 toward the cost of the reception.

In response to a Commission inquiry, SMWIA-PAL indicated that various communications by telephone took place between SMWIA officers and Senator Jackson to verify the Senator's availability to attend the function.

Legal Analysis and Recommendation: As in the similar case of reception-related expenditures made by the Marine Engineers Beneficial Association Political Action Fund (MUR 260 (76)), the contacts between Senator Jackson and respondent, as well as the Senator's attendance at the reception, suggest consent to the making of related expenditures. This consent negates the independence

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of these expenditures and results in a reporting violation and a violation of the Act's contribution limits.

It is recommended that a reasonable cause to believe finding be made regarding this violation of 2 U.S.C. §§434(b) and 441a(a)(2)(A), and that conciliation efforts be initiated as soon as the remaining issues in this MUR have been further investigated as recommended in this report.

2. Independent expenditures other than reception-related expenditures.

Approximately $50,000 in additional independent expenditures were made by respondent in support of Senator Jackson's candidacy. $37,595 of this amount was originally reported as loans to Labor for Jackson but respondent's reports were later amended to instead show these disbursements as independent expenditures. (The reporting inconsistency is dealt with in MUR 236(76)). Most of the $37,595 was spent for communication costs - e.g., air time, equipment rental, filming, etc.

According to information provided by respondent, the remaining $12,000 was paid to two SMWIA international organizers, Mssrs. McLaughlin and Hinkle, for the purposes of equiping vans with loud speakers to visit plant sites and shopping centers. These same two individuals received payments from the Jackson for President Committee for purposes of making independent expenditures - Hinkle's activities were centered in Florida, and McLaughlin's in Massachusetts. The payments to Hinkle postdate his independent expenditure activity for respondent, but McLaughlin's Jackson for President Committee activity predates his SMWIA-PAL activity;

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thus, it is possible to argue that his later activities were not independent (see regulation 109.1(b)(4)(i)(A).

According to respondent, both Hinkle and McLaughlin did not carry out any volunteer work for Jackson for President Committee that interfered with the performance of their normal duties for SWMIA.

In addition to the fact that respondent made independent expenditures through SMWIA employees who also received payments from Jackson for President Committee, there is evidence that respondent carried out a project of soliciting loans for Jackson for President Committee from SMWIA members. This issue is more thoroughly discussed in the next section of this report, but does lend support to the argument that respondent and Jackson for President Committee were too closely connected for respondent to make independent expenditures.

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Legal Analysis and Recommendation: There seems to be sufficient evidence of a relationship between Jackson for President Committee and respondent to taint respondent's "independent expenditures." Since this matter was not addressed in the original 48-hour report, it is recommended that the Commission find reason to believe that a 434(b) violation has occurred, and that an investigation be undertaken to further probe the relationship of both committees, including the taking of depositions from Mssrs. Hinkle and McLaughlin, and from Mssrs. Carlough and

Turner, the respective chairman and treasurer of SMWIA-PAL. (We have recommended that depositions be taken of all of these individuals, with the exception of Mr. Turner, in the General Counsel's report for MUR 236(76), and the depositions for both of these MURs would be coordinated).

3. Solicitation Efforts Resulting in SMWIA Employee Loans to Jackson for President Committee

According to reports of the Jackson for President Committee, $29,000 worth of loans were received from SMWIA members in April, 1976, and repaid in May, 1976. According to information supplied by respondent, SMWIA employees Lawrence Cassidy, Assistant to the General President, and Frank Scaduto, Director of Governmental Affairs, were contacted by someone associated with the Jackson campaign (respondent did not specify who, although a Commission inquiry did ask for this information) who advised then that Jackson for President Committee needed money which could be repayed if the Committee received federal funds. In turn, according to respondent, Scaduto and Cassidy contacted only SMWIA members (international organizers, representatives and vice-presidents) and asked them to make loans to Jackson for President Committee, pointing out "that the decision was up to each individual and that only voluntary contributions were being sought." No receipts were collected, as the loans were sent directly to Jackson for President Committee, and no list of costs of the soliciting effort was separately made.

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Legal Analysis and Recommendation: According to the explanation and justification of regulation 114.3(c)(2), a labor organization may communicate with its members asking that they contribute to a candidate. Since SMWIA did not collect and forward the money to Jackson for President Committee and apparently did not facilitate the making of the contributions by the members (such as by providing envelopes addressed to the candidate), the activity is permissable under 2 U.S.C. §441b.

However, the contacts between person(s) associated with the Jackson campaign and SMWIA personnel does lend support to the argument that SMWIA-PAL could not make the independent expenditures previously discussed in this report.

It is recommended that the question of a 441b violation be dropped, but that the possibility of further investigation of the Scaduto and Cassidy contacts with the Jackson campaign be left open with regard to the "independent expenditure" issue.

William C. Oldaker
General Counsel

DATE: 6/20/77

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Labor for Jackson) MUR 236 (76)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on June 22, 1977, the Commission determined by a vote of 6-0 to take the following actions:

1. To close the file on allegation #1 in the above-captioned matter, as recommended in the General Counsel's report.

2. To depose the several of the SMWIA employees who made independent expenditures for SMWIA-PAL, Labor for Jackson, and the Jackson for President Committee in order that the possibility of common control or coordination among these committees be explored more thoroughly. Specifically, depositions would be taken of Ernie Miller of Laurel, Maryland; Jim Hinkle of Decatur, Georgia; Edward Carlough; Roy Stringer of Indianapolis, Indiana; and Lawrence McLaughlin of Weymouth, Massachusetts.

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

7904012282

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 236 (76)
Labor for Jackson)

GENERAL COUNSEL'S REPORT

I. Allegations

This matter involves three issues: the first is whether Labor for Jackson violated 2 U.S.C. §434(b)(5) by failing to report certain loans which Sheet Metal Workers International Association Political Action League (SMWIA-PAL) reported as having made to respondent. The second issue is whether Labor for Jackson violated 2 U.S.C. §433(b)(2) by failing to report apparent affiliation with SMWIA-PAL and Marine Engineers Beneficial Association Political Action Fund (MEBA-PAF). A related issue is whether respondent's expenditures were in fact independently made as reported (2 U.S.C. §434(b)).

II. Commission Action

A reason to believe finding was made on October 14, 1976, regarding the failure to report the above-mentioned loans and the affiliation issue, and respondent was sent a request for information. At the same time the Commission made inquiries of SMWIA-PAL and MEBA-PAF, concerning related MURs 260(76) and 266(76). After analyzing responses from all parties involved, a 437d order for further information was approved by the Commission on April 21, 1977. A response to this request was received on May 31, 1977.

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III. Evidence

1. Loan Issue. According to reports of SMWIA-PAL, loans worth nearly $38,000 were made to Labor for Jackson in April and May, 1976. Labor for Jackson did not report receipt of these loans. In its December 17, 1976, response to a Commission request for information, respondent maintained that it had received no such contributions. Similarly, SMWIA-PAL responded on December 16, 1976, to a Commission inquiry by claiming that "due to confusion" they had erred in reporting the loans; rather, the disbursements were independent expenditures made "in connection with campaigns in various states in support of Senator Jackson's candidacy." On SMWIA-PAL's original reports the purposes of the payments show that most were for air time, filming and equipment rental. The loan characterization follows the description of the expenditure on the reports.

Legal Analysis and Recommendation: The evidence as to whether respondent received loans from SMWIA-PAL is unclear. SMWIA-PAL reported making the loans and later denied it; respondent denies ever receiving them.

In light of the fact that the purpose of each so-called "loan" was reported from the beginning as a payment to a vendor for communication-related costs, the argument that these expenditures were not actually loans seems a credible one. It is recommended that the file be closed with regard to this alleged reporting violation.

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2. Affiliation and Independent Expenditures Issue.

The sole evidence of affiliation between MEBA-PAF and respondent is a $20,000 transfer to Labor for Jackson on May 5, 1976. The evidence of affiliation between respondent and SMWIA-PAL is stronger in that it involves not only a transfer of funds to Labor for Jackson ($7500), but also an overlap in personnel (SMWIA-PAL's chairman is respondent's treasurer) and payments from Labor for Jackson to numerous SMWIA-PAL employees for the purpose of making independent expenditures. This evidence is indicia of affiliation according to regulation 110.3(a)(1).

A factor in the termination of the affiliation issue is that respondent reportedly used its funds only for the making of independent expenditures, and therefore did not fail to report affiliation in order to avoid the Act's contribution limits. However, it is not clear that Labor for Jackson's expenditures were in fact independent as reported. Respondent's May 31, 1977, account and description of its expenditures indicates that many of the so-called "independent" expenditures were made in the form of reimbursements to employees of SMWIA locals in several states, who had incurred costs of rental for transportation and for the purchase of literature for use in the support of Senator Jackson in ithe primary campaigns of Indiana, Pennsylvania and New York. This fact lends support to the argument that respondent and SMWIA-PAL were affiliated, and also is relevant to the independent expenditure issue, since some of the same SMWIA employees were also reimbursed by Jackson's principal campaign committee, and SMWIA was carrying out solicitation

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efforts for this committee also. (See General Counsel's report for 266 (76) for a discussion of this solicitation effort.)

Legal Analysis and Recommendation: The connection between MEBA-PAF and respondent is thus far evidenced solely by the $20,000 transfer. While the transfer of a substantial portion of funds is one of the indicia of affiliation, that fact alone does not seem to warrant such a finding. It is recommended that with regard to the issue of affiliation between MEBA-PAF and respondent, this matter be left open pending the collection of further information.

As for the SMWIA-PAL/Labor for Jackson affiliation issue and the independent expenditure question, the evidence of reporting violations is stronger. SMWIA-PAL's relationship to the Jackson for President Committee (discussed in MUR 266 (76)) and respondent's close ties with SMWIA-PAL (overlapping personnel and a pattern of making expenditures through SMWIA employees) indicate an interaction which requires further investigation.

It is recommended that several of the SMWIA employees who made independent expenditures for SMWIA-PAL, Labor for Jackson, and the Jackson for President Committee, be deposed in order that the possibility of common control or coordination among these committees be explored more thoroughly. Specifically, depositions should be taken of Ernie Miller of Laurel, Maryland, who was respondent's Pittsburgh coordinator (it seems that much activity centered around the Pittsburgh area) and Jim Hinkle

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of Decatur, Georgia, who was respondent's Philadelphia coordinator and who made expenditures for SMWIA-PAL and Jackson for President Committee as well as for respondent. In addition, Edward Carlough, President of SMWIA, chairman of SMWIA-PAL and treasurer of Labor for Jackson should be deposed since he seems to have had a major role in the making of respondent's expenditure decisions. Roy Stringer, of Indianapolis, Indiana, who made most of the Indiana campaign expenditures, should be questioned, and also Lawrence McLaughlin, of Weymouth, Massachusetts, who made expenditures for respondent as well as for SMWIA-PAL and Jackson for President Committee.

William C. Oldaker
General Counsel

DATE: 6/10 1977

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FEDERAL ELECTION COMMISSION
1125 K STREET N.W.
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR's# 236, 260, 266

Date Filmed 4/27/79 Camera No. --- 2

Cameraman GPC

∴ Note, these files have been merged.

7901220267

FEDERAL ELECTION COMMISSION

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

THIS IS THE END OF MUR Depositions 226, 266

Date Filmed 4/27/79 Camera No. --- 2

Cameraman SPC

October 20, 1977

Mr. Robert Joseph Keefe
103 Queen Street
Alexandria, Virginia

RE: LABOR FOR JACKSON and SHEET METAL WORKERS INTERNATIONAL ASSOCIATION-POLITICAL ACTION LEAGUE.

Dear Mr. Keefe:

The court copy of your deposition in the above-captioned case taken October 14, 1977, is submitted herewith for your reading and signing as agreed to by counsel.

Please follow the procedure enumerated below in order to comply with the rules.

1. Make corrections in ink.
2. Any language stricken or corrected should have a single line drawn through it and your initials so that the court may have before it the language as transcribed as well as corrected.
3. Place an asterisk at the end of each correction and at the bottom of each page state your reason for the correction.

The rules require a reason for any change or correction. I may be general, such as, "to correct stenographic errors," or "to clarify the record," or "to conform with the facts."

Please sign on the line indicated and return this court copy to this office as soon as possible.

Sincerely yours,

Milton & Greenwood Reporting Associates, Inc.

CC: Judith Browning, Esq.
File

7904012290

Milton & Greenwood Reporting Associates, Inc.
(formerly Reynolds Reporting Associates, Inc.)
General Stenotype Reporting
Suite ~~X300~~ 1110
1028 Connecticut Ave., N.W.
Washington, D.C. 20036

FEDERAL ELECTION COMMISSION

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Milton & Greenwood Reporting Associates, Inc.
(formerly Reynolds Reporting Associates, Inc.)
General Stenotype Reporting
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1028 Connecticut Ave., N.W.
Washington, D.C. 20036

R. E. Milton
President
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RECEIVED
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November 11, 1977

William C. Oldaker, Esq.
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

RE: In the Matter of: LABOR FOR JACKSON and SHEET METAL WORKERS INTERNATIONAL ASSOCIATION-POLITICAL ACTION LEAGUE, MURs 236, 266 (76)

Dear Mr. Oldaker:

The deponent, ROBERT JOSEPH KEEFE, has read, corrected and signed his deposition taken on October 14, 1977, in the above-captioned matter.

The following corrections were made by Mr. Keefe:

Page	Line	From	To
6	16	"is an international"	"was my"
6	18	"Glass"	"E."
9	7	"1977"	"1976"
9	9	"1977"	"1976"
9	17	"engineer"	"finance director"
10	19	"I think he was in, he came on June 1, maybe."	"He came on June 1, maybe."
12	4	"It was a relative meeting on the objectives of the"	"It was a relative meeting oriented campaign on the objectives of the"
12	8	"groups"	"group work"
12	18	"close"	"employees"
12	22	"Committee was started in July of, or so,"	"Committee was started in July of 1974 or so,"
13	5	"money. That"	"money."
14	12	"concurrently -- well, not of an element of people; when"	"concurrently -- when"
14	13	"we are talking just"	"we are talking not just"

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(Corrections to deposition of ROBERT JOSEPH KEEFE, cont'd.)

Page	Line	From	To
15	7-8	"Yes. Tim Stierwalt dealt with labor, like for a period of time. But"	"Yes. But"
16	11	"lawful"	"unlawful"
16	13	"did exist"	"did not exist"
16	15	"unlawful"	"lawful"
17	20	"expenditures."	"expenditures?"
18	4	"got to dis-"	"got done dis-"
18	12	"familiar-"	"support."
18	19	"committee"	"meeting"
19	13	"when New York and Pennsylvania were"	"when the New York and Pennsylvania primaries were"
22	4	"election committee"	"Democratic National Committee"
23	1	"time because"	"time but because"
23	2	"sick. He had a major operation."	"sick, He had a major operation responsibility"
24	6	"town. We kept away a broader group of people."	"town."
26	7	"Saul Chaikin."	"Sol Chaiken."
28	11	"union"	"paper"
28	21	"Yes."	"The National Labor Committee."
30	9	"national Labor for Jackson"	"National Labor"
30	17	"Jackson"	"National"
30	18	"Labor for Jackson"	"Jackson for President"
31	1	"Jackson Labor Committee"	"Jackson for President Committee"
33	16	"No, I know that"	"I know that"
37	18	"when they signed guarantees or not."	"or whether they signed guarantees or what."
43	20	"essentially of"	"essentially all of"
45	18-19	"was in town and since his school kids had gone to the country he had time to himself, sitting by the phone."	"was in town."
50	20	"was"	"were"
54	3	"Q. Charles Hanowell"	"A. James Reilly"
56	2	"prove"	"approve"

The deposition having been read and signed, the original is

7904012294

herewith submitted to you for filing.

Sincerely yours,

MILTON & GREENWOOD
REPORTING ASSOCIATES, INC.

Peggy L. Greenwood

Peggy L. Greenwood
Vice President

Enclosure

cc: file

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of:	:	
LABOR FOR JACKSON and SHEET METAL WORKERS INTERNATIONAL ASSOCIATION-POLITICAL ACTION LEAGUE	:	MURs 236, 266 (76)

Washington, D. C.

Friday, October 14, 1977

Deposition of

ROBERT JOSEPH KEEFE

a witness in the above-entitled matter, called for examination by counsel for the Federal Election Commission, taken at the offices of the Federal Election Commission, 1325 K Street, Northwest, Washington, D. C., beginning at 11:15 o'clock a.m., before William C. Oldaker, Esq., when were present on behalf of the respective parties:

7904012295

Milton & Greenwood Reporting Associates, Inc.
(formerly Reynolds Reporting Associates, Inc.)
OFFICIAL REPORTERS
1028 Connecticut Ave., N.W., Suite 1110
Washington, D.C. 20036
Phones: (202) 833-3698
833-3699

For the Federal Election Commission:

WILLIAM C. OLDAKER, ESQ.
and
JUDITH BROWNING, ESQ.
1325 K Street, N. W.
Washington, D. C. 20463

For Robert Joseph Keefe:

MICHAEL A. NEMEROFF, ESQ.
SIDLEY & AUSTIN
1730 Pennsylvania Avenue, N. W.
Washington, D. C. 20006

C O N T E N T S

WITNESS:	EXAMINATION BY COUNSEL FOR: FEDERAL ELECTION COMMISSION (Mr. Oldaker)	(Ms. Browning)
ROBERT JOSEPH KEEFE	3	59

HEMLOCK
ERASABLE
COTTON CONTENT

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Thereupon

ROBERT JOSEPH KEEFE

a witness, was called for examination by counsel for the Federal Election Commission and, after having been sworn by William C. Oldaker, Esq., was examined and testified as follows:

EXAMINATION BY COUNSEL FOR THE FEDERAL ELECTION COMMISSION

BY MR. OLDAKER:

Q State your full name for the record.

A Robert Joseph Keefe.

Q What is your current address?

A 103 Queen Street, Alexandria, Virginia.

Q Where are you currently employed?

A I am employed by the International Management Consultants, 1155 Fifteenth Street, Northwest, Washington, D. C.

Q How long have you been there?

A I have been there since January 21, 1977.

Q Have you been employed there continuously?

A Yes.

Q Where were you employed before that?

A I was previously employed by the Democratic National Committee.

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HEMLOCK ERASABLE COTTON CONTENT

ERASABLE
COTTON CONTENT

Q What capacity were you in there?

A My title -- I was the Executive Director of the Campaign Coordinating Committee.

Q For what term were you there?

A I was there from August 1, 1976, through January 21, 1977.

Q And what were your duties there?

A My duties essentially were to provide some coordination between the Democratic National Committee activities and the efforts of the presidential campaign.

Q Which presidential campaign?

A The campaign of Jimmy Carter.

Q Presidential campaign of Jimmy Carter. What kind of coordination, just generally?

A This is a difficult area, I had -- because it was so general, I did a little bit of everything.

Q Did you basically talk to people to campaign?

A Yes, various people. All kinds of state, local and federal.

Q Did you have any dealings with independent groups at that time, being labor, corporate?

A Yes, but it was limited. It was a modest portion.

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HEMLOCK

COTTON CONTENT

I was also during that period essentially self employed on the side.

Q What were you doing there?

A We had a company which handled a campaign during that period and I spent some time on that, the campaign of a gentleman from Tennessee by the name of James R. Sasser.

Q How much time did you devote to that?

A Couple days a week.

Q Did you do this from here, or did you go to Tennessee?

A Both.

Q Prior to the DNC where were you employed?

A From December 1 of 1974, until the end of July, '76, I was employed by the Jackson for President Committee as campaign director.

Q What were your duties there?

A My duties were general supervision of the entire campaign, although there were elements of the campaign I did not direct or handle, primarily the treasurer or the controller functions.

Q Prior to the Jackson for President campaign, where were you employed?

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HEMLOCK

A I was Executive Director of the Democratic National Committee from December 7, 1972 to November 30, 1974.

Q And prior to that where were you employed?

A Prior to that I was self employed.

Q What vocation?

A From Washington or Alexandria?

Q Vocation?

A I was a political consultant.

Q Basically, what is that?

A During this period of time I was a consultant to the AFL-CIO's Committee on Political Education, and during that period I assisted them in their efforts relative to finding the convention delegates and working in the campaign.

Q And when you say the AFL-CIO, any particular group?

A No. The AFL-CIO Committee on Political Education ~~is an international~~ was any contract employer.

Q Who did you deal with over there?

A I was reporting to Alexander ~~Glass~~ E.* Barkin.

Q Did you have other contacts with other labor people at that time?

A That was my job. Yes, I had contact with labor people, local level, state level, and international unions

* Corrections stenographic above

HEMLOCK GRASAFLE

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themselves.

Q Was this contact on a very regular basis?

A That was very close to my full-time occupation for a year.

Q Did you have contact with the Sheet Metal Workers?

A Very little at that time. A modest amount. You mean in that period?

Q Correct.

A Very little. They were not the focus of any activity specifically. I am sure I met them, but it was not a major part --

Q What unions did you have more contact with?

A Well, first of all, a great majority of my time -- within the structure of the AFL-CIO, the more active political unions within that clearly were the Steel Workers, Retail Clerks, maritime unions, generally.

Q When you say maritime, who do you mean?

A Seafarers International Union, Marine Engineers Beneficial Association, members of Maritime Trades Department, AFL-CIO.

Q Did you deal with any of the international people at all in the maritime --

A Yes.

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Q Who?

A At that time I dealt with Paul Hall of the Seafarers, Jesse Calhoun of the Marine Engineers Beneficial Association, and Bill Moody, who is the director of the Maritime Trades Department. There are others, but I -- any others that come to mind at this time -- there is a guy, Earl Davis, who was then a Retail Clerk. They move around a lot.

Q Did all of these internationals have what are mainly called political action committees?

A I assume they did.

Q Did you deal with them?

A I dealt with staff members of the committees in their international offices. I had absolutely nothing to do with committees as a committee. I made no political decisions nor interacted with committees as such. I interacted with people who were employed by the committee or of the committee.

Q Would it be fair to state that your duties during a period of time with the AFL-CIO was as an adviser on how to do things?

A Yes, very much so.

Q How to organize political committees, organizations,

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campaign?

A That is quite accurate.

Q Let's go back to a more relevant period of time. May I have the time you worked for the Jackson Committee? What were the dates again?

A December, 1974, and I believe that I was payrolled through the end of July of 1976. I actually sort of disbanded following the Democratic National Convention, but I think the payroll date would be 1976.

Q The time is only for my mind. And you said during that time you acted more or less as overall director of the campaign save for financial things, accounting and control-type things. Who handled those matters?

A This was Walter, S-k-a-l-l-e-r-u-p, Jr.

Q And was he located here, also in Washington?

A Yes. There was also sort of a financial element which he handled, treasurer role, and an engineer by the name of Richard, K-l-i-n-e.

Q Where was the committee located?

A 511 Second Street, Northeast, Washington, D. C.

Q What was that location, a building, townhouse?

A It was a townhouse building. Eventually we expanded

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into 513 and 515, I guess a series of townhouse buildings.

Q Now Mr. Skallerup was located in those offices?

A Yes.

Q Was he there for most of the period.

A He predated and postdated my employment with the committee.

Q What were his duties?

A He was the treasurer and general counsel, and as such he gave all legal advice for the committee and performed many functions required by law of a treasurer, supervised the accounting, controlling function.

Q Who was the controller?

A The controller was Martin, K-a-t-z.

Q What were his functions?

A His functions were esentially to handle financial transactions, keep records, pay bills, et cetera. He did not arrive on the scene until approximately, I am guessing, it would be early summer of '75, I would say, maybe May 1, maybe June, July, ~~I think he was in,~~ he came on June 1, maybe.

Q Were there other individuals involved in the financial aspect?

A Yes. There was probably a minimum of ten to twelve

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people involved in that activity.

Q Were there any other principals or supervisory people involved?

A No, the three principal supervisors were Skallerup, Kline, and Katz.

Q Who did these people report to if they didn't report directly to you?

A There was always some question about that. It is somewhat safe to say we operated pretty well together. If there were major disagreements, the candidate pretty much settled it.

The Senator had another -- there was another gentleman who impacted on total management of the campaign whose name was Sterling, M-u-n-r-o. He was the Senator's administrative assistant, and he left the Senator, retired to the quiet and peace of the Jackson Committee, where his title, I forget. He was a senior adviser or principal of the committee.

Q May I just ask one question? The financial group, did they report to you?

A No.

Q Campaigns, you are more aware, operate in many different ways. How did yours operate as far as making

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decisions? You can answer in a long ramble if you want. I am more interested in, did you have meetings? How did decisions get made? If you met with the Senator? oriented campaign * RR

A It was a relative meeting on the objectives of the campaign, on overall budget. Later, that is to say, we would make broad budgetary decisions which essentially are the major decisions of the campaign, how you are going to spend money. There was a lot of groups (4 work) involved in that. In terms of the tactical decisions, those were left generally to the operating people. By that, I mean, I would make most of the broad decisions in areas where exactly the campaign activities were involved, with what we were saying, how we were saying it, organizational aspects, that sort of thing. And the financial people would decide how, when, and where to use the Senator, what have you, raising money, that sort of thing.

So the broad outlines of the campaign were jointly arrived at by a group of a half dozen of us, including the Senator, and including the people who were not ~~elops~~ employees * RR but volunteer and principal adviser-type people.

Q How was the fund raising done if you can recall?

A The fund raising for the Jackson for President Committee was started in July of (1975) or so, I am not sure. It

* Clarify please

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was begun in the summer of '74, and Dick Kline, who was an experienced professional political fund raiser, did that, and did it apparently through -- he was what you would consider an event-oriented fund raiser. He would put together large events for various sums and raise most of the money. ~~That~~ way we had an extensive direct-mail campaign which I think broke even. And then as the time wore on, we did a lot more of telephone fund raising by a lot of volunteer big contributors, big fund raisers who would come forward and help us raise money on the phone.

Q Were you involved in fund raising at all?

A Sure.

Q I mean you --

A Well, first of all, I have a background and know a lot of people who are contributors, so I would do a very modest amount of solicitation, but I would provide ideas, list sources for fund raising, and I would attend fund-raising functions, many times be a part of the program for a fund raiser to tell them how we were going to win.

Q As far as fund raising, was a specific group of people, labor-type people, were they involved that much with those kinds of people fund raising, with those particular kinds of people?

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A To some degree. I don't think we got a substantial portion of our money from labor.

Q I think that is correct. What did you do, if you recall, in that area. Do you know people from your days as a consultant and --

A Well, I was, over the past fifteen years I have known and associated, both socially and professionally with a large number of labor people, and in the course of the campaign we sought as a campaign objective a couple of things from organized elements of labor. We tried to enlist their endorsement, their support, and their money, and we did that somewhat concurrently -- ~~well, not of an element of people~~, when we are talking not just about money or support, it would run together.

Q You are talking about what kind of money at that time?

A Basically contributions of political action committees.

Q What unions did you deal with most, if you recall. If there were some you dealt with most?

A What we are talking about, most of the time I spent in direct contact with this kind of activity was

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through '75, and we had a number of meetings with just about every imaginable labor union you can lay your hand on in town, and at two levels: the level of the COPE operating directors and the international officers.

Q International officers of various constituent groups of AFL-CIO?

A Yes. ~~Tim Stierwalt dealt with labor, like for a period of time.~~ But in each instance we were trying to make points for the Senator's candidacy, and asked them for everything from helping to get their people to get delegates on the Senator's behalf, support within the AFL-CIO structure for potential endorsement, money, whatever else we could try to enlist.

Q When you say whatever else, do you have anything particularly in mind, other than COPE's communication with members?

A Essentially, when you are in a campaign, you have people who have handled membership organizations. You want them to do everything you can to help you.

MR. NEMEROFF: When you say money, do you mean contributions from political action committees?

THE WITNESS: Essentially. I am not above asking

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individuals I meet for a contribution from them.

BY MR. OLDAKER:

Q Most particularly in our questions on independent expenditures, did you have any discussions with any of these unions or union political action directors or employees of the unions as to independent expenditures?

A As I suggested, most of the discussions, most of the time I spent really working with these people was in '75 when the independent expenditure limitations were such that it was not conceivably a major impact on the campaign.

MR. NEMEROFF: For the record, they were lawful, or at least not limited by the Constitution.

THE WITNESS: They did exist for practical purposes. And there was very little discussion of it, and by the time they became unlawful, which was January, '76 --

MR. OLDAKER: Correct. January 30.

THE WITNESS: -- January 30, '76, we were so busy putting out fires, I never really had a chance to try to get something up in that direction, if it was a practical thing to do.

BY MR. OLDAKER:

Q Were you aware they were made?

A Yes.

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Q How did you become aware of that?

A I was made aware of it in certain several ways. One, I observed some from time to time, and secondly, I was told by members of my campaign staff and members of the union that they were making independent activities in our behalf.

Q Who on your campaign staff told you specifically of independent expenditures?

A They really wouldn't say there was an independent expenditure going on down there. They would say, "What are those turkeys doing over there on the square with Jackson?" That is esentially the way I would get a report of independent activities. A person who was working would all of a sudden see things going on in Boston and start raising cain with me as to what was going on, and I wouldn't know it, and that is how you quickly become aware of a lot of independent activities.

Q As to people outside of the campaign, you said you became aware at times of those individuals. How did that come about, those individuals?

A The labor committee which was organized to make independent expenditures?

Q Labor for Jackson Committee?

A I am sorry. Labor for Jackson Committee. The principal or number of principals of that organization. Actually,

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I remember having a meeting with them, not about that, but about some activities, some campaign conflicts that we were trying to resolve and seeking their support relative to one side or the other of the conflict. And when we got ~~to~~ done discussing that, they suggested that they wanted us to leave, because they were going to form a committee and would go out and make some independent expenditures.

Q What kind of conflicts were they?

A It was internal. It had nothing to do --

Q Conflicts inside? I mean not conflicts with the union?

A That is correct. We were soliciting their ~~familiar-~~ support ~~ity.~~

Q The individuals that were involved in those meetings of the Labor for Jackson Committee at that time, were you acquainted with them?

A Sure.

Q Do you remember the names?

A That particular ~~committee~~ meeting, which was probably Aprilish --

Q What year?

A '76. It was Joe Keenan, Jesse Calhoun, Eddie Carlough.

A correction

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What were the iron workers' names? John, L-y-o-n-s, do you recall, I think maybe J. C. Turner were the international officers we were meeting with at that time.

Q What did you discuss with them if anything at that time about independent expenditures or formation of the Labor for Jackson Committee?

A Absolutely nothing. They just informed us. That was it, period.

Q When would you say they did individually inform you?

A I would not be able to recount who said what. You could say this would have been the period around whatever the period of time was whenever the Labor for Jackson Committee was organized, but it was when New York and Pennsylvania were happening, and they were getting concerned about the campaign, as we were, and they just told us they were going to do their own thing and see you later. That kind of conversation.

Q Now, as to these five individuals, Carlough, Calhoun, Keenan, Lyons --

A Perhaps Turner.

Q -- Turner, is that right?

A When we say those five individuals, I believe all those were there?

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Q Did you know these individuals before that time?

A Yes, for a long period of time.

Q What was your relationship with each of them individually?

A I was generally friendly for a long period of time with these individuals.

Q Carlough, how did you become acquainted with him?

A Carlough, I probably knew least of anybody in the room. He is a younger man. His father was president of the union before him, and I knew his father a little better years ago. Generally, I have met most of these people socially or at appearances every year when I have visited meetings and conventions of labor groups.

Q Is that the same for the other four?

A It would be fair to say my relationship with all of them grew up in the same way. I have been going to the mid-winter meeting of the AFL-CIO in Miami, as Mr. Nemeroff's father can attest, probably since 1966. I have been going there annually, because it is a terrific time to go to Miami, and for a period of a week we sit around the pool and play golf, and it is a great way to do business. And I have also worked with them in a more formal atmosphere.

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Q As to these five people, instead of repeating their names each -- I think we know them. Did you deal with them prior to the formation of the Labor for Jackson Committee as to the campaign of Jackson for President Committee?

A Yes. It is fair to say they were a target group of our campaign, and from the day we got started, we were trying to enlist them and others. Although these are important people of labor, we were trying to enlist as many of them and their peers as we could. And we had meetings in the Senator's home, dinner, brought them together, things of this nature.

Q At those various meetings and those various contacts what were the basic conversations? Were you asking advice, support, how you should run the campaign?

MR. NEMEROFF: When did these meetings occur, in what year?

THE WITNESS: '75, although I think we had one in '74.

BY MR. OLDAKER:

Q I imagine you had discussions with these individuals in the formative stage?

A Absolutely. We were of the impression that Senator Jackson should be "labor's candidate" in '76, and he enjoyed

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a very fine relationship with them over the years. They had worked together very closely in the aftermath of the '72 campaign. Part of my responsibility in this year was helping get a new chairman elected to the ~~Election~~ Democratic National Committee, Mr. Strauss, and essentially, elements of that were Senator Jackson, AFL-CIO, and others. But they were principally interested in getting Strauss elected to the committee chairmanship, and they had a very close working relationship. Senator Jackson enjoyed a very long and positive support of labor accomplishment.

So we would esentially try to maintain social contact with them, but also be trying to sell them on getting the support of AFL-CIO, and their own union. Mr. Meany and Mr. Jackson had a falling out at the end of '74 over the trade bill, so we were trying to put things back together. In other words, relations at the beginning of '75 were worse than they had been in the previous couple of years, and we were trying to do spade work.

Q When you dealt with these five individuals, who was J. C. Turner?

A J. C. Turner is now the general president of the Operating Engineers Union. He was then, I think, the second

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officer, I think, secretary-treasurer at that time, because but the president was sick. He had a major operation responsibilities

Q Back to the question as to these five individuals. What kinds of discussions were actually held as to the Jackson for President Committee? In other words, did you ask for advice on how to organize the campaign? Did they participate in any way with the organization, the fund raising, or decision-making?

A You always get their advice whether you ask for it or not, so I got a lot of advice on what to do and how to do it. I can't give you a specific, but I am sure we would ask from time to time what we might do or the impact of something. One of the biggest things, we were trying to figure out how to recreate good feeling between Meany and Jackson at that time.

Q Did you tell them at various times you had meetings at the Senator's house, dinner, more formal meetings, did you tell them how you were running the campaign and ask for advice on whether that was a good way to proceed, you and others?

A It would be fair to say we told them what we were doing, the general strategy concepts, how the campaign would play. I don't think we really asked for advice in a meaningful

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way.

Q But if you recall, you were allowing them to criticize?

A Sure. I had to position us in a special way. It just happened they were in a meeting at that time or were in town. ~~We kept away a broader group of people.~~ X 52

Q Labor people?

A Yes.

Q I am sure you dealt with a broader panoply than labor?

MR. NEMEROFF: With respect to other labor leaders, other than the five you mentioned, did you provide the same kind of general information as to what you were doing in the campaign, and did you receive the same kind of advice whether solicited or not?

THE WITNESS: Sure. It just happened these five people became the topic of discussion because I believe they were in a meeting. That was the only time I discussed the Labor for Jackson Committee.

BY MR. OLDAKER:

Q And, at least to your knowledge, were involved with the Labor for Jackson Committee?

A Yes.

A Clonfirmation

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Q You said basically these discussions at the Senator's home were in '74, '75. During the period,post January, '76 did your relationship with these individuals change and if so how?

A Esentially, I personally became busier and had less time to --

Q That was the primary time?

A Exactly, and I was traveling,for many of the union people were headquartered here. I saw more of the guys in New York because I spent a lot of time there, but esentially I saw less of them and less of them socially.

Q Did you still maintain a relationship of basically talking to them about how the campaign was doing, what its success and failures were?

A I tried to discount the failures. They discussed those, and I tended to discuss the successes.

Q Would it be fair to say it was a fairly open participation?

A I think that is true.

Q That would be especially these five individuals? Although I realize you were in the hurly-burly of the campaign, the time preconvention, but you think you talked to

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these individuals?

A And others.

Q I am not saying these were the only people you talked to.

A For example, John Lyons, I did not speak to much or very much to John Lyons during that period as I did to Sol Chaiken.

MR. NEMEROFF: Were there other labor leaders for whom you were also coordinating interest and support?

THE WITNESS: Yes, during the early part of that year we put together a committee which was a paper organization trying to demonstrate a broad base of support.

MR. NEMEROFF: Who were the members of that committee, and list other labor leaders you were interested in getting support from and talked to on a regular basis.

THE WITNESS: The labor committee -- I would hate to try to recall the names on that list.

BY MR. OLDAKER:

Q How large was it?

A I think we had twenty or so, and, well, it was informal. We would add somebody at the last minute.

Q What type of people were on it?

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A International presidents and lesser officers of various unions.

Q Where most internationals covered?

A No. We had a good broad base, but we did not have as much as we would like. I suppose we had a list of twenty or thirty, and there are 140 internationals.

MR. NEMEROFF: Did you talk to members of these organizations in the same way you talked to the five individuals we have mentioned earlier?

THE WITNESS: Sure, generally informing them about the success of the campaign. At that time we were projecting success.

BY MR. OLDAKER:

Q Did they indicate to you what they thought you should do?

A They always do.

Q I understand. Did you ever talk to any of those people on your committee as to decisions of fund raising or decisions in various states?

A Sure.

Q Getting the Jackson word across?

A Sure.

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COTTON CONTENT

Q That was an ordinary occurrence?

A It was an ordinary occurrence. It was an ordinary and regular occurrence, and we would ask them, for example, to be in touch with their local leadership, because we would be trying to put together a local committee, a committee in Massachusetts for the Massachusetts campaign, where we would have a letterhead of important individuals in the State of Massachusetts.

Q This is the labor committee in Massachusetts?

A Labor Committee, which, again, was not a separate committee under the terms of the act, just a ~~union~~ Paper * organization.

Q A good public relations organization?

A Yes, put their names at the bottom of an ad or something.

Q The unions which in my mind are, I guess, MEBA and the Sheet Metal Workers. Did you have a similar type arrangement with those unions? They were part of this presidential committee?

A The labor committee?

Q The Labor for Jackson Committee?

A ~~Yes.~~ The national labor committee. I am sure Jesse was.

Q Jesse?

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COTTON CONTENT

A Calhoun was on that committee. I presume Eddie Carlough was.

MR. NEMEROFF: Do you know one way or another?

THE WITNESS: No.

MR. OLDAKER: Is there a way of determining that?

THE WITNESS: I am sure we can determine from the files of the committee.

MR. OLDAKER: I would ask then that it be supplied at a later time for the record.

THE WITNESS: The records and files are not in my custody, but I will try to find them. It was a press release I am sure.

BY MR. OLDAKER:

Q The other fellow, you say, was Eddie Carlough. How about the name of David Turner?

A David Turner is secretary-treasurer, I believe, of the Sheet Metal Workers. He may or may not have been. We generally tried to have one person from a union on that committee.

Q Do you remember specifically whether Joe Keenan was on --

A Joe Keenan, I am sure, was on.

Q How about Charles Black?

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A I don't think Charles Black was.

Q Do you recall if Leo Shapiro --

A No. The principal activity of that committee was to have a very expensive luncheon in New York which Senator Jackson would be roundly critical of the cost of.

Q Since you have mentioned it, was this the New York Labor for Jackson Committee?

A No. That was not the New York Labor for Jackson Committee. That was the National Labor ~~for Jackson~~ '76 Committee, which we threw together and tried to find a time and place when Senator Jackson was going to be some place where we could get decent press, and we announced it at a news conference in New York in early or mid January of '76.

Q The Jackson Labor Committee --

A It would be the --

Q Jackson Labor Committee?

A ~~Jackson~~ National '80 Labor Committee which would be a satellite organization of the ~~Labor for~~ Jackson for President '76 Committee.

Q Are you familiar with the New York Labor Committee for Jackson?

A No.

Q And basically, the lunch was paid for in New York.

Correct

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A By the Jackson Labor Committee. He thought at least it should have been dutch treat.

Q As to the Senator's relationship, at least to your knowledge, did the Senator deal with some of these same individual labor leaders on an ordinary basis.

A Yes, he did.

Q Do you know how he dealt with them. Did he telephone or meet with them or both?

A I would say, first of all, he would meet with them and talk with them by phone. You really have two very different circumstances, precampaign for the period of '75, Senator Jackson spent most of his time in Washington working on legislation. From January 1, '76 until the end of the campaign he was on the road a hundred percent of the time.

Q Do you know personally, during the first part of that, do you know personally if he called such individuals as Eddie Carlough to ask for advice during the course of the campaign?

A Well, on a regular basis --

MR. NEMEROFF: The question was whether Senator Jackson called Eddie Carlough. Do you know personally during the course of the campaign?

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A I don't know whether I ever saw or heard him.

Q Would you say it would be his ordinary operating procedure to call individuals that like --

A It was our ordinary activity to try to get him to make those calls. Many times he didn't get them made.

Q Would it be fair to say many times those were massaging?

A That would be a very good characterization.

Q But he would ask for advice, how he did on a TV show, if his position was correct?

A Sure. They would also deal as a Senator with how he should vote. Many times they were looking to him relative to legislative activity, relative to the campaign.

MR. OLDAKER: Off the record.

(Discussion off the record.)

BY MR. OLDAKER:

Q Back on the record. During the period of, I guess, the end of January '76 until the end of May, '76, there was a hiatus where money was not paid to the committee.

A By the Federal Government?

Q By the Federal Government, on a matching fund basis. I imagine there were some financial difficulties, as

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there were at other committees?

A Yes.

Q Are you aware of loans given to the Jackson for President Committee at that time.

A I am familiar with the fact that loans were made to the committee, yes.

Q What is your familiarity with those loans?

A My primary connection with any of that was internally trying to discuss the wisdom of taking loans. There was a divided opinion among the top of the campaign as to whether, in fact, Jackson might, or should incur debts additionally to what was the normal operations of the committee, whether or not borrowing money was a good idea and whether or not the Federal matching funds would be forthcoming. That was my most direct involvement in any of the lending, was trying to argue that we should, in fact, borrow. ~~No,~~ I know that individuals made loans to the committee, and some of the members of organized labor made loans to the committee.

Q Were you aware how these loans were obtained?

A No. Not really.

Q Were you aware of any methods of soliciting those loans?

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MR. NEMEROFF: Off the record.

(Discussion off the record.)

BY MR. OLDAKER:

Q Did you ever have an occasion to talk to any of the labor leaders who were on your committee, the Jackson Labor Committee, as to the possibility of obtaining loans, et cetera, from their political action committees or from them as individuals or from their individual members?

A I don't remember any such conversations no. I don't think I did. I just --

Q In either direction, you discussing them, or them saying to you. Would this be a probable course of action?

A I can't remember anything of that nature. I had dealings or conversations from individual members, but I don't remember any loan questions.

Q Were you aware of the size of loans coming from various unions or the membership of various unions?

A Only from the reports I got. I got a regular daily financial report. Aggregate loans were an item on the report.

Q Do you recall the size of those aggregates?

A I would venture that total aggregate loans would have gone to something around $30,000 to $40,000 at one

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point in the campaign. That would not be exclusively labor loans. It would be all loans to the committee.

MR. NEMEROFF: Did the report you received identify the maker of the loan?

THE WITNESS: No, it was just a balance sheet kind of report.

BY MR. OLDAKER:

Q Did you ever become aware of who those loans were, in fact, from?

A I learned that loans had been made by members of the Sheet Metal Workers.

A And did you become aware of the amounts of those loans?

A I don't really think I know the total amount.

Q It was in the thousands of dollars?

A Yes.

MR. NEMEROFF: Did you learn loans were made by members of other organizations besides the Sheet Metal Workers?

THE WITNESS: Yes.

MR. OLDAKER: Do you recall who those were?

THE WITNESS: No. I thought it was sort of a general thing being done.

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MR. NEMEROFF: Is there any special reason you remember the Sheet Metal Worker source of loans?

