



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 3543

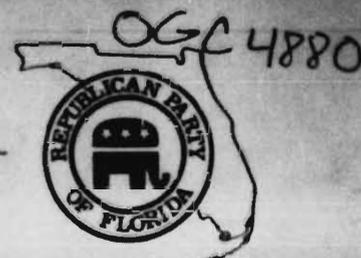
DATE FILMED 11/20/92 CAMERA NO. 4

CAMERAMAN E.E.S.

92040924117

Republican Party of Florida

Post Office Box 311 • Tallahassee, Florida 32302 • (904) 222-7920 • FAX: (904) 681-0184



June 11, 1992

MUR 3543

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

92 JUN 17 AM 11:39

Van B. Poole
Chairman

Sherry Plymale
Vice Chairman

Ida Jackson
Secretary

Jim Stelling
Treasurer

Ginny Dinkins
Assistant
Secretary

John Laurent
Assistant
Treasurer

Chester Clem
National
Committeeman

Maryanne Morse
National
Committeewoman

Mrs. Joan Aikens
Chairman
Federal Election Commission
999 E Street, N.W.
Washington, DC 20463

Dear Madame Chairman,

This letter constitutes a formal, sworn complaint pursuant to 2 U.S.C. 441e(a) of the Federal Election Campaign Act (the "Act") and provisions of the Commission's regulations, and sets forth reasons to believe that violations of the Act have been committed by the Friends of Bob Graham Committee, a committee registered with the Federal Elections Commission, as well as by Mr. Carlos Cardoen.

According to the St. Petersburg Times, May 1, 1992, p. 1B (copy attached), Mr. Cardoen is a citizen of Chile. Furthermore, as reported in Roll Call, April 30, 1992, p. 13, as well as the St. Petersburg Times, Mr. Cardoen and business associates organized a fund raising event benefiting Friends of Bob Graham, the principal campaign committee of Senator Bob Graham of Florida. According to the two articles cited above, the event, held August 7, 1986, raised approximately \$50,000.

As the Commission well knows, under Section 441e(a) of the Act "it [is] unlawful for a foreign national directly or through any other person to make any contribution... or for any person to solicit, accept, or receive any such contribution from a foreign national." 2 U.S.C. 441e(a).

Furthermore, under the Act, foreign nationals are prohibited from directly or indirectly participating in the decision-making process of a political committee with regard to federal election-related activities such as decisions concerning the making of contributions. 11 C.F.R., 1104(a)(3). Nor are foreign nationals permitted to act as conduits for contributions earmarked to candidates or their authorized committees. 11 C.F.R. 1106(b)(2)(ii).

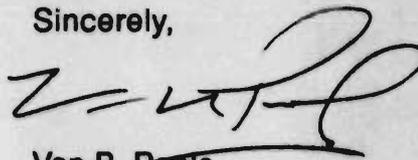
There is nothing in the newspaper accounts to indicate that the funds raised through Mr. Cardoen's efforts were ever refunded. In this respect, the actions of Friends of Bob Graham Committee and Mr. Carlos Cardoen constitute a continuing violation of the Act.

Based on the information set forth in the two newspaper articles and the

92040924118

authority cited herein, I ask that the Commission's Office of General Counsel expeditiously review this complaint and determine that it satisfies the criteria for opening a Matter Under Review into the alleged violations of the Act and Commission regulations. I swear that the above is true to the best of my knowledge.

Sincerely,



Van B. Poole
Chairman

Sworn to and subscribed before me this 11 day of June, 1992.

Barbara S. Morrison

Notary Public

My Commission Expires:

Notary Public, State of Florida
My Commission Expires May 24, 1995
Bonded thru Troy Fain - Insurance Inc.



CC: Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, DC 29463

92040924119

Graham from 1B

we do not accept their contributions," said Graham. "But that was not the case with Mr. Cardoen in 1985 and 1986."

Graham said he was still governor when he met Cardoen. Graham and his wife, Adele, were selling their home in Miami Lakes; Cardoen paid \$575,000 for it. Several months later, when Graham was running for the Senate, Cardoen and some business associates helped organize the fund-raising event. As a citizen of Chile, Cardoen could not personally contribute to Graham's campaign.



Bob Graham, above, says he dropped Cardoen from a group of supporters.

The senator said Thursday that his dealings with Cardoen were straightforward and routine. He never took any action on Cardoen's behalf, Graham said.

Nevertheless, the disclosure that Cardoen had helped raise money for Graham's campaign, made by the Capitol Hill newspaper *Roll Call*, was another example of how political contributions can come back to haunt their recipients.

Graham, a Democrat, is running for re-election this year, and the two Republicans in the race took the occasion to criticize him.

"It's outrageous, and it's the kind of thing to which he makes himself vulnerable when he takes all this money from special interests," said Rob Quartel, one of the Republicans.

The other GOP Senate candidate, former Congressman Bill Grant, pledged that "we will not accept money from foreign arms dealers who deal in death and destruction." As a challenger to a strong incumbent, however, Grant acknowledged that excessive campaign contributions are not among his big problems.

According to documents filed in federal court, Cardoen sold about \$200-million in cluster bombs to Iraq for use in its war against Iran.

Federal officials say that Cardoen violated export laws by shipping a metal called zirconium from the United States to his factory in Chile, where the bombs were made, and that he broke money-laundering laws by funneling the profits back for investment in Florida real estate.

When officials moved to seize Cardoen's real estate, Customs Commissioner Carol Hallet called him "one of the world's most notorious merchants of death." Cardoen did not return a telephone call to his Miami offices Thursday.

— Staff writer Bill Moss contributed to this report.

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
92 JUN 17 AM 11:41

9 2 0 4 0 9 2 4 1 2 0

Accused arms dealer was Graham supporter

■ The federal government says a man who helped raise \$50,000 for Bob Graham sold arms to Saddam Hussein.

By PAUL TASH
Times Washington Bureau Chief

WASHINGTON — Sen. Bob Graham was elected with financial help from an international arms dealer recently accused by the government of illegally selling bombs to Saddam Hussein's air force and funneling the profits back into Florida real estate.

Carlos Cardoen and some Miami-based business associates organized a fund-raising event that put about \$50,000 into Graham's 1986 campaign. As a result, Cardoen became a

member of the "Friends of Bob Graham," an organization of the senator's political supporters.

But Graham dropped Cardoen from that group in early April, when U.S. Justice and Customs officials moved to seize millions of dollars in Florida real estate owned or controlled by Cardoen. Officials said the property had been paid for with the profits from illegal arms sales.

Graham said Thursday that he did not learn of Cardoen's international arms dealing until recently. The senator said he was distressed by Cardoen's activities but not embarrassed to have benefited from his fund raising six years ago.

"If there are people who are known to have relationships that are suspect,

Please see **GRAHAM 7B**

92040924121



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

June 19, 1992

Van B. Poole, Chairman
Republican Party of Florida
P.O. Box 311
Tallahassee, FL 32302

RE: MUR 3543

Dear Mr. Poole:

This letter acknowledges receipt on June 17, 1992, of your complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended ("the Act"), by the Friends of Bob Graham Committee and Robin Gibson, as Treasurer, and Carlos Cardoen. 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 3543. 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.

Sincerely,

A handwritten signature in cursive script, reading "Jonathan Bernstein", is written over the typed name.

Jonathan A. Bernstein
Assistant General Counsel

Enclosure
Procedures

92040924122



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

June 19, 1992

Carlos Cardoen
c/o Westfield Holdings, Inc.
15485 Eagle Nest Lane
Suite 210
Miami Lakes, FL 33014

RE: MUR 3543

Dear Mr. Cardoen:

The Federal Election Commission received a complaint which indicates that you 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 3543. Please refer to this number in all future correspondence.

