



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 4582

DATE FILMED 5/28/98 CAMERA NO. 2

CAMERAMAN EE

98043380866

INDIAN-AMERICAN LEADERSHIP INVESTMENT FUND

3939 RIO GRANDE BLVD., NW #57 • ALBUQUERQUE, NM 87107-3153 • 505.345.4442

BY FACSIMILE

Pre-MUR 316

28 April 1995

Lois Lerner  
Chief Enforcement Officer  
Federal Election Commission  
Washington, D.C.

Re: Indian-American Leadership Investment Fund • F.E.C. I.D. No. C00283184 •

Dear Ms. Lerner:

I am writing with some sense of urgency, at the suggestion of Brad Litchfield in your office.

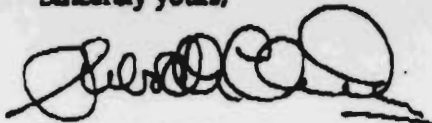
It came to my attention this morning during a conversation with Jim Haner, a reporter for the *Baltimore Sun*, that improper contributions may have been made to our political action committee. Specifically, there seem to be credible allegations that individuals who contributed were improperly reimbursed for those contributions by other individual(s).

I do not yet have details on the number of contributions that may have been tainted, the dollar figures involved, or the individuals who may have been involved. I expect some of those details to come to light from the reporter's investigation, and other details to surface upon my own inquiries. Mr Haner informs me that he expects his article to be published this Sunday, April 30, in the *Sun*.

I wish to make clear from the outset that neither the Indian-American Leadership Investment Fund, nor I as its treasurer, had any knowledge of the alleged improprieties. We believe very strongly in fulfilling both the letter and spirit of the law, and we will take whatever steps necessary to resolve the Federal Election Commission's concerns in a satisfactory manner.

I will be in touch early next week to discuss this further with you.

Sincerely yours,



Mr. Subodh Chandra  
Treasurer

Paid for by the Indian-American Leadership Investment Fund, and not authorized by any candidate or candidate's committee.

• Federal Election Commission I.D. No. C00283184 •



# EMILY'S List launches \$10 million drive

*Money could help Democrats regain House control in 1996*

By Craig Karwin

The grassroots political organization dedicated to electing pro-choice Democratic women, EMILY's List, announced Monday that it is launching a \$10 million program to identify and mobilize prospective female voters.

The organization, whose PAC has already spent \$1.2 million in the first three months of 1995, will contact potential voters by mail and phone and encourage them to vote for women Democratic House and Senate candidates.

The voter recruitment project, called WOMEN VOTE!, will spend an additional \$10 million over the next five years in conjunction with Democratic parties in 10 to 15 noncontested states.

The project represents one of the first and most ambitious efforts by the Democratic Party to energize its female base, and comes at a time when the GOP has been boasting about its newfound ability to attract women voters and elect female lawmakers.

With the addition of seven new GOP women House members and one senator, and 88 Republican women in the state legislatures, Republicans claim a

nearly 70 percent increase in GOP women lawmakers nationwide. GOP women also won 66 percent of their races.

Nonetheless, EMILY's List president Ellen Malcolm contends there remains a vast pool of potential Democratic female voters whose participation in 1996 could give the party the edge it needs to regain control of the House.

"In 1992 a record number of women were elected to Congress and a Democrat won the White House," said Malcolm. In 1994, when women accounted for only 51 percent of the electorate, down three percent from 1992, "Republicans took control of Congress," she said. "Women's votes make the difference, and WOMEN VOTE! will make a difference for Democrats in 1996."

The new program is based on a pilot project financed by EMILY's List and the California Democratic Party during the 1994 congressional elections. Under that project, EMILY's List contacted one million "low propensity voters"—Democratic women who had voted in the 1992 presidential election but had not voted in the 1990 elections or were newly registered.

According to communications



JANE MACQUIE/THE HILL

Sen. Dianne Feinstein (D-Calif.), who received 400,000 votes from women targeted by EMILY's List in 1994.

director Frank Wilkinson, more than 400,000 of these women voted last fall. In the case of Sen. Dianne Feinstein (D-Calif.), who won by 165,000 votes, the help was essential to her razor-thin victory.

EMILY's List also points to Democratic Rep. Jane Harman's narrow re-election in California as a prototype for how it would like to see WOMEN VOTE! operate nationwide.

The project targeted 16,000 women in Harman's traditionally Republican district with a letter from Hillary Clinton urging them to back Democratic women candidates. This was followed by brochures, additional letters and phone calls asking

them to apply for absentee ballots.

By election day, 1,719 of the targeted women had cast absentee ballots for Harman, providing a crucial margin of victory in a race where Harman won by just 812 votes.

Freshman Rep. Zoe Lofgren of California also received assistance from EMILY's List last fall and agrees that reminding the female base of the necessity to vote could prove crucial in 1996.

"There are a variety of reasons why people didn't vote," she explains. "With Clinton elected, many thought the question of choice was secure. I found with my campaign, it was often just a matter of reminding people



EMILY's List recruited 1,750 absentee ballots votes for Rep. Jane Harman's (D-Calif.) re-election last November.

that every vote is important."

EMILY's List, which was founded in 1985 and stands for Early Money is Like Yeast, will continue to perform its usual functions of recruiting Democratic candidates and providing technical assistance and support through surveys and political research.

It will also continue to spend millions of dollars through contributions from EMILY's List members and through its PAC. In 1992, the organization raised \$6.2 million for 55 candidates. By 1994, the amount had grown to \$8.2 million. Membership now stands at nearly 31,000.

The Hill 5/3/95

Baltimore Sun  
5/3/95

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## Democratic fund-raiser accused of steering political donations

By Jim Haner  
Sun Staff Writer

A Baltimore lawyer who has been a key fund raiser for dozens of Maryland Democrats in recent years steered thousands of dollars in apparently illegal contributions into an obscure New Mexico campaign fund that supports politicians with ties to India, several contributors say.

Lalit H. Gadhia and his nephew approached people in the Baltimore area — including a young lawyer and a hotel manager — and asked them to write large personal checks to the fund, three contributors say.

In separate interviews, those contributors said they were then reimbursed in cash. But their

*PAC contributors claim they were reimbursed in cash*

checks were listed as bona fide contributions on the PAC's quarterly filing with the Federal Election Commission (FEC).

Mr. Gadhia, 56, denied the allegations in a lengthy interview Monday, saying, "It's untrue that I gave money through anyone. I don't give money — I get money."

"People can have all kinds of misunderstandings. They sometimes hear things in a way they were not intended. They sometimes misconstrue things, especially in

politics. I would never say someone is lying, not before I knew what they know. But there has obviously been a serious mistake made here by somebody."

Mr. Gadhia's nephew, Uday Gadhia, also denied the claims, saying, "That's not true. Why would I do something like that?"

But contributors interviewed by *The Sun* tell a different story. They say that beginning about the second week of October, appeals for funds from Lalit Gadhia and his supporters for the political action committee, known as the Indian-American Leadership Investment Fund, began to filter through Baltimore's Indian community.

See FUNDS, 12A



Lalit H. Gadhia denied the allegations, saying, "I don't give money — I get money."

www...



## Ethics Committee action on Gingrich may be delayed by Torricelli case

The House Standards of Official Conduct Committee will take up its investigation Tuesday into complaints that Rep. Newt Gingrich improperly used the powers of his office for personal gain, including the signing of a \$4.5 million book deal. However, its progress may be delayed by a separate investigation involving Rep. Robert Torricelli (D-N.J.).

"It will depend how much time the committee needs to finish going through the materials and how often they can meet," said Lam Price, Chairman Nancy Johnson's (R-Conn.) spokeswoman. "But the committee hopes to reach a decision this month."

In an effort to expedite the process, staffers worked during the spring recess, seeking to answer committee members' questions about complaints against the Speaker.

The committee has the option to bring to an outside counsel, investigate the Gingrich case itself, or dismiss the charges all together. Democrats claim an independent counsel is necessary to ensure impartiality. But Republicans decry the complaints as politically driven.

"These calls for an investigation into Gingrich are an clearly politically motivated stunt (an outside counsel) would be a waste of taxpayers' money," said Rep. Mark Souder (R-Iowa).

In addition to the book deal, Gingrich faces allegations that:

- He illegally accepted tax-deductible donations to finance his college course on rescuing American civilians;
- He improperly publicized his college course on the House floor;
- He inappropriately accepted free national cable time.

The committee's deliberations come at a critical juncture for the Speaker and Republicans, as they try to change a budget that would cut one trillion dollars in spending by the year 2002.

Meanwhile, the committee will also look into a complaint filed by the intelligence Chairman Larry Combs (R-Texas) against Torricelli, who also serves on the committee, for leaking classified information.

On March 22, Torricelli wrote a letter to President Clinton claiming that a CIA paid informant at the Guatemala military had orchestrated the killing of a U.S. citizen and the husband of another. The New York Times quoted the letter the next day.

Torricelli has denied wrongdoing, saying he was bound by his oath as a member to uphold the Constitution to report any such crimes involving the federal government. He also claims that none of the disclosed information was learned through his service on the Intelligence Committee.

He has asked the ethics committee to determine whether his disclosure violated House rules, and whether a secrecy oath to a committee ultimately outweighs an oath to the Constitution.

—BRIFF GRANN



Before he became Speaker, Wright allegedly refused to let an outside counsel to investigate then speaker Jim Wright. (AP Wirephoto)

## Gingrich's words in 1988 Wright probe could come back to haunt him

By Sarah Pekkanen

As the House Standards of Official Conduct Committee normally looks at the ethics committee, it also looks at the Speaker's words. In a 1988 statement, the Speaker said that the ethics committee would be applied to the Speaker's words. He said that the committee would be applied to the Speaker's words.

Indicating his belief that a House Speaker should take a higher level of scrutiny than other members, Gingrich said in a 1988 statement that the ethics committee would be applied to the Speaker's words. He said that the committee would be applied to the Speaker's words.

### 'This investigation has to meet a higher standard'

Gingrich's statements and during the ethics investigation that led to the resignation of then speaker Jim Wright (D-Texas) in 1989. "I said, 'I'm not going to let this investigation go to a higher standard of public accountability and integrity.'"

The ethics complaints Gingrich now

faces were fundraising by his political organization, the use of his congressional staff and tax-deductible donations to a college course he taught, alleged improprieties involving a book contract, and \$200,000 worth of free cable television time for the course. House rules prohibit members from receiving gifts worth more than \$250 from a single source annually.

Rep. Nancy Johnson (R-Conn.), who chairs the ethics committee, has indicated that an outside counsel would only conduct research for the committee, and that the five Democrats and five Republicans on the committee would determine a judgment.

"Whether an outsider is needed will depend upon whether special expertise is needed to review complicated issues arising from the complaints," such as complex tax laws, Johnson said according to the Associated Press.

Lam Price, Johnson's spokeswoman, said she was not present at the time Johnson made the remarks and could not further elaborate on them. Johnson is forcing the committee to get the information that they need so they can make a decision about whether to go for an outside counsel, Price said.

Along with Democrats, several good government groups, including the California-based Center for Public Integrity, have called for a special inquiry to avoid the appearance of bias. Committee members would come for an outside counsel. A vote could come this month, Price said.

Gingrich's office did not return phone calls.

Regarding the complaints against Wright, Gingrich also said in 1988 that he agreed with Common Cause's recommended guidelines for the independent counsel, including:

### 'The Speaker is third in line to be President'

- The outside counsel shall have full authority to review all documents and full cooperation from any source and full cooperation of the committee in obtaining such evidence.

- The committee shall give the outside counsel full cooperation in the issuance of subpoenas.

- The outside counsel shall be free, after discussion with the committee, to make such public statements and reports as the counsel deems appropriate.

- The outside counsel shall have full authority to recommend that formal charges be brought before the ethics committee, shall be responsible for initiating and conducting proceedings, if formal charges have been brought, and shall handle any aspects of the proceedings believed to be necessary for a full inquiry.

- The committee shall not demand or interfere with the outside counsel's ability to take steps necessary to conduct a full and fair investigation.



# Political Surveyor

By Charles E. Cook

## New Money Report Shows Democratic Vulnerability in '96

It will be July at the earliest before we will know the financial requirements of the Democratic loss of House and Senate majorities, but figures released by the Federal Election Commission last week show the exposure Democrats have to further losses in 1996.

The midsummer campaign finance reports for the 1995-96 election cycle will finally show some quantitative — as opposed to anecdotal — evidence.

House Democratic incumbents in 1993 and 1994 received 49 percent of their total campaign funding from political action commi-

tees; another 3 percent came from party committees, bringing the total dependence upon institutional support to 52 percent, compared with 43 percent from individual donors.

Republican incumbents collected 36 percent of their receipts from PACs and 2 percent from party committees. That puts their total institutional support dependence at 38 percent, with 58 percent coming from individual donors.

In plain English, that means Democrats depend on the kind of funding that derives from majority control: PAC and party funding. Republicans, on the other hand, have a better base of donors among individuals.

The same is true for challengers. Democratic challengers got 20 percent of their money from PACs, compared with 9 percent for GOP challengers. The party support differ-

ence for challengers was considerably less: 8.4 percent for Democrats and 8.1 percent for Republicans.

In House open-seat races, 22 percent of Democratic candidates' money came from PACs, compared with 14 percent for Republicans. And Republican open-seat candidates actually got a slightly larger share of campaign funding from the party than did Democrats, 6.2 percent versus 5.7 percent.

If PACs turn down the upstart come for Democrats and if the Democratic party committees find money harder to come by, Democrats clearly will be very exposed — and Republicans know it. One House Republican strategist said privately this week that a \$100,000 net spending advantage for individual Republican candidates could well occur in 1996.

Even if Democratic money remains constant, the near certainty of a substantial increase in funding for Republicans will be a critical factor in next year's elections.

Keep in mind that the total amount spent by Democratic House and Senate candidates in 1993-94 dropped by \$27 million from the previous cycle, while Republican spending increased by \$72 million.

Has minority status exacerbated this problem for Democrats? Depends on which Democratic strategist you ask. Some say money is down as much as 20 to 25 percent from this time last cycle; others see no change. And others know-wednesday about the subject say Democrats can still raise the same sums, but they will just have to work harder. Members who normally don't involve themselves in fundraising they actually have to pick up the phone this cycle, unlike in the past.

Any such downturn may not be detectable now, when most fundraising is just ticket-buying for events, but could occur later in the cycle when the serious money is being doled out.

My guess is that two kinds of Democrats should be relatively insulated from a downturn: conservative Democrats who had strong relationships with the business community, and very liberal Members who never received much from business anyway. Members more exposed to danger include those who are lib-

**Democrats depend heavily on the kind of funding that derives from majority control: PAC and party funding.**

eral in their voting records but received significant levels of support because of crucial committee or subcommittee posts. The love money will remain while the tribune money will disappear.

Another thing to watch when the first reports for the 1996 cycle come out in July is whether funding to aid Democratic incumbents has changed. For one group of Democrats: incumbents, who've never had any election trouble, campaign accounts amount to little more than a recreational club fund. If Democratic PACs, party committees, and reliable donors continue to give money to those who don't need it, resources will be scarce for districts that really need them.

The plan by National Republican Congressional Committee Chairman Bill Paxon (R-TX) to get Republican Members to contribute to a pool of money for marginal districts is exactly the right approach for both parties. It makes the allocation of funds much more politically efficient and reduces hoarding of funds by safe incumbents.

In the Senate, where Democrats have little chance of regaining control, things are different. Funding decisions are much more individualistic, based upon the relationships between each Senate office and a PAC or lobbyist.

Also, individual Senators have more influence — even those in the minority — with their ability to put "holds" on bills and to filibuster. That gives PACs and lobbyists a little less room to maneuver.

Ultimately, what's important is not who has the most money but whether candidates, particularly challengers, have enough money to get their message across. That critical mass level of funding is much more important than the gap between two candidates. The question is how many Democratic challengers (and open seat candidates) will be sufficiently well-funded to reach that stage, and to what extent business PACs will return to the norm aggressive presence in the late 1970s and early 1980s of targeting Democratic incumbents in a significant and coherent fashion.

# Fund-raiser quits Glendening post

By Jim Haner  
Sun Staff Writer

Lalit H. Gadhia, a Baltimore lawyer who has been a key fund-raiser for Maryland Democrats, resigned yesterday as campaign treasurer to Gov. Parris N. Glendening pending an investigation into reports that he selected thousands of dollars in illegal contributions into a New Mexico political fund.

Mr. Gadhia also took a leave of absence without pay from his \$60,000-a-year job as deputy secretary for international economic affairs, a post to which he was appointed by Mr. Glendening soon after Mr. Glendening's victory in the Maryland governor's race.

## FBI, federal elections panel scrutinize reports of steering illegal contributions

Meanwhile, sources close to the case said that the Federal Election Commission (FEC) and the FBI have received complaints from potential witnesses in the case and have begun to make inquiries.

"I have not talked to Mr. Gadhia today, but I will in the next 24 hours," Mr. Glendening said. "I will watch this very carefully. He's a friend, and I'm concerned for him, but also we want to make sure we're doing everything proper."

Mayor Kurt L. Schmoke's office said last night that Mr. Gadhia — an

important campaign adviser and contributor to the mayor's re-election fund — has not been removed from Mr. Schmoke's campaign finance committee.

"The mayor's position has always been that the accused is innocent until proven guilty," said spokesman Clinton R. Coleman. "That's the way the mayor feels. He expects to talk to Mr. Gadhia tomorrow sometime."

The Sun reported yesterday that at least three contributors say they were approached by Mr. Gadhia, his nephew or their friends last fall and

asked to write checks to a political action committee called the Indian-American Leadership Investment Fund that supports candidates with ties to India. PAC contributors reportedly were then reimbursed in cash.

Such "proxy" donations are prohibited by FEC rules.

Mr. Gadhia and his nephew, Uday Gadhia, have denied the reports. Mr. Gadhia said yesterday that he would have no further comment until the allegations are resolved.

See FUNDS, 10A

For Indian community support, Lalit H. Gadhia was the man to see. 10A

Baltimore Sun  
5/4/95

## FUNDS: Reports bring scrutiny of U.S. agencies

From Page 1A

One contributor who said he had taken part in the plan confirmed yesterday that he had contacted the FBI after Mr. Gadhia's nephew called to tell him to keep quiet about a \$500 check he wrote to the fund and for which he later was reimbursed.

And in a letter to the FEC last Friday, the treasurer of the Indian-American Leadership Investment Fund said he was "writing with some sense of urgency" to inform the agency of "credible allegations" that contributors may have been reimbursed.

"We ourselves are going to launch a full investigation to see what, if any, improprieties may have taken place," said Subodh Chandra, treasurer for the PAC, in an interview yesterday. "It should also be made clear that we did not hesitate for one moment to inform the FEC as soon as we became aware of these allegations."

### Among the allegations:

■ Some contributors were approached by their bosses and asked to make donations, a potential violation of FEC rules, which say that employers may only solicit political contributions from managerial employees and then only in writing.

Mr. Gadhia acknowledged in an interview Monday that he had suggested to his secretary that she make a donation. She then gave \$2,000 in the her name and her husband's name without her husband's knowledge. In another case, an assistant manager of a Randallstown restaurant said the owners — longtime friends of Mr. Gadhia — also told their staffs to make donations.

■ Records containing false information, including nonexistent or out-of-date addresses for contributors, were filed with the FEC. Mr. Chandra, treasurer for the PAC, said the information was provided to him by Mr. Gadhia's office, adding that he has been unable to trace several contributors.

■ Some contributors who wrote checks for \$500 or \$1,000 to the PAC do not appear to have the means to easily make such large donations. They include a 24-year-old cook, a 27-year-old college student who works in a Charles Street bar, sales clerks and a hotel desk attendant. Mr. Chandra said he was "extremely distressed" by the revelation because Mr. Gadhia had told him all of the contributors to the PAC were affluent professionals.

In all, \$34,900 in contributions flowed into the PAC in one day last year — Oct. 31 — and all of it came from the Baltimore area. In the preceding year, the PAC never showed a balance of more than \$800. Then, Mr. Chandra said, the veteran fundraiser from Maryland agreed to help.

In addition to being treasurer of the Glendening campaign at the time, Mr. Gadhia was campaign financier to Mr. Schmoke and to U.S. Sen. Paul S. Sarbanes, who took in \$2,000 in contributions from the PAC. Neither Mr. Glendening or Mr. Schmoke received any money from the PAC.

Sun staff writers Marina Serris, Peter Jensen and Thomas W. Waldron contributed to this article.



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

May 10, 1995

Subodh Chandra, Treasurer  
Indian-American Leadership Investment Fund  
3939 Rio Grande Blvd., N.W. #57  
Albuquerque, NM 87107-3153

RE: Pre-MUR 316

Dear Mr. Chandra:

This is to acknowledge receipt of your letter dated April 28, 1995, advising us of a possible violation(s) of the Federal Election Campaign Act of 1971, as amended, by the Indian-American Leadership Investment Fund. We will review the matter and will be notify you as soon as the Federal Election Commission takes action on your submission.

If you have any questions, please contact Alva E. Smith at (202) 219-3400. For your information, we have attached a brief description of the Commission's procedures for handling matters such as this.

Sincerely,

*Mary L. Taksar*

Mary L. Taksar, Attorney  
Central Enforcement Docket

Enclosure  
Procedures

*Celebrating the Commission's 20th Anniversary*

YESTERDAY, TODAY AND TOMORROW  
DEDICATED TO KEEPING THE PUBLIC INFORMED





FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20461

REC'D TO  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL COUNSEL

MAY 28 8 51 AM '96

May 24, 1996

PM 3/6

**MEMORANDUM**

TO LAWRENCE NOBLE  
GENERAL COUNSEL

THROUGH JOHN SURINA  
STAFF DIRECTOR

FROM ROBERT J COSTA *RJ2 for*  
ASSISTANT STAFF DIRECTOR  
AUDIT DIVISION

SUBJECT ANDREWS FOR CONGRESS COMMITTEE - CORRESPONDENCE  
FROM U S DEPARTMENT OF TREASURY

Attached are copies of documents faxed to the Audit Division from Mr. Raymond Burris, Department of the Treasury, Financial Management Service, Funds Management Division. The documents include a letter from Rep Robert E Andrews to the Secretary of the Treasury in which Rep Andrews states that, on advice of counsel, his campaign committee is submitting a \$3,000 check payable to the U. S. Treasury. According to a letter from Rep Andrew's counsel, the check represents \$3,000 in contributions received by Rep Andrew's campaign committee in which the persons making the contributions apparently were not the true donors.

Mr. Burris telephoned Ray Lisi of my staff to ask whether we had any knowledge of the situation and asked for advice as to which account the check should be deposited. Ray informed Mr. Burris that based on a reading of the committee's counsel's letter it appears that the U. S. attorney is conducting an investigation into the matter and that perhaps it would be best to contact the U. S. attorney for advice. Mr. Burris responded that he would do that.

This information is being forwarded to your office on an informational basis. Should you have any questions regarding this matter please contact Ray Lisi at 219-3720.

**RUSH**DEPARTMENT OF THE TREASURY  
FINANCIAL MANAGEMENT SERVICE  
FUNDS MANAGEMENT DIVISION  
CREDIT ACCOUNTING BRANCH

TO:

Ray Lisi

FAX NUMBER:

219-3483

TELEPHONE NUMBER:

219-3720

FROM:

Raymond Bueiss

FAX NUMBER:

(202)874-8613

TELEPHONE NUMBER:

(202)874-8740

COMMENTS:

Need your input into this  
matter today

Thanks

5 pages

**RUSH**

93043080876



*Charlie*  
*Fax 48372*  
**DEPARTMENT OF THE TREASURY**  
**FINANCIAL MANAGEMENT SERVICE**  
**WASHINGTON, D.C. 20227**

*RUSH*

AC AREA ASSIGNED *FI*

**CONTROLLED CORRESPONDENCE CHECK LIST**

TODAY'S DATE: *5-17-96*

LA *(ES)* CU/FMS CONTROL NUMBER *96003653*

DUE DATE: *5-21-96*

WHITE HOUSE NO. \_\_\_\_\_

TYPE OF INQUIRY:

TYPE OF RESPONSE:

☒ CONGRESSIONAL

☐ APPROPRIATE ACTION

☐ PUBLIC

☐ INFORMATION ONLY

**SPECIAL INSTRUCTIONS FOR CONGRESSIONAL LETTERS:**

☐ REPLY TO DISTRICT OFFICE

☐ REPLY TO WASHINGTON OFFICE

☐ ATTENTION LINE ON  
ENVELOPE ONLY

☐ RETURN INCOMING LETTER

FOR SIGNATURE OF:

LETTER TO BE USED:

☐ Linda L. Robertson  
Assistant Secretary  
(Legislative Affairs and Public Liaison)

☐ Assistant Secretary

☐ Jim Hagedorn  
Director  
Legislative and Public Affairs

☐ FMS

☐ Russell D. Morris

☐ Commissioner

☒ OTHER *Robert Rubin*

☒ *Secretary*

SALUTATION TO BE USED:

Dear *Mr. Ashens*:

ES and LA Control numbers, 1 yellow and 7 letterhead copies of the original letter, along with enclosures, incoming letter and background materials, must be submitted in proper format to the Office of Legislative and Public Affairs by the above due date.

FMS CONTROL NUMBERS, 1 yellow and 3 letterhead copies of the original letter, along with enclosures, incoming letter and background materials, in proper format, etc. Except for the original and courtesy copy, all copies must have the control number noted thereon, ie, ES, LA, CU, FMS. If you have any questions or require an extension of the due date, please call Marty Weber at 46760. Thank you

*X The check is being sent in separate envelope.*

9304360877

## EXECUTIVE SECRETARIAT CORRESPONDENCE COVER SHEET

14-May-96

## ACTION REQUIRED

PROFILE # 1996-SE 003653

DATE CREATED 05/14/96

ADDRESSEE Robert E. Rubin  
SecretaryAUTHOR Andrews, Robert F.  
Rob Andrews for Congress

SUBJECT Campaign Contributions

ABSTRACT Encloses a check payable to the Treasury Department for \$3,000 for nominee campaign contributions in which the campaign committee unknowingly accepted and are now paying the money into the United States Treasury pursuant to relevant Federal Election Laws. (NOTE: Enclosure routed to Fiscal under separate cover.)

## TASK ASSIGNMENT MEMORANDUM

ASSIGNED TO Gerald Murphy  
AS, Fiscal

DATE DUE 05/21/96

REQUIRED ACTION Secretary Signature

TASK Please prepare a response for the signature of the Secretary and clear with General Counsel. Please have Legislative Affairs prepare an interim response if you are unable to respond by the due date.

DISTRIBUTION GENERAL COUNSEL  
CHIEF OF STAFF  
EXECUTIVE SECRETARIAT

1996-SE-003653

Rob

ANDREWS

For Congress

26 Springdale Road  
Building #27  
Cherry Hill, NJ 08003  
(609) 424-5757

May 10, 1996

The Honorable Robert E. Rubin  
Secretary of the Treasury  
1500 Pennsylvania Avenue, N.W.  
Washington, D.C. 20220

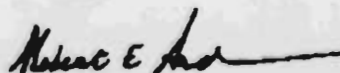
RE: Andrews for Congress Committee

Dear Secretary Rubin:

Pursuant to the advice of counsel, and in accordance with the attached documentation, I am hereby enclosing a check for \$3,000 from the Andrews for Congress Committee made payable to the United States Treasury.

Thank you.

Sincerely,



Robert E. Andrews

LAW OFFICES

**DILWORTH, PAXSON, KALISH & KAUFFMAN LLP**

3800 MELLON BANK CENTER

1738 MARKET STREET

PHILADELPHIA, PENNSYLVANIA 19103-7500

(818) 875-7000 FAX (818) 875-7500

HARRISBURG, PA  
(717) 238-4812MEDIA, PA  
(610) 568-4131CHERRY HILL, NJ  
(609) 781-8900

DIRECT DIAL NUMBER:

(215) 575-7260

J. Shane Crouner

May 10, 1996

The Honorable Robert E. Andrews  
2439 Rayburn  
House Office Building  
Washington, D.C. 20515

Dear Congressman Andrews:

You have requested this Firm to give you an opinion as to what action to take with regard to what you have learned today for the first time from reading newspaper accounts in the May 9, 1996 edition of the Washington Post and today's edition of the Baltimore Sun.

From these articles, it appears that inadvertently and unknown to you, or your campaign committee, contributions of \$3,000 were made to your election campaign fund in which the persons making the contributions apparently were not the true donors.

Other than these two newspaper articles, we have had no other information relating to the tainted contributions. However, today the undersigned contacted Assistant United States Attorney Lynne A. Battaglia, the attorney supervising the matters outlined in the newspaper articles, to confirm the newspaper accounts of the questioned contributions. Ms. Battaglia advised me that it is clear from the United States Attorney's investigation that neither you nor your campaign committee had any knowledge that certain contributions were made by nominees.

Specifically, you have requested the Firm's advice as to how, having just learned of the tainted contributions, you may act promptly to remedy the situation.



Dilworth, Paxson, Kalish & Kauffman LLP  
To: The Honorable Robert M. Andrews

Page 2

Pursuant to the Federal Election Campaign Laws and Federal Election Campaign Law Guidelines, the Firm recommends that the \$3,000 unknowingly received from nominee be paid to the United States Treasury with the notation that your campaign committee, having unknowingly accepted these nominee campaign contributions, are now paying the money into the United States Treasury pursuant to relevant Federal Election Laws.

Sincerely yours,


DILWORTH, PAXSON, KALISH &  
KAUFFMAN

BY:

  
J. Shane Creaser

JSC:jon



		2316
ANDREWS FOR CONGRESS COMMITTEE		
		MAY 10 1996 85-754/312
PAY TO THE ORDER OF	UNITED STATES TREASURY	\$ 3,000.00
THREE THOUSAND DOLLARS AND XX/100		DOLLARS
 COMMUNITY National Bank OF NEW JERSEY WESTMONT NJ 08086		
FOR	REFUND OF CONTRIBUTIONS	<i>Ray S. L...</i>
⑈0023⑆ ⑆031207555⑆ 11 11731⑈		

9604300032

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

Congress of the United States

House of Representatives

Washington, D.C. 20515

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
SECRETARIAT

MAY 29 12 37 PM '96

HOWARD L. BERMAN MAY 29 12 29 PM '96

May 17, 1996

Hon. Lee Ann Elliott  
Chairman  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

Dear Madame Chairman:

Enclosed please find a check in the amount of \$2,800 drawn upon the account of my campaign committee, Berman For Congress, and payable to the United States Treasury. This amount represents the full total of contributions received by Berman For Congress from the Indian-American Leadership Investment Fund. My committee received these contributions in November, 1994.

At the time of receipt, and indeed until last week, I had no reason nor evidence to question the legality of this PAC or of its contribution to my reelection campaign.

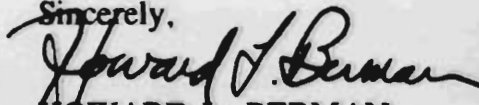
On May 9, 1996, a news article appeared in the Baltimore Sun, revealing that the source of funds for the Indian-American Leadership Investment Fund had pled guilty to election fraud, confessing that donors to this PAC had been reimbursed for their contributions, using money from a minister at the Embassy of India.

As soon as this article was brought to my attention, I sought the counsel of the FEC with regard to the appropriate manner in which to refund these now-suspect contributions.

Since the actual source of the contributions is unknown to me, I have been advised by the FEC that I can discharge my duty under federal election law by payment of the questionable amount to the United States Treasury and be in full compliance with the refund rule of 11 CFR 103.3(b)(2).

Thank you very much for your receipt and forwarding of the enclosed refund. Should there be any outstanding questions or problems, please contact me immediately.

Sincerely,

  
HOWARD L. BERMAN  
Member of Congress

HLB/gs

**BERMAN FOR CONGRESS**8665 WILSHIRE BLVD. NO. 220  
BEVERLY HILLS, CA 90211

4842

90-3900/1222

May 17, 1996

PAY THE SUM 2800 DOLLARS 00 CTS DOLLARS \$ 2,800.00TO  
THE  
ORDER  
OF

United States Treasury

A handwritten signature in cursive script, reading 'Mary Ellen Padilla'.

⑈004842⑈ ⑆122239005⑆

0100003453⑈

**BERMAN FOR CONGRESS**DETACH AND RETAIN THIS STATEMENT  
THE ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED BELOW  
IF NOT CORRECT PLEASE NOTIFY US PROMPTLY. NO RECEIPT DESIRED

DELUXE FORM WVC-2 V-2

DATE	DESCRIPTION	AMOUNT
5/17/96	Refund of contribution from the Indian-American Leadership Fund	2,800.00



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

May 30, 1996

The Honorable Howard L. Berman  
2231 Rayburn House Office Building  
United States House of Representatives  
Washington, DC 20515-0526

Dear Mr. Berman:

This letter is to acknowledge the Federal Election Commission's receipt of a \$2,800 check from your campaign committee, Berman for Congress, representing contributions received in November 1994 in the name of the Indian-American Leadership Investment Fund. We will contact you if additional information is required.

Sincerely,

A handwritten signature in dark ink, appearing to read "Lois G. Lerner", is positioned above the typed name.

Lois G. Lerner  
Associate General Counsel

9 8 0 4 3 3 8 0 8 5



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
SECRETARIAT

JUN 5 2 06 PM '96

June 5, 1996

**SENSITIVE**

**MEMORANDUM**

**TO:** The Commission

**FROM:** Lois G. Lerner *HL*  
Associate General Counsel

**SUBJECT:** Disgorgement of Funds Received in the Name of the  
Indian-American Leadership Investment Fund

Attached for the Commission's information are copies of two checks, along with their accompanying cover letters, representing the disgorgement of funds received during 1994 from the Indian-American Leadership Investment Fund. The committees of Congressman Howard Berman and Congressman Lee Hamilton disgorged to the United States Treasury \$2800 and \$3000 respectively.

**Attachments**

1. Cover letter and check from Berman for Congress
2. Cover letter and check from Hamilton for Congress Committee

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

MAY 29 12 37 PM '96

Congress of the United States

House of Representatives

Washington, D.C. 20515

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
SECRETARIAT

HOWARD L. BERMAN MAY 29 12 29 PM '96

May 17, 1996

Hon. Lee Ann Elliott  
Chairman  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

Dear Madame Chairman:

Enclosed please find a check in the amount of \$2,800 drawn upon the account of my campaign committee, Berman For Congress, and payable to the United States Treasury. This amount represents the full total of contributions received by Berman For Congress from the Indian-American Leadership Investment Fund. My committee received these contributions in November, 1994.

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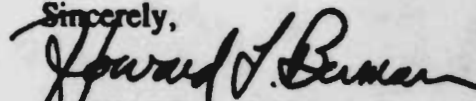
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Thank you very much for your receipt and forwarding of the enclosed refund. Should there be any outstanding questions or problems, please contact me immediately.

Sincerely,

  
HOWARD L. BERMAN  
Member of Congress

HLB/gs



**BERMAN FOR CONGRESS**8085 WILSHIRE BLVD., NO. 220  
BEVERLY HILLS, CA 90211

4842

90-3800/1222

May 17, 1996

PAY THE SUM 2800 DOLS 00 CTS DOLLARS \$ 2,800.00TO  
THE  
ORDER  
OF

United States Treasury

*Mary Ellen Padilla*

#004842# 1:1222390051:

0100003453#

BERMAN FOR CONGRESS

DETACH AND RETAIN THIS STATEMENT  
THE ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED BELOW  
IF NOT CORRECT PLEASE NOTIFY US PROMPTLY NO RECEIPT DESIRED

DELUXE FORM WVC-2 V-2

DATE	DESCRIPTION	AMOUNT
5/17/96	Refund of contribution from the Indian-American Leadership Fund	2,800.00



Congressman Lee H. Hamilton

Post Office Box 99  
Jeffersonville, Indiana 47131

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

May 24, 1996

JUN 3 4 42 PM '96

JUN 3 4 42 PM '96

Federal Election Commission  
Lee Ann Elliott, Chairperson  
999 E Street, N.W.  
Washington, D.C. 20463

RE: Hamilton for Congress Committee  
ID #C00073221

Dear Ms. Elliott:

On the Hamilton for Congress Committee received a contribution in the amount of \$ 3,000.00 on November 3, 1996. The contribution came from: Indian-American Leadership PAC

Mr. Subodh Chandra, Treasurer  
3939 Rio Grande Blvd. NW #57  
Albuquerque, NM 87107-3153

The contribution was process and deposited in a timely manner. Assuming the contribution was legal and proper.

On May 8, 1996, Congressman Hamilton was made aware that the contribution his committee received on November 3, 1996 was illegal. It is the understanding of the committee they money was from the Indian Embassy and was contributed through the above mentioned PAC to give the appearance of individual contributions.

Upon receiving the above information, Congressman Hamilton instructed the campaign committee to return the contribution to the Federal Election Commission for deposit in the United States Treasury.

Enclosed please find check #006607 in the amount of \$ 3,000.00 made payable to the United States Treasury. Thank you very much and if you have any questions please feel free to contact me at 812-949-8683-O or 812-949-8684-Fax.

Sincerely,

*Robert L. Prather*

Robert L. Prather, Treasurer  
HAMILTON FOR CONGRESS COMMITTEE

RLP:grfv  
enclosure: Check #006607

JUN 4 12 33 PM '96

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

# HAMILTON FOR CONGRESS COMMITTEE

P. O. BOX 99  
JEFFERSONVILLE, INDIANA 47131

71-288  
838

006607

DATE May 22, 1996

PAY TO THE ORDER OF United States Treasury \$ 3,000.00

Three Thousand and 00/100-----DOLLARS

HAMILTON FOR CONGRESS COMMITTEE

SEYMOUR NATIONAL BANK  
SEYMOUR, INDIANA 47274

*Robert R. Press*

⑈00006607⑈ ⑆083902989⑆ 06 225 1⑈

## HAMILTON FOR CONGRESS COMMITTEE

PLEASE DETACH BEFORE DEPOSITING BY ENDORSEMENT THE CHECK IS ACCEPTED IN FULL PAYMENT OF THE FOLLOWING

PERIOD ENDING	HOURS			EARNINGS				DEDUCTIONS						NET PAY
	REG.	OT.	TOTAL	REGULAR	OVERTIME	OTHER	TOTAL	F.I.C.A.	WITHHOLD- ING TAX	STATE TAX	M.E.			

INVOICE DATE	INVOICE NUMBER	DESCRIPTION	OUR NUMBER	AMOUNT OF INVOICE	DEDUCTIONS	AMOUNT PAID
		For refund of contri- bution received 1994				

Reorder Form - HCSO The Banking Board, P.O. Box 2244, Hartford, CT 06104-2244  
© 1991 HCSO

ATTACHMENT 2

Page 2 of 2



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

June 5, 1996

PM 316

Mr. Robert L. Prather, Treasurer  
Hamilton for Congress Committee  
P.O. Box 99  
Jeffersonville, IN 47131

Dear Mr. Prather:

This letter is to acknowledge the Federal Election Commission's receipt of a \$3,000 check from the Hamilton for Congress Committee representing contributions received in 1994 in the name of the Indian-American Leadership Investment Fund. We will contact you if additional information is required.

Sincerely,

A handwritten signature in dark ink, appearing to read "Lois G. Lerner", is positioned above the typed name.

Lois G. Lerner  
Associate General Counsel

980403380891

# Hoyer for Congress

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
SECRETARIAL

OGC

7905 Malcolm Road, Suite 102 • Clinton, Maryland 20735 JUN 6 12 05 PM '96

May 22, 1996

Lee Ann Elliott  
Chair  
Federal Elections Commission  
999 E. Street, NW  
Washington, D.C. 20463

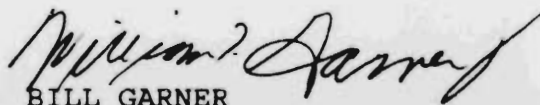
RECEIVED  
FEDERAL ELECTION  
COMMISSION  
ACCOUNTING OFFICE  
JUN 6 2 27 PM '96

Dear Madame Chair,

Pursuant to 11 CFR 103.3 (b) (2), enclosed please find a check in the amount of THREE THOUSAND (\$3000) DOLLARS made payable to the Treasury of the United States as a refund for contributions determined by the Hoyer for Congress Committee to be prohibited. The recent guilty plea of Lalit Gadhia brought this to the attention of the Committee. It is our determination this previous contribution is prohibited based on new evidence not available to the committee at the time of receipt and deposit.

Should you have any questions, please do not hesitate to contact me. Thanking you for your attention to this matter and with kindest regards, I am

Sincerely yours,



BILL GARNER  
Treasurer  
Hoyer for Congress Committee

Enclosure (1)

**HOYER FOR CONGRESS**

7905 MALCOLM ROAD SUITE 102  
CLINTON MARYLAND 20735

CITIZENS BANK OF MARYLAND  
LAUREL MD 20707

2333

NUMBER

65 296/550

May 29, 1996

\$ 3000.00

DATE

AMOUNT

\$\$\$\$THREE THOUSAND DOLLARS AND 00 / CENTS

PAY  
TO THE  
ORDER  
OF

United States Treasury

*William J. Hoyer*

*Lisa J. Constantine*

Memo contribution refund

VOID AFTER 90 DAYS

⑈002333⑈ ⑆055002969⑆ 237 5498⑈

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# Ben Cardin For Congress

OGC  
RECEIVED  
FEDERAL ELECTION  
COMMISSION  
SECRETARIAT

JUN 7 3 22 PM '96

May 29, 1996

Federal Election Commission  
Washington, DC 20463  
Attn: Chairwoman Lee Ann Elliott

Dear Chairwoman Elliott,

Enclosed you will find a check for \$3,000.00 payable to the United States Treasury. This check is being sent to you pursuant to Advisory Opinion 1996-5 issued to The Honorable Jay Kim and dated March 14, 1996. A copy of the Advisory Opinion is attached.

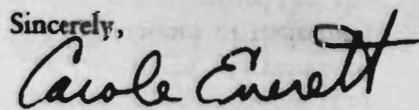
*Ben Cardin For Congress* Campaign Committee learned of unlawful contributions to its campaign through an article that appeared in the Baltimore Sun papers, dated May 9, 1996. A copy of the article is attached. According to the article and our independent investigation, Lalit Gadhia plead guilty in the United States District Court for the District of Maryland, to reimbursing with cash, himself and three other contributors, the full amount of their total contributions to Ben Cardin's campaign. Upon further investigation, it was learned that the following campaign contributions received by the campaign committee on November 7, 1994, were in fact the funds of Devendra Singh, a foreign national, which had been funneled through Lalit Gadhia: (a) Lalit H. Gadhia, \$500.00; (b) Sachinder Gupta, \$1,000.00; (c) Pradeep Perera, \$1,000.00; (d) Dinay Wahi, \$500.00.

At the time the contributions were received, the campaign committee had no knowledge that Singh and Gadhia reimbursed the personal contributions of the contributors, nor were there any apparent reasons to question the legality of those contributions. But based on new evidence produced by the guilty plea and the newspaper article, we have discovered that these contributions should not have been accepted and deposited.

In order to remove the tainted contributions from the campaign funds, the enclosed check is being sent to you pursuant to the option provided by Advisory Opinion 1996-5.

The Committee will disclose this payment on the next FEC report as set forth by the Advisory Opinion 1996-5.

Sincerely,



Carole Everett  
Campaign Director

P.O. Box 65056, Baltimore, MD 21209-0056.  
410-433-1900; FAX: 410-433-4307



# Campaign fund-raiser admits guilt

Democratic backer  
laundered \$46,000  
from Indian Embassy

Gadhia faces 5-year term

Four Md. lawmakers  
unwittingly took  
illegal donations

By JIM HANER  
AND MARK MATTHEWS  
SUN STAFF

A prominent fund-raiser for Maryland Democrats pleaded guilty yesterday to election fraud in a scheme to launder at least \$46,000 in illegal campaign contributions he received from an official at the embassy of India in 1994.

Lalit H. Gadhia — a 57-year-old immigration lawyer and former campaign treasurer to Gov. Parris N. Glendening — confessed in U.S. District Court in Baltimore to his role in the scheme to influence congressional lawmakers involved in foreign-policy decisions affecting India.

An immigrant from Bombay, India, who was active in Baltimore's early civil rights movement, Gadhia now faces up to five years in prison and \$250,000 in fines. Sentencing is scheduled for this summer.

Prosecutors say the case against Gadhia is one of only a handful of cases in which



SUN STAFF: 1997

**Admits fraud: Gadhia is**  
the former campaign treasurer of Parris N. Glendening.

Prosecutors say the case against Gadhia is one of only a handful of cases in which foreign citizens or governments have been linked to illegal campaign contributions in a U.S. political race, and may be the first time an official of a foreign embassy has been implicated.

"The fact that the money came from the Indian Embassy and that so many people were manipulated into participating in the scheme takes this case to a higher level than we normally see in these kind of investigations," said U.S. Attorney Lynne A. Battaglia. "Obviously, we have not seen a case like this in Baltimore before."

Among those who received the illegal funds were four members of the Maryland delegation and congressmen in Pennsylvania, New York and Ohio. According to documents filed in the case, federal authorities could find no evidence that any of the [See Gadhia, 18A]



# Maryland fund-raiser admits guilt

[Gadhia, from Page 1A]

recipients was aware of the true source of the contributions.

"The campaign assumed that these were appropriate contributions," said Jesse Jacobs, press secretary for Sen. Paul S. Sarbanes, the Marylander who is the third-ranking Democrat on the Foreign Relations Committee. Mr. Sarbanes received \$4,500 of the questionable contributions.

Other Maryland Democrats who received \$3,000 contributions each were Reps. Benjamin L. Cardin and Steny H. Hoyer and former Rep. Kweisi Mfume.

In all, 19 Democratic candidates nationwide got the money shortly before the 1994 elections through a network of prominent Indian-American businessmen in Maryland, their families and employees of their companies. The donors then were reimbursed by Gadhia, who admitted yesterday that he used money from a minister at the Embassy of India in Washington.

Under Federal Election Commission rules, it is illegal for noncitizens to make political contributions or for anyone to make donations in another person's name. But Gadhia never informed donors that the money was coming from India — or told them that it was a crime to accept reimbursement for a donation.

"The vast majority of people in the Indian-American community nationally are going to be appalled by this," said Subodh Chandra, 28, a Los Angeles lawyer who heads a political action committee that unwittingly received at least \$31,400 of the illegal contributions from Gadhia.

"We can only hope at this point that these were the acts of a lone bungler or group of bunglers and not some sort of international intrigue involving the Indian government. Whatever the case may be, it has harmed an immigrant community in this country that has worked hard for political recognition," Chandra said.

The scheme first came to light last year after a two-month investigation by *The Sun* into Chandras PAC, the Indian-American Leadership Investment Fund. Federal campaign finance records showed that almost all of the group's money came from Baltimore donors with ties to Gadhia, who then was Glendening's campaign treasurer.

Donating mostly in \$1,000 and \$500 increments, contributors ranged from prominent Indian-American engineers and doctors to cooks, busboys, students and secretaries who never before had made a political donation.

A half-dozen contributors interviewed said they were paid by Gadhia or his nephew to write the checks, but had no idea the practice was illegal.

Satish Bahl, a part owner of the Akbar Restaurant on Charles Street — where kitchen employees made \$13,500 in bogus contributions — echoed other Baltimore donors in saying he now feels badly used by his former friend.

"I had no idea — absolutely no idea," he said yesterday. "We were not aware of the consequences. We were only involved thirdhand. We never thought about how far this could go."

Gadhia denied the allegations at the time of *The Sun's* investigation. But the case against him continued to build last summer as FBI agents issued subpoenas to those who gave to the PAC or who attended fund-raisers held by Gadhia for Maryland congressional candidates, Baltimore Mayor Kurt L. Schmoke and presidential aspirants Bill Clinton and Michael S. Dukakis.

## Former Md. official

Gadhia was at the height of his political influence, having been rewarded by Glendening with an \$80,000-a-year post as his deputy secretary of international economic development. Within days, the governor demanded his resignation.

The allegations of wrongdoing stunned Baltimore's close-knit Indian-American community because Gadhia was its de facto political leader — the man with the golden Rolodex who could produce thousands of dollars in contributions with a round of telephone calls.

Then, on May 8, 1995, FBI agents seized documents from Gadhia's Charles Street office that quickly expanded the investigation beyond the PAC contributions: copies of 66 personal checks attached to an Airborne Express bill of lading.

According to records released yesterday by the U.S. attorney's office in Baltimore, the courier bill was addressed to a minister named Devendra Singh at the "Embassy of India" and it contained checks not only to the PAC but to 12 Democratic lawmakers.

The records enabled the FBI to trace some \$46,000 in illegal contributions back to Singh at the embassy, Battaglia said.

Singh, who now is a high-ranking police official in Rajasthan state in India, was minister for personnel and community affairs at the embassy at the time. Among his duties was to reach out to prominent Americans who had immigrated from India and seek their support for the government.

#### No 'such contribution'

The current minister for community affairs, Wajahat Habibullah, denied that the embassy is involved in trying to influence U.S. foreign policy through campaign contributions.

"I have not made any such contribution," he said, adding that diplomats at the embassy have a budget for entertaining dignitaries but not for political donations. "Certainly it is not part of our work."

But it is not the first time the issue has come up.