THE WITNESS: The only thing that brings that out is that I can remember them being a little slow in being repaid and I can remember conversations related to repayment.

BY MR. OLDAKER:

Q What do you recall about those conversations?

A The Jackson Committee, because of the condition we outlined previously, had serious financial problems and they were a little slow paying at a certain later stage of the campaign, and I can remember Mr. Carlough, in his kind way, suggesting the committee should be more prompt in the repayment of his good friends and members.

MR. NEMEROFF: So you did not learn of the fact that the Sheet Metal Workers specifically had made loans until the time of repayment.

THE WITNESS: No, that is not true. I knew they had made loans, but I know specifically the Sheet Metal Workers, I think, for a very justifiable reason. Eddie had to squawk.

BY MR. OLDAKER:

Q I think the largest portion of loans were from the Sheet Metal Workers and MEBA. The fact that you know is not

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very important. The more serious question is were you aware that loans came from members of the Sheet Metal Workers or other unions.

A That would be the only way it could be done.

Q Is that correct?

A If somebody said there were loans coming from a union to the committee, I would naturally think they were coming from individual members or officers, or employees of that union.

Q Did you have any way of verifying that? Did you ever ask anyone? Ever ask Carlough?

A No. That is not really something I was focusing on. I was interested at the time in spending, not raising.

Q Would there have been someone who would have verified that?

A Whatever tracks were being made, that is to say, the loan amounts being discussed, I don't know whether we got money from them when they signed guarantees or not. I don't know who would --

Q Who would know?

A Someone in the controller function or treasury had to work with them to take their money. Probably Marty Katz.

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Q After the Labor for Jackson Committee was formed, you were aware of -- it is my understanding that you had the general labor committee. What was your relationship with that committee itself, not the principal individuals involved? Did you ever write to it, telephone it?

A Beyond that they had an address or a phone, I really had little or nothing to do with it. I can remember seeing material that they produced, and they were sort of good. I was shocked.

Q What kind of materials were produced.

A They had a peculiarly nice-looking button. It was a blue button. We could never afford buttons that big. It was on a Jackson lunch pail, light blue, terrific.

Q You basically knew the five individuals we talked about before were involved in Labor for Jackson?

A Yes.

Q Did you specifically know if Turner was involved?

A Yes.

Q Did you know if Eddie Carlough was involved?

A I think I knew.

Q Did you ever talk to them about the committee?

A Only that one instance.

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Q Did you become aware of their independent expenditures on behalf of the Jackson for President Committee?

A I think that button I described was their, at least it was identified as such. Beyond,what they did, I don't know that exactly.

Q Did you become aware of any expenditures they may have made in Jackson for President's behalf in Florida, for instance.

A No. I think Florida predated the existence of that committee, didn't it?

Q No.

A Florida was over March 9, 8, or something like that.

Q Your recollection is that the committee was formed after that?

A That is correct. I thought there was independent activity by the Sheet Metal Workers, and what they apparently would do would be to attract volunteers from other unions.

Q How did that occur? When you say they attracted volunteers, what would they do? They would send people out to ring doorbells?

A I can't tell you from experience how they did it, but they would probably call the business agent from other

7904012334

HEMLOCK
BRASFIELD
COTTON CONTENT

unions and get volunteers. It is the normal way organized labor would do it.

Q What would they do once they got volunteers, if you recall?

A The major activity I was aware of that the Sheet Metal Workers engaged in was a series of television tape-recorder projects. I don't know what you call it because it is a unique phenomenon in American politics. I cried when I saw it.

Q What did they do?

A They would have a television set and individual tape recorder, and they would go to some location, at a plant gate, I am told, or some public center, and start giving out cookies, coffee, pamphlets, and showing this message on television. Eventually, I saw one of those in action.

Q When did you see it?

A The day of election in the Massachusetts primary. Election day, there was one on the Common in a snow storm. There were about eight or nine guys working that unit. I wished they were off driving people to the polls.

MR. NEMEROFF: How did you happen to see it?

THE WITNESS: I was walking through Boston Common. I

HEMLOCK ERASABLE COTTON CONTENT

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HEMLOCK
ERASABLE
CARBON CONTENT

saw a lovely picture of Mr. Carlough telling me why I should support Senator Jackson.

MR. NEMEROFF: It was through a prearranged meeting you arranged to see?

THE WITNESS: No. They were by the transit stops up there.

MR. OLDAKER: Massachusetts Transit Authority?

THE WITNESS: I was going off to buy a cigar.

MR. NEMEROFF: And you happened to see this unit?

THE WITNESS: Yes. I cried openly in the snow.

BY MR. OLDAKER:

Q Were you aware this activity went on in other places?

A Yes.

Q How did you become aware of that?

A Well, in probably a couple of ways. I asked other labor people what Eddie was doing relative to the campaign activity.

Q Do you recall who those individuals were?

A The first activity I remember happening was Massachusetts in time sequence. That is the first place we were really an active candidate, and I can remember we worked

7901012233 6

with several of the building trades generally in Massachusetts. And I am embarrassed not to remember their names, Billy, C-l-e-a-r-y, a good Irish name, I believe. Anyway, they had been supportive, and there was a labor committee for Jackson that was together.

A satellite organization developed there, and they questioned me relative to whether I knew -- Eddie had contacted them or made certain representations. He had this project and wanted their help in it, and they were wanting volunteers, et cetera. These guys told me about it and told that Eddie had called, sort of bragging about it, more than anything else. And I can remember that on perhaps election day or perhaps sometime in the week preceding that, over the weekend before that, the president of the Massachusetts Building Trades, whose name is escaping me, took me over to an area where it was sort of an assembly point for them to show me, a big shot from the campaign, and show me what important work volunteers were doing.

It was one of those projects that expended a lot of time and energy, perhaps was costly, and it is not exactly the way I would spend my time and effort.

Q Did you ever indicate that to them?

A Not as forcefully as I would like to have.

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Q But you did indicate at some time?

A Yes. I was being nice.

Q Did you indicate that there would be better ways to spend their money?

A Probably hinted at that, but I don't think I ever really said that directly.

Q It would have been better to have them getting people to the polls, in your estimation?

A If they had ten or twelve units out on election day, and they maybe had more than that, six or seven people tied up in those units, and at least one or two cars to get them there. And I would have had them carrying people to the polls, because I spent most of my time that day looking for cars and drivers.

Q A fellow by the name of Hershey Gold --

A I remember thinking Hershey Gold --

Q What is his relationship to the campaign?

A Hershey was a volunteer fund raiser, who may have assumed the title of finance chairman or something of that nature. He was the largest outside fund raiser the committee had. Very successful fund raiser and gave essentially of his time during '76 on the campaign trail where he was both raising money and getting into the actual operation of the campaign as

7904012338

MEMOREX
ERASABLE
COTTON CONTENT

it was particularly directed to the Jewish community.

Q Did he work with labor groups also?

A It would only be incidental to his other interests. Hershey Gold is the kind of guy when he is in headquarters, everybody knows he is there. He is a very friendly, outgoing guy. He was particularly a good leader for volunteer efforts. I am sure he had a lot of contact with labor people, as they would happen to visit the headquarters, et cetera.

Q Did he have any responsibility for spending money?

A Not directly. He was, however, sort of a friend in court to people, since he had raised -- people would go to him and have him steer things through the muddy water of the controller.

Q He was not without influence?

A He was not without influence. He was not without influence in spending funds, but had no direct responsibility for it.

Q Do you know if he had any contact with various labor leaders like Eddie Carlough or Joe Keenan?

A Yes. It was he that was at the meeting that we were asked to leave, I described earlier.

Q Do you know if he had other contacts with those

7904012233 9

MEMOREX

individuals?

A Not really. I would doubt that he had much at all.

Q Hershey sort of followed the campaign?

A That is to say he was in Massachusetts in February, went down to Florida for a week, and then he went to New York. Apparently he sandwiched in a little bit of time to go home.

Q Where was he from?

A From Los Angeles.

Q Did he stay here in Washington when he was on the campaign trail?

A No. He was almost exclusively in the field. He was here for a minimum portion of his time. I recall in the later stages, that is to say around the middle of April, he would have spent maybe a week here in town, which would have been the longest time. But during the middle of the month of April you had the Easter season, which sort of loused up the campaign activity. We were sort of retrenching, raising money. Hershey was in town ~~and since his school kids had gone to the country, he had time to himself, sitting by the phone.~~ *BA

Q You said back in February, Hershey was in Massachusetts?

A That is correct.

Q You said he went to Florida. Do you recall what

* Correction

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HEMLOCK
ERASABLE
COTTON CONTENT

he went to Florida for?

A For the same general purpose. He was called into Massachusetts to assist the campaign in dealing with the Jewish community. Our local leadership just plain wasn't communicating well, and Hershey has great talent and contacts, so he came in and helped there.

When that was over, we were a month into the period following the Supreme Court decision. The life of this commission was about to expire, or did expire, and the money problems caused by lack of Federal funding became more severe. So he sort of followed because he was using the candidate to try to raise money principally by phone.

He went to Massachusetts, worked the Jewish community, but also raising money, being on the phone. Raising money became much more important, and he trailed the campaign to have his hand on the candidate for the telephone. But it didn't take all of his time, because the candidate was out doing other things. In Florida, for example, where there is a great Jewish community, he impacted on that. That is basically what he was doing with the campaign from place to place, doing two things at once.

But he was the kind of guy the volunteers and lesser-paid staff would hit for a nice dinner or supper. Nice guy.

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Mur 236, 266 etc.

Oct. 14, 1977
Deposition of Robert J. Keefe

Page 47 is not missing from the transcript. It is simply a result of mis-paging by the typist.

I checked with Milton & Greenwood Reporters today and the above info was told me by Bobbie Lake, the reporter for the Keefe depaiction.

Judy Browning
10-26-77

7904012342

Is there a page 47? BA

47-48

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Q My curiosity rises in February as to a dinner that was held in Bal Harbor, Florida. Are you familiar with that dinner, reception?

A Reception, I think you want to say. Yes. I attended. A reception given by friends of Senator Jackson at the Americana Hotel.

Q Do you remember who those friends were?

A No.

Q The type of friends?

A They were international union presidents. The occasion was the annual mid-winter meeting of the AFL-CIO Executive Council, which meets at the Americana every year, the second, third, and fourth weeks of February, with the political meeting beginning earlier than that.

Q Are you familiar with the financial arrangements for that reception?

A No.

Q Were you familiar with who held that reception or who sponsored it?

A I think I saw an invitation which listed several individuals besides union presidents, but I am not sure.

Q What did the Senator do at the reception, if you recall?

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A I can't vouch for the whole time, because I was late. It was a receiving line. It was a rather large reception. I think there was a receiving line. He shook a lot of hands, and Mr. Meany said a couple of words, and Scoop said a couple words, and it was a very short program, but it was 99 percent social.

Q Refreshments and food provided?

A Terrific buffets.

Q How many people would you say attended?

A I would have to say 400 or 500 people, I would guess. It was in a big room. It was terrific. It was the busiest of its kind I have seen. I have been going there for years, and every election year they seem -- there is a bit of joking to see who can put on the best reception.

In '72 John Lyons put one on for Muskie at the hotel next door, and I. W. Abel had a big lunch reception for Hubert, a common, ordinary, garden-variety kind of thing. They even have it in off years when people who are running -- for their favorite senator.

Q Do you know if the Senator was invited to attend, and if so,how?

A I am sure he was invited to attend. I don't know

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ERASABLE
COTTON CONTENT

exactly, but we had a scheduling department that would have worked on that sort of thing. The timing was ideal, because the Florida primary was coming up and he was campaigning in Florida at that time and would have wanted to go by that meeting anyway, because of all of the important labor people.

Q Did you ever talk to anybody about the planning?

A Of the reception itself? No.

Q Did you talk specifically to Eddie Carlough about who might be invited to come?

A No. I don't think he would take my advice on such matters anyway.

Q Outside people who were not members of the labor movement?

A I don't think so. But what you had was a gathering of an enormous number of people. I don't think Carlough was a member of the Executive Council.

MR. NEMEROFF: Was your response based on who actually attended the meeting? You have no knowledge of who would have been invited, do you?

THE WITNESS: No. I do not. But there were a lot of people there. There are a lot of people who show up at those things. People are selling things, buying things from

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HEMLOCK

from labor unions. Me. Guys like me.

MR. OLDAKER: Hungry people.

BY MR. OLDAKER:

Q Do you think that people would have contacted Senator Jackson and asked him who he would like to attend?

A If there was any discussion about who might attend, my guess is 99 percent of the conversation was centered on how we would get Meany there. I don't know, I don't think anybody cared who was there.

Q Was the press there?

A The press was there, because it was not a closed convention. Our traveling press would have been there at that time.

Q So if the Senator and Meany got together, it would be an important event?

A The Senator and Meany did get together. It was an important event. They had spent all day, all out there fooling around the pool.

MR. NEMEROFF: Who is they?

THE WITNESS: The Senator, his family, and labor guys, but I was off getting the bad news of a poll, and I was late. I am seldom late to cocktail parties, but Mr. Bill Hamilton

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HEMLOCK
PERMEABLE
COTTON CONTENT

ERASABLE
COTTON CONTENT

was in town delivering some bad news at a different pool.

Q Was Hamilton your pollster?

A For Florida.

Q Not the whole country?

A No.

Q After the reception, do you remember any conversation with anyone about that reception?

A No, but I am sure --

Q As to the --

A To the people in the reception line? What a terrific fund raiser?

Q As to who paid for it?

A There was no way any of us could get involved in anything like that because the AFL-CIO has the Americana. They handle all those things entirely.

Q I would like to go back to the labor unions again and try to basically figure out if there were things I missed as to the Sheet Metal Workers or Marine Engineers Beneficial Association. In both instances I guess both unions could be classified as supporters of Senator Jackson in his campaign for the Presidency.

A That is true.

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HEMLOCK

Q They were contributors, if you recall, to the campaign?

A I believe they were contributors? I am sure they were.

Q And it would be at least your understanding that their members would be working for the nomination of the Senator?

A Yes. Their leadership was encouraging their members to do everything they could for us. We weren't always successful in that.

Q Were you aware of any of the work being done by the unions in your behalf?

A Yes, in a couple of ways. One, I would run into it, and, two, they would brag about it, and,three, I would run into things they had --

Q Are you aware at any time of union members who would volunteer and work on the campaign staff of the Jackson for President Committee?

A Yes.

Q Can you recall specifically as to the Sheet Metal Workers or Marine Engineers, workers who might have been working for the committee?

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HEMLOCK
ERASABLE
COTTON CONTENT

A I don't really remember any of them.

Q As a volunteer?

A Charles Hanowell, a young man, who I think was a carpenter or something like that, served in the staff function role, which involves a volunteer. He was unemployed. That is what I was thinking of. You have got so many volunteers, it is tough to know who is doing what.

Q When people volunteered for the committee, would you reimburse them for their expenses if they had to do something?

A If we could talk them out of it, we wouldn't.

Q Who made those types of decisions?

A It would vary. It would vary. Generally, it would occur at the level of a state or local campaign operating within the budget he would have for volunteer expenses.

Q Would they contact you at any time?

A They might. I might in any instance be around in the heat of the battle when things were handled.

Q A couple of people, Jimmy Hinkle, does that name ring a bell with you?

A No.

Q Larry McLaughlin?

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HEMLOCK FEASABILITY

A I think he is a great big guy, a Sheet Metal Worker.

Q Do you remember anything about him other than being big and a Sheet Metal Worker?

A I think he was around the Massachusetts campaign. I am not sure, I think so. I think he is a great big guy from Massachusetts. Is he from Massachusetts? He is a big guy, I think.

Q How about Stuckenschneider?

A How could you forget a name like Stuckenschneider? He is on the Sheet Metal staff, I believe.

Q Do you recall him ever volunteering or doing work for the committee, that is the Jackson for President Committee?

A He was very active with the campaign and could well have been doing it on our behalf. We might have gotten stuck for some of his expenses.

Q Who would specifically know about reimbursement or keeping track of those? Would it be the controller's office?

A In the case of Massachusetts, because you are entering little -- we tried to have a central control operation handle everything, which led to very serious problems of being able to do things when you needed to do them. And we eventually sent a group up to Massachusetts, I believe, I am sketchy on

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WEYERLOCK ERASABLE COTTON CONTENT

that. Essentially, there would be a responsible person, in the Massachusetts campaign, for example, who would approve expenditures against a general authorization, and then they would just be routinely paid by the controller after the controller argued about it.

Q Would you ever look at these individuals to see if they should in fact obtain a reimbursement, other than the fact that they may have once worked? Specifically, the question is did you ever look at these individuals to see if they were doing other things, such as making independent expenditures on your behalf?

A I guess that would not be a matter that would have been considered. I don't know that people at the local level at that time knew what an independent expenditure was. I don't think we did either. It was in the first month of such activity, and I don't think, well, I can't believe we would have someone so well trained in the Federal Election Law to know what an independent expenditure was during the month of February, '76, or that you did either.

Q I think for the record that is correct. Back to the Labor for Jackson Committee, aside from your satellite committee?

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A Yes. Labor for Jackson is the committee organized for independent expenditures for certain people, Joe Keenan, president.

Q Mr. Carlough, secretary or treasurer. Do you know if any meetings were held by any staff members with that committee to your knowledge?

A No, I do not know that staff members of the Labor for Jackson Committee, no.

Q Do you know of any meetings held with the Senator to discuss what the activities of the Labor for Jackson Committee, whether he met with the individuals involved or talked to the members during that time? Would he have met with the individuals involved and met with them as a group, not exclusively?

A The period you are talking about was a period, the Labor for Jackson Committee and its organizers and the people who, I believe, were involved with it were sort of our best friends in labor. And after the 27th or whatever it was of April, there were several meetings that week relative to what course of action Senator Jackson should take. And eventually, he stopped his formal campaign.

MR. OLDAKER: For the record, the 27th of April was of what importance?

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THE WITNESS: The Pennsylvania primary. That may or may not be the exact date, but during that period there were discussions in which they were discussing that they would be happy to do more, continue what they were doing, et cetera.

BY MR. OLDAKER:

Q There may have been?

A There were meetings. We were sitting around and we watched, before publicly deciding not to run. Senator Jackson was trying to decide what he should do next. He called on several groups, more or less just friends, talking about the campaign.

MR. NEMEROFF: The primary issue discussed was whether Senator Jackson should continue active campaigning?

THE WITNESS: What his course should be from that point on.

MR. NEMEROFF: Was he publicly going to run?

MR. OLDAKER: So Senator Jackson was seeking advice as to what his conduct should be?

THE WITNESS: That is correct. And during the course of that discussion I am sure we assured him if he wanted to go on, we were happy to do more of what we were doing.

BY MR. OLDAKER:

Q Whatever you were doing, meaning Labor for Jackson?

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HEMLOCK ERASABLE

A Labor for Jackson. They were happy to continue its work.

MR. OLDAKER: Off the record for a second.

(Discussion off the record.)

BY MS. BROWNING:

Q You spoke about Hershey Gold as being someone who traveled around and people might hit him for reimbursement, if they knew who he was. How would they know he was a person that might be giving them payments?

A Well, Hershey is the kind of guy who sort of lets you know he is around, and I don't think he would particularly try to let people know he was available to intercede with the controller, but word like that gets around in a hurry in a campaign.

Q Did you have any conversations with any labor officials with regard to how their employees or their members might get reimbursement for campaign activity?

A I had conversations with Mr. Carlough relative to repayment of loans of his members on which the committee was indeed delinquent. Beyond that, no.

Q With respect to those loans, did you ever have any conversation or any communications with any labor officials

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HEMLOCK
PRASABLE
LOTION CONTENT

regarding the need for funds?

A I am sure that I might have, but it was totally unnecessary. That was sort of a very obvious kind of situation.

Q Do you know of anybody else in the Jackson Committee or senatorial staff that might have asked labor groups for help through loans?

A No.

Q I just have one other line, couple of questions. These are a couple pages from the Sheet Metal Workers' Political Action League reports, one from the May 10th report and one from the June 10th report. The entries I am going to point out to you are indications where they had not recorded loans to Jackson for President, just loans to Labor for Jackson Committee, but gave the address as 511 Second Street, Southeast. Do you have any knowledge of these reporting entries?

A No.

Q You are not aware of an orror in address that was given?

MR. OLDAKER: For the record, the address for Labor for Jackson is 2727 29th Street, the home of Joseph Keenan.

THE WITNESS: I am glad you added that last line. No,

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I am sorry. I don't know.

BY MS. BROWNING:

Q On this June 10th report there is an advance to Labor for Jackson at 511 Second Street, Northwest, which for the record, is the Jackson for President Committee address. Is that correct?

A That is correct.

Q You don't have any knowledge of this?

A No, I don't.

MR. NEMEROFF: Off the record for a moment.

(Discussion off the record.)

BY MS. BROWNING:

Q Mr. Keefe, to your knowledge were there any Labor for Jackson or Sheet Metal Workers Political Action League personnel working at 511 Second Street?

A I don't know if there was any.

MR. NEMEROFF: Do you know whether the Labor for Jackson Committee was headquartered at 511 Second Street?

THE WITNESS: It was not.

BY MS. BROWNING:

Q Did they receive any mail there that you know of?

A Not correctly addressed there. No I don't think

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they got any mail.

MS. BROWNING: I don't have any more questions.

MR. OLDAKER: Off the record for a second.

(Discussion off the record.)

MR. OLDAKER: Back on the record. I want to thank the witness for his cooperation. This concludes his deposition, and we will adjourn at this time.

(I have read the foregoing pages 3 through 62, inclusive, which contain a correct transcript of the answers made by me to the questions therein recorded.)

ROBERT JOSEPH KEEFE

7904012357

CERTIFICATE OF SHORTHAND REPORTER

I, Bobbie C. Lake, shorthand reporter, do hereby certify that the testimony of the witness appearing in the foregoing deposition at pages 3 through 62, inclusive, was taken by me in shorthand and thereafter reduced to typewriting under my direction; that the said deposition at said pages is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.

Bobbie C. Lake
Shorthand Reporter

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Washington, D. C. 20463

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RECEIVED
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'76 SEP 6 AM 9:08

September 2, 1977

Ms. Peggy L. Greenwood
Vice President
Milton & Greenwood
Reporting Associates, Inc.
Suite 1110
1028 Connecticut Avenue, N.W.
Washington, D.C. 20036

Dear Ms. Greenwood:

Enclosed are the original depositions of Edward J. Carlough, Lawrence McLaughlin and Jimmy A. Hinkle, taken on August 12, 1977, which you sent to me. The witnesses have read the depositions and signed them. All revisions of the depositions are made for the purpose of correcting stenographic errors.

Sincerely yours,

A. Raymond Randolph, Jr.

ARR:bjm
Enclosures
cc: David Spiegel, Esq. ✓
Judith Browning, Esq.

7904012360

LAW OFFICES
SHARP, RANDOLPH & JANIS
SUITE 401
1220 NINETEENTH STREET, N. W.
WASHINGTON, D. C. 20036

FEDERAL ELECTION COMMISSION

'76 SEP 6 AM 9:03

David Spiegel, Esq.
Assistant General Counsel

Federal Election Commission
1325 K Street, N.W.
Washington, D. C.

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FEDERAL ELECTION COMMISSION

In the Matter of	:	
	:	
LABOR FOR JACKSON and	:	
SHEET METAL WORKERS	:	MURs 236,266 (76)
INTERNATIONAL ASSOCIATION-	:	
POLITICAL ACTION LEAGUE	:	

Washington, D.C.

August 12, 1977

Deposition of

JIMMY A. HINKLE

a witness in the above-entitled matter, called for examination by counsel for the Federal Election Commission, pursuant to notice, taken at the offices of the Federal Election Commission, 1325 K Street, N.W., Washington, D.C., beginning at 12:35 p.m., before David Spiegel, when were present on behalf of the respective parties:

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(formerly Reynolds Reporting Associates, Inc.)
OFFICIAL REPORTERS
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Phones: (202) 833-3598
833-3599

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HEMLOCK

For the Federal Election Commission:

DAVID SPIEGEL, ESQ., and
JUDITH BROWNING, ESQ.
Federal Election Commission
1325 K Street, N.W.,
Washington, D. C. 20463

For Jimmy A. Hinkle:

A. RAYMOND RANDOLPH, JR., ESQ.
1220 - 19th Street, N.W.
Washington, D. C. 20036

For the Sheet Metal Workers International Association-Political Action League:

DONALD W. FISHER, ESQ.
Suite 741
National Bank Building
Toledo, Ohio 43604

7904012363

C O N T E N T S

EXAMINATION BY COUNSEL FOR:

FEDERAL ELECTION COMMISSION
(Mr. Spiegel) 3 (Ms. Browning) 14

WITNESS:

JIMMY A. HINKLE

JIMMY A. HINKLE
(Mr. Randolph) 16

Thereupon

JIMMY A. HINKLE

a witness, was called for examination by counsel for the Federal Election Commission and, after having been sworn by David Spiegel, Esq., was examined and testified as follows:

EXAMINATION BY COUNSEL FOR THE FEDERAL ELECTION COMMISSION

BY MR. SPIEGEL:

Q Could you state your name, sir?

A Jimmy A. Hinkle.

Q What is your address?

A 2998 Boring Ridge Drive, Decatur, Georgia.

Q Mr. Hinkle, where are you presently employed?

A Where am I presently employed?

Q Yes.

A I am employed by the Sheet Metal Workers International Association, Atlanta, Georgia.

Q Do you have an attorney present at this deposition?

A Yes, I do.

MR. RANDOLPH: A. Randolph, Jr. I would like to make the statement I made in the previous two depositions which is that by the taking of this deposition, the appearance of this witness, we do not waive any rights under Section 427G(A)(4).

7904012236 4

MR. FISHER: Will the reporter also note the appearance of Donald W. Fisher as counsel on behalf of Sheet Metal Workers International Association Political Action League, PAL.

BY MR. SPIEGEL:

Q What is your position with Sheet Metal Workers, Mr. Hinkle?

A International organizer.

Q What are the duties of that position?

A Primarily to organize the unorganized.

Q Does your job include the conducting of activities on behalf of candidates for Federal office?

A As international organizer, no.

Q Have you ever conducted activities on behalf of candidates for Federal office?

A Yes, I have.

Q Let me turn you for a minute to your international organizer job, approximately how many hours a week do you work on that job?

A Mr. Spiegel, that is a very difficult question to answer mainly because it varies from time to time. I consider myself on call seven days a week, 24 hours a day, which, as

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HEMLOCK ERASABLE

far as the total number of hours, some days, I may actually put in an hour a day as far as official work, but you take everything into consideration, the driving aspect, flying, getting into and from airports and so forth, I would say on the average, I would -- again, it is hard to come up with an average.

I put in a lot of hours normally.

Q Did you have that international organizer's job in 1976?

A Yes, I did.

Q Could you give me an average per week that you think you might have worked for 1976?

A Average hours per week, just to give you an average, I would say 60 hours a week, something like that. Again, there has to be a lot of things taken into consideration of what you specifically call work, too.

Q I understand.

With reference to your activities on behalf of candidates for Federal office, did any of these activities relate to the presidential candidacy of Senator Henry M. Jackson?

A Yes, they did.

Q About how many hours do you estimate you put in on

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ERASABLE
COTTON CONTENT

behalf of Senator Jackson's candidacy?

A Total hours?

Q Yes.

A That is a very difficult question. I would have to --

Q What months did you put in this activity?

A Primarily the months of March and April of 1976.

Q Did you work on weekdays on this activity?

A Yes.

Q Did you work during the working day on some of this activity?

A During a day, yes.

Q Were you ever paid money by the Sheet Metal Workers International Association Political Action League for costs that you incurred in connection with these activities?

A Yes, I was.

Q Do you recall the amount of this money?

A Yes, I do.

Q Would you state it for the record?

A I received, if my memory serves me correctly, it was $8,000 in the form of two checks.

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Q Was this money in payment for costs that you incurred?

A Yes.

Q On behalf of work that you did for the Senator Jackson for President campaign?

A Yes.

Q Did any of these costs involve signs that were used in the Jackson campaign?

A Yes.

Q Who prepared these signs?

A I believe it was a company by the name of Truhart Printing that printed the signs.

Q Did you or anybody that worked under your authority ever contact Senator Jackson or any members of his staff with regard to the wording of these signs?

A No.

Q Did you or any persons that worked with you have access to any campaign materials that were used by Senator Jackson or his staff?

A Yes.

Q Could you describe what materials these were?

A We had at one time a few of his fliers, leaflets,

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brochures, whatever you want to call them. There were very few because there wasn't very much stuff that was available

Q Do you know how those materials were obtained?

A No, I don't.

Q When you conducted these activities for which you laid out money, did you report to any individual connected with Sheet Metal Workers?

A In regard to my activities and so forth?

Q Yes.

A Yes, I did.

Q Could you state that individual's name?

A General President Edward J. Carlough.

Q Did Mr. Carlough instruct you as to where he wished you to go to make any particular expenditure?

A I wouldn't say he instructed me. He asked me.

Q He asked you.

A Yes.

Q Did you ever make any expenditures in connection with video cassettes?

A Yes.

Q What was the purpose of those expenditures?

A The video cassettes?

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HEMLOCK ERASABLE

Q Yes.

A We used the video cassettes as well as a television set on most of the vans that we had rented in regard to showing a tape on the television.

Q Where was this tape obtained from?

A That, I couldn't tell you for sure.

Q What was on the tape?

A It was just a filming of Senator Jackson and his campaign beliefs, what he stood for, what he thought was needed in the country and so forth.

Q Do you know who prepared the tape?

A No, I don't.

Q Was Senator Jackson himself on the tape?

A Yes.

Q Was any portion of your costs related to shipment of campaign materials?

A Yes.

Q What were these materials?

A They were some fliers, brochures and some other materials that we had printed up.

Q Who do you mean by "we"?

A The Sheet Metal Workers Political Action League.

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COTTON CONTENT

HEMLOCK
ERASABLE
COTTON CONTENT

Q Was Senator Jackson or any of his staff contacted with regard to the contants of these fliers?

A Not to my knowledge.

Q Did you yourself prepare these fliers?

A Yes, and made arrangements to have them printed.

Q Who printed them?

A A company by the name, I think it was Edgian Press.

Q Mr. Hinkle, did you ever receive any payment of money from a group called Labor for Jackson?

A Yes.

Q Was Mr. Carlough associated with that group?

A Yes.

Q Did you incur any costs for which this payment was made to you?

A I beg your pardon?

Q Let me restate the question. Did you incur any costs in connection with the Jackson campaign for which Labor for Jackson reimbursed you?

A Yes.

Q This reimbursement was to cover those costs?

A Right.

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HEMLOCK
ERASABLE

Q Did you speak to Mr. Carlough regarding these costs that you made?

A In some cases, yes.

Q Did Mr. Carlough have a separate office when you spoke to him regarding Labor for Jackson activities?

A Not to my knowledge, no.

Q Have you ever worked as a volunteer for the Jackson for President Committee or any authorized committee of the Jackson campaign?

A I ~~wouldn't~~ would say, no, not for the Jackson campaign, no.

Q I am going to show you a copy of a page, page 130 of 151 from the April 10 Jackson for President Committee report. The entry which is in red, which I am going to show you, is payment of an expenditure -- expenses, labor is what is marked -- amounted to $186.16, the individual to which it is made is Jimmy Hinkle. Is that individual you?

A Yes, I guess it is.

Q What was involved in that expense?

A That was expenses incurred in regard to, if I recall correctly, gasoline and a battery that I had to buy for one of these vans during the Florida primary.

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Q In buying this gasoline, did you have any contact with the Jackson for President people?

A No, I didn't.

Q Who did you mail your bill to?

A I didn't mail it.

Q Who did you give your bill to for this?

A To a man by the name of Ernie Miller.

Q Who is Ernie Miller?

A He is an international organizer for the Sheet Metal Workers.

Q Do you know who Mr. Miller gave your bills to?

A I was told it was a man by the name of Hershey Gold.

Q Do you know who Hershey Gold is?

A To be honest with you, all I have heard on him is hearsay, what I have heard from other people, understandings from California. What his functions were and so forth, I really don't know.

Q Was he employed by Sheet Metal Workers?

A Not to my knowledge.

Q Did you have any contact with the Jackson for President Committee or any members of the Senator's staff

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TTON CONTENT

in connection with that expenditure?

A No, I did not.

Q Did you discuss with anybody your wanting to make this expenditure for the van prior to the time that you made the expenditure?

A Did I discuss with anybody?

Q Yes.

A Are you speaking of the Jackson for President people or just anybody?

Q Anybody.

A Yes.

Q Who did you speak to?

A I had conversation with various organizers and members of the local union working with me in this effort.

Q The Sheet Metal Workers?

A Yes.

Q Did you get any authorization from anybody in Sheet Metal Workers when you went ahead and made this expenditure?

A Yes.

Q Have you made any personal contributions or loans to Senator Jackson's presidential campaign?

A Yes, I did.

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HEMLOCK ERASABLE

Q Could you state the amount, if you recall?

A I would think it was about $100.

Q Were you contacted by anybody with regard to making this contribution?

A I might have received a letter. I am sure I did receive a letter asking if I wished to make a voluntary contribution.

Q A letter from whom?

A It was probably from the Sheet Metal Workers Political Action League. I am not positive now. But I would say it was them.

MR. SPIEGEL: No further questions.

Ms. Browning, do you have any questions?

BY MS. BROWNING:

Q I have a couple of things.

Mr. Hinkle, when you incurred campaign costs, were you told or did you know who would be reimbursing you for those expenditures?

A Well, it depends on the particular situation, Ms. Browning. In Florida, for example, I don't know who would reimburse me, no.

Q In that case, that reimbursement came from the Jackson

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COTTON CONTENT

for President Committee?

A The only name I heard mentioned was Hershey Gold. If he was from the Jackson for President Committee, then that is where it came from.

Q Did you receive the money in the form of cash or a check?

A To be perfectly honest with you, I don't recall. I do think it was in the form of cash because I do not recall cashing that check.

Q Do you remember when you received it from whomever the money came from?

A I stated that Ernie Miller was the guy that gave me the money.

Q When you were paid by the Labor for Jackson Committee, was that in the form of reimbursements for expenditures you had made?

A Yes.

Q Did you know when you incurred those costs that you would be reimbursed by the Labor for Jackson Committee?

A Yes.

Q With respect to those payments, did you send bills to the Labor for Jackson Committee?

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A Yes.

Q To whom did you send the bills, do you remember?

A To the best of my knowledge, I sent them to Edward J. Carlough, Chairman of the Labor for Jackson -- chairman or secretary, whatever his position was -- Labor for Jackson Committee.

Q Was the Labor for Jackson Committee reimbursement to you in the form of cash or check?

A Check.

MS. BROWNING: I have no further questions.

EXAMINATION BY COUNSEL FOR JIMMY A. HINKLE

BY MR. RANDOLPH:

Q I have a few questions.

Mr. Hinkle, does the Sheet Metal Workers International Association-PAL receive voluntary donations?

A Yes.

Q In making a voluntary donation to PAL, could an individual designate money to be donated for the Jackson campaign?

A Yes.

Q Did you make a $100 contribution to the Sheet Metal Workers International Association-PAL?

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A Yes.

Q When Mr. Spiegel asked you and you answered ~~when~~ yes just you made a donation to the Jackson campaign, were you referring to that $100 donation?

A Yes, I was.

MR. RANDOLPH: No further questions.

MR. SPIEGEL: Thank you.

(I have read the foregoing pages 3 through 17, inclusive, which contain a correct transcript of the answers made by me to the questions therein recorded.)

Jimmy A. Hinkle
JIMMY A. HINKLE

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COTTON CONTENT

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CERTIFICATE OF SHORTHAND REPORTER

I, Lynell C. Shreve, shorthand reporter, do hereby certify that the testimony of the witness appearing in the foregoing deposition at pages 3 through 17, inclusive, was taken by me in shorthand and thereafter reduced to typewriting under my direction; that the said deposition at said pages is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.

Lynell C. Shreve

Shorthand Reporter

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FEDERAL ELECTION COMMISSION

In the Matter of	:	
	:	
LABOR FOR JACKSON and	:	
SHEET METAL WORKERS	:	MURs 236,266 (76)
INTERNATIONAL ASSOCIATION -	:	
POLITICAL ACTION LEAGUE	:	

Washington, D. C.

Friday, August 12, 1977

Deposition of

LAWRENCE McLAUGHLIN

a witness in the above-entitled matter, called for examination by counsel for the Federal Election Commission, pursuant to notice, taken at the offices of the Federal Election Commission, 1325 K Street, N.W., Washington, D.C., beginning at 12:05 p.m., before David Spiegel, when were present on behalf of the respective parties:

Milton & Greenwood Reporting Associates, Inc.
(formerly Reynolds Reporting Associates, Inc.)
OFFICIAL REPORTERS
1028 Connecticut Ave., N.W., Suite 1110
Washington, D.C. 20036
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833-3699

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For the Federal Election Commission:

DAVID SPIEGEL, ESQ., and
JUDITH BROWNING, ESQ.
1325 K Street, N.W.,
Washington, D. C. 20463

For Lawrence McLaughlin:

A. RAYMOND RANDOLPH, JR., ESQ.
1220 - 19th Street, N.W.
Washington, D.C. 20036

For the Sheet Metal Workers International Association-Political Action League:

DONALD W. FISHER, ESQ.
Suite 741
National Bank Building
Toledo, Ohio 43604

C O N T E N T S

WITNESS:	EXAMINATION BY COUNSEL FOR: FEDERAL ELECTION COMMISSION (Mr. Spiegel)	(Ms. Browning)
LAWRENCE McLAUGHLIN	3	14
	LAWRENCE McLAUGHLIN (Mr. Randolph)	
	21	

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COTTON CONTENT

Thereupon

LAWRENCE McLAUGHLIN

a witness, was called for examination by counsel for the Federal Election Commission and, after having been sworn by David Spiegel, Esq., was examined and testified as follows:

EXAMINATION BY COUNSEL FOR THE FEDERAL ELECTION COMMISSION

BY MR. SPIEGEL:

Q Could you state your name for the record?

A My name is Lawrence D. McLaughlin.

Q What is your address, Mr. McLaughlin?

A 160 Green Street, Weymouth, Massachusetts.

Q Where are you employed?

A Sheet Metal Workers International Association.

Q Mr. McLaughlin, are you aware that you have a right to have a counsel present at this deposition?

A Yes, I am.

Q Do you have counsel present?

A Yes.

Q Could counsel enter their appearances for the record?

MR. RANDOLPH: My name is A. Raymond Randolph, Jr. I am here appearing on behalf of Mr. McLaughlin. I would like to make the same statement that I made with regard to the

deposition of Mr. Carlough that was just taken. That is, by this appearance, we don't waive any rights under Section 437G(A)(4).

MR. FISHER: I would like the record to note the appearance of Donald W. Fisher. I am counsel for PAL, the Sheet Metal Workers International Association-Political Action League.

BY MR. SPIEGEL:

Q What position do you hold with the Sheet Metal Workers?

A I am an international organizer for sheet metal workers.

Q How long have you been so employed?

A Since January 1975.

Q Have you been employed continuously in that job?

A Yes.

Q What does an international organizer do?

A Basically organize the unorganized section of the industry.

Q Do any of your duties include the involvement and making of contributions or expenditures for candidates for Federal political office?

7904012238 3

HEMLOCK ERASABLE COTTON CONTENT

ERASABLE
COTTON CONTENT

A No.

Q Have you ever been involved for Sheet Metal Workers in the making of expenditures for candidates for Federal office?

A Yes.

Q Could you state the approximate hours per week that you work as an international organizer?

A It varies. I would say it would be 40 to 50 hours a week.

Q How many ~~vacations~~ vacation days would you get in a year?

A Fourteen.

Q Have you ever made any expenditures in connection with the presidential campaign of Senator Henry Jackson?

A Yes.

Q Have you ever been reimbursed for expenditures made on behalf of the Jackson presidential campaign by Sheet Metal Workers Political Action League?

A No.

Q You have not?

A No.

MR. RANDOLPH: Off the record.

(Discussion off the record.)

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COTTON CONTENT

BY MR. SPIEGEL:

Q I am going to show you a copy of a page, Mr. McLaughlin, that is from the Sheet Metal Workers International Association Political Action League, June 10 report. It is an entry dated March 25, 1976. It is blocked out in yellow and it reports and expenditure or a payment to you for $5,000 on March 25 for purposes of making independent expenditures on behalf of PAL in support of Senator Henry Jackson's candidacy. Do you recall receiving that money, Mr. McLaughlin?

A Yes, I do.

Q Could you describe what sort of expenditures you were being reimbursed for?

MR. RANDOLPH: I am going to object to that, Mr. Spiegel, for the same reason I have just stated. I think you are assuming that you haven't established with the witness, what that this is a reimbursement for expenditures. I don't think we have established what that $5,000 represents. I don't think it was so described in the description given on the Federal Election Commission report.

BY MR. SPIEGEL:

Q The entry reads for purpose of making independent

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expenditures on behalf of PAL in support of Senator Jackson's candidacy.

MR. RANDOLPH: That is my point. When you frame it in terms of reimbursement, it assumes that money was spent and that he is being given money back. I think if you ask what the money is for and get into it that way, you will get a clear picture of exactly what happened.

BY MR. SPIEGEL:

Q Who paid you this money, which individual paid you this $5,000?

A It was forwarded to Syracuse, New York, and it was there upon my arrival. It was forwarded to me by the business manager of Local 58, Syracuse, New York.

Q Did you conduct any activities in connection with the Jackson campaign that formed a basis for that reimbursement, for that payment of money?

A Yes.

Q Did any portion of that activity relate to the making of signs and handbills for labor groups that were supporting Senator Jackson?

A Yes. The signs, I can't say handbills.

Q Who prepared the signs?

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A The signs were prepared in Rochester, New York. I think we bought the blackouts and we got volunteer workers to prepare the signs.

Q Did you or anybody whom you are familiar with contact the Jackson for President Committee or any authorized committee of Senator Jackson with regard to the wording of these signs?

A No.

Q How was the wording of the signs developed?

A Just our own design, that is all.

Q Did you or any person who was working for you contact the Jackson for President Committee or an authorized committee of Senator Jackson to obtain Jackson campaign literature?

A No.

Q Did you have access to Jackson campaign literature?

A No.

Q Did a portion of this $5,000 involve costs that you incurred for renting vehicles to transport voters to the polls in connection with Senator Jackson's presidential campaign?

A No.

Q Did you employ any volunteers in the course of

7904012238 7

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COTTON CONTENT

conducting the activities for which this payment of $5,000 was paid to you?

A Employ, no.

Q Did you use any volunteers?

A Yes.

Q Where were these volunteers from?

A They were from the various building and trade unions in upstate New York.

Q By building and trade unions, you mean Sheet Metal Workers?

A Yes.

Q Other unions?

A Yes.

Q Were the workers primarily from Sheet Metal Workers?

A The majority.

Q Were you ever paid any moneys by a group called Labor for Jackson?

A Yes, I was.

Q Do you recall the amount that was involved?

A Not exactly. It was $250, I believe.

Q What was the basis for which this repayment was made?

7904012238 8

HEMLOCK
ERASABLE
COTTON CONTENT

A It was for a rental of a station wagon.

Q Who did you deem within Labor for Jackson in connection with making this expenditure?

A No one.

Q Who authorized you to conduct the activities which then led to your reimbursement for the expenditure?

A From Labor --

Q Labor for Jackson.

A Nobody did.

Q Did you do these activities completely on your own?

A The expenditure was made completely on my own, yes.

MR. RANDOLPH: Could we go off the record? I would like to clarify a point that I believe was a mistake that was made I noticed last night. If you want to do it now, fine. If you want me to bring out the error, then I will in questioning.

MR. SPIEGEL: Why don't you bring it out in the questioning.

MR. RANDOLPH: I think it would help you if I brought it out now because it is about the subject you are asking about.