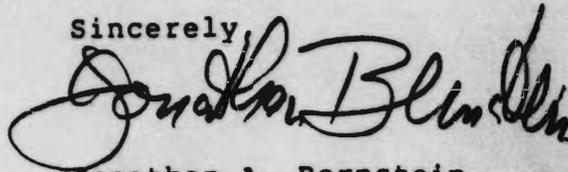
Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under 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 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

92040924123

If you have any questions, please contact Tony Buckley, the attorney assigned to this matter, at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



Jonathan A. Bernstein
Assistant General Counsel

Enclosures

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

92040924124



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

June 19, 1992

Carlos Cardoen
c/o Augusto Glangrandi
6945 Glen Eagle Drive
Miami Lakes, FL 33014-6507

RE: MUR 3543

Dear Mr. Cardoen:

The Federal Election Commission received a complaint which indicates that you 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 3543. Please refer to this number in all future correspondence.

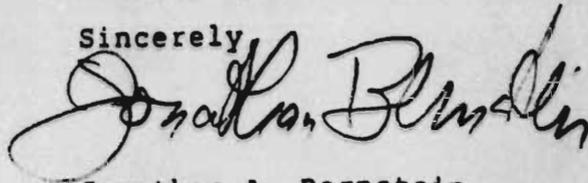
Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under 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 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

92040924125

If you have any questions, please contact Tony Buckley, the attorney assigned to this matter, at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



Jonathan A. Bernstein
Assistant General Counsel

Enclosures

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

92040924126



FEDERAL ELECTION COMMISSION
WASHINGTON, DC 20463

June 19, 1992

Friends of Bob Graham Committee
Robin Gibson, treasurer
P.O. Drawer 11307
Barnett Bank Building
Tallahassee, FL 32302

RE: MUR 3543

Dear Ms. Gibson:

The Federal Election Commission received a complaint which indicates that the Friends of Bob Graham Committee ("Committee") 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 3543. Please refer to this number in all future correspondence.

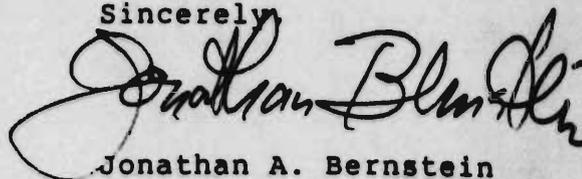
Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against the Committee and you, as treasurer, in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements 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 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

92040924127

If you have any questions, please contact Tony Buckley, the attorney assigned to this matter, at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



Jonathan A. Bernstein
Assistant General Counsel

Enclosures

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

cc: Bob Graham

9 2 0 4 0 9 2 4 1 2 8

PERKINS COIE

A LAW PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS
607 FOURTEENTH STREET, N.W. • WASHINGTON, D.C. 20005-2011 • (202) 628-6600

June 29, 1992

Tony Buckley
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR

3543

Dear Mr. Buckley:

Please find enclosed a designation of counsel in the above-referenced Matter Under Review.

We request an extension of 20 days to respond to the complaint. Because of the length of time that has passed since the event in question, and the need to coordinate with campaign staff in Florida, we are concerned we will not have adequate time to prepare a response within 15 days.

With the extension, the response would be due on July 30, 1992. If possible, we will file the response sooner than that date. If you have any questions, or need additional information, please contact one of the undersigned.

Very truly yours,

Robert F. Bauer
Judith L. Corley
Counsel for Friends of
Bob Graham Committee

enclosure

92 JUN 29 AM 10:30
RECEIVED
FEDERAL ELECTION COMMISSION

92040924129

[04005-0001/DA921810.005]

STATEMENT OF DESIGNATION OF COUNSEL

NUR 3543

NAME OF COUNSEL: Robert F. Bauer, Judith Corley/Perkins Coie

ADDRESS: 607 14th Street, Northwest
Suite 800
Washington, D.C. 20005

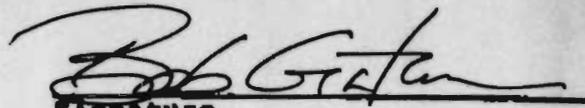
TELEPHONE: 202-434-1622 FAX 434-1690

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
92 JUN 29 AM 10:30

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.

June 26, 1992

Date


Signature

RESPONDENT'S NAME: Friends of Bob Graham Committee

ADDRESS: P.O. Drawer 11307
Barnett Bank Building
Tallahassee, FL 32302

HOME PHONE: _____

BUSINESS PHONE: _____

92040924130



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 30, 1992

Robert F. Bauer, Esq.
Judith L. Corley, Esq.
Perkins Coie
607 Fourteenth Street, N.W.
Suite 800
Washington, D.C. 20005-2011

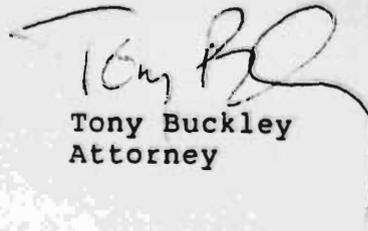
RE: MUR 3543
Friends of Bob Graham Committee

Dear Mr. Bauer and Ms. Corley:

This is in response to your letter dated June 29, 1992, which we received on that same date, requesting an extension of 20 days to respond to the complaint filed against your client, Friends of Bob Graham Committee. After considering the circumstances presented in your letter, the Office of the General Counsel has granted the requested extension. Accordingly, your response is due by the close of business on July 30, 1992.

If you have any questions, please contact me at (202) 219-3690.

Sincerely,



Tony Buckley
Attorney

92040924131

6cc 5060

ZUCKERMAN, SPAEDER, TAYLOR & EVANS

ATTORNEYS AT LAW
201 SOUTH BISCAYNE BOULEVARD
SUITE 900
MIAMI, FLORIDA 33131
(305) 579-0110

TELECOPIER
(305) 579-9749

TAMPA OFFICE
101 EAST KENNEDY BOULEVARD, SUITE 3140
TAMPA, FLORIDA 33602
(813) 221-1010

FORT LAUDERDALE OFFICE
1750 EAST SUNRISE BOULEVARD
FORT LAUDERDALE, FLORIDA 33304
(305) 525-0531

WASHINGTON, D.C. OFFICE
1201 CONNECTICUT AVENUE, N.W.
WASHINGTON, D.C. 20036
(202) 778-1800

MARYLAND OFFICE
300 EAST LOMBARD STREET
BALTIMORE, MARYLAND 21202
(410) 332-0444

July 2, 1992

LESLIE M. BERGER
BLAIR G. BROWN
KERRY W. KIRCHER
KONNA M. CLARK
ROSEMARIE SCHMIDT
BARBARA KRAMER MORGAN
DEBORAH J. JEFFREY
GARY D. WEINFELD
BARBARA L. WARD
LOUISE A. STOVALL
JULIE A. MACK
THOMAS B. MASON
BRUCE AMON JAMES
RICHARD B. ROSENBLATT
ELEANOR H. SMITH
ELLEN FISHEIN MILLS
ALAN H. SCHEINER
KAREN R. HOPKINS
SUSAN E. KESTNER
VIRGINIA A. WHITEHILL
THOMAS O. LAWTON, III
ROBERT GULACK
NORMAN L. EISEN
MARIA A. STAMOULAS
TURNER SWAN
RESIDENT IN MARYLAND†
HERBERT BETTER
DONALD J. MCCARTNEY
MELISSA HAMMERLEY CLARK
CYRIL V. SMITH
MARTIN S. HIMELES, JR.