India's current ambassador has been in Washington only since April. But his predecessor, Siddhartha Ray, who is now running for Parliament in India, drew harsh criticism from Indiana Republican Rep. Dan Burton for his statements backing certain members of Congress who were known to be strong supporters of India.

"We are very concerned about political activities at the Indian Embassy," Burton's chief of staff, Kevin Binger, said of the Gadhia guilty plea. "We feel very strongly that it should stay out of political races. Any allegation that this is going on should be investigated and made an issue with the Indian government."

Said embassy spokesman Shiv Mukherjee: "The Indian Embassy operates fully within the bounds of diplomatic propriety."

Officially, the State Department had no comment. Privately, however, officials chalked up the illegal contributions that were funneled through Gadhia's Maryland political network to a lack of sophistication in how to influence the American political system.

One official said the Indians had made a fumbling start in their attempt to copy the formidable clout wielded on Capitol Hill by such countries as Greece and Israel, which are aligned with powerful and well-financed Washington lobbies.

India and its supporters in Washington have been extremely vocal in trying to limit U.S. military assistance to India's longtime adversary, Pakistan — most recently, the sale of 38 F-16 fighters.

As the Clinton administration

has tried to improve trade and political ties with India while not damaging relations with Pakistan, much of this debate has played itself out before the Senate Foreign Relations Committee and House International Relations Committee.

Federal Election Commission records show that the committee members have become magnets for campaign contributions from Pakistani and Indian immigrants living in the United States — and for Gadhia's laundered contributions.

In addition to Sarbanes, other Democratic committee members targeted were Sen. Charles S. Robb of Virginia, \$2,000; Rep. Gary L. Ackerman of New York, \$3,000; Rep. Sherrod Brown of Ohio, \$3,000; Rep. Lee H. Hamilton of Indiana, \$3,000; Rep. Elliot L. Engel of New York, \$3,000; Robert E. Andrews of New Jersey, \$3,000; and Rep. Howard L. Berman of California, \$2,800.

State Department officials said yesterday's revelations were unlikely to do serious damage to U.S. Indian relations. Nor does the Gadhia case appear to rise to the level of other campaign financing scandals involving foreign nationals.

The Justice Department is investigating the campaign finances of Rep. Jay Kim, a California Republican and the first Korean-American member of Congress.

Since December, four Korean companies — Hyundai Motor America, Korean Air Lines, Daewoo International (America) Corp. and Samsung America — have paid a total of \$1.2 million in fines in connection with illegal campaign contributions to Kim that were laundered through company employees.

In 1994, a number of Japanese citizens and corporations paid a \$162,225 civil penalty to the FEC for making more than \$300,000 in illegal contributions in Hawaii during the 1980s.

Perhaps the most famous episode of foreign intervention in recent history was the Korean scandal of the 1970s, in which a wealthy South Korean businessman funneled hundreds of thousands of dollars in bribes and contributions to U.S. politicians.

Among those caught in the scandal, which implicated more than 30 members of Congress, was Hancho C. Kim, a Maryland businessman. He was sentenced to six years in prison in 1978 for accepting \$600,000 in funds from the Korean government to influence members of Congress.

Sun staff writers Paul West, John B. O'Donnell and C. Fraser Smith contributed to this article.

## How the money moved

**Aug. 16, 1993:** Indian-American Leadership Investment Fund registers as a political action committee (PAC) with the Federal Election Commission. In first 13 months, it raises \$700.

**October 1994:** Lalit H. Gadhia sends 41 checks totaling \$34,900 written by various individuals to the PAC. Between Oct. 30 and Nov. 3, the PAC sends \$34,800 to 14 congressional candidates and to the Massachusetts Democratic Party's Victory '94 fund. Federal prosecutors say that Gadhia selected the candidates to receive contributions and that he reimbursed the authors of most of the checks, using money obtained from an official at the Indian Embassy in Washington.

**October-November 1994:** Another \$15,000 in contributions from individuals is made directly to 12 candidates, including eight who also received money from the PAC. The contributors are reimbursed

by Gadhia, using money from the Indian Embassy official.

**Dec. 1, 1994:** Gadhia sends a report on the use of the campaign funds to the embassy official, Devendra Singh.

**May 2, 1995:** Gadhia resigns as Gov. Parris N. Glendon's campaign treasurer following a report in *The Sun* describing his fund-raising activities. He also takes leave of absence from his \$80,000 post as assistant secretary of international economical development in the Maryland Department of Economic and Employment Development.

**May 8, 1995:** FBI searches Gadhia's law office and finds evidence of the scheme to launder illegal campaign contributions.

**June 30, 1995:** Gadhia resigns his state job.

**Yesterday:** Gadhia appears in federal court and admits his role in the scheme.

<b>FROM COMPANY NAME</b> LALIT H. GADHIA P A ADDRESS 355 N CALVERT ST CITY STATE ZIP CODE BALTIMORE MD 21202 PHONE (410) 244-8444		<b>CHECK NO.</b> 3287684602 <b>RECEIVED</b> 101777495 <b>DATE</b> 10/22/94 <b>AMOUNT</b> \$15,000.00	
<b>TO COMPANY NAME</b> Embassy of India 2107 Massachusetts Ave NW Washington DC 20008 Mr. Devendra Singh		<b>RECEIVER</b> Mr. Devendra Singh 2107 Massachusetts Ave NW Washington DC 20008	
<b>DOCUMENTS</b> R. Gadhia 12/1/94		<b>REMARKS</b> 15,000.00	

**Correspondence:** A copy of air freight receipt obtained by the FBI. Prosecutors said Gadhia sent a report to the Indian Embassy on the political contributions.



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

March 14, 1996

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**ADVISORY OPINION 1996-3**

The Honorable Jay Kim  
Member of Congress  
Jay Kim for Congress  
P.O. Box 127  
Upland, CA 91785

Dear Mr. Kim:

This responds to your letter dated February 9, 1996, with enclosure, requesting an advisory opinion concerning application of the Federal Election Campaign Act of 1971, as amended ("the Act"), and Commission regulations to a proposed refund by your campaign committee, Jay Kim for Congress ("the Committee"), of unlawful contributions accepted by the Committee during your 1992 congressional campaign.

Your letter relates your view of the factual background regarding the contributions in question and states as follows:

During my 1992 Congressional campaign, I received a total of \$2,000 each from five different employees of Samsung America, Inc. (In each case I received \$1,000 from each for the primary and \$1,000 from each for the general in compliance with the Act and FEC regulations.) At the time of receipt and deposit, my campaign had no reason to believe these contributions were illegal.

However, on January 31, 1996, I learned for the first time that Samsung America pled guilty in the United States District Court for the Central District of California to reimbursing with cash each of those five contributors the full amount of their total contributions to my campaign. [Copy of indictment enclosed with request.] Again, my campaign had no



knowledge that Samsung America reimbursed the personal contributions of its employees. As this was an internal corporate action, there is no way my campaign or I could have known about such reimbursements at the time. But, based on the new evidence produced by the indictment in U.S. District Court, we have now discovered that these contributions should not have been accepted and deposited.

You have requested Commission advice as to whom the Committee should "disburse these tainted contributions." Given your assumption that the contributions should be refunded to the individuals from whom the initial contribution was received, you further ask what action the Committee should take if it is unable to now find these individuals within thirty days.

As you know, the Act generally prohibits the making or acceptance of any contribution by any corporation whatever in connection with any election to Federal office. 2 U.S.C. §441b(a). The statute provides, in pertinent part, that it is unlawful "for any candidate, political committee, or other person knowingly to accept or receive any contribution prohibited by" section 441b(a). Violations of section 441b(a) are subject to civil enforcement action by the Commission, criminal prosecution by the United States Department of Justice, or both.<sup>1</sup> At the outset the Commission emphasizes that this opinion does not address any issues concerning the liability of the Committee, or you, or any other person with respect to violations of the Act in connection with the making or acceptance of the contributions described in your request. Those issues, including any sanctions or penalties that may be appropriate, can only be considered by the Commission in the enforcement process. See 2 U.S.C. §437g and 11 CFR Part 111. Instead, this opinion pertains exclusively to the narrow question of what action the Committee is required or permitted to take at this time in the circumstances presented and in compliance with Commission regulations at 11 CFR 103.3.

The regulations prescribe the obligations of a committee treasurer upon receipt of a contribution that appears unlawful or presents genuine questions of illegality when received, or upon discovery of the contribution's unlawful nature at a later date. 11 CFR 103.3(b). Where there is later discovery of evidence that a previous contribution "is illegal based on new evidence not available to the political committee at the time of

<sup>1</sup> Commission enforcement actions may require monetary civil penalties and other sanctions pursuant to 2 U.S.C. §437g. Criminal prosecutions by the United States for violations of 2 U.S.C. §441b may result in criminal fines and imprisonment not to exceed one year for each violation. 2 U.S.C. §437g(d).



receipt and deposit, the treasurer shall refund the contribution to the contributor within thirty days of the date on which the illegality is discovered." 11 CFR 103.3(b)(2).

Several past advisory opinions of the Commission have considered the quoted rule in two types of situations where, at the time of initial receipt, there is no apparent reason to question the legality of the contribution, but thereafter evidence or information is discovered that indicates doubt whether the contribution was lawful. See Advisory Opinions 1995-19, 1991-39, 1989-5 and 1984-52. One situation is where there is a factual dispute as to the actual source of the contributions, even though the discovery of the new evidence means that the committee recipient can no longer rely on its initial assumption that the contribution was lawful under the Act. Accordingly, a committee that finds itself in those circumstances must disgorge an amount equal to the amount of the suspect contributions. Advisory Opinions 1995-19 and 1991-39.<sup>2</sup>

The other situation is quite different in that the material facts as to the source of the contribution have been established in a collateral legal proceeding, such as a guilty plea indicating that crimes were committed by those who made the relevant contributions. Advisory Opinions 1989-5 and 1984-52. In such circumstances where the facts establish the identity of the unlawful source of the contributions, the Commission has applied section 103.3(b)(2) and concluded that an amount equal to the amount of the prohibited contributions should be promptly refunded to the contributor(s); that is, to the person or entity that is determined to have been the source of the contributions according to the guilty plea or other collateral legal proceeding. Advisory Opinions 1989-5 and 1984-52.

That course of action is one option that may be taken in your case. Because the facts established by the guilty plea indicate that Samsung America, Inc., was the source of the \$10,000 in contributions originally made by five Samsung employees in their own names, the payment of \$10,000 to Samsung would be required. In the alternative, the Committee may pay \$10,000 to the United States Treasury.<sup>3</sup> If that is the Committee's preference, it should submit a Committee check for \$10,000 payable to the Treasury of the United States; the check should be delivered to the Commission.

<sup>2</sup> These opinions explained that the required payments could be made to a governmental entity at the Federal, State or local level, or to a public charity that qualified under 26 U.S.C. §170(c). All of these options are not available in your situation because the facts as to the actual source of the contributions in question have been determined. See discussion below.

<sup>3</sup> The facts as to the illegality of a contribution may also be established in a conciliation agreement between the Commission and respondents in an enforcement matter that is concluded under 2 U.S.C. §437g. See Matter Under Review ("MUR") 1460.

<sup>4</sup> The Commission has interpreted the statute to allow amounts equal to mandatory contribution refund amounts to be disgorged to the United States Treasury, in lieu of making payments to the entity that unlawfully made the original contribution. See MUR 1460.


To the extent that Advisory Opinions 1989-5 and 1984-52 hold that payments equal to the amounts of previously accepted unlawful contributions may only be made to the entity that is determined to have been the source of the unlawful contributions, those opinions are hereby superseded. Refund equivalent

In either case, the Committee's payment must be made within 30 days of the receipt of this opinion. In addition, the Committee is required to fully disclose (including itemized data) the payment as a disbursement on its appropriate FEC report. 2 U.S.C. §434(b)(6)(A), 11 CFR 104.3(b)(4)(vi).

Because the Committee is not permitted to make the \$10,000 payment to the five Samsung employees who appeared to have made the original contributions, the Commission need not address what steps the Committee would have to take if it could not locate those individuals.

This response constitutes an advisory opinion concerning the application of the Act, or regulations prescribed by the Commission, to the specific transaction or activity set forth in your request. See 2 U.S.C. §437f.

Sincerely,

  
Lee Ann Elliott  
Chairman

Enclosures (AOs 1995-19, 1991-39, 1989-5 and 1984-52)

---

(Footnote 4 continued)

payments to the United States Treasury comport with the underlying reason for the refund rule of 11 CFR 103.3(b)(2).

That is, to place the political committee in nearly the same financial position that would have existed if, knowing the unlawful source of the contributions at the outset, it had returned them within 10 days after receipt. 11 CFR 103.3(b)(1).

IMAGE SAFE Use only for security and protection of document. Do not cash.

BEN CARDIN FOR CONGRESS

12-85

3744

May 30 1996

7 163 520  
2196

PAY  
TO THE  
ORDER OF

United States Treasury

\$ 3,000.00

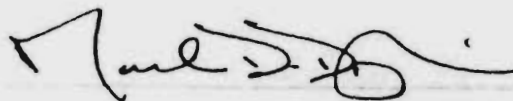
Three Thousand and xx/100-----

DOLLARS

**NationsBank**

NationsBank, N.A.  
Maryland

FOR



⑈003744⑈ ⑆052001633⑆ 2024142135⑈

980430203



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

June 12, 1996

Bill Garner, Treasurer  
Hoyer for Congress Committee  
7905 Malcolm Road, Suite 102  
Clinton, MD 20735

Dear Mr. Garner:

This letter is to acknowledge the Federal Election Commission's receipt of a \$3,000 check from your campaign committee, Hoyer for Congress, representing contributions previously received that you now believe to have been made by a prohibited source. We will contact you if additional information is required.

Sincerely,

A handwritten signature in dark ink, appearing to be "Lois G. Lerner", is written over a horizontal line.

Lois G. Lerner  
Associate General Counsel

*Celebrating the Commission's 20th Anniversary*

YESTERDAY, TODAY AND TOMORROW  
DEDICATED TO KEEPING THE PUBLIC INFORMED



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

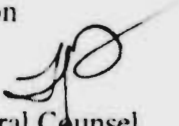
RECEIVED  
FEDERAL ELECTION  
COMMISSION  
SECRETARIAT

JUN 14 10 03 AM '96

June 13, 1996

**MEMORANDUM**

**TO:** The Commission

**FROM:** Lois G. Lerner   
Associate General Counsel

**SUBJECT:** Disbursement of Funds Received in the Name of the  
Indian-American Leadership Investment Fund and Others

Attached for the Commission's information are copies of two checks, along with their accompanying cover letters, representing the disbursement of funds received during 1994 in the name of the Indian-American Leadership Investment Fund and other individuals. The committees of Congressman Steny Hoyer and Congressman Ben Cardin disbursed \$3,000 each.

**Attachments**

1. Cover letter and check from Hoyer for Congress
2. Cover letter and check from Ben Cardin for Congress



# Hoyer for Congress

7905 Malcolm Road, Suite 102 • Clinton, Maryland 20735 JUN 30 8 56 26 PM '96

May 22, 1996

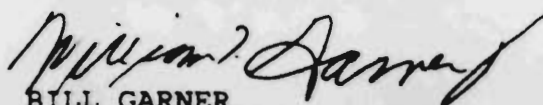
Lee Ann Elliott  
Chair  
Federal Elections Commission  
999 E. Street, NW  
Washington, D.C. 20463

Dear Madame Chair,

Pursuant to 11 CFR 103.3 (b) (2), enclosed please find a check in the amount of THREE THOUSAND (\$3000) DOLLARS made payable to the Treasury of the United States as a refund for contributions determined by the Hoyer for Congress Committee to be prohibited. The recent guilty plea of Lalit Gadhia brought this to the attention of the Committee. It is our determination this previous contribution is prohibited based on new evidence not available to the committee at the time of receipt and deposit.

Should you have any questions, please do not hesitate to contact me. Thanking you for your attention to this matter and with kindest regards, I am

Sincerely yours,



BILL GARNER  
Treasurer  
Hoyer for Congress Committee

Enclosure (1)

ATTACHMENT 1  
Page 1 of 2

HOYER FOR CONGRESS  
7905 MALCOLM ROAD, SUITE 102  
CLINTON, MARYLAND 20735

CITIZENS BANK OF MARYLAND  
LAUREL, MD 20707

2333

NUMBER

65 296/550

May 29, 1996

\$ 3000.00

DATE

AMOUNT

\$\$\$\$THREE THOUSAND DOLLARS AND 00 / CENTS

PAY  
TO THE  
ORDER  
OF

United States Treasury

*William J. Darnell*

*Lisa J. Constantine*

Memo contribution refund

VOID AFTER 90 DAYS

THE REVERSE SIDE OF THIS DOCUMENT INCLUDES AN ARTIFICIAL WATERMARK - HOLD AT AN ANGLE TO VIEW

"002333" 10550029691 237 5498"

ATTACHMENT 1

Page 2 of 2

# Ben Cardin For Congress

RECEIVED  
FEDERAL ELECTION COMMISSION  
COMMUNICATIONS SECTION  
SECRETARIAT

JUN 7 3 22 PM '96

May 29, 1996

Federal Election Commission  
Washington, DC 20463  
Attn: Chairwoman Lee Ann Elliott

Dear Chairwoman Elliott,

Enclosed you will find a check for \$3,000.00 payable to the United States Treasury. This check is being sent to you pursuant to Advisory Opinion 1996-5 issued to The Honorable Jay Kim and dated March 14, 1996. A copy of the Advisory Opinion is attached.

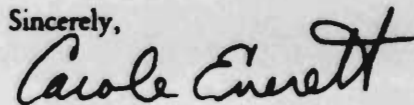
*Ben Cardin For Congress* Campaign Committee learned of unlawful contributions to its campaign through an article that appeared in the Baltimore Sun papers, dated May 9, 1996. A copy of the article is attached. According to the article and our independent investigation, Lalit Gadhia plead guilty in the United States District Court for the District of Maryland, to reimbursing with cash, himself and three other contributors, the full amount of their total contributions to Ben Cardin's campaign. Upon further investigation, it was learned that the following campaign contributions received by the campaign committee on November 7, 1994, were in fact the funds of Devendra Singh, a foreign national, which had been funneled through Lalit Gadhia: (a) Lalit H. Gadhia, \$500.00; (b) Sachinder Gupta, \$1,000.00; (c) Pradeep Perera, \$1,000.00; (d) Dinay Wahi, \$500.00.

At the time the contributions were received, the campaign committee had no knowledge that Singh and Gadhia reimbursed the personal contributions of the contributors, nor were there any apparent reasons to question the legality of those contributions. But based on new evidence produced by the guilty plea and the newspaper article, we have discovered that these contributions should not have been accepted and deposited.

In order to remove the tainted contributions from the campaign funds, the enclosed check is being sent to you pursuant to the option provided by Advisory Opinion 1996-5.


The Committee will disclose this payment on the next FEC report as set forth by the Advisory Opinion 1996-5.

Sincerely,



Carole Everett  
Campaign Director

P.O. Box 65056, Baltimore, MD 21209-0056.  
410-433-1900; FAX: 410-433-4307

Paid for by: Ben Cardin for Congress ©-E-32 Printed on Recycled Paper 

ATTACHMENT 2  
Page 1 of 2

**BEN CARDIN FOR CONGRESS**

12-85

3744

May 30 1996

7 183 520  
2196

PAY  
TO THE  
ORDER OF

United States Treasury

\$ 3,000.00

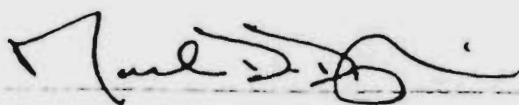
Three Thousand and xx/100-----

DOLLARS

**NationsBank**

NationsBank N.A.  
Maryland

FOR



⑈003744⑈ ⑆052001633⑆ 2024142135⑈

ATTACHMENT

Page 2 of 2



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C.

ASSISTANT SECRETARY

June 3, 1996

The Honorable Lee Ann Elliott  
Chairman  
Federal Election Commission  
999 E Street, N.W.  
Washington, DC 20463

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
SECRETARIAT  
JUN 10 12 09 PM '96

Dear Chairman Elliott:

The Department of the Treasury received a May 10, 1996, letter from Representative Robert E. Andrews enclosing a \$3,000 check payable to the United States Treasury from his campaign committee.

I have been advised that this matter appears to involve the application of the Federal Election Campaign Act of 1971, as amended. Consequently, we are forwarding this correspondence and check to the Federal Election Commission for such action as it deems appropriate.

Sincerely,

*John A. Kilgore*  
for Gerald Murphy  
Fiscal Assistant Secretary

Enclosure



1996-SE-003653

Rob

ANDREWS

For Congress

26 Springdale Road  
Building #27  
Cherry Hill, NJ 08003  
(609) 424-5757

May 10, 1996

The Honorable Robert E. Rubin  
Secretary of the Treasury  
1500 Pennsylvania Avenue, N.W.  
Washington, D.C. 20220

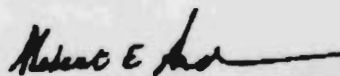
RE: Andrews for Congress Committee

Dear Secretary Rubin:

Pursuant to the advice of counsel, and in accordance with the attached documentation, I am hereby enclosing a check for \$3,000 from the Andrews for Congress Committee made payable to the United States Treasury.

Thank you.

Sincerely,



Robert E. Andrews

LAW OFFICES

**DILWORTH, PAXSON, KALISH & KAUFFMAN LLP**

3800 MELLON BANK CENTER

1735 MARKET STREET

PHILADELPHIA, PENNSYLVANIA 19103-7800

(215) 575-7000 FAX (215) 575-7800

HARRISBURG, PA  
(717) 536-4812MEDIA, PA  
(610) 668-4131CHERRY HILL, NJ  
(609) 751-8800

DIRECT DIAL NUMBER:

(215) 575-7260

J. Shane Cramer

May 10, 1996

The Honorable Robert E. Andrews  
2439 Bayburn  
House Office Building  
Washington, D.C. 20515

Dear Congressman Andrews:

You have requested this Firm to give you an opinion as to what action to take with regard to what you have learned today for the first time from reading newspaper accounts in the May 9, 1996 edition of the Washington Post and today's edition of the Baltimore Sun.

From these articles, it appears that inadvertently and unknown to you, or your campaign committee, contributions of \$3,000 were made to your election campaign fund in which the persons making the contributions apparently were not the true donors.

Other than these two newspaper articles, we have had no other information relating to the tainted contributions. However, today the undersigned contacted Assistant United States Attorney Lynne A. Battaglia, the attorney supervising the matters outlined in the newspaper articles, to confirm the newspaper accounts of the questioned contributions. Ms. Battaglia advised me that it is clear from the United States Attorney's investigation that neither you nor your campaign committee had any knowledge that certain contributions were made by nominees.

Specifically, you have requested the Firm's advice as to how, having just learned of the tainted contributions, you may act promptly to remedy the situation.

Dilworth, Paxson, Kalish & Kauffman LLP  
To: The Honorable Robert M. Andrews

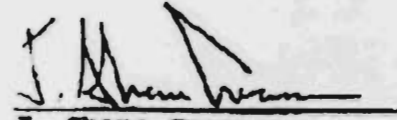
Page 2

Pursuant to the Federal Election Campaign Laws and Federal Election Campaign Law Guidelines, the Firm recommends that the \$3,000 unknowingly received from nominees be paid to the United States Treasury with the notation that your campaign committee, having unknowingly accepted these nominee campaign contributions, are now paying the money into the United States Treasury pursuant to relevant Federal Election Laws.

Sincerely yours,


DILWORTH, PAXSON, KALISH &  
KAUFFMAN

BY:

  
J. Shane Creamer

JSC:jcn

9 8 0 4 3 3 8 0 9 1 3

		2316
ANDREWS FOR CONGRESS COMMITTEE		
		MAY 10 1996 8-76/312
PAY TO THE ORDER OF	UNITED STATES TREASURY	\$ 3,000.00
THREE THOUSAND DOLLARS AND XX/100		DOLLARS
 COMMUNITY National Bank OF NEW JERSEY WESTMONT NJ 08186		
FOR	REFUND OF CONTRIBUTIONS	<i>Alvin S. Lopez</i>
⑈0023⑆⑈ ⑆03⑆207555⑆ ⑆⑆ ⑆⑆73⑆⑈		

98043080914



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

July 10, 1996

The Honorable Robert E. Andrews  
Rob Andrews for Congress  
26 Springdale Road, Building #27  
Cherry Hill, NJ 08003

Dear Mr. Andrews:

This letter is to acknowledge the Federal Election Commission's receipt of a \$3,000 check from your campaign committee, Rob Andrews for Congress, that was forwarded to us by the Treasury Department. We will contact you if additional information is required.

Sincerely,

A handwritten signature in dark ink, appearing to read "L. Lerner", is positioned above the typed name of the Associate General Counsel.

Lois G. Lerner  
Associate General Counsel

*Celebrating the Commission's 20th Anniversary*

YESTERDAY, TODAY AND TOMORROW  
DEDICATED TO KEEPING THE PUBLIC INFORMED





FEDERAL ELECTION COMMISSION  
Washington, DC 20463

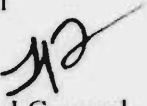
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FEDERAL ELECTION  
COMMISSION  
SECRETARIAT

JUL 10 9 43 AM '96

July 10, 1996

**MEMORANDUM**

**TO:** The Commission

**FROM:** Lois G. Lerner   
Associate General Counsel

**SUBJECT:** Disgorgement of Funds by the Rob Andrews for Congress Committee

Attached for the Commission's information is a copy of a check, along with its accompanying cover letter and attached opinion from counsel, representing the disgorgement of \$3000 in contributions made in the names of others. The materials were forwarded to the Commission by the Department of the Treasury.

**Attachments**

Cover letter, opinion of counsel and check from Rob Andrews for Congress

90043600010

Aug-22-96 04:48A

P.01

July 8, 1996

United States Treasury Department  
1500 Pennsylvania Avenue, N W  
Washington, D C 20220

**To Whom It May Concern:**

It has come to my attention that unsolicited funds for the 1994 campaign of Gary L. Ackerman For Congress may have come from a PAC which was not in compliance with FEC regulations. I understand the PAC no longer exists, and therefore I am returning the contribution to the U.S. Treasury Department to be used for deficit reduction purposes.

Sincerely,

Rahat Banti

**Treasurer**  
**Gary L. Ackerman For Congress**

AUG 23 9 34 AM '56

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL



FEDERAL ELECTION COMMISSION

Washington, DC 20463

August 26, 1996

Mr. Robert Barnett, Treasurer  
Committee to Elect Gary L. Ackerman, Inc.  
P O Box 95  
Fresh Meadows, NY 11365

Dear Mr. Barnett:

This letter is to acknowledge the Federal Election Commission's receipt of a \$3,000 check from the Committee to Elect Gary L. Ackerman, Inc. The check was forwarded to us by the U.S. Department of the Treasury. We will contact you if additional information is required.

Sincerely,

A handwritten signature in dark ink, appearing to read "Lois G. Lerner", is written over the typed name.

Lois G. Lerner  
Associate General Counsel

9804380910

**FEDERAL ELECTION COMMISSION**

999 E street, N.W.  
Washington, D.C. 20436

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
SECRETARIAT

Nov 6 2 39 PM '96

**FIRST GENERAL COUNSEL'S REPORT**

**SENSITIVE**

PRE-MUR 316

DATE ACTIVATED: June 13, 1996

STAFF MEMBERS: Dominique Dillenseger  
Jeffrey Marks

**SOURCE:** INTERNALLY GENERATED

**RESPONDENTS:** Indian-American Leadership Investment Fund  
Subodh Chandra, as treasurer  
Lalit Gadhia

Vinay Wahi  
Satish Chandra Bahl  
Uday Gadhia  
Ashok Kumta  
George Paniker  
Rosemary Osborne  
Dr. S. V. Ramamurthy  
Sachinder Gupta  
37 other individuals

**RELEVANT STATUTES/REGULATIONS:**

- 2 U.S.C. § 437g(a)(5)(b)
- 2 U.S.C. § 441e
- 2 U.S.C. § 441f
- 22 U.S.C. § 611(b)
- 11 C.F.R. § 103.3(b)
- 11 C.F.R. § 103.3(b)(1)
- 11 C.F.R. § 103.3(b)(2)
- 11 C.F.R. § 110.4(a)(3)
- 11 C.F.R. § 110.4(b)(3)

INTERNAL REPORTS CHECKED: Disclosure Documents  
Advisory Opinion 1995-19 (July 28, 1995)

FEDERAL AGENCIES CHECKED: Department of Justice

I. GENERATION OF MATTER

A. PRE-MUR 316

On April 28, 1995, Subodh Chandra, Treasurer of the Indian-American Leadership Investment Fund ("IALIF" or "PAC"), was contacted by a reporter for the Baltimore Sun who informed him that improper contributions may have been made to the IALIF. That same day, Chandra called the Federal Election Commission ("the Commission"), notifying the Commission, sua sponte, of the possible violations. The Sun reporter alleged that, several months earlier, Lalit Gadhia had made several contributions to the IALIF using the names of other individuals ("conduits") to mask the true source of the funds. The PAC had long since disbursed these funds to candidate committees. At this Office's suggestion, Chandra then made a sua sponte submission (Pre-MUR 316) to the Commission regarding the possible violations pledging to "*take whatever steps necessary to resolve the Federal Election Commission's concerns in a satisfactory manner*" (italics in original). In addition, on May 25, 1995 Chandra requested an Advisory Opinion from the Commission. The Commission issued an Advisory Opinion on July 28, 1995.



## II. SUMMARY OF ALLEGATIONS

Based on interview reports prepared by the FBI and the plea agreement signed by Lalit Gadhia, it appears that Devendra Singh, a foreign national and Indian Embassy Official, supplied Lalit Gadhia with approximately \$60,000 in cash to be contributed to congressional candidates. Gadhia then gave this money to 45 individuals (either directly or through one of seven solicitors) who agreed to write checks to either the IALIF or directly to federal candidate committees.

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9804300921

This Office also recommends pursuing the few individuals who most facilitated Gadhia in carrying out this scheme. These individuals also were not criminally prosecuted. For the IALIF and Subodh Chandra, the remaining solicitors, and the bulk of the conduits, most of whom have admitted their actions, this Office recommends that the Commission not pursue beyond reason to believe, and admonish these respondents. Finally, this Office recommends that the Commission send letters to each of the political committees that have received, but not yet disgorged, the illegal funds, instructing them to disgorge the funds to the United States Treasury.

### III. FACTUAL AND LEGAL ANALYSIS

#### A. Statement of the Law

2 U.S.C. § 441e states that it is illegal for a foreign national to directly or indirectly contribute to any candidate in a federal election. It is also forbidden for any person to solicit, accept or receive any such contribution from a foreign national. Further, a foreign national may not participate in or control the election related activities of a person or organization. 11 C.F.R. § 110.4(a)(3). The term "foreign national" includes, inter alia, an individual who is not a citizen of the United States and who is not lawfully admitted for permanent residence, or a foreign principal as defined in title 22. 2 U.S.C. § 441e. 22 U.S.C. § 611(b) defines "foreign principal" as, inter alia, a foreign government.

2 U.S.C. § 441f prohibits any person from: (1) making a contribution in the name of another; (2) knowingly permitting his or her name to be used for a contribution in the name of another; and (3) knowingly accepting such a contribution. The Commission's regulations also prohibit any person from knowingly assisting in the making of a contribution in the name of another. 11 C.F.R. § 110.4(b)(1)(iii). 2 U.S.C. § 431(11) defines "person" to include committees and groups of persons.

The treasurer of a political committee is responsible for examining all contributions received by the political committee for evidence of legality. 11 C.F.R. § 103.3(b). Contributions that present genuine questions as to whether they were made by legal sources may be deposited into a campaign depository or returned to the contributor. If any such contribution is deposited, the treasurer shall make his or her best efforts to determine the legality of the contribution. 11 C.F.R. § 103.3(b)(1). If the treasurer determines that at the time a contribution was received and deposited, it did not appear to be made in the name of another, but later discovers that it is illegal based on new evidence not available to the political committee at the time of receipt and deposit, the treasurer shall refund the contribution to the contributor within thirty days of the date on which the illegality was discovered. 11 C.F.R. § 103.3(b)(2). If the political committee does not have sufficient funds, it must refund the contribution using the next funds it receives. Id.

The Act addresses violations of law that are knowing and willful. See 2 U.S.C. § 437g(a)(5)(b). The knowing and willful standard requires knowledge that one is violating the law. Federal Election Commission v. John A. Dramesi for Congress

Committee, 640 F. Supp. 985 (D. N.J. 1986). A knowing and willful violation may be established "by proof that the defendant acted deliberately and with knowledge that the representation was false." United States v. Hopkins, 916 F.2d 207, 214 (5th Cir. 1990). An inference of a knowing and willful violation may be drawn "from the defendants' elaborate scheme for disguising" their actions. Id. at 214-15.

#### B. Factual Summary

The following discussion is based on FBI interview reports (302s), correspondence and documents from the United States Attorney's Office and the IALIF, and disclosure documents. Further, the DOJ listed a number of individuals who admitted to being reimbursed for their contributions but whose 302s were not forwarded to this office because the statements implicate confidential material (i.e. grand jury testimony). Attachment 1, pp. 1-2. Many of the individuals involved received letters of immunity to criminal prosecution.<sup>2</sup> Id.

In early October 1994, Devendra Singh, a foreign national assigned to the Indian Embassy, and Lalit Gadhia, a politically active Baltimore attorney<sup>3</sup>, began a scheme in which federal contributions of approximately \$60,000 dollars were made using conduits.

---

<sup>2</sup> The letters of immunity stated that any information or testimony the individual gave concerning the political contributions made through or solicited by Gadhia would not be used against the individual in any criminal proceeding provided that the testimony is true.

<sup>3</sup> According to news reports, Gadhia had been active in Maryland politics for years at both the state and federal level. Most recently he was the state-wide treasurer for the Glendening for Governor campaign. DOJ Packet, Statement of Facts, p. 3. At the time the FBI investigation began, Gadhia was reportedly working as an assistant secretary for the international division at the state Department of Economic and Employment Development.

The evidence indicates that the money used was supplied by Singh or the Indian Embassy itself. DOJ Packet, Statement of Facts, pp. 6 and 8. Gadhia, or one of a few intermediary solicitors, would give people cash (usually \$1,000 in \$100 bills) and request that they write a check in an equal amount either to the IALIF or, in some instances, directly to a federal candidate committee. Id. at 7; see generally Attachment 1.

The IALIF is a political action committee ("PAC") which was formed for the purpose of contributing to federal candidates of Indian descent. Statement of Facts, p. 4. The IALIF did not plan on participating in the November 1994 elections because of lack of funds. Id. at 3-4. Gadhia discussed with Subodh Chandra, treasurer of the IALIF and long time friend, the possibility of the IALIF contributing to India-friendly candidates as well as candidates of Indian descent. The IALIF agreed to work with Gadhia, stating that as long as he raised the money, Gadhia could choose to which campaigns the contributions would go. Id. at 4. In under one month, Gadhia forwarded 41 checks from 41 individuals totaling \$34,900 to the IALIF. Id. at 5; DOJ Packet, IALIF FEC Report. Also, Gadhia solicited approximately \$26,000 in reimbursed contributions which were sent directly to candidate committees. Attachment 3, pp. 1-3. The majority of the people who wrote checks ("conduits") claim that they trusted Gadhia and did not know that the contributions were illegal. It also appears that neither the IALIF nor the individual recipient committees were aware that the contributions were illegal. Since learning of this scheme, seven of the 19 recipient committees have disgorged funds totaling \$22,300 to the U.S. Treasury. Id. at 4.



1. **IALIF**

In their sua sponte submission, the IALIF and its treasurer, Subodh Chandra, stated that they were unaware of the scheme surrounding these contributions until they were contacted by the Baltimore Sun reporter. As soon as it became apparent that the contributions collected by Gadhia might be illegal, it appears that they contacted the Commission, sua sponte. Four weeks later, the IALIF requested an advisory opinion from the Commission advising a course of action. There is also evidence to suggest that during the fundraising activities, they attempted to comply with the Act. For example Chandra, the treasurer, persisted in trying to obtain employer information, etc. to file proper reports with the Commission. Statement of Facts, p. 5.

The Advisory Opinion stated that under circumstances where questions arise as to the legality of a contribution, it is the duty of the recipient organization to use "best efforts" to determine the legality of the funds and then to refund any funds which it determined to be illegal. AO 1995-19, p. 3, 2 Fed. Election Camp. Fin. Guide [CCH] ¶ 6156 at p. 12,098. The IALIF was advised that if it did not have sufficient funds on hand, it should do so from the next funds it received. Id. at 12,099. However, because of the ongoing criminal investigation, the DOJ requested that the IALIF not contact any contributors. The Advisory Opinion stated that the IALIF was not required to contact any contributors, but in such an event, the IALIF was required to disgorge the "questionable contributions." Id. at 12,100.

Regarding the disgorgement of funds, the IALIF had disbursed all but \$100 of the Gadhia funds to federal political committees by November 3, 1994. IALIF FEC Report.

Based on its reports, the IALIF has not raised or contributed any funds since November 1994. Its most recent reports show a cash on hand balance of less than \$300.

Because Lalit Gadhia acted on behalf of the IALIF, the Committee is chargeable with knowledge of Gadhia's illegal actions. Where an individual is given fundraising duties and roles as well as authority to decide on expenditures, it suggests that the individual was authorized to act on behalf of the committee. See 11 C.F.R. § 102.8(b); 110.6(b)(2)(E); and 109.1(b)(5). In such a situation, under settled principles of agency law, the committee is charged with the knowledge of its agents and may be liable for having knowingly accepted prohibited contributions. See MUR 3585 (discussion and cases cited in General Counsel's Report dated November 9, 1994 at pp. 35-41). Here, Chandra, with the consent of other IALIF members, not only authorized Gadhia to raise money on behalf of the IALIF but also allowed Gadhia to determine to which campaigns the funds he raised would go. Statement of Facts, p. 4. Further, Gadhia raised all funds and directed all contributions by IALIF during the 1994 election cycle. It seems clear that this was done to advance IALIF's interests in supporting pro-India congressional candidates.

Despite the above basis for the IALIF's liability, this Office believes that there are several reasons not to pursue the PAC and its treasurer beyond finding reason to believe. It appears that Chandra acted quickly and responsibly upon notice of details of the illegal scheme including a sua sponte submission as well as a formal request for advice about how to proceed. In addition, the United States Attorney's Office has related to this Office that the IALIF has been extremely cooperative and forthcoming in the DOJ investigation.

While the Advisory Opinion instructed the IALIF to disgorge the illegal contributions, it appears that the Committee has no funds to disgorge and does not expect to receive any funds. Under all these circumstances, this Office does not suggest further pursuing the IALIF to require it to take additional remedial action. In fact, a number of the federal committees to which the IALIF contributed have already addressed the illegal contributions and voluntarily disgorged these funds. This Office suggests infra that the better course to remove the illegal contributions from the political process is to seek disgorgement from these remaining federal committees. Attachment 3, p. 4.

As is stated below in the discussion of Lalit Gadhia, this Office recommends that the Commission find that Lalit Gadhia knowingly and willfully violated the Act. Because Gadhia acted as the agent of the IALIF, the Commission could make appropriate knowing and willful findings against the IALIF. However, given the facts in this case, we do not recommend making such a finding. Thus, this Office recommends that the Commission find reason to believe that the Indian-American Leadership Investment Fund and Subodh Chandra, as treasurer, violated 2 U.S.C. §§ 441e and 441f. However, due to the particular circumstances, this Office recommends that the Commission take no further action, send admonishment letters, and close the file as to these respondents.

## 2. Lalit Gadhia

The Statement of Facts served as the basis for Gadhia's plea agreement. It states that Gadhia was responsible for securing \$46,400 in reimbursed contributions to IALIF and to several campaign committees.<sup>4</sup> Statement of

<sup>4</sup> There is a \$10,500 discrepancy between Gadhia's own records and the amount listed in the plea agreement. Gadhia's own records reflect a total of \$57,900 in

Facts, p. 9. Included in this total were five contributions totaling \$3,500 in which Gadhia allowed his own name to be used to effect contributions. DOJ Packet, Records of Lalit Gadhia; Attachment 3, p. 1.

Also, according to the Statement of Facts, evidence indicates that Devendra Singh was the source of the money which Gadhia used to reimburse the conduits. Statement of Facts, p. 8. Further, in a search of Gadhia's office, the police found a detailed accounting of all the reimbursed contributions as well as a copy of an Airborne Express label which demonstrated that a copy of the records was sent to Singh at the Indian Embassy. Records of Lalit Gadhia. The evidence thus suggests that Lalit Gadhia may have solicited, accepted, and/or received contributions from a foreign national.

Accordingly, this Office recommends that the Commission find reason to believe that Lalit Gadhia knowingly and willfully violated 2 U.S.C. § 441f by knowingly assisting in the making of contributions in the name of another and knowingly allowing his name to be used to effect contributions. In addition, this Office recommends that the Commission find reason to believe that Lalit Gadhia knowingly and willfully violated 2 U.S.C. § 441e by soliciting, accepting and/or receiving contributions from a foreign national.

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reimbursed contributions as compared to the plea agreement total of \$46,400. The discrepancy is explained as follows. The 302 reports reflect that two of the contributions listed by Gadhia, one for \$200 and the other for \$300, were legitimate. The \$10,000 contributed by Sachinder Gupta account for the remaining balance. Although the U.S. Attorney's Office did not include these contributions in the plea agreement, this Office has sufficient evidence to include Gupta's \$10,000 in Gadhia's total violation, *see infra*, p. 18) The U.S. Attorney's Office has informed this Office that Gupta maintains that he was not reimbursed for his contributions.

As discussed above, Gadhia has been criminally prosecuted for his involvement in this scheme. This Office recommends that the Commission find reason to believe but not enter into conciliation. The current objective of this Office is to contact Gadhia to determine the extent and nature of the involvement of the Indian Embassy and the other respondents in this case. To expedite this investigation, should it prove necessary, this Office recommends that the Commission approve a deposition subpoena for Lalit Gadhia.

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4. **Solicitors--7 individuals**

The current case has a large number of potential respondents. This Office has endeavored to determine which individuals played a more active role or whose actions

were more culpable in this scheme. The following people have been termed "solicitors" because the evidence indicates that they were reimbursed for their contributions and also solicited other individuals to be conduits. The evidence shows that seven individuals received money from Gadhia and solicited others in contributing in the name of another. This Office recommends pursuing four of these individuals.

a. **Vinay Wahi and Satish Chandra Bahl**

According to the FBI 302 reports, Vinay Wahi and Satish Chandra Bahl, two part-owners of Akbar Restaurant in Baltimore, MD, were responsible for a total of \$13,000 in illegal contributions. Attachment 3, p. 5; Records of Lalit Gadhia. The FBI 302 reports reflect that seven of the people who they solicited were employees of Akbar. Attachment 1, pp. 37, 52-54. Wahi and Bahl each admitted involvement in the scheme and were granted immunity from criminal prosecution. Wahi and Bahl's admissions were confirmed by 302 report statements of the individuals who they solicited: T.P. Reddy, Hardeep Singh, Ashok Sahni, Tara Patak, and Preeti Bahl. *Id.* at 27, 36, 47, 49, 51. In addition to soliciting \$7,500 in contributions, Wahi personally wrote five reimbursed checks totaling \$4,500 and Bahl wrote one reimbursed check for \$1,000. Attachment 3, p. 5; Attachment 1, p. 37; see Attachment 1, p. 54.

Based on the above, this Office recommends that the Commission find reason to believe that Vinay Wahi and Satish Chandra Bahl each knowingly and willfully violated 2 U.S.C. § 441f by knowingly permitting their names to be used to effect contributions, and by knowingly assisting others in making of contributions in the name of another.

b. **Uday Gadhia**

Uday Gadhia ("Uday") is Lalit Gadhia's nephew.

Umesh Naik, Venkatachalem Ramakreshnan, Tejpal Rehncy, Zubair Siddiqi, and Sivasubramanian Baskar all reported to the FBI that they were solicited by Uday Gadhia to make reimbursed contributions to the IALIF. Attachment 1, pp. 12-14, 17-21. In addition to his solicitation of conduits, Uday is also listed in Gadhia's records as having made a \$500 reimbursed contribution to the IALIF. Records of Lalit Gadhia. Based on the evidence listed above, as a conduit and/or solicitor, Uday was involved in a total of \$5,000 in illegal contributions. Attachment 3, p. 6.

Accordingly, this Office recommends that the Commission find reason to believe that Uday Gadhia knowingly and willfully violated 2 U.S.C. §441f by knowingly assisting others in the making of contributions in the name of another and by knowingly allowing his name to be used to effect such a contribution.

c. **Dr. S. V. Ramamurthy**

The U.S. Attorney's Office documents include an immunity letter for Dr. S. V. Ramamurthy indicating that he admitted making conduit contributions. Gadhia's records list four reimbursed contributions totaling \$4,000 by Ramamurthy. Although the 302 reports for Ramamurthy were not forwarded to this Office, two conduits, Sonne Gowda and Jay Mangalvedha, reported to the FBI that they were solicited by Ramamurthy for reimbursed contributions. Attachment 1, pp. 14-15, 41. Based on the evidence listed above, as a conduit and/or solicitor, Ramamurthy was involved in a total of \$7,000 in illegal contributions. Attachment 3, p. 6.

Accordingly, this Office recommends that the Commission find reason to believe that Dr. S. V. Ramamurthy knowingly and willfully violated 2 U.S.C. § 441f by knowingly assisting in making of contributions in the name of another and by knowingly allowing his name to be used to affect such contributions.

d. **Ashok Kumta, George Paniker, and Rosemary Osborne**

This report discusses Ashok Kumta, George Paniker, and Rosemary Osborne together because of their similar limited roles as solicitors and conduits in Gadhia's reimbursement scheme. These three individuals each made one reimbursed contribution and solicited one reimbursed contribution. The amounts of their violations are low relative to the four solicitors discussed in parts 4 a, b, and c above. For this reason, and in the interest of focusing our resources on the most culpable individuals, this Office recommends that the Commission not pursue Ashok Kumta, George Paniker, or Rosemary Osborne beyond reason to believe.

According to the FBI 302 report, Ashok Kumta admitted that he received \$2,000 in cash from Gadhia and that he wrote a check for \$1,000 to the IALIF. Attachment 1, pp. 23-24. Kumta then asked his wife to write a \$1,000 check without informing her that he had received any cash. *Id.*<sup>5</sup>

<sup>5</sup> Besides the \$2,000 mentioned in reimbursed contributions the discussed above, Kumta was given an additional \$1,000 for further solicitation. Attachment 1, p. 24. Kumta stated that he went out and solicited two legitimate contributions for \$500. *Id.* He then gave the checks to Gadhia as if they had been reimbursed and returned \$500 cash to Gadhia. *Id.* Kumta then pocketed the \$500 which he was supposed to have given to the two contributors. *Id.* Kumta's conversion of the \$500 does not constitute a FECA violation.

Similarly, Gadhia asked his secretary, Rosemary Osborne to write two checks from her account for herself and her husband to the IALIF. Id. at 8. She stated that she did not want to "buck" her employer and admitted that, in exchange for \$2,000 in cash, she wrote a \$1,000 check in her name and a \$1,000 in her husband's name to the IALIF. Id. Osborne stated that she did not inform her husband of these contributions.

Finally, George Paniker admitted his involvement in his 302 report and received a letter of immunity. Id. at 44. Paniker admitted that he was reimbursed for a \$1,000 check he wrote as a conduit. Id. He also stated that he solicited a \$1,000 contribution from Tanzania Mary Cooper, an employee. Id. In her 302 report, Cooper corroborated Paniker's statements. Id. at 10-11.

Thus, this Office recommends that the Commission find reason to believe that George Paniker, Ashok Kumta, and Rosemary Osborne each violated 2 U.S.C. § 441f by knowingly assisting in the making of contributions in the name of another and by knowingly allowing their names to be used to affect such contributions. In light of the amount of the respective violations, however, this Office recommends that the Commission take no further action, send admonishment letters, and close the file as to these three respondents.

##### 5. Conduits

Gadhia's records and the IALIF Federal Election Commission report reflect 46 individuals who wrote checks after accepting cash of an equal amount from Gadhia or other solicitor.<sup>6</sup> All of the conduits discussed herein are listed in Gadhia's records as

<sup>6</sup> This number includes Lalit Gadhia and the 7 solicitors but not the 2 contributors who were not reimbursed.



having made reimbursed contributions. In addition most of the conduits either personally admitted their involvement or were implicated by statements of other conduits in the 302 reports.<sup>7</sup>

One conduit, Sachinder Gupta, bears notice because he made far more conduit contributions in this scheme than any other individual--ten contributions totaling \$10,000. Records of Lalit Gadhia; Attachment 3, p. 1; see supra, note 4. This Office does not have 302 reports for Gupta, and according to the DOJ, Gupta denies being reimbursed for the contributions. However there is evidence which indicates that his contributions were reimbursed. First, each of Gupta's contributions is listed in Gadhia's records as having been reimbursed. Second, disclosure documents reveal that Gupta made no contributions in the two election cycles previous to the contributions in question. Given these two factors, it appears likely that Gupta was reimbursed for his contributions.