MR. SPIEGEL: When we get to a point at which you are

HEMLOCKS
ERASABLE
COTTON CONTENT

going to ask the questions, why don't we cover it at that point.

MR. RANDOLPH: All right.

BY MR. SPIEGEL:

Q With regard to that $5,000 that you received from Sheet Metal Workers International Political Action League, did any individual authorize you to conduct the activities for which you received these reimbursements?

A For the reimbursements? You are talking about the $250?

Q I am talking about that $5,000 that we just talked about with Sheet Metal Workers Political Action League.

A There were no reimbursements in connection with that, if I am understanding your question properly.

Q Mr. McLaughlin, I am referring to this page of the campaign report which I think we will enter as an exhibit; Exhibit 1. This is the page that I showed to you earlier. It states that this is a payment to a Lawrence McLaughlin for the purpose of making expenditures made by Sheet Metal Workers Political Action League.

I am asking you who authorized you to conduct the activities which you state underlay that payment of moneys.

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A The General President of Sheet Metal Workers.

Q Who was that person?

A Mr. Carlough.

Q Did you have any conversations with Mr. Carlough about the general nature of your activities; what they would be?

A Primarily to work with building trades and labor groups in support of Senator Jackson in the New York State primary.

Q But how much time did you spend on these activities?

A Probably 10, 12 hours a day.

Q From when to when?

A It varied. Usually it was mid-morning on. Probably from 10:30 to 11:00 o'clock in the morning.

Q During which months in 1976 did you do this?

A I believe that was April of 1976.

Q Any other months?

A March and February.

Q This is weekdays as well as weekends?

A Yes.

Q In connection with this work that you did, did you yourself ever have occasion to contact Senator Jackson

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HEMLOCK ERASABLE COTTON CONTENT

or any member of his campaign staff?

A No.

Q With regard to the moneys, that $250 of moneys that you received from Labor for Jackson, did you deal with Mr. Carlough at all?

A No. Before I spent the moneys, you are referring to? I am confused now. Before I spent the money?

Q Yes.

A No, I didn't.

Q Did you spend the money totally on your own authority?

A Yes.

Q You were aware of whether Mr. Carlough was connected with Labor for Jackson?

A No.

Q Were you ever authorized by Labor for Jackson to make this expenditure?

A No.

Q Were you ever given any instructions as to the amount of time or what time you could spend campaigning or doing work for Senator Jackson?

A No.

Q Have you yourself ever made any personal contributions

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HEMLOCK ERASABLE COTTON CONTENT

or loans to Senator Jackson?

A No.

Q Do you know of any other individuals who worked in Sheet Metal Workers who volunteered time or were employed by the Jackson for President campaign, Jackson for President Committee?

A I know none of them employed by the Jackson for President Committee.

MR. SPIEGEL: No further questions.

Ms. Brownings, do you have any questions?

BY MS. BROWNINGS:

Q Did you receive money from the Jackson for President Committee?

A Yes, I did.

Q Was that money received as reimbursement for expenses you had made?

A Yes.

Q Could you describe about how much time you spent campaigning for the Jackson for President Committee?

A In days? Would that be the best way to put it?

Q That would be fine.

A I would say somewhere in the vicinity of 30. That

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is a guess.

Q About when did that activity take place?

A February, March and April of '76.

Q Did you speak to any officers of Sheet Metal Workers International Association or the Political Action League with respect to those activities which you had conducted for the Jackson for President Committee?

A I didn't conduct any activities for the Jackson for President Committee.

Q The campaign activities we were speaking of earlier, did you discuss any of those activities?

A Yes, I did.

Q With whom did you discuss those?

A General President Carlough.

Q Could you describe the discussion that you had with Mr. Carlough regarding those activities?

A It was basically to make contact with building trade groups and other labor organizations on behalf of Senator Jackson's candidacy.

Q Did any of the discussions involve your reciting to Mr. Carlough the kind of work you had done for the Jackson for President Committee?

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A Occasionally, yes.

Q When you --

MR. RANDOLPH: I am going to have to object because we are getting testimony on the basis of confusion rather than the facts. This gets back to the Jackson for President Committee as opposed to the Jackson for President campaign. I am not sure the witness understands your questions in the technical sense in which I think you intend them.

MS. BROWNING: I can make them a little more specific.

MR. SPIEGEL: Does the witness understand the question as Mr. Randolph has objected?

THE WITNESS: Not thoroughly. To her first question, Jackson for President Committee, I don't --

BY MS. BROWNING:

Q Let me repeat the questions so it they are clear on the record.

MR. SPIEGEL: Why don't you state for the record any understanding that you have that you want to make right now and then we will continue with the questioning.

MR. RANDOLPH: I do this only to clarify it. There is the Jackson for President campaign which is generally the campaign that Senator Jackson waged to try to win the

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primary elections. There is an entity called the Jackson for President Committee which was a committee that worked on Senator Jackson's behalf and was an authorized committee of his candicacy. They are two different things. I think our questions may have been confusing the two, not necessarily because of the way the questions were asked, but I don't believe the witness was focusing on that. I just wanted to clarify that.

MR. SPIEGEL: Mr. McLaughlin, do you understand the distinction?

THE WITNESS: Yes.

MR. SPIEGEL: Did you understand the distinction before?

THE WITNESS: That is why I raised the question; Jackson for President, she asked about the reimbursement from the Jackson for President Committee and the fact that I worked for the Jackson for President Committee, the answer to that -- I just don't know how the last question went.

BY MS. BROWNING:

Q Let me summarize the points for a couple of moments, then I will repeat the question.

You mentioned that you did do some campaigning for the Jackson for President Committee.

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A No, I didn't.

Q Did you receive money from the Jackson for President Committee?

A Yes.

Q What was that money in payment for?

A It was in payment for a suite I rented at the Hotel Statler in Boston.

Q Was the use of that hotel in connection with the campaigning for Senator Jackson's candidacy?

A Yes.

Q Was this in the form of a reimbursement?

A Yes.

Q For money that you had personally expended?

A Yes.

Q So that in order to be a little more clear, you were receiving reimbursement from the Jackson for President Committee for activities which you were conducting on behalf of Senator Jackson's candidacy?

A I did receive a reimbursement.

Q Did you discuss with Mr. Carlough any of the activities for which this money was given to you?

A Yes.

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HEMLOCK ERASABLE COTTON CONTENT

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ERASABLE
COTTON CONTENT

Q He was aware of the fact that you had received money and that you had conducted this activity in, I believe it was New York, is that what you said, in Boston?

A Massachusetts. I don't know if he was aware of the reimbursement. He was aware of the fact that I had incurred an expense.

Q Did you ever have any other discussions with Mr. Carlough or any other officers of Sheet Metal Workers regarding any work you were doing, your campaign work for the Jackson for President Committee?

A I didn't do any campaign work for the Jackson for President Committee.

Q I guess the confusion lies in this money which you received from the committee, which was in connection with campaign work that you were doing for them, I mean campaign work.

A It wasn't campaign work.

Q What kind of work was it?

A I was campaigning with the building and trade people in the various union groups.

Q How did the Jackson for President Committee know to reimburse you for that money that you had spent?

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A I really don't know. I forwarded the reimbursement in and I received it from them.

Q To whom did you send the bill?

A To our general office in Washington.

Q To the Sheet Metal Workers' general office?

A Yes.

Q The payment for that bill came from the Jackson for President Committee?

A Yes.

Q The money that you received from the Labor for Jackson Committee, was that in the form of a reimbursement?

A Yes.

Q Was that conducted in the same way you would send a bill in and receive reimbursement?

A Yes.

Q To whom did you send the bill?

A The Sheet Metal Workers' general office.

Q You were not aware that the payment would come from Labor for Jackson?

A No.

Q How did you know when you were campaigning, when you were making expenditures, which were reimbursed by the

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Jackson for President Committee or Labor for Jackson, how did you determine where you were going to go to campaign and make expenditures?

A It was almost on the basis of what was required consistent with the work I was doing.

Q Who would tell you?

A Nobody particularly would tell me.

Q How did you come to the decision to go to New York, for example?

A I volunteered my services to go to New York.

Q To whom did you volunteer?

A To Mr. Carlough.

MR. BROWNING: I have no further questions.

MR. SPIEGEL: Mr. Randolph, any questions?

EXAMINATION BY COUNSEL FOR LAWRENCE McLAUGHLIN

BY MR. RANDOLPH:

Q Let me begin with the last topic.

Mr. McLaughlin, in regards to your going to New York, isn't it a fact that you were also requested to go to New York by a local union member?

A Yes.

Q Would you name that individual?

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A His name was Bill Mazur. He is the business manager of Local Union 58, Syracuse, New York.

Q Would you describe why he requested you to come to New York?

A For an organizational campaign with three non-union employers employees.

Q Let me also read to you a statement, and I am reading from a letter dated May 31, 1977, To Mr. William C. Oldaker, signed by Edward J. Carlough, page 5.

MR. SPIEGEL: Before you read from this letter --

MR. RANDOLPH: Do you have an objection?

MR. SPIEGEL: Yes, to question the witness about his personal resources --

MR. RANDOLPH: I am asking whether he believes the statement is accurate.

MR. SPIEGEL: This letter was not written by the witness.

MR. RANDOLPH: I realize that. But I can ask him a question.

BY MR. RANDOLPH:

Q What do you say to the accuracy of this statement: "Mr. McLaughlin rented a van from Hertz Rent-A-Car in Philadelphia, Pennsylvania, on April 28, 1976, and kept the

van for a period of one week"?

A It is an accurate statement.

Q It is accurate?

A Yes.

Q What date was the Pennsylvania primary, do you recall?

A I honestly can't remember.

Q Did you rent this van prior to the Pennsylvania primary?

A No.

Q Election?

A Prior to the election, yes.

Q If the date of the election were prior to April 28, 1976, would this be a correct statement?

A Yes. If the date of the primary is the 28th?

Q If the statement is you rented the van on April 28, 1976, and the primary occurred before April 28, 1976, would that be an accurate statement?

A No.

MR. RANDOLPH: No further questions.

(I have read the foregoing pages 3 through 23, inclusive, which contain an accurate transcript of the answers made by me to the questions therein recorded.

Lawrence D. McLaughlin
LAWRENCE McLAUGHLIN

7904012240-2

CERTIFICATE OF SHORTHAND REPORTER

I, Lynell C. Shreve, shorthand reporter, do hereby certify that the testimony of the witness appearing in the foregoing deposition at pages 3 through 23, inclusive, was taken by me in shorthand and thereafter reduced to typewriting under my direction; that the said deposition at said pages is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.

Lynell C. Shreve
Shorthand Reporter

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Transcript

David Spiegel, Esq.
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

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ELIHU I. LEIFER
JOHN P. COUNTS
TERRY R. YELLIG*
RICHARD M. RESNICK
ROBERT G. KURNICK
*PA. BAR ONLY

October 17, 1977

703038

Ms. Peggy L. Greenwood
Vice President
Milton & Greenwood Reporting
Associates, Inc.
Suite 1110
1028 Connecticut Avenue, N.W.
Washington, D.C. 20036

Re: Labor for Jackson and Sheet Metal Workers International Association - Political Action League, MURS 236, 266 (76)

Dear Ms. Greenwood:

Pursuant to your request, I am returning herewith a corrected version of the original copy of Mr. Keenan's deposition. In accordance with your request, Mr. Keenan has made the corrections in ink, initialed them, and placed an asterisk at the end of each correction. At the bottom of each page on which a correction appears, a letter has been placed by Mr. Keenan to indicate the reason for the correction. Letter "A" stands for a correction to correct stenographic errors; letter "B" to conform with the facts; and letter "C" to clarify the record.

Sincerely,

SHERMAN, DUNN, COHEN & LEIFER

By Elihu I. Leifer
Elihu I. Leifer

EIL:laf
Enclosure

cc: David Spiegel, Esq.
A. Raymond Randolph, Jr., Esq.

7904012405

LAW OFFICES
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1125 FIFTEENTH STREET, N. W.
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WASHINGTON, D.C. 20005

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David Spiegel, Esq.
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Washington, D.C. 20463

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October 28, 1977

703175

David Spiegel, Esq.
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

RE: In the Matter of: LABOR FOR JACKSON AND SHEET METAL WORKERS INTERNATIONAL ASSOCIATION-POLITICAL ACTION LEAGUE, MURs 236, 266 (76)

Dear Mr. Spiegle:

Submitted herewith for filing the deposition of JOSEPH DANIEL KEENAN, the deponent having read corrected and signed said original transcript of the deposition taken on October 3, 1977.

Sincerely yours,

MILTON & GREENWOOD REPORTING ASSOCIATES, Inc.

Peggy L. Greenwood

Peggy L. Greenwood
Vice President

cc:
Elihu I. Leifer, Esq.
file

7904012240 7

ORIGINAL

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of:	
LABOR FOR JACKSON and SHEET METAL WORKERS INTERNATIONAL ASSOCIATION-POLITICAL ACTION LEAGUE	MURs 236,266 (76)

Washington, D. C.

Monday, October 3, 1977

Deposition of

JOSEPH DANIEL KEENAN

a witness in the above-entitled matter, called for examination by counsel for the Federal Election Commission, taken at the offices of the Federal Election Commission, 1325 K Street, Northwest, Washington, D. C., beginning at 1:05 p.m., before David Spiegel, when were present on behalf of the respective parties:

BCL

7904012240 3

MILLERS FALLS
EZERASE
COTTON CONTENT

Milton & Greenwood Reporting Associates, Inc.
(formerly Reynolds Reporting Associates, Inc.)
OFFICIAL REPORTERS
1028 Connecticut Ave., N.W., Suite 1110
Washington, D.C. 20036
Phones: (202) 833-3698
833-3699

For the Federal Election Commission:

DAVID SPIEGEL, ESQ. and
JUDITH BROWNING, ESQ.
1325 K Street, N. W.
Washington, D. C. 20463

For Joseph D. Keenan:

SHERMAN, DUNN, COHEN & LEIFER
By: ELIHU I. LEIFER, ESQ.
1125 - 15th Street, N. W.
Washington, D. C. 20005

For the Sheet Metal Workers International Association-Political Action League:

DONALD W. FISHER, ESQ.
Suite 741, National Bank Building
Toledo, Ohio 43604

C O N T E N T S

WITNESS:	EXAMINATION BY COUNSEL FOR: FEDERAL ELECTION COMMISSION (Mr. Spiegel)	(Ms. Browning)
JOSEPH DANIEL KEENAN	3	15

7904012240 9

HEMLOCK
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Thereupon

JOSPEH DANIEL KEENAN

a witness, was called for examination by counsel for the Federal Election Commission and, after having been sworn by David Spiegel, Esq., was examined and testified as follows:

EXAMINATION BY COUNSEL FOR THE FEDERAL ELECTION COMMISSION

BY MR. SPIEGEL:

Q Would you state your name for the record, sir?

A Joseph Daniel Keenan.

Q What is your address?

A 2727 - 29th Street, Northwest, Washington, D. C.

Q Where are you presently employed, sir?

A I am retired. I am not employed. I am spending part time at the Americans for Energy Independence and -- well, I am president, which is a president of the ~~Labor~~ LABOR Trades Department of the American ~~Federist~~ FEDERATION OF LABOR Labor, which involves the chairing of about four executive council meetings a year and chairing a convention.

Q Were you retired in 1976, sir?

A Yes, April 1st.

Q What was your employment prior to that time?

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A International Secretary of the International Brotherhood of Electrical Workers.

Q Have you ever been associated with the Sheet Metal Workers International?

A No, sir.

Q Have you ever been associated with the Marine Engineers?

A No, sir.

Q In 1976, did you have occasion to be associated with a group called Labor for Jackson?

A Yes, sir.

Q What was your position with that group?

A ~~President.~~ CHAIRMAN JAH

Q Did you receive any pay or salary for that position?

A No, sir.

Q Did any other officials who worked with that group receive any pay?

A Not to my knowledge.

Q How did you come to be employed by Labor for Jackson?

A They said they were setting up a ~~labor~~ JAH organization for Jackson and were looking for officers. The committee came to me and asked me if I would serve as chairman.

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HEMLOCK ERASABLE COTTON CONTENT

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COTTON CONTENT

Q When you say committee are you referring to any particular individuals?

A There were three that were interested in developing it.

Q Who were these three?

A Well, there was Eddie Carlough and Jesse Calhoun. I think those are the ones.

Q Calhoun is with Marine Engineers?

A Yes.

Q Who was the third person?

A I am not sure who the third one is. There were four or five that made contributions. But I am not sure.

Q But you said there was a third person in that group who approached you. Do you remember that person's name?

A I couldn't tell the group that made up the organization. These are organizations I had been associated with.

Q About when did this conversation take place when they asked you to serve with Labor for Jackson?

A The first time?

Q The first time you were approached?

A I was approached the first time before I resigned

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HEMLOCK

from the Electrical Workers. I told them that I wouldn't do anything in politics until after I resigned. I think that it was about the 15th of April before I considered and accepted the position; sometime in there, I am not sure.

Q During the course of this discussion with Mr. Calhoun and Mr. Collin and whoever was there, was the purpose for which the group was established mentioned?

A Well, anyone that had anything to do with labor politics knew what the purpose was. So it was generally accepted that this was an organization set up to try to help the candidacy of Scoop Jackson.

Q What was your role in this group, as chairman?

A Just chairman.

Q What were the responsibilities of that involved?

A I didn't have any, other than to take care of signing checks,and that was it.

Q Who handled the assigning of personnel to perform various tasks for the group?

A We didn't have a going organization. This was just an organization to collect money and distribute it.

Q Did you have an address that you worked out of?

A Out of 2727 --

Q 2727 what?

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HEMLOCK
ERASABLE
COTTON CONTENT

A I worked out of 2727-29th Street, Northwest.

Q How many people were at this address working for Labor for Jackson?

A Just myself; and my wife. That is home.

Q Did Mr. Carlough operate out of this address at all?

A No.

Q Where did he perform the work for the group from?

A His office.

Q At the Sheet Metal Workers?

A Yes, sir.

Q Were you associated with any other groups that made contributions to, expenditures on behalf of the Jackson campaign?

A How do you mean that?

Q During the course of 1976, did you belong to any other groups besides Labor for Jackson that supported Senator Jackson's presidential campaign?

A Yes, I was international secretary of the Electrical Workers. I administered their fund. I gave up that administration on March 31, when I resigned. Out of our fund we made contribution to the Jackson -- different Jackson committees.

7904012241 4

Q To your knowledge, was there any discussion of any other groups like Labor for Jackson that were to be formed to support the Jackson candidacy?

A No, not in my presence.

Q During the first six months of 1976, did you have any social contacts with any members of Senator Jackson's staff?

A Social contacts? What do you mean by that?

Q Dinners, getting together informally?

A Cocktail parties, is that what you are talking about?

Q Things like that.

A You get these invitations in the mail. If I felt like it, I would go to them, show my appearance.

Q How many of these things would you say you attended?

A I wouldn't be able to tell you, one, two, three, whatever group was holding it.

Q Who gave these cocktail functions or whatever?

A I couldn't tell you right off now. I got five or ten a day during periods of different candidates. You would select the ones that you would feel you would like to show up at.

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COTTON CONTENT

Q Were these parties given by Senator Jackson himself or his staff?

A No, these were people supporting him.

Q Did you have any occasion in the first six months of 1976 to have any business contacts with members of Senator Jackson's staff? I am talking about people --

A No, I was in no position after I left the Electrical Workers. I just had no business dealings with Senator Jackson. In my association as secretary of the Electrical Workers, I might have talked to him about collection procedures or something.

Q But after you left the Electrical Workers in your knowledge you had no contacts with any members of his staff?

A No.

Q Is the name Bob Keefe familiar to you?

A Bob Keefe?

Q Yes.

A Sure, I have known Bob Keefe for years.

Q Did you have any contact with him in 1976?

A Sure, I talked to him; not on meetings; I would meet Bob or if I met him, I stopped and talked to him.

Q In 1976?

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HEMLOCK ERASABLE COTTON CONTENT

A Sure, during the campaign, certainly.

Q How many times did you see him?

A I couldn't tell you.

Q A number of times?

A I met him at meetings.

Q Do you remember the substance of any of these discussions?

A No, sir.

Q How about the name Hershey Gold, is that a name that is familiar to you?

A I don't remember that name at all.

Q Would you say these meetings that you had with Bob Keefe or these discussions you had with Bob Keefe were more than a half dozen?

MR. LEIFER: You are referring to 1976?

MR. SPIEGEL: 1976.

MR. LEIFER: Just 1976?

MR. SPIEGEL: Just 1976.

THE WITNESS: You are talking about official meetings?

BY MR. SPIEGEL:

Q No, I am just talking about discussions, get-togethers. If I would meet him on the street, he and I covered the same area every day. We would meet, say hello, ask how things are

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ERASABLE
COTTON CONTENT

going; like I do with hundreds of people around Washington in my last twenty years. I have been active in this field for twenty years. So, Bob has been around here for twenty years, I believe, working for the Democratic National Committee and working for a half dozen -- he is a fellow you would stop and talk to. But there were no meetings, I would just stop and talk to him.

Q Did you ever discuss the Jackson campaign with him?

A I certainly would ask him how things were going, that is about all.

When we went out of business, we went out of business about, right after the Pennsylvania primary. I think we pretty near folded then. Then that was it as far as the Jackson club was concerned or Jackson organization.

Q I believe you stated that you signed the checks for Labor for Jackson. Was this to cover expenditures of persons that were working for you?

A No. They were whatever was sent in to me to pay.

Q Did you have any role in deciding the purposes for which these payments were allocated?

A No. I took whatever was sent to me and had the proper okays; the secretary sent the check to me and I signed

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them.

Q Do you have any knowledge of how persons were selected by Labor for Jackson to perform various duties for it?

A None at all.

Q Who did make those decisions?

A Well --

MR. LEIFER: Don't guess, Mr. Keenan, only if you know.

THE WITNESS: I don't know.

BY MR. SPIEGEL:

Q I am going to show you a list that we have compiled from the reports of Labor for Jackson. The reports are appended to the list. But this is the list of all expenditures made by Labor for Jackson. The reports follow that. Are those expenditures you are referring to for which you signed checks?

A Yes, sir.

Q Take your time and examine the list. As you will note from the summary of the list, the summary sheet that a number of those expenditures are for printing costs, recording costs, things like that. Do you know what companies or who was involved with that?

A Well, with every one of these bills that were sent

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HEMLOCK ERASABLE COTTON CONTENT

to me, there was a company, and in most cases I made the checks out to the company that sent in the billing.

Q Do you know if Labor for Jackson made any attempt to reach Senator Jackson or any members of his staff before it made its expenditures?

A I wouldn't know that. I wouldn't know that. They asked me to be chairman. And I agreed to it. The fact of the matter is, I have been Jackson's friend from the day he came to Washington.

Q Did you, yourself, ever have occasion to contact Bob Keefe, Senator Jackson, any members associated directly with his campaign with regard to your activities with Labor for Jackson?

A No, because I was active with Jackson long before this group, long, long before. I was active in 1968; I was active in '72, and I was active in the early days of '75. I was associated with Jackson down through the years. And with the Brotherhood I was head of the political operation there for 22 years. So, I knew all these fellows personally.

Q Were you familiar at the time you took the job with the way Senator Jackson was operating his 1976 campaign?

A Was I?

Q Yes.

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A No, he wasn't because I was -- in '76?

Q In '76.

A In '76, as I told you, I didn't get directly connected with that. I was making, contributing whatever help I could as an individual but as secretary to the Electrical Workers ~~which I had a right to do.~~ I had no involvement. ~~That was a person, an office, elected to a trade union.~~

Q To your knowledge, do you know if any other members, persons associated with Labor for Jackson, had any contact with Senator Jackson or his staff in the early part of '76?

A I don't know. That is everyone's personal privilege to support a candidate. When you get into the organization, that is another business, that is another thing. ~~Your personal interest in a candidate is only elective.~~

Q Did Labor for Jackson, to your knowledge, maintain its own bank account under which the expenses were made to various persons who worked for the Jackson campaign?

A They might have had, but there is no -- that might be another account. I didn't know anything about that.

Q What was the account that you were dealing with?

A No. This account was just the Labor for Jackson, and

it was just a limited number of unions that made contributions.

MR. LEIFER: Could we go off the record?

MR. SPIEGEL: Sure.

(Discussion off the record.)

BY MR. SPIEGEL:

Q Do you have any knowledge of a $20,000 transfer of monies that was reported by the Labor for Jackson from Marine Engineers Beneficial Association?

A That is in the records. I think that is in the first report that I made to --

Q Did you have any participation in the making of that?

A No, that was all there, and we banked it. I think on that date it was seven or eight checks that were banked that started us off.

Q Do you know who contacted Marine Engineers about this?

A This state was in a formation state for three or four months before I finally went over and took over the ~~presidency~~. CHAIRMANSHIP. A.F. JHK

MR. SPIEGEL: Judy, do you have any questions?

BY MS. BROWNING:

Q I just have a couple of questions. You say that

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COTTON CONTENT

you signed the checks for amounts which were sent to you from another person.

A Yes.

Q How did you know when to issue the checks?

A They went through -- this is the kind of things. I would get these bills.

Q Where would the bills come from?

A They would come from out in the field, wherever these campaigns were going on.

Q From the individuals that are listed?

A There were four or five campaigns going on at the same time, one in Massachusetts, one in New Hampshire, one in Pennsylvania, one in Indiana, I believe. I think there was one out in the coast, too, if I am not mistaken.

Q Would there be some sort of authorization for you to pay the bills or did you -- how did you know when these bills arrived --

A They would come in, they were sent in from an office that we were in contact with. I forget the gentleman's name. He would send them in, and we then would go over them, they were okayed properly, and then I signed them. They had a certain okay that I would recognize. Then I authorized

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HEMLOCK ERASABLE

them to draw the check.

Q Who would go over them to see that they were all right for payment?

A The people that I was dealing with in the check, the person that was doing that work for the committee, Jackson for President, or whatever our committee name was.

Q What was the name of the person, do you remember?

A I don't know. I don't know. I would have to get that.

Q Did you get any sort of authorization from Mr. Carlough before you would make payment?

A He was the secretary. He was the fellow. They came through him. I just accepted what he sent me. So I don't know who he had working on them.

Q So the bills would come through him before they came to you for payment?

A True. He was one of the persons that was designated. He was busier than the devil with his own business. He probably had somebody assigned to do it. I accepted them as they were sent.

Q Did you have any meetings with the other Labor for Jackson officers after you were first contacted to be the

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COTTON CONTENT

chairman?

A No. We were on the go all the time at that time. That was in the heat of the primaries. I had other interests. We were all going different directions. We may get together at a general meeting of committees for Jackson. But as that single group, I don't think we had over one or two meetings. Then there were offshoots of other meetings.

Q Do you recall whether Labor for Jackson solicited any other groups for contributions to the Labor for Jackson Committee other than those initial amounts which were contributed?

A I don't know. I am sure they did. I would think they did. But I am not sure.

MS. BROWNING: I don't have any other questions.

MR. SPIEGEL: Just one more point for the record. Mr. Keenan, are you represented here by an attorney today?

THE WITNESS: Yes.

MR. SPIEGEL: Would he identify himself for the record?

MR. LEIFER: Elihu I. Leifer.

MR. SPIEGEL: Mr. Leifer, do you have any questions?

MR. LEIFER: No, I don't.

MR. SPIEGEL: Thank you very much, sir.

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HEMLOCK ERASABLE COTTON CONTENT

(I have read the foregoing pages 3 through 18, inclusive, which contain an accurate transcript of the answers made by me to the questions therein recorded.

Joseph D Keenan

JOSEPH DANIEL KEENAN

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COTTON CONTENT

7904012242 3

CERTIFICATE OF SHORTHAND REPORTER

I, Lynell C. Shreve, shorthand reporter, do hereby certify that the testimony of the witness appearing in the foregoing deposition at pages 3 through 18, inclusive, was taken by me in shorthand and thereafter reduced to typewriting under my direction; that the said deposition at said pages is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.

Lynell C. Shreve
Shorthand Reporter

7

BCL

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MCC#18

LAW OFFICES
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JAMES E. SHARP
A. RAYMOND RANDOLPH, JR.
N. RICHARD JANIS

TELEPHONE
(202) 659-2400

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October 20, 1977

Ms. Peggy L. Greenwood
Vice President
Milton & Greenwood
Reporting Associates, Inc.
Suite 1110
1028 Connecticut Avenue, N.W.
Washington, D.C. 20036

Dear Ms. Greenwood:

Enclosed is a signed copy of the original transcript of Mr. Scaduto's deposition before the Federal Election Commission. No changes were made on the original.

Sincerely yours,

A. Raymond Randolph, Jr.

ARR:bjm
Enclosure
cc: David Spiegel, Esq.
Judith Browning, Esq.

7904012242 8

LAW OFFICES
SHARP, RANDOLPH & JANIS
SUITE 401
1220 NINETEENTH STREET, N. W.
WASHINGTON, D. C. 20036

WASHINGTON PM 20 OCT 1977

David Spiegel, Esq.
1325 K Street, N.W.
Washington, D. C. 20463

91:8 AM 12 10 77

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P. L. Greenwood
Vice President
Secretary-Treasurer

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202-833-3699
Notary Public
D.C.-Va.-Md.

November 4, 1977

793252

David Spiegel, Esq.
Federal Election Commission
1325 K St., N. W.
Washington,D. C.20463

RE: Filing depositions of: Frank Scaduto; Ernest F. Miller, and Robert Nelson Crews.

The following deposition having been read and signed are submitted to you for filing.

In the Matter of: LABOR FOR JACKSON, et al. the depositions of FRANK SCADUTO and ERNEST MILLER, taken October 3, 1977.

In the Matter of: J. RAY MC DERMOTT, et al., taken September 21, 1977.

Sincerely yours,

MILTON & GREENWOOD
REPORTING ASSOCIATES, INC.

Peggy L. Greenwood

Peggy L. Greenwood
Vice President

cc:
file

7904012243O

ORIGINAL

BEFORE THE FEDERAL ELECTION COMMISSION

BCL

In the Matter of:	
LABOR FOR JACKSON and SHEET METAL WORKERS INTERNATIONAL ASSOCIATION-POLITICAL ACTION LEAGUE	MURs 236,266 (76)

Washington, D. C.

Monday, October 3, 1977

Deposition of

FRANK SCADUTO

a witness in the above-entitled matter, called for examination by counsel for the Federal Election Commission, pursuant to notice, taken at the offices of the Federal Election Commission, 1325 K Street, Northwest, Washington, D. C., beginning at 1:50 p.m., before David Spiegel, when were present on behalf of the respective parties:

7904012243 1

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Phones: (202) 833-3598
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For the Federal Election Commission:

DAVID SPIEGEL, ESQ.
and
JUDITH BROWNING, ESQ.
1325 K Street, N. W.
Washington, D. C. 20463

For Frank Scaduto:

A. RAYMOND RANDOLPH, JR., ESQ.
1220 - 19th Street, N. W.
Washington, D. C. 20036

For the Sheet Metal Workers International Association-Political Action League:

DONALD W. FISHER, ESQ.
Suite 741
National Bank Building
Toledo, Ohio 43604

C O N T E N T S

WITNESS:	EXAMINATION BY COUNSEL FOR: FEDERAL ELECTION COMMISSION (Ms. Browning)	(Mr. Spiegel)
FRANK SCADUTO	3, 22	16

7904012432

Thereupon

FRANK SCADUTO

a witness, was called for examination by counsel for the Federal Election Commission and, after having been sworn by David Spiegel, Esq., was examined and testified as follows:

EXAMINATION BY COUNSEL FOR THE FEDERAL ELECTION COMMISSION

BY MS. BROWNING:

Q Would you state your name for the record?

A Frank Scaduto.

Q What is your address?

A 2401 H Street, Northwest.

Q Mr. Scaduto, are you aware of your right to have counsel present?

A Yes.

Q Would your counsel identify himself for the record?

MR. RANDOLPH: A. Raymond Randolph, Jr.

BY MS. BROWNING:

Q Mr. Scaduto, where are you employed?

A Sheet Metal Workers International Association.

Q What is your position?

A Director of Governmental Affairs.

Q How long have you been employed by Sheet Metal

7904012243 3

Workers?

A In this capacity?

Q Yes.

A Four years.

Q Could you explain what that position required? What its functions are?

A I represent the Sheet Metal Workers International and its membership throughout the United States and Canada on legislative matters in Congress.

Q Do you have any responsibilites that relate to campaigning for Federal candidates as part of your position?

A Directly campaigning?

Q Yes.

A For Federal candidates?

Q Yes.

A No.

Q Or campaign-related activities, that is, making plans for campaign expenditures?

A No.

Q Did you have any responsibilities during the 1976 presidential primaries for planning any activities, campaign activities, on behalf of Senator Jackson?

A No.

Q Were you involved in any way with the Political

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HEMLOCK ERASABLE COTTON CONTENT

Action League, Sheet Metal Workers' Political Action League in its making of independent expenditures on behalf of Senator Jackson?

A Only to the extent that we, from the Political Action League made expenditures. Only to that extent, if I understand the question.

Q How were you involved in that activity?

A My responsibility is Director of Governmental Affairs, and my connection with the PAL, any expenditures that we received that has to do with the PAL activities, I see to it that the bills are paid.

Q Were you at all responsible for any of the activities which Sheet Metal Workers'employees took part in, in campaigning on behalf of Senator Jackson's candidacy?

A You mean being actively involved in?

Q Making any decisions as to how those activities would be carried out.

A No.

Q You simply were responsible for paying the bills, is that correct?

A The bills that were presented, yes.

Q Were you aware of the activity that was taking

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place in this campaign on behalf of Senator Jackson?

A Yes, I think, it was, you know, general knowledge.

Q How would you pay the bills which were presented to PAL? Were you involved with signing the checks or anything like that?

A No.

Q Are you aware of how it was decided that PAL would pay for certain activities, campaign activities on behalf of Senator Jackson?

A To the extent that I would be given bills to pay. Any bills that were given to me that were required to be paid from the PAL fund, yes, to that extent, I was aware at that point.

Q But you did not have any prior knowledge as to what kind of bills would be accrued?

A No.

Q Or who would be making expenditures?

A No.

Q Where did the bills come from directly, after you saw them? Were they sent in by those persons who made the expenditures?

A It would be sent in by people who made expenditures.

7904012243 6

Q Did they come in through some other person before they came to you, that is, another employee of Sheet Metal Workers?

A Do you mean would they go to someone before I received them?

Q Yes. Would they be forwarded to you by someone else?

A They would be given to me by someone else.

Q By whom?

A President Carlough.

Q Did you, yourself, do any campaigning on behalf of Senator Jackson?

A Campaigning, I am not sure I understand the full implication of your --

Q Did you carry out any activities for PAL or Labor for Jackson or any of the Jackson organizations as an individual?

A No.

Q Did you carry out any activities on behalf of Senator Jackson for any of the organizations which supported him?

A No.

Q Were you ever reimbursed for any campaign expenditures

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spent on behalf of Senator Jackson?

A No.

Q I would like to show you some pages from reports sent to the Commission from the Jackson for President Committee. These pages represent loans to the Jackson for President Committee from employees of the Sheet Metal Workers International Association. Those loans were made primarily in the month of April, 1976, and were repaid to the individuals in May of 1976. Are you familiar, or do you have knowledge of the making of those loans?

A There are quite a few names here. Your question was do I have the knowledge of the making of those loans?

Q Yes.

MR. RANDOLPH: May I ask you to be more specific? Let me get a clarification. Are you asking line by line whether Mr. Scaduto is familiar with each one of these particular loans?

MS. BROWNING: No. I would like to know if you have knowledge of the fact that loans were made from Sheet Metal Workers International Association employees to the Jackson for President Committee?

THE WITNESS: I would say in general terms, yes, I had

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COTTON CONTENT

knowledge of that.

BY MS. BROWNING:

Q Could you tell us how you got knowledge of that loan activity?

A I was involved to a degree in that venture.

Q Who contacted you about this particular activity?

A I discussed it with Larry Cassidy.

Q Who is --

A He is the assistant to President Carlough in our general office.

Q Do you remember when he contacted you?

A It was not actually a matter of contact. We have kind of a free hand in our office to go back and forth from one department to another, depending on what we are doing, and what we want to see each other about. On this particular day I went into Larry's office,and he has a list of names. Briefly he told me what he was doing. He was contacting some organizers and staff people. He mentioned what it was about.

He asked me if I would give him some assistance in doing this. I checked the list. With this I took maybe ten or twelve names from that list of organizers, of representatives that I had worked with in the field, and I contacted those

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people.

Q Did Mr. Cassidy tell you how he had compiled the list?

A Did he say how he got the list?

Q Yes.

A He told me he got it from the president.

Q From President Carlough?

A President Carlough.

Q Did you take part in the solicitation of the loans?

A I contacted ten or twelve people.

Q The people that you contacted were those persons whose names were on the list Mr. Cassidy showed you, or persons who you added?

A No, it was taken --

Q From the original?

A To the best of my knowledge it was taken from the list.

Q How did you contact the ten or twelve persons?

A I called them.

Q On the telephone?

A Yes.

Q What did you tell them?

A I think, if I remember, I told them what we all

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pretty well knew, that Senator Jackson needed funds, but the hangup, if I remember, there was some delay in the matching fund procedure or whatever was happening. It was in the newspapers. We all knew this. We read about it that the Senator was running short of funds and needed some immediate cash. Knowing these people, they were friends of mine, I worked for them for many years. I knew their political affiliations, and it was a possibility that they would want to help. So, I just called them and asked them that if they were able to do it on a voluntary basis that they might want to consider doing that.

Q Did you tell them that these were to be loans?

A Yes.

Q Did you tell them that they would be repaid?

A We told them that they could expect to be repaid once the matching funds --

Q How were they to send in the money to the Jackson for President Committee? Did they give it to you and you forwarded it?

A No. They did not do it that way.

If I recall, Larry gave me the name of the treasurer, I believe, of the Jackson campaign or possibly I called that

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office to be certain as to how the checks were to be made out. I think I called the campaign office to make certain as to how the checks were to be made out.

I also told the fellows that I contacted that if they could make a contribution to list on the back of the check -- I don't recall now the exact terminology, that this was in fact a loan or that it was accepted as a loan,and they would be expected to be reimbursed possibly within a six-week period from that point.

Q How did you know that they would be reimbursed?

A We felt that they would be. It was a matter of the Senator receiving matching funds, and once he had that money, why, I think it was discussed in general that this was his commitment that it would be repaid.

Q Did someone on his staff indicate to you that it would be approximately six weeks before they would be able to repay the loans?

A I don't recall that anyone on his staff said it. But it was the general consensus that it would take about that long.

Q I would like to show you a couple of pages. These are from reports filed by PAL to the Election Commission. If

7904012244 2

you will note, the amounts that are itemized on this page are all listed as loans to the Labor for Jackson Committee. On the next page I believe there is one that is called Loan Advance to Labor for Jackson Committee.

Did you fill out those reports?

A No, I did not.

Q Do you know who did?

A Yes, my secretary, Judy Lerner.

Q It has come to our knowledge through amended reports that those were not in fact loans, but they were independent expenditures, apparently. Do you know why your secretary put down loans to Labor for Jackson Committee?

A If I recall that, it was during a period of time when the Labor for Jackson Committee was getting under way. These expenditures had been incurred by the PAL Committee or by PAL. We weren't really quite sure at that time how we would list these expenditures.

If I recall this one here for $22,000, it was the first one that we received. This was -- is that correct?

Q This is an expenditure to the Edgian Press.

A Yes. This was, as I say, a new experience for us. We were involved in this campaign, and we had some discussion

7904012244 3

assumes a fact that hasn't been established, that Mr. Scaduto made the decision to amend the reports.

BY MS. BROWNING:

Q Mr. Scaduto, did you take any part in the decision to later amend the reports to show these as independent expenditures?

A This decision was made at a later date. I cannot completely recall the change from Labor for Jackson to independent expenditures. I am just not quite that sure.

Q Do you remember who would have filled the reports out, the amendments to the reports?

A Judy Lerner. I have delegated a certain amount of responsibility to her on filling out all forms for the Election Committee.

Q Would you have directed her to fill them out?

A Would I have directed her to do that?

Q To fill out the amendments?

A No, not necessarily. We have discussed it. She has done much more on this -- I should say she has been much more involved in this than I have been.

Q Do you think it was her decision to amend the reports to show those items as independent expenditures?

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A I don't believe it was her decision alone to amend these reports.

Q Could you explain why the address that is given for the $22,000 expenditure and then on the second page for the $212.23 expenditure is 511 Second Street, Southeast, which is, I believe, the address of the Jackson for President Committee?

A Can I explain that?

Q Yes.

A Other than, I believe it was done in error, because that is not, it was not where their headquarters were. It was just an error in addressing, sending the checks.

MS. BROWNING: I have no further questions. David?

BY MR. SPIEGEL:

Q Let me just ask you a few questions, if I can.

Let me bring you back to those loans that Ms. Browning was questioning you about before. Did any individual instruct you to get these loans for the Jackson Committee?

A To the Jackson? For the Jackson campaign? You are talking about the loans that were solicited?

Q Yes.

A I was not instructed as such. I was asked to assist in doing this.

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Q Who asked you that?

A Larry Cassidy.

Q Was there anybody else involved in this loan solicitation that you know of?

A To my knowledge --

Q Just you and Mr. Cassidy?

A To my knowledge, yes.

Q Whose idea was it to get the monies?

A The loans?

Q Yes.

A I am not certain about that.

Q Did it originate with Mr. Cassidy or did it originate with somebody else?

A I don't believe it originated with Larry.

Q Do you know who it originated with?

A If I recall, he told me that -- the president, President Carlough asked him to contact some people. Then Larry asked me if I would assist him in doing this.

Q Did Mr. Cassidy mention to you if Carlough had contact with anybody else or whether it was Carlough's idea on his own initiative?

A I didn't understand.

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COTTON CONTENT

Q Did Mr. Cassidy mention to you in the course of telling you that Carlough had asked him to do this, did he mention whether Carlough had contact with anybody else about the loans?

A He did not, he did not say.

Q Did you have occasion to speak with anybody from the Jackson campaign, Jackson for President Campaign, the Senator or the staff when you were soliciting these loans?

A As I mentioned earlier, I may have called their office to make certain how the checks were to be made out and where they were to be sent, only to that extent. I don't recall now who I talked to over there. It may have been the treasurer of the campaign.

Q As far as you know then, you and Mr. Cassidy were the only two individuals involved with these loans?

A As far as I know, yes.

Q Let me just ask you a few more questions on that report that was subsequently amended. Who made the decision to make the amendment to the report?

A I am trying to recall that. I don't think there was a discussion on that.

Q You mentioned your secretary and then you said that

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she was not the person who made the decision.

A She did not make the decision. We discussed it with counsel.

Q Who do you mean by counsel?

A Don Fisher.

Q Anybody else in on that discussion?

A That discussion, no; not that I can recall.

Q Do you recall who made the decision to change it?

A I think it was just the general consensus after our discussion with counsel that this would be the thing to do.

Q Did Labor for Jackson deal with any of the groups for which the expenditures were ultimately listed?

A I am not sure I understand that.

Q The monies that I am questioning you about were initially listed as a loan.

A Yes.

Q Then they were amended to reflect the fact that certain specific expenditures were made with the monies. Did Labor for Jackson deal with any of the groups for which these expenditures were eventually listed on the amended reports?

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A I don't know of any.

Q You don't know --

A I have no knowledge of if they were, if I understand your question.

Q You say this decision was reached by a consensus to amend the reports. I am just trying to understand why you switched from the format of the loan to a series of groups of which you claim you have no knowledge whether Labor for Jackson had any dealings. That is the reason I asked the question.

MR. RANDOLPH: Is there a question?

BY MR. SPIEGEL:

Q No, I am just really repeating my previous question. I am curious why the decision was made to change to specific groups from a loan format.