JOHN F. EVANS
0841988

RESIDENT IN FLORIDA
RONALD B. RAVIKOFF
MICHAEL S. PASANO
MORRIS WEINBERG, JR.
JOHN F. LAURO
HUMBERTO J. PEÑA
GUY A. RASCO
BRYAN R. CLEVELAND
SHARON L. KEGERREIS
FREDERICK W. SALL
JENNIFER R. COBERLY
LAURA L. DIZNEY
TERESA HALLIGAN
RESIDENT IN WASHINGTON, D.C. †
ROGER E. ZUCKERMAN
MARK W. FOSTER
ROGER C. SPAEDER
BRUCE GOLDSTEIN
WILLIAM W. TAYLOR, III
PETER R. KOLKER
JANET M. MEIBURGER
STEPHEN H. GLICKMAN
MICHAEL R. SMITH
ANTHONY THOMPSON
NELSON C. COHEN
STEVEN M. SALKY
EDWARD C. BERKOWITZ
JUDITH STURTZ KARP
ERIC F. FACER
MARSHALL S. WOLFF
MARY LOUISE AMERINE

† NOT ADMITTED IN FLORIDA

Tony Buckley
Assistant General Counsel
Federal Election Commission
Washington, D.C. 20463

Re: Carlos Cardoen
MUR 3543

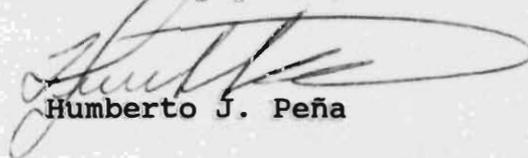
Dear Mr. Buckley:

Enclosed please find a designation of counsel form designating this firm as counsel for Dr. Cardoen in the above styled matter.

On July 1, 1992, we received notice that a complaint regarding Dr. Cardoen has been filed with the Federal Election Commission. Our client is a resident of the Republic of Chile. Apparently, the notice was sent to a Miami Lakes address, sent to Chile and then forwarded back to our offices. Because of the delay in receiving the notice, we request an extension of time of 20 days up to and including July 24, 1992, to respond to the complaint.

Thank you in advance for your courtesy in this regard.

Sincerely yours,


Humberto J. Peña

HJP:rm

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
92 JUL -7 AM 10:44

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM
JUL 6 11 24 AM '92

92040924132

STATEMENT OF DESIGNATION OF COUNSEL

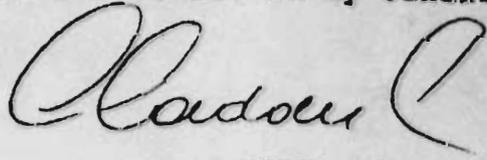
MUR 3543

NAME OF COUNSEL: MICHAEL S. PASANO & HUMBERTO J. PENA

ADDRESS: ZUCKERMAN, SPAEDER, TAYLOR & EVANS
201 South Biscayne Blvd., Suite 900
Miami, Florida 33131

TELEPHONE: (305) 579-0110

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.



July 2, 1992
Date

Signature

RESPONDENT'S NAME: CARLOS CARDOEN CORNEJO

ADDRESS: Avenida Ricardo Lyon 906
Providencia
Santiago, Chile

HOME PHONE: _____

BUSINESS PHONE: 56-2-274-8231

92040924133



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 7, 1992

Humberto J. Peña, Esq.
Zuckerman, Spaeder, Taylor & Evans
201 South Biscayne Boulevard
Suite 900
Miami, Florida 33131

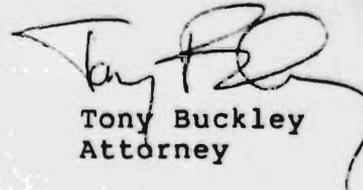
RE: MUR 3543
Carlos Cardoen

Dear Mr. Peña:

This is in response to your letter dated July 2, 1992, which we received on July 7, 1992, requesting an extension until July 24, 1992 to respond to the complaint filed against your client, Carlos Cardoen. After considering the circumstances presented in your letter, the Office of the General Counsel has granted the requested extension. Accordingly, your response is due by the close of business on July 24, 1992.

If you have any questions, please contact me at (202) 219-3690.

Sincerely,

A handwritten signature in black ink, appearing to read "Tony Buckley".

Tony Buckley
Attorney

92040924134

ZUCKERMAN, SPAEDER, TAYLOR & EVANS
ATTORNEYS AT LAW
201 SOUTH BISCAYNE BOULEVARD
SUITE 900
MIAMI, FLORIDA 33131
(305) 579-0110

JUL 24 9 48 AM '92

LEON M. BERGER
BLAIR G. BROWN
KERRY W. KIRCHER
KONNA M. CLARK
ROSEMARIE SCHMIDT
BARBARA KRAMER MORGAN
DEBORAH J. JEFFREY
GARY D. WEINFELD
BARBARA L. WARD
LOUISE A. STOVALL
JULIE A. HACK
THOMAS B. MASON
BRUCE AMON JAMES
RICHARD B. ROSENBLATT
ELEANOR H. SMITH
ELLEN FISHBEEK MILLS
ALAN H. SCHEINER
KAREN R. HOBKINS
SUSAN E. KESTNER
VIRGINIA A. WHITEHILL
THOMAS O. LAWTON, III
ROBERT GULACK
NORMAN L. EISEN
MARIA A. STAMOULAS
TURNER SWAN
RESIDENT IN MARYLAND†
HERBERT BETTER
DONALD J. MCCARTHEY
MELISSA HAMMERSLEY CLARK
CYRIL V. SMITH
MARTIN S. HIMELES, JR.
JOHN P. EVANS
(844-1985)

RESIDENT IN FLORIDA
RONALD B. RAVIKOFF
MICHAEL S. PABANO
MORRIS WEINBERG, JR.
JOHN F. LAURO
HUMBERTO J. PEÑA
GUY A. RABCO
BRYAN R. CLEVELAND
SHARON L. KEGERREIS
FREDERICK W. BALL
JENNIFER R. COBERLY
LAURA L. DIZNEY
TERESA MALLIGAN
RESIDENT IN WASHINGTON, D.C. †
ROGER E. ZUCKERMAN
MARK W. FOSTER
ROGER C. SPAEDER
BRUCE GOLDSTEIN
WILLIAM W. TAYLOR, III
PETER R. KOLKER
JANET M. MEIBURGER
STEPHEN H. GLICKMAN
MICHAEL R. SMITH
ANTHONY THOMPSON
NELSON C. COHEN
STEVEN M. SALKY
EDWARD C. BERKOWITZ
JUDITH STURTE KARP
ERIC F. FAGER
MARSHALL S. WOLFF
MARY LOUISE AMERINE

TELECOPIER
(305) 579-9749
TAMPA OFFICE
101 EAST KENNEDY BOULEVARD, SUITE 3140
TAMPA, FLORIDA 33602
(813) 221-1010
FORT LAUDERDALE OFFICE
1750 EAST SUNRISE BOULEVARD
FORT LAUDERDALE, FLORIDA 33304
(305) 825-0531
WASHINGTON, D.C. OFFICE
1201 CONNECTICUT AVENUE, N.W.
WASHINGTON, D.C. 20036
(202) 778-1800
MARYLAND OFFICE
300 EAST LOHARD STREET
BALTIMORE, MARYLAND 21202
(410) 332-0444

July 22, 1992

† NOT ADMITTED IN FLORIDA

Mr. Tony Buckley
Federal Election Commission
General Counsel's Office
Washington, D.C. 20463

Re: MUR 3543; Carlos Cardoen

To the Office of the General Counsel:

This letter represents the response of Dr. Carlos Cardoen¹ to the above-referenced Complaint.