This Office recommends that the Commission find reason to believe that Sachinder Gupta knowingly and willfully violated 2 U.S.C. § 441f by knowingly permitting his name to be used for reimbursed contributions.

The Commission has, in the past, found reason to believe, but not always further pursued all conduits. In such instances, the conduits were not actively involved in the scheme and contributed out of a sense of obligation because, for example, they were employees of the main actor. See MUR 4177 (Hourani) (reason to believe findings but

<sup>7</sup> In a separate category are individuals who were listed in Gadhia's records but who were not conduits at all. As is stated in the 302 of Ashok Kumta, Ramesh Ganachari and Raghavan Seshadhri were not reimbursed. Attachment 1, p. 24. In a different case, Richard Osborne's name was used, but his wife wrote a check in his name and forged his signature without his knowledge. Id. at 8. Therefore, this Office recommends that the Commission not include these individuals in this matter.

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no further action against employee conduits who felt pressured to contribute and who each made one contribution for \$1,000.) Similarly, the evidence in this matter reflects that a large majority of the conduits had a familial, employment, or other compelling relationship with the individual who asked them to contribute. Most of the conduits had limited involvement, making only one reimbursed contribution in the amount of \$1,000 or less. Also, it is apparent from the 302s that Gadhia used his status as a prominent and politically active lawyer to persuade them to participate as conduits. With the exception of Sachinder Gupta, this Office believes that there is ample reason not to further pursue any of the individuals who were conduits in the scheme.

Based on the above, this Office recommends that the Commission find reason to believe that Preeti Bahl, Sivasubramanian Baskar, Arun Bedi, Tanzania Mary Cooper, Ashok Dhawan, Anita Gadhia, Anu Gadhia, Parvani Gadhia, Sonne Gowda, Vikram Gowda, Hemanta Kole, Sanjay Kumar, Ashok Kumta, Joyti Kumta, Janet Mangalvedha, Jay Mangalvedha, Mirdula Mehta, Kishor Mehta, Ann T. Mileham, Umesh Naik, Shyam Prakash, Tara Patak, Pradeep Perera, Nirmala Ramamurthy, T.P. Reddy, Venkatachalam Ramakrishnan, Tejpal Rehncy, Ashok Sahni, Indra Seunarine, Rahendra Sharma, Zubair Siddiqi, Harbhajan Singh, Hardeep Singh, Kathleen Stone, M. Surendra, Aruna Triveda, and Sudhir Triveda each violated 2 U.S.C. § 441f by knowingly allowing their names to be used to effect contributions in the name of another but take no further action and close the file as to these respondents. This Office further recommends that the Commission issue letters of admonishment to these respondents.

6. **Recipient Committees**

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Either through conduits or through the IALIF, 19 federal political committees received contributions reimbursed through Gadhia. Attachment 3, p. 4. There is no evidence, however, that any of these committees were aware that the contributions were illegal. Thus far, 7 committees have voluntarily disgorged \$22,300 to the United States Treasury.<sup>8</sup> Id. Disclosure documents reveal that each of the 12 remaining committees is active and has sufficient funds to disgorge the illegal contributions. Some of the committees that have not yet disgorged may not know the contributions were illegal.

The Commission has in the past instructed committees in possession of impermissible funds to refund the contribution or to disgorge the funds to the United States Treasury. See MURs 2892 (Waihee), MUR 2981 (Unisys), 3460 (Sports Shinko), and 4484 (Bainum). Such disgorgements have been required in situations involving foreign national contributions or in situations where the actual source of the funds is unclear. Accordingly, based on the circumstances of this matter, this Office recommends that the Commission send letters of disgorgements to those committees that have not yet addressed the impermissible contributions. See Sample Letter to Recipient Committee at Attachment 5.

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<sup>8</sup> The Commission has already been informed by the Office of the General Counsel of these disgorgements through several nonsensitive memoranda dated June 5, June 13, July 10 and August 26, 1996.

#### IV. DISPOSITION OF PRE-MURS & INVESTIGATION

This Office is not recommending conciliation or a full investigation at this time. Instead, as explained above, we will attempt to obtain preliminary information from Lalit Gadhia regarding the solicitors.

This Office anticipates that it will take longer to conclude this matter with respect to \_\_\_\_\_ than with the other respondents. Because the issue of \_\_\_\_\_ the involvement of Gadhia with IALIF from the sua sponte (Pre-MUR 316), this Office recommends that to expedite matters, the Commission open a MUR in \_\_\_\_\_ and a separate MUR in Pre-MUR 316 for all the other respondents.

#### V. RECOMMENDATIONS

##### A. PRE-MUR 316

1. Open a MUR.
2. Find reason to believe that Lalit Gadhia knowingly and willfully violated 2 U.S.C. §§ 441e and 441f.
3. Find reason to believe that Vinay Wahi knowingly and willfully violated 2 U.S.C. § 441f.
4. Find reason to believe that Satish Bahl knowingly and willfully violated 2 U.S.C. § 441f.
5. Find reason to believe that Uday Gadhia knowingly and willfully violated 2 U.S.C. § 441f.
6. Find reason to believe that Dr. S. V. Ramamurthy knowingly and willfully violated 2 U.S.C. § 441f.

7. Find reason to believe that Sachinder Gupta knowingly and willfully

8. Find reason to believe that Ashok Kumta, Rosemary Osborne, and George

9. Find reason to believe that Preeti Bahl, Sivasubramanian Baskar, Arun Tanzania Mary Cooper, Ashok Dhawan, Anita Gadhia, Anu Gadhia, Parvati, Sonne Gowda, Vikram Gowda, Hemanta Kole, Sanjay Kumar, Ashok Kumta, Kumta, Janet Mangalvedha, Jay Mangalvedha, Mirdula Mehta, Kishor Mehta, Annaham, Umesh Naik, Shyam Prakash, Tara Patak, Pradeep Perera, Nirmala Anurthy, T.P. Reddy, Venkatachalam Ramakrishnan, Tejpal Rehncy, Ashok Sahni, Geunarine, Rahendra Sharma, Zubair Siddiqi, Harbhajan Singh, Hardeep Singh, Sen Stone, M. Surendra, Aruna Triveda, and Sudhir Triveda violated 2 U.S.C. § 1983. Do not take no further action and close the file as to these respondents.

10. Find reason to believe that the Indian-American Leadership Investment and Subodh Chandra, as treasurer, violated 2 U.S.C. §§ 441e and 441f but take no action and close the file as to these respondents.


11. Approve a subpoena for a Deposition for Lalit Gadhia.

12. Approve sample letter to recipient committees at Attachment 5 and the appropriate letters.

13. Approve the Factual and Legal Analyses and appropriate letters at  
 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100. 101. 102. 103. 104. 105. 106. 107. 108. 109. 110. 111. 112. 113. 114. 115. 116. 117. 118. 119. 120. 121. 122. 123. 124. 125. 126. 127. 128. 129. 130. 131. 132. 133. 134. 135. 136. 137. 138. 139. 140. 141. 142. 143. 144. 145. 146. 147. 148. 149. 150. 151. 152. 153. 154. 155. 156. 157. 158. 159. 160. 161. 162. 163. 164. 165. 166. 167. 168. 169. 170. 171. 172. 173. 174. 175. 176. 177. 178. 179. 180. 181. 182. 183. 184. 185. 186. 187. 188. 189. 190. 191. 192. 193. 194. 195. 196. 197. 198. 199. 200. 201. 202. 203. 204. 205. 206. 207. 208. 209. 210. 211. 212. 213. 214. 215. 216. 217. 218. 219. 220. 221. 222. 223. 224. 225. 226. 227. 228. 229. 230. 231. 232. 233. 234. 235. 236. 237. 238. 239. 240. 241. 242. 243. 244. 245. 246. 247. 248. 249. 250. 251. 252. 253. 254. 255. 256. 257. 258. 259. 260. 261. 262. 263. 264. 265. 266. 267. 268. 269. 270. 271. 272. 273. 274. 275. 276. 277. 278. 279. 280. 281. 282. 283. 284. 285. 286. 287. 288. 289. 290. 291. 292. 293. 294. 295. 296. 297. 298. 299. 300. 301. 302. 303. 304. 305. 306. 307. 308. 309. 310. 311. 312. 313. 314. 315. 316. 317. 318. 319. 320. 321. 322. 323. 324. 325. 326. 327. 328. 329. 330. 331. 332. 333. 334. 335. 336. 337. 338. 339. 340. 341. 342. 343. 344. 345. 346. 347. 348. 349. 350. 351. 352. 353. 354. 355. 356. 357. 358. 359. 360. 361. 362. 363. 364. 365. 366. 367. 368. 369. 370. 371. 372. 373. 374. 375. 376. 377. 378. 379. 380. 381. 382. 383. 384. 385. 386. 387. 388. 389. 390. 391. 392. 393. 394. 395. 396. 397. 398. 399. 400. 401. 402. 403. 404. 405. 406. 407. 408. 409. 410. 411. 412. 413. 414. 415. 416. 417. 418. 419. 420. 421. 422. 423. 424. 425. 426. 427. 428. 429. 430. 431. 432. 433. 434. 435. 436. 437. 438. 439. 440. 441. 442. 443. 444. 445. 446. 447. 448. 449. 450. 451. 452. 453. 454. 455. 456. 457. 458. 459. 460. 461. 462. 463. 464. 465. 466. 467. 468. 469. 470. 471. 472. 473. 474. 475. 476. 477. 478. 479. 480. 481. 482. 483. 484. 485. 486. 487. 488. 489. 490. 491. 492. 493. 494. 495. 496. 497. 498. 499. 500. 501. 502. 503. 504. 505. 506. 507. 508. 509. 510. 511. 512. 513. 514. 515. 516. 517. 518. 519. 520. 521. 522. 523. 524. 525. 526. 527. 528. 529. 530. 531. 532. 533. 534. 535. 536. 537. 538. 539. 540. 541. 542. 543. 544. 545. 546. 547. 548. 549. 550. 551. 552. 553. 554. 555. 556. 557. 558. 559. 560. 561. 562. 563. 564. 565. 566. 567. 568. 569. 570. 571. 572. 573. 574. 575. 576. 577. 578. 579. 580. 581. 582. 583. 584. 585. 586. 587. 588. 589. 590. 591. 592. 593. 594. 595. 596. 597. 598. 599. 600. 601. 602. 603. 604. 605. 606. 607. 608. 609. 610. 611. 612. 613. 614. 615. 616. 617. 618. 619. 620. 621. 622. 623. 624. 625. 626. 627. 628. 629. 630. 631. 632. 633. 634. 635. 636. 637. 638. 639. 640. 641. 642. 643. 644. 645. 646. 647. 648. 649. 650. 651. 652. 653. 654. 655. 656. 657. 658. 659. 660. 661. 662. 663. 664. 665. 666. 667. 668. 669. 670. 671. 672. 673. 674. 675. 676. 677. 678. 679. 680. 681. 682. 683. 684. 685. 686. 687. 688. 689. 690. 691. 692. 693. 694. 695. 696. 697. 698. 699. 700. 701. 702. 703. 704. 705. 706. 707. 708. 709. 710. 711. 712. 713. 714. 715. 716. 717. 718. 719. 720. 721. 722. 723. 724. 725. 726. 727. 728. 729. 730. 731. 732. 733. 734. 735. 736. 737. 738. 739. 740. 741. 742. 743. 744. 745. 746. 747. 748. 749. 750. 751. 752. 753. 754. 755. 756. 757. 758. 759. 760. 761. 762. 763. 764. 765. 766. 767. 768. 769. 770. 771. 772. 773. 774. 775. 776. 777. 778. 779. 780. 781. 782. 783. 784. 785. 786. 787. 788. 789. 790. 791. 792. 793. 794. 795. 796. 797. 798. 799. 800. 801. 802. 803. 804. 805. 806. 807. 808. 809. 810. 811. 812. 813. 814. 815. 816. 817. 818. 819. 820. 821. 822. 823. 824. 825. 826. 827. 828. 829. 830. 831. 832. 833. 834. 835. 836. 837. 838. 839. 840. 841. 842. 843. 844. 845.

**B.**

11/5/96

  
Lawrence M. Noble



## Attachments

1. FBI Interview Reports (302s)
2. Judgment and Commitment Order
3. Overview Charts
5. Sample Letter to Recipient Committee
7. Factual and Legal Analysis--Lalit Gadhia
8. Factual and Legal Analyses (10) (Indian-American Investment Fund, solicitors, and conduits)

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Assistant United States Attorney

410-962-2458 Ext. 395  
FAX 410-962-3124

August 14, 1996

Dominique Dillenseger, Esquire  
Assistant General Counsel  
Federal Election Commission  
999 E. Street, N.W.  
Washington, D.C. 20463

Re: United States v. Lalit H. Gadhia  
Crim. No. S-96-0170

*100-MUR332*

Dear Ms. Dillenseger:

Enclosed for your consideration is the judgment and commitment order issued in the above-referenced case.

If you would like additional information, please do not hesitate to contact me.

Very truly yours,

Lynne A. Battaglia  
United States Attorney

By:

*[Signature]*  
Joseph L. Evans  
Assistant United States Attorney

enc.

cc: Craig Donsanto, Esquire

ATTACHMENT

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of *6*

# United States District Court

## District of Maryland

AUG 8 1996

CLERK U.S. DISTRICT COURT  
DISTRICT OF MARYLAND

UNITED STATES OF AMERICA

## JUDGMENT IN A CRIMINAL CASE

(For Offenses Committed On or After November 1, 1987)

LALIT H. GADHIA

Case Number: 1:96CR00170-001

DANIEL F. GOLDSTEIN, ESQ. (Ret.)

Defendant's Attorney

## THE DEFENDANT:

- ☐ pleaded guilty to count(s) One (1) of the information.
- ☐ pleaded nolo contendere to count(s) \_\_\_\_\_  
which was accepted by the court.
- ☐ was found guilty on count(s) \_\_\_\_\_  
after a plea of not guilty.

| Title & Section  | Nature of Offense                      | Date Offense Concluded | Count Number(s) |
|------------------|--|------------------------|-----------------|
| 18 U.S.C. § 1001 | False Statement to a Government Agency | 12/12/1994             | 1               |

5/8/96  
I hereby certify and declare that the foregoing is a true and correct copy of the original as filed in my legal custody.

The defendant is sentenced as provided in pages 2 through 5 of this judgment. The sentence is imposed pursuant to the Sentencing Reform Act of 1984.

- ☐ The defendant has been found not guilty on count(s) \_\_\_\_\_
- ☐ Count(s) \_\_\_\_\_ (is)(are) dismissed on the motion of the United States.

IT IS FURTHER ORDERED that the defendant shall notify the United States Attorney for this district within 30 days of any change of name, residence, or mailing address until all fines, restitution, costs, and special assessments imposed by this judgment are fully paid.

Defendant's Soc. Sec. No. \_\_\_\_\_

Defendant's Date of Birth: \_\_\_\_\_

Defendant's USM No. \_\_\_\_\_

Defendant's Residence Address: \_\_\_\_\_

3700 N. Charles Street, Apt. 310

Baltimore MD 21218

Defendant's Mailing Address: \_\_\_\_\_

3700 N. Charles Street, Apt. 310

Baltimore MD 21218

08/06/1996

Date of Imposition of Judgment

Signature of Judicial Officer

Frederic N. Smalkin

U.S. District Judge

Name &amp; Title of Judicial Officer

Date

August 8, 1996

ATTACHMENT 2

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A

DEFENDANT: LALIT H. GADHIA

CASE NUMBER: 1:96CR00170-001

## IMPRISONMENT

The defendant is hereby committed to the custody of the United States Bureau of Prisons to be imprisoned for a total term of 3 month(s).

☐ The court makes the following recommendations to the Bureau of Prisons:

That the defendant be housed at a camp or other minimum security institution close to Baltimore, such as Cumberland or Allenwood; the Court has no objection to a residential CTC.

☐ The defendant is remanded to the custody of the United States Marshal.

☐ The defendant shall surrender to the United States Marshal for this district:

☐ at \_\_\_\_\_ a m./p.m. on \_\_\_\_\_

☐ as notified by the United States Marshal.

☐ The defendant shall surrender for service of sentence at the institution designated by the Bureau of Prisons

☐ before 2 p.m. on \_\_\_\_\_

☐ as notified by the United States Marshal.

☐ as notified by the Probation or Pretrial Services Office.

## RETURN

I have executed this judgment as follows:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Defendant delivered on \_\_\_\_\_ to \_\_\_\_\_

at \_\_\_\_\_, with a certified copy of this judgment.

ATTACHMENT 2  
Page 3 of 6

UNITED STATES MARSHAL

By \_\_\_\_\_

Deputy U.S. Marshal

DEFENDANT: LALIT H. GADHIA  
CASE NUMBER: 1:96CR00170-001

### SUPERVISED RELEASE

Upon release from imprisonment, the defendant shall be on supervised release for a term of 2 year(s) on the condition that he be on home detention, with electronic monitoring, for a period of six (6) months during the period of supervised release.

The defendant shall report to the probation office in the district to which the defendant is released within 72 hours of release from the custody of the Bureau of Prisons.

The defendant shall not commit another federal, state, or local crime.

The defendant shall not illegally possess a controlled substance.

For offenses committed on or after September 13, 1994:

The defendant shall refrain from any unlawful use of a controlled substance. The defendant shall submit to one drug test within 15 days of release from imprisonment and at least two periodic drug tests thereafter, as directed by the probation officer.

☐ The above drug testing condition is suspended based on the court's determination that the defendant poses a low risk of future substance abuse. (Check, if applicable.)

☐ The defendant shall not possess a firearm as defined in 18 U.S.C. § 921. (Check, if applicable.)

If this judgment imposes a fine or a restitution obligation, it shall be a condition of supervised release that the defendant pay any such fine or restitution that remains unpaid at the commencement of the term of supervised release in accordance with the Schedule of Payments set forth in the Criminal Monetary Penalties sheet of this judgment.

The defendant shall comply with the standard conditions that have been adopted by this court (set forth below). The defendant shall also comply with the additional conditions on the attached page (if indicated below).

### STANDARD CONDITIONS OF SUPERVISION

- 1) the defendant shall not leave the judicial district without the permission of the court or probation officer;
- 2) the defendant shall report to the probation officer and shall submit a truthful and complete written report within the first five days of each month;
- 3) the defendant shall answer truthfully all inquiries by the probation officer and follow the instructions of the probation officer;
- 4) the defendant shall support his or her dependents and meet other family responsibilities;
- 5) the defendant shall work regularly at a lawful occupation unless excused by the probation officer for schooling, training, or other acceptable reasons;
- 6) the defendant shall notify the probation officer ten days prior to any change in residence or employment;
- 7) the defendant shall refrain from excessive use of alcohol;
- 8) the defendant shall not frequent places where controlled substances are illegally sold, used, distributed, or administered;
- 9) the defendant shall not associate with any persons engaged in criminal activity, and shall not associate with any person convicted of a felony unless granted permission to do so by the probation officer;
- 10) the defendant shall permit a probation officer to visit him or her at any time at home or elsewhere and shall permit confiscation of any contraband observed in plain view of the probation officer;
- 11) the defendant shall notify the probation officer within seventy-two hours of being arrested or questioned by a law enforcement officer;
- 12) the defendant shall not enter into any agreement to act as an informer or a special agent of a law enforcement agency without the permission of the court;
- 13) as directed by the probation officer, the defendant shall notify third parties of risks that may be occasioned by the defendant's criminal record or personal history or characteristics, and shall permit the probation officer to make such



DEFENDANT: LALIT H. GADHIA

CASE NUMBER: 1:96CR00170-001

### CRIMINAL MONETARY PENALTIES

The defendant shall pay the following total criminal monetary penalties in accordance with the schedule of payments set forth on Sheet 5, Part B.

|         | <u>Assessment</u> | <u>Fine</u> | <u>Restitution</u> |
|---------|-------------------|-------------|--------------------|
| Totals: | \$ 50.00          | \$          | \$                 |

☐ If applicable, restitution amount ordered pursuant to plea agreement \$

\*Which has been paid in full on 5/21/96, Receipt No. 1322.

### FINE

The above fine includes costs of incarceration and/or supervision in the amount of \$

The defendant shall pay interest on any fine of more than \$2,500, unless the fine is paid in full before the fifteenth day after the date of judgment, pursuant to 18 U.S.C. § 3612(f). All of the payment options on Sheet 5, Part B may be subject to penalties for default and delinquency pursuant to 18 U.S.C. § 3612(g).

☐ The court determined that the defendant does not have the ability to pay interest and it is ordered that:

☐ The interest requirement is waived.

☐ The interest requirement is modified as follows:

### RESTITUTION

☐ The determination of restitution is deferred in a case brought under Chapters 109A, 110, 110A and 113A of Title 18 for offenses committed on or after 09/13/1994, until . An Amended Judgment in a Criminal Case will be entered after such determination.

☐ The defendant shall make restitution to the following payees in the amounts listed below.

If the defendant makes a partial payment, each payee shall receive an approximately proportional payment unless specified otherwise in the priority order or percentage payment column below.

| <u>Name of Payee</u> | <u>** Total<br/>Amount of Loss</u> | <u>Amount of<br/>Restitution Ordered</u> | <u>Priority Order<br/>or<br/>Percentage of<br/>Payment</u> |
|----------------------|------------------------------------|--|--|
|----------------------|------------------------------------|--|--|

Totals: \$ \$

\*\* Findings for the total amount of losses are required under Chapters 109A, 110, 110A, and 113A of Title 18 for offenses committed on or after September 13, 1994.

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DEFENDANT: LALIT H. GADHIA

CASE NUMBER: 1:96CR00170-001

## SCHEDULE OF PAYMENTS

Payments shall be applied in the following order (1) assessment, (2) restitution, (3) fine principal, (4) cost of prosecution, (5) interest, (6) penalties.

Payment of the total fine and other criminal monetary penalties shall be due as follows

- A ☐ in full immediately, or
- B ☐ \$ \_\_\_\_\_ immediately, balance due (in accordance with C, D, or E), or
- C ☐ not later than \_\_\_\_\_, or
- D ☐ in installments to commence \_\_\_\_\_ day(s) after the date of this judgment. In the event the entire amount of criminal monetary penalties imposed is not paid prior to the commencement of supervision, the U.S. probation officer shall pursue collection of the amount due, and shall request the court to establish a payment schedule if appropriate, or
- E ☐ in \_\_\_\_\_ (e.g. equal weekly monthly quarterly) installments of \$ \_\_\_\_\_ over a period of \_\_\_\_\_ year(s) to commence \_\_\_\_\_ day(s) after the date of this judgment.

The National Fine Center will credit the defendant for all payments previously made toward any criminal monetary penalties imposed

Special instructions regarding the payment of criminal monetary penalties

☐ The defendant shall pay the cost of prosecution.

☐ The defendant shall forfeit the defendant's interest in the following property to the United States:

ATTACHMENT 2Page 6 of 6

Unless the court has expressly ordered otherwise in the special instructions above, if this judgment imposes a period of imprisonment payment of criminal monetary penalties shall be due during the period of imprisonment. All criminal monetary penalty payments are to be made to the United States Courts National Fine Center, Administrative Office of the United States Courts, Washington, DC 20544, except those payments made through the Bureau of Prisons' Inmate Financial Responsibility Program. If the National Fine Center is not operating in this district, all criminal monetary penalty payments are to be made as

## CONDUIT CONTRIBUTIONS

| CONDUIT NAME                      | AMOUNT  | RECIPIENT COMMITTEE         | SOLICITOR     |
|-----------------------------------|---------|-----------------------------|---------------|
| Bahl, Preeti                      | \$500   | IALIF                       | Bahl          |
| Bahl, Satish Chandra              | \$1,000 | IALIF                       | Wahi          |
| Baskar, Sivasubramanian           | \$1,000 | IALIF                       | Ghadia, Uday  |
| Bedi, Arun                        | \$500   | IALIF                       | Bahl          |
| Cooper, Tanzania Mary             | \$1,000 | IALIF                       | Paniker       |
| Dhawan, Ashok                     | \$1,000 | IALIF                       | Bahl          |
| Gadhia, Anita                     | \$1,000 | IALIF                       | Gadhia, Lalit |
| Gadhia, Anu                       | \$1,000 | Citizens for Sarbanes       | Gadhia, Lalit |
| Gadhia, Lalit                     | \$500   | Cardin for Congress         | Gadhia, Lalit |
| Gadhia, Lalit                     | \$500   | Citizens for Sarbanes       |               |
| Gadhia, Lalit                     | \$1,000 | IALIF                       | Gadhia, Lalit |
| Gadhia, Lalit                     | \$1,000 | Mathews for Congress        | Gadhia, Lalit |
| Gadhia, Lalit                     | \$500   | Wofford for Senate          | Gadhia, Lalit |
| Gadhia, Parvani                   | \$500   | IALIF                       | Gadhia, Lalit |
| Gadhia, Uday                      | \$500   | IALIF                       | Gadhia, Lalit |
| Ganachari, Ramesh<br>(Legitimate) | \$300   | IALIF                       | Kumta         |
| Gowda, Sonne                      | \$1,000 | IALIF                       | Ramamurthy    |
| Gowda, Vikram                     | \$1,000 | IALIF                       | Ramamurthy    |
| Gupta, Sachinder                  | \$1,000 | Ackerman for Congress       |               |
| Gupta, Sachinder                  | \$1,000 | Cardin for Congress         |               |
| Gupta, Sachinder                  | \$1,000 | Engel for Congress          |               |
| Gupta, Sachinder                  | \$1,000 | Hoyer for Congress          |               |
| Gupta, Sachinder                  | \$1,000 | Mathews for Congress        |               |
| Gupta, Sachinder                  | \$1,000 | McDermott for Congress      |               |
| Gupta, Sachinder                  | \$1,000 | Mfume for Congress          |               |
| Gupta, Sachinder                  | \$1,000 | Murtha for Congress         |               |
| Gupta, Sachinder                  | \$1,000 | Robert Andrews for Congress |               |
| Gupta, Sachinder                  | \$1,000 | Wofford for Senate          |               |

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|                                  |         |                             |               |
|----------------------------------|---------|-----------------------------|---------------|
| Kole, Hemanta                    | \$900   | IALIF                       |               |
| Kumar, Sanjay                    | \$1,000 | IALIF                       | Wahi          |
| Kumta, Ashok                     | \$1,000 | IALIF                       | Gadhia, Lalit |
| Kumta, Jyoti                     | \$1,000 | IALIF                       | Kumta         |
| Mangalvdehe, Jay                 | \$1,000 | IALIF                       | Ramamurthy    |
| Mehta, Arvind                    | \$500   | IALIF                       |               |
| Mehta, Kisher                    | \$1,000 | Robb for Senate             |               |
| Mehta, Mrudula                   | \$1,000 | Robb for Senate             |               |
| Mileham, Anne                    | \$1,000 | IALIF                       |               |
| Naik, Umesh                      | \$1,000 | IALIF                       | Gadhia, Uday  |
| Osborne, Richard                 | \$1,000 | IALIF                       | Gadhia, Lalit |
| Osborne, Rosemary                | \$1,000 | IALIF                       | Gadhia, Lalit |
| Paniker, George                  | \$1,000 | IALIF                       | Gadhia, Lalit |
| Parkash, Shyam                   | \$1,000 | IALIF                       | Wahi          |
| Pathak, Tara                     | \$1,000 | Wofford for Senate          | Wahi          |
| Perera, Pradeep                  | \$1,000 | Cardin for Congress         |               |
| Perera, Pradeep                  | \$1,000 | Hoyer for Congress          |               |
| Perera, Pradeep                  | \$1,000 | Mfume for Congress          |               |
| Ramakrishnan, Venkatachalem      | \$1,000 | IALIF                       | Gadhia, Uday  |
| Ramamurthy, Nirmala              | \$1,000 | IALIF                       |               |
| Ramamurthy, S.V.                 | \$1,000 | IALIF                       |               |
| Ramamurthy, S.V.                 | \$1,000 | Murtha for Congress         |               |
| Ramamurthy, S.V.                 | \$1,000 | Robert Andrews for Congress |               |
| Ramamurthy, S.V.                 | \$1,000 | Wofford for Senate          |               |
| Reddy, T.P.                      | \$500   | IALIF                       | Bahl          |
| Rehncy, Tejpal                   | \$1,000 | IALIF                       | Gadhia, Uday  |
| Sahni, Ashok                     | \$1,000 | IALIF                       | Wahi          |
| Seshadhri, Raghavan (Legitimate) | \$200   | IALIF                       | Kumta         |
| Seunarine, Indra                 | \$1,000 | IALIF                       |               |
| Sharma, Rajendra K.              | \$1,000 | IALIF                       |               |
| Siddiqi, Zubair                  | \$500   | IALIF                       | Gadhia, Uday  |
| Singh, Harbhajan                 | \$500   | IALIF                       | Bahl          |

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|                 |                    |                       |               |
|-----------------|--------------------|-----------------------|---------------|
| Singh, Hardeep  | \$500              | IALIF                 | Bahl          |
| Stone, Kathleen | \$1,000            | IALIF                 |               |
| Surendra, M.    | \$1,000            | Hoyer for Congress    |               |
| Triveda, Aruna  | \$1,000            | IALIF                 |               |
| Triveda, Sudhir | \$1,000            | IALIF                 |               |
| Wahi, Vinay     | \$500              | Cardin for Congress   | Gadhia, Lalit |
| Wahi, Vinay     | \$1,000            | Citizens for Sarbanes | Gadhia, Lalit |
| Wahi, Vinay     | \$1,000            | IALIF                 | Gadhia, Lalit |
| Wahi, Vinay     | \$1,000            | Murtha for Congress   | Gadhia, Lalit |
| Wahi, Vinay     | \$1,000            | Robb for Senate       | Gadhia, Lalit |
| <b>TOTAL</b>    | <b>\$61,900.00</b> |                       |               |



**POLITICAL COMMITTEE RECEIPTS  
AND DISGORGEMENTS**

(AMOUNTS ARE AN AGGREGATE OF CONTRIBUTIONS FROM IALIF  
AND DIRECT CONDUIT CONTRIBUTIONS)

**COMMITTEES WHICH HAVE DISGORGED**

| RECIPIENT COMMITTEE         | AMOUNT             | DATE OF<br>DISGORGEMENT |
|-----------------------------|--------------------|-------------------------|
| Berman for Congress         | \$2,800            | 5/17/96                 |
| Robert Andrews for Congress | \$3,000            | 5/17/96                 |
| Hamilton for Congress       | \$3,000            | 5/22/96                 |
| Hoyer for Congress          | \$3,000            | 5/29/96                 |
| Cardin for Congress         | \$3,000            | 6/14/96                 |
| Ackerman for Congress       | \$3,000            | 7/8/96                  |
| Citizens for Sarbanes       | \$4,500            | 8/5/96                  |
| <b>TOTAL</b>                | <b>\$22,300.00</b> |                         |

**COMMITTEES WHICH HAVE NOT DISGORGED**

| RECIPIENT COMMITTEE                  | AMOUNT             |
|--------------------------------------|--------------------|
| Committee to Reelect Thomas S. Foley | \$3,000            |
| Engel for Congress                   | \$3,000            |
| Friends of Cong. Fingerhut           | \$1,000            |
| Friends of Sherrod Brown             | \$3,000            |
| Mathews for Congress                 | \$5,000            |
| McDermott for Congress               | \$3,000            |
| Mfume for Congress                   | \$3,000            |
| Murtha for Congress                  | \$4,000            |
| Robb for Senate                      | \$3,000            |
| Swett for Congress                   | \$3,000            |
| Victory '94--Mass. St. Dem. Party    | \$5,000            |
| Wofford for Senate                   | \$3,500            |
| <b>TOTAL</b>                         | <b>\$39,500.00</b> |

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## SOLICITORS:

### AMOUNTS SOLICITED/CONDUIT CONTRIBUTIONS

#### VINAY WAHI

| CONDUIT NAME   | AMOUNT            | COMMITTEE             |
|----------------|-------------------|-----------------------|
| Wahi, Vinay    | \$500             | Cardin for Congress   |
| Wahi, Vinay    | \$1,000           | Citizens for Sarbanes |
| Wahi, Vinay    | \$1,000           | IALIF                 |
| Wahi, Vinay    | \$1,000           | Murtha for Congress   |
| Wahi, Vinay    | \$1,000           | Robb for Senate       |
| Bahl, Satish** | \$1,000           | IALIF                 |
| Kumar, Sanjay  | \$1,000           | IALIF                 |
| Parkash, Shyam | \$1,000           | IALIF                 |
| Pathak, Tara   | \$1,000           | Wofford for Senate    |
| Sahni, Ashok   | \$1,000           | IALIF                 |
| <b>TOTAL</b>   | <b>\$9,500.00</b> |                       |

\*\*Satish Bahl's conduit contribution is listed twice: first, above, as a solicitation by Wahi and second, below, as a conduit contribution by Bahl.

#### SATISH BAHL

| CONDUIT NAME     | AMOUNT            | COMMITTEE |
|------------------|-------------------|-----------|
| Bahl, Preeti     | \$500             | IALIF     |
| Bedi, Arun       | \$500             | IALIF     |
| Dhawan, Ashok    | \$1,000           | IALIF     |
| Reddy, T.P.      | \$500             | IALIF     |
| Singh, Harbhajan | \$500             | IALIF     |
| Singh, Hardeep   | \$500             | IALIF     |
| Bahl, Satish     | \$1,000           | IALIF     |
| <b>TOTAL</b>     | <b>\$4,500.00</b> |           |

ATTACHMENT

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**UDAY GADHIA**

| CONDUIT NAME                | AMOUNT     | COMMITTEE |
|-----------------------------|------------|-----------|
| Naik, Umesh                 | \$1,000    | IALIF     |
| Ramakrishnan, Venkatachalem | \$1,000    | IALIF     |
| Rehncy, Tejpal              | \$1,000    | IALIF     |
| Siddiqi, Zubair             | \$500      | IALIF     |
| Baskar, Sivasubramanian     | \$1,000    | IALIF     |
| Gadhia, Uday                | \$500      | IALIF     |
| TOTAL                       | \$5,000.00 |           |

**DR S. V. RAMAMURTHY**

| CONDUIT NAME     | AMOUNT     | COMMITTEE                   |
|------------------|------------|-----------------------------|
| Gowda, Sonne     | \$1,000    | IALIF                       |
| Gowda, Vikram    | \$1,000    | IALIF                       |
| Mangalvdehe, Jay | \$1,000    | IALIF                       |
| Ramamurthy, S.V. | \$1,000    | IALIF                       |
| Ramamurthy, S.V. | \$1,000    | Murtha for Congress         |
| Ramamurthy, S.V. | \$1,000    | Robert Andrews for Congress |
| Ramamurthy, S.V. | \$1,000    | Wofford for Senate          |
| TOTAL            | \$7,000.00 |                             |

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
)  
Indian-American Leadership )  
Investment Fund and Subodh )  
Chandra, as treasurer; )  
Lalit Gadhia; )  
) Pre-MUR 316  
)  
Vinay Wahi; )  
Satish Chandra Bahl; )  
Uday Gadhia; )  
Ashok Kumta; )  
George Paniker; )  
Rosemary Osborne; )  
Dr. S. V. Ramamurthy; )  
Sachinder Gupta; )  
37 other individuals. )

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on November 12, 1996, the Commission decided by a vote of 5-0 to take the following actions in Pre-MUR 316

Pre-MUR 316

MUR 4582

1. Open a MUR.
2. Find reason to believe that Lalit Gadhia knowingly and willfully violated 2 U.S.C. §§ 441e and 441f.
3. Find reason to believe that Vinay Wahi knowingly and willfully violated 2 U.S.C. § 441f.
4. Find reason to believe that Satish Bahl knowingly and willfully violated 2 U.S.C. § 441f.

(continued)

Federal Election Commission  
Certification for Pre-MUR 316

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November 12, 1996

5. Find reason to believe that Uday Gadhia knowingly and willfully violated 2 U.S.C. § 441f.
6. Find reason to believe that Dr. S. V. Ramamurthy knowingly and willfully violated 2 U.S.C. § 441f.
7. Find reason to believe that Sachinder Gupta knowingly and willfully violated 2 U.S.C. § 441f.
8. Find reason to believe that Ashok Kumta, Rosemary Osborne, and George Paniker violated 2 U.S.C. § 441f but take no further action and close the file as to these respondents.
9. Find reason to believe that Preeti Bahl, Sivasubramanian Baskar, Arun Bedi, Tanzania Mary Cooper, Ashok Dhawan, Anita Gadhia, Anu Gadhia, Parvani Gadhia, Sonne Gowda, Vikram Gowda, Hemanta Kole, Sanjay Kumar, Ashok Kumta, Joyti Kumta, Janet Mangalvedha, Jay Mangalvedha, Mirdula Mehta, Kishor Mehta, Ann T. Mileham, Umesh Naik, Shyam Prakash, Tara Patak, Pradeep Perera, Nirmala Ramamurthy, T.P. Reddy, Venkatachalam Ramakrishnan, Tejpal Rehncy, Ashok Sahni, Indra Seunarine, Rahendra Sharma, Zubair Siddiqi, Harbhajan Singh, Hardeep Singh, Kathleen Stone, M. Surendra, Aruna Triveda, and Sudhir Triveda violated 2 U.S.C. § 441f but take no further action and close the file as to these respondents.

(continued)



Federal Election Commission  
Certification for Pre-MUR 316

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November 12, 1996

- 9 8 0 4 3 0 0 9 5 6
10. Find reason to believe that the Indian-American Leadership Investment Fund and Subodh Chandra, as treasurer, violated 2 U.S.C. §§ 441e and 441f but take no further action and close the file as to these respondents.
  11. Approve a subpoena for a Deposition for Lalit Gadhia, as recommended in the General Counsel's Report dated November 5, 1996.
  12. Approve sample letter to recipient committees and approve the appropriate letters, as recommended in the General Counsel's Report dated November 5, 1996.
  13. Approve the Factual and Legal Analyses and appropriate letters and approve the appropriate letters, as recommended in the General Counsel's Report dated November 5, 1996.

(continued)

Federal Election Commission  
Certification for Pre-MUR 316

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November 12, 1996

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

Attest:

11-12-96  
Date

for Delores Hardy  
for Marjorie W. Emmert  
Secretary of the Commission

Received in the Secretariat: Wed., Nov. 06, 1996 2:39 p.m.  
Circulated to the Commission: Wed., Nov. 06, 1996 4:00 p.m.  
Deadline for vote: Tues., Nov. 12, 1996 4:00 p.m.

bjr



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

November 25, 1996

Kathleen C. Stone  
2236 Foxbane Square  
Baltimore, MD 21209

RE: MUR 4582

Dear Ms. Stone:

On November 12, 1996, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that it is a violation of 2 U.S.C. § 441f to knowingly permit one's name to be used to effect a contribution made in the name of another person. You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remain in effect with respect to all respondents still involved in this matter.

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

*Lee Ann Elliott*  
Lee Ann Elliott  
Chairman

Enclosure  
Factual and Legal Analysis

**FEDERAL ELECTION COMMISSION**  
**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Kathleen C. Stone

**MUR:** 4582

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See U.S.C. § 437g(a)(2).

2 U.S.C. § 441f prohibits: (1) making a contribution in the name of another; (2) knowingly permitting one's name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(iii).

In the 1993-94 election cycle, Lalit Gadhia solicited several individuals to contribute money to the Indian-American Leadership Investment Fund ("IALIF") or directly to a federal candidate committee. He promised that the contributions would be reimbursed.

The IALIF report covering October 1, 1994 through November 8, 1994 discloses that Kathleen C. Stone made a \$1,000 contribution which was received on October 31, 1994. Kathleen C. Stone is listed in Mr. Gadhia's records as having been reimbursed for a \$1,000 contribution to the IALIF. Therefore, there is reason to believe that Kathleen C. Stone violated 2 U.S.C. § 441f by knowingly permitting her name to be used to effect a contribution in the name of another.

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reimbursed. Satish Bahl is part-owner of the Akbar Restaurant in Baltimore and Mr. Gadhia was a regular customer of the restaurant. Mr. Gadhia had asked Vinay Wahi, partner to Mr. Bahl in the Akbar Restaurant, to solicit reimbursed contributions. Mr. Wahi stated that Mr. Gadhia said he would reimburse him or anyone else with cash as long as they would provide a \$1,000 dollar personal check. Mr. Bahl stated that Mr. Wahi requested that he write a check to the IALIF.

The IALIF report covering the period 10/1/94 through 11/8/94 discloses that Satish Bahl made a \$1,000 contribution which was received on October 31, 1994. Mr. Bahl admits that Mr. Gadhia, through Mr. Wahi, reimbursed him for this contribution.

Further, Mr. Bahl aided Mr. Gadhia by soliciting additional reimbursed contributions. Mr. Bahl assisted in acquiring an additional \$3,500 in reimbursed contributions to IALIF, mostly from employees of Akbar. The disclosure reports of the IALIF reflect these contributions. Mr. Bahl's admissions were confirmed by statements of a number of individuals whom he solicited.

Therefore, there is reason to believe that Satish Bahl knowingly and willfully violated 2 U.S.C. § 441f by knowingly permitting his name to be used to effect contributions, and by knowingly assisting others in making contributions in the name of another.





FEDERAL ELECTION COMMISSION  
Washington, DC 20463

November 25, 1996

Preeti Bahl  
2 Applegrove Ct.  
Baltimore, MD 21228

RE: MUR 4582

Dear Ms. Bahl:

On November 12, 1996, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that it is a violation of 2 U.S.C. § 441f to knowingly permit one's name to be used to effect a contribution made in the name of another person. You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remain in effect with respect to all respondents still involved in this matter.

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

A handwritten signature in cursive script, reading "Lee Ann Elliott".  
Lee Ann Elliott  
Chairman

Enclosure  
Factual and Legal Analysis

**FEDERAL ELECTION COMMISSION**

**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Preeti Bahl

**MUR:** 4582

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See U.S.C. § 437g(a)(2).

2 U.S.C. § 441f prohibits: (1) making a contribution in the name of another; (2) knowingly permitting one's name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(iii).

In the 1993-94 election cycle, Lalit Gadhia solicited several individuals to contribute money to the Indian-American Leadership Investment Fund ("IALIF") or directly to a federal candidate committee. He promised that the contributions would be reimbursed. Satish Bahl aided Mr. Gadhia's scheme by soliciting individuals to make reimbursed contributions using money given to him by Mr. Gadhia.

The IALIF report covering the period 10/1/94 through 11/8/94 discloses that Preeti Bahl made a \$500 contribution which was received on October 31, 1994. Ms. Bahl is Satish Bahl's daughter and a college student. Ms. Bahl stated that her father requested that she write a check to the IALIF for \$500. She also stated that she wrote the check and received from her father five \$100 bills as reimbursement. Ms. Bahl said that she did not discuss with Satish Bahl the reason for the contribution.

Preeti Bahl made a \$500 contribution at the request of Satish Bahl for which she was reimbursed. Therefore, there is reason to believe that Preeti Bahl violated 2 U.S.C. § 441f by knowingly permitting her name to be used to effect a contribution in the name of another.

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FEDERAL ELECTION COMMISSION  
Washington, DC 20463

November 25, 1996

Sivasubramanian Baskar  
3528 Lowlawn Court  
Ellicott City, MD 21042

RE: MUR 4582

Dear Mr. Baskar:

On November 12, 1996, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that it is a violation of 2 U.S.C. § 441f to knowingly permit one's name to be used to effect a contribution made in the name of another person. You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remain in effect with respect to all respondents still involved in this matter.

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

A handwritten signature in cursive script that reads "Lee Ann Elliott".  
Lee Ann Elliott  
Chairman

Enclosure  
Factual and Legal Analysis

**FEDERAL ELECTION COMMISSION**

**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Sivasubramanian Baskar

**MUR:** 4582

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See U.S.C. § 437g(a)(2).

2 U.S.C. § 441f prohibits: (1) making a contribution in the name of another; (2) knowingly permitting one's name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(iii).

In the 1993-94 election cycle, Lalit Gadhia solicited several individuals to contribute money to the Indian-American Leadership Investment Fund ("IALIF") or directly to a federal candidate committee. He promised that the contributions would be reimbursed. Uday Gadhia aided Lalit Gadhia's scheme by soliciting individuals to make reimbursed contributions using money given to him by Lalit Gadhia.

The IALIF report covering the period 10/1/94 through 11/8/94 discloses that Sivasubramanian Baskar made a \$1,000 contribution which was received on October 31, 1994. Mr. Baskar stated that Uday Gadhia requested that he write a check to the IALIF for \$1,000. He also stated that he wrote the check and received from Uday Gadhia \$1,000 in cash as reimbursement. Mr. Baskar said that he made the contribution in order to support the Indian community.



Sivasubramanian Baskar made a \$1,000 contribution at the request of Uday Gadhia for which he was reimbursed. Therefore, there is reason to believe that Sivasubramanian Baskar violated 2 U.S.C. § 441f by knowingly permitting his name to be used to effect a contribution in the name of another.

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FEDERAL ELECTION COMMISSION  
Washington, DC 20463

November 25, 1996

Arun Bedi  
10 Cinnamon Circle, Apt. #1D  
Randallstown, MD 21133

RE: MUR 4582

Dear Mr. Bedi:

On November 12, 1996, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that it is a violation of 2 U.S.C. § 441f to knowingly permit one's name to be used to effect a contribution made in the name of another person. You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remain in effect with respect to all respondents still involved in this matter.

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

*Lee Ann Elliott*  
Lee Ann Elliott  
Chairman

Enclosure  
Factual and Legal Analysis

**FEDERAL ELECTION COMMISSION**  
**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Arun Bedi

**MUR:** 4582

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See U.S.C. § 437g(a)(2).

2 U.S.C. § 441f prohibits: (1) making a contribution in the name of another; (2) knowingly permitting one's name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(iii).

In the 1993-94 election cycle, Lalit Gadhia solicited several individuals to contribute money to the Indian-American Leadership Investment Fund ("IALIF") or directly to a federal candidate committee. He promised that the contributions would be reimbursed. Satish Bahl and Vinay K. Wahi, part-owners of the Akbar Restaurants, aided Mr. Gadhia's scheme by soliciting restaurant employees to make reimbursed contributions using money provided by Mr. Gadhia.

The IALIF report covering the period 10/1/94 through 11/8/94 discloses that Arun Bedi made a \$500 contribution which was received on October 31, 1994. Mr. Bedi is an Akbar employee. Mr. Gadhia provided Mr. Wahi with cash in \$100 bills to reimburse individuals writing personal checks to IALIF. Mr. Wahi gave the money to Mr. Bahl who used the cash to reimburse Mr. Bedi for his contribution to IALIF. Arun Bedi is

listed in Gadhia's records as having been reimbursed for a \$500 contribution to IALF and has also admitted to making a reimbursed contribution. Therefore, there is reason to believe that Arun Bedi violated 2 U.S.C. § 441f by knowingly permitting his name to be used to effect a contribution in the name of another.

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FEDERAL ELECTION COMMISSION  
Washington, DC 20463

November 25, 1996

Subodh Chandra, Treasurer  
Indian-American Leadership Investment Fund  
357 S. Curson Ave., Apt. 12A  
Los Angeles, CA 90036-5206

RE: MUR 4582

Dear Mr. Chandra:

On November 12, 1996, the Federal Election Commission found reason to believe that the Indian-American Leadership Investment Fund ("IALIF") and you, as treasurer, violated 2 U.S.C. §§ 441e and 441f, provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you and the IALIF. The Factual and Legal Analysis, which formed a basis for the Commission's findings, is attached for your information.

The Commission reminds you and the IALIF that it is a violation of 2 U.S.C. § 441e to accept contributions from foreign nationals and a violation of 2 U.S.C. § 441f to knowingly accept contributions made in the name of another person. You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remain in effect with respect to all respondents still involved in this matter.

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

A handwritten signature in cursive script that reads "Lee Ann Elliott".  
Lee Ann Elliott  
Chairman

Enclosure  
Factual and Legal Analysis



**FEDERAL ELECTION COMMISSION**

**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** The Indian-American Leadership Investment Fund and Subodh Chandra, Treasurer **MUR: 4582**

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See U.S.C. § 437g(a)(2).

2 U.S.C. § 441e states that it is illegal for a foreign national to directly or indirectly contribute to any candidate in a federal election. It is also forbidden for any person to solicit, accept or receive any such contribution from a foreign national. Further, a foreign national may not participate in or control the election related activities of a person or organization. 11 C.F.R. § 110.4(a)(3). The term "foreign national" includes, inter alia, an individual who is not a citizen of the United States and who is not lawfully admitted for permanent residence, or as a foreign principal as defined in title 22.

2 U.S.C. § 441e. 22 U.S.C. § 611(b) defines "foreign principal" as, inter alia, a foreign government.

2 U.S.C. § 441f prohibits: (1) making a contribution in the name of another; (2) knowingly permitting one's name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(iii).

The treasurer of a political committee is responsible for examining all contributions received by the political committee for evidence of legality. 11 C.F.R.

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§ 103.3(b). Contributions that present genuine questions as to whether they were made by legal sources may be deposited into a campaign depository or returned to the contributor. If any such contribution is deposited, the treasurer shall make his or her best efforts to determine the legality of the contribution. 11 C.F.R. § 103.3(b)(1). If the treasurer determines that at the time a contribution was received and deposited, it did not appear to be made in the name of another, but later discovers that it is illegal based on new evidence not available to the political committee at the time of receipt and deposit, the treasurer shall refund the contribution to the contributor within thirty days of the date on which the illegality was discovered. 11 C.F.R. § 103.3(b)(2). If the political committee does not have sufficient funds, it must refund the contribution using the next funds it receives. Id.

