



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 2709

DATE FILMED 4/25/89 CAMERA NO. 3

CAMERAMAN AS

89040731378

VIA FEDERAL EXPRESS



First Interstate Bank
of Northern Indiana, N.A.
Main Office
112 West Jefferson Blvd.
P.O. Box 1512
South Bend, IN 46634
219 237-3300

HAND DELIVERED

FEDERAL ELECTION COMMISSION

88 SEP 29 PM 12:21

OGC # 540
Mar 2709

September 28, 1988

Office of General Counsel
Federal Election Commission
999 E Street NW
Washington, DC 20463

Re: Americans for Bush

Gentlemen:

Enclosed herewith is a notarized letter written by Charles Frederick Cunningham II in the attempt to have the \$1,000 contribution sent on October 9, 1987 to Americans for Bush returned to him immediately.

Mr. Cunningham intended the contribution to be used in Mr. Bush's campaign for the Presidency of the United States.

Anything you can do to expedite the return of this money will be greatly appreciated.

I can be reached at the above address or at (219) 237-3314 if you have any questions.

Many thanks for your attention.

Very truly yours,

Jeanne B. King
Jeanne B. King
Secretary
Trust Division

Enclosure

06-2654-0

88 SEP 29 PM 4:07

FEDERAL RECEIVED
FEDERAL ELECTION COMMISSION

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9/27/88

This letter authorizes Jeanne King
to act on my behalf in recovering the
\$1000 stolen from me by Americans for Bush
under the criminal directorship of Admiral Thomas H.
Moorer.

Charles Frederick Cunningham II

VICTIM OF FRAUD

17325 Dragoon Trail
Mishawaka, IN 46544

STATE OF INDIANA

SS:

COUNTY OF ST. JOSEPH

Before me the undersigned, a Notary Public for St. Joseph County,
State of Indiana, personally appeared Charles Frederick Cunningham, II
and he being first duly sworn by me upon his oath says that the facts
alleged in the aforementioned instrument are true. Signed and sealed
this 27th day of September 1988.

Ellen L. Leazenby
Ellen L. Leazenby, Notary Public
A resident of St. Joseph County, IN

My commission expires: August 6, 1992

89040731390



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

October 6, 1988

Charles Frederick Cunningham, II
17325 Dragoon Trail
Mishawaka, IN 46544

RE: MUR 2709

Dear Mr. Cunningham:

This letter acknowledges receipt on September 29, 1988, of your complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended (the "Act"), by the National Security PAC and Elizabeth I. Reddy, as treasurer. The respondents will be notified of this complaint within five days.

You will be notified as soon as the Federal Election Commission takes final action on your complaint. Should you receive any additional information in this matter, please forward it to the Office of the General Counsel. Such information must be sworn to in the same manner as the original complaint. We have numbered this matter MUR 2709. Please refer to this number in all future correspondence. For your information, we have attached a brief description of the Commission's procedures for handling complaints. If you have any questions, please contact Patricia Dixon, Docket Chief, at (202) 376-3110.

Sincerely,

Lawrence M. Noble
General Counsel

By: 
Lois G. Lerner
Associate General Counsel

Enclosure
Procedures

cc: Jeanne B. King, Secretary
Trust Division
First Interstate Bank Of Northern
Indiana
112 W. Jefferson Blvd.
PO Box 1512
South Bend, IN 46634

89040731381



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

October 6, 1988

Elizabeth I. Fedlay, Treasurer
National Security PAC
1919 Pennsylvania Avenue, NW
Suite 300
Washington, DC 20036

RE: MUR 2709
National Security PAC
and Elizabeth I. Fedlay,
as treasurer

Dear Ms. Fedlay:

The Federal Election Commission received a complaint which alleges that the National Security PAC and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2709. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you and the National Security PAC in this matter. 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. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

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If you have any questions, please contact James Brown, the staff member assigned to this matter, at (202) 775-3200. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noodle
General Counsel



By: Lois G. Lerner
Associate General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

06C 1061

LAW OFFICES
WUNDER & DIEFENDERFER
1615 L STREET, N. W., SUITE 650
WASHINGTON, D. C. 20036
(202) 659-3005
TELECOPIER: 659-3010

November 15, 1988

Mr. Lawrence M. Noble
General Counsel
Federal Election Commission
999 E Street
Washington, D.C. 20463

RE: MUR 2709
National Security PAC and
Elizabeth I. Fediay, as
Treasurer

Dear Mr. Noble:

On behalf of National Security PAC (NSPAC) and Elizabeth I. Fediay as Treasurer, I have been requested to respond to your letter in the matter captioned above. Pursuant to 2 USC 437g(a) (1), the following is presented as evidence to indicate that there has been no violation of the Federal Election Campaign Act of 1971, as amended (FECA) by the named respondents.