INTRODUCTION

On June 11, 1992, the Republican Party of Florida, through its chairman, Van B. Poole, submitted a complaint against, inter alia, Dr. Carlos Cardoen, a Chilean citizen. The six paragraph complaint is entirely based upon two newspaper articles, copies of which were attached to it, and does not purport to contain any information other than what is set forth in the newspaper articles, which are also attached to this letter. Accordingly, this response focuses upon the two newspaper articles and demonstrates that there is no basis to take any action against Dr. Cardoen with respect to this matter.

Mr. Poole's "complaint" alleges that Carlos Cardoen, and business associates of his, organized a fundraising event in August 1986 benefitting the Friends of Bob Graham, the principal campaign

¹ The Complaint refers to Dr. Cardoen as "Mr. Carlos Cardoen."

9 2 0 4 0 9 2 4 1 3 5

92 JUL 24 PM 3:19
RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

committee for then Florida Governor Bob Graham's successful 1986 U.S. Senate campaign, and that approximately \$50,000 was raised for Senator Graham at the event.

The complaint then cites 2 U.S.C. §441(e)(a) and 11 C.F.R. §§110.4(a)(3) and 110.6(b)(2)(ii) without specifying any violations supposedly committed under those sections.²

² The statutory and regulatory provisions cited in the complaint are as follows:

2 U.S.C. §441e(a)

Contributions by foreign nationals

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

11 C.F.R. §110.4(3)

A foreign national shall not direct, dictate, control, or directly or indirectly participate in the decision-making process of any person, such as a corporation, labor organization, or political committee, with regard to such person's Federal or nonfederal election-related activities, such as decisions concerning the making of contributions or expenditures in connection with elections for any local, State or Federal office or decisions concerning the administration of a political committee.

11 C.F.R. §110.6(b)(2)(ii)

Any person who is prohibited from making contributions or expenditures in connection with an election for Federal office shall be prohibited from acting as a conduit for contributions earmarked to candidates or their authorized committees. The provisions of this section shall not restrict the ability of an organization or committee to serve as a collecting agent for a separate segregated fund pursuant to 11 CFR 102.6.

9 2 7 4 0 9 2 4 1 3 6

The complaint concludes by alleging that monies were raised by Dr. Cardoen, that funds raised were never refunded, and that the actions of the Friends of Bob Graham Committee and Carlos Cardoen therefore constitute a continuing violation of the Act.

ANALYSIS

The May 1, 1992 *St. Petersburg Times* article reported that

Carlos Cardoen and some Miami-based business associates organized a fundraising event that put about \$50,000 into Graham's 1986 campaign. As a result, Cardoen became a member of the "Friends of Bob Graham," an organization of the Senator's political supporters.

Graham said he was still governor when he met Cardoen. Graham and his wife, Adele, were selling their home in Miami Lakes. Cardoen paid \$575,000 for it. Several months later, when Graham was running for the Senate, Cardoen and some business associates helped organize the fundraising event. As a citizen of Chile, Cardoen could not personally contribute to Graham's campaign.

St. Petersburg Times, May 1, 1992 at 1B, 7B.

The April 30, 1992 *Roll Call* article reported that Carlos Cardoen

raised funds for the 1986 campaign of Sen. Bob Graham (D-Fla.) and was until recently a

2. cont'd/

11 C.F.R. §110.6(b)(2)

For purposes of this section, "conduit or intermediary" means any person who receives and forwards an earmarked contribution to a candidate or a candidate's authorized committee, except as provided in paragraph (b)(2)(ii) of this section.

92040924137

member of the Friends of Bob Graham, a group of top Graham supporters.

Carlos Cardoen and three Miami-based business associates, Anthony Mijares, Abbey Kaplan and Augusto Giangrandi... and their wives contributed a total of \$12,000 to Graham's 1986 campaign, all but \$500 of it coming in on a single day, August 7, 1986. On that day, a fundraiser was held for Graham at the home of Mijares, who managed Cardoen's real estate acquisitions and developments. Cardoen was part of the group that arranged the event, which Graham campaign records indicate raised about \$50,000.

According to Bill Graham, the president of the Graham Companies and the nephew of Sen. Graham, the Companies have dealt with Cardoen associate Mijares since the mid-1970's, well before Mijares went to work for Cardoen.

Roll Call, April 30, 1992, at 13, 18.

There is nothing whatsoever in either of the two articles attached to the complaint (which form the sole factual basis for the complaint) to indicate that Dr. Cardoen, much less the Friends of Bob Graham or Senator Bob Graham himself, committed any impropriety in connection with the August 7, 1986 fundraiser. Neither article states that Dr. Cardoen contributed money to Senator Graham or his committee. Further, the Roll Call article specifically reports that the fundraising event was held at the home of Mijares, not Cardoen, and accordingly, there can be no insinuation that by providing the location for the event, Dr. Cardoen provided something of value to Senator Graham within the meaning of 2 U.S.C. §441e(a). While the April 30, 1992 Roll Call article states that "[t]he four men and their wives contributed a total of \$12,000 to Graham's 1986 campaign," the article does not state that any person exceeded lawful contribution limits or that the \$12,000 contributed by the four men and their wives was

92040924138

improper in any way.

Undersigned counsel conducted a telephone inquiry on July 21, 1992 with Senator Graham's Washington, D.C. office and confirmed that Senator Graham did not receive a campaign contribution from Dr. Carlos Cardoen.

9 2 0 4 0 9 2 4 1 3 9

In addition, neither article identifies any manner in which Dr. Cardoen might have committed a violation of 11 C.F.R. §110.4(3), which prohibits a foreign national from directing, controlling, or participating in the decision-making process of a person or committee with regard to election-related activities, including the making of contributions or expenditures. Stated simply, Dr. Cardoen's alleged "co-hosting" of a fundraising event does not equate to directing, controlling or participating in the decision-making process of Senator Graham or his campaign committee with regard to any election-related activity, including the making of contributions, and cannot be seriously interpreted as such. We submit further that Dr. Cardoen in fact did not "co-host" this fundraising event. It was organized and arranged by Anthony Mijares, Augusto Giangrandi and Abbey Kaplan, and attended by Dr. Cardoen. Dr. Cardoen was at the time in question a part-time resident of Miami who had happened to buy a house from Senator Graham and who knew and worked with people who were Miami residents, independently supportive of then-Governor Graham's Senate campaign. Dr. Cardoen's involvement in the August 7, 1986 event was purely social and did not involve any decision-making or administration at all on behalf of Senator Graham or Friends of Bob Graham. Any suggestion otherwise is ludicrous.

Moreover, the articles in question clearly set forth that Dr. Cardoen's invitation to be on the committee was "extended" after the fundraising event, which belies the notion that his attendance at the party was tantamount to directing, controlling or participating in the campaign's decision-making process with regard to political contributions.

Finally, with respect to 11 C.F.R. §110.6(b)(2)(ii)'s proscription against a prohibited person's acting as a conduit for contributions, Dr. Cardoen denies that he in any way "received and forwarded" any contribution to Senator Graham or his committee in 1986 or thereafter. See 11 C.F.R. §110.6(b)(2). Neither article so much as intimates that this occurred.