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The Indian-American Leadership investment Fund ("IALIF" or "PAC") was formed for the purpose of contributing to federal candidates of Indian descent. The IALIF did not plan on participating in the November 1994 elections because of lack of funds. Lalit Gadhia discussed with Subodh Chandra, treasurer of the IALIF and long time friend, the possibility of the IALIF contributing to India-friendly candidates as well as candidates of Indian descent. The IALIF agreed to work with Mr. Gadhia, stating that as long as he raised the money, Mr. Gadhia could choose to which campaigns the contributions would go. In under one month, Mr. Gadhia forwarded 41 checks from 41 individuals totaling \$34,900 to the IALIF.

On April 28, 1995, Subodh Chandra, Treasurer of the IALIF, was contacted by a reporter for the Baltimore Sun who informed him that improper contributions may have

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been made to the IALIF. That same day, Mr. Chandra then notified the Commission of the possible violations. The Sun reporter alleged that, several months earlier, Lalit Gadhia had made several contributions to the IALIF using the names of other individuals ("conduits") to mask the true source of the funds. The committee had long since disbursed these funds to candidate committees. At the Commission's suggestion, Mr. Chandra then made a sua sponte submission to the Commission regarding the possible violations pledging to "*take whatever steps necessary to resolve the Federal Election Commission's concerns in a satisfactory manner*" (italics in original). In addition, on May 25, 1995, Mr. Chandra requested an Advisory Opinion from the Commission. The Commission issued an Advisory Opinion on July 28, 1995.

The Advisory Opinion stated that under circumstances where questions arise as to the legality of a contribution, it is the duty of the recipient organization to use "best efforts" to determine the legality of the funds and then to refund any funds which it determined to be illegal. AO 1995-19, p. 3, 2 Fed. Election Camp. Fin. Guide [CCH] ¶ 6156 at p. 12,098. The IALIF was advised that if it did not have sufficient funds on hand, it should do so from the next funds it received. *Id.* at 12,099. However, because the Department of Justice ("DOJ") had begun an investigation into the funds raised by Mr. Gadhia, the DOJ requested that the IALIF not contact any contributors. The Advisory Opinion stated that the IALIF was not required to contact any contributors, but in such an event, the IALIF was required to disgorge the "questionable contributions." *Id.* at 12,100.

Regarding the disgorgement of funds, the IALIF had disbursed all but \$100 of the Gadhia funds to federal political committees by November 3, 1994. Based on its reports, the IALIF has not raised or contributed any funds since November 1994. Its most recent reports show a cash on hand balance of less than \$300.

On March 29, 1996, Mr. Gadhia pled guilty to causing a false statement to be made to the Commission in connection with FEC reports which were filed by the IALIF and political committees listing funds contributed in the name of another. In his plea, Mr. Gadhia admitted the illegality of all of the contributions which he forwarded to the IALIF. Mr. Gadhia admitted that he was given funds by an official at the Embassy of India which he then used to reimburse individuals in exchange for personal checks to the IALIF.

Because Mr. Gadhia acted on behalf of the IALIF, the Committee is chargeable with knowledge of Mr. Gadhia's illegal actions. Where an individual is given fundraising duties and roles as well as authority to decide on expenditures, it suggests that the individual was authorized to act on behalf of the committee. See 11 C.F.R. § 102.8(b); 110.6(b)(2)(E); and 109.1(b)(5). In such a situation, under settled principles of agency law, the committee is charged with the knowledge of its agents and may be liable for having knowingly accepted prohibited contributions. Here, Mr. Chandra, with the consent of other IALIF members, not only authorized Mr. Gadhia to raise money on behalf of the IALIF but also allowed Mr. Gadhia to determine to which campaigns the funds he raised would go. Further, Mr. Gadhia raised all funds and directed all contributions by the IALIF during the 1994 election cycle. It seems clear that this was done to advance the IALIF's interests in supporting pro-India congressional candidates.

Thus, there is reason to believe that the Indian-American Leadership Investment Fund and Subodh Chandra, as treasurer, violated 2 U.S.C. §§ 441e and 441f.

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FEDERAL ELECTION COMMISSION  
Washington, DC 20463

November 25, 1996

Uday Gadhia  
7509 Stonecutter Court  
Baltimore, Maryland 21237-3635

RE: MUR 4582

Dear Mr. Ghadia:

On November 12, 1996, the Federal Election Commission found that there is reason to believe you knowingly and willfully violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of your receipt of this letter. Where appropriate, statements should be submitted under oath. In the absence of additional information, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good

Uday Gadhia  
Page 2


cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

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

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

For your information, we have enclosed a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

  
Lee Ann Elliott  
Chairman

Enclosures

Factual and Legal Analysis  
Procedures  
Designation of Counsel Form

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**FEDERAL ELECTION COMMISSION**

**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Uday Gadhia

**MUR:** 4582

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See U.S.C. § 437g(a)(2).

2 U.S.C. § 441f prohibits: (1) making a contribution in the name of another; (2) knowingly permitting one's name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(iii).

The Act addresses violations of law that are knowing and willful. See 2 U.S.C. § 437g(a)(5)(B). The knowing and willful standard requires knowledge that one is violating the law. Federal Election Commission v. John A. Dramesi for Congress Committee, 640 F. Supp. 985 (D. N.J. 1986). A knowing and willful violation may be established "by proof that the defendant acted deliberately and with knowledge that the representation was false." United States v. Hopkins, 916 F.2d 207, 214 (5th Cir. 1990). An inference of a knowing and willful violation may be drawn "from the defendants' elaborate scheme for disguising" their actions. Id. at 214-15.

In the 1993-94 election cycle, Lalit Gadhia solicited several individuals to contribute money to the Indian-American Leadership Investment Fund ("IALIF") or directly to a federal candidate committee. He promised that the contributions would be

reimbursed. Uday Gadhia is Lalit Gadhia's nephew. Uday Gadhia's name is listed in Lalit Gadhia's records as having made a reimbursed contribution for \$500 to the IALIF. The IALIF report covering the period 10/1/94 through 11/8/94 discloses that Uday Gadhia made a \$500 contribution which was received on October 31, 1994.

Further, Uday Gadhia aided Lalit Gadhia by soliciting additional reimbursed contributions. Uday Gadhia assisted in acquiring an additional \$4,500 in reimbursed contributions to the IALIF. The disclosure reports of the IALIF reflect these contributions. Further, the individuals who wrote these checks stated that they were reimbursed in cash by Uday Gadhia.

Therefore, there is reason to believe that Uday Gadhia knowingly and willfully violated 2 U.S.C. § 441f by knowingly permitting his name to be used to effect contributions, and by knowingly assisting others in making contributions in the name of another.

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FEDERAL ELECTION COMMISSION  
Washington, DC 20463

November 25, 1996

Dr. S.V. Ramamurthy  
3 Hunters Court  
Timonium, Maryland 21093

RE: MUR 4582

Dear Dr. Ramamurthy:

On November 12, 1996, the Federal Election Commission found that there is reason to believe you knowingly and willfully violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of your receipt of this letter. Where appropriate, statements should be submitted under oath. In the absence of additional information, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

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

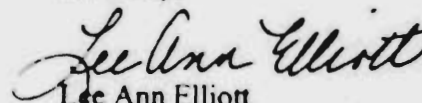


If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

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

For your information, we have enclosed a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

  
Lee Ann Elliott  
Chairman

Enclosures

Factual and Legal Analysis

Procedures

Designation of Counsel Form

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**FEDERAL ELECTION COMMISSION**  
**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Dr. S. V. Ramamurthy

**MUR:** 4582

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See U.S.C. § 437g(a)(2).

2 U.S.C. § 441f prohibits: (1) making a contribution in the name of another; (2) knowingly permitting one's name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(iii).

The Act addresses violations of law that are knowing and willful. See 2 U.S.C. § 437g(a)(5)(B). The knowing and willful standard requires knowledge that one is violating the law. Federal Election Commission v. John A. Dramesi for Congress Committee, 640 F. Supp. 985 (D. N.J. 1986). A knowing and willful violation may be established "by proof that the defendant acted deliberately and with knowledge that the representation was false." United States v. Hopkins, 916 F.2d 207, 214 (5th Cir. 1990). An inference of a knowing and willful violation may be drawn "from the defendants' elaborate scheme for disguising" their actions. *Id.* at 214-15.

In the 1993-94 election cycle, Lalit Gadhia solicited several individuals to contribute money to the Indian-American Leadership Investment Fund ("IALIF") or directly to a federal candidate committee. He promised that the contributions would be

reimbursed. In or around October of 1994 Mr. Gadhia requested that Dr. Ramamurthy write several checks, for which he would be reimbursed, to federal political committees.

The disclosure reports for Robb for the Senate (\$1,000 on 11/1/94), Citizens for Sarbanes (\$1,000 on 10/28/94), Citizens for Senator Wofford (\$1,000 on 11/4/94), and the IALIF (\$1,000 on 10/31/94) all reflect contributions from Dr. S. V. Ramamurthy. Dr. Ramamurthy admits that Mr. Gadhia reimbursed him for each of these contributions.

Further, Dr. Ramamurthy aided Mr. Gadhia by soliciting additional reimbursed contributions. Dr. Ramamurthy assisted in acquiring an additional \$3,000 in reimbursed contributions to the IALIF. The disclosure reports of the IALIF reflect these contributions and Dr. Ramamurthy admits to soliciting these funds. Dr. Ramamurthy's admissions were confirmed by statements of individuals whom he solicited.

Therefore, there is reason to believe that Dr. S. V. Ramamurthy knowingly and willfully violated 2 U.S.C. § 441f by knowingly permitting his name to be used to effect contributions, and by knowingly assisting others in making contributions in the name of another.

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FEDERAL ELECTION COMMISSION  
Washington, DC 20463

November 25, 1996

Sachinder Gupta  
3401 Carlins Park Drive  
Baltimore, MD 21215

RE: MUR 4582

Dear Mr. Gupta:

On November 12, 1996, the Federal Election Commission found that there is reason to believe you knowingly and willfully violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of your receipt of this letter. Where appropriate, statements should be submitted under oath. In the absence of additional information, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

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

Sachinder Gupta  
Page 2

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.

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

For your information, we have enclosed a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

*Lee Ann Elliott*  
Lee Ann Elliott  
Chairman

Enclosures

Factual and Legal Analysis

Procedures

Designation of Counsel Form

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**FEDERAL ELECTION COMMISSION**

**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Sachinder Gupta

**MUR:** 4582

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See U.S.C. § 437g(a)(2).

2 U.S.C. § 441f prohibits: (1) making a contribution in the name of another; (2) knowingly permitting one's name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. Further, the Act addresses violations of law that are knowing and willful. See 2 U.S.C. § 437g(a)(5)(B). The knowing and willful standard requires knowledge that one is violating the law. Federal Election Commission v. John A. Dramesi for Congress Committee, 640 F. Supp. 985 (D. N.J. 1986).

A knowing and willful violation may be established "by proof that the defendant acted deliberately and with knowledge that the representation was false." United States v. Hopkins, 916 F.2d 207, 214 (5th Cir. 1990). An inference of a knowing and willful violation may be drawn "from the defendants' elaborate scheme for disguising" their actions. Id. at 214-15.

In the 1993-94 election cycle, Lalit Gadhia solicited several individuals to contribute money to the Indian-American Leadership Investment Fund ("IALIF") or directly to a federal candidate committee. He promised that the contributions would be reimbursed. Mr. Gadhia kept detailed records which listed each reimbursed contribution along with the name of the individual who was reimbursed. The disclosure reports for

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Committee to Elect Gary L. Ackerman, Inc. (\$1,000 on 11/9/94), Ben Cardin for Congress (\$1,000 on 11/7/94), Engel for Congress (\$1,000 on 11/11/94), Hoyer for Congress (\$1,000 on 10/29/94), Mathews for Congress (\$1,000 on 11/10/94), McDermott for Congress (\$1,000 on 11/1/94), Mfume for Congress (\$1,000 on 11/7/94), Murtha for Congress (\$1,000 on 11/23/94), Andrews for Congress Committee (\$1,000 on 11/4/94), and Citizens for Senator Wofford (\$1,000 on 11/4/94) all reflect contributions from Sachinder Gupta.

The evidence indicates that Mr. Gupta's contributions were reimbursed. First, each of Mr. Gupta's contributions were listed in Mr. Gadhia's records as having been reimbursed. Second, disclosure documents reveal that Gupta made no contributions in the two election cycles previous to the contributions in question. Therefore, there is reason to believe that Sachinder Gupta knowingly and willfully violated 2 U.S.C. § 441f by knowingly permitting his name to be used to make contributions in the name of another.

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FEDERAL ELECTION COMMISSION  
Washington, DC 20463

November 25, 1996

**CERTIFIED MAIL  
RETURN RECEIPT REQUESTED**

Lalit H. Gadhia, Esq.  
3700 North Charles Street, Apt. 310  
Baltimore, MD 21218

RE: MUR 4582

Dear Mr. Gadhia:

On November 12, 1996, the Federal Election Commission found that there is reason to believe you knowingly and willfully violated 2 U.S.C. §§ 441e and 441f, provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information. In addition, pursuant to its investigation of this matter, the Commission also issued the attached subpoena requiring you to appear and give sworn testimony on December 12, 1996, which will assist the Commission in carrying out its statutory duty of supervising compliance with the Act.

You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of your receipt of this letter. Where appropriate, statements should be submitted under oath. In the absence of additional information, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, the Commission will not entertain requests for

Lalit Gadhia

Page 2

pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

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

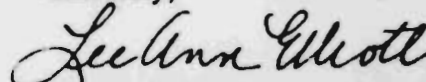
If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission. Also, if you intend to have an attorney present with you at the deposition, please advise us of the name and address of your attorney prior to the date of the deposition.

Pursuant to 11 C.F.R. § 111.14, a witness summoned by the Commission shall be paid \$40.00 plus any mileage. Subsequent to the deposition, you will be sent a check for the witness fee.

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

For your information, we have enclosed a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,



Lee Ann Elliott  
Chairman

**Enclosures**

Subpoena

Factual and Legal Analysis

Procedures

Designation of Counsel Form

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*Lee Ann Elliott*  
Lee Ann Elliott  
Chairman

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



**FEDERAL ELECTION COMMISSION**  
**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Lalit Gadhia

**MUR:** 4582

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See U.S.C. § 437g(a)(2).

2 U.S.C. § 441e states that it is illegal for a foreign national to directly or indirectly contribute to any candidate in a federal election. It is also forbidden for any person to solicit, accept or receive any such contribution from a foreign national. Further, a foreign national may not participate in or control the election related activities of a person or organization. 11 C.F.R. § 110.4(a)(3). The term "foreign national" includes, *inter alia*, an individual who is not a citizen of the United States and who is not lawfully admitted for permanent residence, or as a foreign principal as defined in title 22. 2 U.S.C. § 441e. 22 U.S.C. § 611(b) defines "foreign principal" as, *inter alia*, a foreign government.

2 U.S.C. § 441f prohibits: (1) making a contribution in the name of another; (2) knowingly permitting one's name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(iii). 2 U.S.C. § 431(11) defines "person" to include committees and groups of persons.

The Act addresses violations of law that are knowing and willful. See 2 U.S.C. § 437g(a)(5)(B). The knowing and willful standard requires knowledge that one is violating the law. Federal Election Commission v. John A. Dramesi for Congress Committee, 640 F. Supp. 985 (D. N.J. 1986). A knowing and willful violation may be established "by proof that the defendant acted deliberately and with knowledge that the representation was false." United States v. Hopkins, 916 F.2d 207, 214 (5th Cir. 1990). An inference of a knowing and willful violation may be drawn "from the defendants' elaborate scheme for disguising" their actions. Id. at 214-15.

In the 1993-94 election cycle, Lalit Gadhia solicited several individuals to contribute money to the Indian-American Leadership Investment Fund ("IALIF") or directly to a federal candidate committee. He promised to reimburse each of these contributions. Mr. Gadhia pled guilty to causing a false statement to be made to the Commission in connection with FEC reports which were filed by the IALIF and political committees listing funds contributed in the name of another.

The Statement of Facts, which served as the basis for Mr. Gadhia's plea agreement, indicates that all of the funds used to reimburse conduits originated from Devendra Singh then Minister for Personnel and Community Affairs at the Indian Embassy. The link between the Indian Embassy and this reimbursement scheme is reflected in seized documents from Mr. Gadhia's office listing all reimbursed contributions together with the Airborne Express receipt addressed to Mr. Singh at the Embassy. Mr. Gadhia's documents reflect a total of \$60,800 of reimbursed contributions. This document lists each contributor's name and address, the amount of the contribution,

and the committee which received the contribution. Gadhia also included a photocopy of each check.

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Disclosure reports for Ben Cardin for Congress (\$500 on 11/7/94), Citizens for Sarbanes (\$500 on 6/7/94), Matthews for Congress (\$1,000 on 11/10/94), Citizens for Senator Wofford (\$500 on 11/4/94), and the IALIF (\$1,000 on 10/31/94) all reflect contributions from Lalit Gadhia. Mr. Gadhia listed these contributions as having been reimbursed in his personal records. The additional \$57,300 contributed to federal political committees by reimbursed individuals is also reflected in the federal disclosure reports. In addition, many of the individuals who were solicited by Mr. Gadhia confirm the information in Mr. Gadhia's records and in the Statement of Facts. These materials thus suggest that Lalit Gadhia permitted his name to be used to effect contributions, assisted others in making contributions in the name of another, and solicited, accepted, and received contributions from a foreign national.

Further, the elaborate efforts undertaken to mask the source of the funds points to the likelihood that Mr. Gadhia knew that it was illegal for the Indian Embassy to contribute funds. See Hopkins 916 F.2d at 214-15. Accordingly, there is reason to believe that Lalit Gadhia knowingly and willfully violated, 2 U.S.C. §§ 441f and 441e.



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

November 25, 1996

Vinay Wahi  
823 North Charles Street  
Baltimore, MD 21202

RE: MUR 4582

Dear Mr. Wahi:

On November 12, 1996, the Federal Election Commission found that there is reason to believe you knowingly and willfully violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of your receipt of this letter. Where appropriate, statements should be submitted under oath. In the absence of additional information, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

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

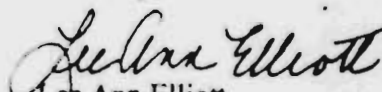
Vinay Wahi  
Page 2

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.

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

For your information, we have enclosed a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

  
Lee Ann Elliott  
Chairman

Enclosures

Factual and Legal Analysis

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**FEDERAL ELECTION COMMISSION**

**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT: Vinay Wahi**

**MUR: 4582**

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See U.S.C. § 437g(a)(2).

2 U.S.C. § 441f prohibits: (1) making a contribution in the name of another; (2) knowingly permitting one's name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(iii).

The Act addresses violations of law that are knowing and willful. See 2 U.S.C. §§ 437g(a)(5)(B). The knowing and willful standard requires knowledge that one is violating the law. Federal Election Commission v. John A. Dramesi for Congress Committee, 640 F. Supp. 985 (D. N.J. 1986). A knowing and willful violation may be established "by proof that the defendant acted deliberately and with knowledge that the representation was false." United States v. Hopkins, 916 F.2d 207, 214 (5th Cir. 1990). An inference of a knowing and willful violation may be drawn "from the defendants' elaborate scheme for disguising" their actions. *Id.* at 214-15.

In the 1993-94 election cycle, Lalit Gadhia solicited several individuals to contribute money to the Indian-American Leadership Investment Fund ("IALIF") or directly to a federal candidate committee. He promised that the contributions would be

reimbursed. Vinay Wahi is part-owner of the Akbar Restaurant in Baltimore and Mr. Gadhia was a regular customer of the restaurant. Mr. Gadhia has served as Mr. Wahi's attorney in the past on business law matters. Mr. Wahi stated that in or around October of 1994 Mr. Gadhia requested that he write a check to the IALIF. Mr. Wahi further stated that Mr. Gadhia would reimburse him or anyone else with cash as long as they would provide a \$1,000 dollar personal check.

The disclosure reports for Ben Cardin for Congress (\$500 on 11/7/94), Citizens for Sarbanes (\$1,000 on 10/28/94), the IALIF (\$1,000 on 10/31/94), Robb for the Senate (\$1,000 on 11/1/94) and Murtha for Congress (\$1,000 on 11/23/94) all reflect contributions from Vinay Wahi. Mr. Wahi admits that Mr. Gadhia reimbursed him for each of these contributions.

Further, Mr. Wahi assisted Mr. Gadhia by soliciting additional reimbursed contributions. Mr. Wahi, aided by Satish Bahl, a fellow part-owner of Akbar Restaurant, assisted in acquiring an additional \$8,500 (\$7,500 to the IALIF and \$1,000 to Citizens for Senator Wofford) in reimbursed contributions, mostly from employees of Akbar. The disclosure reports of the IALIF and Citizens for Senator Wofford reflect these contributions and Mr. Wahi admits to soliciting these funds. Mr. Wahi's admissions were confirmed by statements of a number of individuals who he or Mr. Bahl solicited.

Therefore, there is reason to believe that Vinay Wahi knowingly and willfully violated 2 U.S.C. § 441f by knowingly permitting his name to be used to effect contributions, and by knowingly assisting others in making contributions in the name of another.



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

November 25, 1996

Mrudula K. Mehta  
5 Granby Court,  
Rockville, MD 20855-1406

RE: MUR 4582

Dear Ms. Mehta:

On November 12, 1996, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that it is a violation of 2 U.S.C. § 441f to knowingly permit one's name to be used to effect a contribution made in the name of another person. You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remain in effect with respect to all respondents still involved in this matter.

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

A handwritten signature in cursive script that reads "Lee Ann Elliott".  
Lee Ann Elliott  
Chairman

Enclosure  
Factual and Legal Analysis

**FEDERAL ELECTION COMMISSION**

**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT: Mrudula Mehta**

**MUR: 4582**

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See U.S.C. § 437g(a)(2).

2 U.S.C. § 441f prohibits: (1) making a contribution in the name of another; (2) knowingly permitting one's name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(iii).

In the 1993-94 election cycle, Lalit Gadhia solicited several individuals to contribute money to the Indian-American Leadership Investment Fund ("IALIF") or directly to a federal candidate committee. He promised that the contributions would be reimbursed.

The Robb for Senate report covering October 1, 1994 through November 3, 1994 discloses that Mrudula Mehta made a \$1,000 contribution on October 30, 1994. Mrudula Mehta is listed in Mr. Gadhia's records as having been reimbursed for a \$1,000 contribution to Robb for Senate and has admitted to making a reimbursed contribution. Therefore, there is reason to believe that Mrudula Mehta violated 2 U.S.C. § 441f by knowingly permitting her name to be used to effect a contribution in the name of another.



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

November 25, 1996

Anne T. Mileham  
2906 N. Calvert Street  
Baltimore, MD 21218

RE: MUR 4582

Dear Ms. Mileham:

On November 12, 1996, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that it is a violation of 2 U.S.C. § 441f to knowingly permit one's name to be used to effect a contribution made in the name of another person. You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remain in effect with respect to all respondents still involved in this matter.

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

*Lee Ann Elliott*  
Lee Ann Elliott  
Chairman

Enclosure  
Factual and Legal Analysis



**FEDERAL ELECTION COMMISSION**

**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Anne T. Mileham

**MUR:** 4582

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See U.S.C. § 437g(a)(2).

2 U.S.C. § 441f prohibits: (1) making a contribution in the name of another; (2) knowingly permitting one's name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(iii).

In the 1993-94 election cycle, Lalit Gadhia solicited several individuals to contribute money to the Indian-American Leadership Investment Fund ("IALIF") or directly to a federal candidate committee. He promised that the contributions would be reimbursed.

The IALIF report covering the period 10/1/94 through 11/8/94 discloses that Anne T. Mileham made a \$1,000 contribution which was received on October 31, 1994. Ms. Mileham is listed in Mr. Gadhia's records as having been reimbursed for a \$1,000 contribution to the IALIF, and Ms. Mileham has admitted to making a reimbursed contribution. Therefore, there is reason to believe that Anne T. Mileham violated 2 U.S.C. § 441f by knowingly permitting her name to be used to effect a contribution in the name of another.



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

November 25, 1996

Usha Naik  
8422 Ashford Blvd.  
Laurel, MD 20707

RE: MUR 4582

Dear Mr. Naik:

On November 12, 1996, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that it is a violation of 2 U.S.C. § 441f to knowingly permit one's name to be used to effect a contribution made in the name of another person. You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remain in effect with respect to all respondents still involved in this matter.

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

A handwritten signature in cursive script that reads "Lee Ann Elliott".  
Lee Ann Elliott  
Chairman

Enclosure  
Factual and Legal Analysis

**FEDERAL ELECTION COMMISSION**

**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Usha Naik

**MUR:** 4582

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See U.S.C. § 437g(a)(2).

2 U.S.C. § 441f prohibits: (1) making a contribution in the name of another; (2) knowingly permitting one's name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(iii).

In the 1993-94 election cycle, Lalit Gadhia solicited several individuals to contribute money to the Indian-American Leadership Investment Fund ("IALIF") or directly to a federal candidate committee. He promised that the contributions would be reimbursed. Uday Gadhia aided Lalit Gadhia's scheme by soliciting individuals to make reimbursed contributions using money given to him by Lalit Gadhia.

The IALIF report covering the period 10/1/94 through 11/8/94 discloses that in or around October 1994, Usha Naik made a \$1,000 contribution which was received on October 31, 1994. Mr. Naik stated that Uday Gadhia requested that he write a check to the IALIF for \$500 or \$1,000. Uday Gadhia advised that he would provide \$1,000 in cash to Mr. Naik in return for the check. Mr. Naik further stated that he wrote the check

and received from Uday Gadhia \$1,000 in cash as reimbursement. Mr. Naik said that he made the contribution in order to support Indian culture in general.

Usha Naik made a \$1,000 contribution at the request of Uday Gadhia for which he was reimbursed. Therefore, there is reason to believe that Usha Naik violated 2 U.S.C § 441f by knowingly permitting his name to be used to effect a contribution in the name of another.

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FEDERAL ELECTION COMMISSION  
Washington, DC 20463

November 25, 1996

Shyam Parkash  
2922 Willston Place, #101  
Falls Church, VA 22044

RE: MUR 4582

Dear Mr. Parkash:

On November 12, 1996, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that it is a violation of 2 U.S.C. § 441f to knowingly permit one's name to be used to effect a contribution made in the name of another person. You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remain in effect with respect to all respondents still involved in this matter.

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

A handwritten signature in cursive script, reading "Lee Ann Elliott".  
Lee Ann Elliott  
Chairman

Enclosure  
Factual and Legal Analysis



**FEDERAL ELECTION COMMISSION**

**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Shyam Parkash

**MUR:** 4582

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See U.S.C. § 437g(a)(2).

2 U.S.C. § 441f prohibits: (1) making a contribution in the name of another; (2) knowingly permitting one's name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(iii).

In the 1993-94 election cycle, Lalit Gadhia solicited several individuals to contribute money to the Indian-American Leadership Investment Fund ("IALIF") or directly to a federal candidate committee. He promised that the contributions would be reimbursed. Vinay K. Wahi aided Mr. Gadhia's scheme by soliciting individuals to make reimbursed contributions using money given to him by Mr. Gadhia.

The IALIF report covering the period 10/1/94 through 11/8/94 discloses that Shyam Parkash made a \$1,000 contribution which was received on October 31, 1994. Mr. Gadhia provided Mr. Wahi with cash in \$100 bills to reimburse individuals writing personal checks to IALIF. Mr. Wahi used the cash to reimburse Mr. Parkash for his contribution to IALIF. Shyam Parkash is listed in Gadhia's records as having been reimbursed for a \$1,000 contribution to IALF and has admitted to making a reimbursed

contribution. Therefore, there is reason to believe that Shyam Parkash violated 2 U.S.C. § 441f by knowingly permitting his name to be used to effect a contribution in the name of another.

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FEDERAL ELECTION COMMISSION  
Washington, DC 20463

November 25, 1996

Tara C. Pathak  
14 E Madison Street, Apartment 10  
Baltimore, MD 21202

RE: MUR 4582

Dear Mr. Pathak:

On November 12, 1996, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that it is a violation of 2 U.S.C. § 441f to knowingly permit one's name to be used to effect a contribution made in the name of another person. You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remain in effect with respect to all respondents still involved in this matter.

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

Lee Ann Elliott  
Chairman

Enclosure  
Factual and Legal Analysis

**FEDERAL ELECTION COMMISSION**

**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Tara C. Pathak

**MUR:** 4582

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See U.S.C. § 437g(a)(2).

2 U.S.C. § 441f prohibits: (1) making a contribution in the name of another; (2) knowingly permitting one's name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(iii).

In the 1993-94 election cycle, Lalit Gadhia solicited several individuals to contribute money to the Indian-American Leadership Investment Fund ("IALIF") or directly to a federal candidate committee. He promised that the contributions would be reimbursed. Vinay Wahi aided Mr. Gadhia's scheme by soliciting individuals to make reimbursed contributions using money given to him by Mr. Gadhia.

The Citizens for Senator Wofford report covering the period 10/1/94 through 11/8/94 discloses that Tara C. Pathak made a \$1,000 contribution which was received on November 4, 1994. Mr. Wahi was a part-owner of Akbar Restaurant where Mr. Pathak was employed as a chef. Mr. Pathak stated that in October of 1994, Mr. Wahi asked him to write a check for \$1,000 for which he would be reimbursed. Mr. Pathak further stated that in exchange for \$1,000 cash, he signed a check for Mr. Wahi. Someone else filled

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out all other information on the check. Mr. Pathak stated that he did not inquire into the purpose of the contribution nor did he know who Harris Wofford was.

Tara C. Pathak made a \$1,000 contribution at the request of Vinay Wahi for which he was reimbursed. Therefore, there is reason to believe that Tara C. Pathak violated 2 U.S.C. § 441f by knowingly permitting his name to be used to effect a contribution in the name of another.

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FEDERAL ELECTION COMMISSION  
Washington, DC 20463

November 25, 1996

Ashok Kumta  
9 White Wood Court  
Baltimore, MD 21236

RE: MUR 4582

Dear Mr. Kumta:

On November 12, 1996, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that it is a violation of 2 U.S.C. § 441f to knowingly permit one's name to be used to effect a contribution made in the name of another person and to knowingly assist others in making such contributions. You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remain in effect with respect to all respondents still involved in this matter.

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

A handwritten signature in cursive script, reading "Lee Ann Elliott".  
Lee Ann Elliott  
Chairman

Enclosure  
Factual and Legal Analysis

**FEDERAL ELECTION COMMISSION**

**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Ashok Kumta

**MUR:** 4582

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See U.S.C. § 437g(a)(2).

2 U.S.C. § 441f prohibits: (1) making a contribution in the name of another; (2) knowingly permitting one's name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(iii).

In the 1993-94 election cycle, Lalit Gadhia solicited several individuals to contribute money to the Indian-American Leadership Investment Fund ("IALIF") or directly to a federal candidate committee. He promised that the contributions would be reimbursed. Ashok Kumta has known Mr. Gadhia since 1981. Mr. Kumta once employed Mr. Gadhia as an attorney for the purpose of obtaining a labor certification/visa for an employee. In or around late September of 1994 Mr. Gadhia asked Mr. Kumta if he and his wife would each write a check for \$1,000 to the IALIF for which they would be reimbursed. Mr. Kumta stated that within a few days he went to Mr. Gadhia's law office and received \$2,000 in \$100 bills. Mr. Kumta wrote a check for \$1,000 to IALIF. Further, he solicited his wife, Jyoti Kumta to write a check for \$1,000 to IALIF and did not inform her that the contribution was reimbursed.

The IALIF report covering the period 10/1/94 through 11/8/94 discloses that Ashok Kumta and Jyoti Kumta each made \$1,000 contributions which were received on October 31, 1994. Mr. Kumta admits that he was reimbursed for his contribution and that he persuaded his wife to make a reimbursed contribution.

Therefore, there is reason to believe that Ashok Kumta violated 2 U.S.C. § 441f by knowingly permitting his name to be used to effect a contribution, and by knowingly assisting others in making contributions in the name of another.

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FEDERAL ELECTION COMMISSION  
Washington, DC 20463

November 25, 1996

Rosemary C. Osborne  
The Marylander Apartments  
3501 St. Paul Street,  
Baltimore, MD 21218

RE: MUR 4582

Dear Ms. Osborne:

On November 12, 1996, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that it is a violation of 2 U.S.C. § 441f to knowingly permit one's name to be used to effect contributions made in the name of another person and to knowingly assist others in making such contributions. You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remain in effect with respect to all respondents still involved in this matter.

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

A handwritten signature in cursive script that reads "Lee Ann Elliott".  
Lee Ann Elliott  
Chairman

Enclosure  
Factual and Legal Analysis

**FEDERAL ELECTION COMMISSION**

**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Rosemary Osborne

**MUR:** 4582

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See U.S.C. § 437g(a)(2).

2 U.S.C. § 441f prohibits: (1) making a contribution in the name of another; (2) knowingly permitting one's name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(iii).

In the 1993-94 election cycle, Lalit Gadhia solicited several individuals to contribute money to the Indian-American Leadership Investment Fund ("IALIF"). He promised that the contributions would be reimbursed. Rosemary Osborne has known Mr. Gadhia since 1984 when Ms. Osborne was working as a new accounts counselor at Fairfax Savings Association. Mr. Gadhia approached Ms. Osborne to help him resolve a banking problem involving his law firm. In 1989, Mr. Gadhia hired Ms. Osborne as a secretary. Ms. Osborne stated that Mr. Gadhia continuously raised funds for Democratic candidates and contributions were delivered to the office on a regular basis. Ms. Osborne assisted Mr. Gadhia with fundraising, but strictly in a clerical capacity.

In or around October of 1994, Mr. Gadhia asked Ms. Osborne if she would write two checks (one for her husband and one for herself) for \$1,000 each to the IALIF.



Mr. Gadhia said that he would reimburse the contributions. Ms. Osborne agreed and wrote one check for \$1,000 for herself and then wrote a second check for \$1,000 in her husband's name. She did not inform her husband, Richard Osborne, of either contribution. Mr. Gadhia then gave Ms. Osborne \$2,000 in cash which she deposited into her joint checking account.

The IALIF report covering the period 10/1/94 through 11/8/94 discloses that Rosemary and Richard Osborne each made a \$1,000 contribution which were received on October 31, 1994. Ms. Osborne admits that she was reimbursed for her contribution and the contribution which she made in her husband's name.

Therefore, there is reason to believe that Rosemary Osborne violated 2 U.S.C. § 441f by knowingly permitting her name to be used to effect a contribution, and by knowingly assisting others in the making of a contribution in the name of another.

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FEDERAL ELECTION COMMISSION  
Washington, DC 20463

November 25, 1996

George Roy Paniker  
3101 Guilford Avenue,  
Baltimore, MD 21218

RE: MUR 4582

Dear Mr. Paniker:

On November 12, 1996, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that it is a violation of 2 U.S.C. § 441f to knowingly permit one's name to be used to effect contributions made in the name of another person and to knowingly assist others in making such contributions. You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(2)(A) remain in effect with respect to all respondents still involved in this matter.

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

A handwritten signature in cursive script, reading "Lee Ann Elliott", is positioned above the printed name and title.

Lee Ann Elliott  
Chairman

Enclosure  
Factual and Legal Analysis

**FEDERAL ELECTION COMMISSION**

**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT: George Paniker**

**MUR: 4582**

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See U.S.C. § 437g(a)(2).

2 U.S.C. § 441f prohibits: (1) making a contribution in the name of another; (2) knowingly permitting one's name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(iii).

In the 1993-94 election cycle, Lalit Gadhia solicited several individuals to contribute money to the Indian-American Leadership Investment Fund ("IALIF") or directly to a federal candidate committee. He promised that the contributions would be reimbursed. George Paniker is the manager of P. J.'s Pub of which Mr. Gadhia was a regular customer. Also, Mr. Paniker would occasionally see Mr. Gadhia at the Charles Village Pub. Paniker stated that in October of 1994, either at P.J.'s Pub or the Charles Village Pub, Mr. Gadhia asked Mr. Paniker if he would write a check for \$1,000 for which he would be reimbursed. Mr. Gadhia provided \$1,000 in cash and the next day, Mr. Paniker gave Mr. Gadhia a check with only the signature line and date filled in so that Mr. Gadhia could fill in the rest.

The IALIF report covering the period 10/1/94 through 11/8/94 discloses that George Paniker made a \$1,000 contribution which was received on October 31, 1994. Mr. Paniker admits that he was reimbursed for his contribution.

Further, Mr. Paniker aided Mr. Gadhia by soliciting an additional reimbursed contribution. Mr. Paniker stated that he assisted in acquiring an additional \$1,000 reimbursed contribution from an employee, Tanzania Mary Cooper. The disclosure reports of the IALIF reflects this contribution.

Therefore, there is reason to believe that George Paniker violated 2 U.S.C. § 441f by knowingly permitting his name to be used to effect a contribution, and by knowingly assisting others in making contributions in the name of another.

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FEDERAL ELECTION COMMISSION  
Washington, DC 20463

November 25, 1996

Satish Bahl  
2 Applegrove Court  
Baltimore, MD 21228

RE: MUR 4582

Dear Mr. Bahl:

On November 12, 1996, the Federal Election Commission found that there is reason to believe you knowingly and willfully violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of your receipt of this letter. Where appropriate, statements should be submitted under oath. In the absence of additional information, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

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



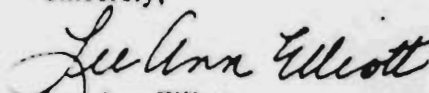
Satish Bahl  
Page 2

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.

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

For your information, we have enclosed a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

  
Lee Ann Elliott  
Chairman

Enclosures  
Factual and Legal Analysis  
Procedures  
Designation of Counsel Form

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**FEDERAL ELECTION COMMISSION**

**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Satish Bahl

**MUR:** 4582

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See U.S.C. § 437g(a)(2).

2 U.S.C. § 441f prohibits: (1) making a contribution in the name of another; (2) knowingly permitting one's name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(iii).

The Act addresses violations of law that are knowing and willful. See 2 U.S.C. §§ 437g(a)(5)(B). The knowing and willful standard requires knowledge that one is violating the law. Federal Election Commission v. John A. Dramesi for Congress Committee, 640 F. Supp. 985 (D. N.J. 1986). A knowing and willful violation may be established "by proof that the defendant acted deliberately and with knowledge that the representation was false." United States v. Hopkins, 916 F.2d 207, 214 (5th Cir. 1990). An inference of a knowing and willful violation may be drawn "from the defendants' elaborate scheme for disguising" their actions. Id. at 214-15.

In the 1993-94 election cycle, Lalit Gadhia solicited several individuals to contribute money to the Indian-American Leadership Investment Fund ("IALIF") or directly to a federal candidate committee. He promised that the contributions would be

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FEDERAL ELECTION COMMISSION  
Washington, DC 20463

November 25, 1996

Aruna Trivedi  
5 Fox Brier Lane  
Baltimore, MD 21236

RE: MUR 4582

Dear Ms. Trivedi:

On November 12, 1996, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that it is a violation of 2 U.S.C. § 441f to knowingly permit one's name to be used to effect a contribution made in the name of another person. You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remain in effect with respect to all respondents still involved in this matter.

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

A handwritten signature in cursive script, reading "Lee Ann Elliott", is written over the typed name.

Lee Ann Elliott  
Chairman

Enclosure  
Factual and Legal Analysis

**FEDERAL ELECTION COMMISSION**  
**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Aruna Trivedi

**MUR:** 4582

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See U.S.C. § 437g(a)(2).

2 U.S.C. § 441f prohibits: (1) making a contribution in the name of another; (2) knowingly permitting one's name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(iii).

In the 1993-94 election cycle, Lalit Gadhia solicited several individuals to contribute money to the Indian-American Leadership Investment Fund ("IALIF") or directly to a federal candidate committee. He promised that the contributions would be reimbursed.

The IALIF report covering October 1, 1994 through November 8, 1994 discloses that Aruna Trivedi made a \$1,000 contribution which was received on October 31, 1994. Aruna Trivedi is listed in Mr. Gadhia's records as having been reimbursed for a \$1,000 contribution to the IALIF. Therefore, there is reason to believe that Aruna Trivedi violated 2 U.S.C. § 441f by knowingly permitting her name to be used to effect a contribution in the name of another.

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FEDERAL ELECTION COMMISSION  
Washington, DC 20463

November 25, 1996

Sudhir Trivedi  
5 Fox Brier Lane  
Baltimore, MD 21236

RE: MUR 4582

Dear Mr. Trivedi:

On November 12, 1996, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that it is a violation of 2 U.S.C. § 441f to knowingly permit one's name to be used to effect a contribution made in the name of another person. You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remain in effect with respect to all respondents still involved in this matter.

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

A handwritten signature in cursive script, reading "Lee Ann Elliott".

Lee Ann Elliott  
Chairman

Enclosure  
Factual and Legal Analysis



**FEDERAL ELECTION COMMISSION**

**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Sudhir Trivedi

**MUR:** 4582

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See U.S.C. § 437g(a)(2).

2 U.S.C. § 441f prohibits: (1) making a contribution in the name of another; (2) knowingly permitting one's name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(iii).

In the 1993-94 election cycle, Lalit Gadhia solicited several individuals to contribute money to the Indian-American Leadership Investment Fund ("IALIF") or directly to a federal candidate committee. He promised that the contributions would be reimbursed.

The IALIF report covering October 1, 1994 through November 2, 1994 discloses that Sudhir Trivedi made a \$1,000 contribution which was received on October 31, 1994. Sudhir Trivedi is listed in Mr. Gadhia's records as having been reimbursed for a \$1,000 contribution to the IALIF. Therefore, there is reason to believe that Sudhir Trivedi violated 2 U.S.C. § 441f by knowingly permitting his name to be used to effect a contribution in the name of another.

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FEDERAL ELECTION COMMISSION  
Washington, DC 20463

November 25, 1996

M. Surendra  
7481 Hickory Log Circle  
Columbia, MD 21045

RE: MUR 4582

Dear Mr. Surendra:

On November 12, 1996, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that it is a violation of 2 U.S.C. § 441f to knowingly permit one's name to be used to effect a contribution made in the name of another person. You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remain in effect with respect to all respondents still involved in this matter.

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

A handwritten signature in cursive script, reading "Lee Ann Elliott".  
Lee Ann Elliott  
Chairman

Enclosure  
Factual and Legal Analysis

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**FEDERAL ELECTION COMMISSION**

**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT: M. Surendra**

**MUR: 4582**

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See U.S.C. § 437g(a)(2).

2 U.S.C. § 441f prohibits: (1) making a contribution in the name of another; (2) knowingly permitting one's name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(iii).

In the 1993-94 election cycle, Lalit Gadhia solicited several individuals to contribute money to the Indian-American Leadership Investment Fund or directly to a federal candidate committee. He promised that the contributions would be reimbursed.

The Hoyer for Congress report covering October 1, 1994 through November 8, 1994 discloses that M. Surendra made a \$1,000 contribution on November 1, 1994. M. Surendra is listed in Mr. Gadhia's records as having been reimbursed for a \$1,000 contribution to Hoyer for Congress. Therefore, there is reason to believe that M. Surendra violated 2 U.S.C. § 441f by knowingly permitting his name to be used to effect a contribution in the name of another.

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FEDERAL ELECTION COMMISSION  
Washington, DC 20463

November 25, 1996

Hardeep Singh  
21 Cinnamon Circle, Apartment 1B  
Randallstown, MD 21133

RE: MUR 4582

Dear Mr. Singh:

On November 12, 1996, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that it is a violation of 2 U.S.C. § 441f to knowingly permit one's name to be used to effect a contribution made in the name of another person. You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remain in effect with respect to all respondents still involved in this matter.

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

*Lee Ann Elliott*  
Lee Ann Elliott  
Chairman

Enclosure  
Factual and Legal Analysis

**FEDERAL ELECTION COMMISSION**

**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT: Hardeep Singh**

**MUR: 4582**

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See U.S.C. § 437g(a)(2).

2 U.S.C. § 441f prohibits: (1) making a contribution in the name of another; (2) knowingly permitting one's name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(iii).

In the 1993-94 election cycle, Lalit Gadhia solicited several individuals to contribute money to the Indian-American Leadership Investment Fund ("IALIF") or directly to a federal candidate committee. He promised that the contributions would be reimbursed. Satish Bahl aided Mr. Gadhia's scheme by soliciting individuals to make reimbursed contributions using money given to him by Mr. Gadhia.

The IALIF report covering the period 10/1/94 through 11/8/94 discloses that Hardeep Singh made a \$500 contribution which was received on October 31, 1994. Mr. Bahl was a part-owner of Akbar Restaurant where Mr. Singh was employed as an assistant manager. Mr. Singh stated that in late October 1994, Mr. Bahl requested that Mr. Singh write a \$500 personal check in return for cash. Mr. Singh did this and



Mr. Bahl filled out the check. Mr. Singh stated that he did not inquire into the purpose of the contribution and did not know that the check was made payable to the IALIF.

Hardeep Singh made a \$500 contribution at the request of Satish Bahl for which he was reimbursed. Therefore, there is reason to believe that Hardeep Singh violated 2 U.S.C. § 441f by knowingly permitting his name to be used to effect a contribution in the name of another.

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FEDERAL ELECTION COMMISSION  
Washington, DC 20463

November 25, 1996

Pradeep J. Perera  
1806 Bronzegate Boulevard  
Silver Spring, MD 20904

RE: MUR 4582

Dear Mr. Perera:

On November 12, 1996, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that it is a violation of 2 U.S.C. § 441f to knowingly permit one's name to be used to effect a contribution made in the name of another person. You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remain in effect with respect to all respondents still involved in this matter.

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

A handwritten signature in cursive script, reading "Lee Ann Elliott".  
Lee Ann Elliott  
Chairman

Enclosure  
Factual and Legal Analysis

**FEDERAL ELECTION COMMISSION**  
**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Pradeep J. Perera

**MUR:** 4582

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See U.S.C. § 437g(a)(2).

2 U.S.C. § 441f prohibits: (1) making a contribution in the name of another; (2) knowingly permitting one's name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(iii).

In the 1993-94 election cycle, Lalit Gadhia solicited several individuals to contribute money to the Indian-American Leadership Investment Fund ("IALIF") or directly to a federal candidate committee. He promised that the contributions would be reimbursed.

The Mfume for Congress report covering October 1, 1994 through November 8, 1994 discloses that Pradeep Perera made a \$1,000 contribution which was received on November 7, 1994. Pradeep Perera is listed in Mr. Gadhia's records as having been reimbursed for a \$1,000 contribution to Mfume for Congress. Therefore, there is reason to believe that Pradeep Perera violated 2 U.S.C. § 441f by knowingly permitting his name to be used to effect a contribution in the name of another.



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

November 25, 1996

Janet K. Mangalvedhe  
6500 Lock Hill Road  
Baltimore, MD 21239

RE: MUR 4582

Dear Ms. Mangalvedhe:

On November 12, 1996, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that it is a violation of 2 U.S.C. § 441f to knowingly permit one's name to be used to effect a contribution made in the name of another person. You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remain in effect with respect to all respondents still involved in this matter.

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

*Lee Ann Elliott*  
Lee Ann Elliott  
Chairman

Enclosure  
Factual and Legal Analysis

**FEDERAL ELECTION COMMISSION**

**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Jay V. Mangalvedhe and  
Janet Mangalvedhe

**MUR: 4582**

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See U.S.C. § 437g(a)(2).

2 U.S.C. § 441f prohibits: (1) making a contribution in the name of another; (2) knowingly permitting one's name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(iii).

In the 1993-94 election cycle, Lalit Gadhia solicited several individuals to contribute money to the Indian-American Leadership Investment Fund ("IALIF") or directly to a federal candidate committee. He promised that the contributions would be reimbursed. Dr. S. V. Ramamurthy aided Mr. Gadhia's scheme by soliciting individuals to make reimbursed contributions using money given to him by Mr. Gadhia.

The IALIF report covering the period 10/1/94 through 11/8/94 discloses that Jay V. Mangalvedhe made a \$1,000 contribution which was received on October 31, 1994. Mr. Mangalvedhe stated that Dr. Ramamurthy requested that he write a check to the IALIF for \$1,000. Dr. Ramamurthy advised that he would provide \$1,000 in cash to Mr. Mangalvedhe in return for the check. Mr. Mangalvedhe further stated that he wrote the check and received from Dr. Ramamurthy \$1,000 in cash as reimbursement.



Mrs. Mangalvedhe stated that she remembered the reimbursement being in the form of ten \$100 bills. Further, the name Janet Mangalvedhe is listed in Lalit Gadhia's records as having been reimbursed for a \$1,000 contribution to the IALIF. Mr. Mangalvedhe said that he believed that the IALIF was a local Indian community organization.

Jay V. Mangalvedhe and Janet Mangalvedhe made a \$1,000 contribution at the request of Dr. S. V. Ramamurthy for which they were reimbursed. Therefore, there is reason to believe that Jay V. Mangalvedhe and Janet Mangalvedhe violated 2 U.S.C. § 441f by knowingly permitting their names to be used to effect a contribution in the name of another.