The commission has received a letter from Mr. Charles Cunningham, II through Ms. Jeanne B. King of First Interstate Bank, requesting a refund from NSPAC for a \$1,000 contribution. Mr. Cunningham was one of tens of thousands of individuals who have contributed to NSPAC during the past year. His contribution had been received by NSPAC and properly disclosed on the NSPAC monthly report.

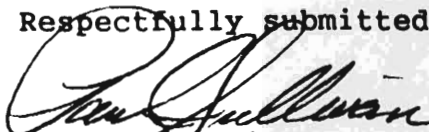
NSPAC received a request for reimbursement along with many other individuals. On October 14, 1988, NSPAC forwarded to Mr. Cunningham a reimbursement check for \$1,000. The check has been cashed by Mr. Cunningham and NSPAC has received the cancelled check (see Attachment A).

As a matter of course, when NSPAC receives a request for refunds of contributions, they are complied with notwithstanding the fact that there are no provisions of the FECA which specifically require such refunds. A review of the NSPAC disclosure reports will indicate the refund of several contributions which evidences this policy.

LAW OFFICES
WUNDER & DIERENDERFER

Therefore, I would submit that there has been no violation of any provision or policy of the FECA in the above referenced matter and hereby request that the commission find no reason to believe and close the file.

Respectfully submitted,



Paul E. Sullivan
Counsel, NSPAC

8 2 0 4 0 7 3 1 3 8 4

Enclosures

cc: Thomas J. Josefiak, Chairman
Danny L. McDonald, Vice-Chairman
Joan D. Aikens
Lee Ann Elliott
John W. McGarry

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2709

NAME OF COUNSEL: Paul E. Sullivan

ADDRESS: Wunder & Diefenderfer
1615 L Street, N.W. - Suite 650
Washington, D.C. 20036

TELEPHONE: 202/659-3005

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

11/2/48
Date

[Signature]
Signature

RESPONDENT'S NAME: Elizabeth I. Fediay

ADDRESS: National Security PAC
1919 Pennsylvania Avenue, NW - Suite 300
Washington, D.C. 20036

HOME PHONE: _____

BUSINESS PHONE: 363-9472

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1515

NATIONAL SECURITY POLITICAL ACTION COMMITTEE

3200 MORRISON STREET, N.W.
WASHINGTON, DC 20015

153540

PAY
TO THE
ORDER OF

C. Fred Cunningham
10-25-88 004 05\$10970 -

One Thousand & 00/100

DOLLARS

RIGGS

The Riggs National Bank of Washington DC
CHEVY CHASE OFFICE
CONNECTIONAL AVENUE, WASHINGTON, DC 20015

W. J. Riggs

FOR *Cont. Op. Fund*

⑈001515⑈ ⑈054000030⑈ 08⑈08539959⑈

⑈0000100000⑈

FOR DEPOSIT
ONLY C.F. CUNNINGHAM

0230 66125

(215) 237-3463
INTERSTATE BANK,
1000 BROADWAY
NEW YORK, N.Y. 10003

OCT 24 88
PAY ANY BANK

0520-0027-8
0520-0027-8
0520-0027-8

0710-0930-1
444574134 10-25-88

88 DEC -9 AM 9:57

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

FIRST GENERAL COUNSEL'S REPORT

SENSITIVE

MUR 2709
DATE COMPLAINT RECEIVED
BY OGC: September 29, 1988
DATE OF NOTIFICATION TO
RESPONDENTS: October 6, 1988
STAFF MEMBER: J. Albert Brown

COMPLAINANT: Charles Fredrick Cunningham II

RESPONDENTS: Americans for Bush, a special project of
National Security Political Action
Committee and Elizabeth Feday, as
treasurer

RELEVANT STATUTE: Not Applicable

INTERNAL REPORTS CHECKED: National Security Political Action
Committee contribution Schedule A for
October 1987, November 1987, December
1987, January 1988, and the 1988
Pre-General Schedule B.

FEDERAL AGENCIES CHECKED: NONE

I. GENERATION OF MATTER

Jeanne B. King, Secretary of the Trust Division of First Interstate Bank of Northern Indiana, filed a complaint on behalf of Charles Frederick Cunningham II in an attempt to have a \$1,000 contribution returned. The complaint alleges that Mr. Cunningham sent a contribution of \$1,000 on October 9, 1987, to Americans for Bush, believing that organization to be an authorized committee of then presidential candidate George Bush.

The complaint specified in writing that Ms. King is authorized to act on the Complainant's behalf. Complainant requested that the FEC expedite the return of this contribution.