CONCLUSION

This opportunistic "complaint," filed shortly before the upcoming election by the political party of Senator Graham's opponent, six years after the event in question, and at a time when Senator Graham was being interviewed for the Democratic Vice-Presidential nomination, seeks to build two arguably libelous news articles into a matter for review by the Commission.³ This is partisan politicking of the most transparent and shameful variety and should be seen as such by the Federal Election Commission.

We submit that Dr. Cardoen did not make or solicit any contributions. He did not participate directly or indirectly in the decision-making process of any political committee. He did not act as a conduit for political contributions. Any insinuation otherwise is baseless and false.

For the reasons set forth above, Dr. Cardoen has demonstrated legally and factually that no action should be taken against him based upon the complaint in this matter. We trust that you will agree.

Respectfully submitted,

Michael S. Pasano by FWS

Michael S. Pasano
Humberto J. Peña
Frederick W. Sall

Attorneys for Dr. Carlos Cardoen

MSP;FWS/raj

cc: Dr. Carlos Cardoen

³ We submit that the complaint is nothing more than an attempt to make political weight out of Dr. Cardoen's recent newsworthiness and pending legal cases, and should be summarily rejected.

92040924140

Accused arms dealer was Graham supporter

■ The federal government says a man who helped raise \$50,000 for Bob Graham sold arms to Saddam Hussein.

By PAUL TASH
Times Washington Bureau Chief

WASHINGTON — Sen. Bob Graham was elected with financial help from an international arms dealer recently accused by the government of illegally selling bombs to Saddam Hussein's air force and funneling the profits back into Florida real estate.

Carlos Cardoen and some Miami-based business associates organized a fund-raising event that put about \$50,000 into Graham's 1986 campaign. As a result, Cardoen became a

member of the "Friends of Bob Graham," an organization of the senator's political supporters.

But Graham dropped Cardoen from that group in early April, when U.S. Justice and Customs officials moved to seize millions of dollars in Florida real estate owned or controlled by Cardoen. Officials said the property had been paid for with the profits from illegal arms sales.

Graham said Thursday that he did not learn of Cardoen's international arms dealing until recently. The senator said he was distressed by Cardoen's activities but not embarrassed to have benefited from his fund raising six years ago.

"If there are people who are known to have relationships that are suspect,

Please see **GRAHAM 7B**

9 2 0 4 0 9 2 4 1 4 1

we do not accept their contributions," said Graham. "But that was not the case with Mr. Cardoen in 1985 and 1986."

Graham said he was still governor when he met Cardoen. Graham and his wife, Adele, were selling their home in Miami Lakes; Cardoen paid \$575,000 for it. Several months later, when Graham was running for the Senate, Cardoen and some business associates helped organize the fund-raising event. As a citizen of Chile, Cardoen could not personally contribute to Graham's campaign.



Bob Graham, above, says he dropped Cardoen from a group of supporters.

The senator said Thursday that his dealings with Cardoen were straightforward and routine. He never took any action on Cardoen's behalf, Graham said.

Nevertheless, the disclosure that Cardoen had helped raise money for Graham's campaign, made by the Capitol Hill newspaper *Roll Call*, was another example of how political contributions can come back to haunt their recipients.

Graham, a Democrat, is running for re-election this year, and the two Republicans in the race took the occasion to criticize him.

"It's outrageous, and it's the kind of thing to which he makes himself vulnerable when he takes all this money from special interests," said Rob Quarel, one of the Republicans.

The other GOP Senate candidate, former Congressman Bill Grant, pledged that "we will not accept money from foreign arms dealers who deal in death and destruction." As a challenger to a strong incumbent, however, Grant acknowledged that excessive campaign contributions are not among his big problems.

According to documents filed in federal court, Cardoen sold about \$200-million in cluster bombs to Iraq for use in its war against Iran.

Federal officials say that Cardoen violated export laws by shipping a metal called zirconium from the United States to his factory in Chile, where the bombs were made, and that he broke money-laundering laws by funneling the profits back for investment in Florida real estate.

When officials moved to seize Cardoen's real estate, Customs Commissioner Carol Hallet called him "one of the world's most notorious merchants of death." Cardoen did not return a telephone call to his Miami offices Thursday.

— Staff writer Bill Moss contributed to this report.

9 2 0 4 0 9 2 4 1 4 2

Arms Dealer Was a Big Fundraiser for Graham

Accused by US of Illegal Export of Bombs to Iraq

By Glenn R. Simpson
 A Chilean arms dealer, accused by the federal government of illegally exporting cluster-bomb technology to Iraq and termed "one of the world's most notorious merchants of death" by the top US Customs official, raised funds for the 1986 campaign of Sen. Bob Graham (D-Fla) and was until recently a member of the "Friends of Bob Graham," a group of top Graham supporters.
 Carlos Cardoen and three Miami-based business associates, Anthony Mijares, Abbey Kaplan, and Augusto Glasgrandi, were named in court papers April 5 as having illegally exported US weapons technology and engaged in numerous acts of money laundering.
 Acting jointly, the Justice and

Customs Departments seized some \$30 million in Cardoen-controlled assets, and US Customs Commissioner Carol Haller

The US Customs Commissioner called Cardoen 'one of the world's most notorious merchants of death.'

called Cardoen "one of the world's most notorious merchants of death." The legal actions taken were civil, and no criminal

charges have been filed against Cardoen, although he is the subject of an intense investigation.

The four men and their wives contributed a total of \$12,000 to Graham's 1986 campaign, all but \$500 of it coming in on a single day, Aug. 7, 1986. On that day, a fundraiser was held for Graham at the home of Mijares, who managed Cardoen's real estate acquisitions and developments. Cardoen was part of the group that arranged the event, which Graham campaign records indicate raised about \$50,000.

In the previous three years, Cardoen had built up a significant weapons business and had accumulated considerable wealth, much of it from selling weapons to Iraq for his war against Iran. Cardoen eventually sold Iraq \$200 million worth of bombs.

According to the Justice and Customs filings, in 1982 Cardoen's company, Incar, "undertook the worldwide marketing of a range of military products, including a Cardoen-designed and manufactured 'cluster bomb.'"

Cardoen's cluster bomb is a weapon of awesome destruction, capable of saturating an area of 90,000 square meters—about ten football fields—with shrapnel and flames. At a meeting in Miami in July 1982, a sales agent for the cluster bomb was appointed to market the weapon to Iraq, Saudi Arabia, and Lebanon. Illegal exports by Cardoen of zirconium, a radioactive material that gives the

Through an intermediary, Cardoen bought Graham's Miami Lakes home.

bombs their incendiary power, began in 1984 and continued until 1988, the US government charges.

"Following the execution of Incar's first contract in February



Photo by Maurus Keating

San. Graham invited Cardoen to join "a select group of supporters who have in large measure made our success possible—the Friends of Bob Graham." At the time, said a Graham aide, the Senator believed that Cardoen was "an industrialist and engineer."

1984 with Iraq for cluster bombs manufactured with zirconium illegally exported from the United States, the money started flowing to Cardoen," the Justice/Customs filing states.

"With these substantial sums of money flowing from the sales of munitions, including but not limited to the sale of cluster bombs, and the prospect of even greater sums to follow, Cardoen consolidated his businesses, other than the actual manufacture and assembly of the munitions, and established them in Miami, Florida."

Cardoen located his personal office and the headquarters of one of his companies, Swissco Management Group Inc., in the community of Miami Lakes, a drive-in operation which was started by Graham's family and in which Graham owned a home and other property. The real estate was seized earlier this month under

money laundering statutes, and prosecutors said it was bought with profits from the cluster bomb sales.