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FEDERAL ELECTION COMMISSION  
Washington, DC 20463

November 25, 1996

Jay V. Mangalvedhe  
6500 Lock Hill Road  
Baltimore, MD 21239

RE: MUR 4582

Dear Mr. Mangalvedhe:

On November 12, 1996, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that it is a violation of 2 U.S.C. § 441f to knowingly permit one's name to be used to effect a contribution made in the name of another person. You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remain in effect with respect to all respondents still involved in this matter.

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

A handwritten signature in cursive script, reading "Lee Ann Elliott".  
Lee Ann Elliott  
Chairman

Enclosure  
Factual and Legal Analysis

**FEDERAL ELECTION COMMISSION**

**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Jay V. Mangalvedhe and  
Janet Mangalvedhe

**MUR: 4582**

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See U.S.C. § 437g(a)(2).

2 U.S.C. § 441f prohibits: (1) making a contribution in the name of another; (2) knowingly permitting one's name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(iii).

In the 1993-94 election cycle, Lalit Gadhia solicited several individuals to contribute money to the Indian-American Leadership Investment Fund ("IALIF") or directly to a federal candidate committee. He promised that the contributions would be reimbursed. Dr. S. V. Ramamurthy aided Mr. Gadhia's scheme by soliciting individuals to make reimbursed contributions using money given to him by Mr. Gadhia.

The IALIF report covering the period 10/1/94 through 11/8/94 discloses that Jay V. Mangalvedhe made a \$1,000 contribution which was received on October 31, 1994. Mr. Mangalvedhe stated that Dr. Ramamurthy requested that he write a check to the IALIF for \$1,000. Dr. Ramamurthy advised that he would provide \$1,000 in cash to Mr. Mangalvedhe in return for the check. Mr. Mangalvedhe further stated that he wrote the check and received from Dr. Ramamurthy \$1,000 in cash as reimbursement.

Mrs. Mangalvedhe stated that she remembered the reimbursement being in the form of ten \$100 bills. Further, the name Janet Mangalvedhe is listed in Lalit Gadhia's records as having been reimbursed for a \$1,000 contribution to the IALIF. Mr. Mangalvedhe said that he believed that the IALIF was a local Indian community organization.

Jay V. Mangalvedhe and Janet Mangalvedhe made a \$1,000 contribution at the request of Dr. S. V. Ramamurthy for which they were reimbursed. Therefore, there is reason to believe that Jay V. Mangalvedhe and Janet Mangalvedhe violated 2 U.S.C. § 441f by knowingly permitting their names to be used to effect a contribution in the name of another.

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FEDERAL ELECTION COMMISSION  
Washington, DC 20463

November 25, 1996

Kishor S. Mehta  
408 Pine Villa Drive  
Gibsonian, PA 15044

RE: MUR 4582

Dear Mr. Mehta:

On November 12, 1996, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that it is a violation of 2 U.S.C. § 441f to knowingly permit one's name to be used to effect a contribution made in the name of another person. You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remain in effect with respect to all respondents still involved in this matter.

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

A handwritten signature in cursive script that reads "Lee Ann Elliott".  
Lee Ann Elliott  
Chairman

Enclosure  
Factual and Legal Analysis



**FEDERAL ELECTION COMMISSION**

**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Kishor Mehta

**MUR:** 4582

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See U.S.C. § 437g(a)(2).

2 U.S.C. § 441f prohibits: (1) making a contribution in the name of another; (2) knowingly permitting one's name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(iii).

In the 1993-94 election cycle, Lalit Gadhia solicited several individuals to contribute money to the Indian-American Leadership Investment Fund ("IALIF") or directly to a federal candidate committee. He promised that the contributions would be reimbursed.

The Robb for Senate report covering October 1, 1994 through November 8, 1994 discloses that Kishor Mehta made a \$1,000 contribution on October 30, 1994. Kishor Mehta is listed in Mr. Gadhia's records as having been reimbursed for a \$1,000 contribution to Robb for Senate and has admitted to making a reimbursed contribution. Therefore, there is reason to believe that Kishor Mehta violated 2 U.S.C. § 441f by knowingly permitting his name to be used to effect a contribution in the name of another.



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

November 25, 1996

Vikram Gowda  
5473 Luckpenny Place  
Columbia, MD 21045

RE: MUR 4582

Dear Mr. Gowda:

On November 12, 1996, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that it is a violation of 2 U.S.C. § 441f to knowingly permit one's name to be used to effect a contribution made in the name of another person. You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remain in effect with respect to all respondents still involved in this matter.

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

A handwritten signature in cursive script, reading "Lee Ann Elliott", is written over a horizontal line.

Lee Ann Elliott  
Chairman

Enclosure  
Factual and Legal Analysis

**FEDERAL ELECTION COMMISSION**  
**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Vikram Gowda

**MUR:** 4582

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See U.S.C. § 437g(a)(2).

2 U.S.C. § 441f prohibits: (1) making a contribution in the name of another; (2) knowingly permitting one's name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(iii).

In the 1993-94 election cycle, Lalit Gadhia solicited several individuals to contribute money to the Indian-American Leadership Investment Fund ("IALIF") or directly to a federal candidate committee. He promised that the contributions would be reimbursed. Dr. S. V. Ramamurthy aided Mr. Gadhia's scheme by soliciting individuals to make reimbursed contributions using money given to him by Mr. Gadhia.

The IALIF report covering the period 10/1/94 through 11/8/94 discloses that Vikram Gowda made a \$1,000 contribution which was received on October 31, 1994. Sonne C. Gowda, Vikram Gowda's father, was attending a social function at the home of Dr. Ramamurthy when Dr. Ramamurthy advised that he had money that he wanted to give away, but that there was a contribution limit from any one individual. Dr. Ramamurthy asked Sonne Gowda to provide him with checks in return for cash.

Dr. Ramamurthy then gave Mr. Gowda \$2,000 in brand new \$100 bills in order for Mr. Gowda and his son to each write a check for \$1,000. Both Sonne and Vikram Gowda made out personal checks which were delivered, as instructed by Dr. Ramamurthy, to Mr. Gadhia's office on or about October 26, 1994.

Vikram Gowda made a \$1,000 contribution for which he was reimbursed.

Therefore, there is reason to believe that Vikram Gowda violated 2 U.S.C. § 441f by knowingly permitting his name to be used to effect a contribution in the name of another.

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FEDERAL ELECTION COMMISSION  
Washington, DC 20463

November 25, 1996

Hemanta Kole  
16 Chesthill Court  
Baltimore, MD 21236

RE: MUR 4582

Dear Ms. Kole:

On November 12, 1996, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that it is a violation of 2 U.S.C. § 441f to knowingly permit one's name to be used to effect a contribution made in the name of another person. You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remain in effect with respect to all respondents still involved in this matter.

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

A handwritten signature in cursive script that reads "Lee Ann Elliott".

Lee Ann Elliott  
Chairman

Enclosure  
Factual and Legal Analysis



**FEDERAL ELECTION COMMISSION**

**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Hemanta Kole

**MUR:** 4582

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See U.S.C. § 437g(a)(2).

2 U.S.C. § 441f prohibits: (1) making a contribution in the name of another; (2) knowingly permitting one's name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(iii).

In the 1993-94 election cycle, Lalit Gadhia solicited several individuals to contribute money to the Indian-American Leadership Investment Fund ("IALIF") or directly to a federal candidate committee. He promised that the contributions would be reimbursed.

The IALIF report covering October 1, 1994 through November 8, 1994 discloses that Hemanta Kole made a \$900 contribution which was received on October 31, 1994. Hemanta Kole is listed in Mr. Gadhia's records as having been reimbursed for a \$900 contribution to the IALIF. Therefore, there is reason to believe that Hemanta Kole violated 2 U.S.C. § 441f by knowingly permitting her name to be used to effect a contribution in the name of another.

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FEDERAL ELECTION COMMISSION  
Washington, DC 20463

November 25, 1996

Sanjay Kumar  
801 W. Aaron Drive  
State College, PA 16803

RE: MUR 4582

Dear Mr. Kumar:

On November 12, 1996, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that it is a violation of 2 U.S.C. § 441f to knowingly permit one's name to be used to effect a contribution made in the name of another person. You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remain in effect with respect to all respondents still involved in this matter.

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

*Lee Ann Elliott*  
Lee Ann Elliott  
Chairman

Enclosure  
Factual and Legal Analysis

**FEDERAL ELECTION COMMISSION**  
**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Sanjay Kumar

**MUR:** 4582

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See U.S.C. § 437g(a)(2).

2 U.S.C. § 441f prohibits: (1) making a contribution in the name of another; (2) knowingly permitting one's name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(iii).

In the 1993-94 election cycle, Lalit Gadhia solicited several individuals to contribute money to the Indian-American Leadership Investment Fund ("IALIF") or directly to a federal candidate committee. He promised that the contributions would be reimbursed. Vinay K. Wahi aided Mr. Gadhia's scheme by soliciting individuals to make reimbursed contributions using money given to him by Mr. Gadhia.

The IALIF report covering the period 10/1/94 through 11/8/94 discloses that Sanjay Kumar made a \$1,000 contribution which was received on October 31, 1994. Mr. Gadhia provided Mr. Wahi with cash in \$100 bills to reimburse individuals writing personal checks to IALIF. Mr. Wahi used the cash to reimburse Mr. Kumar for his contribution to IALIF. Sanjay Kumar is listed in Gadhia's records as having been reimbursed for a \$1,000 contribution to IALF and has admitted to making a reimbursed

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contribution. Therefore, there is reason to believe that Sanjay Kumar violated 2 U.S.C. § 441f by knowingly permitting his name to be used to effect a contribution in the name of another.

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FEDERAL ELECTION COMMISSION  
Washington, DC 20463

November 25, 1996

Jyoti Kumta  
9 White Wood Court  
Baltimore, MD 21236

RE: MUR 4582

Dear Ms. Kumta:

On November 12, 1996, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that it is a violation of 2 U.S.C. § 441f to knowingly permit one's name to be used to effect a contribution made in the name of another person. You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remain in effect with respect to all respondents still involved in this matter.

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

A handwritten signature in cursive script that reads "Lee Ann Elliott".  
Lee Ann Elliott  
Chairman

Enclosure  
Factual and Legal Analysis

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**FEDERAL ELECTION COMMISSION  
FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Jyoti Kumta

**MUR:** 4582

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See U.S.C. § 437g(a)(2).

2 U.S.C. § 441f prohibits: (1) making a contribution in the name of another; (2) knowingly permitting one's name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(iii).

In the 1993-94 election cycle, Lalit Gadhia solicited several individuals to contribute money to the Indian-American Leadership Investment Fund ("IALIF") or directly to a federal candidate committee. He promised that the contributions would be reimbursed. Ashok Kumta aided Mr. Gadhia's scheme by soliciting individuals to make reimbursed contributions using money given to him by Mr. Gadhia.

The IALIF report covering the period 10/1/94 through 11/8/94 discloses that Jyoti Kumta made a \$1,000 contribution which was received on October 31, 1994. Ashok Kumta is the husband of Jyoti Kumta. Ms. Kumta stated that she was solicited by her husband to sign a check for \$1,000 made payable to IALIF. Mr. Gadhia had given Mr. Kumta \$1,000 in exchange for the contribution from Ms. Kumta. Ms. Kumta wrote the check for \$1,000, but claims that she was not aware that the check was for a political

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contribution or that it had been reimbursed. She further stated that her husband is totally responsible for their financial affairs and that she did not question the contribution.

Jyoti Kumta made a \$1,000 contribution at the request of Ashok Kumta for which she was reimbursed. Therefore, there is reason to believe that Jyoti Kumta violated 2 U.S.C. § 441f by knowingly permitting her name to be used to effect a contribution in the name of another.

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FEDERAL ELECTION COMMISSION  
Washington, DC 20463

November 25, 1996

Venkatachalam Ramakrishnan  
7882 Tall Pines Court  
Glen Burnie, MD 21061

RE: MUR 4582

Dear Mr. Ramakrishnan:

On November 12, 1996, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that it is a violation of 2 U.S.C. § 441f to knowingly permit one's name to be used to effect a contribution made in the name of another person. You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remain in effect with respect to all respondents still involved in this matter.

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

A handwritten signature in cursive script, reading "Lee Ann Elliott".

Lee Ann Elliott  
Chairman

Enclosure  
Factual and Legal Analysis

**FEDERAL ELECTION COMMISSION**  
**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Venkatachalam Ramakrishnan

**MUR:** 4582

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See U.S.C. § 437g(a)(2).

2 U.S.C. § 441f prohibits: (1) making a contribution in the name of another; (2) knowingly permitting one's name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(iii).

In the 1993-94 election cycle, Lalit Gadhia solicited several individuals to contribute money to the Indian-American Leadership Investment Fund ("IALIF") or directly to a federal candidate committee. He promised that the contributions would be reimbursed. Uday Gadhia aided Lalit Gadhia's scheme by soliciting individuals to make reimbursed contributions using money given to him by Lalit Gadhia.

The IALIF report covering the period 10/1/94 through 11/8/94 discloses that Venkatachalam Ramakrishnan made a \$1,000 contribution which was received on October 31, 1994. Mr. Ramakrishnan stated that he knew Uday Gadhia because they had been neighbors in 1991. In the fall of 1995, Uday Gadhia came to the residence of Mr. Ramakrishnan and said that he was assisting Lalit Gadhia in raising funds to support politicians favorable to India. Uday Gadhia requested that he write a check to the IALIF

for \$1,000 in exchange for \$1,000 in cash. Mr. Ramakrishnan stated that he complied with the request and wrote a \$1,000 check to the IALIF for which he was reimbursed. Mr. Ramakrishnan did not question the reason for making the contribution in this manner.

Venkatachalam Ramakrishnan made a \$1,000 contribution at the request of Uday Gadhia for which he was reimbursed. Therefore, there is reason to believe that Venkatachalam Ramakrishnan violated 2 U.S.C. § 441f by knowingly permitting his name to be used to effect a contribution in the name of another.

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FEDERAL ELECTION COMMISSION  
Washington, DC 20463

November 25, 1996

Nirmala Ramamurthy  
3 Hunters Court  
Timonium, MD 21093

RE: MUR 4582

Dear Ms. Ramamurthy:

On November 12, 1996, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that it is a violation of 2 U.S.C. § 441f to knowingly permit one's name to be used to effect a contribution made in the name of another person. You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remain in effect with respect to all respondents still involved in this matter.

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

*Lee Ann Elliott*  
Lee Ann Elliott  
Chairman

Enclosure  
Factual and Legal Analysis

**FEDERAL ELECTION COMMISSION**

**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Nirmala Ramamurthy

**MUR:** 4582

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See U.S.C. § 437g(a)(2).

2 U.S.C. § 441f prohibits: (1) making a contribution in the name of another; (2) knowingly permitting one's name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(iii).

In the 1993-94 election cycle, Lalit Gadhia solicited several individuals to contribute money to the Indian-American Leadership Investment Fund ("IALIF") or directly to a federal candidate committee. He promised that the contributions would be reimbursed.

The IALIF report covering October 1, 1994 through November 8, 1994 discloses that Nirmala Ramamurthy made a \$1,000 contribution which was received on October 31, 1994. Nirmala Ramamurthy is listed in Mr. Gadhia's records as having been reimbursed for a \$1,000 contribution to the IALIF. Therefore, there is reason to believe that Nirmala Ramamurthy violated 2 U.S.C. § 441f by knowingly permitting her name to be used to effect a contribution in the name of another.



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

November 25, 1996

T. P. Reddy  
2 Cinnamon Circle  
Randallstown, MD 21133

RE: MUR 4582

Dear Mr. Reddy:

On November 12, 1996, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that it is a violation of 2 U.S.C. § 441f to knowingly permit one's name to be used to effect a contribution made in the name of another person. You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remain in effect with respect to all respondents still involved in this matter.

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

A handwritten signature in cursive script that reads "Lee Ann Elliott".  
Lee Ann Elliott  
Chairman

Enclosure  
Factual and Legal Analysis

**FEDERAL ELECTION COMMISSION**

**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT: T. P. Reddy**

**MUR: 4582**

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See U.S.C. § 437g(a)(2).

2 U.S.C. § 441f prohibits: (1) making a contribution in the name of another; (2) knowingly permitting one's name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(iii).

In the 1993-94 election cycle, Lalit Gadhia solicited several individuals to contribute money to the Indian-American Leadership Investment Fund ("IALIF") or directly to a federal candidate committee. He promised that the contributions would be reimbursed. Satish Bahl aided Mr. Gadhia's scheme by soliciting individuals to make reimbursed contributions using money given to him by Mr. Gadhia.

The IALIF report covering the period 10/1/94 through 11/8/94 discloses that T. P. Reddy made a \$500 contribution which was received on October 31, 1994. Mr. Bahl was a part-owner of Akbar Restaurant where Mr. Reddy was employed as an assistant manager. Mr. Reddy stated that on October 22, 1994, Mr. Bahl gave him \$500 and asked him to bring in a personal check in that amount the next day. Mr. Reddy brought

in the check on October 23, 1994, and made it payable to the IALIF. Mr. Reddy stated that he did not inquire into the purpose of the contribution.

T. P. Reddy made a \$500 contribution at the request of Satish Bahl for which he was reimbursed. Therefore, there is reason to believe that T. P. Reddy violated 2 U.S.C. § 441f by knowingly permitting his name to be used to effect a contribution in the name of another.

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FEDERAL ELECTION COMMISSION  
Washington, DC 20463

November 25, 1996

Tejpal S. Rehncy  
10123 Fountain Drive  
Baltimore, MD 21234

RE: MUR 4582

Dear Mr. Rehncy:

On November 12, 1996, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that it is a violation of 2 U.S.C. § 441f to knowingly permit one's name to be used to effect a contribution made in the name of another person. You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remain in effect with respect to all respondents still involved in this matter.

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

A handwritten signature in cursive script, reading "Lee Ann Elliott", is positioned above the printed name and title.

Lee Ann Elliott  
Chairman

Enclosure  
Factual and Legal Analysis

**FEDERAL ELECTION COMMISSION**

**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Tejpal S. Rehncy

**MUR:** 4582

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See U.S.C. § 437g(a)(2).

2 U.S.C. § 441f prohibits: (1) making a contribution in the name of another; (2) knowingly permitting one's name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(iii).

In the 1993-94 election cycle, Lalit Gadhia solicited several individuals to contribute money to the Indian-American Leadership Investment Fund ("IALIF") or directly to a federal candidate committee. He promised that the contributions would be reimbursed. Uday Gadhia aided Lalit Gadhia's scheme by soliciting individuals to make reimbursed contributions using money given to him by Lalit Gadhia.

The IALIF report covering the period 10/1/94 through 11/8/94 discloses that Tejpal S. Rehncy made a \$1,000 contribution which was received on October 31, 1994. Mr. Rehncy stated that on or around October 25, 1994, Uday Gadhia requested that he write a check for \$1,000 for "people running for office" and told Mr. Rehncy that the contribution would be reimbursed. Uday Gadhia said that it would help the Indian-American community to show their support in numbers. Mr. Rehncy stated that he wrote

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the check for \$1,000 to the IALIF and that Uday Gadhia reimbursed him in cash, mostly in \$100 denominations.

Tejpal S. Rehncy made a \$1,000 contribution at the request of Uday Gadhia for which he was reimbursed. Therefore, there is reason to believe that Tejpal S. Rehncy violated 2 U.S.C. § 441f by knowingly permitting his name to be used to effect a contribution in the name of another.

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FEDERAL ELECTION COMMISSION  
Washington, DC 20463

November 25, 1996

Ashok Sahni  
3526 Carriage Hill Circle  
Randallstown, MD 21133

RE: MUR 4582

Dear Mr. Sahni:

On November 12, 1996, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that it is a violation of 2 U.S.C. § 441f to knowingly permit one's name to be used to effect a contribution made in the name of another person. You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remain in effect with respect to all respondents still involved in this matter.

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

*Lee Ann Elliott*  
Lee Ann Elliott  
Chairman

Enclosure  
Factual and Legal Analysis

**FEDERAL ELECTION COMMISSION**  
**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Ashok Sahni

**MUR:** 4582

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See U.S.C. § 437g(a)(2).

2 U.S.C. § 441f prohibits: (1) making a contribution in the name of another; (2) knowingly permitting one's name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(iii).

In the 1993-94 election cycle, Lalit Gadhia solicited several individuals to contribute money to the Indian-American Leadership Investment Fund ("IALIF") or directly to a federal candidate committee. He promised that the contributions would be reimbursed. Vinay Wahi aided Mr. Gadhia's scheme by soliciting individuals to make reimbursed contributions using money given to him by Mr. Gadhia.

The IALIF report covering the period 10/1/94 through 11/8/94 discloses that Ashok Sahni made a \$1,000 contribution which was received on October 31, 1994. Mr. Wahi was a part-owner of Akbar Restaurant where Mr. Sahni was employed as a manager. Mr. Sahni stated that in October 1994, Mr. Wahi asked him to write a check for \$1,000 to the IALIF for which he would be reimbursed. Mr. Sahni further stated that he



wrote a check for \$1,000 to IALIF and that Mr. Wahi gave him ten \$100 bills. Mr. Sahni stated that he did not inquire into the purpose of the contribution.

Ashok Sahni made a \$1,000 contribution at the request of Vinay Wahi for which he was reimbursed. Therefore, there is reason to believe that Ashok Sahni violated 2 U.S.C. § 441f by knowingly permitting his name to be used to effect a contribution in the name of another.

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FEDERAL ELECTION COMMISSION  
Washington, DC 20463

November 25, 1996

Indra Seunarine  
1813 South Road, 2W  
Baltimore, MD 21209

RE: MUR 4582

Dear Mr. Seunarine:

On November 12, 1996, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that it is a violation of 2 U.S.C. § 441f to knowingly permit one's name to be used to effect a contribution made in the name of another person. You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remain in effect with respect to all respondents still involved in this matter.

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

A handwritten signature in cursive script, reading "Lee Ann Elliott".

Lee Ann Elliott  
Chairman

Enclosure  
Factual and Legal Analysis

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**FEDERAL ELECTION COMMISSION**

**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Indra Seunarine

**MUR:** 4582

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See U.S.C. § 437g(a)(2).

2 U.S.C. § 441f prohibits: (1) making a contribution in the name of another; (2) knowingly permitting one's name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(iii).

In the 1993-94 election cycle, Lalit Gadhia solicited several individuals to contribute money to the Indian-American Leadership Investment Fund ("IALIF") or directly to a federal candidate committee. He promised that the contributions would be reimbursed.

The IALIF report covering October 1, 1994 through November 8, 1994 discloses that Indra Seunarine made a \$1,000 contribution which was received on October 31, 1994. Indra Seunarine is listed in Mr. Gadhia's records as having been reimbursed for a \$1,000 contribution to the IALIF. Therefore, there is reason to believe that Indra Seunarine violated 2 U.S.C. § 441f by knowingly permitting his name to be used to effect a contribution in the name of another.



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

November 25, 1996

Rajendra K. Sharma  
A/4-6 Joppawood Court  
Baltimore, MD 21236

RE: MUR 4582

Dear Mr. Sharma:

On November 12, 1996, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that it is a violation of 2 U.S.C. § 441f to knowingly permit one's name to be used to effect a contribution made in the name of another person. You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remain in effect with respect to all respondents still involved in this matter.

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

A handwritten signature in cursive script that reads "Lee Ann Elliott".  
Lee Ann Elliott  
Chairman

Enclosure  
Factual and Legal Analysis

**FEDERAL ELECTION COMMISSION**

**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Rajendra K. Sharma

**MUR:** 4582

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See U.S.C. § 437g(a)(2).

2 U.S.C. § 441f prohibits: (1) making a contribution in the name of another; (2) knowingly permitting one's name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(iii).

In the 1993-94 election cycle, Lalit Gadhia solicited several individuals to contribute money to the Indian-American Leadership Investment Fund ("IALIF") or directly to a federal candidate committee. He promised that the contributions would be reimbursed.

The IALIF report covering October 1, 1994 through November 8, 1994 discloses that Rajendra K. Sharma made a \$1,000 contribution which was received on October 31, 1994. Rajendra K. Sharma is listed in Mr. Gadhia's records as having been reimbursed for a \$1,000 contribution to the IALIF. Therefore, there is reason to believe that Rajendra K. Sharma violated 2 U.S.C. § 441f by knowingly permitting his name to be used to effect a contribution in the name of another.

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FEDERAL ELECTION COMMISSION  
Washington, DC 20463

November 25, 1996

Zubair Mohammad Siddiqi  
4 Philadelphia Court  
Baltimore, MD 21237-4600

RE: MUR 4582

Dear Mr. Siddiqi:

On November 12, 1996, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that it is a violation of 2 U.S.C. § 441f to knowingly permit one's name to be used to effect a contribution made in the name of another person. You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remain in effect with respect to all respondents still involved in this matter.

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

*Lee Ann Elliott*  
Lee Ann Elliott  
Chairman

Enclosure  
Factual and Legal Analysis

**FEDERAL ELECTION COMMISSION**

**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Zubair Mohammad Siddiqi

**MUR:** 4582

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See U.S.C. § 437g(a)(2).

2 U.S.C. § 441f prohibits: (1) making a contribution in the name of another; (2) knowingly permitting one's name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(iii).

In the 1993-94 election cycle, Lalit Gadhia solicited several individuals to contribute money to the Indian-American Leadership Investment Fund ("IALIF") or directly to a federal candidate committee. He promised that the contributions would be reimbursed. Uday Gadhia aided Lalit Gadhia's scheme by soliciting individuals to make reimbursed contributions using money given to him by Lalit Gadhia.

The IALIF report covering the period 10/1/94 through 11/8/94 discloses that Zubair Mohammad Siddiqi made a \$500 contribution which was received on October 31, 1994. Mr. Siddiqi and Uday Gadhia were friends who had socialized at each others' residences. Mr. Siddiqi stated that in or around October of 1994, Uday Gadhia requested that he write a check for \$500 to the IALIF. When Mr. Siddiqi said that he could not afford such a contribution, Uday Gadhia advised that he would provide \$500 in return for

the check. Mr. Siddiqi further stated that he wrote the check and received from Uday Gadhia five \$100 bills as reimbursement. Mr. Siddiqi said that Uday Gadhia pressured him to make the contribution and Uday Gadhia insisted there was nothing wrong with the reimbursement.

Zubair Mohammad Siddiqi made a \$500 contribution at the request of Uday Gadhia for which he was reimbursed. Therefore, there is reason to believe that Zubair Mohammad Siddiqi violated 2 U.S.C. § 441f by knowingly permitting his name to be used to effect a contribution in the name of another.

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FEDERAL ELECTION COMMISSION  
Washington, DC 20463

November 25, 1996

Harbhajan Singh  
12202 Braxfield Court  
Rockville, MD 20852

RE: MUR 4582

Dear Mr. Singh:

On November 12, 1996, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that it is a violation of 2 U.S.C. § 441f to knowingly permit one's name to be used to effect a contribution made in the name of another person. You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remain in effect with respect to all respondents still involved in this matter.

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

*Lee Ann Elliott*  
Lee Ann Elliott  
Chairman

Enclosure  
Factual and Legal Analysis

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**FEDERAL ELECTION COMMISSION**

**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Harbhajan Singh

**MUR:** 4582

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See U.S.C. § 437g(a)(2).

2 U.S.C. § 441f prohibits: (1) making a contribution in the name of another; (2) knowingly permitting one's name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(iii).

In the 1993-94 election cycle, Lalit Gadhia solicited several individuals to contribute money to the Indian-American Leadership Investment Fund ("IALIF") or directly to a federal candidate committee. He promised that the contributions would be reimbursed. Satish Bahl and Vinay K. Wahi, part-owners of the Akbar Restaurants, aided Mr. Gadhia's scheme by soliciting restaurant employees to make reimbursed contributions using money provided by Mr. Gadhia.

The IALIF report covering the period 10/1/94 through 11/8/94 discloses that Harbhajan Singh made a \$500 contribution which was received on October 31, 1994. Mr. Singh is an Akbar employee. Mr. Gadhia provided Mr. Wahi with cash in \$100 bills to reimburse individuals writing personal checks to IALIF. Mr. Wahi then gave the money to Mr. Bahl who used the cash to reimburse Mr. Singh for his contribution to

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IALIF. Harbhajan Singh is listed in Gadhia's records as having been reimbursed for a \$500 contribution to IALF and has also admitted to making a reimbursed contribution. Therefore, there is reason to believe that Harbhajan Singh violated 2 U.S.C. § 441f by knowingly permitting his name to be used to effect a contribution in the name of another.

98043881076



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

November 25, 1996

Tanzania Mary Cooper  
4408 Franconia Drive, Apartment I  
Baltimore, MD 21206

RE: MUR 4582

Dear Ms. Cooper:

On November 12, 1996, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that it is a violation of 2 U.S.C. § 441f to knowingly permit one's name to be used to effect a contribution made in the name of another person. You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remain in effect with respect to all respondents still involved in this matter.

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

A handwritten signature in cursive script that reads "Lee Ann Elliott".

Lee Ann Elliott  
Chairman

Enclosure  
Factual and Legal Analysis

**FEDERAL ELECTION COMMISSION**

**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Tanzania Mary Cooper

**MUR:** 4582

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See U.S.C. § 437g(a)(2).

2 U.S.C. § 441f prohibits: (1) making a contribution in the name of another; (2) knowingly permitting one's name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(iii).

In the 1993-94 election cycle, Lalit Gadhia solicited several individuals to contribute money to the Indian-American Leadership Investment Fund ("IALIF") or directly to a federal candidate committee. He promised that the contributions would be reimbursed. George Paniker aided Mr. Gadhia's scheme by soliciting Tanzania Mary Cooper to make a reimbursed contribution using money given to him by Mr. Gadhia.

The IALIF report covering the period 10/1/94 through 11/8/94 discloses that Tanzania Mary Cooper made a \$1,000 contribution which was received on October 31, 1994. Mr. Paniker was a manager at PJ's Pub at which Ms. Cooper was an employee. Ms. Cooper had known Lalit Gadhia as a regular customer and friend of Mr. Paniker.

Ms. Cooper was first asked to make a reimbursed contribution by Mr. Gadhia during a telephone conversation. Ms. Cooper stated that about one month later, in or

around October 1994, Mr. Paniker spoke to her about making a contribution. Ms. Cooper stated that when she asked what the contribution was for, Mr. Paniker answered that it was a contribution for someone who was running for office in Mexico. During a weekend in October, Mr. Gadhia gave Mr. Paniker \$1,000 cash which Mr. Paniker then gave to Ms. Cooper in return for a personal check for \$1,000. Ms. Cooper stated that she accepted the cash and gave Mr. Paniker a signed check with the amount filled out for \$1,000 leaving the payee line blank. She did not know to whom the money would be contributed.

Tanzania Mary Cooper made a \$1,000 contribution at the request of George Paniker for which she was reimbursed. Therefore, there is reason to believe that Tanzania Mary Cooper violated 2 U.S.C. § 441f by knowingly permitting her name to be used to effect a contribution in the name of another.

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FEDERAL ELECTION COMMISSION  
Washington, DC 20463

November 25, 1996

Ashok Dhawan  
7118 Upper Mills Circle  
Baltimore, MD 21228-2415

RE: MUR 4582

Dear Mr. Dhawan:

On November 12, 1996, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that it is a violation of 2 U.S.C. § 441f to knowingly permit one's name to be used to effect a contribution made in the name of another person and to knowingly assist others in making such contributions. You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remain in effect with respect to all respondents still involved in this matter.

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

*Lee Ann Elliott*  
Lee Ann Elliott  
Chairman

Enclosure  
Factual and Legal Analysis



**FEDERAL ELECTION COMMISSION**

**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Ashok K. Dhawan

**MUR:** 4582

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See U.S.C. § 437g(a)(2).

2 U.S.C. § 441f prohibits: (1) making a contribution in the name of another; (2) knowingly permitting one's name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(iii).

In the 1993-94 election cycle, Lalit Gadhia solicited several individuals to contribute money to the Indian-American Leadership Investment Fund ("IALIF") or directly to a federal candidate committee. He promised that the contributions would be reimbursed. Satish Bahl and Vinay K. Wahi aided Mr. Gadhia's scheme by soliciting individuals to make reimbursed contributions using money provided by Mr. Gadhia.

The IALIF report covering the period 10/1/94 through 11/8/94 discloses that Ashok Dhawan made a \$1,000 contribution which was received on October 31, 1994. Mr. Dhawan is part-owner of the Akbar restaurants along with Mr. Bahl and Mr. Wahi. Mr. Gadhia provided Mr. Wahi with cash in \$100 bills to reimburse individuals writing personal checks to IALIF. Mr. Wahi gave the money to Mr. Bahl who used the cash to reimburse Mr. Dhawan for his contribution to IALIF. Ashok Dhawan is listed in

Gadhia's records as having been reimbursed for a \$1,000 contribution to IALF and has admitted to making a reimbursed contribution. Therefore, there is reason to believe that Ashok Dhawan violated 2 U.S.C. § 441f by knowingly permitting his name to be used to effect a contribution in the name of another.

98045881082



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

November 25, 1996

Anita L. Gadhia  
2700 Q Street, NW  
Washington, DC 20007

RE: MUR 4582

Dear Ms. Gadhia:

On November 12, 1996, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that it is a violation of 2 U.S.C. § 441f to knowingly permit one's name to be used to effect a contribution made in the name of another person. You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remain in effect with respect to all respondents still involved in this matter.

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

A handwritten signature in cursive script that reads "Lee Ann Elliott".

Lee Ann Elliott  
Chairman

Enclosure  
Factual and Legal Analysis

**FEDERAL ELECTION COMMISSION**

**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Anita L. Gadhia

**MUR:** 4582

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See U.S.C. § 437g(a)(2).

2 U.S.C. § 441f prohibits: (1) making a contribution in the name of another; (2) knowingly permitting one's name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(iii).

In the 1993-94 election cycle, Lalit Gadhia solicited several individuals to contribute money to the Indian-American Leadership Investment Fund ("IALIF") or directly to a federal candidate committee. He promised that the contributions would be reimbursed.

The IALIF report covering October 1, 1994 through November 8, 1994 discloses that Anita L. Gadhia made a \$1,000 contribution which was received on October 31, 1994. Ms. Gadhia is listed in Mr. Gadhia's records as having been reimbursed for a \$1,000 contribution to the IALIF. Therefore, there is reason to believe that Anita L. Gadhia violated 2 U.S.C. § 441f by knowingly permitting her name to be used to effect a contribution in the name of another.



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

November 25, 1996

Anu Gadhia  
349 Homeland Southway  
Baltimore, MD 21212

RE: MUR 4582

Dear Ms. Gadhia:

On November 12, 1996, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that it is a violation of 2 U.S.C. § 441f to knowingly permit one's name to be used to effect a contribution made in the name of another person. You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remain in effect with respect to all respondents still involved in this matter.

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

*Lee Ann Elliott*  
Lee Ann Elliott  
Chairman

Enclosure  
Factual and Legal Analysis



**FEDERAL ELECTION COMMISSION**  
**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Anu Gadhia

**MUR:** 4582

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See U.S.C. § 437g(a)(2).

2 U.S.C. § 441f prohibits: (1) making a contribution in the name of another; (2) knowingly permitting one's name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(iii).

In the 1993-94 election cycle, Lalit Gadhia solicited several individuals to contribute money to the Indian-American Leadership Investment Fund ("IALIF") or directly to a federal candidate committee. He promised that the contributions would be reimbursed.

The Citizens for Sarbanes report covering October 1, 1994 through November 8, 1994, discloses that Anu Gadhia made a \$1,000 contribution which was received on October 28, 1994. Ms. Gadhia is listed in Mr. Gadhia's records as having been reimbursed for a \$1,000 contribution to the Citizen for Sarbanes. Therefore, there is reason to believe that Anu Gadhia violated 2 U.S.C. § 441f by knowingly permitting her name to be used to effect a contribution in the name of another.

98043081086



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

November 25, 1996

Parvani Gadhia  
7509 B Stonecutter Ct.  
Baltimore, MD 21237

RE: MUR 4582

Dear Ms. Gadhia:

On November 12, 1996, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that it is a violation of 2 U.S.C. § 441f to knowingly permit one's name to be used to effect a contribution made in the name of another person. You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remain in effect with respect to all respondents still involved in this matter.

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

A handwritten signature in cursive script, reading "Lee Ann Elliott", is positioned above the printed name and title.

Lee Ann Elliott  
Chairman

Enclosure  
Factual and Legal Analysis

**FEDERAL ELECTION COMMISSION**

**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Parvani Gadhia

**MUR:** 4582

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See U.S.C. § 437g(a)(2).

2 U.S.C. § 441f prohibits: (1) making a contribution in the name of another; (2) knowingly permitting one's name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(iii).

In the 1993-94 election cycle, Lalit Gadhia solicited several individuals to contribute money to the Indian-American Leadership Investment Fund ("IALIF") or directly to a federal candidate committee. He promised that the contributions would be reimbursed.

The IALIF report covering October 1, 1994 through November 8, 1994 discloses that Parvani Gadhia made a \$1,000 contribution which was received on October 31, 1994. Ms. Gadhia is listed in Mr. Gadhia's records as having been reimbursed for a \$1,000 contribution to the IALIF. Therefore, there is reason to believe that Parvani Gadhia violated 2 U.S.C. § 441f by knowingly permitting her name to be used to effect a contribution in the name of another.



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

November 25, 1996

Sonne Gowda  
1220 Cleghorne Road  
Cockeysville, MD 21030

RE: MUR 4582

Dear Mr. Gowda:

On November 12, 1996, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that it is a violation of 2 U.S.C. § 441f to knowingly permit one's name to be used to effect a contribution made in the name of another person. You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remain in effect with respect to all respondents still involved in this matter.

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

A handwritten signature in cursive script, reading "Lee Ann Elliott", is positioned above the printed name and title.

Lee Ann Elliott  
Chairman

Enclosure  
Factual and Legal Analysis

**FEDERAL ELECTION COMMISSION**

**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Sonne C. Gowda

**MUR:** 4582

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See U.S.C. § 437g(a)(2).

2 U.S.C. § 441f prohibits: (1) making a contribution in the name of another; (2) knowingly permitting one's name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(iii).

In the 1993-94 election cycle, Lalit Gadhia solicited several individuals to contribute money to the Indian-American Leadership Investment Fund ("IALIF") or directly to a federal candidate committee. He promised that the contributions would be reimbursed. Dr. S. V. Ramamurthy aided Mr. Gadhia's scheme by soliciting individuals to make reimbursed contributions using money given to him by Mr. Gadhia.

The IALIF report covering the period 10/1/94 through 11/8/94 discloses that Sonne C. Gowda made a \$1,000 contribution which was received on October 31, 1994. Mr. Gowda was attending a social function at the home of Dr. Ramamurthy when Dr. Ramamurthy asked him to make a contribution. Mr. Gowda said that at this function, Dr. Ramamurthy advised that he had money that he wanted to give away, but that there was a contribution limit from any one individual. Dr. Ramamurthy asked Mr. Gowda to



provide him with checks in return for cash. Dr. Ramamurthy then gave Mr. Gowda \$2,000 in brand new \$100 bills in order for Mr. Gowda and his son to each write a check for \$1,000. Mr. Gowda said the checks were delivered on or about October 26, 1994. Mr. Gowda stated that he knew there was a \$1,000 contribution limit but that he did not know the purpose for the contributions.

Sonne C. Gowda made a \$1,000 contribution at the request of Dr. S. V. Ramamurthy for which he was reimbursed. Therefore, there is reason to believe that Sonne C. Gowda violated 2 U.S.C. § 441f by knowingly permitting his name to be used to effect a contribution in the name of another.

980043661091



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

December 2, 1996

John D. Sheridan, Treasurer  
Citizens for Senator Wofford  
3905 N Front Street  
Harrisburg, PA 17110

RE: MUR 4582

Dear Mr. Sheridan:

In the ordinary course of exercising its supervisory responsibilities, the Commission examined a publicly available criminal information and plea agreement, which states that contributions received by Citizens for Senator Wofford ("the Committee") were made in the name of another. Specifically, on November 4, 1994, the Committee received four contributions totaling \$3,500 from four individuals: Lalit Gadhia, Sachindar Gupta, Tara Pathak and S.V. Ramamurthy. None of the money contributed came from individual contributors. Rather, the money allegedly came from the Embassy of India and, therefore, is not legal.

Federal law prohibits the acceptance of contributions from foreign nationals directly or through any other person. 2 U.S.C. §441e; See 11 C.F.R. § 110.4(a). Further, 2 U.S.C. § 441f prohibits the acceptance of any contribution made in the name of another. In light of the impermissible nature of these contributions, the Commission instructs you to disgorge an equivalent amount to the United States Treasury, care of the Federal Election Commission, within 30 days of your receipt of this letter. The Commission is providing this notice for your information, and does not consider you a respondent in this matter.

Because this notice is being provided as part of the Commission's ongoing investigation, the confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) applies. That section prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made. You are advised that no such consent has been given in this case.

John D. Sheridan  
Page 2

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (800) 424-9530.

Sincerely,

Lawrence M. Noble  
General Counsel

*Lois G. Lerner* *js*

BY: Lois G. Lerner  
Associate General Counsel

90043881093



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

December 2, 1996

Y. Katrina Lantos-Swett, Treasurer  
Dick Swett for Congress Committee  
P.O. Box 1937  
Bow, NH 03304

RE: MUR 4582

Dear Ms. Lantos-Swett:

In the ordinary course of exercising its supervisory responsibilities, the Commission examined a publicly available criminal information and plea agreement, which states that contributions received by the Dick Swett for Congress Committee ("the Committee") were made in the name of another. Specifically, on November 1 and 3, 1994, the Committee received two contributions totaling \$3,000 from the Indian-American Leadership Investment Fund ("IALIF"). None of the money contributed to the IALIF came from individual contributors. Rather, the money allegedly came from the Embassy of India and, therefore, is not legal.

Federal law prohibits the acceptance of contributions from foreign nationals directly or through any other person. 2 U.S.C. §441e; See 11 C.F.R. § 110.4(a). Further, 2 U.S.C. § 441f prohibits the acceptance of any contribution made in the name of another. In light of the impermissible nature of these contributions, the Commission instructs you to disgorge an equivalent amount to the United States Treasury, care of the Federal Election Commission, within 30 days of your receipt of this letter. The Commission is providing this notice for your information, and does not consider you a respondent in this matter.

Because this notice is being provided as part of the Commission's ongoing investigation, the confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) applies. That section prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made. You are advised that no such consent has been given in this case.

Y. Katrina Lantos-Swett  
Page 2

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (800) 424-9530.

Sincerely,

Lawrence M. Noble  
General Counsel

*Lois G. Lerner* 83

BY: Lois G. Lerner  
Associate General Counsel

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FEDERAL ELECTION COMMISSION  
Washington, DC 20463

December 2, 1996

Alan D. Solomont, Treasurer  
Massachusetts Democratic State Committee  
Fed Funds Acct.  
45 Bromfield Street, 7th Floor  
Boston, MA 02108

RE: MUR 4582

Dear Mr. Solomont:

In the ordinary course of exercising its supervisory responsibilities, the Commission examined a publicly available criminal information and plea agreement, which states that a contribution received by the Massachusetts Democratic State Committee -Fed. Funds Acct. ("the Committee") was made in the name of another. Specifically, on October 31, 1994, the Committee received a \$5,000 contribution from the Indian-American Leadership Investment Fund ("IALIF"). None of the money contributed to the IALIF came from individual contributors. Rather, the money allegedly came from the Embassy of India and, therefore, is not legal.

Federal law prohibits the acceptance of contributions from foreign nationals directly or through any other person. 2 U.S.C. §441e; See 11 C.F.R. § 110.4(a). Further, 2 U.S.C. § 441f prohibits the acceptance of any contribution made in the name of another. In light of the impermissible nature of this contribution, the Commission instructs you to disgorge an equivalent amount to the United States Treasury, care of the Federal Election Commission, within 30 days of your receipt of this letter. The Commission is providing this notice for your information, and does not consider you a respondent in this matter.

Because this notice is being provided as part of the Commission's ongoing investigation, the confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) applies. That section prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made. You are advised that no such consent has been given in this case.

Alan D. Solomont  
Page 2

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (800) 424-9530.

Sincerely,

Lawrence M. Noble  
General Counsel

*Lois G. Lerner* *gg*

BY: Lois G. Lerner  
Associate General Counsel

98043881097



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

December 2, 1996

J. Howard Middleton, Jr., Treasurer  
Robb for the Senate  
P.O. Box 1279  
McLean, VA 22101

RE: MUR 4582

Dear Mr. Middleton:

In the ordinary course of exercising its supervisory responsibilities, the Commission examined a publicly available criminal information and plea agreement, which states that contributions received by Robb for the Senate ("the Committee") were made in the name of another. Specifically, on November 1, 1994, the Committee received three contributions totaling \$3,000 from three individuals: S.V. Ramamurthy, Mrudula Mehta and Vinay Wahi. None of the money contributed came from individual contributors. Rather, the money allegedly came from the Embassy of India and, therefore, is not legal.

Federal law prohibits the acceptance of contributions from foreign nationals directly or through any other person. 2 U.S.C. §441e; See 11 C.F.R. § 110.4(a). Further, 2 U.S.C. § 441f prohibits the acceptance of any contribution made in the name of another. In light of the impermissible nature of these contributions, the Commission instructs you to disgorge an equivalent amount to the United States Treasury, care of the Federal Election Commission, within 30 days of your receipt of this letter. The Commission is providing this notice for your information, and does not consider you a respondent in this matter.

Because this notice is being provided as part of the Commission's ongoing investigation, the confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) applies. That section prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made. You are advised that no such consent has been given in this case.

J. Howard Middleton, Jr.  
Page 2

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (800) 424-9530.

Sincerely,

Lawrence M. Noble  
General Counsel

*Lois G. Lerner* 83

BY: Lois G. Lerner  
Associate General Counsel

98043881099



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

December 2, 1996

Robert C. Ondick, Treasurer  
Murtha for Congress Committee  
551 Main Street  
BT Financial Plaza, Ste. 220  
Johnstown, PA 15901

RE: MUR 4582

Dear Mr. Ondick:

In the ordinary course of exercising its supervisory responsibilities, the Commission examined a publicly available criminal information and plea agreement, which states that contributions received by the Murtha for Congress Committee ("the Committee") were made in the name of another. Specifically, on November 1, 1994, the Committee received a \$1,000 contribution from the Indian-American Leadership Investment Fund and on November 23, 1994, it received two contributions of \$1,000 each from Sachindar Gupta and Vinay Wahi. None of the money contributed came from individual contributors. Rather, the money allegedly came from the Embassy of India and, therefore, is not legal.

Federal law prohibits the acceptance of contributions from foreign nationals directly or through any other person. 2 U.S.C. §441e; See 11 C.F.R. § 110.4(a). Further, 2 U.S.C. § 441f prohibits the acceptance of any contribution made in the name of another. In light of the impermissible nature of these contributions, the Commission instructs you to disgorge an equivalent amount to the United States Treasury, care of the Federal Election Commission, within 30 days of your receipt of this letter. The Commission is providing this notice for your information, and does not consider you a respondent in this matter.

Because this notice is being provided as part of the Commission's ongoing investigation, the confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) applies. That section prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made. You are advised that no such consent has been given in this case.



Robert C. Ondick  
Page 2

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (800) 424-9530.

Sincerely,

Lawrence M. Noble  
General Counsel

*Lois G. Lerner* *93*

BY: Lois G. Lerner  
Associate General Counsel

9804381101



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

*December 2, 1996*

Leona W. Dexter, Treasurer  
Committee to Re-elect Tom Foley  
653 C Street, SE  
Washington, DC 20003

RE: MUR 4582

Dear Ms. Dexter:

In the ordinary course of exercising its supervisory responsibilities, the Commission examined a publicly available criminal information and plea agreement, which states that a contribution received by the Committee to Re-elect Tom Foley ("the Committee") was made in the name of another. Specifically, on October 31, 1994, the Committee received a \$3,000 contribution from the Indian-American Leadership Investment Fund ("IALIF"). None of the money contributed to the IALIF came from individual contributors. Rather, the money allegedly came from the Embassy of India and, therefore, is not legal.

Federal law prohibits the acceptance of contributions from foreign nationals directly or through any other person. 2 U.S.C. §441e; See 11 C.F.R. § 110.4(a). Further, 2 U.S.C. § 441f prohibits the acceptance of any contribution made in the name of another. In light of the impermissible nature of this contribution, the Commission instructs you to **disgorge an equivalent amount to the United States Treasury, care of the Federal Election Commission, within 30 days of your receipt of this letter.** The Commission is providing this notice for your information, and does not consider you a respondent in this matter.

Because this notice is being provided as part of the Commission's ongoing investigation, the confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) applies. That section prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made. You are advised that no such consent has been given in this case.

Leona W. Dexter  
Page 2

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (800) 424-9530.