A I am not sure that I understand your question. You are talking about the loans that were solicited over the telephone for Jackson for President. Is this what you are talking about now?

Q No, I am talking about the Labor for Jackson, the twenty odd thousand dollars that was subsequently amended in reports to reflect the fact that they were made as

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expenditures. Off the record.

(Discussion off the record.)

BY MR. SPIEGEL:

Q Mr. Scaduto, we have showed you copies of the reports in question. We went off the record. Could you answer that question that I asked you now?

A Would you pose the question again, if you will, please?

Q The question was why were the reports amended from the form of a $22,000 loan for Labor for Jackson to specific expenditures?

A I think I replied to that earlier. It was a matter of having a discussion with counsel, Judy Lerner and myself discussing this at that time. Things were pretty uncertain. There was a lot of confusion about how you report things, how is it done. This was something that we were involved in that was a little different. We discussed it with counsel. On the consensus of that discussion we just decided that independent expenditures would probably be the proper way to do it rather than what we had previous.

Q So, there was no loan made to Labor for Jackson?

A Well, it didn't finally evolve in that. It was

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just an independent expenditure.

Q Did you intend to make a loan for Labor for Jackson originally?

A This was when we made our report. At the very beginning it was done with the thought that it would be a loan to Labor for Jackson with the possibility that we would be reimbursed.

MR. SPIEGEL: Okay, no further questions.

BY MS. BROWNING:

Q I have one other question. You mentioned that you had contact, you though you remembered having contact with the treasurer for the Jackson for President Committee with regard to certain loans which you solicited from employees of the Sheet Metal Workers. Do you recall having had any contacts with Bob Keefe?

A In regards to this?

Q No, just with respect to -- during the period from January, 1976, through April or May, 1976, the primary period, did you have any contacts with Bob Keefe?

A No.

Q Hershey Gold?

A No.

Q Do you remember having any contacts with Senator Jackson's senatorial staff?

A I don't recall any.

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MS. BROWNING: Thank you.

MR. SPIEGEL: Thank you, sir.

THE WITNESS: Thank you.

(I have read the foregoing pages 3 through 22, inclusive, which contain an accurate transcript of the answers made by me to the questions therein recorded.

Frank Scaduto

FRANK SCADUTO

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COTTON CONTENT

CERTIFICATE OF SHORTHAND REPORTER

I, Lynell C. Shreve, shorthand reporter, do hereby certify that the testimony of the witness appearing in the foregoing deposition at pages 3 through 23, inclusive, was taken by me in shorthand and thereafter reduced to typewriting under my direction; that the said deposition at said pages is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.

Lynell Shreve
Shorthand Reporter

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September 7, 1977

David Spiegel, Esq.
Federal Election Commission
1325 K Street, N. W.
Washington,D. C. 20463

772743

Re: Depositions of EDWARD J. CARLOUGH, LAWRENCE MC LAUGHLIN, and JIMMY A. HINKLE, in the matter of LABOR FOR JACKSON, etc., MURs 236, a66 (76), before the FEDERAL ELECTION COMMISSION.

Dear Mr. Spiegel:

Transmitted herewith are the corrected and signed depositions of the above named deponents.

Also transmitted herewith is a listing of said corrections.

Sincerely yours,

MILTON & GREENWOOD
REPORTING ASSOCIATES, INC.

Peggy L. Greenwood

Peggy L. Greenwood
Vice President

cc:
file

7904012245A

The following corrections have been made by EDWARD J. CARLOUGH, to his deposition taken on August 12, 1977.

PAGE	LINE	FROM	TO
10	17	"It"	"I"
10	20	"survey"	"serve"
11	22	"have"	"had"
15	4	"unions"	"union"
19	2	"some"	"someone in"
21	19	"Murther"	"Murtha"
21	20	"guy,"	"union,"
23	9	"Zone"	"Zon"
25	17	"Slasper"	"Clasper"
28	12	"March 7	"March 17"
32	13	"Action"	"Jackson"
34	6	"advance"	"advice"
34	12	"Seadel"	"Sidell"
37	22	"Nolan"	"Wilhelm"
39	21	"Directive"	"director of"
45	10	"spit"	"spat"
47	18	"build a plan"	"handbill a plant"
48	10	"Joy"	"Joe"
50	5	"Brower"	"Broward"

- - -

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The following corrections have been made by LAWRENCE MC LAUGHLIN, to his deposition taken on August 12, 1977.

PAGE	LINE	FROM	TO
3	11	"Waymouth"	"Weymouth"
5	10	"vacations"	"vacation days"
6	17	"that"	"what"
10	2	"deem"	"deal"
16	7	"question"	"questions"
22	6	"employees."	"employers."
22	8	"from"	"to"

- - -

7904012245 6

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The Following corrections have been made by JIMMY A. HINKLE, to his deposition taken on August 12, 1977.

PAGE	LINE	FROM	TO
11	10	"wouldn't"	"would"
12	16	"hearsya"	"hearsay"
17	2	"answered when"	"answered yes"

- - -

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FEDERAL ELECTION COMMISSION

In the Matter of	:	
	:	
LABOR FOR JACKSON and	:	
SHEET METAL WORKERS	:	MURs 236,266 (76)
INTERNATIONAL ASSOCIATION-	:	
POLITICAL ACTION LEAGUE	:	

Washington, D. C.

Friday, August 12, 1977

Deposition of

EDWARD J. CARLOUGH

a witness in the above-entitled matter, called for examination by counsel for the Federal Election Commission, pursuant to notice, taken at the offices of the Federal Election Commission, 1325 K Street, N.W., Washington, D.C., beginning at 10:35 a.m., before David Spiegel, when were present on behalf of the respective parties:

7904012458

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(formerly Reynolds Reporting Associates, Inc.)
OFFICIAL REPORTERS
1028 Connecticut Ave., N.W., Suite 1110
Washington, D.C. 20036
Phones: (202) 833-3698
833-3699

For the Federal Election Commission:

DAVID SPIEGEL, ESQ., and
JUDITH BROWNING, ESQ.
Federal Election Commission
1325 K Street, N.W.,
Washington, D.C. 20463

For Edward J. Carlough:

A. RAYMOND RANDOLPH, JR., ESQ.
1220 - 19th Street, N.W.
Washington, D.C. 20036

For the Sheet Metal Workers International Association-Political Action League:

DONALD W. FISHER, ESQ.
Suite 741
National Bank Building
Toledo, Ohio 43604

7904012245 9

C O N T E N T S

WITNESS:	EXAMINATION BY COUNSEL FOR: FEDERAL ELECTION COMMISSION (Mr. Spiegel)	(Ms. Browning)
EDWARD J. CARLOUGH	3	43

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COTTON CONTENT

Thereupon

EDWARD J. CARLOUGH

a witness, was called for examination by counsel for the Federal Election Commission and, after having been sworn by David Spiegel, Esq., was examined and testified as follows:

EXAMINATION BY COUNSEL FOR THE FEDERAL ELECTION COMMISSION

BY MR. SPIEGEL:

Q Could you state your full name for the record, sir?

A Edward J. Carlough.

MR. RANDOLPH: I would like to make a short statement on the record before we get this deposition going.

MR. SPIEGEL: Off the record.

(Discussion off the record.)

BY MR. SPIEGEL:

Q What is your address?

A Home?

Q Yes.

A 6213 Starwood Way, Rockville, Maryland.

Q Are you aware that you have a right to have an attorney present at this deposition?

A Yes.

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Q Do you have an attorney present?

A Yes.

MR. SPIEGEL: Could counsel identify himself?

MR. RANDOLPH: A. Raymond Randolph, Jr. As I stated, before we go any further, I would like to make clear that as a result of my client appearing before this deposition, we intend to waive no rights under Section 437G(A)(4). That is the section that provides that we are entitled to a reasonable opportunity to prove to the Commission that no action should be taken.

I believe, as I have stated in a letter to Ms. Browning, that in order to have a reasonable opportunity, we have to be informed of precisely what the allegations are and that the legal theories are of the Commission staff before they are presented to the Commission for action.

MR. FISHER: May I make --

MR. SPIEGEL: I would object.

MR. FISHER: I just want to make my appearance.

MR. SPIEGEL: I would object to more than one lawyer making an appearance. I believe I have Mr. Randolph's assent that only he would be appearing. I have no objection to you sitting in on the deposition.

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MR. FISHER: I am not appearing on behalf of Mr. Carlough. But I am appearing on behalf of PAL, which is one of the organizations under investigation by the Federal Election Commission. That is all I want to say.

MR. SPIEGEL: Off the record.

(Discussion off the record.)

MR. SPIEGEL: Mr. Randolph, do I have the understanding that you will be doing any questioning on behalf of your client, as counsel today appearing on behalf of Mr. Carlough?

MR. RANDOLPH: Yes, I am. I am representing Mr. Carlough. Whether I ask any questions depends, of course, on how the deposition proceeds.

BY MR. SPIEGEL:

Q Mr. Carlough, where are you presently employed?

A At the Sheet Metal Workers International Association.

Q What position do you hold?

A General President.

Q How long have you held that position?

A October 1, 1970.

Q Have you held it continuously?

A Yes.

Q What are the duties of that position?

7904012246 2

A They are described in our constitution in general, to do my best on behalf of the membership of the United States and Canada.

Q Do you have any specific duties that you perform on behalf of Sheet Metal Workers International as president?

A Yes. One that comes to mind today is to handle the disposition of all appeal cases that grow out of trials in our local unions. There are many other duties.

Q Do you or have you ever held a position with the Sheet Metal Workers International Association-Political Action League?

A Yes.

Q What was that position?

A Chairman.

Q When did you hold that position?

A From the time I became president, the jobs are concurrent.

Q You mean if you become president of the International Association, you automatically become President of the Political Action League?

A That is the way it is now, yes.

Q Were you President of the Political Action League in

7904012246 3

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COTTON CONTENT

1976?

A Yes.

Q What are the duties of the President of the Political Action League?

A Chairman.

Q Chairman of the Political Action League, excuse me.

A I am one of the officers responsible for authorizing expenditures within the Political Action League.

Q You mean expenditures on behalf of candidates for Federal political office?

A Yes.

Q As part of your duties, did you ever authorize expenditures on behalf of the Jackson for President campaign?

A Yes.

MR. RANDOLPH: May I interrupt? I think we better keep it clear when you say the Jackson for President campaign, there is a Jackson for President Committee involved. I would like a clarification of your question. Do you mean when you ask -- I think Jackson for President campaign, do you mean to refer to the committee in this deposition, or do you mean to refer to the general campaign of Senator Jackson for President?

7904012246 4

MR. SPIEGEL: In that question, I was referring to the general campaign of Jackson for President.

THE WITNESS: The answer is yes.

BY MR. SPIEGEL:

Q Have you ever been employed by any other groups which supported the candidacy of Senator Jackson for President?

A Employed by any other groups?

Q Yes.

A The only employer I have is the Sheet Metal Workers International Association.

Q Have you ever worked with any other groups that have supported the presidential candidacy of Senator Jackson?

A Yes.

Q What are those groups?

A A committee called Labor for Jackson.

Q Any other groups besides that?

A That is it.

Q Did you ever hold any position with this group, Labor for Jackson?

A Treasurer.

Q What were the duties of that position?

A I was one of the officers responsible for planning

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and authorizing expenditures, independent expenditures on behalf of the committee.

Q Approximately what dates did you hold this position of treasurer of Labor for Jackson?

A I believe, Mr. Spiegel, our reports to the Commission would show that the committee was established around April 15, 1976, and formally reported its dissolution to the Federal Election Commission on or about August 24, 1976.

Q Were you treasurer that whole time?

A Yes.

Q In your capacity as chairman of the Sheet Metal Workers Political Action League, did you ever have occasion to be involved in organizing a reception for Senator Jackson in Bal Harbour, Florida, in February of 1976?

A I did have occasion to assist in organizing a reception for the Senator and his family in February 1976, in Bal Harbour.

Q Were there ever any written communications between yourself and Senator Jackson or any members of his staff with regard to this reception that you were organizing?

A I can't recall any written communications. But I can recall discussions on the matter.

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Q By yourself?

A Yes.

Q Do you recall how many discussions you may have had?

A There are a number of discussions involving those who went forward, the original sponsors of the reception. After the original sponsors of the reception had pretty well decided the direction we wanted to go, I can recall discussing the matter with Bob Keefe from the Senator's staff and with the Senator himself.

Q Do you recall the substance of those conversations with him?

A One of them involved, Senator Jackson had a National Labor Committee that had been established sometime prior to the reception. It would have been in the neighborhood of early, mid-January. We, at that time, didn't know who was on the National Labor Committee. I knew some of the people who were. I was not a member of the Senator's National Labor Committee. I needed a list from Bob Keefe who was on the National Labor Committee because we thought those would be the original people who we ought to invite to SERVE† ~~survey~~ as sponsors.

Q How did these conversations with Senator Jackson and

† stenographic error

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staff take place?

A Conversations relating to the reception?

Q Yes. You said there were conversations, not memoranda. I was just curious in what form they took place.

A After those of us who originally set up the idea decided to go ahead, that becam a question of first this would have been January 1976, and at that time, the Senator and other Democratic hopefuls for the nomination were hoping to be invited to the AFL-CIO Executive Council in Florida, which was in February.

No decision had been made as to who would be invited or how many. So, we made an original decision to hold the function in conjunction with the AFL-CIO Executive Council because that would create the greatest exposure from AFL-CIO leaders and their families to the Senator and his family.

Q Was this discussed with the Senator and his staff, this information?

A I am not sure whether I discussed it with the Senator or with Bob Keefe or with both, but certainly with one or the other or both, in terms of making certain, first of all, that they wanted to go to the AFL-CIO Council meeting, and their schedule was clear and we just had to make sure we ~~have~~ HAD† a

† STENOGRAPHIC ERROR

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proper date.

Q Was Bob Keefe a member of the Senator's staff?

A Yes.

Q Did you ever discuss the number of people who would be attending this function with the Senator or members of his staff?

A No. I can't recall any discussion like that.

Q Did you ever discuss the contents of what he would say at this reception?

A No.

Q Did you ever discuss with him whether or not there would be solicitations for political contributions?

A No.

Q Did you ever speak to Senator Jackson or Bob Keefe or other members of the staff at the time of the reception?

A Yes.

Q What was the substance of those conversations?

A The role I played in the reception, besides being one of those who helped to organize it, we had discussions throughout that day with the Senator and saw that he met as many people as possible connected with the AFL-CIO reception.

Q Do you know what the substance of these meetings

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was about?

A I remember part of the problem was making sure that the children were taken care of and weren't left unattended. I told him I would assign my secretary to handle that part of the job, and that was done. I had an assigment of my mother to spend as much time with Mrs. Jackson as possible. It was those kinds of things in relation to the reception.

Q When you said he had meetings with members of the AFL-CIO staff --

MR. RANDOLPH: I object. You are assuming a statement not testified to.

(The record was read by the reporter.)

BY MR. SPIEGEL:

Q Which members of the AFL-CIO staff did Senator Jackson meet with at this reception?

A One of the prime objects that I had was to see that the Senator and President Meany got along well. He didn't have a meeting with President Meany, but what he did was merely walk over and he and the president and their families had pictures taken and chatted amicably for a very short period of time.

I saw that Lane Kirkland did the same thing with him, the

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secretary-treasurer of the AFL-CIO, it was a social gathering.

Q Are you familiar with an individual named Lawrence Cassidy?

A Yes.

Q Could you describe for the record the basis of your relationship with him?

A Larry Cassidy is my assistant.

Q Frank Scaduto, are you familiar with that individual?

A Yes.

Q Could you describe your relationship with him?

A Yes. Frank is the Director of Legislative and Political Affairs for our union.

Q Are either of these individuals associated with any of the activities of the Political Action League of the Sheet Metal Workers?

A Frank Scaduto.

Q Were you ever contacted by either of these gentlemen with regard to the making of a loan or contribution to Senator Jackson's campaign?

A I contacted them concerning the making of a loan to Senator Jackson's campaign.

Q Could you describe the content of whatever you said

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to them?

A Yes. I asked them to get on the telephone because I travel extensively, and to call up, concentrate on individuals, international organizers, local unions, business agents, who we knew were in support of the Senator's candidacy, and ask them to voluntarily contribute a loan to the Senator Jackson campaign.

Q Did any members of the Senator Jackson campaign or staff reach you with regard to this request?

A It was the other way around, Mr. Spiegel. I told them what we were doing.

Q You told the members of Senator Jackson's campaign on the staff what you were doing?

A Yes.

Q And you suggested to them that they make these loans; that you would be willing to make these loans?

A It was after our union had made the decision to try to raise money through this method that I informed them about it.

Q What was the amount that was involved?

A I am not certain of the exact amount. I believe it was in the neighborhood, it would have been reported to the

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Commission, in the neighborhood of high $30,000 or maybe $40,000, maybe that is a little high.

Q What was the basis of this offer that you made to have this loan made?

MR. RANDOLPH: I am going to have to object to that, Mr. Spiegel, because I don't think that is the witness' testimony. You are assuming again facts that haven't been testified to.

MR. SPIEGEL: I don't understand the basis of your question. The witness is testifying about this loan.

MR. RANDOLPH: I am objecting to the word "offer". I think the witness has testified that he informed the people on Senator Jackson's staff after the fact which doesn't sound to me like an offer.

BY MR. SPIEGEL:

Q Did you yourself speak to members of your staff prior to speaking to Senator Jackson?

A My recollection is that I spoke to, first of all, my organizer in Los Angeles, because I had landed there at the time in late March, Paul Masi, and I told Paul what we were trying to work out. I also talked to Larry Cassidy about it by telephone because I was away for about four or five days during that period, to get things started. Either I or Larry

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BOTTOM CONTENT

talked to our counsel in order to get the proper wording, loan on the back of the check. There were these kinds of conversations, in-house.

Q What was the reason that you decided to make these loans?

A The Senator's campaign, because of the Supreme Court decision concerning matching funds was a matter of common knowledge, he was very low on money at that time. They needed money. We believed in his candidacy. We devised a way to try to raise it.

Q How did you know that his campaign was short of money?

A By reading The Washington Post, The Evening Star or any discussion you would have with any member of the staff. It was just common knowledge.

Q In your capacity as chairman of the Political Action League, did you ever have occasion to authorize specific expenditures to the Jackson campaign?

A Yes.

Q I am going to show you a copy of an expenditure that appears on the Sheet Metal Workers Political Action League report for the date June 10, 1976. I think, as you will see on the page, the expenditure has been blocked out in

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yellow. It is in the amount of $4,458.26. Are you familiar with that expenditure?

A Yes.

Q What were the details involved in that expenditure?

A That was in connection with -- it was actually subsequent to a rally held in Fort Lauderdale, Florida, on March the 6th at the Armory down there, in which a film was made of the rally by our union. We subsequently took the film and made it into a 15-minute film and then into five-minute cassettes. These would be expenditures in connection with that production and editing.

Q Was Senator Jackson present at that rally?

A Yes, he was.

Q Did you have any discussions with Senator Jackson about what you would be doing at the rally?

A What I would be doing?

Q Let me restate that.

Did you have any discussions with Senator Jackson regarding your filming of the rally?

A No, Mr. Spiegel, because that was one of the union's last minute capers. I made the decision to film that rally so close to the rally that we needed to pull a union camera

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crew together. I can recall that one of the fellows, a camera man or ~~some~~ someone in other role was fishing off Key West. They had to reach him on a ship to shore radio to get him.

The crew assembled -- I wasn't certain when I got off the plane that day whether or not the crew would actually be there. It was that last minute operation. They assembled right around, the final guy came in right around noon just prior to the start of the rally. We were fortunate some of the participants were late so the rally didn't start until late.

Q Was Senator Jackson ever aware that the rally was being filmed?

A He was when he got there.

Q Did you speak to him about the fact that you were going to film the rally?

A When he got there, yes.

Q Did you advise him after the rally that you intended to use the film that you made at the rally?

A Yes. I think I had some discussions with him. I must have had concerning what I intended to use the film for because it was pretty clear in my mind, the purpose of it.

Q What was the film used for?

A Our union at that point had not officially endorsed

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the Senator's candidacy, but I personally had made a decision to endorse him. I had already, prior to our executive board meeting, which was scheduled 10 days after that time, had written a column on March 1 in our union's journal which goes to all of our membership, spelling out the reasons why I advocated the Senator's candidacy and I felt it would be helpful for two reasons.

First, we were going to make the film, pick out the best parts of it and then use it as an educational film in our union halls -- or wives, we have some women's divisions in our locals, at coffee meetings of the wives to advance Senator Jackson's candidacy among our own members and also to demonstrate the reason why I was going out in front and supporting the Senator's candidacy at that time.

Q Was Senator Jackson or any members of the staff ever shown a copy of the film after it was made?

A I personally can't recall ever sitting down and showing the film at any point to members of the staff, but it was distributed to our locals around and I feel quite certain that they did see it somewhere along the line.

Q Did you instruct anybody to show the Senator the film?

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COTTON CONTENT

A No. I can't recall that.

Q Let me direct your attention now to an expenditure which appears on your May 10 report in the amount of $22,100.13. The expenditure says printing of folders and bumper stickers in support of Senator Jackson's candidacy, dated April 15, 1976. Is that an expenditure with which you are familiar?

A Yes. That was an expenditure that PAL made in the New York primary campaign.

Q What did these bumper stickers, signs say? I am referring to the signs that this expenditure refers to.

A I can't give you the exact wording, but whatever it said, it was to advance the Senator's candidacy.

Q Who prepared them?

A I would say our people who were involved in the campaign there.

Q Do you know who these people were?

A Or it could have been we had been in other campaigns -- yes, the people who were involved in the campaign in New York and that particular area would have been Leo Murthe[illegible], our business manager for the local ~~guy~~ union, Ernie Miller, who is an organizer for us, Jimmy Hinkle, who is an organizer for us, Dan Pasquinucci, who is an organizer out of New York City,

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they would have been the principal people in that area.

Q Do you know if any of these people ever had contact with Senator Jackson or any members of the staff regarding the wording of those slogans that were prepared or these bumper stickers?

A Regarding the wording of the slogans or bumper stickers?

Q Yes.

A We operated, Mr. Spiegel, so much on our own, and while the Senator himself would have been a great President and I still feel that way today, the quality of the people in the field who worked on his behalf was such that, quite frankly, they had nothing to offer our people in the way of suggestions as to what to put on a bumper sticker.

Q Did you have any firsthand contact with these people that he used in the field, that you were able to make a judgment about their quality?

A I heard enough moaning from the top level on the Senator's staff as to the quality of the people that they had in the field. I didn't get into the field during the primary campaign, very little, a few days, a day here, a day there. So, I personally didn't have that kind of exposure that the

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Senator's own staff.

Q Did any members of your own staff complain to you about the quality of Senator Jackson's staff?

A About all of my people who worked on the Senator's campaign complained.

Q Let me direct your attention to one more expenditure. This one is in the amount of $7,736.26. It appears in that same May 10 report. It is right below the one we were just talking about. It is to Maurer, Fleisher, Zone†, Anderson, for production and cost of air time. Is that an expenditure you are familiar with?

A Yes, sir.

Q What precisely was the nature of the air time that was used?

A PAL purchased air time on two stations in the greater Boston area, one conveniently enough, was station WSMW in Cambridge, Massachusetts. The other one was, I am told Worcester, I can't recall that station. PAL purchased air time for PAL expenditures in support of the Senator's candidacy on those two stations.

Q Do you happen to know the contents of whatever ads were used during this air time?

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A Yes, because I wrote it. They were, I believe, five in number, 60-second spots. I tried to pick some subjects that the Senator himself had never gotten into because I had my own daughter in Boston College at the time. She was very much opposed to the Senator's candidacy. I talked to her and some of her friends at Boston College about it. I felt he had to reach out toward young people. So I went ahead and I wrote one concerning educational costs and things of that nature and another one that had to do with young people coming in sideways.

One was, I think, on general labor, on the employment question, the job question because that was a big issue in Massachusetts. That was the general content of the five. There were five. They were each, I believe, 60-second spot announcements.

Q Did you make any effort in preparing these commercials to learn the contents of commercials or ads that were being used by Senator Jackson and his staff in connection with his campaign?

A No.

Q Mr. Carlough, are you familiar with the individuals who prepared your campaign reports?

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A On PAL?

Q PAL, Political Action League.

A These sort of documents?

Q Yes.

A Yes

Q Did anybody review these reports after they were put together?

A I viewed them after I received a letter from the Commission telling --

Q I am talking about prior to that.

A No, unfortunately, I am afraid I didn't.

Q Did anybody else under your authority?

A The reports, I believe the system that we had at that time, Mr. Spiegel, was that Frank Scaduto, who is our Director of Legislative Government Affairs and kind of directs PAL operations during election time, that Frank prepared the reports and then our comptroller, Jeff Glasper in our office, would go over them with our Secretary-Treasurer, who is the treasurer of the committee, and out they go.

Q Let me direct your attention to two pages from reports that were filed on June 10, both were amended, both pages were later amended. And you note when you look at

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these pages --

MR. RANDOLPH: Could we have a year, please?

BY MR. SPIEGEL:

Q Sure. This is June 10 of '76, and the pages are 14 and six of this report. The items that I am referring to are for $22,101.35, $7,736.26, and then $212.23.

At the end of each item, it is indicated that there was a loan to a group called Labor for Jackson Committee. Do you know who prepared those reports?

A I believe Frank Scaduto.

Q I believe you stated in a letter to us, actually, it is Mr. Turner who has stated this in a letter to us, that these entries were in error. Are you yourself familiar with these entries?

A I am now.

Q You were not before this time?

A At the time they were filed in this matter, I was not.

Q Let me direct some questions to you about your Labor for Jackson duties.

As part of this job as Treasurer of Labor for Jackson, did you authorize expenditures in connection with the Jackson

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campaign?

A I was one of the officers of Labor for Jackson who was responsible for planning and authorizing expenditures.

Q Who were the other officers?

A The two other officers were Joe Keenan who was chairman and myself as treasurer.

Q Was there anybody else who authorized expenditures besides the two of you?

A In terms of authorizing expenditures, it was pretty much Joe and myself.

Q Why was Labor for Jackson set up?

A To make independent expenditures in behalf of Senator Jackson's candidacy.

Q Did you, at the time that you were Treasurer of Labor for Jackson, continue your duties as chairman of the Political Action League of Sheet Metal Workers?

A Yes.

Q I am going to show you a copy of a report, actually, it is a page of a report. This is from a July 10, 1976 report of Labor for Jackson. It is page 1, line one. The part that I am referring to is marked in yellow. It refers to a transfer from Sheet Metal Workers to Labor for Jackson in

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the amount of $7,500. Is that something you are familiar with?

A Yes.

Q Could you describe your role in that transfer? Take your time.

A PAL decided to make a contribution to Labor for Jackson the day the committee was formed. We made a contribution in the amount of $7,500.

Q When you say we decided, are you referring to any particular individuals who made this decision?

A The genesis of the decision would have been a board meeting on March 17th because the --

Q Were you present at that board meeting?

A Yes. The action that the board took was to make a very strenuous effort to advance the Senator's candidacy in terms of working for him, in terms of independent PAL expenditures on his behalf. It was a three-part decision and my recollection is one of the parts was if a committee such as this overall labor-type committee for the Senator was formed, that PAL would participate. The idea had been growing for some time.

As soon as the committee was established, Dave Turner and

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myself discussed the amount and the $7,500 seemed appropriate.

Q Did you, as part of your duties with the Labor for Jackson, ever have occasion to recruit volunteers?

A Yes.

Q Where did these volunteers come from, if you can characterize it?

A I found that we are a voluntary organization. Since I am a Sheet Metal Worker, the first people I think of asking to volunteer are my own people. I figured that if I could get enough of my own people to volunteer, then the other unions on the committee would put me in a much better position to go to my fellow general presidents and say I have so many people volunteering, how many are you going to get for me.

Q In your personal knowledge, was a substantial portion of the volunteers that did work for Labor for Jackson from Sheet Metal Workers?

A We did our share and perhaps more than our share, but proportions, I wouldn't want to demean any of the others. Some unions did work very hard and did supply some volunteers. Not enough to win, but some did, yes.

Q Did you ever have occasion while you were wearing your Labor for Jackson hat, to have contact with Senator Jackson

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and his staff regarding printed materials or any sort of materials that were used in this campaign?

A I can't recall that I did.

Q Do you know if any memberr of your staff did?

A I don't know.

Q I am going to show you a copy of a letter that was dated May 31, 1977, and it has the signature of Edward J. Carlough, Treasurer, Labor for Jackson, the signature is on page 13 of the letter. Is this a letter with which you are familiar?

A Yes.

Q Did you write that letter?

A No.

Q Are you personally familiar with the matters in the letter?

A I looked at it yesterday.

Q Have you been familiar with the matters in this letter before yesterday? Take your time.

A I believe my familiarity --

MR. RANDOLPH: Off the record.

(Discussion off the record.)

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BY MR. SPIEGEL:

Q Is the signature at the end of the letter your signature?

A Yes.

Q Let me refer you to page 1 of this letter. At the bottom of the page there is a beginning of a list of names. The list runs over to page 2 and 3. For each of these names, I would like to know whether you are familiar with the individual and then whether or not the individual is somebody who worked with Sheet Metal Workers. Let's take these names one by one.

Ernie Miller, are you familiar with that person?

A Yes.

Q Is he employed by Sheet Metal Workers?

A International organizer.

Q The next name is Jimmy Hinkle.

A Yes.

Q Is that person employed by Sheet Metal Workers?

A International organizer.

Q What is an international organizer?

A He goes out and attempts, as part of his duties, a prime part, to recruit new members for the union.

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Q Does an international organizer have any connection with political expenditures to candidates for Federal office?

A The only connection they would have is if they were serving as a volunteer consistent with their union duties.

Q Are you familiar with any of the expenditures that Mr. Hinkle made on behalf of Sheet Metal Workers Political Action League, the expenditures are referred to in the letter, I believe, at page 3 and 4. You can take your time and look at it.

(Discussion off the record.)

MR. SPIEGEL: Let's correct the record on that. These expenditures we were referring to were made on behalf of Labor for ~~Action~~ Jackson + rather than Sheet Metal Workers International.

THE WITNESS: Yes, the expenditure that is listed for Jimmy Hinkle, a reimbursement of $233.85 was to pay the room and board and expenses of volunteers who were recruited and traveled from Long Island, our union, and came to Philadelphia to work on behalf of the Senator's dandidacy in Pennsylvania.

BY MR. SPIEGEL:

Q Did you direct Mr. Hinkle to a particular region to make the expenditure?

A At the time, Mr. Hinkle was working in the Philadelphia

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area.

Q What was the decision-making process by which you decided that an expenditure would be made in a particular region for a particular purpose?

A I can give you my best recollection on this specific expenditure.

Q Certainly, and then in general, if you recall.

A Jimmy had worked in New York on Long Island. We did then and still now have a terribly high unemployment rate among our members in Local No. 55, which is Nassau-Suffolk County, the two counties on the Island. We had a good number of those out of work members who worked very hard in Long Island and in the campaign there to advance the Senator's candidacy.

One of them really enjoyed it so much that I believe in my conversations with Jimmy, the suggestion came from them calling him up to find out if he needed any help of volunteers in the Philadelphia area. I guess they felt our Local 19 in Philadelphia was not noted for volunteers. In any event, I don't recall whether the phone conversation was before or after they actually arrived in Philadelphia.

Jimmy called up and said all they wanted to do was house

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these guys, and so forth. He may have housed them already and it was okay with me.

Q Let me return to the general question. How did you go about deciding where a particular expenditure by Labor for Jackson would be made?

A In general, Joe and I sometimes with advance from some of the other presidents who participated, would kind of generally discuss the needs, for example, of Pennsylvania. We would ask Jack Lyons, for example, how many iron workers could he get to volunteer in Pennsylvania. I asked Jay Turner, I know, about the engineers in Pennsylvania. Bill Seadel, I had discussions with him about carpenters, this kind of nature, to the extent that we could get volunteers to do the things that we were doing which was primarily manning trucks and mobile units and passing out our literature, to the extent that we could get volunteers that would mean we would expend less money out of labor for Jackson.

We kind of had a ball-park idea of where we were going and then we would go ahead.

Q What was the decision-making process for Sheet Metal Workers Political Action League, how did you go about deciding where you would make your expenditures for that

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group?

A Each campaign may have been a little bit different, but in general, we would see the extent of our volunteers.

Q The same process as Labor for Jackson?

A Yes, there was a role that would be played by our people locally whether they were international people or a local agent. One of the crucial factors in expenditures for PAL in these campaigns would be again the extent of volunteers, and even more than that, the extent that we could get union members to volunteer camp trailers, winnebagos, self-contained units that we could drive around in and advertise and push the Senator's candidacy.

Our people locally, whether they were international people or local agents, would be the ones who would try to get volunteers that way on equipment, and then they would let me know the state of the situation and then we would have to figure up in discussions among and between ourselves how many winnebagos we would have to rent, how many camp trailers. In general, it was this kind of discussion.

Q When you authorized your expenditures for Labor for Jackson, did you keep in mind the scheduling of your

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expenditures for Sheet Metal Workers?

A No.

Q Were you at any point given lists of where particular expenditures would be made by each group?

A Lists for whom?

Q After the expenditures were authorized, was there some kind of accounting procedure by which you were told, by which you had a form that would tell you where particular expenditures would be made?

A It wasn't a form. After, in general, expenditures were authorized, the people who were actually making the expenditures locally, wherever they could, would get an invoice, a bill, something of that nature, and forward it in for payment.

Q Let me direct your attention back to that second page of the letter; the name Richard Peck. That is number three.

A Yes.

Q Is that a person that is familiar to you?

A Yes, Dick is a business manager in Port Wayne, Indiana.

Q Earl Harris, that is number four, are you familiar with that person?

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A Yes.

Q What is his position?

A International representative.

Q The next name is Lawrence McLaughlin. Are you familiar with that person?

A Yes.

Q Is that person a member of Sheet Metal Workers?

A Yes.

Q The next person is John Girolamo.

A Girolamo. It doesn't read like it.

Q Is that individual also at Sheet Metal Workers?

A Yes.

Q The next individual is James Perrarie. Is that person with Sheet Metal Workers?

A Yes.

Q George Schmitt, is that individual with Sheet Metal Workers?

A Yes.

Q Chester Nowak, is that person with Sheet Metal Workers?

A Yes.

Q Ralph ~~Nolan~~ WILHELM +, is that person with Sheet Metal Workers?

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A Yes.

Q Paul Craig, is that individual with Sheet Metal Workers?

A Yes.

Q Ivan Cage, is that person with Sheet Metal Workers?

A No longer, but he was.

Q Let's take the last four names; Roy Stringer, Raymond Messer, Frank Walsh, and Al Kyde, are those four persons from Sheet Metal Workers?

A Yes, they are Sheet Metal Workers.

Q As part of your duties with Labor for Jackson, did you ever have occasion to be involved in a transfer of $20,000 of moneys from a group called Marine Engineers Benefit Association?

A The Marine Engineers Beneficial Association made a contribution of $20,000 to Labor for Jackson.

Q Were you involved with that?

A I took the money. I was the treasurer.

Q Did any member of Labor for Jackson contact Marine Engineers to ask that a contribution be made?

A The President of the Marine Engineers, Jesse Calhoun

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was, I believe, a supporter of Senator Jackson before I was. He was one of those who was involved in the initial discussions, among others, in the formation of Labor for Jackson. He had mentioned to me, to Joe, to others, as I mentioned, that as soon as the committee was formed, he would be a contributor.

Q Are you familiar with an individual named George Riley?

A Yes.

Q Do you have any personal knowledge of whether Mr. Riley ever worked for the Jackson for President Committee?

A No.

Q Are you familiar with an individual named Paul Stuckenschneider?

A Yes, I am.

Q Do you have any knowledge whether that individual worked for the Jackson for President Committee?

A Working for the committee, I have a recollection that in one of the campaigns, I believe that Stuckenschneider was reimbursed by Jackson for President.

Q Did you ever discuss with him his work?

C/K A His work is directive research.

Q I mean his work with the Jackson for President people.

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A In terms of work, in terms of this campaign, I believe that Paul was in Wisconsin working on behalf of the operation. But he was working with Sheet Metal Workers and other labor people.

Q Are you personally aware of any other individuals with Sheet Metal Workers or with Labor for Jackson who were working for the Jackson for President campaign?

A Would it be proper for me to ask you to define when working for Jackson for President, that specifically, what do we mean by that?

Q Are you familiar with any individuals working for Labor for Jackson or Sheet Metal Workers who did expenditures or did any volunteer work for the Jackson for President Committee or authorized groups that operated under the Jackson for President Committee?

A There were reimbursements. That is why I am having a little difficulty with the question. There were reimbursements to some people from the Jackson for President Committee.

Q Did you speak to any of the individuals who received these reimbursements regarding the nature of what the work that they did for the Jackson for President Committee was?

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A In my own mind, I didn't consider them as working for the Jackson for President Committee, but to answer your question, did I speak to any of them, yes.

Q Do you remember the names of any of the individuals you spoke to other than Stuckenschneider or Riley?

MR. RANDOLPH: I am going to have to object to that because I think we haven't established that both of those names worked for the Jackson for President Committee. You are assuming in your question that they did.

BY MR. SPIEGEL:

Q I will rephrase the question.

Do you recall the names of any individuals on the staff of Sheet Metal Workers who worked for Labor for Jackson whom you spoke to or who spoke to you regarding work that they did for the Jackson for President Committee or authorizing committees of Senator Jackson?

A One who immediately comes to mind who was working on the Sheet Metal Workers' behalf was Ernie Miller in Florida.

Q Any others?

A My problem now, Mr. Spiegel, is I tried to as carefully as I could in the last day, review expenditures made by PAL and independent expenditures of Labor for Jackson.

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So, I guess I fairly familiarized myself with that. I am in an area now where I start to have to reach out and start guessing.

MR. RANDOLPH: Could you inquire about specific names? Because I think your question is based on material that is not necessarily available to us. You are asking questions about speaking to people that were reimbursed by the Jackson for President Committee and we don't have access to all their records. We have access to them, but we have not reviewed them, to be frank.

MR. SPIEGEL: I have noted his answer. I will go on with my questions.

BY MR. SPIEGEL:

Q Have you yourself ever made any contributions or loans to the Jackson for President Committee?

A As an individual?

Q As an individual.

A I made one of the $500 loans to -- I made a loan for $500. My wife signed the check because I was out in California. Back in late March 1976, the loan was repaid.

We funnel our own money through our own Political Action League. I made a contribution in 1976 to our Political

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Action League and I sure hope I made one to our Political Action League-Jackson Fund. I believe the records would show I did. But I don't recall a contribution personally from me to Jackson for President.

Q Have you ever done any volunteer work or have you ever done any volunteer work for the Jackson for President Committee or any of his authorized committees?

A For the committees?

Q Yes.

A The Jackson for President?

Q Yes.

A No.

MR. SPIEGEL: No further questions.

Ms. Browning, do you have any questions?

BY MS. BROWNING:

Q I just have a couple of quick questions.

Sir, do you have any business relationships or social relationships with any persons on Senator Jackson's staff or on his campaign staff which would have brought you into contact with them during the first six months of 1976?

A Yes.

Q Could you name those people?

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A Yes. The Senator, Bob Keefe, Don Donahue, who I believe is the Senator's Appointment Secretary, the man who was then his administrative assistant, Sterling Monroe, who I have known for many years; Hershey Gold, and there may have been others, but those are the principal people.

Q Are those persons whom you listed with the exception of the Senator himself, members of his senatorial staff?

A Don Donahue was then and I believe is now -- he was as of a month ago. Sterling Monroe was his administrative assistant back for a long time. Bob Keefe, I believe carried the title of Political Advisor or something of that nature. He was a Political Advisor to the Senator. Hershey Gold was a businessman who was evidently pretty friendly with the Senator and a consultant to him.

Q Would the contacts you may have had during the first six months of 1976 have involved any discussions of the campaign, of the Senator's campaign?

A Yes.

Q Could you describe in any detail that you recall the content of the discussions?

A Yes. I would give you maybe one example of the sort of discussion that was the kind of level that we

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COTTON CONTENT

discussed things on. Senator Jackson would generally call me after he had been on Meet the Press or Face the Nation to ask me how I thought he had done. I guess he made a lot of those phone calls, things of that nature.

He would sometimes call me when things were going bad for him. I recall especially one in Wisconsin. He really wasn't used to the kind of people you run into in a political campaign. I run into the same kind of people in labor unions so I am used to them. In Wisconsin, there was a particularly ugly incident where somebody ~~spit~~ SPAT † on him.

It was carried on a newscast that evening. I hadn't seen it because I was in a restaurant someplace. He found out where I was and he called me because he wanted to discuss it. It bothered him terribly.

It was these kinds of general things that went back and forth.

Q Would any of these discussions have involved particular campaign plans, and I am including here all the people you havementioned, not just the Senator himself?

A The way we handled things in our union is we certainly felt in this campaign that we had a pretty good knowledge of what was needed to get out the labor people to vote. We just

† stenographic error

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went ahead on that knowledge. We planned and we ran our own thing.

Q I hate to belabor this, but I will just ask you one more question that is related to this line of questioning.

In your discussions with the persons whom you have named, would you have discussed with them campaign plans which were being conducted by the Jackson for President Committee or any other groups which were doing campaigning for Senator Jackson?

A Only in this kind of general nature. I would talk to Bob Keefe or the Senator. They would ask me how are we doing in such and such a State. Or maybe I would ask them how are they doing in such and such a State. They were generally far more optimistic than we were. I would generally end up telling them you better work harder. You better talk to a lot more people. You better get him out because our committees are working hard.

Q When you mentioned the number of persons, Mr. Spiegel asked you certain persons employed by Sheet Metal Workers who volunteered to do work either for Labor for Jackson or for PAL, when those persons were volunteering to campaign for Senator Jackson, were they working on weekends or were they working also during the week or what kind of time

7904012250 3

frame was involved?

A If they were employees of our union, then their time frame was very clear, one, they would devote as much time to advancing the candidacy of Senator Jackson as was consistent with their union duties.

Q So that the time which they were spending on the campaign would have been time which they normally, within their particular duties, would have been spending campaigning?

A Repeat that, please.

Q The time that they were using to campaign on behalf of Senator Jackson was not time they would otherwise have been using for job-related duties, other than the campaigning?

A The nature of an organizer, and I started out as an organizer, there is a lot of intensive time and there is a lot of free time. When you are trying to run a plant, you can't organize it when people are at work, especially if you have a one-shift sort of operation. You ~~build~~ a ~~plan~~ HANDBILL PLANT † in the morning and you do some other things. A good deal of union work is in the evenings, contact people in their homes.

So, I always thought I was very consistent, we could handle it this way, yes.

† stenographic error

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COTTON CONTENT

Q Do you know an individual named Leo Woolls?

A Yes.

Q Could you identify his relationship with PAL or Labor for Jackson?

A He had no relationship with PAL, to my knowledge. His relationship with Labor for Jackson was that Joe Keenan had been the secretary-treasurer of IBEW until April 1, 1976. Leo Woolls worked with Joe as comptroller of the International for a lot of years. When the Labor for Jackson Committee was established in April, my traveling a lot, with Joe† traveling a lot, me on my union business, Leo Woolls, I believe we called him an ex officio comptroller for Labor for Jackson.

Q Was he involved in any decision-making as to the making of expenditures from Labor for Jackson funds?

A In terms of the planning of them, of where we are going to spend money?

Q Yes.

A I can't recall.

Q You mentioned earlier an Ernie Miller who did some work in Florida, I believe.

A Yes.

Q Is that Ernie Miller from Laurel, Maryland?

† stenographic error

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A Yes.

Q Which other unions besides Sheet Metal Workers did voluntary work for Labor for Jackson?

