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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Republican National Committee, *et al.*)

SENSITIVE

MUR 4250

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On June 24, 1997, the Commission found reason to believe the Republican National Committee and Alec Poitevint, as treasurer ("RNC") violated 2 U.S.C. § 441e by accepting the proceeds of a loan secured with foreign national funds. See Memorandum in MUR 4250 dated May 8, 1997. At that time the Commission did not take any action regarding discovery on the matter, and instead instructed this Office to circulate proposed discovery consistent with the Commission's finding. Attached for the Commission's approval are proposed Subpoenas for the production of documents and Orders to submit written answers in MUR 4250.

II. PROPOSED DISCOVERY

The attached proposed discovery is directed to the RNC, the National Policy Forum ("NPF") and its two former presidents -- Michael E. Baroody and John R. Bolton, Haley R. Barbour, Young Brothers Development -- U.S.A. ("Young Bros."), Signet Bank and Frederick Volcansek. This proposed discovery focuses on the financial transactions among the RNC, the NPF and Young Bros. as concerns the provision and repayment of various interconnected loan

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transactions. Specifically, these discovery requests seek information concerning each entity's involvement in obtaining the security from Young Bros. necessary for the NPF to obtain the reported commercial loan from Signet Bank. These discovery requests also seek financial information concerning Young Bros. to determine the source of the funds used for the security. Last, these discovery requests seek information concerning the loan transactions between the RNC and the NPF which created the NPF's obligation to the RNC reportedly necessitating the commercial loan.

III. RECOMMENDATION

Approve the attached Subpoenas for the Production of Documents and Orders to Submit Written Answers to the Republican National Committee, Haley R. Barbour, the National Policy Forum, Michael E. Baroody, John R. Bolton, Young Brothers Development -- U.S.A., Signet Bank and Frederick Volcansek.

Date

7/3/97


Lawrence M. Noble
General Counsel

Attachments:

1. Subpoena and Order to the RNC.
2. Subpoena and Order to Haley R. Barbour.
3. Subpoena and Order to the NPF.
4. Subpoena and Order to Michael E. Baroody.
5. Subpoena and Order to John R. Bolton.
6. Subpoena and Order to Young Brothers Development -- U.S.A.
7. Subpoena and Order to Signet Bank.
8. Subpoena and Order to Frederick Volcansek.

Staff Member: Jose M. Rodriguez



FEDERAL ELECTION COMMISSION
Washington, DC 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/BONNIE ROSS
COMMISSION SECRETARY

DATE: JULY 10, 1997

SUBJECT: MUR 4250 - GENERAL COUNSEL'S REPORT

The above-captioned document was circulated to the Commission
on Tuesday, July 08, 1997.

Objection(s) have been received from the Commissioner(s) as
indicated by the name(s) checked below:

Commissioner Aikens	—
Commissioner Elliott	XXX
Commissioner McDonald	—
Commissioner McGarry	—
Commissioner Thomas	—

This matter will be placed on the meeting agenda for
Tuesday, July 15, 1997.

Please notify us who will represent your Division before the Commission on this
matter.

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