Sincerely,

Lawrence M. Noble  
General Counsel

*Lois G. Lerner* *gB*

BY:

Lois G. Lerner  
Associate General Counsel

9 8 0 4 3 8 8 1 1 0 3



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

December 2, 1996

Daniel J. Harris, CPA  
Friends of Sherrod Brown  
111 Edgefield Drive  
Elyria, OH 44035

RE: MUR 4582

Dear Mr. Harris:

In the ordinary course of exercising its supervisory responsibilities, the Commission examined a publicly available criminal information and plea agreement, which states that a contribution received by Friends of Sherrod Brown ("the Committee") was made in the name of another. Specifically, on October 31, 1994, the Committee received a \$3,000 contribution from the Indian-American Leadership Investment Fund ("IALIF"). None of the money contributed to the IALIF came from individual contributors. Rather, the money allegedly came from the Embassy of India and, therefore, is not legal.

Federal law prohibits the acceptance of contributions from foreign nationals directly or through any other person. 2 U.S.C. §441e; See 11 C.F.R. § 110.4(a). Further, 2 U.S.C. § 441f prohibits the acceptance of any contribution made in the name of another. In light of the impermissible nature of this contribution, the Commission instructs you to disgorge an equivalent amount to the United States Treasury, care of the Federal Election Commission, within 30 days of your receipt of this letter. The Commission is providing this notice for your information, and does not consider you a respondent in this matter.

Because this notice is being provided as part of the Commission's ongoing investigation, the confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) applies. That section prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made. You are advised that no such consent has been given in this case.

Daniel J. Harris  
Page 2

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (800) 424-9530.

Sincerely,

Lawrence M. Noble  
General Counsel

*Lois G. Lerner* *gs*

BY: Lois G. Lerner  
Associate General Counsel

98043861105





FEDERAL ELECTION COMMISSION  
Washington, DC 20463

December 2, 1996

Joan L. Powell  
Mfume for Congress  
P.O. Box 2594  
Baltimore, MD 21215

RE: MUR 4582

Dear Ms. Powell:

In the ordinary course of exercising its supervisory responsibilities, the Commission examined a publicly available criminal information and plea agreement, which states that contributions received by Mfume for Congress ("the Committee") were made in the name of another. Specifically, on November 1, 1994, the Committee received a \$1,000 contribution from the Indian-American Leadership Investment Fund and on November 7, 1994, it received two contributions of \$1,000 each from Sachindar Gupta and Pradeep Perera. None of the money contributed came from individual contributors. Rather, the money allegedly came from the Embassy of India and, therefore, is not legal.

Federal law prohibits the acceptance of contributions from foreign nationals directly or through any other person. 2 U.S.C. §441e; See 11 C.F.R. § 110.4(a). Further, 2 U.S.C. § 441f prohibits the acceptance of any contribution made in the name of another. In light of the impermissible nature of these contributions, the Commission instructs you to disgorge an equivalent amount to the United States Treasury, care of the Federal Election Commission, within 30 days of your receipt of this letter. The Commission is providing this notice for your information, and does not consider you a respondent in this matter.

Because this notice is being provided as part of the Commission's ongoing investigation, the confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) applies. That section prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made. You are advised that no such consent has been given in this case.

Joan L. Powell  
Page 2

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (800) 424-9530.

Sincerely,

Lawrence M. Noble  
General Counsel

*Lois G. Lerner*

BY: Lois G. Lerner  
Associate General Counsel

98043061107



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

December 2, 1996

Jerald E. Farley, Treasurer  
Friends for Jim McDermott  
P.O. Box 21786  
Seattle, WA 98111

RE: MUR 4582

Dear Mr. Farley:

In the ordinary course of exercising its supervisory responsibilities, the Commission examined a publicly available criminal information and plea agreement, which states that a contribution received by the Friends for Jim McDermott ("the Committee") was made in the name of another. Specifically, on October 30, 1994, the Committee received a \$2,000 contribution from the Indian-American Leadership Investment Fund ("IALIF"). None of the money contributed to the IALIF came from individual contributors. Rather, the money allegedly came from the Embassy of India and, therefore, is not legal.

Federal law prohibits the acceptance of contributions from foreign nationals directly or through any other person. 2 U.S.C. §441e; See 11 C.F.R. § 110.4(a). Further, 2 U.S.C. § 441f prohibits the acceptance of any contribution made in the name of another. In light of the impermissible nature of this contribution, the Commission instructs you to **disgorge an equivalent amount to the United States Treasury, care of the Federal Election Commission, within 30 days of your receipt of this letter.** The Commission is providing this notice for your information, and does not consider you a respondent in this matter.

Because this notice is being provided as part of the Commission's ongoing investigation, the confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) applies. That section prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made. You are advised that no such consent has been given in this case.

Jerald E. Farley  
Page 2

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (800) 424-9530.

Sincerely,

Lawrence M. Noble  
General Counsel

*Lois G. Lerner* *GB*

BY: Lois G. Lerner  
Associate General Counsel

93043881102



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

December 2, 1996

Michael S. Mayor, Treasurer  
Friends of Congressman Fingerhut  
1340 Depot Street, Suite 102  
Rocky River, OH 44116

RE: MUR 4582

Dear Mr. Mayor:

In the ordinary course of exercising its supervisory responsibilities, the Commission examined a publicly available criminal information and plea agreement, which states that a contribution received by Friends of Congressman Fingerhut ("the Committee") was made in the name of another. Specifically, on October 31, 1994, the Committee received a \$1,000 contribution from the Indian-American Leadership Investment Fund ("IALIF"). None of the money contributed to the IALIF came from individual contributors. Rather, the money allegedly came from the Embassy of India and, therefore, is not legal.

Federal law prohibits the acceptance of contributions from foreign nationals directly or through any other person. 2 U.S.C. §441e; See 11 C.F.R. § 110.4(a). Further, 2 U.S.C. § 441f prohibits the acceptance of any contribution made in the name of another. In light of the impermissible nature of this contribution, the Commission instructs you to **disgorge an equivalent amount to the United States Treasury, care of the Federal Election Commission, within 30 days of your receipt of this letter.** The Commission is providing this notice for your information, and does not consider you a respondent in this matter.

Because this notice is being provided as part of the Commission's ongoing investigation, the confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) applies. That section prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made. You are advised that no such consent has been given in this case.



Michael S. Mayor  
Page 2

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (800) 424-9530.

Sincerely,

Lawrence M. Noble  
General Counsel

*Lois G. Lemer ss*

BY:

Lois G. Lemer  
Associate General Counsel

9 0 0 4 3 0 0 1 1 1 1



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

December 2, 1996

Debbie Linhardt, Treasurer  
Engel for Congress  
462 California Road  
Bronxville, NY 10708

RE: MUR 4582

Dear Ms. Linhardt:

In the ordinary course of exercising its supervisory responsibilities, the Commission examined a publicly available criminal information and plea agreement, which states that contributions received by Engel for Congress ("the Committee") were made in the name of another. Specifically, on November 1, 1994, the Committee received a \$2,000 contribution totaling \$3,000 from the Indian-American Leadership Investment Fund and on November 11, 1994, it received a \$1,000 contribution from Sachindar Gupta. None of the money contributed came from individual contributors. Rather, the money allegedly came from the Embassy of India and, therefore, is not legal.

Federal law prohibits the acceptance of contributions from foreign nationals directly or through any other person. 2 U.S.C. §441e; See 11 C.F.R. § 110.4(a). Further, 2 U.S.C. § 441f prohibits the acceptance of any contribution made in the name of another. In light of the impermissible nature of these contributions, the Commission instructs you to disgorge an equivalent amount to the United States Treasury, care of the Federal Election Commission, within 30 days of your receipt of this letter. The Commission is providing this notice for your information, and does not consider you a respondent in this matter.

Because this notice is being provided as part of the Commission's ongoing investigation, the confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) applies. That section prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made. You are advised that no such consent has been given in this case.

Debbie Linhardt  
Page 2

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (800) 424-9530.

Sincerely,

Lawrence M. Noble  
General Counsel

*Lois G. Lerner*

BY:

Lois G. Lerner  
Associate General Counsel

9004386113



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

December 2, 1996

E. Peter Mathews  
Mathews for Congress '96  
600 Wilshire Blvd.  
Suite 1500  
Los Angeles, CA 90017

RE: MUR 4582

Dear Congressman Mathews:

In the ordinary course of exercising its supervisory responsibilities, the Commission examined a publicly available criminal information and plea agreement, which states that contributions received by Mathews for Congress ("the Committee") were made in the name of another. Specifically, on October 30 and 31, 1994, the Committee received two contributions totaling \$3,000 from the Indian-American Leadership Investment Fund and on November 10, 1994, it received two contributions of \$1,000 each from Lalit Gadhia and Sachindar Gupta. None of the money contributed came from individual contributors. Rather, the money allegedly came from the Embassy of India and, therefore, is not legal.

Federal law prohibits the acceptance of contributions from foreign nationals directly or through any other person. 2 U.S.C. §441e; See 11 C.F.R. § 110.4(a). Further, 2 U.S.C. § 441f prohibits the acceptance of any contribution made in the name of another. In light of the impermissible nature of these contributions, the Commission instructs you to disgorge an equivalent amount to the United States Treasury, care of the Federal Election Commission, within 30 days of your receipt of this letter. The Commission is providing this notice for your information, and does not consider you a respondent in this matter.

Because this notice is being provided as part of the Commission's ongoing investigation, the confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) applies. That section prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made. You are advised that no such consent has been given in this case.

Congressman Mathews  
Page 2

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (800) 424-9530.

Sincerely,

Lawrence M. Noble  
General Counsel

*Lois G. Lerner* *JB*

BY:

Lois G. Lerner  
Associate General Counsel

9 8 0 4 3 5 6 1 1 5



STATEMENT OF DESIGNATION OF COUNSELMUR 4582NAME OF COUNSEL: Daniel F Goldstein & Lauren E WillisADDRESS: Brown, Goldstein & Levy, LLP300 Maryland Bar Ctr520 W Fayette St

TELEPHONE:

Baltimore, MD 21201(410) 462-1030

Dec 4 9 52 AM '96

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.

11-27-96  
DateL. H. Gadhia  
Signature

RESPONDENT'S NAME:

LALIT H. GADHIA

ADDRESS:

3700 N. CHARLES ST Apt 310  
BAITIMORE, MD 21218

HOME PHONE:

BUSINESS PHONE:

**HOLD**  
5/96

RECEIVED  
FEDERAL BUREAU OF INVESTIGATION  
COMMUNICATIONS SECTION  
OFFICE OF THE DIRECTOR

Dec 5 4 41 PM '96 STATEMENT OF DESIGNATION OF COUNSEL

MUR 4582

CHARLES W. ROISTACHER & BRETT C. KAPPEL  
NAME OF COUNSEL: CHARLES W. ROISTACHER & BRETT C. KAPPEL

FIRM: POWELL, GOLDSTEIN, FRAZER & MURPHY

ADDRESS: Sixth Floor South

1001 Pennsylvania Avenue, NW  
Washington, DC 20004

TELEPHONE: (202 ) 347-1100

FAX: (202 ) 624-7222

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.

12/05/96

Date

  
Signature

RESPONDENT'S NAME: SIDHAR TRIVEDI

ADDRESS: Five Fox Brier Lane

Baltimore, MD 21236

TELEPHONE: HOME( )

BUSINESS(410 ) 539-1095

9604000117



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

December 6, 1996

Lalit H. Gadhia, Esq.  
3700 North Charles Street, Apt. 310  
Baltimore, MD 21218

RE: MUR 4582

Dear Mr. Gadhia:

On November 27, 1996, you were notified that the Federal Election Commission found reason to believe you violated certain provisions of the Federal Election Campaign Act of 1971, as amended. On that same date, you also received a subpoena requiring you to appear and give sworn testimony on December 12, 1996.

On December 5, 1996, I left a message on your answering machine asking you to call me regarding the above-referenced matter. You left a message later that day indicating you had received the call. Since then, I have left several telephone messages but have not heard from you. It is very important that you call me immediately upon your receipt of this letter so that we can discuss where the deposition will be held and whether you intend to have an attorney present at the deposition. Please call me at (202) 219-3690 no later than the close of business on Monday, December 9, 1996. I can be reached from 9:00 a.m. until 6:30 p.m.

Sincerely,

*Dominique Dillenseger*

Dominique Dillenseger  
Attorney

M. Cristina Gutierrez

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL

M. Cristina Gutierrez

Dec 6 9 40 AM '96

Mark B. Martin  
Rita Pazniokas

Stephanie Ann Hall  
Legal Assistant

The Fidelity Building, Suite 1301  
210 North Charles Street  
Baltimore, Maryland 21201-4015  
(410) 752-1555  
(410) 752-1064 Facsimile  
(410) 448-5115 Voicemail

*Of Counsel*  
Redmond, Burgin & Cruz, P.A.

December 4, 1996

VIA FACSIMILE and  
FIRST CLASS MAIL  
202-219-3923

Ms. Dominique Dillenseger, Esquire  
Office of the General Counsel  
Federal Election Commission  
999 E Street, N.W.  
Washington, DC 20463

RE: Indra Seunarine

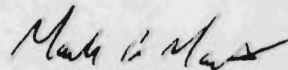
(MUR 4582)

Dear Ms. Dillenseger:

Pursuant to our conversation yesterday, please find enclosed a signed authorization from Indra Seunarine permitting you to speak with me regarding her matter before the Federal Election Commission. Please contact me upon receipt of this authorization so that we may further discuss the remaining issues.

Thank you for your cooperation.

Very truly yours,



Mark B. Martin

MBM:lm  
Enclosure

AUTHORIZATION

DATE:

TO:

RE:

This is to serve as your authorization to permit inspection by or release copies to my attorney, M. Cristina Gutierrez, 210 North Charles Street, Suite 1301, Baltimore, Maryland 21201, or her representative, of any of the following:

- a) medical records, including past histories;
- b) income tax returns, U.S. and State for

- c) employment records including wages;
- d) social security records;
- e) criminal record;

- (f) other (as specified);

Investigation by Federal Election Commission

ADDITIONALLY YOU ARE AUTHORIZED TO DISCUSS ANY OF MY RECORDS OR MY CASE WITH MY ATTORNEY. YOU ARE FURTHER REQUESTED TO DISCLOSE NO SUCH INFORMATION TO ANY INSURANCE ADJUSTER OR ANY OTHER PERSON, FIRM OR CORPORATION WITHOUT SPECIFIC WRITTEN AUTHORITY FROM ME TO DO SO.

Photostat valid as original.

Indra C. Seunarine

INDRA SEUNARINE

SEUNARINE

96043881120





3401 CARLINS PARK DRIVE

BALTIMORE MARYLAND 21215-8100

(410) 466-1400

FAX (410) 466-7371

December 5, 1996

Ms. Dominique Dillenseger  
Attorney  
Federal Election Commission  
Washington, D.C. 20463

Re: MUR 4582

DEC 9 10 16 AM '96  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF CHIEF COUNSEL

Dear Ms. Dillenseger:

We are transmitting herewith the statement of Designation of Counsel. Mr. Martin will be my counsel.

Very truly yours,

**EARTH ENGINEERING AND SCIENCES, INC.**

*Sachinder N. Gupta*  
Sachinder N. Gupta, P.E.  
President

CC: Mr. Gerard Martin, Esq.

Enclosure  
SEE PAGE 304

**STATEMENT OF DESIGNATION OF COUNSEL**

**MUR** 4582

**NAME OF COUNSEL:** Gerard Martin

**ADDRESS:** Martin, Junghans, Snyder & Bernstein, P.A.  
217 East Redwood Street, Suite 2000  
Baltimore, Maryland 21202

**TELEPHONE:** 410-547-8764

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.

December 5, 1996.  
**Date**

*Sachinder N. Gupta*  
**Signature**

**RESPONDENT'S NAME:** Sachinder N. Gupta

**ADDRESS:** 3401 Carlins Park Drive  
Baltimore, Maryland 21215

**HOME PHONE:** \_\_\_\_\_

**BUSINESS PHONE:** 410-466-1400

Dec 9 10 16 AM '96

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RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

DEC 9 10 19 AM '96

**MONSHOWER & MILLER, LLP**  
ATTORNEYS AT LAW

10440 LITTLE PATUXENT PARKWAY  
30 CORPORATE CENTER, SUITE 500  
COLUMBIA, MD 21044-3561

TEL. 410-730-4860  
FAX 410-730-1093

December 6, 1996

RECEIVED  
FEDERAL  
COMMISSION

DEC 9 9 52 AM '96

OF COUNSEL  
THOMAS L. CROWE

ALVIN C. MONSHOWER, JR.  
RICHARD L. MILLER  
GERARD G. MAGROGAN

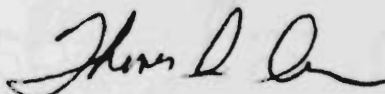
Federal Election Commission  
Washington, D.C. 20634

Re: MUR 4582  
Dr. S.V. Ramamurthy, Respondent  
Our File No.: 1902.001

Dear Sir or Madame:

Enclosed please find a completed Statement of Designation of Counsel signed by Dr. Ramamurthy designating me as his counsel in the above case, authorizing my receipt of any notifications and communications and authorizing me to act on his behalf before the Commission.

Very truly yours,



Thomas L. Crowe

TLC/mlw

cc: S.V. Ramamurthy, DDS (w/encl.)

STATEMENT OF DESIGNATION OF COUNSEL

DEC 9 10 19 AM '96  
FEDERAL BUREAU OF INVESTIGATION  
OFFICE OF THE ATTORNEY GENERAL

MUR

4582

NAME OF COUNSEL:

Mr. Tom Crow

ADDRESS:

Monshower & Miller, LLP

10440 Little Patuxent Parkway  
30 Corporate Center, Suite 500

Columbia, MD 21044


TELEPHONE:

(410) 730-4860

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.

12/5/96

Date

  
Signature

RESPONDENT'S NAME:

S. V. Ramamurthy

ADDRESS:

3 Huntin cr

Thonon md 21093

HOME PHONE:

BUSINESS PHONE:

410-747-0341

98040001124

LAW OFFICES  
**BROWN, GOLDSTEIN & LEVY, LLP**

DANIEL F. GOLDSTEIN  
C. CHRISTOPHER BROWN\*  
ANDREW D. LEVY  
ANDREW D. FREEMAN  
DANA WHITEHEAD\*\*

THE MARYLAND BAR CENTER  
SUITE 300  
520 WEST FAYETTE STREET  
BALTIMORE, MARYLAND 21201  
(410) 962-1030 OR (410) 659-0717  
FAX (410) 385-0869

JOSEPH B. ESPO\*  
THERESE L. STAUDENMAIER  
MARTIN H. SCHREIBER II\*  
SHARON STANLEY STREET  
LAUREN E. WILLIS

\*\*ALSO ADMITTED IN DC & NJ

\*ALSO ADMITTED IN DC

December 4, 1996

Dominique Dillenseger, Esq.  
Lee Ann Elliott, Esq.  
Federal Election Commission  
Washington, DC 20463

Re: MUR 4582

Dear Ms. Dillenseger and Ms. Elliott:

On behalf of our client, Lalit H. Gadhia, we are writing to request that your office withdraw the reason-to-believe letter you have issued in the above-referenced matter.

Preliminarily, we would note that Mr. Gadhia will begin serving a sentence of incarceration pursuant to his guilty plea to essentially these same charges on December 9, 1996, and therefore will be unable to travel to Washington for a deposition. Moreover, he was already debriefed on literally everything he knows about this matter by the FBI, and therefore a deposition by you would be a redundant waste of government resources.

We have serious concerns about the FEC's belated pursuit of this matter. When these charges first arose, we repeatedly urged the Department of Justice to refer this matter to the FEC for civil prosecution rather than criminal prosecution. DOJ refused to do so, and the FEC never expressed any interest in the matter. We then negotiated a plea agreement with DOJ in reliance on the fact that only DOJ was pursuing charges, and that DOJ was representing all of the interests of the United States. In fact, at the plea and sentencing hearing in this matter, the AUSA prosecuting Mr. Gadhia repeatedly referred to his decisions and positions as those of "the Government" and "the United States." It is outrageous for the FEC, having known of these charges since at least May of 1995, and then having stood idly by for a year and a half as Mr. Gadhia negotiated a plea agreement in good faith with DOJ, to now pile on additional civil charges.

Dec 9 10 43 AM '96

FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL



**Brown, Goldstein & Levy, LLP**

Dillenseger/Elliott

December 4, 1996

Page 2

Furthermore, assessing additional penalties against Mr. Gadhia at this time would be wringing blood from a stone. Mr. Gadhia is already serving a sentence of three months of incarceration, six months of home detention with electronic monitoring, and two years of supervised probation. He has been disbarred and has thereby lost his source of livelihood. As found by the District Court judge in determining not to impose a fine, Mr. Gadhia has no assets.

If you are unwilling to terminate your pursuit of this matter based on the representations in this letter, we would request a meeting to discuss our concerns further. We look forward to your reply.

Very truly yours,

*Lauren E. Willis*  
Daniel F. Goldstein  
Lauren E. Willis

MARTIN, JUNGHANS, SNYDER & BERNSTEIN, P.A.  
ATTORNEYS AT LAW

REDWOOD TOWER  
SUITE 2000  
217 EAST REDWOOD STREET  
BALTIMORE, MARYLAND 21202  
TELEPHONE 410/547-7183  
FACSIMILE 410/547-1805

GERARD P. MARTIN  
PAULA M. JUNGHANS  
DAVID L. SNYDER  
GREGG L. BERNSTEIN

KIMBERLY DUNN SPELMAN  
CAROLINE DELISLE KLEPPER  
WILLIAM S. HEYMAN

OF COUNSEL  
STEVEN J. SIBEL

410 547-8764

December 9, 1996

Dominique Dillenseger, Esquire  
Office of the General Counsel  
Federal Election Commission  
Washington, D.C. 20463

DEC 11 2 11 PM '96

FEDERAL ELECTION  
COMMISSION  
OFFICE OF THE GENERAL COUNSEL

Re: MUR 4582 Sachinder Gupta

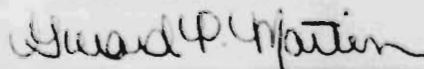
Dear Ms. Dillenseger:

Please be advised that I represent Sachinder Gupta. I represented him in connection with the Federal Grand Jury Investigation involving Lalit Gadhia. Mr. Gupta was interviewed by the FBI and testified in front of the Federal Grand Jury. Each time he was queried about whether he received reimbursements from Mr. Gadhia for political contributions that he made through the Indian-American Leadership Investment Fund. It is Mr. Gupta's position, as it was before the office of the United States Attorney and the Federal Grand Jury, and as it will be in any proceedings that you might choose to bring, that he was not one of those who was reimbursed for contributions made through the Indian-American Leadership Investment Fund. Mr. Gupta's contributions were genuine contributions made on his behalf. Finally, it is my understanding from Mr. Gadhia's attorney and from the United State's Attorney in charge of the investigation, Joseph Evans, that Mr. Gadhia's records do not, contrary to the factual and legal analysis supplied to Mr. Gupta here, indicate that Mr. Gupta was reimbursed for his contributions. Indeed there is not a single document that so indicates. Furthermore, Mr. Gadhia will confirm that Mr. Gupta was not reimbursed.

In short, Mr. Gupta violated no provisions of the Federal Election Campaign Act of 1971, as amended and we request that you withdraw your "reason to believe" letter issued to him on November 25, 1996.

Should you wish to discuss this matter further, you may contact me at (410)547-8764.

Very truly yours,



Gerard P. Martin

cc: Sachinder Gupta  
GPM/ams  
doc. #16517.01

WEINBERG & GREEN LLC

Dec 11 2 12 PM '96

ATTORNEYS AT LAW  
100 SOUTH CHARLES STREET  
BALTIMORE, MARYLAND 21201-2773

TELEPHONE 410/332 8600  
WASHINGTON AREA 301/470 7400  
FACSIMILE 410/332 8862

10480 LITTLE PATUXENT PARKWAY  
COLUMBIA, MARYLAND 21044-3506  
410/740 8500

STUART R. BERGER  
410/332 8662  
MCMJL BERGERSR W&G  
Internet: BERGERSR.W&G@aol.com

FILE NUMBER  
43924.1

December 9, 1996

Dominique Dillenseger, Esquire  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

Re: Satish Bahl and Vinay Wahi  
MUR 4582

Dear Counsel:

Please be advised that M. Albert Figinski and Stuart R. Berger represent the Respondents, Satish Bahl and Vinay Wahi. In that context, we are enclosing herewith a Statement of Designation of Counsel for both of the above-referenced Respondents.

Please be advised that Messrs. Bahl and Wahi provided extensive assistance to agents of the federal government in connection with their investigation and prosecution concerning contributions made through or solicited by Lalit Gadhia. Both Respondents met with agents of the federal government, and Mr. Wahi testified before the grand jury in the United States District Court for the District of Maryland.

As you are aware, the Assistant U.S. Attorney in charge of prosecuting the government's case against Lalit Gadhia was Joseph L. Evans. Please be advised that Messrs. Bahl and Wahi cooperated fully and completely with Mr. Evans. Such cooperation was indeed helpful in resulting in Lalit Gadhia's guilty plea.

I have spoken to Mr. Evans in connection with the F.E.C.-investigation of Messrs. Bahl and Wahi. Mr. Evans has told me that he is happy to discuss with you, and bring to your attention that Messrs. Bahl and Wahi cooperated fully, and advise you specifically of the services that they provided to the government. Further, both Messrs. Bahl and Wahi received immunity from the government on June 14, 1995. Under cover of this

letter, I am enclosing copies of the government's letter of immunity extended to both of these gentlemen.

Mr. Evans further advises me that at the time of the government's offer of immunity, there was no anticipation by the government of a F.E.C. investigation into either of these gentlemen. Accordingly, in light of the foregoing facts, we respectfully request that you decline to pursue this matter further. We hope and trust that this matter will be concluded at this stage.

If, however, you deem it necessary to pursue this matter further, the Respondents respectfully request to pursue pre-probable cause conciliation pursuant to 11 C.F.R. § 111.18(d).

Thank you for your consideration.

Very truly yours,



Stuart R. Berger

151251;DS12-38pf\_1/0366/das

Enclosures

cc: Mr. Satish Bahl (w/enc.)

Mr. Vinay Wahi (w/enc.)

Joseph L. Evans, Esquire (w/enc.)

**STATEMENT OF DESIGNATION OF COUNSEL**

**MUR** NUR 4582

**NAME OF COUNSEL:** M. Albert Figinski; Stuart R. Berger

**ADDRESS:** Weinberg & Green LLC

100 S. Charles Street

Baltimore, Maryland 21201

**TELEPHONE:** (410) 332-8662

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.

12/9/96  
Date

Stuart R. Berger  
Signature

**RESPONDENT'S NAME:** Vinay Wahi

**ADDRESS:** 823 North Charles Street

Baltimore, Maryland 21202

**HOME PHONE:** \_\_\_\_\_

**BUSINESS PHONE:** (410) 539-0944

90040001130



STATEMENT OF DESIGNATION OF COUNSEL

MUR MUR 4582

NAME OF COUNSEL: M. Albert Figinski; Stuart R. Berger

ADDRESS:

Weinberg & Green LLC

100 S. Charles Street

Baltimore, Maryland 21201

TELEPHONE:

(410) 332-8662

DEC 11 2 12 PM '96

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.

12/9/96  
Date

Stuart R. Berger  
Signature

RESPONDENT'S NAME:

Satish Bahl

ADDRESS:

2 Applegrove Court

Baltimore, Maryland 21228

HOME PHONE:

BUSINESS PHONE:

(410) 655-1600

90043881131



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

December 12, 1996

**VIA FACSIMILE AND U.S. MAIL**

Kimberly Queen  
Volunteers of America  
Comprehensive Sanctions Center  
4601 East Monument Street  
Baltimore, MD 21205

Dear Ms. Queen:

Pursuant to our telephone conversation on December 12, 1996, this is to confirm that the Federal Election Commission has issued a subpoena requiring Lalit H. Gadhia to appear for a deposition. The deposition will be taken on January 2, 1997, beginning at 10:00 a.m. at the United States Attorney's Office, 604 United States Courthouse, 101 West Lombard Street, Baltimore, Maryland 21201-2692. Please call me at (202) 219-3690 if you have any questions.

Sincerely,

*Dominique Dillenseger*

Dominique Dillenseger  
Attorney

98043081132



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

December 12, 1996

**VIA FACSIMILE AND U.S. MAIL**

Lauren E. Willis, Esquire  
Brown, Goldstein & Levy, LLP  
The Maryland Bar Center, Suite 300  
520 West Fayette Street  
Baltimore, MD 21201

Dear Ms. Willis:

This is to confirm that we have agreed to reschedule the deposition of Lalit H. Gadhia from December 12, 1996, to January 2, 1997. The deposition will begin at 10:00 a.m. in the second floor conference room at the United States Attorney's Office, 604 United States Courthouse, 101 West Lombard Street, Baltimore, Maryland 21201-2692. If you have any questions, please call me at (202) 219-3690

Sincerely,

*Dominique Dillenseger*

Dominique Dillenseger  
Attorney

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FEDERAL ELECTION COMMISSION  
Washington, DC 20463

December 13, 1996

Subodh Chandra, Treasurer  
Indian-American Leadership Investment Fund  
357 S. Curson Ave., Apt. 12A  
Los Angeles, CA 90036-5206

RE: MUR 4582

Dear Mr. Chandra:

This is to confirm our telephone conversation of December 10 and 11, 1996, regarding how the Indian-American Leadership Investment Fund ("IALIF") should dispose of refunds it has received from committees to which it made contributions in October and November 1994. As we discussed, the Federal Election Commission ("Commission") has notified these committees to disgorge the contributions to the United States Treasury. In light of the Commission's action, this Office requests that IALF disgorge an equivalent amount of any refunds received from these committees to the Treasury, care of the Commission. In your reply, please indicate the name and amount of the refund for each committee. The disgorgement check should be made out to "United States Treasury." Please call me at (202) 219-3690 if you have any questions.

Sincerely,

*Dominique Dillenseger*

Dominique Dillenseger  
Attorney

12/13

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ROBB FOR SENATE 495

P.O. BOX 1279  
MCLEAN VA 22101

68-1071560

December 10 19 96

PAY  
TO THE  
ORDER OF

U.S. Treasury  
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\$ 3000.00

DOLLARS

**CRESTAR**

Crestar Bank  
Alexandria, Virginia

FOR

Refund re Goddard

TWO SIGNATURES REQUIRED

Thomas H. May Jr.  
Patricia H. May Jr.

⑈000000239⑈ ⑆056001079⑆ 202600564⑈

52110004006



POWELL, GOLDSTEIN, FRAZER & MURPHY  
ATTORNEYS AT LAW

Sixteenth Floor  
191 Peachtree Street, N.E.  
Atlanta, Georgia 30303  
404 572 6600  
Facsimile 404 572 6999

Dec 16 10 47 AM '96  
PLEASE RESPOND Washington Address

Sixth Floor  
1001 Pennsylvania Avenue, N.W.  
Washington, D.C. 20004  
202 347 0066  
Facsimile 202 624 7222

December 12, 1996

Dominique Dillenseger, Esq.  
Office of General Counsel  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

Re: MUR 4582

Dear Ms. Dillenseger:

Enclosed for filing please find an executed Statement of Designation of Counsel form authorizing our representation of Aruna Trivedi in the above-referenced matter.

Sincerely,

  
Brett G. Kappel

Enclosure

21841721.W51

STATEMENT OF DESIGNATION OF COUNSEL

MUR 4582

NAME OF COUNSEL: Charles H. Roistacher, Esq. & Brett G. Kappel, Esq

FIRM: Powell, Goldstein, Frazer & Murphy

ADDRESS: 1001 Pennsylvania Avenue, NW

Washington, D.C. 20004

TELEPHONE: ( 202 ) 347-0066

FAX ( 202 ) 624-7222

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.

12/06/96  
Date

Aruna Trivedi  
Signature

RESPONDENT'S NAME: Aruna Trivedi

ADDRESS: 5 Fox Brier Lane

Baltimore, MD 21236

TELEPHONE: HOME

BUSINESS ( 410 ) 539-1095

MASSACHUSETTS  
DEMOCRATIC PARTY

Joan M. Menard  
*Chair*

December 11, 1996

Dominique Dillenseger, Counsel  
Federal Election Commission  
999 E Street, NW  
Washington, DC 20463

Re: MUR 4582

Dear Ms. Dillenseger:

In November of 1996, the Indian-American Leadership Investment Fund requested a refund of their 1994 contribution. The Massachusetts Democratic State Committee - Federal Funds Account complied with this request prior to receipt of the Commission's letter dated 12/2/96. A copy of our refund check is enclosed for your records.

Please feel free to contact me should you have any questions. The Committee's new address will be: 133 Portland Street  
Boston, MA 02110

Our telephone number remains 617-742-6770.

Sincerely,

*Mary Wong*

Mary Wong  
Deputy Director

DEC 18 12 48 PM '96

FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

MASSACHUSETTS DEMOCRATIC PARTY  
FEDERAL FUNDS ACCOUNT  
133 PORTLAND STREET  
BOSTON, MA 02114

| REMITTANCE ADVICE |  |  |  |  |  |
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PAY

*Five Thousand*

DOLLAR

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| TO THE ORDER OF                        | DATE           | CHECK NO    |
| <i>Indian-American Leadership Fund</i> | <i>12-2-96</i> | <i>7980</i> |

|               |
|---------------|
| CHECK AMOUNT  |
| <i>5,000.</i> |

*357 S Carson Ave Apt 12A  
Los Angeles, CA 90036-5206*

TWO SIGNATURES REQUIRED

*August P. 3rd*

AUTHORIZED SIGNATURE

*Tracy King*

AUTHORIZED SIGNATURE



FLEET BANK OF MASSACHUSETTS, N.A.

TO PREVENT FRAUD, THE CHECK MUST BE PLACED IN THE CHECK PROTECTIVE ENVELOPE OR PLACED IN THE CHECK PROTECTIVE ENVELOPE WITH A CHECK. CHECKS MUST BE TRANSMITTED TO THE BANK.

96043681138

## BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )

Lalit Gadhia )

MUR 4582 )

**MOTION TO QUASH SUBPOENA AND  
MOTION TO FILE SAID MOTION OUT OF TIME**

Comes now Lalit Gadhia, by and through his undersigned attorneys, and moves to quash the subpoena issued for his deposition by the Federal Election Commission ("FEC"), and moves to file this motion out of time, and states as his grounds wherefore:

1. The FEC's belated investigation of the matter raised in this MUR is time-barred. The FEC received a complaint from Subodh Chandra regarding this matter and identifying Lalit Gadhia as respondent in or before May 1995. Pursuant to 2 U.S.C. § 437g(a)(1) and 11 C.F.R. § 111.5, the FEC was required to notify Mr. Gadhia, as a respondent identified in the complaint, within five days of receipt of the complaint, and to provide him with an opportunity to respond to the allegations contained therein. Mr. Gadhia never received such notice and opportunity to respond, and the FEC is now, over a year and a half after the five day notification period expired, time-barred from pursuing this matter.

2. Institution of FEC proceedings against Mr. Gadhia at

Dec 18 1 56 PM '96  
FEDERAL ELECTION  
COMMISSION  
RECEIVED

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this time violates the Double Jeopardy Clause of Amendment V to the United States Constitution, and violates the terms of the Plea Agreement entered into in this case as represented by the Government in open court.

When this matter first arose, Mr. Gadhia, by and through his undersigned counsel, repeatedly urged the Department of Justice ("DOJ") to refer this matter to the FEC for conciliation and/or civil prosecution rather than criminal prosecution. DOJ refused to do so, and the FEC never expressed any interest in the matter, either before or after the five-day statutory notice period. Mr. Gadhia and his undersigned counsel then negotiated a contractually binding Plea Agreement with DOJ in good faith reliance on the facts that only DOJ was pursuing charges, and that DOJ was representing all of the interests of the United States. In open court at the plea and sentencing hearing in this matter, the Assistant United States Attorney prosecuting Mr. Gadhia, Joseph Evans, repeatedly referred to his decisions and positions as those of "the Government" and "the United States." Further, DOJ never requested any waiver of Mr. Gadhia's Double Jeopardy rights, as DOJ must in order to preserve FEC civil enforcement jurisdiction, according to DOJ's handbook, *Federal Prosecution of Elections Offenses* (U.S. Department of Justice,



Criminal Division, Public Integrity Section, 6th ed. 1995) at 126.<sup>1</sup>

As a consequence of the entry of Mr. Gadhia's guilty plea, he was sentenced to three months of incarceration, six months of home detention with electronic monitoring, and two years of supervised probation. Further sanctions imposed by the FEC in this case would constitute multiple punishments for the same conduct, in violation of the Double Jeopardy Clause. Moreover, the FEC can have no other aim but to impose a fine in this matter, as Mr. Gadhia has no restitution to make (Mr. Gadhia never kept any funds illegally), has already ceased any illegal activity, and the FEC has no other civil remedies available to it other than imposing fines, restitution and cease and desist orders.

3. Pursuing this matter at this time, and specifically,

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<sup>1</sup> The text of the handbook provides that, in order not to adversely affect the FEC's civil enforcement jurisdiction, any plea agreement involving activities that fall within the terms of the Federal Election Campaign Act must contain an express disclaimer of rights as follows:

Nothing in this agreement waives or limits in any way the authority of the Federal Election Commission to seek civil penalties or other administrative remedies for the violations of the Federal Election Campaign Act pursuant to Section 437(g) of Title 2, United States Code.

Mr. Gadhia's Plea Agreement contains no such disclaimer.

deposing Mr. Gadhia at this time, would impede Government efficiency and economy, in violation of 11 C.F.R. § 7.7(c). Mr. Gadhia has already received punishment for his actions in this matter, has already been debriefed by the federal Government about all of his knowledge of this matter, and has been found by a United States Court to lack the financial resources to pay a fine. There is literally nothing to be gained by the FEC in pursuing this matter at this time: Mr. Gadhia has already received a punishment calculated by the Court to be sufficiently severe to deter him and others from the types of actions he had taken and to punish him for his actions; and the FEC can not make any money off of Mr. Gadhia because he has none and because he has been disbarred and therefore has no source of future livelihood. Mr. Gadhia has already told the Federal Bureau of Investigation everything he knows about this matter, and the FEC could therefore gain nothing by deposing Mr. Gadhia.

That the FEC has nothing legitimate to gain by instituting these proceedings and taking Mr. Gadhia's deposition, but will merely waste Government resources in violation of 11 C.F.R. § 7.7(c), raises the specter that the FEC is pursuing this matter not in pursuit of "honest, independent and impartial monitoring and enforcement of federal election law" as required by 11 C.F.R.

§ 7.1(a), but rather in pursuit of Republican Congressional approval in violation of 11 C.F.R. §§ 7.7(b) & (d). While fair enforcement of the election laws by the federal Government is necessary to ensure the confidence of the public in the integrity of the Government, instituting proceedings against an insolvent man who is already being punished for his wrongdoings, to which he has fully admitted in open court, over a year and a half after notice was given to the FEC of the matter, adversely affects the confidence of the public in the Government, specifically in the FEC, in violation of 11 C.F.R. § 7.7(f).

90043001144  
4. This Motion should be granted out of time because Mr. Gadhia was unable to secure his attorneys' full involvement in this matter within the five days after he received notice of the deposition. When he received the deposition notice, Mr. Gadhia was in the process of preparing himself for incarceration and finding a suitable position for work release, and was therefore too busy to communicate fully with his attorneys about this matter. Once incarcerated, Mr. Gadhia had very limited telephone access during the "lock-down" period of his incarceration.

#### Conclusion

In light of the foregoing, any future action taken by the FEC in this matter, other than to quash the subpoena and to

dismiss the MUR, would be frivolous, and will be met with a motion for attorneys fees and costs under the Equal Access to Justice Act, 28 U.S.C. § 2412.

Respectfully submitted,

Lauren E. Willis

Daniel P. Goldstein

Lauren E. Willis

Brown, Goldstein & Levy, LLP

300 Maryland Bar Center

520 West Fayette Street

Baltimore, Maryland 21201

(410) 659-0717

Attorneys for Respondent

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that three copies of the foregoing Motion to Quash Subpoena and Motion to File Said Motion Out of Time were mailed, postage prepaid, first class mail, and one copy of the same was sent by facsimile transmission, this 18th day of December, 1996 to:

General Counsel

Federal Election Commission

999 E Street, NW

Washington, DC 20463

Facsimile No.: (202) 219-3923

Lauren E. Willis

Lauren E. Willis

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Lalit H. Gadhia

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)

)

MUR 4582

**SENSITIVE**

GENERAL COUNSEL'S REPORT

I. **BACKGROUND**

Before the Commission is a motion to quash its Subpoena of November 25, 1996, requiring Lalit Ghadia ("Respondent") to appear for deposition. As this Office has explained in the First General Counsel's Report dated November 5, 1996, page 12, the crucial step in a limited investigation of these matters is to seek full information from Respondent as to the circumstances of the scheme, particularly the involvement of the Indian Embassy and source of the funds for the illegal scheme. The Subpoena, included in the reason to believe notification package, was received by Respondent on November 27, 1996. Attachment 1 (return receipt). On December 18, 1996, counsel for Respondent filed a motion to quash the Subpoena, accompanied by a motion for leave to file out of time. Attachment 2. For the reasons stated below, this Office recommends that the Commission deny Respondent's motion.

II. **FACTUAL AND LEGAL ANALYSIS**

Pursuant to 11 C.F.R. § 111.15(a), a motion to quash a subpoena must be made prior to the time specified therein for compliance, but in no event more than 5 days after the date of receipt of such subpoena. If such a motion is timely filed, the Commission may deny the motion, or quash or modify the subpoena. 11 C.F.R. § 111.15(b).

Respondent received the Commission's Subpoena on November 27, 1996. After receiving the return receipt from Respondent, staff attempted unsuccessfully to contact



Respondent.<sup>1</sup> On December 6, 1996, this Office sent Respondent a letter by Federal Express urging him to call immediately regarding the deposition but in any event no later than close of business on December 9, 1996. Attachment 3. On December 9, 1996, counsel for Respondent called this Office for the first time and stated that they had mailed a response and designation of counsel. The response was dated December 4, 1996, and included the designation of counsel which was dated November 27, 1996. Attachment 4. The response was received by this Office on December 9, 1996. Counsel also informed this Office that Respondent had just reported to the Volunteers of America facility ("VOA") for incarceration the morning of December 9th, that he would be in "lock-down" status for that week, and that it would not be possible for them to speak to Respondent and prepare for the deposition scheduled for December 12, 1996. During the next two days, staff engaged in several discussions with counsel to attempt to accommodate counsel's schedule and it was agreed to reschedule the deposition for January 2, 1997. On December 12, 1996, staff sent counsel a letter by facsimile confirming the change in deposition date. Attachment 5. On the same date, staff also notified the case manager at the VOA by facsimile letter of the date and location of the deposition. Attachment 6.

Counsel acknowledges that the December 18th submission is untimely and requests leave to file it out of time, arguing that Respondent was preparing for incarceration and so "unable to secure his attorneys full involvement in this matter" and then had limited telephone access during the first week of his incarceration. As recounted above, this Office went to some lengths to

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<sup>1</sup> On December 5, 1996, staff called and left a message on Respondent's answering machine urging him to call this Office about this matter. Respondent returned the call and left a voice mail message later that day indicating he had received the call. Staff returned the call a half hour later and left additional telephone messages on December 5th and 6th but Respondent did not return the call.



accommodate this Respondent and his counsel and has assured counsel that no decision has been made about whether any additional sanction is contemplated with respect to Mr. Ghadia. Rather, we have informed counsel that the Commission is investigating and seeking Mr. Ghadia's testimony in part as a witness. Indeed, at no time during this Office's discussion with counsel did counsel ever suggest that they would contest the Subpoena. At one point, counsel even said that Respondent would certainly now have plenty of time to do the deposition. Respondent had the Subpoena in hand for 10 days before entering the Volunteers of America Comprehensive Sanctions Center, and his counsel was in talks with this office and rescheduling the deposition date for at least an additional 10 days before filing this Motion to Quash. Under these circumstances, this Office recommends the Commission reject the Motion to File Out of Time, and deny the Motion to Quash Subpoena as untimely.

Although this Office does not recommend the Commission entertain the Motion to Quash on the merits,<sup>2</sup> this Office does propose to include in the notification letter language explaining the current posture of the matter and the Commission's power to compel Respondent's sworn testimony as part of its investigation whether or not Respondent faces any Commission sanction for his role in this matter.

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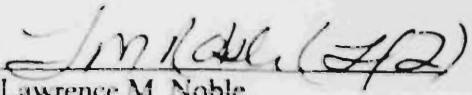
<sup>2</sup> Counsel's arguments on the merits are essentially the same as those counsel made in response to the reason to believe notification and will be considered later when the Commission decides what if any additional sanctions for Respondent.

### III. RECOMMENDATIONS

1. Reject the Motion to File out of Time and deny as untimely the Motion to Quash Subpoena for Deposition to Lalit Gadhia.
2. Approve the appropriate letter.

Date

2/19/96

  
Lawrence M. Noble  
General Counsel

#### Attachments:

1. Return Receipt, dated November 27, 1996
2. Motion to Quash Subpoena and Motion to File Said Motion Out of Time
3. Letter from FEC dated December 6, 1996
4. Letter and Designation of Counsel dated December 4, 1996, and November 27, 1996
5. Letter from FEC dated December 12, 1996
6. Letter from FEC dated December 12, 1996

Staff Assigned: Dominique Dillenseger

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of  
Lalit H. Gadhia.

)  
)  
)

MUR 4582

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on December 20, 1996, the Commission decided by a vote of 4-0 to take the following actions in MUR 4582:

1. Reject the Motion to File out of Time and deny as untimely the Motion to Quash Subpoena for Deposition to Lalit Gadhia.
2. Approve the appropriate letter, as recommended in the General Counsel's Report dated December 19, 1996.

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

Attest:

Dec. 20, 1996  
Date

Mary H. Dove  
for Marjorie W. Emmons  
Secretary of the Commission

Received in the Secretariat: Thurs., Dec. 19, 1996 2:27 p.m.  
Circulated to the Commission: Thurs., Dec. 19, 1996 4:00 p.m.  
Deadline for vote: Fri., Dec. 20, 1996 4:00 p.m.

bjr



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

December 20, 1996

**VIA FACSIMILE AND U.S. MAIL**

Lauren E. Willis, Esquire  
Brown, Goldstein & Levy, LLP  
300 Maryland Bar Center  
520 West Fayette Street  
Baltimore, Maryland 21201

RE: MUR 4582

Dear Ms. Willis:

On December 20, 1996, the Federal Election Commission rejected your Motion to File Out of Time and denied as untimely the Motion to Quash Subpoena for Deposition of your client, Lalit H. Gadhia. Pursuant to 11 C.F.R. § 111.15(a), a motion to quash a subpoena must be made prior to the time specified therein for compliance, but in no event more than 5 days after the date of receipt of such subpoena. Your motion to quash was filed on December 18, 1996, 22 days after your client received notification of the Subpoena on November 27, 1996. Your client had the Subpoena in hand for more than 10 days before entering the Volunteers of America Center, and we had several discussions regarding the rescheduling of the deposition date for at least an additional 10 days before you filed this Motion to Quash. At no time during these discussions, including our agreement to postpone the deposition, did you ever suggest that the Subpoena would be contested.

Please note that the Commission is presently investigating this matter and, at this point, has not made a decision as to any sanctions regarding your client. Under 2 U.S.C. § 437d, the Commission has the authority to compel the testimony of a witness in any proceeding or investigation whether or not the witness faces any sanctions for his or her role in the matter. Accordingly, the Commission expects Lalit Gadhia to appear and give sworn testimony on January 2, 1997, at the United States Attorney's Office, 604 United States Courthouse, 101 West Lombard Street, Baltimore, Maryland. Please notify me immediately if Mr. Gadhia will not comply with the Subpoena. I can be reached at (202) 219-3690 if you have any questions.

Sincerely,

*Dominique Dillenseger*

Dominique Dillenseger  
Attorney

POWELL, GOLDSTEIN, FRAZER & MURPHY

ATTORNEYS AT LAW

Sixteenth Floor  
191 Peachtree Street N.E.  
Atlanta, Georgia 30303  
404 572 6600  
Facsimile 404 572 6999

PLEASE RESPOND: Washington Address

December 24, 1996

Sixth Floor  
1001 Pennsylvania Avenue N.W.  
Washington, D.C. 20004  
202 347 0066  
Facsimile 202 624 7222

VIA HAND DELIVERY

Dominique Dillenseger, Esq.  
Office of General Counsel  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

Re: MUR 4582

Dear Ms. Dillenseger:

As you know, we represent both Sudhir and Aruna Trivedi. On November 12, 1996, the Commission found reason to believe that Mr. & Mrs. Trivedi violated 2 U.S.C. § 441f, by knowingly allowing their names to be used by Lalit Gadhia to effect a contribution made in the name of another person. The Commission's Factual and Legal Analysis in this matter indicates that the sole basis for this finding is that Mr. & Mrs. Trivedi were both listed in what are referred to as "Gadhia's records" as having been reimbursed for two \$1,000 contributions Mr. & Mrs. Trivedi made to the Indian-American Leadership Investment Fund ("IALIF") in October 1994. For the reasons set forth below, the Commission's conclusion is erroneous and cannot be based on the above-mentioned records, or any other evidence.