A In Florida, the crew usually consisted -- we needed this kind of crew for a mobile van operation. We needed an electrician to run the cable, if it wasn't a self-contained winnebago, we needed electricity to operate our equipment. We needed an electrician to run their equipment through a local store or home to operate our own equipment. We needed a plumber and an operating engineer.

In Florida, we tried to man our vans with an engineer, plumber, Sheet Metal Workers and we used the drivers that watched the equipment and an electrician. Then we had volunteers in Florida from other unions, I believe the laborers were one, who would ride around with us on the trucks and help distribute literature.

Q This may be because I am ignorant about unions, but you used a group of people from Sheet Metal Workers to do voluntary work for Labor for Jackson. Are there other particular labor unions which you tapped for voluntary activity? Could you name those unions?

A Yes, ma'am. In South Florida, the Building Trades in

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HEMLOCK ERASABLE COTTON CONTENT

Dade County, Miami, was pretty active on behalf of the Senator. The Buildings Trade constitute, in South Florida, about 17 different crafts, carpenters, iron workers and a good number of them were pretty active.

In Fort Lauderdale and Brewer, my recollection is that the Central Labor Union is building trades plus everybody else, had a fellow whose name I can't recall, who is not a construction worker, but who was pretty active. The teachers were very active in that campaign in Miami. We would accept volunteer help from whatever source. We had a fair amount in South Florida, from a lot of unions.

Q I just have one more question. You said earlier that the purpose for setting up Labor for Jackson was to make independent expenditures on behalf of Senator Jackson's candidacy. If those groups who contributed to Labor for Jackson could also have made independent expenditures on their own, why did you set up Labor for Jackson to do the kind of activity which otherwise could have been done by the supporting groups?

Q We set up Labor for Jackson to establish a broad base of independent activity on the Senator's behalf, primarily because of the experience that labor had gone through in 1972.

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When labor did not participate in the Democratic Primary, some of us felt, I was one, that the choice between Mr. Nixon and Mr. McGovern was not a very good one, although most of us voted for McGovern, and the thinking was the same thing was going to happen to us again in 1976, except the gentleman's name would be Mr. Carter. So, a number of us discussed this thing quite a bit, usually presidents of unions try to get behind a viable candidate whom we had confidence in, who had a chance of being elected and the best way to promote the candidacy would not be by individual unions, but by a broad based coalition which would demonstrate stronger labor support.

That was the basic idea of Labor for Jackson.

MS. BROWNING: Thank you.

MR. SPIEGEL: Any questions, Mr. Randolph?

MR. RANDOLPH: No.

MR. SPIEGEL: Off the record.

(Discussion off the record.)

(I have read the foregoing pages 3 through 51, inclusive, which contain a correct transcript of the answers made by me to the questions therein recorded.)

Edward J. Carlough

EDWARD J. CARLOUGH

7901012508

HEMLOCK ERASABLE COTTON CONTENT

CERTIFICATE OF SHORTHAND REPORTER

I, Lynell C. Shreve, shorthand reporter, do hereby certify that the testimony of the witness appearing in the foregoing deposition at pages 3 through 51, inclusive, was taken by me in shorthand and thereafter reduced to typewriting under my direction; that said deposition at said pages is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.

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COTTON CONTENT

Shorthand Reporter

7904012250 9

MCC 1966

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N. RICHARD JANIS

TELEPHONE
(202) 872-2400

RECEIVED
FEDERAL ELECTION
COMMISSION
'77 NOV 3 AM

November 2, 1977

Ms. Peggy L. Greenwood
Vice President
Milton & Greenwood
Reporting Associates, Inc.
Suite 1110
1028 Connecticut Avenue, N.W.
Washington, D.C. 20036

Dear Ms. Greenwood:

Enclosed is a signed copy of the original transcript of Mr. Miller's deposition before the Federal Election Commission. No changes were made on the original.

Sincerely yours,

A. Raymond Randolph, Jr.

ARR/ls
Enclosure
cc: David Spiegel, Esq.
Judith Browning, Esq.

7904012510

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David Spiegel, Esq.
Federal Election Commission
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Office of General Counsel

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WASHINGTON, D. C. 20036

Judith Browning, Esq.
Federal Election Commission
1350 K Street, N.W.
Washington, D.C. 20463

7904012251

October 6, 1977

A. Raymond Randolph, Jr., Esq.
Sharp, Randolph & Janis
1220 19th St., N.W.
Washington, D.C. 20036

RE: Before the FEDERAL ELECTION COMMISSION, In the Matter of:
LABOR FOR JACKSON and SHEET METAL WORKERS INTERNATIONAL
ASSOCIATION - POLITICAL ACTION LEAGUE.

Dear Mr. Randolph:

Enclosed herewith are the original depositions of:
ERNEST F. MILLER and FRANK SCADUTO, taken on October 3, 1977, submitted for their reading and signing.

Included with each deposition are instructions for reading and signing.

Upon completion of the reading and signing it is requested that the original depositions be returned as soon as possible to this office for filing with the Commission.

Sincerely yours,

MILTON & GREENWOOD
REPORTING ASSOCIATES, INC.

Peggy L. Greenwood
Vice President

cc:
David Spiegel, Esq.
file

ORIGINAL

shreve/dr

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	:	
	:	
LABOR FOR JACKSON and	:	
SHEET METAL WORKERS	:	MURs 236,266 (76)
INTERNATIONAL ASSOCIATION-	:	
POLITICAL ACTION LEAGUE	:	

Washington, D. C.

Monday, October 3, 1977

Deposition of

ERNEST F. MILLER

a witness in the above-entitled matter, called for examination by counsel for the Federal Election Commission, taken at the offices of the Federal Election Commission, 1325 K Street, N.W., Washington, D. C. beginning at 2:35 p.m., before David Spiegel, when were present on behalf of the respective parties:

For the Federal Election Commission:

DAVID SPIEGEL, ESQ., and
JUDITH BROWNING, ESQ.
1325 K Street, N.W.,
Washington, D. C. 20463

Milton & Greenwood Reporting Associates, Inc.
(formerly Reynolds Reporting Associates, Inc.)
OFFICIAL REPORTERS
1028 Connecticut Ave., N.W., Suite 1110
Washington, D.C. 20036
Phones: (202) 833-3698
833-3699

7904012251 4

For Ernest F. Miller:

A. RAYMOND RANDOLPH, JR., ESQ.
1220 - 19th Street, N.W.,
Washington, D. C. 20036

For the Sheet Metal Workers International Association-Political Action League:

DONALD W. FISHER, ESQ.
Suite 741, National Bank Building
Toledo, Ohio 43604

C O N T E N T S

WITNESS:	EXAMINATION BY COUNSEL FOR: FEDERAL ELECTION COMMISSION (Ms. Browning)	(Mr. Spiegel)
ERNEST F. MILLER	3	13

HEMLOCK
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COTTON CONTENT

7904012515

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COTTON BRAND

Thereupon

ERNEST F. MILLER

a witness, was called for examination by counsel for the Federal Election Commission and, after having been sworn by David Spiegel, Esq., was examined and testified as follows:

EXAMINATION BY COUNSEL FOR THE
FEDERAL ELECTION COMMISSION

BY MS. BROWNING:

Q Would you state your name for the record?

A Ernest F. Miller.

Q Your address?

A 8411 Spruce Hill Drive, Laurel, Maryland.

Q Mr. Miller, are you aware of your right to have counsel present?

A Yes.

MS. BROWNING: Would counsel identify himself for the record?

MR. RANDOLPH: A. Raymond Randolph, Jr.

BY MS. BROWNING:

Q For whom are you employed?

A Sheet Metal Workers International Association.

Q What is your position?

7900101225 | 5

A International Organizer.

Q How long have you been employed in that position?

A Since February of '75.

Q Could you explain what an International Organizer does?

A Organize the unorganized.

Q How many hours a week would you say you spend as an International Organizer?

A That is a good question. That is kind of hard to tell because sometimes it could be seven days a week, fourteen, fifteen hours a day. Some days it may be not that many. Some days it may be a lot less.

Q Do your responsibilities include campaigning on behalf of Federal candidates?

A Does it what?

Q Do your responsibilities as an International Organizer include working on behalf of Federal candidates?

A No, not in general; no.

Q During the primary period in 1976, did you work on behalf of Senator Jackson?

A Yes.

Q Did you do this as part of your functions as an

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International Organizer?

A No.

Q It was done on off-time?

A It was done -- I volunteered to do it.

Q The hours during which you did campaigning were these hours which you would not have been spending in your regular functions as an International Organizer?

A Yes.

Q During that period, that is the primary period of 1976, on the average, how many hours would you think you spent a day as an International Organizer; that is, not campaign related activities?

A At the particular time I didn't have any campaigns going as my own; I wasn't organizing campaigns. So I volunteered all my time.

Q How many months did that go on?

A I don't know. I was on several campaigns. I would say all told, I guess it probably amounted to maybe 30 days in the whole year, until the election was over.

Q Were those 30 days spent campaigning on behalf of Senator Jackson?

A Yes.

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Q What months were those days in?

A The last part of January until around the first -- about April, May -- April.

Q I am going to show you a page from a report filed by the Labor for Jackson Committee. The first item is an expenditure to you. Could you tell us what that $266.95 was used for?

A This is a car I rented in Pittsburgh.

Q What did you use the car for?

A I used the car to deliver literature around and jobs and different things like that.

Q What kind of literature was it?

A Literature trying to advance Jackson for President.

Q Where did you get the literature?

A We got it -- that is, the Labor for Jackson campaign -- we got it from the Labor for Jackson people.

Q Who would have given it to you? What person?

A It was shipped into me from various printers that had been printing it up.

Q The activities that you were carrying out which included the use of this car, with whom were those coordinated? What persons?

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COTTON CONTENT

A In Pittsburgh, I was more or less in charge up there. What happened was, working people would call me and I would say on a certain corner Joe Blow has a piece of material; get in the car and run some down to him, here, there and everywhere.

Q How did you know to go to Pittsburgh?

A I volunteered to go up there.

Q To whom did you volunteer?

A Eddie Carlough.

Q Did you consider yourself working for the Labor for Jackson Committee at the time you were carrying out these activities?

A No, I was working for Labor for Jackson.

Q Did you know you would be reimbursed by Labor for Jackson?

A Yes.

Q Were you ever reimbursed by PAL?

A Not as I can remember.

Q Were you ever reimbursed other than this $266 by anyone for campaign activities?

A No.

Q Were you aware of other persons who were campaigning on behalf of Senator Jackson's candidacy and being reimbursed

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by either PAL or Labor for Jackson?

A I can only speak for myself. I don't know.

Q Did you at any time have any responsibilities with respect to getting reimbursements for other persons who were campaigning?

A I had, like when we was in Florida, I had guys give me their receipts where they purchased stuff, for one thing and another. I would take them to -- but that was on a different campaign than Pittsburgh.

Q Was that only done in the Florida campaign where you would take the bills for other campaigners?

A It was only because I was going to the place and I knew the guy.

Q Who directed you to do that?

A Nobody, really. We were just going to get them. I had the trucks I had to take back. What I did, Gold was his name -- he was supposed to -- you see, we had the things on hold. When we got ready to take them back we called him and he wrote us out a check for the amount of money it was. I was to pick it up at his office and take it back to the rental place. They paid for the vans and stuff. Some of the guys, it may be like they needed some gas or something and they

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COTTON CONTENT

bought it and he reimbursed them for it.

Q How did you know that he would be reimbursing you?

A He told us he would.

Q When did you meet him -- Mr. Gold?

A When did I first meet him?

Q Did you ever meet him?

A Yes, I met him. I don't exactly remember when.

Q When you met him, did he indicate to you that he would be paying the bills for certain expenditures?

A No. In this campaign we volunteered to work for him, right? I mean, for Jackson. And he was the treasurer of it. So I just assumed that was the guy to get the money from. So when we got bills we sent them to him to pay them. Nobody ever told me anything.

Q The expenditures incurred in Florida were to be paid for by the Jackson for President Committee; is that correct?

A In Florida, yes.

Q In any other place that you campaigned, were the bills to be paid for by the Jackson for President Committee?

A No. In New York it was under PAL, or the Political Action League. Then in Pittsburgh, it was under Labor for Jackson. It was all different.

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Q Before you went to Florida, were you told that the Jackson for President Committee would pay for the bills?

A I don't remember being told, no.

Q When you were told that, it was by Mr. Gold; is that correct?

A I can't remember the circumstances I met him under. I met him one day with another gentleman, and there was people there from all the building trades. We were picking up literature and all that stuff. I seen everybody going to him for money. So I asked them if that was the guy you go to. So then he said, yes, he is the one who signs the checks. That is the guy we went to see.

Q Did Mr. Carlough have any knowledge of this, are you aware?

A No, I don't know what he knew.

Q Then when you went to New York you say that PAL paid for the expenditures in New York?

A Yes.

Q How did you know then that PAL would pay for those?

A Because what we had to do then is to call Mr. Carlough and ask him. If we got something -- like we needed so many things printed and we called him and asked him and he

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would say, yes, go ahead and have them printed.

Q When you went into these States to campaign, was it just up to you to try to find someone to pay the costs?

A No.

Q You knew before you went?

A No, I didn't know. When you get there, if you walk in a room there are a bunch of people writing checks or something, that is the guy you want to get close to, right? So that is the guy we went to or woman, whoever was in charge.

Q Did you have plans before you went to Florida to have someone else pay the bills before you met Mr. Gold?

A No. I didn't have plans of anybody paying anything.

Q During the Florida campaign, there were other persons who were working on behalf of Senator Jackson's candidacy who gave you bills and then you would forward them to Mr. Gold to be paid; is that correct?

A Yes. It didn't happen but once or twice, I don't think.

Q Can you recall what persons gave you bills?

A I know Jim Hinkle did. I am sure that a guy named Joe Valdestri, and there was some guys from some other building trades; there was a lot of them involved in it. Some of them

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HEADLOCK ERASABLE COTTON CONTENT

HEMLOCK ERASABLE

were guys I couldn't even tell you their names today. I don't know them. I just met them that day and that was it.

Q When you went to Florida, did you discuss what your activities would be with anyone before you left? By that I mean, anyone with the Labor for Jackson Committee or with PAL?

A No.

Q Did you discuss them with Mr. Carlough?

A When I left Washington?

Q When you left to do your Florida campaigning.

A Mr. Carlough asked me if I had anything that was pressing to do, like the campaign. I told him no. He asked me how would I like to work for Jackson. I said sure and got on a plane and left.

Q Did he give you any indication that you would be meeting up with people with the Jackson for President Committee who might pay --

A No, I was supposed to meet a guy named Joe Valdestri, and I met him.

Q Mr. Miller, do you know Bob Keefe?

A Who?

Q Bob Keefe?

A No, I can't say as I do.

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ERASABLE
COTTON CONTENT

Q Did you have any contacts during the primary campaign with any persons other than Mr. Gold who were working for Senator Jackson, either on his Senatorial staff or his campaign staff?

A Oh, we met several people but I can't tell you who they were. I could have met that guy Bob Keefe, but I wouldn't -- you know, we were doing all of our work with the building trades people. I mean just go over there and pick up the literature and do our own thing with it.

MS. BROWNING: I don't have any other questions.

BY MR. SPIEGEL:

Q Mr. Miller, just a few questions on your Florida activities. When was this gathering at which you describe going over to Mr. Gold and discussing the reimbursements; do you remember about when that was, what month, what day?

A The day was when it was all over; the primary was over in Florida. I called him on the phone and told him we had these vans and we had to take them -- we was going to take them back. He told us to go over there and find out what the final payment was and he would write a check out for us.

Q You called him on the phone?

A Right.

7904010225 26

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Q You said you were at a gathering at which everybody was going over to Gold to collect --

A That was at their headquarters in Miami.

Q Was that before this phone conversation?

A Oh, yes. That is where we met -- I went in and I met him and I picked up some literature.

Q About when was that?

A I guess when we first started. That would be around the first part of it.

Q What did you say to Mr. Gold when you went over to him?

A I asked him if he was the man we contacted on money. And he said yes.

Q Did you tell him who you were?

A Yes, I told him I was from Sheet Metal Workers.

Q "My name is Ernie Miller from Sheet Metal Workers"?

A Yes.

Q How many people were with you when you were working in Florida?

A From where?

Q From Sheet Metal Workers.

A There was quite a bunch because we had all the guys

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who were unemployed from the Sheet Metal Workers trade that were unemployed; we had all of them. I couldn't tell you how many it was.

Q Do you have any idea of the total number of bills that you ultimately gave in to Gold for people who did campaign work for him?

A The total amount of money?

Q Yes, the total amount of money involved.

A Again, I would say, I guess those vans must have cost them at least $2,500; the vans alone.

Q There were more expenses besides this?

A Well, we had gasoline and things like that.

Q Was lodging included also?

A No, I paid my own.

Q When you initially spoke to Gold, did you speak about a figure of expenses that this would cost them?

A No, we would do the same thing we do with PAL and Labor for Jackson. We have contacts by them saying, yes, go ahead and do it.

Q Did you give him some idea what you would be doing when you talked with him?

A What we would be doing with the vans?

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HEMLOCK ERASABLES COTTON CONTENT

HAMMERMILL
ERASABLE
COTTON CONTENT

Q Yes.

A Yes. He knew we would be using them to haul literature around and those cassette players and televisions we had set up. We had kool-ade and all that stuff for people inside.

Q You say that you called Mr. Gold some time near the end of the campaign and you talked to him about the expenses that you had run up. Did you call him on the phone at any other time besides that?

A I could have. It was a thing where the time went so fast. I know I must have talked to him some time or another other than that.

Q Did you ever discuss with him where you would be taking the vans? What cities, locations, things like that?

A No. It was pretty much up to us where we went.

Q While you were in Florida conducting these activities, did you discuss with Mr. Carlough what you were doing?

A No. I don't think I talked to him until the day I got ready to leave.

Q Did you discuss with him what you would be doing prior to the time you left? You said you had one conversation with him prior to the time you left.

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A Yes, when he asked me how would I like to go to Jacksonville, Florida.

Q Let me ask you a few more questions.

You discussed that trip that you made to Pittsburgh for Labor for Jackson for which you received about $260.

A That was for the car.

Q I believe you mentioned that you had a discussion with Mr. Carlough before you made the trip. Did he ask you to go specifically to Pittsburgh?

A No, he didn't.

Q Whose idea was it to go to Pittsburgh?

A Well, you know, I told him we still don't have any of the campaigns to do, so if you want me to go I will go. I will be glad to go.

MR. SPIEGEL: Okay. No more questions.

Mr. Randolph, any questions?

MR. RANDOLPH: No.

(I have read the foregoing pages 3 through 17, inclusive, which contain a correct transcript of the answers made by me to the questions therein recorded.)

Ernest F. Miller

ERNEST F. MILLER

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HEMLOCK ERASABLE COTTON CONTENT

HEMLOCK
ERASABLE
COTTON CONTENT

CERTIFICATE OF SHORTHAND REPORTER

I, Lynell C. Shreve, shorthand reporter, do hereby certify that the testimony of the witness appearing in the foregoing deposition at pages 3 through 17, inclusive, was taken by me in shorthand and thereafter reduced to typewriting under my direction; that the said deposition at said pages is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.

Lynell Shreve
Shorthand Reporter

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7904012253 2

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Official
Transcript

David Spiegel, Esq.
Federal ElectionCommission
1325 K St., N. W.
Washington,D. C. 20463

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COPY

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of:	
LABOR FOR JACKSON	No. MUR 236(76)

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BOND
RAG CONTENT

7904012253 3

DEPOSITION OF IRVING HERSHEY GOLD

Taken on behalf of the Government, at 8920 Wilshire Boulevard, Suite 333, Beverly Hills, California, on Monday, November 21, 1977, commencing at 5:00 P.M., before Carla Cline, CSR No. 3630, a Notary Public for the State of California, pursuant to notice.

RACKLIN, BERNSTEIN, MINJARES & SULLIVAN
CERTIFIED SHORTHAND REPORTERS
SUITE 206
1250 WILSHIRE BOULEVARD
LOS ANGELES, CALIFORNIA 90017

APPEARANCES OF COUNSEL:

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General Counsel
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Assistant General Counsel
1325 K Street N.W.
Washington, D.C.

FOR THE DEPONENT:

GIL TODD SIEGEL, ESQ.
8920 Wilshire Boulevard, Suite 333
Beverly Hills, California 90211

7904012253 4

Stuart's
ERASABLE
BOND
RAG CONTENT

INDEX

WITNESS	EXAMINATION
IRVING HERSHEY GOLD	
(By Mr. Oldaker)	3
(By Mr. Spiegel)	35
(By Mr. Oldaker)	36

7904012253S

BEVERLY HILLS, CALIFORNIA, MONDAY, NOVEMBER 21, 1977

5:00 P.M.

-oOo-

(A discussion was had off the record.)

MR. OLDAKER: The stipulation is that all objections are held until time of trial, and that the witness does not waive the signature but agrees that he will review it within 60 days and will return it within that time to the Commission.

MR. SIEGEL: So stipulated on behalf of the witness.

IRVING HERSHEY GOLD,

having been first duly sworn, was deposed and testified as follows:

EXAMINATION

BY MR. OLDAKER:

Q Would you state your full name.

A Irving Hershey Gold.

Q Where do you currently live?

A 5616 South Shenandoah Avenue.

Q And your current address, Mr. Gold -- I mean your current occupation?

A I am the president of the Super Yarn Mart.

Q And what does that company do?

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A We are in the retail yarn business.

Q How long have you been president of that organization?

A Since I started the company 29 years ago.

Q Were you ever associated with the Jackson for President Committee?

A Yes.

Q In what capacity?

A A volunteer.

Q How did you become associate with the committee?

A I have known Senator Jackson for many years.

Q Many -- a dozen or so or more?

A Maybe eight years, seven years.

Q And what has been the relationship? Personal, political, et cetera?

A I have known him through my philanthropic endeavors. I am heavily involved in the Jewish community, and on a number of occasions we have shared a dais at Jewish functions. That is how I got to know him.

Q As a volunteer for the committee what did you basically do?

A I was basically involved in generating support for his candidacy. Volunteer support and financial support.

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Q As far as volunteer support, did you work in various states, or did you work on a national level?

A On the volunteer support I worked basically in California, in Southern California operations. And I did work with him in several other states. But basically that was to raise funds in the Jewish communities of those states.

Q In California did you work -- was there a Jackson for President Committee that you worked with?

A In California he had a campaign director for the State of California. And I was a volunteer.

Q You worked with that individual?

A Yes.

Q Who was that individual?

A Terry O'Connell.

Q Did you work the majority of your time during certain periods with the Jackson Committee?

MR. SIEGEL: What period of time are you talking about?

MR. OLDAKER: Various periods. I am not sure. I imagine when his candidacy was extant, which was from -- until--

MR. SPIEGEL: January.

MR. OLDAKER: January to March of 1976.

MR. SIEGEL: Can I ask you a question? Are you talking about -- as opposed to his own private business or in

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conjunction with other candidacies and campaigns or whatever?

MR. OLDAKER: If there are others, can you elaborate? I want to know if he spent most of his time --

THE WITNESS: No, I did not. I ran my business.

MR. OLDAKER: Q You ran your business?

A And I worked when I had free time. I worked for him like any volunteer.

Q I should say basically I don't know what the relationship was. In fact, I have no idea. I just know that Mr. Gold had some relationship with the Jackson Committee.

A I might have worked with him -- if I went to a state -- if he requested me to come there and work for a week or two, and I would come home and run my business. Not a steady job.

Q On the fundraising side what did you basically do for the --

A Basically I held events, fundraising events in the Jewish communities. They were most all the time dinners. Conventional fundraising political dinners where you charge X number of dollars to come in, and that was it.

Q About how many, if you recall?

A I don't know. Maybe a half a dozen major dinners.

Q Did you do those on more of a national basis than a local basis?

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A Well, my big dinner was here. Then there was a few times that he asked me to come and just -- I think it was two states -- Massachusetts and Florida -- where I really went and generated interest in those communities. And then those Jewish people ran their own dinners. I just motivated them to do something.

Q As to the dinner here, you were basically the main mover in putting it together?

A We had a whole committee. I was the original mover, that is true. But there was a very substantial dinner committee.

Q Do you recall when that was held?

A That was held, I believe, in December of '75, January of '76, somewhere in there.

Q During the active period of the Jackson campaign?

A The very, very beginning of his campaign.

Q The one in Massachusetts, do you recall when that was held?

A I don't think there was a dinner held there. It was -- I turned on some very prominent Jews there who held cocktail-coffee klatches, you would call it. And they raised money that way amongst the Jewish communities.

The Jewish community was not very well organized for Jackson at that time, and that is why they asked

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me to come and see if I can help them.

Q In Florida do you recall when that dinner was?

A There was a dinner in Florida, and that was run by some prominent Jews that I sparked into it. There was a fellow there that was -- he ran a newspaper -- Jerry Schwartz I think is his name. And he was a director of a temple, and he was the one who sparked the whole thing once I got him turned on. He ran the whole show.

Q It was successful?

A Yes, it was fairly successful. I think they had about 300 people at the dinner there.

Q Do you recall when it was held?

A No.

Q Did you work with the national office at all during the pendency of the national Jackson for President campaign?

A How do you mean?

Q Various individuals that were there, did you go to work at the townhouse they were in and work with them as to how they should set up their fundraising or organization or --

A Well, the national fundraising was in the hands of Dick Klein. He was the finance director.

MR. SIEGEL: Is that C or K?

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THE WITNESS: K. And he would initiate most all the national fundraising ideas.

MR. OLDAKER: Q Did you work for Mr. Klein much?

A If it was a dinner dinner, I would work, you know -- he would -- he was the man that was the professional and handled all the nitty-gritty of the stuff.

Q Did you work with a fellow by the name of Bob Keefe much?

A Bob Keefe of course was the campaign manager. So in fundraising, not a heck of a lot for Bob. But at every event that we had Bob was always there with the senator. You know fundraising and political campaigning is a double-edged sword. You are always looking for political support at the same time.

Q Did you have much contact with Senator Jackson himself during that period of time?

A Quite a bit. He is the one who asked me to volunteer. Yes, I did.

Q How did that communication go? Did you institute it? Did he institute it?

A Dick Klein is the one I think that started it early in the game. But also I didn't know at the time the senator was going to run, I suppose. And then at my events, of course, I was with the senator. He was our main attraction.

Q Did the senator call you occasionally and

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ask you for advice, ask you how he came off on TV?

A Not enough to talk about. I mean if he happened to be talking for some other reason. But he just wouldn't specifically call me. I am no expert on that.

MR. SIEGEL: I have a feeling what you are wondering if he was like a confidant of the senator.

MR. OLDAKER: He has told me he was not.

MR. SIEGEL: Is that what you are looking for basically?

MR. OLDAKER: That is basically what my question was asking, and I think it would be correct to assume that you didn't talk to him on ordinary --

THE WITNESS: I was a volunteer. He had a huge paid staff that he went to for all of those things. Like the media. He had some huge advertising agency on Madison Avenue somewhere. He paid them to make all the commercials and all of that. Isn't that right?

MR. OLDAKER: Q That is correct.

A I don't remember the name, but we used to say that they were spending all the money we were raising.

Q I guess as a fundraiser you probably had some concern about the outcome of the money, where it was being spent. Did you talk at all to people on the committee about how they were spending the money?

A That was really not in our bailiwick. We

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don't have any authority.

Q You raised --

A Yes. Conventional. I do not do this for dozens of political candidates. I mean it's a very conventional thing.

Q Have you ever heard of an organization called Labor for Jackson?

A I don't think so.

Q Were you ever familiar with an organization called the Jackson Labor Committee?

A I know they had some labor committees. I did know that.

Q Which was their committee?

A I don't remember the names of them. But there was labor people for Jackson. I remember that.

Q Let me distinguish for the record. I wouldn't assume that you would necessarily know that the Labor Committee for Jackson was a Jackson committee. It was a satellite committee that they basically had. The Labor for Jackson Committee was not a Jackson committee. It was a committee set up by some labor unions basically. The Sheet Metal Workers and the Marine Engineers and I believe one or two others. The Jackson Labor Committee, there were individuals involved, namely, one Mr. Carlough. Were you ever familiar with him?

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A I have heard his name.

Q Eddie Carlough?

A Yes. I have heard of him.

Q Did you ever meet him, deal with him?

A I might have met him. Labor wasn't my thing.

Q I understand.

A I met a lot of people, was schlepped to a lot of meetings. So it's possible that I did meet him. But like I say, labor is not my thing.

Q Did you ever deal with the folks from the Sheet Metal Workers at all that you can recall as to fund-raising, joint fundraising events?

A Not that I recall. Fundraising -- I was almost totally limited to Jewish communities.

Q Let me run through several names. Jim Hinkle.

A I don't remember that name. I might -- don't get me wrong. I met thousands of people. But it doesn't -- I couldn't pick him out.

MR. SIEGEL: Who is he associated with?

MR. OLDAKER: Sheet Metal Workers.

Q Joseph Keenan?

A I think he was at a meeting that they took me to once. He's an old man, if I remember right.

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A Yes.

MR. SIEGEL: How do you spell that?

MR. OLDAKER: K-e-e-n-a-n.

THE WITNESS: I might have met him once for a brief period of time. I just remember he was an old man like Meany was.

MR. OLDAKER: Q David Turner?

A I don't recall that at all.

MR. SIEGEL: Who is he associated with?

MR. OLDAKER: He is associated with the Sheet Metal Workers Political Action League.

MR. SIEGEL: Was Keenan also Sheet Metal Workers?

MR. OLDAKER: Yes. He is one of the officials, I believe.

Q Charles Black?

A Doesn't ring a bell. Is he a Californian?

Q No. He is also national. He is with the MEBA. That is the Marine Engineers Beneficial Association Political Action League. He is the chairman.

Leon Shapiro?

A No.

Q He is with MEBA.

A I am not saying that they weren't in a room that I was in.

Q Jesse Calhoun?

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A Jesse Calhoun, I think, was at a meeting.

Q The same one as --

A Maybe I met him at one meeting. That is very possible.

MR. SIEGEL: Is he also Marine Engineers Beneficial Association?

MR. OLDAKER: He is the president of MEBA.

THE WITNESS: He might have been at a fundraising that somebody ran, and I might have been there. Not my fundraiser, though.

MR. OLDAKER: Q I understand. Did you say that you met Keenan at some time? Do you recall where that was?

A No, I don't, but I remember Keenan because he was a crusty old guy and he made an impression on me.

Q Do you remember going to a meeting with several Jackson people with a bunch of labor people? Bob Keefe might have been one of them.

A The only meeting I remember -- wasn't a meeting. If I remember, somewhere -- I don't even remember the state now.

Q New York maybe?

A It wasn't New York. But Keefe said, "Come on with me. We will go see some labor guys." And that was the only time I recall going there with high-powered labor guys.

Q Do you remember anything about that meeting?

7904012254 7

A Not a hell of a lot because I didn't engage in any of the conversations. It was just sort of, "Come on and see what the hell is going on" sort of deal.

Q Would it be fair to say you dealt with the Jackson for President drive?

A Oh, I am sure I did in some way, certainly. Otherwise why would they take me to a meeting?

Q Do you recall if you talked about financing?

A I don't remember anything about that meeting because I remember I did not partake of the meeting. So I don't remember what -- I imagine it was just ordinary campaign talk that was going on. "Would you help?" And you know how a campaign manager is. We need more volunteers. They are always asking for money and volunteers. That is what a campaign manager asks for.

Q Did you ever have an occasion around Florida primarily to get involved in the payment of funds to individuals for various things they may have done for the community?

A I was never authorized to pay funds.

Q Did you in fact pay funds?

A No. No. The way that worked, there was a main account in Washington. Now, the guy that ran the whole show up there was Walter Scalrop, I believe.

Q Was he the controller?

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A I don't know what he was. The local guy that guided us in everything we did. Very strict, I remember. Because in fundraising he is the one that passed on the invitations and made sure that the proper wording about it was on there. A thing that goes on every piece of literature. That is how I got to know him pretty well. And it limits how much you can take from a person.

And then there was Katz who was the money man somehow, and Klein, and what they would do is they would open an account in a state that they went to, and somebody would be authorized to -- like a small account -- pay the small bills because you can't get credit on a campaign. And somebody would be authorized to draw on that account and pay the bills. It was never me. So somebody in Florida must have had that authority. I don't remember who it was.

Q Did you ever recall taking bills from people, taking them to someone in Florida?

A That is possible. You know, I don't know if our Florida -- the office that they had down there was a pandamonium sort of thing. It was a very big Cuban thing in Florida.

MR. SIEGEL: A very big what?

THE WITNESS: Cuban. Very, very big. And the way it was laid out, about four or five stalls in the front, and that was all Cuban. And that was a madhouse. And then you

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went back, and there was a few more stalls. And in the far back room was somebody that would sign checks. It's possible that -- I was on the outside always. I didn't have an office or anything like that.

So I was always running in and out on this fundraising thing, and I got to know guys. And it's possible that somebody handed me a bill, and I handed it to somebody else. That is possible.

MR.OLDAKER: Q Do you remember a fellow by the name of Jimmy Hinkle?

A I don't recall.

Q The reason I ask is for your own information Mr. Hinkle recalls that he took a bill to you and that you paid it.

A Out of my own pocket?

Q I have no idea. It was reported ultimately by the Jackson committee.

A It was paid by the Jackson committee?

Q Right.

A I could have taken his bill and walked over to whoever was handling it because they won't let guys in -- and I said, "Why don't you pay the guy?"

MR. SIEGEL: We discussed it a little bit. Why don't you describe a little more in detail for them the problem of getting -- like you say, you couldn't walk in. Maybe they

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understand.

THE WITNESS: Well, it's just like over here. For example, the guys who were paying the bills, somebody -- a representative person on the staff, I suppose. And they would have had an office like this.

There's hundreds and hundreds of volunteers running around. They didn't let them in there. I had access. I was a big fundraiser, a bigshot in this deal, right? So these guys got to know me. I suppose this guy said, "Do me a favor and run a bill into the office." I could have done that. I imagine I have done that a number of times for guys. I would say I would have.

MR. OLDAKER: Q Do you remember a guy by the name of Ernie Miller? I believe Ernie is correct. Ernest Miller.

A No. Not to say that I haven't met him. But I do not remember.

Q I should say that for the record he has a recollection of such transactions occurring.

MR. SIEGEL: Same thing as Hinkle?

MR. OLDAKER: Yes.

THE WITNESS: There is no way I ever signed a check for anybody in payment, I will tell you that. I had no authority to do it, and I couldn't do it if I wanted to.

If I expedited a payment for some guy, the

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only possible way I could have done it was to take it into the office and say, "Hey, the poor guy is screaming for his money. Let's get him out of the way and give him the money, or pay it off, or something." And if they did, they did. If they didn't, they didn't.

MR. SIEGEL: You should bring photographs of these guys and put them in a lineup.

THE WITNESS: How can I remember thousands of people?

MR. OLDAKER: Q I can tell you these guys were laborer types.

A Labor is out of my bailiwick. If you want to mention Jewish people, I will tell you right away who the Jews are down there.

Q I will ask you about a guy by the name of Paul Stuckenschneider, a name like that you might remember.

A I don't remember that. I don't think I would forget it.

Q I don't think he is Jewish either.

MR. SIEGEL: Who is he with?

MR. OLDAKER: I believe he is with the Sheet Metal Workers.

Q A fellow by the name of George Riley?

A No. Doesn't ring a bell.

MR. SIEGEL: Who is he?

MR. OLDAKER: I believe he is with the Sheet Metal

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Workers also.

THE WITNESS: Do all these guys know me? Everybody knew me, that is true, because I was an up-front guy.

MR. OLDAKER: Q Basically they said you looked like a guy who could get things done.

A They figured I raised the money, and I have supposedly got some clout in getting it spent. They didn't know the truth, though.

Q A fellow by the name of Joe Valdestri?

A No.

MR. SIEGEL: Also Sheet Metal?

MR. OLDAKER: Also Sheet Metal, I believe.

MR. SPIEGEL: Yes.

MR. OLDAKER: Q Do you remember any other instances other than Florida where you became involved in basically helping the Jackson for President Committee operate better than just fundraising? In other words facilitating the payment of some volunteers?

A There were only two places I went of any significance. That was Massachusetts and Florida. I wasn't anywhere else.

Q Did you do basically the same thing in Massachusetts?

A Yes. In Massachusetts I had responsibility for the Jewish community.

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Q How about working with the various volunteers?

A Basically in fundraising.

Q How about in other aspects of the campaign?

A Such as?

Q Aiding them in getting things paid, for getting their bills paid.

A Maybe. Maybe the same thing. But it was so few that it would be totally insignificant.

Q More in Florida?

A If I did that in Florida, it must have been two or three. Because otherwise I would remember them. I mean it wasn't my habit of doing that.

MR. SIEGEL: Just for clarification, do you remember what kind of bills they may have been, what they would have been there for in Florida?

THE WITNESS: Can't be much. I don't remember. Otherwise I would remember.

MR. SIEGEL: Just minor amounts?

THE WITNESS: Sure.

MR. OLDAKER: Q Most of these guys would rent vehicles to do various things? Sound trucks? Things like that?

A See, it's something that I had nothing to do with. How did they rent or who authorized them, I don't

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know. Right. So he brought in the bill. I don't know whether the bill is valid or not. But the guy is screaming. I most likely said, "Pay the guy off," or something. Most of these guys were big, burly guys. You would want to pay them off.

Q Do you remember a reception that was held at Ball Harbor, Florida, during the A.F.of L.-C.I.O. convention?

A I know -- I don't think I was involved in that.

Q Do you recall if you went to that?

A I know I didn't go to that.

Q Do you recall any A.F. of L-C.I.O. events that you may have gone to?

A No. Wait a minute. There was a reception on the top floor of some building in one of the states that I did go to for a few minutes.

Q Florida possibly?

A I don't remember now what state it was. But there was a total labor reception.

Q Was Mr. Meany present?

A That was where I met Mr. Meany. Now, I wanted to meet him. He was sitting there, and I wanted to meet him. He was quite a guy.

Q I would think it would be more than likely to have been Florida because that was the main dinner

reception he went to when he met Jackson.

A I don't remember if it was Florida. There was an awful lot of labor people there. I don't remember where it was.

Q The A.F. of L.-C.I.O. convention was held in January in Florida. So it would have been an overlapping campaign.

A Maybe so. But I know I went there for a drink. I was invited to come.

Q Do you remember anything about the financing of that? Did you have anything to do with financing that dinner reception?

A Not at all, no. They had -- the Jackson people had a whole labor thing, so -- they had a whole labor thing going.

Q Did you ever deal with that labor thing?

A No. But I know they had a big labor thing. They had a lot of people working with labor. I know they did. I don't remember the names, but they had a lot of paid staff that did nothing but work with labor.

Q Mr. Keefe is basically a labor person. He has known labor people for a long time.

A He was the head of the thing. I can't remember the name. There were other people on the staff that did nothing but work with labor.

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Q Do you recall back at that meeting where the labor people were at that you and Bob Keefe went to -- do you recall sometime during the meeting being asked to leave, and you and Keefe got up and left?

A No.

Q Does that ring a bell?

A I don't remember anything about that meeting. You might mean a small meeting --

Q A small meeting with Joe Keenan.

A I have to think. What the hell went on there? I don't recall. I don't think we were asked to leave. I don't remember.

Q For purposes of the record, the reason that I am interested in that is that was the meeting at which the Labor for Jackson Committee was formed, and our records would indicate it was after you and Mr. Keefe left the meeting.

A That is -- which committee is that now?

Q That is the independent expending committee.

A It was formed at that time?

Q That is what our record would show at this time. I don't know.

MR. SIEGEL: In which state was that meeting; do you know?

MR. OLDAKER: I can't remember. It was either Washington or -- for some reason New York is in my mind, but

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I have to look at the deposition to be accurate. Possibly in Pennsylvania.

MR. SIEGEL: Were you in Pennsylvania?

THE WITNESS: No. I didn't go to Pennsylvania.

MR. OLDAKER: Q Probably in Washington. I can't recall.

MR. SIEGEL: New York, maybe?

MR. OLDAKER: Yes, but most likely it was in Washington.

MR. SIEGEL: Just for point of clarification, when you asked him about whether he and Keefe were asked to leave, was that on a friendly basis or --

MR. OLDAKER: I am certain it was on a friendly basis. The question in our mind is what was the inner relationship between this group of individuals and the Jackson Committee? In all honesty, it appears to be somewhat incestuous, and those are the facts we are looking for. Mr. Gold would be more collaborative than anybody else as to what happened.

THE WITNESS: I don't think there was a hell of a lot that went on, if I remember. I would remember if there was anything funny.

MR. OLDAKER: Q Or that you deemed important?

A Well, what I would think was important.

Q Right.

A But I don't recall -- it was just ordinary

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talk about the campaign, if I remember right. But I don't even remember that much of it. I don't think we were there for more than five or ten minutes at the most.

MR. SIEGEL: You are talking about the meeting with Keenan or Meany?

THE WITNESS: No. Meany was at the party.

MR. OLDAKER: I would assume that you didn't talk about anything but pleasantries at that meeting?

THE WITNESS: At the party?

MR. OLDAKER: Q At the party.

A I didn't talk to anybody. I don't know these people well enough to talk to them. I just asked Keefe to introduce me to Meany so I could shake his hand and get to tell people that I met Meany.

MR. SIEGEL: Did you get your picture taken?

THE WITNESS: I wish I did. He is a historic figure. He really is.

MR. OLDAKER: Q During the hiatus when the Supreme Court struck the Federal Election Campaign Act, January 31 -- you may be familiar with it -- the funds from the Federal Government stopped coming in?

A Yes. I remember that period.

Q During that period, I guess things got fairly tight. I assume they did for most campaigns.

A No more money. That is correct. They sure

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did.

Q Do you recall attempting to get loans from any individuals outside of the Jewis community with which you were specifically working on aid over the period -- the hiatus until the Federal monies came again?

A I didn't get -- ask for loans. I don't think I did. Maybe I did. But I don't think so. I know what I did was put together a very intensive phone solicitation campaign to try to tide us through that period.

Q Did you have conversations with many individuals on the campaign about financial difficulty at that time or squeeze, I guess?

A Klein was screaming for money, you know. Klein's job was to raise the money. Remember, I was just a volunteer. He had to raise the money in the whole country. So he was screaming for dough.

Q You say he was pretty exasperated about it, pretty excited to have people raise money? It was a desperate plea to raise money? You weren't going to be able to continue? Strike the word desperate.

A I don't think it was desperate. But he was badly in need of money like every single candidate was. And that is the time I think that --

Q I think the record would show that.

A That was -- that guy is $150,000 in debt

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right now from that campaign.

Q The other fellow from California?

A Oh, Mr. -- which guy is that?

Q Mr. Reagan.

A That is different. I don't think about those guys.

Q Do you recall any talk about going to individual union members to obtain numbers of loans?

A Loans?

Q Loans during that period.

A Union members? No. The only thing I remember about loans is I discussed it with the senator. That it would be something for him to think of to make a personal loan. The law at that time allowed the candidate himself --

Q To make an unlimited loan?

A To make an unlimited loan to the campaign. And I told him that the Jewish community will back him up if he will make his own loan. And the pity of it was that he didn't have any money -- he himself doesn't have no money. So he just didn't have any dough. It's amazing.

Q It is hard to put anything away on $50,000 a year.

A Particularly if you are a very honest senator.

Q That is very true. The reason I ask is that

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it is not necessary to put into the record, but there are dozens of loans made on the same or approximately the same dates from the Sheet Metal Workers in the amount of $500 and in the amount of $1,000 to the committee. Were you ever familiar with those transactions in any way?

A I know they were trying to make loans. I didn't have anything to do with getting loans. I have no idea who gave them the money. The only thing I know about loans is I tried to talk to Scoop himself about making a loan.