Mijares gave the first \$500 to the Graham campaign on Dec. 26, 1985. According to Florida land records and other documents, two weeks later, on Jan. 4, 1986, Graham and his wife Adele sold their home in Miami Lakes to Glasgrandi, acting as a trustee for Cardoen, for some \$575,000. According to Graham's press secretary Ken Kleiss, Graham met Cardoen through that transaction. The property has not been seized by the government, however, because it was resold in 1991.

There is no evidence that Glasgrandi and Cardoen paid an above market price for the Graham property.

On Nov. 21, 1986, Graham asked Cardoen to deliver in Tallahassee what would be, according to

Continued on page 18

9 2 0 4 0 9 2 4

9 2 0 4 0 9 2 4 1 4 4

Arms Dealer 'Friend of Graham'

Continued from page 13
the invasion, "the first event for a select group of supporters who have in large measure made our success possible — the Friends of Bob Graham."

Graham invited Cardoen to join Friends of Bob Graham, which he wrote would "act as my core group

of key advisors on critical issues we face in the United States Senate." The group meets twice a year. Cardoen was also invited to attend a private inaugural reception for Graham in the Capitol.

Cardoen eventually wrote back that while he and his wife Angelica had been unable to attend the Thibodaux dinner, "Maria Angelica and I hope you received the flowers we sent you on that very special day." Cardoen said they would attend the inaugural in Washington.

Cardoen remained a member of Friends of Bob Graham until recently, according to Klein.

It is unclear when Graham learned that Cardoen was principally involved in selling and manufacturing war material. Klein said Graham did not know that Cardoen was an arms dealer at the time of the house sale. "At that time, Bob Graham viewed Carlos Cardoen as an industrialist and engineer," Klein said. "Senator Graham learned of Carlos Cardoen's specific involvement in the weapons trade via press

reports around the time of the Gulf war last year." According to Bill Graham, the president of the Graham Companies and the nephew of Sen. Graham, the Companies have dealt with Cardoen associates Mijares since the mid-1970s, well before Mijares went to work for Cardoen.

Graham is a member of the Senate Banking, Housing, and Urban Affairs Committee, which has jurisdiction over export controls, but there is no evidence he acted to assist Cardoen in any way. Klein said Graham has never been contacted by Cardoen or his associates on export promotion or export control issues.

Cardoen's sales of cluster bombs to Iraq were first widely reported in the spring of 1984, after NBC News reported that the Chilean was exporting the weapons using US technology.

Eventually, Cardoen built a factory outside Baghdad. It was one of the first targets of US warplanes when the Gulf war was launched.

OGC5956

PERKINS COIE

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

A LAW PARTNERSHIP INCLUDING PROFESSIONAL CORPORATION
607 FOURTEENTH STREET, N.W. • WASHINGTON, D.C. 20005-2011 • (202) 628-6600

92 JUL 30 PM 4:55

July 30, 1992

Tony Buckley
Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 3543 - Friends of Bob Graham Committee

Dear Mr. Buckley:

This is in response to the Commission's letter dated June 19, 1992 notifying the Friends of Bob Graham Committee ("the Committee") that a complaint had been filed against it. For the reasons discussed below, Respondent asks that the Commission take no further action and that the complaint be dismissed.

The complaint, based on a two erroneous newspaper articles¹, appears to allege that the Committee violated the campaign laws by accepting a contribution from a foreign national, Carlos Cardoen. The complaint also cites two provisions of the law and the Commission's regulations which apply to the activities of foreign nationals and appear to be directed as a complaint against Mr. Cardoen.

The Federal Election Campaign Act of 1971, as amended, provides that

It shall be unlawful for a foreign national directly or indirectly through any other person to make any contribution of money or other thing of value, . . . in connection with an election to any political office or in connection with any primary election, convention, or

¹The articles state, for example, that the event in question raised over \$50,000 for the Committee. In fact, it raised substantially less. Apparently the newspapers obtained the \$50,000 number by simply adding all contributions reported as received by the Committee on the day of the event, disregarding the possibility that funds could have been, and were, received from other sources.

[04852-0001/DA921990.033]

92040924145

Tony Buckley
July 30, 1992
Page 2

caucus held to select candidates for any political office; or for any person to solicit, accept, or receive any such contribution from a foreign national.

2 U.S.C. § 441e(a). The term "contribution" is defined at 2 U.S.C. § 431(8) as "any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office."

Here, as stated in the attached sworn affidavit, and as reflected on the reports filed during this period by the Committee, the Committee simply did not receive a contribution from Carlos Cardoen. The Committee has no record of ever receiving any monetary contribution from Mr. Cardoen, nor anything of value from Mr. Cardoen. The Committee also did not solicit any contribution from Mr. Cardoen.

The complaint would appear to draw the conclusion that a contribution was made by Mr. Cardoen simply because some of his business associates were involved in a fundraising event for the Committee. But merely associating with individuals who make contributions to federal campaigns, does not mean that Mr. Cardoen contributed himself.

Even if Mr. Cardoen had been involved in organizing the event in some way, this does not allow the conclusion that he made a contribution to the Committee. The Commission has recognized that a foreign national may volunteer his or her personal services on behalf of a federal campaign without a prohibited contribution taking place. Advisory Opinion 1987-25, Fed. Election Camp. Fin. Guide [CCH] ¶ 5903. In that opinion, the Commission noted that "Congress never expanded the Act's definition of contribution, or restricted the Act's exemptions from such definition, for purposes of the foreign national prohibition." The exemption from the definition of contribution for volunteer services, therefore, applies to a foreign national.

The complaint also cites Commission regulations at 11 C.F.R. §§ 110.4(a)(3) and 110.6(b)(2)(ii) as having been violated. Because these provisions are directed toward prohibitions on the actions of a foreign national, and not a political committee, the allegations would appear not to apply to the Committee. Nonetheless, the Committee offers the following comments for the Commission's consideration.

92040924146

Tony Buckley
July 30, 1992
Page 3

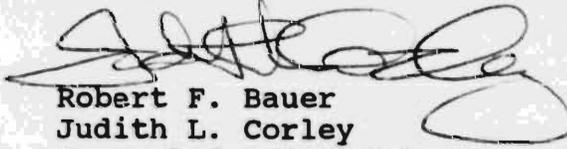
Section 110.4(a)(3) provides that a foreign national shall not "direct, dictate, control or directly or indirectly participate in the decision-making process of any person [including a political committee] . . . such as decisions concerning the making of contributions or expenditures . . . or decisions concerning the administration of a political committee." This provision does not apply to the Committee with respect to Mr. Cardoen. First, this provision of the regulations did not take effect until 1990, four years after the activities in question here. But, second, even if the provision did apply, Mr. Cardoen did not participate in any decision-making process of the Committee.

Section 110.6(b)(2)(ii) bars anyone who is prohibited from making contributions in connection with federal elections, such as a foreign national, from serving as a conduit for contributions to a candidate's campaign. The Committee is not aware of receiving any contributions for which Mr. Cardoen served as a conduit.

Given that the Committee did not solicit, accept or receive any contribution from Mr. Cardoen, as a conduit or directly, and in no way involved Mr. Cardoen in the decision-making processes of the Committee, the Commission should dismiss this complaint and take no further action.

If you have any questions or need additional information, please contact the undersigned.