Mr. & Mrs. Trivedi vehemently and emphatically deny that they were reimbursed in any way by Mr. Gadhia or any other person for the contributions they made to the IALIF in 1994. See Affidavit of Sudhir Trivedi at ¶ 7; Affidavit of Aruna Trivedi at ¶ 5 (attached as Exhibits A and B, respectively). Moreover, contrary to the Commission's Factual and Legal Analysis, *there is no evidence whatsoever* to indicate that either Mr. or Mrs. Trivedi were reimbursed for their contributions to the IALIF.

"Gadhia's records," as they are referred to in the Commission's Factual and Legal Analysis, demonstrate nothing more than the fact that Mr. & Mrs. Trivedi did contribute \$1,000 each to the IALIF in October 1994. The list of IALIF contributors in "Gadhia's records" is identical to the list of contributors reported by the IALIF on its Thirtieth Day Report following the November 8, 1994 General Election. There is nothing within the four corners of the document referred to as "Gadhia's records" to indicate that Mr. & Mrs. Trivedi were ever reimbursed for these contributions, and indeed they were not. Moreover, a lengthy FBI, United States Attorney and grand jury investigation in the District of Maryland into Mr. Gadhia's fundraising activities on behalf of the IALIF found no evidence that Mr. & Mrs. Trivedi were reimbursed for their contributions to the IALIF.

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FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL COUNSEL



Dominique Dillenseger, Esq.  
December 24, 1996  
Page 2

Mr. & Mrs. Trivedi cooperated fully with the government's investigation of Mr. Gadhia. On June 2, 1995, they provided the government with copies of their bank records for the period following their contributions to the IALIF.

These records do not reflect any deposit or deposits that have been determined to be a reimbursement for Mr. & Mrs. Trivedi's October 11, 1994, contributions to the IALIF.

On June 7, 1995, both Mr. & Mrs. Trivedi were interviewed extensively by FBI Special Agents regarding their contributions to the IALIF. Both Mr. & Mrs. Trivedi emphatically denied that they were ever reimbursed by Mr. Gadhia or anyone else for their IALIF contributions.

During the June 7th interviews, Special Agents requested that Mr. & Mrs. Trivedi provide additional bank records covering the period immediately prior to their October 11, 1994, contributions to the IALIF. They voluntarily provided these records to the FBI on June 12, 1995.

These records do not reflect any deposit or deposits that have been determined to be a reimbursement for the October 11, 1994, contributions to the IALIF.

The United States Attorney never developed any evidence to indicate any wrongdoing on the part of either Mr. or Mrs. Trivedi. Neither was ever called to testify before the grand jury investigating Mr. Gadhia's fundraising activities on behalf of the IALIF. Moreover, neither Mr. nor Mrs. Trivedi were ever targets of the grand jury's investigation, nor were they ever charged with any criminal violation of the Federal Election Campaign Act or any other federal statute. Indeed, when I informed the lead prosecutor in Mr. Gadhia's investigation, Assistant United States Attorney Joseph Evans, that we had received the Commission's letter of November 25, 1996, indicating the Commission had found reason to believe that Mr. & Mrs. Trivedi had violated federal election laws, Mr. Evans confirmed to me that he was unaware of any documents which indicated that Mr. & Mrs. Trivedi were reimbursed for any of their contributions.

That there is no evidence to support the allegation that Mr. & Mrs. Trivedi were reimbursed for their contributions to the IALIF should come as no surprise. Unlike many of the contributors to the IALIF, Mr. & Mrs. Trivedi are successful business people with the wherewithal to make sizeable political contributions. Affidavit of Sudhir Trivedi at ¶ 2. Moreover, in contrast to the other contributors to the IALIF, Mr. & Mrs. Trivedi have a long documented history of making political contributions. Over the years, Mr. Trivedi has contributed to the campaigns of a number of candidates for federal office, including Rep. Kweisi Mfume (D-MD), Rep. Helen Delich Bentley (R-MD), Senator Paul Sarbanes (D-MD), and Senator Barbara Mikulski (D-MD). Affidavit of Sudhir Trivedi at ¶ 3.

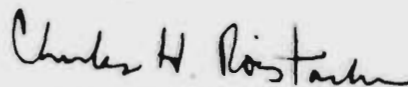


Dominique Dillenseger, Esq.  
December 24, 1996  
Page 3

There simply is no factual basis to support the Commission's reason to believe finding that either Mr. or Mrs. Trivedi violated 2 U.S.C. § 441f. To allow such a finding to stand would be a miscarriage of justice. Accordingly, we request that the Commission reopen this matter, look carefully at the documents, find that there is no probable cause to believe that either Mr. or Mrs. Trivedi violated 2 U.S.C. § 441f, and terminate this proceeding as it pertains to them.

I would be glad to meet with you at the earliest opportunity to discuss an expeditious conclusion to this matter.

Sincerely,



Charles H. Roistacher

CHR/bk  
attachments

cc: Mr. Sudhir Trivedi  
Ms. Aruna Trivedi

A

BEFORE THE FEDERAL ELECTION COMMISSION

In Re: The Indian-American Leadership  
Investment Fund

MUR 4582

**AFFIDAVIT OF SUDHIR TRIVEDI**

Before me the undersigned authority appeared, Sudhir Trivedi, who upon his oath deposes and states as follows:

1. Affiant Sudhir Trivedi has personal knowledge of the facts set forth in this Affidavit.

2. I am the founder and Chief Executive Officer of Sunbelt Corporation, a successful manufacturing company specializing in the dyes and pigments used in the manufacture of textiles. Sunbelt's corporate offices are located in the World Trade Center in Baltimore's Inner Harbor. Sunbelt's manufacturing plant is located in Rock Hill, South Carolina.

3. I have been active in Baltimore civic and political affairs for many years. I have been a member of the Democratic Business Leadership Forum since 1992. Over the years, I have contributed to the campaigns of a number of candidates for federal office, including Senator Paul Sarbanes, Senator Barbara Mikulski, Representative Kweisi Mfume, and Representative Helen Delich Bentley. Because I am a well-known businessman, it is not unusual for me to be solicited for contributions to a wide variety of social and political causes.

4. On or about October 11, 1994, I received a telephone call from Lalit Gadhia. During the course of this telephone call, Mr. Gadhia requested that my wife, Aruna Trivedi, and I make contributions to the Indian-American Leadership Investment Fund.

5. Mr. Gadhia told me that the purpose of the Indian-American Leadership Investment Fund was to promote young Indian-Americans into leadership positions in the United States and that it was a good cause. Mr. Gadhia did not tell me that the Indian-American Leadership Investment Fund was a federal political action committee.

6. At that time, I kept a number of signed checks drawn on my personal account at the First National Bank of Maryland in my office. Because I was going out of town, I told my wife to make out one of these pre-signed checks for \$1,000 to the Indian-American Leadership Fund and to send it to Mr. Gadhia. I also passed along to her Mr. Gadhia's request that we both make contributions to the Indian-American Leadership Investment Fund.

7. Neither Mr. Gadhia nor anyone else ever reimbursed me, in any way, for my contribution to the Indian-American Leadership Investment Fund.

FURTHER AFFIANT SAYETH NOT

  
Sudhir Trivedi

STATE OF MARYLAND )  
CITY/COUNTY OF BALTIMORE )

I HEREBY CERTIFY that on this 23<sup>rd</sup> day of December, 1996, before me, the subscriber, a Notary Public in and for the City/County and State aforesaid, personally appeared Indira Prasad, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and made oath in due form of law that the matters and facts set forth in the foregoing Affidavit are true and correct.

AS WITNESS, my hand and Notary Seal.

Kathleen Datterweich  
Notary Public

Kathleen Datterweich  
Print Name  
My Commission Expires: July 1, 2000  
Commission Number:

21841729

B

BEFORE THE FEDERAL ELECTION COMMISSION

In Re: The Indian-American Leadership  
Investment Fund

MUR 4582

AFFIDAVIT OF ARUNA TRIVEDI

Before me the undersigned authority appeared, Aruna Trivedi, who upon her oath deposes and states as follows:

1. Affiant Aruna Trivedi has personal knowledge of the facts set forth in this Affidavit.
2. On or about October 11, 1994, my husband, Sudhir Trivedi, told me that he had received a telephone call from Lalit Gadhia and that Mr. Gadhia had requested that we both make contributions to the Indian-American Leadership Investment Fund.
3. My husband was going out of town, so he asked me to fill out one of the pre-signed checks drawn on his personal account he kept in the office to make a \$1,000 contribution to the Indian-American Leadership Investment Fund. I filled out the pre-signed check as he requested.
4. I then made out and signed a separate check made payable to the Indian American Leadership Investment Fund in the amount of \$1,000. This second check was drawn on the joint checking account I shared with my husband at Signet Bank.

5. Neither Mr. Gadhia nor anyone else ever reimbursed me, in any way, for my contribution to the Indian-American Leadership Investment Fund.

FURTHER AFFIANT SAYETH NOT

Aruna Trivedi  
Aruna Trivedi

STATE OF MARYLAND )  
CITY/COUNTY OF BALTIMORE )

I HEREBY CERTIFY that on this 23<sup>rd</sup> day of December, 1996, before me, the subscriber, a Notary Public in and for the City/County and State aforesaid, personally appeared Aruna Trivedi, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and made oath in due form of law that the matters and facts set forth in the foregoing Affidavit are true and correct.

AS WITNESS, my hand and Notary Seal.

Kathleen Dotterweich  
Notary Public

Kathleen Dotterweich  
Print Name  
My Commission Expires: July 1, 2000  
Commission Number:

21841730



POWELL, GOLDSTEIN, FRAZER & MURPHY  
ATTORNEYS AT LAW

ORIGINAL  
FILE COPY

Sixteenth Floor  
191 Peachtree Street, N.E.  
Atlanta, Georgia 30303  
404 572-6600  
Facsimile 404 572-6999

PLEASE RESPOND: Washington Address

Sixth Floor  
1001 Pennsylvania Avenue N.W.  
Washington, D.C. 20004  
202 347-0066  
Facsimile 202 624-7222

June 2, 1995

**VIA FEDERAL EXPRESS**

FBI  
7842 Ambassador Road  
Baltimore, MD 21244

Re: Sudhir Trivedi and Aruna T. Trivedi

Dear Special Agent

Enclosed please find documents which our clients, Sudhir Trivedi and Aruna Trivedi have located which are responsive to the subpoenas duces tecum issued to them on May 17, 1995. Consistent with the terms of the subpoenas, by producing these documents now, Mr. and Mrs. Trivedi need not appear at this time before the federal grand jury. These documents consist of:

- (1) a copy (front and back) of a check (#4815) dated October 11, 1994, payable to the "Indian American Leadership Investment," in the amount of \$1,000, drawn on the Signet Bank and signed by Aruna Trivedi;
- (2) a copy of the bank statement from Signet, for the period of October 19, 1994 to November 17, 1994, reflecting the payment of the check described in (1) above;
- (3) a copy (front and back) of a check (#107) dated October 11, 1994, payable to the "Indian American Leadership Investment Fund," in the amount of \$1,000, drawn on the First National Bank of Maryland and signed by Sudhir Trivedi;
- (4) a copy of a bank statement from First National dated October 21, 1994, reflecting the payment of the check described in (3), above;
- (5) a copy (front and back) of a check (#118) dated November 1, 1994, payable to the "Glendening Campaign", in the amount of \$500, drawn on the First National Bank of Maryland and signed by Sudhir Trivedi;
- (6) a copy of a bank statement from First National reflecting the payment of the check described in (5), above; and

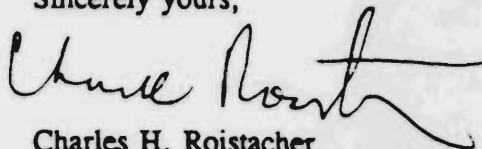
June 2, 1995

Page 2

- (7) a letter dated November 4, 1994, to Mr. Trivedi signed by Lalit Gadhia and Parris N. Glendening (on behalf of "Glendening for Governor"), thanking Mr. Trivedi for his \$500 contribution of November 1, 1994.

We will see you at your offices on Wednesday, June 7, 1995, at 8:30 a.m., for the interviews previously scheduled. If you have any questions, please give me a call.

Sincerely yours,



Charles H. Roistacher

CHR:rmw

Enclosures

cc: AUSA Joseph L. Evans (w/o encls.; via Fax & 1st Class Mail)  
Mr. Sudhir Trivedi (w/o encls.; Confidential - 1st Class Mail)  
Mrs. Aruna Trivedi (w/o encls.; Confidential - 1st Class Mail)

01291445.W31

9 0 0 4 0 0 6 1 1 6 1

SWELL, GOLDSTEIN, FRAZER MURPHY

ATTORNEYS AT LAW

FILE COPY

Sixth Floor

1001 Pennsylvania Avenue N.W.

Washington D.C. 20004

202 347-0066

Facsimile 202 624 7222

Sixteenth Floor  
191 Peachtree Street, N.E.  
Atlanta, Georgia 30303  
404 572-6600  
Facsimile 404 572-6999

PLEASE RESPOND Washington Address

June 12, 1995

FBI  
7842 Ambassador Road  
Baltimore, MD 21244

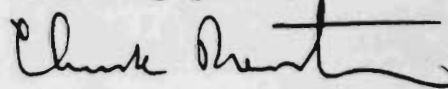
RE: Sudhir Trivedi and Aruna T. Trivedi

Dear Special Agents

As you requested, enclosed please find the additional bank statements (September, 1994) from Signet and First National Bank of Maryland.

If you have any further requests with respect to our clients, Mr. and Mrs. Trivedi, please give me a call.

Sincerely yours,



Charles H. Roistacher

Enclosures

cc: AUSA Joseph L. Evans (w/o encls.; 1st Class Mail)  
Mr. Sudhir Trivedi (w/o encls.; 1st Class Mail)  
Mrs. Aruna Trivedi (w/o encls.; 1st Class Mail)

01291452

98043881163

|   |  |                            |                       |
|---|--|----------------------------|-----------------------|
| <b>SUDHIR TRIVEDI</b><br><b>ARUNA TRIVEDI</b><br>5 FOX BRIER LANE<br>PERRY HALL, MD 21236 |  | 03-74                      | 4815                  |
| PAY TO THE ORDER OF <u>Indian American Leadership</u>                                     |  | <u>Oct 11</u> 19 <u>94</u> | 7-1/520<br>2033       |
| <u>one thousand dollors</u>   |  | <u>Investment</u>          | \$ <u>1000.00</u>     |
| <b>SIGNET BANK</b><br><small>Baltimore MD 21202</small>                                   |  | <b>MARYLAND</b>            | <u>00/100</u> DOLLARS |
| FOR _____   |  | <u>aruna trivedi</u>       |                       |

011100805 421  
16/28/94

01130045  
0847

17 04 21  
NATIONS BANK  
25 N. CALVERT STREET  
BALTIMORE, MD

FOR DEPOSIT ONLY  
10/0013666024  
HATIT  
Diego

104333225

# GLENDENING ★ FOR GOVERNOR

November 4, 1994

Mr. Sudhir Trivedi  
5 Fox Brier Lane  
Baltimore, MD 21236

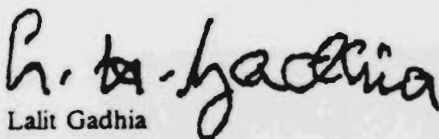
Dear Sudhir:

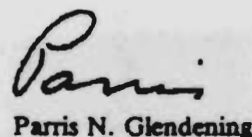
Thank you for your generous contribution. I want to express how personally grateful I am for your financial assistance. Each dollar will help our team reach Marylanders with our message of change.

As a supporter you know that we will continue to focus our message on the 5 E's. We must move our State forward by making the education of our children a top priority and by promoting business and employment opportunities for all. I will commit to you to work aggressively toward making Maryland communities safe and clean and our government one of which you can be proud.

Again, thank you for your support. Please note that this letter serves as your receipt with the amount, check number and receipt number below. If you have any questions or suggestions as we move forward please feel free to contact my Headquarters at (301) 277-5582.

Sincerely,

  
Lalit Gadhia  
Treasurer

  
Parris N. Glendening

Receipt 9283 issued for check 118 in the amount of \$500.00 on 11/01/94.  
Please note that contributions to candidates and committees are not tax deductible.



**SHERROD BROW**

13th District, Ohio

DEC 30 9 10 AM '96

December 23, 1996

Federal Elections Commission  
999 E Street NW  
Washington, DC 20463

RE: MUR 4582

Please find enclosed a copy of the letter we mailed to you on May 16, 1996, for forwarding to U.S. Treasury. The Friends of Sherrod Brown followed the advice of the FEC at the time the legality of this contribution was raised.

Please also note that our records reflect that the contribution in question was in the amount of \$2,000, not the \$3,000 you mention.

If you have any questions, please do not hesitate to call.

Sincerely,

*Libby Betounes*

Libby Betounes  
Assistant Treasurer

CITIZENS FOR SENATOR WOFFORD  
1420 WALNUT ST., SUITE 808  
PHILADELPHIA, PA 19102

PENNSYLVANIA NATIONAL  
BANK  
Harrisburg, PA 17101  
60-738  
313

003915

THREE THOUSAND FIVE HUNDRED DOLLARS

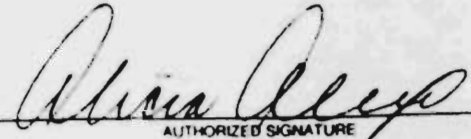
12/17/96

\*\*\*\*\*\$3,500.00  
DATE

AMOUNT

U.S. Treasury

PAY  
TO THE  
ORDER  
OF

  
AUTHORIZED SIGNATURE

⑈003915⑈ ⑆031307361⑆ 270⑈01032⑈

9 0 0 4 3 8 0 1 1 6 6

# SHERROD BROWN

13th District, Ohio

May 16, 1996

United States Treasury  
1500 Pennsylvania Avenue NW  
Washington, DC 20220

Dear Sir:

On the advice of the Federal Election Commission, enclosed please find a check in the amount of \$2,000, which reflects an unsolicited contribution made to the Friends of Sherrod Brown committee in 1994.

It has come to my attention that this contribution should not have been made. Since we do not know to whom the check should be returned, we are sending it to the US Treasury to use toward deficit reduction.

Thank you for your assistance in this matter.

Sincerely,

*Libby Betounes*

Libby Betounes  
Assistant Treasurer

BROWN FOR CONGRESS COMMITTEE

111 EDGEFIELD DRIVE  
ELYRIA, OHIO 44035

2464

58-111/412

PAY  
TO THE  
ORDER OF

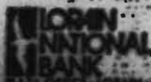
United States Treasury

May 16 1996

\$2000.00

Two thousand and 00/100

DOLLARS



*Elizabeth Betounes*

DEC 30 9 59 AM '96

CITIZENS FOR SENATOR WOFFORD

December 18, 1996

Ms. Lois G. Lerner  
Federal Election Commission  
999 E Street, NW  
Washington, DC 20463

DEC 31 12 05 PM '96

FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

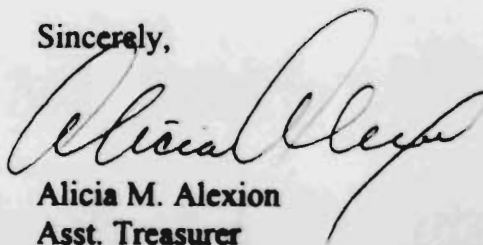
Re: MUR 4582

Dear Ms. Lerner:

Pursuant to your letter dated December 2, 1996, enclosed please find a check made payable to the U.S. Treasury in the amount of \$3,500.

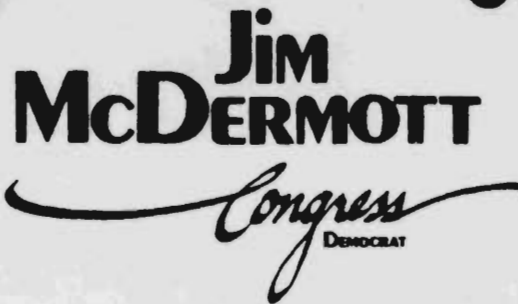
If you have any questions about the enclosed please contact me at (202) 434-1658.

Sincerely,



Alicia M. Alexion  
Asst. Treasurer

AMA:ama



December 27, 1996

Ms Lois G. Lerner, Asst General Counsel  
Federal Election Commission  
Washington DC 20463

Ms Lerner:

Per our conversation, I enclose herewith a copy of (1) your letter of December 2, 1996; (2) a copy of my note and the check which I sent to Mr. Chandra; and (3) a copy of Mr. Chandra's letter to me of October, 1996.

Please note that the check has been cashed on December the 6th, 1996.

If I can of further assistance, or you require me to do anything else on behalf of Friends for Jim McDermott, please contact me at

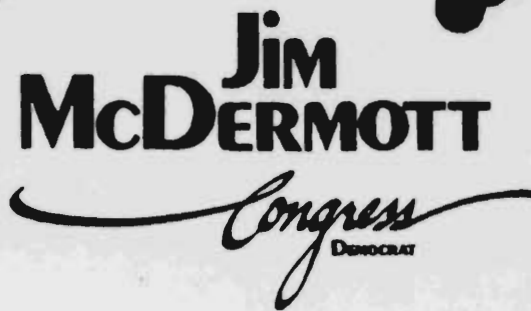
or write to me at this address.

Thank you.

Respectfully,

Gerald E. Farley, Treasurer





11/20/96

Mr. Chandra,

Enclosed is the check as  
Requested.

Thank you for your patience.

Respectfully,

Jim McDermott

96040001170

## FRIENDS FOR JIM MC DERMOTT

CLERKS REG 125733 FEC REG C00223073

P O BOX 21786

SEATTLE, WA 98111-3786

DATE November 20, 1996

**PAY  
TO THE  
ORDER OF**

# Indian-American Leadership Investment Fund

\$ 2,000.00

two thousand and no/100

060022Z01041200120912-05-95 DOLLARS

DOLLARS 100-



KeyBank of Washington  
Seattle, Washington 98104  
1-800-KEY2YOU

FOR refund of contribution

1100 177211 1: 1250005741: 048 85A2 911

0000 200000.

98043881171

10/093666 024

Quincy, Treasurer

41478007

01492715

DE '96' 09 12/09/96

98-8606 DEC 29 06

10-11-12

98043381172

**Indian-American Leadership Investment Fund**  
357 S. Curson Ave., Apt. 12A • Los Angeles, CA 90036-5206  
☎ 213-934-6599

---

20 October 1996

**URGENT AND SENSITIVE**

Honorable Jim McDermott  
McDermott for Congress  
P.O. Box 21786  
Seattle, WA 98111

Dear Congressman McDermott:

As you know, our Fund made a contribution of \$2,000 to your campaign in the fall of 1994. I am writing to request immediate return of that contribution because, unbeknownst to us, the individual who raised the monies did so in an illegal manner. That individual has recently pleaded guilty to federal charges in connection with his fundraising activities.

We sincerely apologize for any inconvenience this may cause your campaign. Upon receipt of the returned contribution, we intend to disburse such funds to charity, as we have been advised to do by the Federal Election Commission.

If you or your treasurer have any questions regarding this matter, please leave a message for me at the telephone number, above, and I will return your call promptly.

With best regards,



Mr. Subodh Chandra,  
Treasurer

enclosures

IRWIN GREEN & DEXTER, L.L.P.

ATTORNEYS AT LAW

SUITE 520, B & O BUILDING  
2 NORTH CHARLES STREET  
BALTIMORE, MARYLAND 21201-3754

DAVID B. IRWIN  
ROBERT B. GREEN  
VICKI L. DEXTER  
JOSEPH MURTHA

TELEPHONE  
(410) 625-4800  
TELECOPIER  
(410) 625-4806

January 2, 1997

Dominique Dillenseger, Esquire  
Federal Election Commission  
999 E. Street, N.W.  
Washington, D.C. 20463

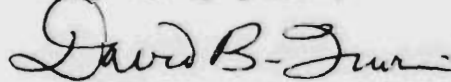
RE: Uday Gadhia; MUR: 4582

Dear Ms. Dillenseger:

Enclosed please find the original executed Statement of Designation of Counsel for Uday Gadhia in the above-captioned matter.

I will be calling you the week of January 6, 1997 to discuss this matter.

Very truly yours,



David B. Irwin

DBI/dcc  
Enclosure  
I3013  
cc: Uday Gadhia

JAN 6 10 02 AM '97

FEDERAL ELECTION  
COMMISSION  
OFFICE OF THE  
CLERK



# DESIGNATION OF COUNSEL

100211157

NO. 4582

NAME OF COM.

David B. Irwin

ADDRESS:

Irwin Green & Decker LLP

Suite 520, BBO Building

2 North Charles Street, Baltimore, MD 21201

(410) 625-4800

... is to be designated as ...  
... authorized to receive ...  
... from the Commission and to act as ...

12/31/96

Deley H. Gadhia

RESPONDENT

NAME

UDAY GADHIA

ADDRESS

57 Springtime Way

Baltimore, MD 21234

FILE NO.

FILE NO.

93043301175



**Congressman**  
**John P. Murtha**

P.O. Box 1091  
Johnstown, PA 15907  
814/539-8196  
Fax: 814/539-2121

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
MAIL ROOM

JAN 6 9 23 AM '97

December 31, 1996

Federal Election Committee  
999 E Street, N. W.  
Washington, DC 20463

RE: MURTHA FOR CONGRESS COMMITTEE  
MUR 4582

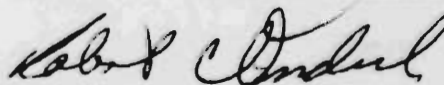
Gentlemen:

This letter is in reply to your letter of December 2, 1996, a copy of which is attached. On October 30, 1996 the Murtha for Congress Committee issued a check to the Indian American Leadership Investment Fund in the amount of \$1,000.00. This was a refund of the November 1, 1994 contribution received. Our committee received a letter directly from the American Leadership Investment Fund requesting this refund.

We are now submitting to you a check in the amount of \$2,000.00 made payable to the United States Treasury. This check will cover the refunds of contributions from Sachindar Gupta (\$1,000.00) and Vinay Wahi (\$1,000.00).

If you need any additional information please contact me.

Very truly yours,  
MURTHA FOR CONGRESS COMMITTEE

  
ROBERT C. ONDICK, TREASURER

RCO/kmk

Enclosures

JAN 7 2 57 PM '97

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

MURTHA FOR CONGRESS COMMITTEE

BT FINANCIAL PLAZA  
JOHNSTOWN, PA 15901

3768

DECEMBER 31, 19 96

60 105 313  
00

PAY  
TO THE  
ORDER OF

UNITED STATES TREASURY

\$ 2,000.00

TWO THOUSAND AND 00/100-----

DOLLARS



JOHNSTOWN BANK and TRUST COMPANY  
JOHNSTOWN, PA 15901

REFUNDS OF 1994 CONTRIBUTIONS FOR  
FOR SACHINDAR GUPTA (\$1,000.) AND  
VINAY WAHI (\$1,000.)

⑈003768⑈ ⑆031301053⑆

⑈00 151554⑈

*[Handwritten Signature]*

9004001177

**MONSHOWER & MILLER, LLP**  
ATTORNEYS AT LAW

10440 LITTLE PATUXENT PARKWAY  
30 CORPORATE CENTER, SUITE 500  
COLUMBIA, MD 21044-3561

ALVIN C. MONSHOWER, JR.  
RICHARD L. MILLER  
GERARD G. MAGROGAN

TEL. 410-730-4860  
FAX 410-730-1093

OF COUNSEL  
THOMAS L. CROWE

December 19, 1996

**BY FACSIMILE AND REGULAR MAIL**  
**FAX (202) 219-3923**

Dominique Dillenseger, Esquire  
Federal Election Commission  
Washington, D.C. 20634

Re: MUR 4582  
Dr. S.V. Ramamurthy, Respondent  
Our File No.: 1902.001

JAN 9 9 58 AM '97  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF THE  
CHIEF OF BUREAU

Dear Ms. Dillenseger:

Pursuant to the Commission's November 25, 1996 letter to Dr. Ramamurthy and our telephone conversations last week, this letter constitutes Dr. Ramamurthy's formal request for pre-probable cause conciliation, as provided for in 11 C.F.R. § 111.18(d).


As the Commission's letter indicates, Dr. Ramamurthy has been fully forthcoming regarding the matters under investigation, having already provided the Government with a complete disclosure of his activities in an interview with the United States Attorney and also testified before a federal grand jury. I am confident that I can obtain further confirmation of Dr. Ramamurthy's cooperation with the Government from Assistant United States Attorney Joseph L. Evans, should the Commission feel it necessary.

In accordance with our conversations of last week, this letter will confirm that Dr. Ramamurthy and I are willing to discuss the matter further with representatives of the Commission, either personally at a time and place convenient to all concerned, or over the telephone at an agreed upon time.

Dominique Dillenseger, Esquire  
December 19, 1996  
Page 2

Given Dr. Ramamurthy's extensive cooperation with the Government for a period of months preceding his knowledge of, and perhaps preceding the initiation of, the Commission's investigation, we would submit that the equitable conclusion of the Matter Under Review would be its closing without any finding of a violation or monetary penalty.

Very truly yours,

  
Thomas L. Crowe

TLC/baw

cc: S.V. Ramamurthy, DDS

9 0 0 4 3 6 0 1 1 7 7

LAW OFFICES  
**BROWN, GOLDSTEIN & LEVY, LLP**

DANIEL F. GOLDSTEIN  
C. CHRISTOPHER BROWN\*  
ANDREW D. LEVY  
ANDREW D. FREEMAN  
DANA WHITEHEAD\*\*

THE MARYLAND BAR CENTER  
SUITE 300  
520 WEST FAYETTE STREET  
BALTIMORE, MARYLAND 21201  
(410) 962-1030 OR (410) 659-0717  
FAX (410) 385-0869

JOSEPH B. ESPO\*  
THERESA L. STAUDENMAIER  
MARTIN H. SCHREIBER II\*  
SHARON STANLEY STREET  
LAUREN E. WILLIS

\*\*ALSO ADMITTED IN DC & NJ

\*ALSO ADMITTED IN DC

January 15, 1997

**BY FACSIMILE TRANSMISSION (202) 219-3923 AND FIRST CLASS MAIL**  
Dominique Dillenseger, Esq.  
Federal Election Commission  
Washington, DC 20463

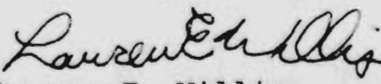
Re: MUR 4582

Dear Ms. Dillenseger:

After we spoke yesterday, I spoke to my client, Lalit Gadhia, about your proposed conditions under which he might read and sign the transcript of his deposition. Mr. Gadhia cannot agree to read and sign the transcript under the conditions you propose.

Therefore, Mr. Gadhia will not read and sign the transcript nor will he warrant that the statements contained therein were transcribed accurately. In light of the court reporter's difficulties with non-Anglo-Saxon names and certain vocabulary, it is quite likely that the transcript contains numerous errors.

Very truly yours, \

  
Lauren E. Willis

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL  
JUN 17 9 52 AM '97



LAW OFFICES  
CHRISTENSEN, MILLER, FINK, JACOBS, GLASER, WEIL & SHAPIRO, LLP  
2121 AVENUE OF THE STARS  
EIGHTEENTH FLOOR  
LOS ANGELES, CALIFORNIA 90067-5010  
(310) 553-3000  
FAX (310) 556-2920

DIRECT DIAL NUMBER

SAN FRANCISCO OFFICE  
650 CALIFORNIA STREET, STE. 2200  
SAN FRANCISCO, CALIFORNIA 94108  
TELEPHONE (415) 288-1377  
FAX (415) 362-1021

(310) 556-7896

January 23, 1997

VIA FACSIMILE AND U.S. MAIL

Ms. Dominique Dillenseger  
Federal Election Commission  
999 E Street, NW  
Washington, DC 20463

MUR 4582

JAN 21 2 35 PM '97  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

Re: Indian-American Leadership Investment Fund

Dear Ms. Dillenseger:

Per your conversation with counsel yesterday, we are writing to reiterate that Indian-American Leadership Investment Fund ("IALIF") funds are being frozen, and will neither be disgorged nor expended until we have had the opportunity to request and receive a formal advisory opinion from the Federal Election Commission ("the Commission" or "FEC") regarding disgorgement issues.

There is an inconsistency between the Commission's present stated position with regard to disgorgement of the IALIF funds attributable to Lalit Gadhia's illegal fundraising activities (namely, that IALIF should disgorge funds to the United States Treasury), and its previously stated position (that IALIF may disgorge funds to charity). (Compare Ltr. from Dominique Dillenseger to Subodh Chandra of Dec. 13, 1996 with AO 1995-19, at p. 4 and 5.)

You have represented to us that this change in posture is attributable to the Commission's "Reason To Believe" ("RTB") finding that IALIF bears legal responsibility, on an "agency" theory, for Mr. Gadhia's misdeeds.<sup>1</sup> As we have previously indicated to you, we strongly dispute this finding on the ground, among others, that we, the IALIF, were victims of Mr. Gadhia's misdeeds. Therefore, we believe that the "RTB" finding and the disgorgement issue are inextricably linked, and must be addressed simultaneously.

<sup>1</sup> Much to our continued bafflement, you have also repeatedly maintained in our conversations that despite the change in the Commission's instructions to IALIF, the "RTB" finding is of little legal consequence and represents "merely a threshold finding." At this time, we do not address the paradoxical nature of these views.

Ms. Dominique Dillenseger  
January 23, 1997  
Page 2

We are currently gathering information that we expect will assist us in the preparation of our analysis of the misguided RTB finding, and hence, also with our formal request for an advisory opinion regarding the disgorgement issue.

In the meantime, and again, please be assured that IALIF funds attributable to Mr. Gadhia's illegal activities will not be expended or otherwise disgorged until these issues are resolved.

Separately, please be sure to send us copies of correspondence from campaign committees that are responding to your request for disgorgement to the Treasury, so that we may have some understanding as to why we have not heard back from some of these committees. Please also notify us in writing as to which campaign committees have disgorged the illegal funds to the Treasury.

This letter, and the views expressed herein, are communicated with full reservation of rights.

We hope that your New Year has been thus far prosperous and happy.

Very truly yours,



Subodh Chandra  
(Treasurer for Indian-American Leadership  
Investment Fund)

SC:bas


**BALTIMORE COUNTY PUBLIC SCHOOLS**

6901 Charles Street, Towson, MD 21204

Joan L. Powell, Coordinator, Community Relations

Telephone: 887-4310; Fax: 887-4308

January 22, 1997

TO: Dominique Dillenseger, Federal Election Commission  
FROM: Joan L. Powell   
RE: MUR 4582

Enclosed is a check in the amount of \$3000.00 to cover the "impermissible contributions" received by the Mfume For Congress campaign committee from the following:

Indian-American Leadership Investment Fund (\$1000.00)  
Sachindar Gupta (\$1000.00)  
Pradeep Perera (\$1000.00)

In response to an inquiry from a Mr. Subodh Chandra of the Indian-American Leadership Investment Fund, I have informed him that I have remitted the money in question to the United States Treasury and that he should contact the FEC should he have questions.

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OFFICE OF THE CLERK

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MFUME FOR CONGRESS  
P O BOX 2594  
BALTIMORE, MD 21215

2035

DATE JAN 28, 1997

7-177  
520  
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PAY TO THE  
ORDER OF

UNITED STATES TREASURY

\$ 3000.00

THREE THOUSAND

00  
100 DOLLARS

THE  
HARBOR BANK  
OF MARYLAND

BALTIMORE, MD 21201

DISBURSEMENT OF FUNDS:

MEMO IMPROVABLE CONTRIBUTIONS

(CHK 4580)

*Jan Lavel*

⑆052001772⑆2035⑆2100033166⑆

98643861184

IRWIN GREEN & DEXTER, L.L.P.  
ATTORNEYS AT LAW

SUITE 520, B & O BUILDING  
2 NORTH CHARLES STREET  
BALTIMORE, MARYLAND 21201-3754

DAVID B. IRWIN  
ROBERT B. GREEN  
VICKI L. DEXTER  
JOSEPH MURTHA

TELEPHONE  
(410) 625-4800  
TELECOPIER  
(410) 625-4806

January 29, 1997

Dominique Dillenseger, Esquire  
Federal Election Commission  
999 E. Street, N.W.  
Washington, D.C. 20463

RE: Uday Gadhia; MUR: 4582

Dear Ms. Dillenseger:

As we discussed this letter is a follow-up to my initial letter of January 2, 1997 and our recent telephone conversation with regard to the above-captioned matter.

First let me inform you that Uday Gadhia is an individual who has never been in any kind of trouble or difficulty with the legal system. He works as a lab technician and makes a very modest salary upon which he supports his wife and two children. His involvement with the Indian-American Leadership Investment Fund ("IALIF") was premised entirely upon his relationship with his uncle Lalit Gadhia. As you are fully aware, Mr. Gadhia was a highly regarded and politically well-connected attorney who asked his young nephew Uday to make a \$500.00 contribution to the IALIF, for which Mr. Lalit Gadhia told Uday he would be reimbursed.

The naive and youthful Uday had no reason to question the propriety of this procedure, because his honored and beloved uncle had instructed him what to do. Likewise, when Mr. Lalit Gadhia asked him if any of Uday's friends would be willing to help Indian politicians in the same way, Mr. Uday Gadhia had no clue that there was anything inappropriate in asking his friends to make similarly reimbursed contributions.

Naturally, Uday Gadhia now understands that it is inappropriate to allow one's name to be used to make such contributions. This was made quite clear during his full and complete cooperation with the Federal Government in the criminal prosecution of his own uncle, Lalit Gadhia. The Assistant United States Attorney for District of Maryland who was in charge of this investigation is Joseph L. Evans at the United States Attorney's Office for District of Maryland, 604 U.S. Court House, 101 W.

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OFFICE OF THE  
ATTORNEY GENERAL

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Dominique Dillenseger, Esquire  
January 29, 1997  
Page 2

Lombard Street, Baltimore, Maryland 21201-2692 at (410) 962-4822, ext. 395. Uday Gadhia was a completely truthful, willing and cooperative witness for the United States in the investigation of his uncle's case. Mr. Evans would be glad to confirm this.

Under all the circumstances surrounding this sad matter, it would seem most appropriate that Mr. Uday Gadhia be simply reprimanded and warned that this type of activity is not allowed in this country and that his naive and singular action should never be repeated. I assure you that it never will.

Thank you in advance for your cooperation and understanding.

Very truly yours,

*David B. Irwin*  
David B. Irwin

DBI/dcc  
cc: Uday Gadhia  
I3038

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FEDERAL ELECTION  
COMMISSION  
OFFICE OF

**WEINBERG & GREEN LLC**

FEB 14 10 27 AM '97

ATTORNEYS AT LAW  
SOUTH CHARLES STREET  
BALTIMORE, MARYLAND 21201-2773

TELEPHONE 410/332 8600  
WASHINGTON AREA 301/470 7400  
FACSIMILE 410/332 8862

STUART R. BERGER  
410/332 8662  
MCM42L BERGERSR.WSG  
Internet: BERGERSR.WSG@mcimail.com

FILE NUMBER

February 12, 1997

Dominic Dillenseger, Esquire  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

*Re: Satish Bahl and Vinay Wahi*  
**MUR 4582**

Dear Ms. Dillenseger:

This letter follows my previous letter to you dated December 9, 1996, and our telephone conversation on February 6, 1997.

On February 6, 1997, you contacted me to advise me that the Federal Election Commission was in the process of conducting an investigation, and gathering information with regard to this Firm's clients, Satish Bahl and Vinay Wahi. You requested the right to interview Messrs. Bahl and Wahi with regard to the factual and legal analysis outlined in MUR 4582. Thereafter, I immediately contacted Messrs. Bahl and Wahi to ascertain whether they would be able to meet with you in connection with the investigation.

Please be advised that Satish Bahl is presently in New Delhi, India with his wife. The Bahls are attending the wedding of their nephew in Amritsar, India, and are not scheduled to return to the United States until the middle of March. In that context, I suggest that I would make myself available to meet with you in lieu of Messrs. Bahl and Wahi. As I indicated to you during our telephone conversation, I represented these gentlemen in connection with the Federal Government's criminal prosecution of Lalit Gadia. As a result, I am well aware of the facts alleged in the FEC investigation, and am willing to cooperate fully with you in connection with that investigation. I suggest that after we meet, you will be able to make your own assessment on whether any violations were committed based on the activities alleged in the factual analysis. Further, assuming, for the sake of argument, that the allegations, if true, result in a technical violation of the Federal Election laws, there is no

WEINBERG & GREEN LLC

Dominic Dillenseger, Esquire

February 12, 1997

Page 2

indication, whatsoever, that any of the alleged activities were committed "knowingly" or "willfully."

I look forward to hearing from you so that we may arrange a mutually convenient time for us to meet in connection with the investigation.

Very truly yours,



Stuart R. Berger

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cc: Mr. Satish Bahl

Mr. Vinay Wahi

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U.S. Department of Justice

United States Attorney  
District of Maryland  
Northern Division

Lynne A. Battaglia  
United States Attorney

Joseph L. Evans  
Assistant United States Attorney

6625 United States Courthouse  
101 West Lombard Street  
Baltimore, MD 21201-2692

(410) 962-4822

(410) 962-2458 Ext. 395  
FAX (410) 962-3124

February 12, 1997

Dominique Dillenseger, Esquire  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

Re: Indian American Leadership Investment Fund  
Subodh Chandra, Treasurer  
MUR 4582

Dear Ms. Dillenseger:

I am writing this letter to you regarding the Federal Election Commission's (FEC) Reason To Believe ("RTB") finding that the Indian-American Leadership Investment Fund (IALIF) and its treasurer, Subodh Chandra, Esquire, are in violation of 2 U.S.C. §§ 441e and 441f.

As you know, this Office prosecuted Lalit H. Gadhia, a Baltimore, Maryland attorney for causing false statements to be made to the FEC in the context of the 1994 federal election cycle. Reduced to its most fundamental terms, the evidence compiled in the criminal investigation and presented at Mr. Gadhia's guilty plea, established that Mr. Gadhia injected money received from an Indian embassy official into the American electoral process through a series of nominees. The nominees were procured by Mr. Gadhia or by friends of his. Once the nominee contributions were obtained, the checks from those nominees were, in part, contributed to the IALIF for ultimate disbursement to federal candidates. Neither Mr. Chandra, nor any person associated with the IALIF, knew that the donations procured by Mr. Gadhia were from nominees or that the original source of the funds was the Indian embassy. Indeed, Mr. Chandra supplied correspondence between the IALIF and Mr. Gadhia in which Mr. Chandra insisted upon more complete biographical information pertaining to certain of the contributors because of the need to disclose such information accurately to the FEC.

Immediately upon the IALIF's discovery of the possibility that

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OFFICE OF CHIEF COUNSEL

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illegal contributions were funneled through the IALIF, the IALIF reported the matter to the FEC. In a similar vein, the IALIF and Mr. Chandra cooperated completely and forthrightly with the criminal investigation. It is beyond question that the very serious criminal conduct committed by Mr. Gadhia could not have been as successfully prosecuted as it was without the complete and candid cooperation of Mr. Chandra and the IALIF. You should understand, as well, that Mr. Chandra was the subject of much opprobrium in the Indian community because of his immediate decision, made without regard for personal self-interest, to report the possibility of illegally procured funds to the FEC and to assist this Office in the criminal investigation. Certainly Mr. Chandra could have been far more self-protective; he could have been coy or grudging in the supplying of information and documents; and he could have attempted to hedge his position so as to comply with the law while still shielding himself, the IALIF, or Mr. Gadhia. Without question, the openness and forthrightness with which Mr. Chandra dealt with the unfortunate situation was done with measurable personal loss for himself.

The IALIF, generally, and Mr. Chandra, in particular, trusted Mr. Gadhia who traded on that trust in order to achieve his own objectives. Mr. Gadhia was something of a mentor to Mr. Chandra, and it is clear to those of us involved in the criminal investigation that Mr. Gadhia cynically manipulated the IALIF in order to achieve ends that he knew neither the IALIF nor Mr. Chandra would tolerate. As a result, the IALIF, Mr. Chandra, and the other officials of the IALIF are most appropriately viewed as victims of Mr. Gadhia's actions.

I do not purport to understand the intricacies of the FEC process. It is, I suppose, understandable at a technical or theoretical level, for some kind of strict liability finding to be entered against the IALIF as an entity. However, before such a finding -- whether the finding is against the IALIF, or Mr. Chandra, or both -- is lodged in the public record, the equities of such action should be assessed in the overall context. The IALIF, for example, was a very small PAC, which, on its own, made only nominal, and largely symbolic, contributions. For that reason, it is difficult, as a practical matter, to separate the IALIF as a formal entity, from Mr. Chandra as the most visible member of that entity. Accordingly, this is a far different situation from that in which a named officer of a sophisticated and moneyed entity accepts responsibility for illegal conduct within that organization where the public knows that that individual is simply designated to do so. In the present situation, the scale of activity of the IALIF is so small that the potential stigma to Mr. Chandra, even in the context of a strict liability finding against the IALIF, is such that it is more reasonable to make no such finding.

Finally, considerations of fairness ought to inform any action

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taken by the FEC. In that regard, it is difficult to imagine circumstances more compelling than those present here. In this situation, the PAC and Mr. Chandra made every effort to comply with the law, and upon discovery of possible wrongdoing, they cooperated extensively with all official inquiries. For the FEC to take punitive action -- no matter how lenient the FEC may itself view that action -- may well convey an unintended message to other PACs which find themselves in a position to report wrongdoing possibly attributable to them. More importantly, such action simply does not seem to comport with common sense notions of essential justice.

I bring these matters to your attention in the spirit of cooperation between federal agencies both of whose missions are to insure that the public is protected from unethical and unscrupulous campaign practices. I trust that you will forward this letter to Chairman McGarry and the other commissioners, and obviously, it is my desire that the FEC consider this letter in reaching any decisions regarding the IALIF and Mr. Chandra. Of course, if Chairman McGarry or any of the other commissioners would like additional information, I would be happy to provide it.

Thank you for your attention to this matter.

Very truly yours,

Lynne A. Battaglia  
United States Attorney

By: Joseph A. Evans  
Joseph A. Evans  
Assistant United States Attorney

cc: Subodh Chandra, Esquire





FEDERAL ELECTION COMMISSION  
Washington, DC 20463

February 21, 1997

**BY FACSIMILE AND FIRST CLASS MAIL**

Charles H. Roistacher, Esquire  
Powell, Goldstein, Frazer & Murphy  
1001 Pennsylvania Avenue, N.W.  
Sixth Floor  
Washington, D.C. 20004

RE: MUR 4582  
Sudhir Trivedi  
Aruna Trivedi

Dear Mr. Roistacher:

In your letter of December 24, 1996, regarding the above-captioned matter, you provided copies of bank records of Sudhir and Aruna Trivedi, your clients, covering the period the Trivedis made their contributions to the Indian-American Leadership Investment Fund ("IALF"). Your letter states that "these records do not reflect any deposit or deposits that have been determined to be a reimbursement for Mr. & Mrs. Trivedi's October 11, 1994, contributions to IALF."

We appreciate your making available these records. To complete our review of this matter, we need documentation for the \$1,000 deposit to the Trivedi's Signet Bank account on October 25, 1994. Please state whether this was a check or currency deposit and the source of the deposit. Also please provide copies of the documents involved in the deposit. I can be reached at (202) 219-3690 if you have any questions.

Sincerely,

*Dominique Dillenseger*

Dominique Dillenseger  
Attorney





FEDERAL ELECTION COMMISSION  
Washington, DC 20463

February 21, 1997

**BY FACSIMILE AND FIRST CLASS MAIL**

Gerard P. Martin, Esquire  
Martin, Junghans, Snyder & Bernstein, P.A.  
Redwood Tower, Suite 2000  
217 East Redwood Street  
Baltimore, Maryland 21202

RE: MUR 4582  
Sachindar Gupta

Dear Mr. Martin:

In your response to the Commission's reason to believe notification in the above-captioned matter, you state that your client, Sachindar Gupta, told the United States Attorney's Office and the Federal Grand Jury "that he was not one of those who was reimbursed for contributions made through the Indian-American Leadership Investment Fund." You also request that the Commission "withdraw" its "reason to believe" letter and that I contact you by telephone to discuss this matter further. I have tried to reach you by telephone on several occasions and left messages with your secretary. To date, you have not responded.

As you know, the reason to believe finding is a threshold finding to start an investigation. The Commission is currently investigating this matter and has not made a final decision regarding Mr. Gupta. At this time, you have not submitted any documentation to support your contention that Mr. Gupta was not reimbursed for his contributions. Moreover, Mr. Gupta's assertion that he did not make any reimbursed contributions through the Indian-American Leadership Investment Fund is not germane to this matter because all of Mr. Gupta's contributions were made directly to candidate committees (see page 2 of the Factual and Legal Analysis).

Gerard P. Martin, Esquire  
Page 2

If Mr. Gupta wishes to cooperate in the Commission's investigation, we ask that he provide us with copies of relevant documentation, i.e., bank records, statements, deposit slips, check registers, copies of checks etc. covering the period during which the contributions were made (September-December 1994). To expedite this matter, please respond to this letter by close of business on Friday, February 28, 1997. Our facsimile number is (202) 219-3923. I can be reached at (202) 219-3690 if you have any questions.