Q Were you ever involved in any conversations about the efficacy of getting loans from individuals like the Sheet Metal Workers or --

A Outside of the senator himself, no. Because that is $100 loans or $200. I was asking the senator to lay in $100,000.

Q Those are $500 loans.

A Whatever.

Q Several $1,000 loans, all made approximately the end of March, the beginning of April, and coming out to be $28,500 in about seven or eight days.

A I remember Scalrop and Klein and Katz would have worked on it.

Q Those would be the individuals that you would think would work on it? Do you have any knowledge that they did work on it?

7904012256 2

A I don't have personal knowledge, but I assume it is their responsibility. They were paid to do that.

MR. SIEGEL: I don't know that much about campaigns. $28,000 wouldn't do much for you, would it?

THE WITNESS: That is what the total was?

MR. OLDAKER: Q On the loans, that is right.

A That is spit. But Carter, if I remember right, took out a half-a-million-dollar loan or something like that. He did. Of his own. Hawked his warehouse, if I recall correctly. This was the precedent for it, for my asking Scoop.

Q I think it would show that Mr. Sanford loaned approximately the same amount to his committee.

A That is right. I forget about them. They were still in the race.

Q Do you recall at all how the Jackson organization operated in Washington, D.C.? Were you there enough to become familiar with it?

A Outside of these individuals I mentioned that is all I know. I know Keefe was the campaign manager. Klein was the guy pushing me around always, to raise money, and all of the rest of us in the committee, giving us ideas. And Scalrop and Katz. That is all.

Q Did you go there for meetings? Did they make all the fundraisers come in and talk to them?

A No. I don't remember bringing the

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fundraisers to the office. We would bring them to a cocktail thing or something like that, but not to the office. To the senator's suite or something.

Q Were you ever at the office in Washington, D.C. for a couple days at a time?

A Yes. When I was in Washington I would hang out there. Absolutely. I would use their phones and everything in my fundraising efforts.

Q Would you be in an enclosed area, or how was the building laid out?

A Let's see. It was like they had one building, and later on they had another building. They had two buildings expanded. I am trying to remember. It's a two-story house like converted into offices.

Q A townhouse type?

A I don't know. We called it just a duplex like, a two-storey job. It was like a house, but --

MR. SIEGEL: Things are more casual in California. Townhouses are something we don't have. We call them duplexes here.

THE WITNESS: They were upstairs. I am sure of that. Klein and Scalrop and Katz were upstairs in one building. I didn't have any office. I would just -- wherever there was an empty desk or something.

MR. OLDAKER: Q What did you generally do? Make

7904012256 4

phone calls to possible contributers?

A Basically phone calls to try and raise money.

Q Did they ever have you in any of the strategy meetings?

A For fundraising?

Q Yes.

A If they were talking about an event, sure. A lot went into an event. A dinner, a cocktail reception.

Q Was that generally the kind of events that you were involved in? Dinner, cocktail parties and telephone solicitations?

A I initiated a phone thing that worked out very well. I would get the senator for a while, and I would call the individual I thought was a potential contributer and tell him I was with the senator and that we needed his help, and I would put the senator on. And the senator would verify that he needed the help, and I did an awful lot of phone solicitation.

Q So you had to have the senator right there?

A Those really important fundraising deals, I did. I had the senator with me.

Q Did you do that in Florida also; do you recall?

A I did that quite a bit. I don't remember if

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it was in Florida. Whenever I could lay my hands on him to do it, I did it.

Q Did you follow him around from place to place occasionally?

A Like I say, I remember Florida and Massachusetts. That is about all I remember. New York, a little bit.

Q The reason I am asking is that it is not unusual. That is one of the best ways to fundraise.

A Only when he asked me to do this.

(A discussion was had off the record.)

MR. OLDAKER: Q Back to the Sunshine State, Florida, do you recall who paid out the money in Florida? Who was the disbursing officer or whatever they called him down there?

A I think his name was Arnold something or other.

Q Do you recall what he looked like?

A A tall guy that was in the movie business. Arnold Picker, I think was the guy who had the authority to sign the checks, if I remember right. I am sure that other staff people must have had authority. I am not sure. I imagine somebody else had authority.

Q This is the fellow you knew?

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A Arnold Picker's name comes to me. I think he lives in --

Q Tall?

A A tall guy that was I think with United Artists or Warner Brothers. He was at one time one of the head guys.

Q From Florida or from California?

A No. He is a Floridian now. If he was in California, it was before my time.

Q You talked about where all your money went before -- the advertising firms. Were you ever familiar with -- was his name Mora Flasher & Son? An advertising firm by that name?

A No. There is one. If I am familiar with the one you mentioned, that is not the one. I think I would remember the one that was spending all the money. Used to always kibbitz about that. Holloway or Holiday? Does that ring a bell to you guys? One of the words in it was Holiday or Holloway. It was blank, blank and something. Weren't they the guys?

Q They would be very well --

A They are the guys that spent most of the money. I know that.

Q The individuals we are asking about were the individuals that spent the independent expense money for

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the Sheet Metal Workers.

A I wouldn't know that. But I am sure you will find that the guys that spent most of our money was Holiday or Holloway.

MR. OLDAKER: All right. Do you have anything else?

MR. SPIEGEL: Just really one question to fix something here on the record.

EXAMINATION

BY MR. SPIEGEL:

Q Is it a correct summation on your part that you worked for the Jackson campaign in the period of about January to May of '76? Is that an accurate reflection of your testimony?

A January?

Q Through May of '76; so that was the focal point of your endeavors in that period?

A Well, on and off. Wherever he was running up until Pennsylvania I worked for him. I mean whatever period that was. I didn't go to Pennsylvania. That was -- I thought that was the end of the line anyhow; so I didn't go there. I was a volunteer on and off, remember. I didn't spend most of time there. Most of the time I was home, remember that.

Q You mentioned the name Bob Keefe in connection with the labor aspect of the Jackson campaign.

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A In connection with being the campaign manager, now.

Q Was a gentleman with the last name of Donahue associated with the labor part of the campaign?

A Donahue?

Q Yes.

A No, sir. No. He is the senator's aide. He's the senator's aide. He has nothing to do with this monkey business.

MR. SIEGEL: You are saying he was an A.A.?

THE WITNESS: He was an aide. There was another guy, Sterling Monroe, you know, who was one of the head guys of this thing that ran the whole show.

EXAMINATION

BY MR. OLDAKER:

Q Did you know Sterling very well?

A I knew him. He was the guy that had very, very heavy control over this stuff, as I understand it.

Q Did you deal with him that much?

A No. Nobody saw Sterling very much to my knowledge.

Q Did you talk to Sterling about fundraising at all?

A Very little did we ever talk to Sterling.

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Sterling kept himself pretty well to himself. But I understand he had great authority professionally, and he was a hired hand.

Q That is my understanding, too.

A He was not a volunteer.

MR. OLDAKER: Thank you very much, Mr. Gold.

Stuart

(Signature of the Witness)

ERASABLE BOND RAG CONTENT

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STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I, _____, a Notary Public in and for the County of Los Angeles, State of California, certify that on the _____ day of _____, 1977, the foregoing deposition was submitted for reading and examination to the witness, IRVING HERSHEY GOLD; that any changes which he desired to make were entered thereon and the deposition was signed by the witness before me.

_____
Notary Public in and for the County of Los Angeles, State of California

7904012257 1

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I, CARLA CLINE, C.S.R., a Notary Public of the State of California, certify:

That the foregoing deposition of IRVING HERSHEY GOLD was taken before me pursuant to notice, at the time and place therein set forth, ~~at which time the witness was put on oath by me;~~

That the testimony of the witness and all objections made at the time of the examination were recorded stenographically by me, and were thereafter transcribed;

~~That said deposition was read, corrected and signed by the witness before any notary public or the State of California;~~

That the foregoing deposition is a true record of the testimony of the witness and of all objections made at the time of the examination.

I further certify that I am neither counsel for nor related to any party to said action, nor in anywise interested in the outcome thereof.

IN WITNESS WHEREOF, I have subscribed my name and affixed my seal this _____ day of DECEMBER, 19 77.

Notary Public of the State of California.
CARLA CLINE, CSR No. 3630

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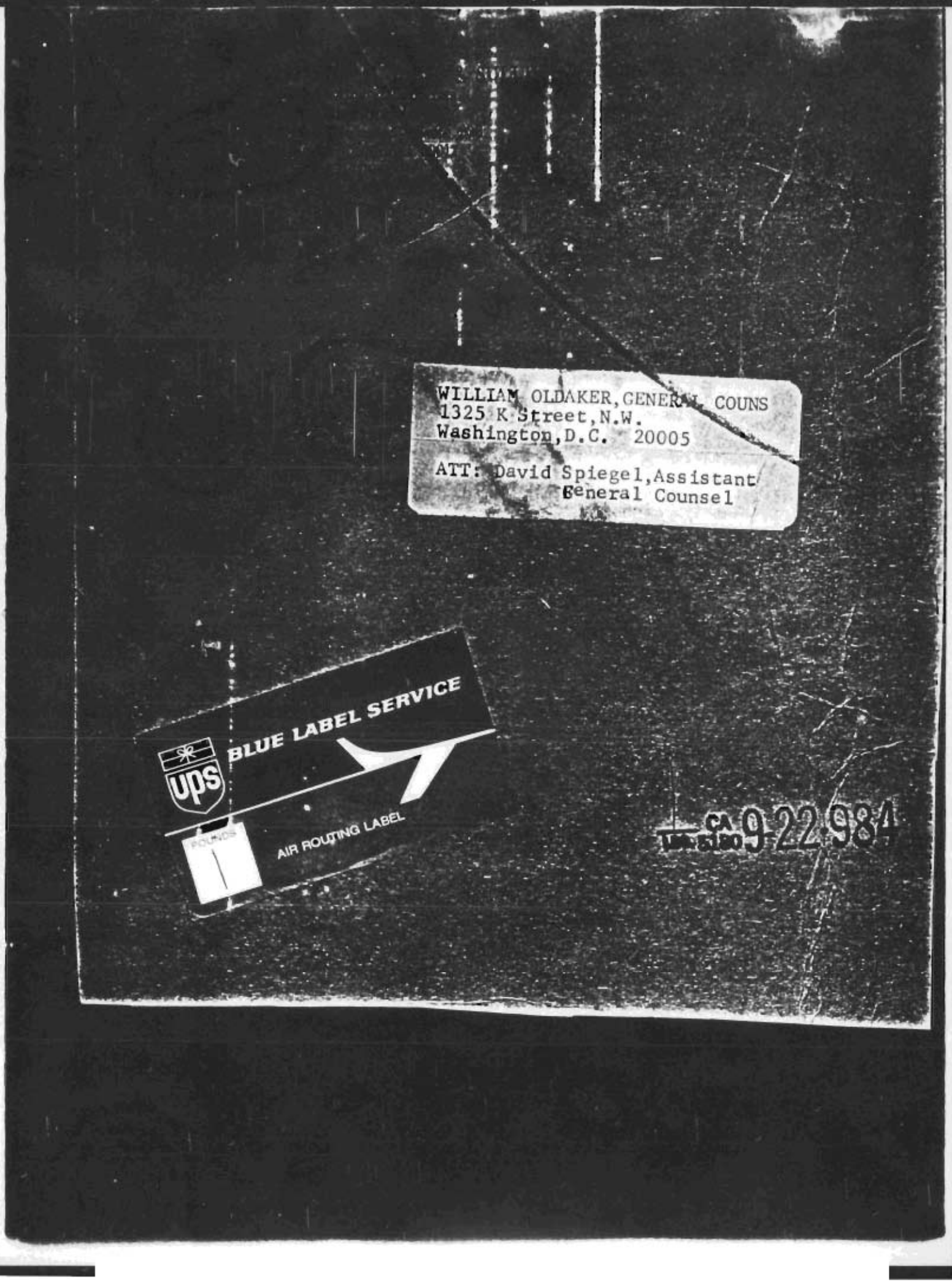
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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of:	
MARINE ENGINEERS BENEFICIAL ASSOCIATION POLITICAL ACTION FUND	MUR 260 (76)

Washingotn, D. C.

Thursday, March 16, 1978

Deposition of

FRANK LAURITO

a witness in the above-entitled matter, called for examination by counsel for the Federal Election Commission, taken at the offices of the Federal Election Commission, 1325 K Street, N.W., Washington, D. C., beginning at 3:55 p.m., before Judith Browning, when were present on behalf of the respective parties:

7904012257 4

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1325 K Street, N. W.
Washington, D. C. 20463

For Frank Laurito:

JUSTIN D. SIMON, ESQ.
DICKSTEIN, SHAPIRO & MORIN
2101 L Street, N.W.
Washington, D. C. 20037

C O N T E N T S

WITNESS:	EXAMINATION BY COUNSEL FOR:	
	FEDERAL ELECTION COMMISSION (Ms. Browning)	3
FRANK LAURITO		
	FRANK LAURITO (Mr. Simon)	54

E X H I B I T S

Marked for identification and attached:	Page
Exhibit No. 1 - page from May 10 report	12
Exhibit No. 2 - page from July 10 report	14
Exhibit No. 3 - page from June 10 report	28

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Thereupon

FRANK LAURITO

a witness, was called for examination by counsel for the Federal Election Commission and, after having been sworn by Judith Browning, Esq., was examined and testified as follows:

EXAMINATION BY COUNSEL FOR THE FEDERAL ELECTION COMMISSION

BY MS. BROWNING:

Q Would you state for the record your name, please?

A Frank Laurito.

Q And your address, please?

A 6 Bethany Court, Gaithersburg, Maryland 20760

Q Are you aware of your right to have counsel present?

A Yes.

Q Do you have counsel present?

A Yes. I do.

MS. BROWNING: Would counsel please identify himself for the record.

MR. SIMON: My name is Justin D. Simon, with the firm of Dickstein, Shapiro and Morin, 2101 L Street, Northwest, Washington, D. C.

BY MS. BROWNING:

Q Mr. Laurito, Before I start asking questions, I

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might make a short statement about the scope of this deposition. We are trying to get some information relating to the relationship which Marine Engineers Beneficial Political Action Fund may have had with the Labor for Jackson political committee.

In addition there were some personal receptions held by the Political Action Fund, which we are concerned with, and are asking some questions about.

And in addition to that, there was a purchase of some receipt books, according to reports filed by the Political Action Fund, and we are interested in finding out more information about the solicitation project connected with those receipt books.

First, I would like to ask where you are currently employed.

MR. SIMON: Let's agree for purposes of the record that when referring to the Political Action Fund, we are referring to the Marine Engineers Beneficial Association Political Action Fund.

MS. BROWNING: That is correct.

BY MS. BROWNING:

Q Mr. Laurito, where are you currently employed?

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A My employer is District Number One, Pacific Coast District, Marine Engineers Beneficial Association.

Q What position do you hold there?

A Chief accountant.

Q How long have you been so employed?

A Twenty-two years. I have been employed 22 years. I have held that position, I guess, the last 17, 18 years.

Q Could you describe briefly your responsibilities as chief accountant?

A Yes. I administer -- basically, what I do is put forth the responsibilities of secretary-treasurer. I put in action his responsibilities or a responsibility for all financial records of the union. I am in charge of the books and records of the union. I am in charge of the membership records of the union, the group shipping of the district. I also have been assigned the responsibility of the MEBA Political Action Fund.

Basically, I administer and take care of all the responsibilities delegated to the secretary-treasurer that are defined in our by-laws. I guess if you were to read our by-laws, that would be my function. We implement the policies and procedures with respect to the union activities

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dealings between the membership and the like. That is about it.

Q When you say you had responsibilities with the Political Action Fund, what responsibilities were those?

A The books and records. In addition the FEC reports. I paid the bills, and also the cash receipts. Things connected with the MEBA Political Action Fund.

Q Were you carrying out those responsibilities for the Political Action Fund during the first six months of 1976?

A Yes.

Q Did you have any decision-making responsibilities with respect to the Political Action Fund?

A No.

Q Could you name the persons who would have had decision-making responsibilities?

A Leon Shapiro, treasurer of the fund; Gene DePries, secretary of the fund; Charles Black, the chairman; and Mr. Calhoun, president of the national MEBA and of the district.

Q Are you aware of the existence of a campaign

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committee called Labor for Jackson?

A Yes.

Q Were you involved in any of the organizational activities with respect to Labor for Jackson?

A No.

Q Do you know of any persons who were involved in the organization of that committee?

MR. SIMON: Any persons anywhere in the world?

MS. BROWNING: Yes.

THE WITNESS: Not to my knowledge.

MR. SIMON: Could you hold on for a second?

(Discussion off the record.)

BY MS. BROWNING:

Q Do you have any knowledge of a $20,000 transfer of funds that was made from the Political Action Fund to Labor for Jackson in May, 1976?

A Yes.

Q Could you describe what your knowledge of that transaction is?

A When you say what my knowledge is, what do you mean specifically by that?

Q In particular do you remember making the transfer

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of funds to Labor for Jackson?

MR. SIMON: Could I interrupt. I am concerned that we are dealing with a non-attorney, and we are using terms --

BY MS. BROWNING:

Q By that I mean simply whether or not the MEBA Political Action Fund gave money. Is that the way you have understood it?

A Yes.

Q I think you understand the act of transfer, the term, rather than the individual.

A Right.

Q At whose request did you make the transfer or give the money to Labor for Jackson?

A I received a call from Mr. Calhoun who was based in Washington at the time, and our offices were in New York at that particular time, and he told me to draw a check for $20,000 payable to Labor for Jackson, and I believe he gave me the treasurer's name also, and I drew the check.

Q Did he give you any other instructions at the time this telephone call was placed?

A Not that I recall.

Q Do you recall when the telephone conversation took place?

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A No.

Q Do you remember whether it would have been a few days before you transferred the money to Labor for Jackson?

A I believe that may have been the case, a matter of days. Yes.

Q But you were not in on the decision to make any particular contribution or transfer of funds?

A No.

Q Did anyone else contact you with regard to giving this money to Labor for Jackson?

A No.

Q Do you recall to whom you sent the money?

A Yes. I gave it to Mr. Shapiro.

Q Do you know what Mr. Shapiro did with the money?

A No.

Q When you gave the money to Mr. Shapiro, did he give you any additional information about the transfer of funds? Did you have any --

A Excuse me a minute.

(Discussion off the record.)

MR. SIMON: I think for the record we should clarify that Mr. Laurito had the check delivered to Mr. Shapiro, but

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did not actually meet with Mr. Shapiro.

THE WITNESS: The check was in the envelope made up to the committee and was delivered to the committee. From that point I don't know what happened to it.

BY MS. BROWNING:

Q Why did you give the check to Mr. Shapiro?

A I could only think I was instructed to give it to him. By whom, I don't recall.

MR. SIMON: Do you know why?

THE WITNESS: No. I don't know why.

BY MS. BROWNING:

Q Did you give other funds that were being transferred from the Political Action Fund to Mr. Shapiro to deliver to whomever?

A Sometimes.

Q At other times did you make direct contributions to the committee or candidate or to whomever?

MR. SIMON: By that you mean the Political Action Fund?

BY MS. BROWNING:

Q Yes. Without using Mr. Shapiro as a conduit or intermediary.

MR. SIMON: Let's use the word intermediary, please.

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THE WITNESS: Would you repeat that. I am sorry.

BY MS. BROWNING:

Q Did you make contributions or transfer of funds from the Political Action Fund directly to individual candidates or committees or vendors without going through an intermediary, such as Mr. Shapiro?

A Yes. If we mailed a check directly to a committee. The answer is yes.

Q Do you have any knowledge of how Labor for Jackson was spending its money?

A No.

Q Did you have any responsibility for recruiting volunteers or persons to work for Labor for Jackson?

A No.

Q Did you make any decisions regarding the use of funds by Labor for Jackson?

A None.

Q Do you know Edward Carlough?

A No.

Q Do you know a man by the name of Joseph Keenan?

A No.

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Q Do you have any knowledge of persons who work for the association or for the Political Action Fund? By association I mean Marine Engineers Beneficial Association, who were involved in decision-making at the Labor for Jackson Committee?

A I am not aware of that.

Q I want to ask you a few questions, Mr. Laurito, about some receptions which apparently were sponsored or paid for in part, if not totally, by the Political Action Fund, and I will be referring to pages from reports which I will identify for the record. These are reports which were filed with the Commission by the Political Action Fund, and I will them in a detailed manner in a moment.

The first reception was held in San Francisco in October of 1975. Do you remember that reception being held?

A Yes.

Q This is a page which I would like to call Exhibit No. 1, which is from the May 10 report filed by the Political Action Fund.

(The page from the May 10 report referred to was marked Exhibit No. 1 for identification, a copy of which is attached to the court copy of this deposition.)

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BY MS. BROWNING:

Q This is a copy, Xerox copy, and the bold-face circles around certain figures in the right-hand column are made by me, and were not on the original report; as well as the check marks in the left-hand column. I also believe the number 3 at the bottom of the page is a number we have put on the page.

The third item listed on this particular page is a payment made to the Hyatt on Union Square, San Francisco, California, and the date of that expenditure is April 2nd, 1976, in the amount of $7,287.38, and the purpose listed is "Hosted reception re Senator Henry Jackson." Do you recall making that expenditure?

A Yes. I do.

Q By you, I mean Political Action Fund.

A Yes.

Q Let me identify as Exhibit No. 2 the same kind of expenditure page from a report filed by the Political Action Fund. This one is from the July 10 report, and again there are some circles made around figures in the right-hand column which I have made, and I believe this number 4 at the bottom

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is something someone at the Commission added.

MR. SIMON: That is July, 1976?

MS. BROWNING: That is right.

(The page from the July 10 report referred to was marked Exhibit No. 2 for identification, a copy of which is attached to the court copy of this deposition.)

BY MS. BROWNING:

Q The particular expenditure is the last one on the page. That expenditure, I believe, is Kelly Press. The amount is $204.54, and the date given is June 30, 1976. The purpose listed is "Printing Costs Re: Henry Jackson Reception-San Francisco 10/75." Do you recall that particular expenditure being made?

A Yes.

Q Now, Mr. Laurito, do you know if there were any other expenditures made for the San Francisco reception by the Political Action Fund other than the two which I have identified there?

A Any expenditures that were made for the reception from the Political Action Fund would have been reported on the reported receipts and expenditures. No. I know of

7904012258 7

no other costs or expenditures.

Q Do you know if the costs of the reception were paid for by the Political Action Fund alone?

MR. SIMON: Do you understand the question? I think another way to put it is, was the MEBA Political Action Fund the only sponsor of the reception?

THE WITNESS: To the best of my knowledge that was the only money paid for the reception.

BY MS. BROWNING:

Q Do you know which persons planned the reception, that is, organized it and made plans for its being held?

A No.

Q Do you know if any solicitations or contributions were made at the reception?

A To my knowledge I don't know of any solicitations that were made at the reception.

Q Were you present at the reception?

A No.

Q Do you know if Senator Jackson was present at the reception?

A Yes.

Q Do you know which person or persons invited

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Mr. Jackson to the reception?

A No.

Q Do you know --

MR. SIMON: If I may ask -- do you know if Senator Jackson was, in fact, invited to the reception?

THE WITNESS: No.

BY MS. BROWNING:

Q Do you know what persons were in attendance, and by that I mean, Marine Engineers Beneficial Association?

A I don't know who was at the reception.

MR. SIMON: Do you know what was occurring in San Francisco at the time of the reception?

THE WITNESS: Yes. There was an AFL-CIO convention, I believe.

BY MS. BROWNING:

Q Thank you. Do you know if there were any invitations printed for the reception; and I am not speaking now of Senator Jackson, but for all of those attending the reception?

A Yes. I believe we paid a bill for such invitations.

Q Is that expenditure included on the reports?

A This, I believe, was the Kelly Press one. This must be it. Yes. I might add that I think that is for

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invitations. I am not sure, as I am talking to you now. I would have to refresh my memory.

Q The second reception I would like to ask about is one apparently held in Baltimore in April of 1976, and the expenditures which I would like to identify for you are on Exhibit No. 2. The second expenditure listed on that page is one to Schunick Caterers, Inc. in Baltimore, and the amount there is $2,912.00, and the date is June 4, 1976. The purpose given for that reception is "Catering costs for Reception held for Henry Jackson 4-15-76."

And the second expenditure is the third one on the page, a payment to Tadder Associates, Inc. in Baltimore, and that amount is $125.50. The date is June 4, 1976, and the purpose given is "Photographic Services rendered re Reception held for Henry Jackson-4/15/76."

Do you recall those expenditures having been made?

A Yes.

Q Now I will ask the same kind of questions about those expenditures. Do you recall whether those were the only expenditures made from the Political Action Fund for the Baltimore reception?

A. To the best of my knowledge, those were the only

expenditures made by the MEBA Political Action Fund. If there were other expenditures made on its behalf, I am not aware of it.

Q Do you know if any other groups made expenditures for the Baltimore reception?

A I am not aware of any other groups making expenditures for that reception.

Q Do you know who was in attendance at that reception? I mean class of individuals, MEBA and their guests, et cetera.

A I was told -- I recall someone in our branch office in Baltimore telling me that members attended, students at our school attended the reception, and that is about it. That is all I know about the people who attended the reception. I was told that.

Q When you say our school, could describe what you mean by that?

A The MEBA Training Fund has a school called the Calhoun MEBA Engineering School, and there are students that reside at the school, and it may have been some of those students attended the reception.

MR. SIMON: As I recall, Frank, it is 9 Light Street in Baltimore.

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MS. BROWNING: In Baltimore?

THE WITNESS: In Baltimore.

BY MS. BROWNING:

Q Are the students members of the association?

A No. They are not.

Q The Political Action Fund, to your knowledge, is the only source of funds for the reception, do you know?

A That is right.

Q Do you know of an individual or individuals who made the plans, organizations and plans?

A No. I do not know.

Q Were you in attendance at that reception?

A No. I wasn't.

Q Do you know if Senator Jackson was in attendance?

A I understand that he was.

Q Do you know if he was invited?

A I don't know the circumstances with respect to his being at the reception.

Q You don't know if any person contacted him to invite him?

A No.

Q Were there any invitations printed for this

7904012259 2

reception?

A To my knowledge there were none.

Q Do you know the circumstances of the persons happening to come to this reception? Was there some sort of convention going on in Baltimore at the time?

A No. Not to my knowledge.

Q Do you know how the persons happened to all come together in Baltimore that day?

A No. I don't.

MR. SIMON: Do you know how many people attended?

THE WITNESS: I have no idea.

BY MS. BROWNING:

Q Do you know if there was any solicitation for contributions made at the Baltimore reception?

A I am not aware of any.

MR. SIMON: Would you have known if there were in the ordinary course?

THE WITNESS: I probably would because I would get some funds from that particular reception.

BY MS. BROWNING:

Q This question is a bit repetitious, but do you know if any funds from the association -- now I am not

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speaking of the Political Action Fund -- were used for the reception?

MR. SIMON: You are talking about --

MS. BROWNING: General funds rather than political action funds.

BY MS. BROWNING:

Q Do you know if any funds from the general treasury of the association were used for the receptions?

A Not to my knowledge. All funds for political purposes are used from the MEBA Political Action Fund. The national MEBA and district never use treasury funds for anything political.

Q Does the general treasury of the association use any of its funds for administration purposes, that is the administration costs of the Political Action Fund itself?

A It does now.

Q Did it during the first six months of 1976?

A I would have to check that, because we normally pay those monies out of the Political Action Fund. But I believe that there was a change in the regulations which permitted the union to use funds for administration purposes. It was at that time that we switched and started to pay

administration costs out of treasury funds.

Q The third reception that I want to ask you about is one which took place in New York.

MR. SIMON: New York City?

MS. BROWNING: Yes.

BY MS. BROWNING:

Q Both of the expenditures which I am going to ask about are in Exhibit No. 1, and the first one is the first expenditure listed on this page, and that was made to Marriotts Essex House in New York City on April 6, 1976. The amount is $700, and the purpose listed on the report is "Deposit re rental of suite for N.Y. Labor Committee for Sen. Henry Jackson."

And the second expenditure is on the same page, the sixth expenditure listed on the page is also to Marriotts Essex House, New York City, on April 20, 1976. The amount involved is $1,176.48, and the purpose listed on the report is "Balance of expenditure re suite for N.Y. Labor Committee for Sen. Jackson, plus beverage, food, etc."

Do you recall the Fund having made those expenditures?

A Yes.

Q Could you give us any information that you have

about that particular reception in New York City?

A Yes, I believe I could.

MR. SIMON: Could I make a suggestion? I think Mr. Laurito is in a position to respond fully to this area of questioning, but it would be helpful if you would try to focus on things you particularly want to know.

BY MS. BROWNING:

Q Mr. Laurito, did you attend that particular reception?

A No, I didn't.

Q Do you know who attended the reception, by that I mean what particular persons, members of the association, or members and guests.

MR. SIMON: I think Mr. Laurito is having a problem with the extent to which he has personal knowledge, since he didn't attend, but he has an understanding of who attended, and that may be the best way for him to explain that.

BY MS. BROWNING:

Q Could you give us an answer based on your understanding of who was in attendance?

A It was my understanding that there were the labor people that worked on labor during the New York State primary.

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Q Do you know the names of any persons who were in attendance?

A I happen to know our counsel attended. At that time Dick Markowitz. That is the only person I am sure that attended, and Mr. Shapiro.

Q Do you know if Senator Jackson attended?

A I understand he did.

Q Is it your understanding that this reception was for officers of other labor organizations including the association?

A I don't think that is my understanding. The answer is no, to the best of my knowledge.

Q Was it simply persons who were associated with the labor organization who had been involved in the primary campaign in New York.

A That would be my understanding. I believe so.

MR. SIMON: Judy, perhaps if I could ask some questions, I may be able to flesh out his answer. Is it your understanding that Senator Jackson's campaign headquarters was located at the New York Essex House?

THE WITNESS: Yes.

MR. SIMON: It is your understanding the date of the

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reception was the date of the primary itself?

THE WITNESS: Yes. The evening of the primary.

MR. SIMON: Is it also your understanding that there would be at the campaign headquarters, union members, members from a multitude of unions, including MEBA, who had assisted in the primary campaign?

THE WITNESS: Yes. I would say that would be accurate. I assume it was primary workers and people interested in the election of Senator Jackson taking part.

MR. SIMON: And the purpose of the reception was that MEBA would have a reception, one for labor members who had assisted in the primary?

THE WITNESS: Yes. We characterized it in our letter to the hotel as a hospitality suite.

BY MS. BROWNING:

Q Does the use of the name, New York Labor Committee for Senator Henry Jackson, have any significance?

A No. To the extent we had to identify the expenditure. By that I mean we chose language to place on the sign to put on the stand in the room so people would know it was the MEBA Political Action Fund. Labor Committee for Jackson was just a name that was given for identification purposes

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more than anything else.

Q It didn't have any particular members associated with the name?

A We just had to come up with a name to put on the sign. There was no connotation of a committee.

Q Do you know if invitations were sent out to persons?

A To the best of my knowledge no invitations were sent out.

Q Do you know whether the costs in connection with hosting this particular reception were paid solely by the Political Action Fund?

A The answer is most certainly; I believe that to be yes, because I was instrumental in talking to people at the hotel to be sure any costs incurred in connection with that reception would be billed to the Political Action Fund.

MR. SIMON: So we could perhaps avoid any conflicts in the record, you are talking about a hospitality suite?

THE WITNESS: Hospitality suite; expenditures made for that room.

BY MS. BROWNING:

Q Do you know if any solicitations were made at this event?

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A To my knowledge none were made.

MR. SIMON: In the ordinary course had solicitations for contributions for Senator Jackson been made, would you have been informed of it?

THE WITNESS: Yes.

MR. SIMON: And you were not?

THE WITNESS: That is right.

BY MS. BROWNING:

Q Are you aware of any communications being made with Senator Jackson in regard to attending this particular function?

A I am not aware of any.

Q I would like to ask a few questions about an expenditure for receipt books which appears on the page marked Exhibit No. 3. This is from the June 10 report filed with the Commission.

MR. SIMON: 1976?

MS. BROWNING: Yes; filed by the Political Action Fund, and the expenditure I want to ask about is the first one listed on the page to Martin Stationery Company, dated May 11, 1976, and the amount is $2,337.12. And the purpose which is given on the report is "Printing of Receipt Books-Re: Henry Jackson.

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(The page from the June 10 report referred to was marked Exhibit No. 3 for identification, a copy of which is attached to the court copy of this deposition.)

BY MS. BROWNING:

Q Do you recall the expenditure having been made by the Political Action Fund?

A I do.

Q Do you remember who contacted you about making this particular expenditure?

MR. SIMON: Did anyone contact you?

THE WITNESS: No.

BY MS. BROWNING:

Q How did you know to make this particular expenditure?

(Discussion off the record.)

THE WITNESS: Would you repeat the question.

BY MS. BROWNING:

Q How did you know to make this expenditure from the Political Action Fund?

A I ordered the books.

Q Was it your idea to order the books?

A No; not my idea.

Q Whose idea was it?

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A I believe the executive committee at an informal meeting.

MR. SIMON: Executive committee of the Political Action Fund?

THE WITNESS: Yes. Or the officers of the Political Action Fund decided to have a receipt book printed in order to check voluntary contributions on behalf of Senator Jackson in his bid for the presidency.

BY MS. BROWNING:

Q When you say the officers of the Political Action Fund, which individuals?

A Well, specifically, Mr. Calhoun directed me to have a book printed.

Q When did Mr. Calhoun speak to you about purchasing these books?

A He spoke to me about drafting an --

MR. SIMON: Let me see if I can --

(Discussion off the record.)

MR. SIMON: We have to have some clarification that will permit us to clarify answers to about three questions.

THE WITNESS: When I say Mr. Calhoun directed me to make up the receipt book, the officers of the Political Action

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Fund, Mr. Calhoun was not an officer. He directed the decision of the Political Action Fund to me.

MR. SIMON: Directed or communicated?

THE WITNESS: Communicated. He told me to have these receipt books printed, and I know it was a decision between the officers of the Political Action Fund and Mr. Calhoun.

MR. SIMON: And the officers at that time were?

THE WITNESS: Charles Black, the chairman; Leon Shaprio, the treasurer; and Gene DeFries, C. D. DeFries is the secretary.

BY MS. BROWNING:

Q Do you recall the substance of the conversation you had with Mr. Calhoun regarding the purchase of the receipt books?

A I think so. He basically indicated to me that a receipt should be prepared which would have provision for the name of the contributor, social security number; provision for signature of the contributor; and we talked about specific instructions to that company, the issuance of the receipt books.

MR. SIMON: What was the purpose for the preparation of the receipt books?

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THE WITNESS: To obtain voluntary money.

MR. SIMON: Were the receipt books prepared?

THE WITNESS: Receipt books were prepared to account for the money.

MR. SIMON: To who?

THE WITNESS: Well, for our own record (a), and (b) to the Jackson for President Committee we had to give them certain information for matching funds and the like. I have a problem with your question.

MR. SIMON: I think you have answered my question.

BY MS. BROWNING:

Q What were the instructions Mr. Calhoun gave you for the use of the receipt books? He told you to --

A To distribute them to the branch offices for the collectors to obtain voluntary contributions on behalf of the Jackson for President Committee.

Q Was the sole expenditure for the receipt books the $2,337.12 that is identified on Exhibit No. 3? Was that the sole expenditure?

A I think included in that bill, if I remember correctly there are other recapitulation sheets. Other forms were used to account for the receipts that were issued

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at the various branch offices.

Q Do you mean to report the distribution of books?

A That is right, the number of books, amount of money, et cetera. That is correct.

Q Now the payment of this expenditure for the receipt books was made from the Political Action Fund. Is that correct?

A That is correct.

Q Do you know whether any other funds, that is general treasury funds, were used in connection with this receipt book?

A No. Solely from the MEBA Political Action Fund.

Q Could you describe what the receipt books looked like?

A Yes. I think so.

MR. SIMON: Could you hold off a second. We may be able to assist you. Would you excuse us for a second?

MS. BROWNING: Sure.

(Discussion off the record.)

MS. BROWNING: Back on the record.

MR. SIMON: I think Mr. Laurito can now describe it.

THE WITNESS: The receipt was a four-part NCR receipt.

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There was a donor's copy. There were four copies. There was an original, a donor's copy and two office copies. And on the receipt there was provision for a name that should be printed; provision for a name that had to be signed in ink, address, social security number, and authorized collector, or collector. I am not sure of the correct terminology. There was a provision for the person who collected the money and the amount obviously, and I think that is about it.

BY MS. BROWNING:

Q An ECR receipt. Is that National Cash Register?

A That is correct; no carbons really.

Q To whom were the receipt books distributed?

A To all of the branch offices. To all of the offices of the district, the District One of MEBA.

Q Did you distribute them?

A From my office we had people distribute the book to the various branches.

Q What were the instructions? Were there any instructions that accompanied the receipt books to the branch offices?

A Yes.

Q What were those?

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MR. SIMON: Were they extensive?

THE WITNESS: They were extensive. For example, we told them what the copies represented and the like, when they should remit the money, on a weekly basis; things of that nature.

BY MS. BROWNING:

Q Were the instructions written?

A Yes.

Q Do you have any copies of the instructions?

A Yes.

Q Would it be possible to get one?

MR. SIMON: We will be delighted to do that.

Just to flesh out the record, what was the purpose of the instruction?

THE WITNESS: The purpose of the instruction was to advise the collectors as to who they could collect from; the limitations imposed by the FEC; not to collect cash over, I believe $100. That provision, I think, that was supplemented. It was left off the original instructions and a week or two later we supplemented it by advising them of that.

BY MS. BROWNING:

Q Were any cash contributions in excess of $100

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received?

A Not to my knowledge. We advised them that collections had to be made payable to the Jackson for President Committee, and that under no circumstances were they supposed to be deposited in any of the MEBA Political Action Fund accounts, treasury accounts. The monies were supposed to come to us for transmittal to the Jackson for President Committee and the like. I guess there were other instructions. I just can't recall them all now.

Q Who did the soliciting?

MR. SIMON: In other words, who collected the funds?

BY MS. BROWNING:

Q Yes. Who collected the funds?

A Employees of District One of MEBA.

Q Were they the persons to whom the books were distributed?

A They were distributed to agents and representatives at the various offices. Yes.

Q And did the branch give the book to someone else?

A I think that the branch agent may have collected, as well as other employees and representatives of the district. Yes.

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Q Who was solicited? By that I mean were there instructions as to what groups of persons would be collected from?

A Yes. I believe the circular letter talked about collecting from members of the union and friends of the maritime industry.

Q What did friends mean in that context?

A To MEBA employees, retirees, and the like.

Q Do you know how much time was spent on this particular solicitation?

MR. SIMON: I am confused about that. Over what period of time? How many man-hours?

BY MS. BROWNING:

Q How long did the solicitation project last?

A The time from when we started and stopped?

Q Yes.

A I guess it would be March, the end of March through the date that Senator Jackson withdrew from the race.

Q And that was in 1976?

A Yes. That is right. March of 1976 through May. I am guessing at the date.

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Q During that span of two or so months were there instructions given to the persons who were making the collections to spend any certain amount of time doing the collecting?

A Not to my knowledge. No.

Q Do you recall whether there were any instructions regarding what use of time was made in the solicitation project itself?

A No. Not to my knowledge.

Q Do you know whether the persons who were doing the collecting, collected during working hours?

MR. SIMON: Let me go off the record.

(Discussion off the record.)

BY MS. BROWNING:

Q Back on the record. Did the persons who were collecting funds in the solicitation project punch a time clock?

A To the best of my knowledge we don't have a time clock in any of the branch offices.

MR. SIMON: Why don't you explain the concept of the normal working hours of the members of the district.

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THE WITNESS: The administrative office or branch offices have set hours. They vary, I imagine, from port to port, or branch to branch, and members come in to pay their dues. Members come in to apply for vacations. Members come in to settle "beefs," ask questions about the contracts, whatever the normal union activities that go on in branch offices.

My guess would be at that time they may have been solicited for voluntary contributions for the Jackson campaign, and at any other time they were on duty, or off duty for that matter.

And in addition to the activities at the branches, when our patrolmen make the shifts or make the payoffs, go aboard ship and also conduct the union activities on vessels.

MR. SIMON: For the record, since we are dealing with a very highly charged word, what do you mean by payoff?

THE WITNESS: I think when they get paid on ship, collect, or whatever it is at that time. When the ship comes in I believe the patrolman meets the engineers and goes over any problems that may have occurred on the voyage over time disputes, general contract issues that come up, and they collect dues at the time.

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BY MS. BROWNING:

Q Could you estimate approximately how much time was spent by a person who was soliciting; that is an hour a day, or an hour a week, or any kind of estimate like that?

A I don't think I could make an estimate. I really don't know.

Q Do you know the name of any particular person who was involved in the collection efforts? That is, who was collecting the funds?

A As I indicated, the employees, representatives, branch agents, patrolmen of the district.

Q Can you think of the names of any one person who received a receipt book for solicitation?

A One name?

MR. SIMON: One name of a person whom you know personally actually collected.

THE WITNESS: Can we go off the record?

(Discussion off the record.)

MR. SIMON: We are dealing now with your knowledge.

THE WITNESS: William Miller.

BY MS. BROWNING:

Q What city would that be?

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A That would be Baltimore.

Henry Borello, San Francisco; Steve Franks, San Francisco; Clyde Dodson, Wilmington.

I could go on and name all of the employees.

Q That will be sufficient. Could you describe the procedures used in the solicitation? By that I mean what was the normal procedure used when they approached a person they were asking for a solicitation from?

MR. SIMON: I am going to have to object to that kind of a question unless you restrict your question to those situations when Mr. Laurito was present, if any.

BY MS. BROWNING:

Q Let me ask, first of all, if instructions that accompanied the receipt books described what procedure was to be used in the collection itself?

A I have trouble with what you mean by procedure. A collection for a request for voluntary money is just that in my way of thinking, so I have a problem with what --

Q Was the person in the end who did the collecting told how to approach a prospective contributor or when to approach a contributor? In other words, were they told when the people come into your office if they want to give

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money to Henry Jackson; that kind of instruction?

A I just don't recall.

MR. SIMON: We will provide you with a copy of the circular letter.

BY MS. BROWNING:

Q Okay. Now, you mentioned earlier that funds were collected and sent back to headquarters, your headquarters in Baltimore. Is that correct?

A In New York.

Q In New York.

A We were housed in New York at that time.

Q Was the money sent directly to you?

A It was sent to district headquarters; for want of a name, district headquarters was our accounting department, and I assigned a girl to record it.

Q What was her name?

A Catherine Cassiutto. Don't ask me how to spell it?

Q Were the funds that were coming to you, that is the headquarters in New York, in the form of checks?

A All personal checks; personal checks and money orders.

Q All right. And then what did you do with them once they came to headquarters?

A Forwarded them to Washington.

Q Did you keep a copy of the receipts?

A Yes.

Q And then what did you forward to Washington?

A Let's see. I believe we forwarded two copies of the receipts to Washington.

Q Along with the check?

A Check and reconciliation.

Q To whom were those sent?

A Some were sent to Washington headquarters, Washington office; and some were sent, I believe, directly to the Jackson for President campaign headquarters.

Q You mean the Washington office of --

A Of the union.

Q MEBA:

A Right.

Q Were some sent to MEBA, and some sent to the Jackson for President Committee?

A I believe the first one or two transmittals were delivered by the Washington people. They were sent from --

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I don't know how they were gotten to the headquarters. They may have been mailed, for all I know.

Q You mean you sent them to the Washington office and they delivered them to the Jackson for President Committee?

A That is right.

Q Do you know who was involved in delivering?

A No.

MR. SIMON: Or they could have been mailed.

THE WITNESS: They could have been mailed or delivered.

BY MR. BROWNING:

Q But if they were delivered, you do not have the name of any person who was involved?

A No.

Q Who was in charge of the Washington MEBA office at that time; that would be March through June, 1976?