Very truly yours,


Robert F. Bauer
Judith L. Corley
Counsel for Respondent

enclosure

92040924147

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

92 JUL 30 PM 4:59

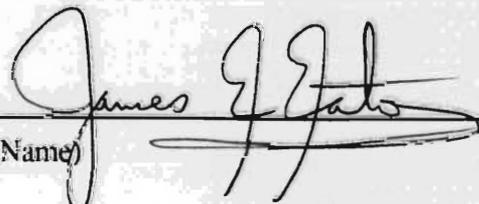
MUR 3543: Friends of Bob Graham Committee

AFFIDAVIT OF JAMES E. EATON

I, James E. Eaton, being duly sworn according to law, hereby depose and state as follows:

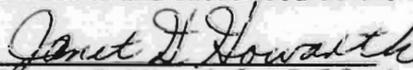
1. I have personal knowledge of the facts set forth herein and if called upon to testify in the matter, I would testify and set forth herein.
2. I was the Campaign Manager for the Friends of Bob Graham Committee ("the Committee") in 1986.
3. In my capacity as Campaign Manager, I was responsible for supervising the day-to-day operations of the Committee. My supervisory responsibilities included, among other duties, overseeing the campaign staff and consultants who were responsible for the fundraising activities of the Committee.
4. Carlos Cardoen did not make a contribution of money or anything of value to the Committee in 1986.
5. Carlos Cardoen did not participate in the decision-making activities of the Committee.
6. Carlos Cardoen did not serve as a conduit for contributions to the Committee.
7. The Committee did not solicit, accept or receive any contribution from Carlos Cardoen.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed this ___ day of July, 1992.



(Name)

State of Florida
County of Leon
Sworn to and subscribed before me on this 22nd day of July, 1992.


Notary Public C C 085806
JANET H. HOWARTH

Notary Public, State of Florida
My Commission Expires Feb. 21, 1998
Bonded Thru Troy Farm - Insurance Inc.

9 2 0 4 0 9 2 4 1 4 8

RECEIVED
F.E.C.
SECRETARIAT

92 SEP 10 AM 9:49

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

SENSITIVE

FIRST GENERAL COUNSEL'S REPORT

MUR #3543
DATE COMPLAINT RECEIVED
BY OGC: June 17, 1992
DATE OF NOTIFICATION TO
RESPONDENTS: June 19, 1992
STAFF MEMBER: Tony Buckley

COMPLAINANT: Van B. Poole, Chairman
Republican Party of Florida

RESPONDENTS: Friends of Bob Graham Committee and
Robin Gibson, as treasurer

Carlos Cardoen

RELEVANT STATUTES: 2 U.S.C. § 441e
2 U.S.C. § 431(8)(B)(i)
11 C.F.R. § 110.4(a)(1)

INTERNAL REPORTS CHECKED: 1985 Year-End Report
1986 Pre-Primary Report

FEDERAL AGENCIES CHECKED: None

I. GENERATION OF MATTER

On June 17, 1992, Van B. Poole, Chairman of the Republican Party of Florida, filed a complaint alleging violations of the Federal Election Campaign Act of 1971, as amended (the "Act"), by the Friends of Bob Graham Committee (the "Committee") and Mr. Carlos Cardoen. Relying on articles in the St. Petersburg Times and Roll Call, complainant alleges that the Committee accepted a contribution from a foreign national, namely Mr. Cardoen, and that, conversely, Mr. Cardoen, a foreign

92040924149

national, made an illegal contribution to the Committee. Complainant further alleges that Mr. Cardoen improperly participated in the Committee's decision-making processes with regard to federal election-related activities, such as decisions concerning the making of contributions, and that Mr. Cardoen improperly acted as a conduit for contributions earmarked to Senator Graham or his committee.

Notification of the complaint was made to both respondents on June 19, 1992. Both respondents requested and were granted extensions of time to respond to the allegations. A response was received from Mr. Cardoen on July 24, 1992, and from the Committee on July 30, 1992.

II. FACTUAL AND LEGAL ANALYSIS

Pursuant to 2 U.S.C. § 441e, it is unlawful for any foreign national to make any contribution of money in connection with an election to any political office; or for any person to accept or receive any such contribution from a foreign national. The term "foreign national" includes any individual who is not a citizen of the United States or lawfully admitted for permanent residence. See 2 U.S.C. § 441e(b). The term "contribution" does not include "the value of services provided without compensation by any individual who volunteers on behalf of a candidate or political committee." 2 U.S.C. § 431(8)(B)(i). At the time of the fundraiser which is the subject of this complaint, the Commission's regulations regarding contributions by foreign nationals stated that "[a] foreign national shall not directly or

92040924150

through any other person make a contribution, or expressly or impliedly promise to make a contribution, in connection with" any election in connection with any local, State or Federal public office. 11 C.F.R. § 110.4(a)(1).

According to the St. Petersburg Times article dated May 1, 1992, Mr. Cardoen "and some Miami-based business associates organized a fundraising event that put about \$50,000 into [Senator] Graham's 1986 campaign. As a result, Cardoen became a member of the 'Friends of Bob Graham,' an organization of the senator's political supporters." Likewise, an article in the April 30, 1992 edition of Roll Call states that Cardoen "raised funds for the 1986 campaign of Sen. Bob Graham . . . and was until recently a member of Friends of Bob Graham, a group of top Graham supporters." The article goes on to say that Cardoen, three business associates, and their wives

contributed a total of \$12,000 to Graham's 1986 campaign, all but \$500 of it coming on a single day, Aug. 7, 1986. On that day, a fundraiser was held for Graham at the home of [one of the three business associates] . . . Cardoen was part of the group that arranged the event, which Graham campaign records indicate raised about \$50,000.

The Committee has responded to the complaint, noting first that the Committee never received a monetary contribution from Mr. Cardoen. The Committee also states that Mr. Cardoen was not involved in organizing the fundraiser in question, and that Mr. Cardoen was not involved in any decision-making process of the Committee. The Committee further states that it is not aware of

9 2 0 4 0 9 2 4 1 5 1

receiving any contributions for which Mr. Cardoen served as a conduit.

Counsel for Mr. Cardoen also denies that he made a monetary contribution to the Committee. Counsel further points out that the August 7, 1986 fundraiser was held at the home of one of Cardoen's business associates, and that therefore "there can be no insinuation that by providing the location for the event, Mr. Cardoen provided something of value to Senator Graham within the meaning of 2 U.S.C. § 441e." Counsel also notes that "Mr. Cardoen's alleged 'co-hosting' of a fundraising event does not equate to directing controlling or participating in the decision-making process of Senator Graham or his campaign committee with regard to any election-related activity." Indeed, Counsel denies that Mr. Cardoen in fact co-hosted the fundraiser at issue. Counsel further denies that Mr. Cardoen acted as a conduit for any contributions earmarked for Senator Graham or the Committee.

Nothing in hand supports any conclusion that Mr. Cardoen made any contribution to the Committee. Although the Roll Call article cited above suggests that Mr. Cardoen and his wife, along with three of Mr. Cardoen's business partners and their wives, contributed \$12,000 to the Committee, the Committee reported all

92040924152

of the \$12,000 as having been contributed by the business partners and their wives.¹

Additionally, both Respondents deny, and there is no evidence to suggest, that Mr. Cardoen participated in any decision-making process of the Committee regarding election-related activities, or that he acted as a conduit for contributions to the Committee. Thus, it appears to be Mr. Cardoen's status as a member of Friends of Bob Graham which remains as a possible basis for a violation.