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II. FACTUAL AND LEGAL ANALYSIS

At the time of his contribution Complainant believed Americans for Bush to be the official committee of then presidential candidate George Bush. Because National Security Political Action Committee's ("NSPAC") special project, Americans for Bush, was not the intended benefactor of his gift, Mr. Cunningham alleges that the \$1,000 was "stolen" from him.

On November 15, 1988, counsel for Respondents filed a response which seems to make any issue in this MUR moot. See Attachment I. In that response, Respondent correctly indicated that Mr. Cunningham's contribution had been received and disclosed by NSPAC. This response stated that on October 14, 1988, NSPAC forwarded a reimbursement check to Mr. Cunningham for \$1,000. This fact is confirmed by the Respondent's 1988 Pre-General Schedule B. This reimbursement is also established by Respondents inclusion of a copy of the canceled reimbursement check which had been cashed by Mr. Cunningham. NSPAC claims that it is its custom to refund contributions when it receives requests to do so, despite the lack of any FECA provision requiring such refunds.

It is recommended that the Commission find no reason to believe that NSPAC nor Elizabeth Fediay, as treasurer, violated any section of the Act. This Office would have recommended the Commission find no reason to believe on the facts of this matter, even if the Respondent had not refunded the contribution. A committee may use the name of a candidate in its description of an independent expenditure project, and there is no evidence that

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the solicitation by NSPAC did not contain a proper disclaimer.

See Common Cause v. FEC, 842 F.2d 436 (D.C. Cir. 1988).

III. RECOMMENDATIONS

1. Find no reason to believe the National Security Political Action Committee and Elizabeth Fediay, as treasurer, violated any provision of the Federal Election Campaign Act of 1971, on the basis of the complaint filed in MUR 2709.

2. Approve the attached letters.

3. Close the file.

Lawrence M. Noble
General Counsel

12-8-88
Date

BY: 
Lois G. Lerner
Associate General Counsel

Attachments

Respondent's Response
Relevant 1988 National Security PAC Pre-General Schedule B
Letter to Respondent
Letter to Complainant

89040731388

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

Americans for Bush, a special project of)
National Security Political Action)
Committee and Elizabeth Feday, as)
treasurer)

MUR 2709

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on December 13, 1988, the Commission decided by a vote of 4-0 to take the following actions in MUR 2709:

1. Find no reason to believe the National Security Political Action Committee and Elizabeth Feday, as treasurer, violated any provision of the Federal Election Campaign Act of 1971, on the basis of the complaint filed in MUR 2709.
2. Approve the letters, as recommended in the First General Counsel's report signed December 8, 1988.
3. Close the file.

Commissioners Aikens, Elliott, McDonald and McGarry voted affirmatively for the decision;
Commissioners Josefiak and Thomas did not vote.

Attest:

12/13/88

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

Received in the Office of Commission Secretary: Fri., 12-09-88, 9:57
Circulated on 48 hour tally basis: Fri., 12-09-88, 12:00
Deadline for vote: Tues., 12-13-88, 4:00

89040731389



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

December 16, 1988

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Jeanne B. King, Secretary
Trust Division
First Interstate Bank of Northern
Indiana
112 W. Jefferson Blvd.
PO Box 1512
South Bend, IN. 46634

RE: MUR 2709
Americans for Bush, a
special project of
National Security PAC and
Elizabeth I. Fediay, as
Treasurer

Dear Ms. King:

On December 13, 1988, the Federal Election Commission reviewed the allegations of your complaint filed on behalf of Charles Frederick Cunningham, II, and dated September 28, 1988, and found that on the basis of the information provided in your complaint, and information provided by counsel for Respondents, there is no reason to believe National Security PAC nor Elizabeth I. Fediay, as treasurer, violated any statute within the Commission's jurisdiction. Accordingly, on December 13, 1988, the Commission closed the file in this matter. The Federal Election Campaign Act of 1971, as amended ("the Act") allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

Enclosure
General Counsel's Report

89040731390



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

December 16, 1988

Paul E. Sullivan
Wunder & Diefenderfer
1615 L Street, N.W., Suite 650
Washington, D.C. 20036

RE: MUR 2709
National Security PAC
and Elizabeth I. Fediay,
as Treasurer

Dear Mr. Sullivan:

On October 6, 1988, the Federal Election Commission notified your client, National Security PAC and Elizabeth I. Fediay, as treasurer, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

On December 13, 1988, the Commission found, on the basis of the information in the complaint, and information provided by you, that there is no reason to believe National Security Political Action Committee nor Elizabeth I. Fediay, as treasurer, violated any statute within the Commission's jurisdiction in this matter. Accordingly the Commission has closed this file.

This matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. If you wish to submit any materials to appear on the public record, please do so within ten days. Please send such materials to the Office of the General Counsel.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

Enclosure
General Counsel's Report

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 2709

DATE FILMED 1/25/89 CAMERA NO. 3

CAMERAMAN AS

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