A When you say in charge, obviously, the president was in charge. Mr. Calhoun; other than him?

Q Is there an officer who is in charge of the Washington office of MEBA?

MR. SIMON: During that time.

THE WITNESS: Ben Man was the director of the Washington office.

7901040156 STEVENS REPORTING SERVICE, INC.

BY MS. BROWNING:

Q M-a-n-n?

A I think it is one "n".

Q When you sent funds to the Washington office, did you address them to any particular person?

A To Calhoun. Excuse me.

(Discussion off the record.)

BY MS. BROWNING:

Q How did you — I may have asked this question before. How did you know to send some to the Washington office rather than the Jackson for President campaign committee?

A I really don't remember now. They may have all went to the Washington office. I will have to check my record on that. I am drawing a blank on that.

Q When the money, the collections were sent to you from out in the branch offices, were they collected by the branch office, put in envelopes and sent to you, or were they sent by the contributors themselves?

A They were collected at the branch office, receipts issued at the branch, and then gathered and recapitulated on the form I spoke to you about before and sent to district headquarters.

Q Do you have any knowledge of whether the Jackson

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for President Committee recorded the receipt of these contributions?

A I don't know if they did. I assume that they did.

Q Are you aware of any communications with members of the Jackson for President Committee or Senator Jackson himself or members of his senatorial staff regarding this solicitation effort?

(Discussion off the record.)

MR. SIMON: I am just trying to make sure he --

THE WITNESS: When you say communications, I had on occasion to advise the Jackson for President Committee headquarters of what we were doing. This was about a week or so after receipt books were issued and collections were actually taking place, and basically, what I did was advise them of the receipts, how many receipts, what we were going to do, how we were going to transmit it to them.

BY MS. BROWNING:

Q Was this communication by you?

A It was by myself and Mr. Calhoun.

MR. SIMON: Did you go in person?

THE WITNESS: Yes.

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BY MS. BROWNING:

Q Where did you go?

A To the Jackson for President headquarters in Washington, D. C. Mr. Calhoun and myself went there and presented it to the treasurer and explained what we were going to do.

MR. SIMON: Who was the treasurer?

THE WITNESS: The treasurer was Mr. Skallerup, and we advised them of action we took.

BY MS. BROWNING:

Q Do you remember the date of this communication?

A I believe it was April 8, 9; in April, 8, 9.

Q Do you remember the substance of your conversation with Mr. Skallerup?

A Yes. I advised him that, well, basically, we went over the receipt book and procedures we established for the collection of money and that he would be expected to receive monies on a weekly basis. He thereupon called in his controller, and I repeated it to him, what we were doing.

MR. SIMON: What was Mr. Skallerup's reaction to this information?

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THE WITNESS: He was surprised and pleased.

BY MS. BROWNING:

Q Did Mr. Calhoun speak with him as well?

A Yes.

Q Do you recall the substance of the conversation?

A He only introduced me to Mr. Skallerup and asked me to explain to Mr. Skallerup what we were doing.

Q What was the controller's name?

A I don't recall the controller's name.

Q Do you know of any other contact with persons on the campaign staff of Senator Jackson or senatorial staff or Senator Jackson himself, involving the solicitation plan?

MR. SIMON: Other than the transmittal of money.

THE WITNESS: I am not aware of any.

BY MS. BROWNING:

Q Why was the money sent to your New York office and then directed to Washington, rather than being sent directly to Washington?

A I believe it was for accountability for that. In addition also we wanted to be sure that for accountability --

MR. SIMON: By that you mean that the funds were properly accounted for.

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THE WITNESS: Accounted for and more than that, cash that was collected we wanted to be sure money orders were made payable to the Jackson for President Committee. We didn't want any cash transmitted, and we wanted the personal checks -- just accountability; that is how I would characterize it.

BY MS. BROWNING:

Q Was that because of the accounting part of your association?

A It is basically our dues are collected in the same manner, and we were used to doing it that way. It is control of receipts.

Q And that took place in the New York office at that time?

A That is right.

Q Do you have any idea how many people were involved in collecting the contributions?

A I couldn't give you an exact number.

Q How many receipt books were there? Do you know?

A I believe we ordered 200 receipt books. I think we distributed -- again, I could check the records -- maybe half of them. I could get the actual number, but I am not

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prepared to just --

Q Was this particular solicitation project, the one done in connection with these receipt books, the only project the Political Action Fund took part in for Senator Jackson in 1976?

A To my knowledge, yes; in that time frame I talked about.

Q I would like to ask one question going back to the reception we talked about earlier when you made the expenditure I pointed out to you on Exhibits 1 and 2. At whose request were you making those expenditures? That is who authorized the making of those expenditures?

A Do you want to see --

MR. SIMON: I think we may need a minute because I see exactly what his problem is in answering that. It is more semantic than anything.

(Discussion off the record.)

BY MS. BROWNING:

Q Which person gave you authorization for the expenditures made by the Political Action Fund?

A That would be Mr. Shapiro.

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Q Was there any person other than Mr. Shapiro, to your knowledge?

MR. SIMON: Let's not point. At the time Mr. Laurito was answering, you were pointing at the Mariotts Essex entry for 4-6-76 for $709, and I believe you were --

-- BY MS. BROWNING:

Q Let me ask the question again. With respect to any of the expenditures I pointed out in connection with the receptions held in New York, Baltimore and San Francisco, who was the person authorizing you to make such expenditures?

A I have a problem with that.

MR. SIMON: Can we go off the record for a second?

(Discussion off the record.)

THE WITNESS: Basically, whoever signed the checks, and the check signers for MEBA are the chairman, treasurer and secretary; in most cases the chairman and treasurer. There are cases where the treasurer and secretary sign. Any combination of the three sign the checks.

MR. SIMON: No. Not to every -- specifically to those expenditures identified in Exhibits 1 and 2. You would need the checks to determine who authorized the expenditures?

THE WITNESS: Yes. This expenditure you pointed to

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before.

MR. SIMON: For the record, it is the Mariotta Essex House, April 6, 1976 expenditure. Continue. I am sorry to interrupt. I want to clarify what you are talking about.

BY MS. BROWNING:

Q Specifically what were the names of persons who would be writing, signing the checks? You mentioned certain officers had the authority to sign checks.

A Yes. Any of the officers; any two.

MR. SIMON: That is Leon Shapiro, Gene DePries, and Charles Black.

BY MS. BROWNING:

Q Mr. Calhoun?

A No. He doesn't have signature --

Q Okay. Mr. Laurito, are you aware of any members of MEBA or employees of MEBA and the Political Action Fund who did campaign work for the Jackson for President Committee?

A I am not aware of that.

MR. SIMON: Let me clarify that. To the extent that a suggestion to a fellow member that they make a contribution which was then recorded in a receipt book may be considered

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to be "campaign work."

BY MS. BROWNING:

Q Let me rephrase my question to whether you know of any members of MEBA or officer of MEBA or employees who did campaigning for the Jackson for President Committee, and by that I mean who were on the payroll of Jackson for President Committee or reimbursed for voluntary work.

A Not to my knowledge.

Q Did you, yourself, have any contact through either your working relationship or social relationship with persons on Senator Jackson's campaign staff or senatorial staff in the first six months of 1976?

A My best recollection would be no. But I don't know who those people are you are referring to. If you would name them, I may be able to be more definitive.

MR. SIMON: Other than the fact that you did meet in connection with the meeting you had on the receipt books.

THE WITNESS: Yes.

BY MS. BROWNING:

Q Do you know a Robert Keefe?

A No.

Q Do you know Martin Katz?

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A No.

Q Do you know Richard Klein?

A No.

Q Do you know Sterling Monroe?

A I met Sterling Monroe. Yes, I know him.

Q Who is Sterling Monroe? What is his connection with Senator Jackson?

A To the best of my recollection I met him four or five years ago. At that time I think he was the administrative assistant.

Q You have not had any contact since four or five years ago?

A No. I met him on one occasion.

MR. SIMON: Where were you when you met him?

THE WITNESS: Easton, Maryland.

MR. SIMON: How did you meet?

THE WITNESS: Socially. It was a social event in Easton, Maryland. I was introduced to him and played tennis with him.

BY MS. BROWNING:

Q Do you know Hershey Gold.

A No.

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MR. SIMON: Does Mr. Gold have another name?

MS. BROWNING: Hershey is his middle name. He goes by Hershey.

BY MS. BROWNING:

Q Did you have any contact, and I am talking again about the first six months of 1976, with persons who were officers of the Labor for Jackson Committee?

A Not to my knowledge. No.

Q Did you have any contact during those first six months of 1976 with officers of the Sheet Metal Workers' International Association?

A No. Not to my knowledge.

MS. BROWNING: Okay, Justin, do you have anything you would like to say on the record?

MR. SIMON: Yes. Just with respect to the Labor for Jackson Committee.

EXAMINATION BY COUNSEL FOR FRANK LAURITO

BY MR. SIMON:

Q Had the MEBA Political Action Fund been receiving reports with respect to any expenditure made by the Labor for Jackson Committee, would, in the ordinary course of events, you have received them?

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A Yes.

Q Did you ever receive any reports with respect to expenditures by that committee?

A I don't recall receiving any reports whatsoever. I want to add, other than we received a refund check from the committee. It was a prorata distribution of unused funds, and there was a report on the breakdown, who contributed and how they came to the prorata refund to each of the members.

MS. BROWNING: Where did that come from?

THE WITNESS: From the Labor for Jackson Committee.

MS. BROWNING: I have no further questions. Thank you.

MR. SIMON: Can we go back on the record. During the examination by Ms. Browning, you had identified and responded to a question as to who did the collecting of funds in connection with the receipt books line of questions. You identified several individuals that you named who are the individuals who you know were actually collecting, made collections.

THE WITNESS: I know that Clyde Dodson made a collection. I am certain of that. As to the other individuals, I know I sent them books, but I don't know if they have, in fact,

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made collections.

MR. SIMON: I think that clarifies the record.

For the record, we have agreed that the Political Action Fund will give a copy of the circular letter that was sent with respect to the solicitation of funds for the Jackson for President Committee, and we will also agree to provide a copy of the four-part NCR receipt that was prepared.

(I have read the foregoing pages 3 through 56, inclusive, which contain a correct transcript of the answers made by me to the questions therein recorded.)

FRANK LAURITO

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CERTIFICATE OF NOTARY PUBLIC

I, Bobbie C. Lake, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken by me in shorthand and thereafter reduced to typewriting by me; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken, and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.

_____

Notary Public in and for
the District of Columbia

My commission expires
January 1, 1983

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Official
Transcript

Judith Browning, Esq.
Federal Election Commission
1325 K ST., N. W.
Washington, D. C. 20463

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COMMISSION

May 26, 1978

'78 MAY 31 AM 9:01

Mr. Jesse M. Calhoon
c/o Judah D. Best, Esq.
Dickstein, Shapiro & Morin
2101 L Street, N. W.
Washington, D. C. 20037

Re: MARINE ENGINEERS BENEFICIAL ASSOCIATION POLITICAL ACTION FUND, before FEDERAL ELECTION COMMISSION MUR 260(76)

Dear Mr. Calhoon:

The court copy of your deposition in the above-captioned case taken May 19, 1978, is submitted herewith for your reading and signing as requested by counsel.

Enclosed herwith are instructions for reading and signing.

Upon completion of the reading and signing it is requested that the original deposition be returned to this office as soon as possible for filing.

Sincerely yours,

MILTON & GREENWOOD REPORTING
REPORTING ASSOCIATION, INC.

D. S. George
Administrative Assistant

cc:
William C. Oldaker, Esq.
file

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of: MARINE ENGINEERS BENEFICIAL ASSOCIATION POLITICAL ACTION FUND.	MUR 266(76)

Washington, D. C.

Friday, May 19, 1978

Deposition of

JESSE M. CALHOON

a witness in the above-entitled matter, called for examination by counsel for the Federal Election Commission, taken at the offices of the Federal Election Commission, 1325 K Street, N.W., Washington, D. C., beginning at 2:17 p.m., before Karen Hinnenkamp, a Notary Public in and for the District of Columbia, when were present on behalf of the respective parties:

Milton & Greenwood Associates, Inc.
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Federal Election Commission
1325 K Street, N.W.
Washington, D. C. 20463

For Jesse M. Calhoon:

JUDAH BEST, ESQ.
JUSTIN D. SIMON, ESQ.
Dickstein, Shapiro & Morin
2101 L Street, N.W.
Washington, D. C. 20037

- - -

C O N T E N T S

WITNESS:	EXAMINATION BY COUNSEL FOR THE FEDERAL ELECTION COMMISSION: (Mr. Oldaker and Ms. Browning)
JESSE M. CALHOON	4
	EXAMINATION BY COUNSEL FOR JESSE M. CALHOON: (Mr. Best and Mr. Simon)

- - -

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E X H I B I T S

Marked for Identification and Attached:	Page
Letter Dated March 29, 1976 Calhoon Exhibit No. 1	20
Letter Dated April 6, 1976 Calhoon Exhibit No. 2	20
Document Entitled "M.E.B.A. Political Action Fund" Calhoon Exhibit No. 3	41

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HENDRICKS REPORTING SERVICE
EBAGAN, MICHIGAN
906 341 2236

Thereupon

JESSE M. CALHOON

a witness, was called for examination by counsel for the Federal Election Commission and, after having been sworn by the Notary, was examined and testified as follows:

EXAMINATION BY COUNSEL FOR THE FEDERAL ELECTION COMMISSION

BY MR. OLDAKER:

Q Would you state your full name for the record, please?

A Jesse M. Calhoon.

Q Your current address, please?

A 10900 Edison Road, Potomac, Maryland.

Q What is your current occupation?

A I am President of Marine Engineers Beneficial Association.

Q What is the address of that association?

A 400 North Capitol Street.

Q In what city?

A Washington, D. C.

Q How long have you held that position?

A Since 1962.

Q Do you hold any other offices with that organization?

709 10th St. SE Washington, D.C. 20003 546-6536

A Yes, many offices.

Q What other offices, sir?

A I am the President of District No. 1. I am the President of the MEBA Pension Fund, MEBA Health and Welfare Fund, MEBA Training Fund, MEBA Pension Plan.

Q You are basically the Chief Executive Officer for the major institutions of your organization?

A Yes.

Q I will just ask as a cutoff, do you have any specific responsibility in connection with the Political Action Fund of your organization?

A I do not hold an office in the Political Action Fund, but as the President of the union I keep myself fully familiar with all of the activities of the union. I do pay attention to the Political Action Fund.

Q What is the head of that fund?

A Leon Shapiro.

Q How long have you had the Political Action Fund? During the whole term of your presidency?

A No, sir.

MR. SIMON: If I could interrupt here. Off the record.

(Discussion off the record.)

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BY MR. OLDAKER:

Q Let me rephrase the question, sir. Has MEBA had a Political Action Fund since 1974 that you are familiar with?

A Yes; funds.

Q Funds? Could you explain that, sir?

A There are several Political Action Funds within MEBA.

Q That deal with Federal candidates in Federal elections?

A Yes, sir.

Q Would you explain what each one of them is then, sir?

A I am not sure I know the name of all of them. But most of the political subdivisions of MEBA do have a Political Action Fund, and they operated as independent funds until the '72 amendments, or the '74 amendments. Since the '74 amendments they have been operating as affiliated funds. But there are four or five of them; five of them I believe.

Q You would have then, after 1974, affiliated funds which operate as one fund as far as limitations in their contributions to candidates in Federal elections?

A As far as their limitation. Not as one fund on

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filings.

Q Are there different officers for those different funds?

A Yes.

Q Who would the various officers be, if you know?

A No, I do not. I know the primary officers in the funds, but I couldn't tell you the officers.

Q Who would be the primary officers?

A John Leyden would be the primary officer in the Air Traffic Control Division. Jack Brady would be the principal officer of the District 2 Political Action Fund. I am not sure who the principal officer of the NAATS Fund is.

Q National Association of Air Traffic Controllers?

A No. It is the Flight Service Stations.

Q Fine.

A And Al Parente would be the principal officer of the Brotherhoods Fund.

Q To your knowledge, they file as affiliated committees with the Federal Election Commission?

A I believe that is true. I do not sign their filings. I don't look at them.

Q Are you acquainted with Senator Henry Jackson?

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A Yes, I am.

Q When did you become acquainted with him?

A Many, many years ago.

Q In what capacity? As a friend, business associate?

A He was a Senator when I became acquainted with him. Over the years I have developed a friendship with Senator Jackson.

MR. BEST: Do you regard yourself as a personal friend of the Senator?

THE WITNESS: Yes, I do.

BY MR. OLDAKER:

Q You are aware of the Senator's campaign for the nomination for the Presidency in 1976?

A Yes, I am.

Q In what way were you involved in that effort, if you recall?

A We supported Senator Jackson.

Q When you say "we," you mean --

A The Marine Engineers Beneficial Association endorsed and supported Senator Jackson.

Q Were you personally involved in any way in that campaign?

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A Personally involved?

Q Did you act as an adviser to Mr. Jackson in any way?

A Well, I rang doorbells.

Q Would that be considered to be a volunteer type effort? That was not paid?

A I didn't get paid for it. I did whatever I could do that was legal and proper to help Senator Jackson.

MR. BEST: Did you meet with him from time to time to render your views as to how his campaign was going?

THE WITNESS: I met with him from time to time. We discussed his campaign.

BY MR. OLDAKER:

Q Did you at the beginning of his campaign encourage him to run for office?

A No.

Q Did he consult you at that time?

A Well, I met with Senator Jackson over the years, and I knew he was considering running. I don't remember whether he specifically told me or not. But I know he was considering running.

Q After he made the decision to run, did you serve in any capacity with the committee in any way, the Jackson for

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President Committee?

A No, I didn't. I had periodic meetings with Senator Jackson and I visited his home. He has visited my home. But I didn't serve on any official committee with him.

Q What role did you serve in? Were you a consultant to him. to his campaign? Not in the classical sense.

A No. I guess I served as a personal friend and somebody he could trust as a labor adviser. More like a kitchen cabinet.

Q Were you aware, during the course of his campaign, as to the financial success or failure of that campaign?

A No.

Q Did he discuss with you at any time the financial needs of the committee?

A No. Actually I thought from reading the public press that Senator Jackson had the best financed campaign. After the Pennsylvania or during the Pennsylvania primary I found the public press wasn't quite accurate on that. But I did not have personal knowledge of it. What I knew was from the public press.

Q Do you know a gentleman by the name of Mr. Bob Keefe?

A Bob Keefe, yes.

7904012264 2

Q What capacity, do you know?

A What capacity?

Q A friend, business associate?

A Yes. I have known Bob Keefe as a friend. I knew him as Senator Jackson's campaign manager.

Q Did you have occasion to speak to Bob Keefe during the course of the campaign?

A Sure I did; before the campaign and after the campaign.

MR. REST: You must have spoken with him during the campaign.

THE WITNESS: Yes.

BY MR. OLDAKER:

Q Did you talk to Bob Keefe about the course of the campaign, how it should be directed?

A No, I didn't. No, I did not discuss with Bob Keefe how it should be directed.

MR. REST: What was the thrust of your conversations with Mr. Keefe during the campaign, if you can recall? Was it basically advice with regard to positions the Senator was taking on labor matters?

THE WITNESS: Yes; and the image he was projecting and

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the type of speeches or the type of delivery he was making.

BY MR. OLDAKER:

Q Did the Senator often call you after he had made an appearance, like on Meet the Press, and ask you what you thought?

A No, he did not.

Q Do you recall an organization called the Labor for Jackson Committee?

A Yes, I do.

Q What do you recall about that committee as to why it was set up, if you know?

A Why it was set up, I guess -- I don't know why it was set up, because I would have to probe other people's minds.

MR. BEST: What were you told about the reason.

THE WITNESS: It was going to be an independent committee to support Scoop Jackson for Democratic nomination for President of the United States.

MR. BEST: Who told you that, if you can recall?

THE WITNESS: I believe Eddie Carlough or Joe Keenan. I don't know specifically where or when, but I do know I had several conversations with various union officials.

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BY MR. OLDAKER:

Q Were you involved in the setting up of that committee?

A I attended a meeting.

Q Do you recall where that meeting was held?

A I am not sure. It was either in the Sheet Metal Workers or the Structural Iron Workers, or it could have been the IBW. They are all there in the same area, so I am not sure.

Q Do you recall who was present at that meeting?

A I know Joe Keenan was present. I know Eddie Carlough and I believe John Lyons, and about a dozen people. But I really could not tell you.

Q Do you recall if Bob Keefe was at that meeting?

A No, I don't. I am under the impression it was all union officials. Some of them I wouldn't know because they were probably staffers or junior officials.

Q What other contacts did you have with the Labor for Jackson Committee? You said you attended one meeting. Did you have other contacts with it?

A Well, I got a call from -- I had contact with Eddie Carlough who said that they needed some money for the Labor

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for Jackson. I discussed that with the Political Action Committee and they gave him $20,000.

Q Do you recall any specifics about that conversation?

MR. SIMON: With whom?

MR. OLDAKER: With Eddie Carlough, I believe.

THE WITNESS: I am not even sure whether it was Eddie Carlough or Joe Keenan. But I knew they had to or were setting up this committee or had set up the committee. And I am not sure whether it was Eddie or Joe Keenan that contacted me.

MR. BEST: Whoever it was, did they give you any specifics of why they needed a financial commitment at that time?

THE WITNESS: Well, they were carrying on -- yes. They were carrying on some independent action for Senator Jackson and they needed money to carry on this action.

BY MR. OLDAKER:

Q Did they ever discuss with you the type of expenditures that would be made on behalf of Jackson?

A No.

Q Do you recall anyone consulting you in regards to the

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methods or types of expenditures that would be made for the Labor for Jackson Committee?

A No. And to this day I don't know what expenditures they made. I have never questioned them. Once we gave them the money, I had no more interest in it. As far as I was concerned, it was like giving it to a politician. What he does with it was his business.

Q Did you attend any other meetings that you can recall with the parties from the Labor for Jackson Committee -- Eddie Carlough, Joe Keenan; who else? -- just on other issues?

A That is a very difficult question to answer.

Q Let me ask it another way. Are you aware of an organization called the National Labor for Jackson Committee? I believe it was a satellite committee of the Jackson Committee.

A I never heard of it.

MR. BEST: Based on your experience in political campaigns, do there come times when there would be meetings of labor officials which are subsequently given some sort of a name, as for instance the National Labor for a candidate?

THE WITNESS: Oh, sure.

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MR. BEST: And based on your experience again, is it your experience that these officials are not consulted with regard to this label?

THE WITNESS: Normally speaking, and I cannot answer specifically for Senator Jackson, but normally speaking we would get a request to serve on Labor for "X." It is a request to use your name in a paid political advertisement.

BY MR. OLDAKER:

Q Or on a letterhead or something.

A Or on a letterhead.

Q You know of no meetings that were held of such a committee?

A Now I have met with Senator Jackson at his home and in his office with various labor officials, but under no formal committee. It was friends of Scoop Jackson were meeting with him and consulting with him. But there was no formal structure to it.

Q This occurred during the campaign period?

A Yes, it did.

Q Do you recall at any time issuing a receipt book to various of your members? I have a copy of a letter which I will ask you to mark as an exhibit. It is dated March 29,

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1976, and signed by J. M. Calhoon.

There is also an April 6th letter.

Do you recall any receipt books of the nature set forth in that letter?

MR. BEST: Let the record reflect that the witness is now looking at the documents which are going to be marked by the reporter.

THE WITNESS: It is not my signature.

MR. BEST: I am sorry?

THE WITNESS: It is not my signature.

MR. BEST: You are now referring to the last page of these documents which says "Fraternally," and then there is a signature, and then typed under that is J. M. Calhoon, President.

BY MR. OLDAKER:

Q Look at your signature on the first one also. Is that your signature?

MR. BEST: Now we are referring to page three of the circular letter number D-8-76, which bears the typed signature J. M. Calhoon and some writing above it. It is apparently a copy of someone's signature.

THE WITNESS: It is not my signature.

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MR. BEST: Can you offer some clarification for the record?

THE WITNESS: This is a circular letter. The first one is a circular letter.

MR. BEST: Now referring to page three of this series of documents.

THE WITNESS: And page four. I mean the last page. They are both circular letters. And I rarely, if ever, sign a circular letter.

BY MR. OLDAKER:

Q Do you ever see the circular letters?

A Yes.

Q At what point in time do you see them?

A Before they go out.

Q Do you recall this circular letter or these two circular letters?

MR. BEST: Before you answer it, so the record is clear, at MEBA is there some sort of system, such as robotyping, where your signature can be reproduced, a facsimile of your signature that is?

THE WITNESS: Yes, there is.

BY MR. OLDAKER:

Q And that is ordinarily what is done for circular

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letters?

A Yes.

MR. SIMON: Why don't we ask Mr. Calhoon a couple of clarifying questions.

Have you ever previously seen these two documents attached to each other like this?

THE WITNESS: Attached like this?

MR. SIMON: Yes.

MR. OLDAKER: I doubt that they would have.

THE WITNESS: I doubt it.

MR. OLDAKER: I doubt also they would have been.

Could we ask that they be marked as one exhibit? Do you have a problem with that?

MR. SIMON: With an understanding of the parties that in all likelihood they have never previously existed like that.

MR. OLDAKER: Let's separate them and have them marked as two exhibits then.

I ask that the letter dated March 29, 1976, at the bottom of it J. M. Calhoon, be marked as Exhibit 1; and that the letter dated April 6, 1976, from J. M. Calhoon, President, be marked as Exhibit 2.

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(The letter dated March 29, 1976, was marked Calhoon Exhibit No. 1 for identification, a copy of which is attached to the court copy of this deposition.)

(The letter dated April 6, 1976, was marked Calhoon Exhibit No. 2 for identification, a copy of which is attached to the court copy of this deposition.)

MR. SIMON: Let me just note for the record that Calhoon Exhibits 1 and 2 appear to be items which have previously provided by counsel to the commission.

MR. OLDAKER: That is correct.

MR. SIMON: I should note that although I cannot recall specifically how they were provided, it is not my recollection that the circular letter which has been marked Exhibit No. 1 at the time it was sent out, or at the time it was sent to the commission, contained the last three pages which appear to be forms. It may have.

MR. LOVEJOY: That is the way it was given to us.

MR. SIMON: I have certainly no basis for knowing for the witness' benefit whether or not those documents were in fact attached at the time he may have seen them, the circular letters.

MR. OLDAKER: It is our understanding that they were. But

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I don't think that is important for this course of questioning.

BY MR. OLDAKER:

Q Do you recall seeing either one of those letters, sir?

A No. I cannot recall seeing those letters. I know of the subject matter.

Q As to the first letter, the first exhibit, which you are looking at, what do you recall as to that subject matter?

A I recall that we started an operation to raise money for Senator Jackson.

Q How did that occur, if you recall?

A How did it occur?

Q Yes.

MR. BEST: How did it start?

BY MR. OLDAKER:

Q How did it start? Who started it?

A It came as an initiative from some of our people in the northwest.

Q What do you mean? Someone indicated that it would be good for you to do that?

A They wanted to do that.

Q They wanted to do that.

A Yes.

Q Then what occurred?

A We checked with our attorney and he said that it was legal within the Federal Election Laws, and the union met and set up the program and had the receipt books printed and disbursed, and the money was collected and turned over to the Jackson for President Committee.

Q Who were the books disbursed to, the receipt books?

A To the officers and employees of MEBA.

Q If you know, when funds were collected, how were these transmitted back to the Jackson Committee?

A I am not an expert on handling money. I don't handle money. I am not an expert in bookkeeping.

Q Let me ask you --

A I would think it would be handled about the way our normal dues collection is handled, but I am not sure.

Q Let me ask you the question another way. Do you know if funds were collected which would be used ultimately for the Jackson Committee or be given to the Jackson Committee?

A I know funds were collected and turned over to the

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Jackson Committee.

Q Were the funds collected, then I believe the memos would indicate it, the funds were collected, and they should be given in the name of the committee to the Jackson for President Committee?

MR. SIMON: Let me clarify that. What do you mean "in the name of"?

MR. OLDAKER: The payee should be.

MR. BEST: Do you have any specific knowledge of what occurred, or is it that you have general knowledge?

THE WITNESS: I just have a general knowledge that the funds were collected for Jackson for President.

BY MR. OLDAKER:

Q Did you participate at all in transferring the funds to the Jackson for President Committee?

A No, I didn't.

Q Do you know who did?

A I suspect or I believe it was Frank Laureto.

MR. SIMON: The term transfer is a term of art in the statute. I assume what you mean, your question does not suggest this is a transfer under the statute, but you were asking who was responsible for delivering the checks that

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were collected.

MR. OLDAKER: Your term is better.

MR. SIMON: Thank you.

MR. BEST: And more likely than not, sir, Mr. Laureto would be responsible for this delivery?

THE WITNESS: Yes.

BY MR. OLDAKER:

Q Have you in the past used the receipt book method set forth in these two exhibits to collect funds for candidates or to act as a facilitator, I guess, of contributions to candidates?

MR. BEST: I guess you are asking him whether MEBA has ever utilized this system.

MR. OLDAKER: That is right.

MR. SIMON: And you mean before this incident or before today?

MR. OLDAKER: Before today.

THE WITNESS: This incident was before today.

BY MR. OLDAKER:

Q That is correct. Other than that incident.

A Yes.

Q Other than that one, has this receipt book been,

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I can't think of a way other than saying, facilitating contributions then employed by MEBA --

A Yes.

Q -- in many instances? In Federal elections.

A Oh, I would think so, yes.

Q Can you name several others if you can recall them?

A I don't want to -- when I say I am sure there were several, that was normally the way it was done up until they started amending this Federal Election Law. But the locals would raise money for the candidates in that area and turn it over to them.

MR. BEST: Were those Federal candidates?

THE WITNESS: Federal and local.

MR. BEST: When you say until the laws were amended, you are referring to which amendments?

THE WITNESS: I am talking about the mid-sixties, '66 I think.

MR. BEST: So when you say this method was used, you are referring to a period up to about the mid-1960s?

THE WITNESS: Up until about the mid-1960s.

BY MR. OLDAKER:

Q Let me ask the question in another way. Are you

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aware of this type of occurrence after 1974, in other instances?

A 1976.

Q This one incident of Jackson?

A No; two.

Q Two, okay. What other one was that?

A Jimmy Carter.

Q Were you similarly successful in that one in obtaining contributions?

A We obtained some contributions.

Q Who paid for the receipt books in this effort to raise funds for Senator Jackson?

A I believe the union.

Q Was it paid for out of treasury funds, if you know?

A I don't know.

Q Do you know if it was paid for out of the Political Action Fund, voluntary dollars?

A I don't know.

MR. BEST: Do you know whether it was the union that paid?

THE WITNESS: No, I don't. I believe it was the union, but I don't know. They were for union records, so I assume it was union.

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BY MR. OLDAKER:

Q Do you know who would know?

MR. SIMON: I think you already have testimony.

MR. OLDAKER: We do?

MR. SIMON: Yes.

MR. BEST: On all of this, as a matter of fact.

MR. OLDAKER: Fine.

BY MR. OLDAKER:

Q Are you aware of any other instances where this system was employed other than in the Jackson and Carter situation, after 1974?

A No.

Q Are you familiar with a reception which was attended by Henry Jackson in Baltimore held by MEBA?

A Yes.

Q Can you describe the circumstances surrounding that event? Was it held specifically for Mr. Jackson's appearance?

A No.

Q For what purposes was the event held?

A It was held for some Maryland State Senators.

Q Do you recall their names, or do you know who would

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know?

A I was trying to think of one name. Who is the head of the NAACP in Washington?

Q Clarence Mitchell? Perrin Mitchell?

A It wasn't Perrin Mitchell, but it was a Mitchell.

Q Young Mitchell?

A That is him, a State Senator. But there was a woman. I forget her name.

Q Did they attend this function?

A Yes. It was four or five, six State Senators that attended.

Q How did Senator Jackson happen to come to appear at this reception?

A After the reception had been set up, somebody -- and I don't know who the somebody was -- said Senator Jackson was going to be in Baltimore, and they were going to see if they could invite him to the reception. And as I recall it, Senator Jackson came by and spent maybe 20 or 30 minutes, late in the reception.

Q What did he do at the reception? Did he speak to the reception?

A Yes, he did. When I say he spoke, he didn't make

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any formal address, but as I recall it he stood up on a chair and spoke for a couple of minutes.

Q Do you know who contacted him?

A No, I do not.

Q Do you recall if you had foreknowledge that he was going to come? Did you know ahead of time if he was going to come?

A I knew it, but not -- I didn't know it when we set up the reception. I did know it like a day or so before he did come.

Q Do you know who told you?

A Or there was a possibility that he would come. It was never nailed down that he would come.

MR. BEST: You understood he would be somewhere in the general vicinity and if he could make it he would show up. Was that your understanding at that time?

THE WITNESS: Yes.

BY MR. OLDAKER:

Q Who were the other participants? Who came to this reception?

A The other participants were --

Q Were they MEBA members?

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A There were some MEBA members, yes. And there was the political machinery and the candidates, these State Senator candidates. It was really a political rally for the political machine.

Q Would you have held this reception even if you had known that Senator Jackson absolutely would not come?

A Oh, yes. It had nothing to do with Senator Jackson. The purpose of the reception and the reception had nothing to do with Senator Jackson.

Q Do you know who set up this reception? Do you recall?

MR. SIMON: Let me ask in terms of the setup, you mean made the arrangements?

MR. OLDAKER: Arrangements, correct. Who the actual staff person or the individual would be.

THE WITNESS: It is my impression that it was Roy Lubby, but I am not sure.

BY MR. OLDAKER:

Q Do you recall a reception held in New York City around April 6, 1976?

A No, I don't. I know the matter of which you are asking, and I have no knowledge. I wasn't there. I just have

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no knowledge on that whatsoever.

Q Do you recall a reception held in San Francisco at which Senator Jackson appeared?

A Yes.

MR. SIMON: You are talking about in October of 1975?

MR. OLDAKER: October of 1975, that is correct.

BY MR. OLDAKER:

Q The answer was yes?

A Yes.

Q What do you recall of that reception?

A It was an AFL-CIO convention I believe. They were having a reception, and I believe Senator Jackson was addressing the convention that day, so he was invited to the reception.

Q Addressing the AFL-CIO convention?

A Yes.

Q What were the purposes of the reception?

A Good will.

MR. BEST: A couple of drinks and meeting the boys?

BY MR. OLDAKER:

Q Was it for the purposes of allowing Senator Jackson to meet MEBA members?

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A It was for the purpose of internal politics of the AFL-CIO.

MR. BEST: Let me ask you this question: Would you have had the reception if you knew that Senator Jackson could not attend it?

THE WITNESS: Yes. We had resolutions at the convention we wanted to get adopted.

MR. BEST: Do you have receptions such as this at most AFL-CIO conventions?

THE WITNESS: And even some of the others. Wherever we have a program we are trying to put over, yes. Board meetings are open meetings.

MR. BEST: These receptions are held in a hall someplace or in a suite of rooms?

THE WITNESS: Usually in the hotel; usually.

BY MR. OLDAKER:

Q What did Senator Jackson do at this reception? Did he speak?

A Like a politician does at every reception. He shakes hands and speaks.

Q What else occurred at this reception?

A We drank a lot of booze.

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Q Were there other politicians that came?

A I believe so, but I am not sure.

Q Was there other business transacted? I guess another way of saying it, was it held exclusively for Mr. Jackson to speak?

A No. The reception would have been held whether Jackson was there or not.

Q How long did it last?

A A couple hours.

Q How long did the speech last?

A A couple of minutes. And this I couldn't swear to. This is my impression of it.

Q When you say he spoke, was there a podium set up?

A No. I believe he was standing in a chair. They are vague impressions now.

Q Did he stay at the reception during the whole period of time?

A God, I don't know.

Q Did other international unions hold receptions such as this at that convention?

A Yes. Sure. It is a common occurrence.

Q Do you recall how Senator Jackson happened to come

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to this reception?

A How he happened to come? Well, he was in town. He was addressing the AFL-CIO convention. I don't know how he got invited to come to the reception. If I had thought about it, I would have done it.

Q Do you recall if you did invite him?

A I don't recall if I invited him or not. I know if I had thought about it I would have done it.

Q Would you have invited other politicians to come to the reception?

A Sure. Some other politicians, not all other politicians.

Q Somewhat selective.

MR. BEST: Is that consistent with the general policy at these affairs?

THE WITNESS: It is normal procedure when you have invited a guest to a convention and you have an affair that day that you invite the invited guest to the affair.

BY MR. OLDAKER:

Q Do you know if there were other politicians that were invited to the convention?

A As I recall it, yes, there was a whole corral

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full of them. I think it was Who's Who of the Democrat Party for President.

Q Most of the candidates at that time who were running, you think?

A Yes. That is my recollection. But they weren't all there that one day. We would probably still be in session.

Q In reference to the expenses of these conventions, for these receptions, that is the one in Baltimore, who would generally handle the payment for expenses?

MR. SIMON: Let me ask you this: Are we talking about organizations?

MR. OLDAKER: No. I am talking about the individual, an individual that works for MEBA.

THE WITNESS: Let me go beyond what your question is.

MR. OLDAKER: Okay.

THE WITNESS: MEBA is different from the average union. Even where it is legal to do so, we do not make political contributions out of the general fund. We got into a lawsuit about that many, many years ago. We had one member involved, and I think it cost the union $100,000 before we got disjointed from the lawsuit.

But wherever there is the possibility, any possibility,

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that it carries a political connotation, we pay for it out of the political fund.

BY MR. OLDAKER:

Q How is that decision made then, that there was any possibility --

A If it even smells like politics we pay for it out of the political fund.

Q Who would make that decision?

MR. BEST: That general decision is implemented by instructions given to someone, right?

THE WITNESS: To Frank Laureto.

MR. BEST: And his instructions are if it even smells like it is political, that it should be paid for out of the Political Action Fund?

THE WITNESS: That is correct.

MR. SIMON: That was a policy determined by the Executive Committee of the Political Action Fund?

THE WITNESS: The Executive Committee of the union and the Executive Committee of the Political Action Fund.

BY MR. OLDAKER:

Q Do people ever come to you and ask you if it should be paid out of the Political Action Fund?

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A Yes.

Q Do you recall if they did that in reference to the Baltimore reception?

A I don't recall specifically as to Baltimore about anybody asking me, but when it was for State Senators, just automatically it would be paid out of the Political Action Fund.

Q And in California, would it necessarily be paid out of the Political Action Fund?

A I would think so, but I haven't checked the record on it.

MR. OLDAKER: Off the record.

(Discussion off the record.)

MR. SIMON: For the record, there is previous testimony from Mr. Laureto concerning the reported expenditures.

MR. OLDAKER: I understand. I found it.

BY MR. OLDAKER:

Q Sir, I will hand you, and I ask this be marked as Exhibit 3, a MEBA copy of one page from a MEBA Political Action Fund report. I would allow your counsel to hold objections since it is only one page and you can check the reports to make sure it is accurate.

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MR. SIMON: If I could identify it perhaps a little more clearly. This is a document indicating at the top, under the category "Name of Candidate or Committee in Full," "M.E.B.A. Political Action Fund." There is nothing at the bottom.

There appears to be some additions which I believe at previous depositions it was indicated they were added by the staff of the commission; specifically some initials at the bottom.

MS. BROWNING: That is correct.

MR. SIMON: And a line around the figures starting on the first line "Marriotts Essex House" which is in New York, $700. There is a line around that. There is a checkmark.

Marriotts Essex House in New York, another checkmark and a line around the figure $1,176 -- and 40-something cents.

MR. OLDAKER: Thank you.

And the third item on that page is an item which says "Hyatt on Union Square, San Francisco, California, Hosted Reception re Senator Henry Jackson, 4-2-76," in the amount of $7,000-plus.

BY MR. OLDAKER:

Q Do you recall that expenditure, sir?

MR. BEST: Do you know anything about this exhibit in

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the first place? Have you ever seen this before or another copy of it? Marked or unmarked.

MR. OLDAKER: The markings would be of the staff of the commission.

THE WITNESS: I do not go over the political fund filings.

MR. BEST: So your answer is more likely than not you have not seen Exhibit 3 prior to this time.

MR. SIMON: Is that correct?

THE WITNESS: That is correct.

BY MR. OLDAKER:

Q You stated earlier that you never had any obligation to review the forms before they are filed.

MR. SIMON: I don't believe he has testified to that.

MR. OLDAKER: That is what he said right at the beginning.

THE WITNESS: No. I am not an officer. That is correct. I am not an officer of the political fund, and I do not go over the forms.

You see, even where I am legally bound to sign for them, half the time I don't know what the hell I am signing.

MR. OLDAKER: Off the record.

(Discussion off the record.)

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THE WITNESS: I think in 1976 this union filed over 1,500 Election Commission reports. I am sure I didn't spend any time on any one of them.

BY MR. OLDAKER:

Q Do you recall any reference to the Hyatt reception for Senator Jackson that is listed here?

A Yes, I do.

Q Would you recall why it would be paid for out of the Political Action Fund?

A Because there was a politician there.

Q Merely by him coming to the reception --

A It carried a political connotation.

MR. BEST: And it was your perception that you had an obligation to --

THE WITNESS: To pay it out of the political fund and to report it.

BY MR. OLDAKER:

Q And the total amount of the reception then is reported out of the political fund?

A As far as I know.

Q It was not done on an allocated basis?

A I don't handle the bookkeeping end. But I am sure

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if it hadn't been paid I would be hearing from my end.

(Discussion off the record.)

(The document entitled "M.E.B.A. Political Action Fund" was marked Calhoon Exhibit No. 3 for identification, a copy of which is attached to the court copy of this deposition.)

BY MR. OLDAKER:

Q Let's go back a second to the Labor for Jackson Committee. Do you recall other types of committees such as the Labor for Jackson Committee that had been set up for other candidates for Federal office?

MR. BEST: In 1976?

MR. OLDAKER: Since 1974.

THE WITNESS: No, not in the context of the Labor for Jackson Committee. I have seen a lot of labor committees for politicians, but not in the context of an independent action committee as the Labor for Jackson.

BY MR. OLDAKER:

Q The ones which were not independent, what would be the purpose they were set up?

MR. BEST: What do you mean by independent, first of all, so we know what we are talking about.

THE WITNESS: Where they raise and spend money independent

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of the candidate.

MR. BEST: Okay.

BY MR. OLDAKER:

Q You referred to other types of labor committees for candidates that would not be independent. What would be the purpose of those committees?

A To elect their candidates.

Q Would they be satellite committees of that candidate? Would they be part of that candidate's committee?

A That is a pretty harsh classification.

Q Would they make contributions --

A It would be supportive committees of the candidates. I don't know about satellites.

Q Did they make contributions to the campaign?

A No. The committee wouldn't. The individual members of the committee may make contributions, and the organizations that they represent may make contributions. But the committee as such would not make contributions.

Q Did you ever receive correspondence from the Labor for Jackson Committee that you can recall?

A I remember, yes, one piece of correspondence.

Q What was that, sir?

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FILE COPY

A It was a termination -- it was a financial report on the termination of the committee. I believe it got some money refunded, the NEBA Political Action Committee got some money refunded.

Q Do you recall any conversations that you may have had about the Labor for Jackson Committee with Bob Keefe?

A I am not sure I ever had a conversation with Bob Keefe on Labor for Jackson.

Q Do you recall any conversations, if you had any, with Senator Jackson about the Labor for Jackson Committee?

A No. I am sure I would have gotten thrown out of the office.

Q Do you recall any conversations with any other individual in the Jackson for President Committee about the Labor for Jackson Committee, if there were any?

A No. I understood the constraints of the Federal law, that the Labor for Jackson Committee had to be separate and independent and I wouldn't talk to anybody in the Jackson Committee about the Labor for Jackson.