This Office has no evidence in hand as to what duties, if any, Mr. Cardoen performed for the Committee as a member of Friends of Bob Graham. Put another way, complainant has provided no evidence that activities that Mr. Cardoen performed for the Committee as a member of Friends of Bob Graham contravened the Act. Moreover, while the Commission has made a specific finding

1. The Committee's 1985 Year-End Report shows the following contribution:

| <u>Name</u> | <u>Date</u> | <u>Election</u> | <u>Amount</u> |
|-----------------|-------------|-----------------|---------------|
| Anthony Mijares | 12/26/85 | Primary | \$ 500 |

The Committee's 1986 Pre-Primary Report shows the following contributions:

| <u>Name</u> | <u>Date</u> | <u>Election</u> | <u>Amount</u> |
|--------------------|-------------|-----------------|---------------|
| Augusto Giangrandi | 08/07/86 | Primary | \$ 1,000 |
| Augusto Giangrandi | 08/07/86 | General | \$ 1,000 |
| Lili Giangrandi | 08/07/86 | Primary | \$ 1,000 |
| Lili Giangrandi | 08/07/86 | General | \$ 1,000 |
| Abbey L. Kaplan | 08/07/86 | Primary | \$ 1,000 |
| Abbey L. Kaplan | 08/07/86 | General | \$ 1,000 |
| Alyne W. Kaplan | 08/07/86 | Primary | \$ 1,000 |
| Alyne W. Kaplan | 08/07/86 | General | \$ 1,000 |
| Anthony Mijares | 08/07/86 | Primary | \$ 500 |
| Anthony Mijares | 08/07/86 | General | \$ 1,000 |
| Laurie Mijares | 08/07/86 | Primary | \$ 1,000 |
| Laurie Mijares | 08/07/86 | General | \$ 1,000 |
| TOTAL | | | \$12,000 |

9 2 0 4 0 9 2 4 1 5 3

that a foreign national artist would be prohibited by section 441e from donating his uncompensated volunteer services to a committee to create an original work of art for that committee to use in fundraising, see AO 1981-51, the Commission has also determined more generally that a foreign national could work as an uncompensated volunteer for a 1988 presidential candidate without making a contribution to that candidate. See AO 1987-25. Thus, it is possible that Mr. Cardoen performed duties for the Committee which would not be considered to be a contribution from him.

In summary, there appears to be no evidence to support a conclusion that Mr. Cardoen contributed money to the Committee, or performed services for the Committee or acted in a way to benefit the Committee, which would have constituted a contribution and thus violated 2 U.S.C. § 441e. Given this, and given the stale nature of these allegations, which date to six years ago, this Office believes it would be a waste of the Commission's resources to conduct an investigation to determine whether a violation actually occurred. Accordingly, this Office recommends that the Commission find no reason to believe that the Friends of Bob Graham Committee and Robin Gibson, as treasurer, violated the 2 U.S.C. § 441e, find no reason to believe that Carlos Cardoen violated the 2 U.S.C. § 441e, approve the appropriate letters reminding Respondents of the prohibition against foreign national contributions, and close the file.

III. RECOMMENDATIONS

1. Find no reason to believe that the Friends of Bob Graham Committee and Robin Gibson, as treasurer, violated 2 U.S.C. § 441e.

92040924154

2. Find no reason to believe that Carlos Cardoen violated 2 U.S.C. § 441e.
3. Approve the appropriate letters.
4. Close the file.

Lawrence M. Noble
General Counsel

Date

9/9/92

BY:


Lois G. Lerner
Associate General Counsel

Attachments

1. Complaint
2. Response of the Committee
3. Response of Carlos Cardoen

92040924155

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Friends of Bob Graham Committee) MUR 3543
and Robin Gibson, as treasurer;)
Carlos Cardoen.)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on September 15, 1992, the Commission decided by a vote of 5-0 to take the following actions in MUR 3543:

1. Find no reason to believe that the Friends of Bob Graham Committee and Robin Gibson, as treasurer, violated 2 U.S.C. § 441e.
2. Find no reason to believe that Carlos Cardoen violated 2 U.S.C. § 441e.
3. Approve the appropriate letters, as recommended in the General Counsel's Report dated September 9, 1992.

(Continued)

9 2 0 4 0 9 2 4 1 5 6

4. Close the file.

Commissioners Elliott, McDonald, McGarry, Potter and Thomas voted affirmatively for the decision; Commissioner Aikens did not cast a vote.

Attest:

9-15-92
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

| | | |
|-------------------------------|------------------------|------------|
| Received in the Secretariat: | Thurs., Sept. 10, 1992 | 9:49 a.m. |
| Circulated to the Commission: | Thurs., Sept. 10, 1992 | 11:00 a.m. |
| Deadline for vote: | Tues., Sept. 15, 1992 | 4:00 p.m. |

dr

92040924157



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 23, 1992

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Van B. Poole, Chairman
Republican Party of Florida
P.O. Box 311
Tallahassee, FL 32302

RE: MUR 3543

Dear Mr. Poole:

On September 15, 1992, the Federal Election Commission reviewed the allegations of your complaint dated June 11, 1992, and found that on the basis of the information provided in your complaint, and information provided by the respondents, there is no reason to believe the Friends of Bob Graham Committee and Robin Gibson, as treasurer, or Carlos Cardoen, violated 2 U.S.C. § 441e. Accordingly, also on September 15, 1992, 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

Lois G. Lerner
BY: Lois G. Lerner
Associate General Counsel

Enclosure
General Counsel's Report

9 2 0 4 0 9 2 4 1 5 8



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 23, 1992

Humberto J. Peña, Esq.
Zuckerman, Spaeder, Taylor & Evans
201 South Biscayne Boulevard
Suite 900
Miami, Florida 33131

RE: MUR 3543
Carlos Cardoen

Dear Mr. Peña:

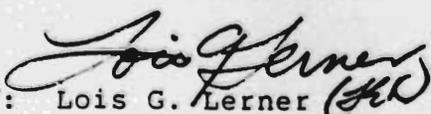
On June 19, 1992, the Federal Election Commission notified your client, Carlos Cardoen, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

On September 15, 1992, the Commission found, on the basis of the information in the complaint, and information provided by you and others, that there is no reason to believe Mr. Cardoen violated 2 U.S.C. § 441e. Accordingly, the Commission closed its file in this matter. The Commission reminds your client that foreign nationals are prohibited from making contributions in connection with elections for any local, state or Federal office. Activity by a foreign national which may constitute a contribution is described at 11 C.F.R. § 110.4(a)(1) and (3).

The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receiving your additional materials, any permissible submissions will be added to the public record upon receipt.

Sincerely,

Lawrence M. Noble
General Counsel


BY: Lois G. Lerner
Associate General Counsel

Enclosure
GC Report

92040924159



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 23, 1992

CLOSED

Robert F. Bauer, Esq.
Judith L. Corley, Esq.
Perkins Coie
607 Fourteenth Street, N.W.
Suite 800
Washington, D.C. 20005-2011

RE: MUR 3543
Friends of Bob Graham Committee

Dear Mr. Bauer and Ms. Corley:

On June 19, 1992, the Federal Election Commission notified your client, the Friends of Bob Graham Committee, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

On September 15, 1992, the Commission found, on the basis of the information in the complaint, and information provided by you and others, that there is no reason to believe the Friends of Bob Graham Committee violated 2 U.S.C. § 441e. Accordingly, the Commission closed its file in this matter. The Commission reminds your client that it may not accept contributions from foreign nationals. Activity by a foreign national which may constitute a contribution is described at 11 C.F.R. § 110.4(a)(1) and (3).

The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receiving your additional materials, any permissible submissions will be added to the public record upon receipt.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

Enclosure
GC Report

92040924160



FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20463

THIS IS THE END OF MUR # 3543

DATE FILMED 11/20/92 CAMERA NO. 4

CAMERAMAN E.E.S.

92040924161