Q You mentioned one meeting earlier you attended for the Labor for Jackson Committee. Did you have any conversations with Biddie Carlough about the Labor for Jackson?

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specifically say, or I can't say that I had conversations with Eddie Carlough on the Labor for Jackson Committee after the committee was formed and I made a contribution.

MR. BEST: Just so I understand the chronology, there were conversations at the meeting which formed the genesis for this committee.

THE WITNESS: Yes.

MR. BEST: And there may have been a conversation with Eddie Carlough or someone else, and as a result of that conversation money was disbursed to Labor for Jackson.

THE WITNESS: Yes.

MR. BEST: And subsequent to that, did you have any conversations with Eddie Carlough regarding the Labor for Jackson Committee?

THE WITNESS: Not specifically regarding Labor for Jackson.

BY MR. OLDAKER:

Q Similarly with Joe Keenan, after the $20,000 was contributed to the Labor for Jackson. Do you recall?

A Not specifically on Labor for Jackson. That doesn't

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mean I didn't see Joe Keenan and Eddie Carlough and didn't talk to them, because I did. And I talked to them about the Jackson campaign. But I am sure I didn't start asking them how they were spending their money I contributed or what they were doing with that money.

Q But you did talk to Joe Keenan after the $20,000 was given about the Jackson campaign?

A Oh, yes. I spoke to Joe Keenan and Eddie Carlough many times.

Q Would it be fair to say that the Jackson campaign was of mutual interest to you?

A It certainly was.

MR. GLDAKER: Off the record.

(Discussion off the record.)

MR. SIMON: Mr. Calhoon, in connection with any conversations you may have had after the MEBA Political Action Fund made the $20,000 contribution with Mr. Keenan and Mr. Carlough, I take it there would be no basis for concluding that these conversations were in any way designed to coordinate or consult with them as to how the Labor for Jackson Committee should spend its money.

THE WITNESS: Absolutely not.

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MR. BESS: Did you care how they spent it?

THE WITNESS: I didn't give a damn.

BY MR. OLDAKER:

Q Similarly did you make any attempt to tell them you could not talk to them about the Labor for Jackson Committee?

A No. I never told them I couldn't. I think I had a legal right to talk to them about the Labor for Jackson. But I didn't do it and I didn't want to do it.

If I give my wife $100 and she goes shopping, I am not going to be in the doorway and say "What the hell did you buy? Where did you buy it? Why didn't you go to Joe's Bargain Store?"

BY MR. OLDAKER:

Q We were talking earlier about the receipt books. Do you recall how successful that effort was with the Jackson Committee?

MR. SIMON: Financially?

MR. OLDAKER: Yes.

THE WITNESS: No, I don't. I know they raised some money.

BY MR. OLDAKER:

Q Do you know if records were kept?

A I think they were. My job is to spend money, not

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Q Do you know where those records would be kept if there were any?

A They would be with Frank Laureto.

Q And in reference to the Carter Committee, would you anticipate it was also done that way?

A The same thing, if they were kept.

MR. OLDAKER: I have no further questions at this time.

THE WITNESS: Can I add one thing?

MR. OLDAKER: Surely.

THE WITNESS: Just to clarify your thinking on why a receipt book was issued and why records were kept. Over the years there have been in the trade union movement periodic scandals of individuals stealing union members' money. We have had a tradition ever since I have been a member of the union to give a receipt, a numbered receipt, for any money. And that was the reason the receipt books were there.

It had nothing to do with the candidate. It was just our procedure. And it was done more for tradition and carrying the connotation that everything is done honest.

Outside of that reason, there was just no reason to keep a receipt book. But our members make long voyages. If a

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collector goes aboard a vessel and collects money from a member, it may be a year before that member is back in the United States. If the money is not applied to his union dues, he could be dropped. On any collection, the collector could put it in his pocket and the member would be very dulled at the end of the year. That is the reason we do everything with the receipt book.

BY MS. BROWNING:

Q Mr. Calhoon, could I ask you a couple of questions you may have touched on and answered before.

You mentioned that you did meet with Senator Jackson and with Robert Keefe on occasion during the campaign.

MR. BEST: Either separately or together.

MS. BROWNING: Yes.

BY MS. BROWNING:

Q During those times, did you discuss how the campaign was going or any aspects of the campaign activity at all?

A I don't know of anything else I discussed.

Q Would you say that you were aware of how the campaign was progressing and some of the campaign activity?

A No.

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Q What kinds of discussions would you have had then with Mr. Keefe, for example?

A We had discussions, but I wasn't aware; because I find quite frequently that the campaign manager is not aware of what is going on and the candidate is not aware of what is going on. They are usually looking at the world through rose-colored glasses. It looks very nice when in fact it is pretty gloomy.

Q Well, for example, at any time would they have indicated to you that there was a need for money in the campaign?

MR. BEST: Let's take them separately. Let's take Senator Jackson first.

THE WITNESS: I am sure Senator Jackson never asked the MEBA for money. When he announced, I am sure we gave him whatever we could under the law. As I testified before, from the public press I thought Senator Jackson was the fat cat. He had the money. As I read the newspapers, I was confident he had plenty of money.

BY MS. BROWNING:

Q Do you remember Mr. Keefe ever telling you there was a need for additional campaign funds?

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bank. I have never seen one that didn't.

MR. BEST: Do you have any specific recollection of such a conversation with Mr. Keefe?

THE WITNESS: No, not specific. No, I don't.

BY MR. BROWNING:

Q You said that Mr. Lazreto was in charge of the financial activities of the Political Action Fund at the NEBA.

A No. He is the controller and he keeps the books and records.

Q But you discussed with him how the money was spent?

A No.

Q Not at all?

A No. I spend the money.

Q But you did have influence over the decisions as to how the money would be spent; is that correct?

A Yes, I do. I would hope so.

Q Would you say that any of the decision-making involving how to spend the Political Action Fund's money would have been based on information on the campaign which you may have gotten from Mr. Keefe?

MR. SIMON: Wait.

MR. BEST: I am going to object to the question. It is

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just a hypothetical. You are asking a hypothetical question. If you want to phrase it in terms of possibilities, you can, but you also have to ask him what the possibility was that such a thing occurred.

BY MS. BROWNING:

Q Let me narrow it down just a little bit and see if you will agree to this question. When you made decisions on how the Political Action Fund would spend its money, would you take into consideration factors such as where in the country money might better be spent than other places?

MR. SIMON: I have to object. I don't think Mr. Calhoon has said he makes the decision. I think he has stated he is consulted and is aware of the decisions. I think any answer to that question would imply an affirmation of your characterization of the extent of his role.

If you are talking about whether he would consider the financial status of a candidate in making his recommendations to the Political Action Fund, that is a different question than you asked.

BY MS. BROWNING:

Q Do you recall having made a recommendation to any of the officers of the Political Action Fund as to how much money

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should be spent on a campaign?

A No. I know I have recommended that we endorse and support Senator Jackson. I know we gave him the maximum contribution. I know I made the recommendation to give the limit of $20,000. Not to give him but to give the Labor for Jackson Committee $20,000. And as far as I know that is all the money we appropriated for Senator Jackson.

But when the endorsement and the initial contribution went to Senator Jackson, there was no thought or idea in mind of the $20,000 contribution.

MS. BROWNING: That is all I have.

MR. OLDAKER: I have one question.

BY MR. OLDAKER:

Q Do you know a gentleman by the name of Skallerup, Walter Skallerup?

A I know that he had something to do with the finances of Senator Jackson. I think there was a Skallerup and Lipshutz.

Q Lipshutz was with Carter.

A Yes.

Q He might have been with Jackson, but he is now with Carter.

Do you recall meeting with Walter Skallerup in reference

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to the receipt books at all that were discussed?

MR. SIMON: Let's go off the record.

(Discussion off the record.)

BY MR. OLDAKER:

Q Do you recall a meeting with Mr. Skallerup as to the contributions which you were facilitating being made to the Jackson Committee?

A I remember a meeting with Skallerup to tell him what we were doing.

Q What can you recall about that meeting? When you say, "to tell him what we were doing," you mean as to the collection of contributions?

A Solicitations of contributions for Jackson, and how they would be coming in, and ask him, you know, or find out if he had any problems of handling the contributions coming in in this fashion. I think he went over the procedures and said he had no problem.

Q When we were talking about the issue earlier, you said that the local presidents were the people -- Mr. Simon is shaking his head. Who was sent the receipt books?

A The officers and employees of NEMA.

Q Who paid for the receipt books, if you know?

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MR. BEST: You mean who paid for the printing?

MR. OLDAKER: Printing costs.

THE WITNESS: I don't know.

BY MR. OLDAKER:

Q Do you know if they were instructed as to whether they should be soliciting contributions on their business hours or their off hours, or were there any instructions made to that effect to those individuals sent the receipt books?

MR. SIMON: Were they issued instructions by Mr. Calhoon?

MR. OLDAKER: To his knowledge. Were they issued instructions from the central office.

THE WITNESS: Not to my knowledge.

BY MR. OLDAKER:

Q In your conversation with Skallerup, do you recall anything about how the contributions would ultimately be delivered to the Jackson Committee? Was that part of the discussion?

A I believe so.

Q Do you recall any particulars?

A As I recall, the procedure was that the contributions to Senator Jackson would be mailed in weekly and would be I guess mailed or delivered from our office to

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Senator Jackson's office. And I think they were handled just like our normal dues collection in that they were mailed at the same time; that is, we have a time frame for the collections.

Q When you say Senator Jackson's office, you mean his campaign office?

A Yes.

Q They would be sent with a covering letter, if you know?

A I don't know.

MR. OLDAKER: I have no further questions at this time.

MR. SIMON: We have no questions.

MR. OLDAKER: Thank you very much.

(I have read the foregoing pages 4 through 55, inclusive, which contain a correct transcript of the answers made by me to the questions therein recorded.)

JESSE M. CALHOON

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CERTIFICATE OF NOTARY PUBLIC

I, Karen Hinnenkamp, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken by me in shorthand and thereafter reduced to typewriting by me; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.

_____

Notary Public in and for
the District of Columbia

My commission expires:
July 31, 1978

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Official
Transcript

William C. Oldaker, Esq.
Federal Election Commission
1325 K Street N. W.
Washington, D. C. 20463

February 2, 1978

Mr. Leon Shapiro
c/o Judah Best, Esq.
Dickstein, Shapiro & Morin
2101 L St., N. W.
Washington, D. C. 20037

Re: In the Matter of: MARINE ENGINEERS BENEFICIAL ASSOCIATION POLITICAL ACTION FUND - MUR 260 (76).

Dear Mr. Shapiro:

The court copy of your deposition in the above-captioned case taken January 27, 1978, is submitted herewith for your reading and signing as requested by counsel.

Enclosed herewith are instructions for reading and signing.

Upon completion of the reading and signing it is requested that this court copy be returned to this office as soon as possible.

Sincerely yours,

MILTON & GREENWOOD
REPORTING ASSOCIATES, INC.

Douglas S. George
Administrative Assistant

cc:
Judith Browning, Esq.
file

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of:	:	
MARINE ENGINEERS BENEFICIAL ASSOCIATION POLITICAL ACTION FUND	:	MUR 260 (76)

Washington, D. C.

Friday, January 27, 1978

Deposition of

LEON SHAPIRO

a witness in the above-entitled matter, called for examination by counsel for the Federal Election Commission, taken at the offices of the Federal Election Commission, 1325 K Street, N.W., Washington, D. C., beginning at 2:45 p.m., before Judith Browning, when were present on behalf of the respective parties:

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For the Federal Election Commission:

JUDITH BROWNING, ESQ.
and
PAUL R. LOVEJOY, ESQ.
1325 K Street, N. W.
Washington, D. C. 20463

For Leon Shapiro:

JUDAH SZST, ESQ.
and
JUSTIN D. SIMON, ESQ.
DICKSTEIN, SHAPIRO & MORIN
2101 L Street, N. W.
Washington, D. C. 20037

C O N T E N T S

	EXAMINATION BY COUNSEL FOR:	
	FEDERAL ELECTION COMMISSION (Ms. Browning)	
WITNESS:		
LEON SHAPIRO	3, 36	
	LEON SHAPIRO (Mr. Best)	
	33	

E X H I B I T S

Marked for identification and attached:	Page
Deposition Exhibit No. 1 - Portion of report dated July 10, 1976	13

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Thereupon

LEON SHAPIRO

a witness, was called for examination by counsel for the Federal Election Commission and, after having been sworn by Judith Browning, Esq., was examined and testified as follows:

MS. BROWNING: I would like to make a statement about the scope of this deposition that is being conducted today. Issues which I would like to touch upon are the relationship that the MEBA Political Action Fund may have had with Labor for Jackson and the possibility of affiliation between the two groups. And another issue is the purchase of receipt books by the MEBA Political Action Fund and the solicitation project that was connected to those receipt books. Another area of questioning will be on some receptions which were held by the Political Action Fund on behalf of Senator Jackson's candidacy and the connected expenditures for those receptions which were reported by the PAC as independent expenditures.

EXAMINATION BY COUNSEL FOR THE FEDERAL ELECTION COMMISSION

BY MS. BROWNING:

Q Would you state your name for the record, please.

A Leon Shapiro.

Q And what is your current address?

A It is 140 Riverside Drive, New York City.

Q Are you aware of your right to have counsel present?

A Yes, I am.

Q Do you have counsel present?

A Yes, I do.

Q Would your counsel identify themselves for the record, please.

MR. BEST: For the record, Mr. Shapiro is represented here today by the law firm of Dickstein, Shapiro & Morin and specifically by Judah Best and Justin Simon of that law firm.

BY MS. BROWNING:

Q Mr. Shapiro, where are you currently employed?

A The Marine Engineers Beneficial Association.

Q And what is your position?

A Secretary-treasurer.

Q For how long have you held that position?

A Approximately 12 years.

Q And is that continuous? You have held it continuously for 12 years?

A Yes.

Q Could you explain your duties as secretary-treasurer?

A The duties are contract negotiations. Portions of

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contract enforcement; financial responsibility; and any other duties that are assigned to me from time to time by the executive committee or executive officer.

Q Do you hold a position with the Political Action Fund?

A Yes, I do.

Q What position is that?

A It is treasurer.

Q How long have you held that position?

A I am not sure, but a number of years.

Q Is that automatic, that position, automatic with your position.

A No. It is not. It is a distinct and separate --

MR. SIMON: Let me just interject here. You are referring to MEBA when you are referring to Political Action Fund?

MS. BROWNING: Yes.

MR. SIMON: Is that the way you understand?

THE WITNESS: Yes.

BY MS. BROWNING:

Q What are your duties as secretary-treasurer of --

A Treasurer.

Q Treasurer.

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A To keep the books and participate in any executive board meetings that deal with the keeping and handling of the money. To make the proper executive decisions.

Q Mr. Shapiro, according to our reports that were filed with the Commission by the Political Action Fund -- and when I say Political Action Fund, I mean the Marine Engineers Beneficial Political Action Fund -- $20,000 was given to the Labor for Jackson Committee in -- let me check the date -- it was May, 1976. Do you recall that transfer of funds?

A No. I do not recall it.

MR. BEST: Are you presently aware that the transfer took place?

THE WITNESS: Yes. I am aware presently. Yes.

BY MS. BROWNING:

Q The questions I would like to ask you now relate to the relationship that the Political Action Fund may have had with Labor for Jackson, and so I would first ask if you were involved in any way with the creation or organization of Labor for Jackson?

A I don't believe so. I can't recall any incidents.

Q Do you recall any discussions that were held

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regarding the creation of this group, Labor for Jackson?

A No. I do not.

Q Do you know of anyone connected with the Political Action Fund who was involved in organizing Labor for Jackson?

A No. I do not.

Q You were not treasurer at the time the $20,000 transfer took place? That would be May 5, 1976.

A Yes. I was.

Q Do you know who authorized the transfer of $20,000 to Labor for Jackson?

MR. SIMON: Could you clarify what you are talking about? Who initiated it or may have taken some steps necessary for the transfer to occur?

MS. BROWNING: I would prefer to have the name of anyone involved in the decision to make the transfer of funds or transfer it.

THE WITNESS: All transactions like this were done by the chief accountant and with counsel. It is done under my responsibility. I sign the checks, and that is a check that I signed. I just don't recall the decisions that relate to it.

MR. BEST: What is the name of the chief accountant?

THE WITNESS: Frank Laurito, L-a-u-r-i-t-o.

MR. BEST: What is the name of the counsel concerning whom you referred in your answer to a previous question?

THE WITNESS: Richard Markowitz.

BY MS. BROWNING:

Q Do you recall having any discussions at all about making contributions to Labor for Jackson?

A No. I do not recall.

Q Were you aware of the existence of Labor for Jackson?

MR. BEST: Are you referring to May of '76?

MS. BROWNING: I am sorry. In May of '76.

THE WITNESS: I do not recall if I was aware. That was a particular period in which I had some medical, critical medical problem, and from May through January I was either hospitalized or was affected by it. But I just do not recall it.

BY MS. BROWNING:

Q You did not then have meetings with or any decision-making responsibility for Labor for Jackson. Is that correct?

A That is correct.

Q Did you have any contact during the first six months

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of '76 with Edward Carlough?

A I don't believe so.

Q For the record, Edward Carlough is the chairman, excuse me, was the treasurer of Labor for Jackson.

MR. BEST: Let me ask -- do you know who Edward Carlough is?

THE WITNESS: Ed Carlough? Yes. I do.

MR. BEST: Who was he?

THE WITNESS: He was president of the Sheet Metal Workers Union.

MR. BEST: And to your knowledge was he president of the Sheet Metal Workers Union in the first six months of '76?

THE WITNESS: I am really not sure.

MR. BEST: Have you ever met Ed Carlough?

THE WITNESS: I have met him once or twice.

MR. BEST: Would you recognize him today if you saw him?

THE WITNESS: I am not sure.

BY MS. BROWNING:

Q Do you know who Joseph Keenan is?

A I have the name in connection with the Electrical Workers.

Q Did you have any meeting or communication with

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Joseph Keenan in the first six months of '76?

A I don't believe so.

Q Do you recall having any knowledge of how the Labor for Jackson organization was spending its funds?

MR. BEST: Excuse me. Your questions, counsel, are ambiguous in this regard. If you are asking him whether he presently has knowledge as to how things occurred, it is one thing. If you are asking him, and it may be implicit in your question, whether he had knowledge in the first six months of '76, that may be a different subject from the substance of your question. I am not quite sure what period of time you are asking about.

MS. BROWNING: Unless I specify otherwise I am primarily concerned with the first six months of '76. That would be the time in which activity was occurring connected with the campaign of Senator Jackson.

MR. SIMON: You are not interested in his present recollection?

MS. BROWNING: I am asking him if he recalls having known at the time these people or transactions.

MR. BEST: With that clarification, does that cause you to alter your answer in any way?

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THE WITNESS: It would be helpful if you would repeat.

BY MS. BROWNING:

Q Going back over the question, do you recall having had any knowledge during the first six months of '76 of how Labor for Jackson was spending its funds?

A No. I do not.

Q I would like to ask you some questions now pertaining to some expenditures which were reported as having been made by the Political Action Fund for certain receptions, the first of which was held in San Francisco in October of '75. Do you recall the particular reception to which I am referring?

A I know of the reception you are referring to.

Q Did you attend that reception?

A I don't believe so.

Q According to the report that has been filed with the Commission regarding this particular reception, and I am taking these filings from the July 10, '76 report, the San Francisco reception had an expenditure made to the Hyatt on Union Square for $7,287.38. You can take your time to look at that.

MR. SIMON: Can we ask that the document that is being

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shown to the witness be identified for the record?

MR. BEST: While the witness is examining the document, let me state that there may be some confusion. Prior to the deposition, in fact, we were not specifically aware that the subject of these receptions would be introduced as a subject for questioning at this deposition, and in that regard we have not discussed this matter with the witness. We don't want to in any way impede the Commission in its investigation, but out of an abundance of caution, I would like the witness to take his time in reviewing this matter since we have not had an opportunity to counsel him relative to this particular subject matter.

Having reviewed the document which is going to be introduced in this deposition an an exhibit, does this refresh any recollection that you might have relative to these expenditures?

THE WITNESS: Not really.

MS. BROWNING: Let me first identify this particular report for the record. This is part of a report filed with the Federal Election Commission by the Marine Engineers Beneficial Association Political Action Fund. It is a July 10, 1976 report.

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(The portion of the report dated July 10, 1976 filed with the Federal Election Commission by the Marine Engineers Beneficial Association Political Action Fund was marked Deposition Exhibit No. 1 for identification, a copy of which is attached to the court copy of this deposition.)

MR. BEST: So the record is clear, Exhibit No. 1 is a compilation of three pages and is a Xerox copy of FEC Form 3.

MS. BROWNING: I cannot identify the page numbers because they are not given here. However, let me identify the entry we are talking about. This particular expenditure was made to the Hyatt on Union Square in San Francisco on April 2nd, 1976. The purpose of the expenditure is listed as Hosted reception re Senator Henry Jackson, and the amount of the expenditure is listed as $7,287.38; and I would like to identify before I ask the question on this particular reception one other expenditure.

(Discussion off the record.)

BY MS. BROWNING:

Q Back on the record again.

A second expenditure which is apparently connected with the San Francisco reception is on the second page of Deposition Exhibit 1, which can be identified as an expenditure to

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Kelly Press on Second Street in Washington, D. C. And the purpose of this expenditure is given as Printing Costs Re: Henry Jackson Reception-San Francisco 10/75. The date of the expenditure is June 30, '76, and the amount listed is $204.54.

Do you recall, Mr. Shapiro, the making of these expenditures by the Political Action Fund? Do you recall having authorized the spending of those funds or actually of writing the checks?

MR. BEST: That is two questions. What do you --

MS. BROWNING: Do you recall signing the checks for those expenditures?

THE WITNESS: No. I do not.

BY MS. BROWNING:

Q Do you recall anything about the expenditures?

A No. I do not.

Q Do you recall that expenditures were made by the Political Action Fund for the San Francisco reception?

A I don't know specifically of it.

Q Do you recall any other expenditures having been made for the San Francisco reception, other than the two which we have identified here?

A No. I do not.

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Q Do you have any recollection as to whether the Political Action Fund was the sole organization which made expenditures for this reception?

A No. I don't.

Q Do you recall whether the Political Action Fund was the sole sponsor of the reception?

MR. BEST: Is sponsor a term of art?

MS. BROWNING: By that I mean planned the reception, paid for the reception.

THE WITNESS: I cannot tell.

BY MS. BROWNING:

Q Do you recall whether any solicitations for contributions to the Political Action Fund were made in San Francisco?

A No. I do not recall.

Q Do you recall having had any communications yourself -- I will state it -- do you recall having had any communications yourself or contact with either Senator Jackson or members of his staff or principal campaign committee regarding the sponsoring of the San Francisco reception?

A No. I do not recall.

Q All right. Let me ask you now about a reception held in Baltimore, and I am going to identify expenditures

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7 9 0 1 0 1 2 2 7 0 6

made which are reported on this Deposition Exhibit 1. The second page of Deposition Exhibit 1 has an entry to Schunick Caterers, Inc., S-c-h-u-n-i-c-k, Greenmount and Eager Streets, Baltimore, Maryland. The purpose of that expenditure is given as Catering costs for Reception held for Henry Jackson, April 15, 1976. The date of the expenditure is given as June 4, '76, and the amount is $2,912. And before I ask you a question on that let me identify one other expenditure which is directly beneath the Schunick Caterers, Incorporated. That is made to Tadder Associates, Incorporated, 501 St. Paul Place, Baltimore, Maryland. The purpose is given as Photographic Services rendered re Reception held for Henry Jackson-4-15-76. The date is reported as June 4th, 1976. That is the date the expenditure was made, and the amount is $125.50.

Do you recall?

MR. BEST: Counsel, before you ask any questions, I notice all the expenditures you have referred to in Deposition Exhibit No. 1, the expenditures which are in the last column on the form, are circled in pen or pencil, and my question of you, are you aware who placed those pen or pencil marks on the exhibit, or are they in the original?

MS. BROWNING: They are in the original. Those marks were made by me. Those are Xeroxes of my pencil marks.

MR. BEST: When you say pencil marks, you are referring specifically to the word Baltimore, which appears on page two of Deposition No. 1 and the pencil mark San Fran, which appears on page one of Deposition No. 1?

MS. BROWNING: Yes.

MR. BEST: Thank you very much.

MS. BROWNING: And we may as well read that description because I will be asking other questions. There are pencil marks for abbreviation New York, page one, and on page three there is the pencil mark for receipt book. Those were placed on the exhibit as well as the attachment and number given at the bottom of each of the pages and as well as July 10 has been penciled in at the bottom of the pages.

MR. BEST: Thank you.

BY MS. BROWNING:

Q With regard, Mr. Shapiro, to the two expenditures which have been identified as expenditures for the reception held for Henry Jackson —

MR. BEST: In Baltimore.

MR. BROWNING: Baltimore. Do you recall anything about

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those expenditures having been made?

THE WITNESS: No. I do not recall.

BY MS. BROWNING:

Q Do you recall that reception having been held?

MR. BEST: Do you have any awareness now of having had an awareness in '76 with regard to the Baltimore reception?

THE WITNESS: I am aware now that there was such a reception. I was not aware at that time. I would think that the date is the first week of June.

BY MS. BROWNING:

Q Simply for the record let me ask a few more questions regarding that reception. Do you know whether all costs incurred for the holding of that reception were paid for by MEBA's Political Action Fund?

A No. I do not.

Q Do you know whether the Political Action Fund was the sole sponsor of that event? By that I mean planned and paid for it.

A No. I do not.

Q Do you know whether any solicitations for contributions to the Political Action Fund were made during the reception in Baltimore?

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A No. I do not.

Q With regard to the Baltimore reception do you know whether Senator Jackson was in attendance?

A I am aware of it now. I was not at that time.

Q Do you know now whether Senator Jackson was in attendance at the San Francisco reception?

A No. I do not.

Q Do you know now who was in attendance? I do not mean the specific individuals, but do you know what groups of people may have been in attendance at the Baltimore reception, that is a particular union or particular officers of unions? Is there any way you could characterize or know of any?

A Not really. Not being aware at that time of the reception, there would be no way I could tell.

Q How about with regard to the San Francisco reception?

A No.

Q Let me ask you questions concerning some expenditures for a New York reception which I am now identifying, some expenditures from page one of the exhibit.

MS. BROWNING: To go off the record.

MR. BEST: No. I want to stay on the record because this is the first time I have heard any reference to the New York

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reception. While we have had conversations in the past about the Baltimore and San Francisco receptions, and I am prepared to accept whatever is going to be the extent of the deposition, we certainly have not had any discussions about a New York reception, so I am waiting with some interest with regard to your questions.

MS. BROWNING: Although I may not have specifically identified this reception separately, it is referred to in both of the letters which I did give you copies of, I believe, questions which we had asked of the Political Action Fund and which were responded to by Mr. Markowitz.

MR. BEST: Counsel, I am not suggesting that the subject matter of some New York receptions may be beyond the province of the Commission, or that you may not have inquired about it in the past, but really, in terms of adequacy of notice as to the extent of this examination and furnishing of the witness and the effectiveness of counsel, I hadn't the faintest idea you were going to ask us questions with regard to the New York receptions. Therefore, I am waiting.

BY MS. BROWNING:

Q The first expenditure I would like to identify on page one of Deposition Exhibit 1 is an expenditure to the

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New York Essex House. The purpose of that expenditure is Deposit re rental of suite for New York Labor Committee for Senator Henry Jackson. The date is given as April 6, 1976, for the expenditure, and the amount is $700. On the same page is an entry for an expenditure made to the Marriott Essex House, the purpose of which is given as Balance of expenditure re suite for New York Labor Committee for Senator Jackson, plus beverage, food, et cetera. The date for that expenditure is April 20, '76, and the amount is $1,176.48.

Do you recall signing the checks for those expenditures?

MR. BEST: Before he answers any question in this area, I want to have an opportunity to consult with him. This is the first time I have heard these questions, and I want to know what the extent of his knowledge is. Every time you ask a question I am going to stop it, sit down with the witness and find out what the answers are.

MRS. BROWNING: I will be asking the same kind of questions I asked regarding the other receptions.

MR. BEST: With your permission we will go off the record.

(Discussion off the record.)

BY MS. BROWNING:

Q Back on the record. Mr. Shapiro, I believe I had

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asked if you recall signing the checks for those expenditures which I identified.

MR. BEST: You are referring to the New York expenditures?

MS. BROWNING: New York expenditures.

THE WITNESS: No. I do not recall.

BY MS. BROWNING:

Q Do you have any recollection now that that reception was held?

A Yes. I am vaguely aware that it was held.

Q Did you attend that reception?

A I believe I attended.

Q Do you remember whether all costs incurred in connection with that reception were paid for by the Political Action Fund?

A I believe so.

Q Do you recall whether the Political Action Fund was the sole sponsor of that event? By that I mean planned and paid for it?

A I believe that is true.

Q Do you know whether any solicitations for contributions to the Political Action Fund were made at that event?

A I don't believe so.

Q Can you recall any group of people who were in

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attendance at the New York reception. What I mean by that is whether you can characterize the names of the unions whose representatives were there and any other kinds of groups?

A No. I wouldn't be able to do that.

Q Do you know if Senator Jackson was in attendance?

A No. I do not.

Q Do you recall having had any communications with either Senator Jackson or members of his staff or campaign committee with regard to any of the details of the New York reception?

MR. BEST: You mean with regard to whether he was going to attend?

MS. BROWNING: No. Any planning or organizing of payments of expenses.

THE WITNESS: No. I do not recall.

BY MS. BROWNING:

Q All right. I would like to next address the purchase of receipt books which is listed on page three of Deposition Exhibit 1, and this particular expenditure is the first one on the page, and it is made to Martin Stationery Company, 71 Murray Street, New York. The purpose of the expenditure is given as Printing of Receipt Books Re: Henry Jackson. The

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date for that expenditure is listed as May 11, '76, and the amount is $2,337. I believe that is twelve cents. It is a bit fuzzy. It looks like twelve cents. Do you recall signing the check for this particular expenditure?

A No. I do not.

Q Do you recall the fact that these receipt books were purchased? Do you have knowledge now that the receipt books were purchased?

A Vaguely; yes.

Q Do you remember having had knowledge at that time?

A No. I do not.

Q Do you know whether the Political Action Fund paid the entire cost of the receipt books for whatever event this was in connection with?

MR. SIMON: Counsel, I will object on the ground it assumes a fact in evidence which may be erroneous, that is specifically, that it was in connection with an event.

MS. BROWNING: Let me ask a question first whether you know, Mr. Shapiro, that the purpose of the receipt -- for what purpose were the receipt books purchased?

THE WITNESS: At that time I do not know.

BY MS. BROWNING:

Q Do you know now for what purpose?

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A Specifically I could not give you an answer.

Q Could you give me any information you have now regarding the purpose for which the receipt books were purchased?

A No. I could not.

Q Are you aware of any solicitation efforts that were made by the Political Action Fund regarding the collecting of contributions for Senator Jackson's campaign?

MR. BEST: What time; what place?

MS. BROWNING: During the first six months of '76.

THE WITNESS: No. I am not.

MS. BROWNING: You are not aware now of any solicitations of contributions that were made during the first six months of '76 with regard to contributions to Senator Jackson's campaign?

MR. BEST: Will you repeat the question.

MS. BROWNING: You are not aware now of any solicitations of contributions that were made during the first six months of '76 with regard to contributions to Senator Jackson's campaign?

MR. BEST: Excuse us for a moment.

(Discussion off the record.)

MR. BEST: Let's go on the record, counsel. The problem is, as I am sure you are aware, the question what is a person's awareness at that time, 1976, and what is his present awareness, and if he has a present awareness, what the derivation of

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that awareness, and speaking for Mr. Shapiro, and I will let him testify for himself, it is clear to me that he presently has no recollection whether he was aware in '76 whether the solicitations were going on. However, he does have some awareness today, predicated on his contact with counsel, and those contacts were generally to the effect that these questions would be the subject matter of inquiry. Now does that -- have I stated your state of mind today?

THE WITNESS: Correct. That is correct.

MS. BROWNING: On the assumption that you per chance have some present knowledge that is not restricted to what counsel may have told you, I would like to ask a couple of questions with regard to the purchase of receipt books. Are you presently aware of a solicitation effort to collect contributions for Senator Jackson's campaign, the solicitation itself having taken place back during the first six months of '76, but do you have any present knowledge that it took place?

MR. BEST: Independent of what has been told to you by counsel? What are you asking?

MS. BROWNING: I am asking are you presently aware --

MR. BEST: You can't ask that question, because that goes to the attorney-client privilege. In the same form if you want

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to ask the witness whether he has knowledge today, independent of what his attorneys have told him, you may do so.

MS. BROWNING: Would you mind if we go off the record for a moment?

MR. BEST: Sure.

(Discussion off the record.)

BY MS. BROWNING:

Q Mr. Shapiro, do you have any knowledge, other than information provided to you by counsel, of solicitations for contributions to Senator Jackson's campaign during the first six months of '76?

A No. I do not.

MS. BROWNING: I would like to go off the record again.

(Discussion off the record.)

BY MS. BROWNING:

Q Mr. Shapiro, I would like to ask you some questions which concern communications, contacts, or some sort of relationship which the Political Action Fund may have had with Senator Jackson or the Jackson campaign committee during the first six months of '76. So the questions I will be asking you concern the period of the campaign, the first six months of '76 specifically.

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MR. SIMON: When you are referring to the Jackson campaign committee, you are referring to --

MS. BROWNING: Jackson for President Committee, which was the principal campaign committee for Senator Jackson.

BY MS. BROWNING:

Q Did you ever have any communications with Senator Jackson regarding activities of the Political Action Fund?

A I don't believe so.

Q Did you have any communications with members of his staff, and by that I mean his senatorial staff or his principal committee, his campaign staff, regarding activities of the Political Action Fund.

A I just don't recall any such incidents.

MR. BEST: Is it possible you could have had such contact?

THE WITNESS: Yes. It is possible.

BY MS. BROWNING:

Q Do you know whether any officers of the Political Action Fund might have communicated with Senator Jackson regarding the activities of the Political Action Fund?

MR. BEST: Would you read that back.

(The pending question was read by the reporter.)

MR. SIMON: In connection with Senator Jackson are you

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referring to '76?

MR. BROWNING: Yes. Let me repeat the question.

MR. BRAT: Sure.

BY MS. BROWNING:

Q Do you know whether any officers of the Political Action Fund had any communications with Senator Jackson? This is the first six months of '76 regarding the activities of the Political Action Fund.

A I do not recall any specifics, but it is possible that they did.

Q Do you know whether any of the officers of the Political Action Fund had communications with members of Senator Jackson's staff, his campaign staff or senatorial staff, regarding activities of the Political Action Fund?

A It is possible, but I don't recall any instances.

Q Did you do any work? By that I mean work for which you were reimbursed?

A I don't believe so.

Q Do you know any officers of the Political Action Fund who carried out work for the committee for which they were reimbursed?

A I don't recall any, but that is possible.

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Q Did you have any business relationships or social relationships which could have brought you into contact with Senator Jackson during the first six months of '76?

A I don't recall any.

Q Did you have any communications with Senator Jackson during the first six months of '76?

A I doubt it.

MR. BEST: How many times have you spoken with Senator Jackson in your life?

THE WITNESS: Well, if I walked in front of him now, I doubt that he would know me. It is just as well.

(Laughter.)

BY MS. BROWNING:

Q This question involves several names of persons who had some association with the Jackson campaign, that is the Jackson for President Campaign Committee. And I am asking you about any communications or contacts during the first six months of '76. Robert Keefe.

MR. BEST: Do you know Robert Keefe?

THE WITNESS: Yes.

MR. BEST: Who is he?

THE WITNESS: He was on Jackson's staff.

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MR. BEST: With regard to the question, did you have any communications with him during the first six months of '76?

THE WITNESS: I really can't recall, but it is possible.

BY MS. BROWNING:

Q Do you know Walter Skallerup?

A I don't recall him at all.

Q I take it then you would not recall having any communications with him during the first six months of '76?

A I don't recall. I would probably have to see his face.

Q Do you know Martin Katz?

A I don't recall.

Q Do you know Richard Klein?

A I don't remember Richard Klein.

Q Do you know Sterling Monroe?

A Yes. I do know Sterling.

Q Who is Sterling Monroe?

A I don't know who he is now, but at that time I think he was Jackson's deputy or aide.

Q Do you recall having any communications with Sterling Monroe during the first six months of '76?

A No. I don't recall, but it is possible.

MR. BEST: With regard to the question, did you have any communications with him during the first six months of '76?

THE WITNESS: I really can't recall, but it is possible.

BY MS. BROWNING:

Q Do you know Walter Skallerup?

A I don't recall him at all.

Q I take it then you would not recall having any communications with him during the first six months of '76?

A I don't recall. I would probably have to see his face.

Q Do you know Martin Katz?

A I don't recall.

Q Do you know Richard Klein?

A I don't remember Richard Klein.

Q Do you know Sterling Monroe?

A Yes. I do know Sterling.

Q Who is Sterling Monroe?

A I don't know who he is now, but at that time I think he was Jackson's deputy or aide.

Q Do you recall having any communications with Sterling Monroe during the first six months of '76?

A No. I don't recall, but it is possible.

Q Do you know Hershey Gold?

A No. I do not recall. It would have to be faces to me.

MR. BEST: How do you spell the last name of the last individual?

MS. BROWNING: G-o-l-d.

MR. BEST: First name?

MS. BROWNING: H-e-r-s-h-e-y, is the way I have it written here. I believe that is his middle name.

BY MS. BROWNING:

Q Do you have any knowledge of a group called the National Labor Committee?

A I can't identify it.

Q Do you have any knowledge of a group of labor officers who -- let me ask it this way: Were you aware of any group of labor officials who were organized by the Jackson for President Committee during the first six months of '76?

A I could have attended such meeting, the specifics of which I don't recall.

MR. BEST: Could you tell us what you mean by organized? He has answered in terms of a meeting, and I am confused by your question, and I am not sure his answer is responsive.

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MS. BROWNING: Let me, first of all, identify information that I have which is around April of '76, a meeting was held with persons from the staff of the Jackson for President Committee, and this group was loosely described as the National Labor Committee. Do you have any knowledge of such a group?

THE WITNESS: The name is not familiar to me.

BY MS. BROWNING:

Q Do you recall attending an April, '76 meeting with the Jackson for President campaign people? Specifically, Mr. Robert Keefe was in attendance.

A No. I don't recall. I could have attended, but I just do not recall.

MS. BROWNING: I think I have no further questions. If you would like to add anything, you may.

MR. SIMON: Will you give us a moment.

(Discussion off the record.)

EXAMINATION BY COUNSEL FOR LEON SHAPIRO

BY MR. BEST:

Q Mr. Shapiro, let me ask you this question. You adverted earlier in your testimony to a medical problem which you had in '76. Do you recall testifying with regard to that?

A Yes. I do.

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Q When were you hospitalized in '76?

A I think the first week in June.

Q And in the period prior to the first week in June were you suffering from a symptom of the illness that ultimately resulted in your hospitalization?

A From March through '76.

Q Again, in March '76, what symptom did you observe in yourself?

A Heavy fevers. Constantly raging fevers.

Q And were you, because of this illness, were you kept from your official duties in the period from March to June of '76, from time to time.

A No. I was going to be a hero.

Q And you performed your duties during that period?

A Yes. That is correct.

Q If you had to characterize your efficiency in that period of March, 1976, until the time of your hospitalization, how would you characterize it, sir?

A I have no way to describe it.

Q Were you up to par?

A Obviously not.

Q And how long were you hospitalized?

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A Several months. Two weeks in one hospital; two months in another.

Q And did you begin a period of convalescence thereafter? Just answer yes or no.

A Yes.

Q When did you begin your convalescence, that is, when did you leave the hospital?

A The end of September, '77.

Q '76 or '77?

A '76; the end of September, '76.

Q And how long a period of convalescence did you embark upon?

A Counsel, what do you mean by convalescence?

Q Well, did you go from the hospital to the office?

A To the office; I think I took a week off.

Q And when did you resume your official duties? The middle of September, 1976?

A Not really until January, although I physically was present in the office.

Q Once again, you were not up to par. Is that your testimony?

A Some people think I am still not.

Q Does MEBA use facsimile machines for signatures?

A Yes. For all the executive officers.

Q And I take it then there is a facsimile signature machine for your signature?

A Yes. There is.

Q And there was one in 176?

A Yes. That is correct.

Q Are you certain which of these documents or checks which bear your signature were actually signed by you, or were, in fact, signed by such a facsimile signature machine?

A No. I could not tell.

FURTHER EXAMINATION BY COUNSEL FOR THE FEDERAL ELECTION COMMISSION

BY MS. BROWNING:

Q I have one further question. During the period in which you were incapacitated, or not up to par, was someone fulfilling the responsibilities which you have been fulfilling before at MEBA?

A I would like to believe not.

(Laughter.)

THE WITNESS: What I really meant is that they might have relieved me without my knowing it. As far as I am concerned I have responsibility for those actions.

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BY MS. BROWNING:

Q Was there someone who was performing the functions you had performed for the Political Action Fund any time while you were ill?

A I suppose so; yes.

Q Do you know of any individuals?

A No. I do not.

Q Who was the officer of the Political Action Fund who was primarily responsible for decision making?

A There were four of us.

Q Could you identify them?

A For the political fund there were three of us: Charles Black; C. D. DePries, D-e-P-r-i-e-s, and myself.

Q And during the time you were ill there was no one else who was responsible, or primarily responsible, for decision making for the Political Action Fund other than Mr. DeFries and Mr. Black?

A I don't know at that point. But they operated without me.

Q Was Mr. Black there the entire six months of '76, at the Political Action Fund?

A I have to really describe -- there is no physical

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presence. His headquarters is San Francisco, and Mr. DeFries is New Orleans, and they operated out of those areas, Mr. Black in San Francisco, and DeFries in New Orleans.

Q When decisions were made --

MR. BEST: Excuse me. So we are clear on this, Mr. DeFries was in New Orleans in '76? That is what you testified.

THE WITNESS: He has recently been relocated, but that has been in the past month.

BY MS. BROWNING:

Q When decisions were made to spend money or conduct certain activities on behalf of the Political Action Fund, how would the decisions be made? That is would you meet with the other officers?

A Either by discussing on the phone if each executive officer was in his regional headquarters; or by mail. If they were interested in the candidate, they might drop into another office and say we ought to look into this.

Q Were there any persons at the Marine Engineers Beneficial Association who were not officers of the Political Action Fund who were in on those decisions, that is, who had some responsibility for making those decisions?

A Well, we did have counsel and the chief accountant,

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but they did not make those decisions on candidates. Their decisions were made on the propriety of it, whether it is appropriate and legal.

Q I hate to belabor this, but the decisions as to activities that were carried out by the Political Action Fund were made either by you, Mr. DeFries or Mr. Black?

A I would have to identify which decisions you were talking about.

Q The decisions concerning what activities could be carried out by the --

A Like who were we supporting?

Q Who would be supported, the expenditures that would be made for projects, passing out buttons, or whatever. Those kinds of activities.

A The answer is yes; we would occasionally consult with the executive officer, Mr. Calhoun.

Q Mr. Calhoun is the executive officer?

A He is the president of the union.

Q He was not an officer of the fund. I have no further questions.

MR. BEST: We have no further questions.

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(I have read the foregoing pages 3 through 39, inclusive, which contain a correct transcript of the answers made by me to the questions therein recorded.)

LEON SHAPIRO

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CERTIFICATE OF SHORTHAND REPORTER

I, Bobbie C. Lake, shorthand reporter, do hereby certify that the testimony of the witness appearing in the foregoing deposition at pages 3 through 39, inclusive, was taken by me in shorthand and thereafter reduced to typewriting by me; that the said deposition at said pages is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.

_____

Shorthand Reporter

BL ends.

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