Sincerely,

*Dominique Dillenseger*  
Dominique Dillenseger  
Attorney

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RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

**MONSHOWER & MILLER, LLP**  
ATTORNEYS AT LAW

FEB 26 4 07 PM '97

10440 LITTLE PATUXENT PARKWAY  
30 CORPORATE CENTER, SUITE 500  
COLUMBIA, MD 21044-3561

ALVIN C. MONSHOWER, JR.  
RICHARD L. MILLER  
GERARD G. MAGROGAN

TEL. 410-730-4860  
FAX 410-730-1093

OF COUNSEL  
THOMAS L. CROWE

February 25, 1997

BY FACSIMILE AND REGULAR MAIL  
(202) 219-3923

Dominique Dillenseger, Esq.  
Office of General Counsel  
Federal Election Commission  
Washington, D. C. 20463

Re: MUR 4582

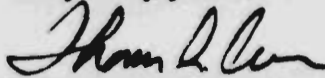
Dear Ms. Dillenseger:

This letter will confirm that on Tuesday, March 4, 1997 at 6:30 p.m. you will conduct a telephone interview of Dr. Ramamurthy.

Dr. Ramamurthy will be at my office and I understand you will place the telephone call.

Please contact me by Thursday, February 27, if you have any questions. I will be on the West Coast from February 28 through March 3 and may be difficult to reach during that period.

Very truly yours,

  
Thomas L. Crowe

TLC/djh  
cc: S.V. Ramamurthy, DDS

IRWIN GREEN & DEXTER, L.L.P.  
ATTORNEYS AT LAW

SUITE 520, B & O BUILDING  
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February 21, 1997

Dominique Dillenseger, Esquire  
Federal Election Commission  
999 E. Street, N.W.  
Washington, D.C. 20463

RE: Uday Gadhia; MUR: 4582

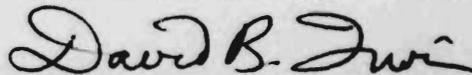
Dear Ms. Dillenseger:

Thank you very much for meeting with me and my client, Uday Gadhia last Wednesday in Baltimore. We appreciated the chance to speak with you and explain Uday's unfortunate and ignorant role in the matter you are investigating.

As we discussed, by this letter I am officially informing you that Mr. Gadhia would like to pursue pre-probable cause conciliation in this matter pursuant to 11 C.F.R. Section 111.18(d).

Thank you for your kind and anticipated consideration in this matter.

Very truly yours,



David B. Irwin

DBI:lac  
cc: Mr. Uday Gadhia  
I3066

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FEDERAL ELECTION COMMISSION  
OFFICE OF THE CLERK

LAW OFFICES  
**BROWN, GOLDSTEIN & LEVY, LLP**

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JOSEPH B. ESPO\*  
THERESE L. STAUDENMAIER  
MARTIN H. SCHREIBER II\*  
SHARON STANLEY STREET  
LAUREN E. WILLIS

\*\*ALSO ADMITTED IN DC & NJ

\*ALSO ADMITTED IN DC

February 24, 1997

Federal Election Commission  
Washington, DC 20463

Re: MUR 4582

Dear Commissioners:

On behalf of our client, Lalit H. Gadhia, we are writing to request that your office withdraw the reason-to-believe letter you have issued, and/or find no probable cause, in the above-referenced matter.

We have serious concerns about the FEC's belated pursuit of this matter. When these charges first arose, we repeatedly urged the Department of Justice to refer this matter to the FEC for civil prosecution rather than criminal prosecution. DOJ refused to do so, and the FEC never expressed any interest in the matter. We then negotiated a plea agreement with DOJ in reliance on the fact that only DOJ was pursuing charges, and that DOJ was representing all of the interests of the United States. In fact, at the plea and sentencing hearing in this matter, the AUSA prosecuting Mr. Gadhia repeatedly referred to his decisions and positions as those of "the Government" and "the United States." It is outrageous for the FEC, having known of these charges since at least May of 1995, and then having stood idly by for a year and a half as Mr. Gadhia negotiated a plea agreement in good faith with DOJ, to now pile on additional civil charges.

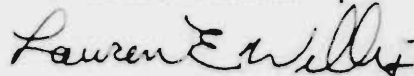
Furthermore, assessing additional penalties against Mr. Gadhia at this time would be wringing blood from a stone. Mr. Gadhia is already serving a sentence of three months of incarceration, six months of home detention with electronic monitoring, and two years of supervised probation pursuant to his guilty plea in this matter. He has been disbarred and has thereby lost his source of livelihood. As found by the District Court judge in determining not to impose a fine, Mr. Gadhia has no assets.

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BROWN, GOLDSTEIN & LEVY, LLP  
Commissioners of the FEC  
February 24, 1997  
Page 2

Enclosed please find a formal response to the so-called  
Factual and Legal Analysis upon which you claim to have relied in  
making your reason to believe finding.

Very truly yours,



Daniel F. Goldstein  
Lauren E. Willis

Enclosure

cc: Dominique Dillenseger, Esq. (w/ encl.)

96043381196



**LALIT H. GADHIA'S RESPONSE TO THE  
FEDERAL ELECTION COMMISSION'S FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Lalit Gadhia

**MUR:** 4582

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under 2 U.S.C. § 437g(a)(2). The FEC received a complaint from Subodh Chandra, President of IALIF, regarding this matter and identifying Lalit Gadhia as respondent in or before May 1995.<sup>1</sup> Pursuant to 2 U.S.C. § 437g(a)(1) and 11 C.F.R. §§ 111.5-111.6, the FEC was required to notify Mr. Gadhia, as a respondent identified in the complaint, within five days of receipt of the complaint, and to provide him with an opportunity to respond to the allegations contained therein. Mr. Gadhia never received such notice and opportunity to respond, and the FEC is now, over a year and a half (500 plus days) after the five day notification period expired, legally time-barred from pursuing this matter. See Rose v. Federal Elections Comm'n, 608 F. Supp. 1, 6 (D.C.D.C. 1984) (on remand) ("The enforcement provisions of the [Federal Elections Campaign Act] are studded with short deadlines evidencing Congress's expectation that the Commission would exercise with good speed its power to investigate and conduct hearings expeditiously, encourage voluntary compliance and report apparent violations for specific enforcement. Section 437g(a)

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<sup>1</sup> If Mr. Chandra's complaint, which has not been publicly released by the FEC, was not in the form required by 2 U.S.C. § 437g(1), the FEC had the obligation to inform Mr. Chandra of the requirements of that subsection. To do otherwise is to render the five day notification requirement a nullity, as the vast majority of complainants will not be so familiar with Title 2 as to know the form required.

allows the Commission only five days after the receipt of a complaint to notify the person charged in the complaint."); id. at 11 & 12 (holding that 175 day delay between FEC's receipt of complaint and issuance of reason to believe letter was unreasonable delay and contrary to law).

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The next factual inaccuracy is the statement that Mr. Gadhia promised to reimburse each person he solicited to contribute money to candidates during the 1993-94 election cycle. To the contrary, Mr. Gadhia spent most of the election cycle engaging in the democratic process in an appropriate manner--by encouraging people to support various candidates with personal financial contributions. Near the end of the cycle, Mr. Gadhia violated the law by offering to reimburse several people for their contributions. Although at that time, Mr. Gadhia did not consider whether or not this was a violation of any statute, Mr. Gadhia did knowingly cause a false statement to be filed with the FEC, a federal agency. Mr. Gadhia has admitted his crime and has been fully and completely prosecuted by the United States Government and punished therefor.

Next the Analysis claims that the Statement of Facts served as the basis of Mr. Gadhia's plea agreement. While guilty pleas are often based on a Stipulated Statement of Facts, stipulated to

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by both the defendant and the United States Government, there was no stipulation here. Mr. Gadhia was not asked to affirm--nor did he affirm--the accuracy of the Statement of Facts, but only his guilt of the offense charged in the Information. Because Mr. Gadhia was led to believe that the criminal charge was the only punishment that the United States Government was seeking to impose upon him, and because the precise facts in the Statement of Facts were for the most part irrelevant to the criminal charge, he had no reason to verify their accuracy.

The next false statement is the statement that the funds originated from Devendra Singh. To the contrary, Mr. Gadhia was led to believe that the funds originated from wealthy Indian-Americans who had already donated up to the limits for a single election, and that Mr. Singh was merely delivering their money to Mr Gadhia. Mr. Gadhia had no evidence that Mr. Singh could have afforded to donate the money on his own, nor that he would have had any reason to donate his money to American political candidates.

The claim that there is a link between the Indian Embassy and the funds is also a false statement. To Mr. Gadhia's knowledge, there is no link between the money and the Embassy. Although Mr. Gadhia's secretary sent Mr. Singh an Airborne

Express package at the Embassy, this is because Mr. Singh works at the Embassy, and therefore the Embassy will accept Airborne Express packages there for Mr. Singh, as they presumably would do for any employee. In fact, Mr. Gadhia expressly asked Mr. Singh whether the money was government money, and Mr. Singh told him it was not.

The next false statement is the statement that "Mr. Gadhia's documents reflect a total of \$60,800 of reimbursed contributions." Although the Analysis does not explain what documents it is referring to, Mr. Gadhia knows that he reimbursed only between \$44,000 and \$45,000 of contributions. He knows this because he was given a total of \$60,000 from Mr. Singh, and he returned between \$15,000 and \$16,000 to Mr. Singh. Although Mr. Gadhia was able to generate approximately \$60,000 of contributions to support IALIF and individual candidates, a number of the individuals that Mr Gadhia offered to reimburse for their contributions declined reimbursement. The United States Government, after its prompt and thorough criminal investigation, never claimed that the reimbursements exceeded \$46,400.<sup>2</sup>

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<sup>2</sup> Although this number is slightly larger than the actual amount, the difference may be to a mathematical or other mistake. Mr. Gadhia had no reason to battle with the United States over the accuracy of this number because it could not affect his guilt



It is also a false statement that Mr. Gadhia listed any contributions in his personal records as being reimbursed. Although again the Analysis does not explain what records it is referring to, Mr. Gadhia denies making any such records, and the Federal Bureau of Investigation, which seized Mr. Gadhia's records for purposes of criminal prosecution by the United States Government, made no claim that such records existed. Indeed, the Assistant United States Attorney who prosecuted Mr. Gadhia, Joseph Evans, has confirmed that he knows of no factual basis for the Analysis' claim that such records exist.

The statement that an "additional \$57,300 contributed to federal political committees by reimbursed individuals is also reflected in the federal disclosure reports" is also false. Since only between \$44,000 and \$45,000 was reimbursed, the \$57,300 figure is plainly wrong.

The statement that many of the individuals who were solicited by Mr. Gadhia "confirm the information in Mr. Gadhia's records and the Statement of Facts" is erroneous. As Mr. Gadhia denies making any such personal records, other individuals could not possibly confirm these so-called records. Further, as much

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or sentence in the criminal case.



of the information in the so-called Statement of Facts is false, other individuals could not possibly confirm these so-called facts.

20043001205  
The next false statement is that Mr. Gadhia "solicited, accepted, and received contributions from a foreign national." There is no evidence that Mr. Gadhia solicited funds, or that they came from a foreign national. Rather, Mr. Singh offered the money to Mr. Gadhia, and Mr. Gadhia accepted it. Mr. Gadhia certainly did not think that Mr. Singh was offering his own money--Mr. Singh gave Mr. Gadhia no reason to think he was so wealthy or so generous. Rather, in light of Mr. Singh's unequivocal representation that the funds were not government money, Mr. Gadhia made the only reasonable assumption under the circumstances--that the funds were from individual Indian-Americans who had already donated up to the donation limits for that election. In light of the fact that the money was to be used to support IALIF and to increase the visibility of Indian-Americans in the American political process, there was no incentive for anyone other than Indian-Americans to contribute funds.

The conjecture that Mr. Gadhia "knew that it was illegal for the Indian Embassy to contribute funds" incorrectly presumes that

the funds came from the Indian Embassy, and is false. Mr. Gadhia was told that the money was not government money. Mr. Gadhia knew that it is illegal to act as an agent of a foreign government without so registering, and he therefore made certain that the money was not government money prior to accepting it. Mr. Gadhia's so-called "elaborate"--in fact quite simple--efforts to mask the source of the funds underscores only that he knew that the funds needed to be contributed in the names of others in order for the candidates to accept the funds. At the time, he was not aware that this was a crime, but he did know that if Indian-Americans who had already donated up to the maximum amount for an election cycle donated the money directly, the money would be returned to them by the individual candidates.

Finally, the statement that "there is reason to believe that Lalit Gadhia knowingly and willfully violated 2 U.S.C. § 441f and 441e" is both factually false and legally baseless. Regarding § 441e, there is no evidence that Mr. Gadhia violated this section, because there was no indication that the money was from a foreign source. There is no evidence that Mr. Gadhia knowingly and willfully violated § 441e, because if it was foreign money, he did not know it. Regarding § 441f, as accurately stated in the Analysis, "[t]he knowing and willful standard requires knowledge

that one is violating the law." Because Mr. Gadhia did not know it was a crime for him to reimburse the donations as he did, he did not knowingly and willfully violate § 441f. He did know that he caused a false statement to be made when he caused the reports to the FEC to contain names of nominee contributors rather than the names of the original sources of the funds. He pled guilty to this charge, and has been thoroughly and completely prosecuted by the United States and punished therefor.

Beyond these inaccuracies in the Factual and Legal Analysis, which in and of themselves should lead the FEC to find no probable cause, there are further reasons for the FEC to cease and desist all proceedings against Mr. Gadhia.

First, institution of FEC proceedings against Mr. Gadhia at this time violates the Double Jeopardy Clause of the Constitution, and violates the contractual terms of the Plea Agreement entered into in this case as represented by the United States Government in open court.

When this matter first arose, Mr. Gadhia, by and through his undersigned counsel, repeatedly urged the United States Department of Justice ("DOJ") to refer this matter to the FEC for conciliation and/or civil prosecution rather than criminal prosecution. DOJ refused to do so, and the FEC never expressed

any interest in the matter, either before or after the five-day statutory notice period. Mr. Gadhia and his undersigned counsel then negotiated a contractually binding Plea Agreement with DOJ in good faith reliance on the facts that only DOJ was pursuing charges, and that DOJ was representing all of the interests of the United States. In open court at the plea and sentencing hearing in this matter, the Assistant United States Attorney prosecuting Mr. Gadhia, Joseph Evans, repeatedly referred to his decisions and positions as those of "the Government" and "the United States." Further, DOJ never requested any waiver of Mr. Gadhia's Double Jeopardy rights, as DOJ must in order to preserve FEC civil enforcement jurisdiction, according to DOJ's handbook, *Federal Prosecution of Elections Offenses* (U.S. Department of Justice, Criminal Division, Public Integrity Section, 6th ed. 1995) at 126.<sup>1</sup>

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<sup>1</sup> The text of the handbook provides that, in order not to adversely affect the FEC's civil enforcement jurisdiction, any plea agreement involving activities that fall within the terms of the Federal Election Campaign Act must contain an express disclaimer of rights as follows:

*Nothing in this agreement waives or limits in any way the authority of the Federal Election Commission to seek civil penalties or other administrative remedies for the violations of the Federal Election Campaign Act pursuant to Section 437(g) of Title 2, United States Code.*

Mr. Gadhia's Plea Agreement contains no such disclaimer.

As a consequence of the entry of Mr. Gadhia's guilty plea, he was sentenced to three months of incarceration, six months of home detention with electronic monitoring, and two years of supervised probation. Further sanctions imposed by the FEC in this case would constitute multiple punishments for the same conduct, in violation of the Double Jeopardy Clause.

Second, the FEC, as has recently been well-publicized in The Washington Post, has many serious unresolved complaints of election law violations pending, yet has been unable to pursue the bulk of the complaints. Mr. Gadhia, in contrast, has already been fully sanctioned by the United States Government for his involvement in this matter. For the FEC to spend its apparently scarce resources on further punishing Mr. Gadhia creates only a false image of an effective Government agency, when, in fact, FEC pursuit of Mr. Gadhia is merely a belated attempt to piggyback on work already performed by another United States agency that succeeded in fully vindicating all of the Government's interests in the matter. In truth, pursuit of Mr. Gadhia at this time is an unwise and inefficient use of resources. For the FEC to so impede Government efficiency and economy violates 11 C.F.R. § 7.7(c).

Third, Mr. Gadhia has already received punishment for his



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actions in this matter and has been found by a United States Court to lack the financial resources to pay a fine. There is literally nothing to be gained by the FEC in pursuing this matter at this time: Mr. Gadhia has already received a punishment calculated by the Court to be sufficiently severe to deter him and others from the types of actions he has taken and to punish him for his actions; and the FEC can not financially profit from Mr. Gadhia because he has no assets and because he has been disbarred and therefore has no secure source of future income. Fair enforcement of the election laws by the federal Government is necessary to ensure the confidence of the public in the integrity of the Government. Instituting proceedings against an insolvent man who is already being punished for his wrongdoings, to which he has fully admitted in open court, over a year and a half after notice was given to the FEC of the matter, is unfair, and adversely affects the confidence of the public in the Government, specifically in the FEC, in violation of 11 C.F.R. § 7.7(f).

That the FEC has nothing legitimate to gain by pursuing Mr. Gadhia, but will merely waste Government resources in violation of 11 C.F.R. § 7.7(c), raises the specter that the FEC is pursuing this matter not in pursuit of "honest, independent and



impartial monitoring and enforcement of federal election law" as required by 11 C.F.R. § 7.1(a), but rather in pursuit of Republican Congressional approval in violation of 11 C.F.R. §§ 7.7(b) & (d). The FEC's pursuit of this matter appears directly calculated to ingratiate the FEC to Congressman Burton, who is spearheading the current Congressional inquiry into the FEC's incompetence. Most of Mr. Gadhia's contributions went to Democratic candidates, and most were given in the names of IALIF or individual Indian-Americans. Congressman Burton is well-known to be opposed to Democrats and to the interests of the Indian-American community. That the FEC would exploit the case of a thoroughly-punished man because he is Indian-American and a Democrat violates the Equal Protection component of the Due Process Clause of the United States Constitution.

Further, pursuing Mr. Gadhia after he has already pled guilty to a felony and received criminal punishment is completely inequitable compared to the treatment of others who have been pursued for similar and far more serious allegations in the past. Although the FEC did not prosecute Mr. Gadhia or impose sentence upon him, the existence of that prior prosecution and punishment, by the Justice Department of the United States Government and the Judicial Branch of the United States, cannot be ignored by the

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FEC, an agency of the United States. Publicly available records reveal only six other cases in which criminal charges have been pursued (*Hyundai Motor*, *Korean Airlines*, *Lake*, *Curran*, *Goland*, and *Hopkins*; only *Lake* and *Hopkins* resulted in felony convictions), and in none of these cases did the FEC then attempt a second pursuit of the defendants. In no case involving even the knowing use of foreign money, for example *Sports Shinko Co.*, the "Hawaiian Cases", *Hyundai Motor*, and *Korean Airlines*, have both DOJ and the FEC pursued the individuals in an attempt to sanction them twice.<sup>4</sup> Even cases involving many individuals and vast sums of money, such as *Prudential Securities, Inc.*, *Stanley Kaplan*, *New Enterprise Stone and Lime Company*, and the "Hawaiian Cases", did not result in anything further than a single civil penalty. To treat Mr. Gadhia disproportionately from this well-established precedent of single prosecutions, would be arbitrary and capricious, in violation of the Administrative Procedure Act.

In sum, the so-called factual and legal basis for pursuing Mr. Gadhia under the Federal Elections Campaign Act is


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<sup>4</sup> It is notable that Congress placed foreign national money on a par with national bank money, union money, and the like, in that they are all treated similarly under FECA--all result in the same sanctions. Foreign money, then, was not targeted as a zero tolerance item posing a greater threat to the United States.

nonexistent, and pursuit of Mr. Gadhia by the FEC at this time violates Mr. Gadhia's double jeopardy and equal protection rights, breaches his plea bargain contract with the United States, wastes Government resources, contravenes the Administrative Procedure Act, and is just plain unfair. The FEC should cease all further pursuit of Mr. Gadhia immediately.

Respectfully submitted,

Dated: February 24, 1997

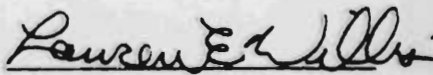
  
Daniel F. Goldstein  
Lauren E. Willis  
Brown, Goldstein & Levy, LLP  
300 Maryland Bar Center  
520 West Fayette Street  
Baltimore, Maryland 21201  
(410) 659-0717

Attorneys for Respondent

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that three copies of the foregoing Response to the Federal Election Commission's Factual and Legal Analysis were mailed, postage prepaid, first class mail, this 24<sup>th</sup> day of February, 1997 to:

Federal Election Commission  
999 E Street, NW  
Washington, DC 20463

  
Lauren E. Willis

MARTIN, JUNGHANS, SNYDER & BERNSTEIN, P.A.  
ATTORNEYS AT LAW

REDWOOD TOWER  
SUITE 2000  
217 EAST REDWOOD STREET  
BALTIMORE, MARYLAND 21202  
TELEPHONE 410/547-7163  
FACSIMILE 410/547-1605

GERARD P. MARTIN  
PAULA M. JUNGHANS  
DAVID L. SNYDER  
GREGG L. BERNSTEIN

KIMBERLY DUNN SPELMAN  
CAROLINE DELISLE KLEPPER  
WILLIAM S. HEYMAN

OF COUNSEL  
STEVEN J. SIBEL

410-547-8764

February 25, 1997

Dominique Dillenseger, Esquire  
Office of the General Counsel  
Federal Election Commission  
Washington, D.C. 20463

FEB 27 10 00 AM '97

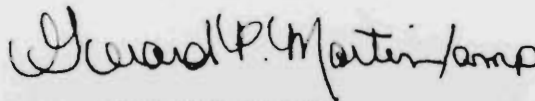
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

Re: MUR 4582/Sachinder Gupta

Dear Ms. Dillenseger:

In response to your February 21, 1997 letter, Mr. Gupta no longer has in his possession the documentation you have requested. While I would like to supply you with this documentation, Mr. Gupta turned it over to the U.S. Attorney's Office and FBI during the investigation. You will have to contact the U.S. Attorney's Office to obtain the documentation you have requested.

Very truly yours,



Gerard P. Martin

cc: Sachinder Gupta  
GPM/amp  
doc. #16517.01

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**MONSHOWER & MILLER, LLP**

Attorneys At Law

10440 LITTLE PATUXENT PARKWAY  
30 CORPORATE CENTER, SUITE 500  
COLUMBIA, MD 21044-3561ALVIN C. MONSHOWER, JR.  
RICHARD L. MILLER  
GERARD G. MAGROGANTEL. 410-730-4860  
FAX. 410-730-1093OF COUNSEL  
THOMAS L. CROWE

February 27, 1997

**BY TELEFACSIMILE**  
(202) 219-3923Dominique Dillensenger, Esquire  
Federal Election Commission  
Washington, DC 20403

FEB 27 5 21 PM '97

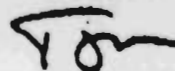
RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERALRe: MUR 4582  
S.V. Ramamurthy, D.D.S.,  
Respondent  
Our File No.: 1902.001

Dear Ms. Dillensenger:

As you requested, I am writing to confirm the telephone interview of Dr. Ramamurthy beginning at 11:30 a.m. Tuesday, March 4. Dr. Ramamurthy will be at my office and you will place the call.

As we discussed over the telephone today, the telephone interview will have to terminate at 12:30 p.m. so that Dr. Ramamurthy can keep a 1:00 p.m. appointment. You indicated that you believed the interview could be concluded in one hour, and I agreed that we would cooperate should there be any need to follow up.

Very truly yours,



Thomas L. Crowe

TLC/nlw

cc: S.V. Ramamurthy, D.D.S.

**Eric D. Fingerhut**

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

MAR 3 2 39 PM '97

February 5, 1997

Ms. Dominique Dillenseger  
Federal Election Commission  
999 E Street NW  
Washington, D C 20723

RE: MUR 4582

Dear Ms. Dillenseger

Pursuant to the Federal Election Commission's letter dated December 2, 1997<sup>6</sup> and subsequent telephone conversations, we request the following

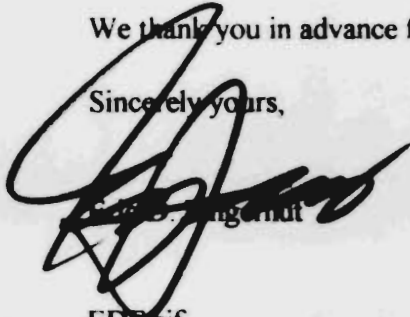
- submission of partial re-payment equal to \$250.00, and
- petition for a period of time not to exceed six months for full re-payment.

Though we had no knowledge of any concerns regarding this contribution, we acknowledge the seriousness of the matter and will make every effort to repay the full amount as soon as possible.

Please feel free to call Mr. Steve Ferris of our staff if there are any further questions. He can be reached at 216-561-7663.

We thank you in advance for your cooperation.

Sincerely yours,



EDF/sjf

enclosure

cc: Mike Mayor

**2775 South Moreland Boulevard #200  
Cleveland, Ohio 44120  
561-7663 561-1942 (fax)**

Paid for and authorized by: Friends of Eric Fingerhut Campaign Committee, Steve Ferris, Treasurer  
(all labor donated.)



FRIENDS OF CONGRESSMAN FINGERHUT  
P O Box 24233  
Mayfield Heights, Ohio 44124

1324

6-12/410  
BRANCH 3

PAY  
TO THE  
ORDER OF

*January 23* 19*97*

\$ *250.00*

*Two hundred fifty and 00/100*

DOLLARS

**National City** Bank  
Cleveland, Ohio

FOR

*[Signature]*

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POWELL, GOLDSTEIN, FRAZER & MURPHY LLP

ATTORNEYS AT LAW

www.pgfm.com

PLEASE RESPOND: Washington Address

Sixteenth Floor  
101 Pennsylvania Avenue, N.E.  
Atlanta, Georgia 30303  
404-572-6000  
Facsimile 404-572-6009

Sixth Floor  
1001 Pennsylvania Avenue, N.W.  
Washington, D.C. 20004  
202-347-0000  
Facsimile 202-624-1222

March 10, 1997

**VIA FACSIMILE**  
**& FIRST CLASS MAIL**

Dominique Dillenseger, Esq.  
Office of General Counsel  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

Re: **MUR 4582**

Dear Ms. Dillenseger:

Thank you for your letter of February 21, 1997, indicating that the Commission is nearing completion of its review of this matter. We have spoken to Mr. Trivedi regarding the additional documentation you requested. He has told us that the specific transaction who inquired about was one of several large cash deposits of personal funds he and/or Mrs. Trivedi made to their personal bank accounts during the fall of 1994.

Specifically, Mr. Trivedi has identified the following transactions as cash deposits of personal funds:

| <u>Date</u> | <u>Amount</u> | <u>Financial Institution</u>  |
|-------------|---------------|-------------------------------|
| 9/14/94     | \$2,000       | 1st National Bank of Maryland |
| 10/12/94    | \$800         | 1st National Bank of Maryland |
| 10/12/94    | \$800         | Signet Bank                   |
| 10/25/94    | \$1,000       | Signet Bank                   |

Mr. and Mrs. Trivedi did not retain the deposit slips documenting these cash deposits. As you requested, we have asked Mr. and Mrs. Trivedi to contact both Signet Bank and First National Bank of Maryland to see if either financial institution has the documentation you requested. We will, of course, forward any such documentation to you if it still exists.

We certainly hope that this matter can be resolved as expeditiously as possible. As you know, Mr. & Mrs. Trivedi cooperated fully with a lengthy FBI, United States Attorney and grand jury investigation in the District of Maryland into Mr. Gadhia's fundraising activities on behalf of the IALIF. The United States Attorney's investigation of Mr. Gadhia never developed

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FBI  
WASHINGTON, D.C.

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Dominique Dillenseger, Esq.  
March 10, 1997  
Page 2

any evidence to indicate that Mr. & Mrs. Trivedi were reimbursed for their contributions to the IALIF. Neither was ever called to testify before the grand jury investigating Mr. Gadhia's fundraising activities on behalf of the IALIF. Moreover, neither Mr. nor Mrs. Trivedi were ever targets of the grand jury's investigation, nor were they ever charged with any criminal violation of the Federal Election Campaign Act or any other federal statute. Indeed, the lead prosecutor in Mr. Gadhia's investigation, Assistant United States Attorney Joseph Evans, has confirmed to us that he was unaware of any documents which indicated that Mr. & Mrs. Trivedi were reimbursed for any of their contributions.

I would be glad to meet with you at the earliest opportunity to discuss an expeditious conclusion to this matter.

Sincerely,



Charles H. Roistacher

CHR/bk

cc: Mr. Sudhir Trivedi  
Ms. Aruna Trivedi

95043581217

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL

MAR 31 2 14 PM '97

1253 C Street, S. E.  
Washington, D. C. 20003

March 21, 1997

MUR 4582

Dear Mr. Noble:

Mr. Erik Morrison of your staff has thoughtfully provided a copy of your December 2, 1996, letter to me which I did not receive in the mail.

Accordingly, I am enclosing a check for \$3,000.00 made out to the United States Treasury as you requested. If you need to discuss this further, please let me know. I can always be reached through 202 543 4183.

Sincerely,

*Leona W. Dexter*

Leona W. Dexter, Treasurer  
Committee to Re-elect Tom Foley

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

Enclosure

9304368122C

Committee to Re-elect Tom Foley  
1253 C St., S.E.  
Washington, D.C. 20003,

4000

March 21 19 97 <sup>15-324</sup>/<sub>540</sub>

PAY  
TO THE  
ORDER OF

United States Treasury

\$ 3,000.00

- three thousand + <sup>10</sup>/<sub>100</sub> -

DOLLARS



**RIGGS**

The Riggs National Bank of Washington, DC  
Member FDIC  
Washington, DC 20004-4770

THOMAS S. FOLEY COMMITTEE

FOR refund requested by FCC

*Thomas S. Foley*

⑈004000⑈ ⑆054000030⑆

07679883⑈

122143009

MARTIN, JUNGHANS, SNYDER & BERNSTEIN, P.A.  
ATTORNEYS AT LAW

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217 EAST REDWOOD STREET  
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CAROLINE DELISLE KLEPPER  
WILLIAM S. HEYMAN

OF COUNSEL  
STEVEN J. SIBEL

410-547-8764

April 11, 1997

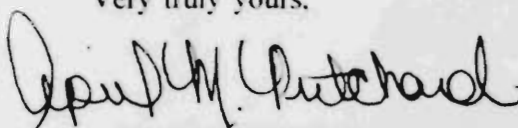
Dominique Dillenseger, Esquire  
Office of the General Counsel  
Federal Election Commission  
Washington, D.C. 20463

Re: MUR 4582 Sachinder Gupta

Dear Ms. Dillenseger:

Enclosed please find the documents you requested. As these are original documents, please return them to our office once you have completed your review.

Very truly yours,



April M. Pritchard  
Legal Secretary to  
Gerard P. Martin

Enclosures

cc: Sachinder Gupta  
GPM amp  
doc. #18291.01

APR 14 3 02 PM '97  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF THE  
GENERAL COUNSEL



**SACHINDER N. GUPTA**

**INVENTORY OF PERSONAL BANK RECORDS**

1. 1/93 - 9/93 Checkbook Register
2. 9/93 - 4-94 Checkbook Register
3. 4/94 - 11/94 Checkbook Register
4. 11/94 - 5/95 Checkbook Register
5. 6/95 - 12/95 Checkbook Register
6. 1/96 - 5-96 Checkbook Register
7. 6/96 - 12/96 Checkbook Register

**Gold Leaf Maryland National Bank Statements**  
**Account No.:**

8. 1/25/93 Statement
9. 2/22/93 Statement
10. 3/23/93 Statement
11. 4/26/93 Statement
12. 5/24/93 Statement
13. 6/21/93 Statement
14. 7/26/93 Statement
15. 8/24/93 Statement
16. 9/24/93 Statement
17. 10/25/93 Statement
18. 11/23/93 Statement

93043001223

**Gold Leaf Maryland National Bank Continued . . .**

19. 12/23/93 Statement  
20. 1/24/94 Statement  
21. 2/22/94 Statement  
22. 3/23/94 Statement  
23. 4/25/94 Statement  
24. 5/24/94 Statement  
25. 6/23/94 Statement  
26. 7/25/94 Statement  
27. 9/19/94 Statement  
28. 10/17/94 Statement  
29. 10/20/94 Statement

**NationsBank Statements**  
**Account No.:**

30. 11/16/94 Statement  
31. 12/16/94 Statement  
32. 1/18/95 Statement  
33. 2/14/95 Statement  
34. 3/20/95 Statement  
35. 9/18/95 Statement  
36. 10/18/95 Statement

**NationsBank Continued . . .**

37. 11/16/95 Statement
38. 12/15/95 Statement
39. 1/18/96 Statement
40. 2/15/96 Statement
41. 3/18/96 Statement
42. 4/16/96 Statement
43. 5/16/96 Statement
44. 6/17/96 Statement
45. 7/17/96 Statement
46. 8/16/96 Statement
47. 9/17/96 Statement
48. 10/16/96 Statement
49. 11/18/96 Statement
50. 12/16/96 Statement
51. 1/16/97 Statement



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

April 16, 1997

**BY FACSIMILE AND FIRST CLASS MAIL**

Gerard P. Martin, Esquire  
Martin, Junghans, Snyder & Bernstein, P.A.  
Redwood Tower, Suite 2000  
217 East Redwood Street  
Baltimore, Maryland 21202

RE: MUR 4582  
Sachinder Gupta

Dear Mr. Martin:

This is to acknowledge receipt of certain bank records pertaining to your client, Sachindar Gupta, and to request those records which are left to be produced pursuant to our original request for documentation.

The financial information we have received thus far includes: original bank statements for the Gold Leaf Maryland National Bank account and NationsBank account for the period January 25, 1993, through January 16, 1997, with corresponding checkbook registers for the period January 1993, through December 1996; original bank statements for the Maryland National Bank checking account and Nationsbank checking account for the period December 10, 1993, through April 14, 1995; and, sixteen contribution checks issued between November 30, 1993, and November 11, 1994.

These records are, however, incomplete as to our original request for documentation. As indicated in our letter dated February 21, 1997, we requested all relevant documentation covering the period during which the contributions were made, including, but not limited to, bank statements, bank records, deposit slips, check registers and copies of checks. The items which have not been produced include: check number 346, dated November 11, 1994, drawn on the Maryland National Bank and made out to "McDermott for Congress"; bank statements for any other checking or savings account under Mr. Gupta's name (the Maryland National Bank account reflects several transfers from a checking account identified as "GUK") and corresponding checkbook registers; checkbook registers for the Maryland National Bank account and NationsBank account and, copies of deposit slips and deposit items for all deposits whose source is not reflected on the face of the bank statement. Please respond to this

Gerard P. Martin, Esquire  
Page 2

letter no later than close of business on Wednesday, April 23, 1997. Our facsimile number is (202) 219-3923. I can be reached at (202) 219-3690 if you have any questions.

Sincerely,

*Dominique Dillenseger*

Dominique Dillenseger  
Attorney

9 0 0 4 3 5 6 1 2 2 7

RECEIVED  
FEDERAL ELECTION  
COMMISSION MAIL ROOM

APR 21 1 31 PM '97

March 20, 1997

Federal Election Commission  
999 E. Street, NW  
Washington, DC 20463

MUR-4582

Dear Sirs:

Enclosed you will find a check in the amount of \$3,000.00 from the Swett for Congress Committee. Upon receipt of your letter dated 12/2/96 advising us that the "IALIF" had made improper contributions completely unbeknownst to our Committee, we contacted your office on 12/6/96 for advice and instruction on how to proceed in this matter. In accordance with the information provided by Dominique Dillinseger and Eric Morrison of the Office of General Counsel we are herewith enclosing a check for \$3,000.00 payable to the United States Treasury.

We very much appreciate your efforts to assist us in fully complying with the FECA. Kindly advise us if any further action is required by us in this matter.

Sincerely,

The Swett for Congress Committee

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98043061222



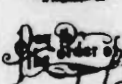
DICK SWETT CONGRESS COMMITTEE 1-01

2322

P. O. BOX 1937  
BOW, NH 03304

3/20 97

54-192/114



United States Treasury

\$ 3000<sup>00</sup>/<sub>100</sub> XX

Three Thousand & 00/100

2000000

Bow Mills Bank and Trust  
Bow, NH 03304

Danise Geron

⑆011401928⑆ 0100 6762 2322

MARTIN, JUNGHANS, SNYDER & BERNSTEIN, P.A.  
ATTORNEYS AT LAW

REDWOOD TOWER  
SUITE 2000  
217 EAST REDWOOD STREET  
BALTIMORE, MARYLAND 21202  
TELEPHONE 410/547-7163  
FACSIMILE 410/547-1605

GERARD P. MARTIN  
PAULA M. JUNGHANS  
DAVID L. SNYDER  
GREGG L. BERNSTEIN

KIMBERLY DUNN SPELMAN  
CAROLINE DELISLE KLEPPER  
WILLIAM S. HEYMAN

OF COUNSEL  
STEVEN J. SIBEL

410 547-8764

April 21, 1997

Dominique Dillenseger, Esquire  
Office of the General Counsel  
Federal Election Commission  
Washington, D.C. 20463

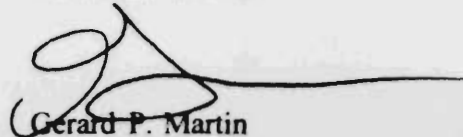
APR 24 12 30 PM '97

Re: MUR 4582 Sachinder Gupta

Dear Ms. Dillenseger:

Attached is my client's response to your April 16, 1997 letter. Unless you would like him to "create" some records for you, you will have to be satisfied with what we have given you.

Very truly yours,



Gerard P. Martin

cc: Sachinder Gupta  
GPM/amp  
doc #18414.01



3401 CARLINS PARK DRIVE BALTIMORE, MARYLAND 21215 (410) 466-1480 FAX: (410) 466-7871

April 17, 1997

Mr. Gerard P. Martin  
Martin, Junghans, Snyder & Bernstein, P.A.  
Redwood Tower, Suite 2000  
217 East Redwood Street  
Baltimore, Maryland 21202

MUR 4582

Dear Mr. Martin:

I have reviewed the letter from Ms. Dillenseger dated April 16, 1997.

I have furnished all the information and records that are in my possession. I do not save deposit slips (most people I know don't save them either). Therefore I cannot furnish them. I also do not maintain a check register. Therefore, I cannot furnish that. I do not have check No. 346, dated November 11, 1994. The FBI took all the original checks. I wish I could be more helpful to FEC, but I just don't have any more information.

Please inform Ms. Dillenseger of my stand.

Very truly yours,

EARTH ENGINEERING AND SCIENCES, INC.

*San*  
Sachinder N. Gupta, P.E.  
CEO

ENCLOSURE

POWELL, GOLDSTEIN, FRAZER & MURPHY LLP

ATTORNEYS AT LAW

www.pgfml.com

PLEASE RESPOND: Washington Address

Sixteenth Floor  
100 Peachtree Street, N.E.  
Atlanta, Georgia 30303  
404 572 6600  
Facsimile 404 572 6666

Sixth Floor  
1001 Pennsylvania Avenue, N.W.  
Washington, D.C. 20004  
202 347 0006  
Facsimile 202 424 7222

April 23, 1997

**VIA HAND DELIVERY**

Dominique Dillenseger, Esquire  
Office of General Counsel  
FEDERAL ELECTION COMMISSION  
999 E Street, N.W.  
Washington, D.C. 20463

APR 24 11 23 AM '97

Re: MUR 4582

Dear Ms. Dillenseger:

Enclosed please find the additional documentation you requested regarding deposits made to the personal checking accounts of our clients, Sudhir and Aruna Trivedi, both before and after their contributions to the Indian-American Leadership Investment Fund. As you can see, these bank documents demonstrate the movement of personal funds between the Trivedis' two bank accounts and nothing more.

In your February 21, 1997 letter, you asked specifically for documentation regarding the \$1,000 deposit to the Trivedis' Signet Bank account on October 25, 1994. Enclosed please find a photocopy of the deposit slip for that transaction showing that Mrs. Trivedi deposited a check for \$1,000 drawn against the Trivedis' 1st National Bank of Maryland account (check number 113) into the Signet Bank account on October 25, 1994. Also enclosed is a photocopy of the check register for the Trivedis' 1st National Bank of Maryland account showing that Mr. Trivedi wrote check number 113 to Mrs. Trivedi in the amount of \$1,000 on October 25, 1994. As you can see, these documents demonstrate that the transaction you raised questions about is nothing more than a transfer between the Trivedis' two different bank accounts.

We are also enclosing documentation regarding a \$2,000 deposit into the Trivedis' 1st National account on September 14, 1994. As you can see, that \$2,000 deposit consisted of (1) \$500 in cash, (2) a check for \$550 drawn against the Trivedis' Signet Bank account (check number 4778), and (3) two personal checks, one for \$200 and one for \$750, drawn against the personal bank accounts of Mrs. Trivedi's brothers, Anil and Nalinkant Bhatt. Once again, these bank documents demonstrate nothing more than intra-family movement of personal funds.

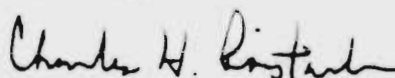
Finally, as we mentioned in our initial response to your February 21, 1997 letter, it is not at all unusual for the Trivedis to make cash deposits into their Signet and 1st National accounts. For example, on October 12, 1994, the Trivedis made separate cash deposits of \$800

Dominique Dillenseger, Esq.  
April 23, 1997  
Page 2

into both accounts. Enclosed please find a photocopy of a Signet Bank deposit slip dated October 12, 1994 demonstrating that \$800 in cash was deposited into the Trivedis' Signet Bank account on that date. Mr. Trivedi has requested similar documentation for a \$800 cash deposit into the 1st National account on that same date, and we will forward that to you when it is received. You will note that the Trivedi's 1st National check register reflects that cash deposit on October 12, 1994.

We certainly hope that this documentation answers any and all remaining questions that the FEC may have regarding the Trivedis' contributions to the Indian-American Leadership Investment Fund, and that this matter can finally be resolved without further delay. If necessary, Brett Kappel and I would be glad to meet with you at the earliest opportunity to discuss the expeditious conclusion to this matter.

Sincerely,



Charles H. Roistacher

CHR/bk

cc: Mr. Sudhir Trivedi  
Ms. Aruna Trivedi



# DAVID L. GOULD COMPANY

POLITICAL REPORTING AND CONSULTING

## FACSIMILE TRANSMITTAL SHEET

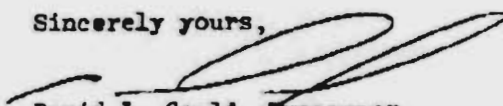
|                                |   |
|--------------------------------|---|
| TO:                            | FROM:   |
| Mr. Morrison                   | David Gould, Treasurer (Mathews for Congress) |
| COMPANY:                       | DATE:   |
| Federal Election Commission    | 4-24-97                                       |
| FAX NUMBER:                    | TOTAL NO. OF PAGES INCLUDING COVER            |
| (202) 219-3923                 | 1   |
| PHONE NUMBER:                  | SENDER'S REFERENCE NUMBER                     |
| RE:                            | YOUR REFERENCE NUMBER:                        |
| MJR 4582: Mathews for Congress |   |

☐ URGENT ☒ FOR REVIEW ☐ PLEASE COMMENT ☒ PLEASE REPLY ☐ PLEASE RECYCLE

### NOTES/COMMENTS

Pursuant to our conversation held a few days ago I am sending you this FAX to let you know that we are currently trying to raise the funds needed to resolve the issue you have raised as well as to retire the debts owed by the committee to a variety of vendors. An event is scheduled in the upcoming week and Mr. Mathews is confident that the funds will be raised. If this does in fact happen a check will be forthcoming very shortly, if not, we will need to arrange a payment plan. Please give us another 10 days or so to resolve this matter.

Sincerely yours,

  
David L. Gould, Treasurer

APR 25 12 47 PM '97

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL



# ENGEL FOR CONGRESS

P. O. BOX 60  
BRONX, N.Y. 10463

May 7, 1997

U.S. Treasury  
c/o Federal Election Commission  
999 E Street NW  
Washington, DC 20463

Re: MUR 4582

To Whom It May Concern:

Enclosed please find a check in the amount of \$1,000. This represents a refund of a contribution given to the Engel for Congress Committee from a Sachindar Gupta on November 1, 1994.

This refund is being given upon the advise of the Federal Election Commission.

Very truly yours,

*Debby Linhardt*  
Debby Linhardt  
Treasurer

MAY 12 11 57 AM '97

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
ACCOUNTING OFFICE

MAY 12 11 01 AM '97

U.S. DEPARTMENT OF  
TREASURY  
FEDERAL ELECTION  
COMMISSION  
OFFICE

ENGEL FOR CONGRESS GENERAL ELECTION

1140

PAY  
TO THE  
ORDER OF

U. S. Treasury

DATE April 29, 1997

1-2404  
210

One thousand 00

\$1000 00

DOLLARS



CHASE

The Chase Manhattan Bank, N.A.  
511 Greenwich Avenue  
Mt. Vernon, NY 10552

FOR Refund of Contribution of Sachinder Gupta #WA4582

Refund of Contribution

⑆0011140⑆ ⑆0210000021⑆ 404 1 131253⑆

9 3 2 1 0 0 0 4 0 0 6

**ENGEL FOR CONGRESS**

**P.O. BOX 60  
BRONX, N.Y. 10463**

MAY 12 10 40 AM '97

FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL

May 7, 1997

Dominique Dillenseger, Esq.  
Federal Election Commission  
999 E Street NW  
Washington, DC 20463

Re: MUR 4582

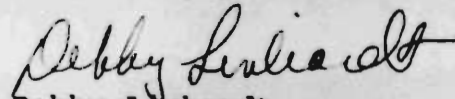
Dear Ms. Dillenseger:

This is to advise the Federal Election Commission that the Engel for Congress Committee has returned all funds covered under the above referenced MUR.

The \$2,000 contribution by the Indian-American Leadership Investment Fund was returned to the contributor on October 6, 1996 following information contained in a Baltimore newspaper as to its possible illegality. The \$1,000 contribution by Sachindar Gupta was returned April 29, 1997 to the U.S. Treasury following notification by the Federal Election Commission. It should be noted for the record that the original letter sent to the Committee by the FEC in December 1996 was never received. We are basing our action on a duplicate copy of the letter received by the Committee in April, 1997.

If you need any additional information regarding this matter, please feel free to contact the Engel for Congress Committee.

Very truly yours,



Debby Linhardt  
Treasurer

attachments

**ENGEL for CONGRESS**

P.O. BOX 60  
BRONX, N.Y. 10463

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL  
May 12 10 41 AM '97

October 6, 1996

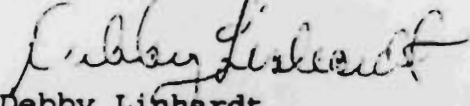
Indian-American Leadership  
Investment Fund  
3939 Rio Grande Boulevard  
Albuquerque, N.M. 87107-3153

To Whom It May Concern:

It has come to the attention of our Committee that your \$2,000 contribution on November 4, 1994 may have been illegal under Federal Law.

As such, enclosed please find a refund check in the amount of \$2,000 from the Engel for Congress Committee. The Federal Election Commission is also being notified of this refund.

Very truly yours,

  
Debby Linhardt  
Treasurer

CC: FEC

980040001230

1024

ENGEL FOR CONGRESS GENERAL ELECTION

DATE Oct 6, 1996

1-2404  
210

PAY  
TO THE  
ORDER OF

Indian - American Leadership Trust Fund

\$ 2000.00

Two Thousand 00

DOLLARS



CHASE

The Chase Manhattan Bank, N. A.  
511 Gramatan Avenue  
Mt. Vernon, NY 10552

FOR

Refund

Debby L. Linder

⑈001024⑈ ⑆021000021⑆ 404 1 131253⑈

90043881239

MAY 19 10 13 AM '97

S.V. RAMAMURTHY

**MEMORANDUM IN SUPPORT OF REQUEST FOR PRE-PROBABLE  
CAUSE CONCILIATION, OR, ALTERNATIVELY, FOR DISMISSAL  
OF THE PROCEEDING WITHOUT FINDING OF PROBABLE CAUSE**

RESPONDENT: Dr. S.V. Ramamurthy

MUR:4582

Introduction

Respondent S.V. Ramamurthy, DDS submits this memorandum in support of his previously filed request for pre-probable cause conciliation made by letter dated December 19, 1996 to the General Counsel (Mem. Ex. A). 11 C.F.R. §111.18(d). Alternatively, Dr. Ramamurthy requests that the Commission dismiss the proceeding with any finding of probable cause.

Dr. Ramamurthy submits that pre-probable cause conciliation or dismissal of the proceeding against him is warranted because: (1) he has cooperated with the Department of Justice and the Commission on this matter; (2) he did not wilfully violate any law; and (3) further proceedings would constitute an inappropriate use of government resources.

The General Counsel's Factual Summary

By letter dated November 25, 1996, the Commission notified Dr. Ramamurthy that it had found reason to believe he had knowingly and wilfully violated 2 U.S.C. § 441. The Commission acted in reliance on the General Counsel's Factual and Legal Analysis. The one and one-half page Factual and Legal Analysis summarizes the pertinent facts in three paragraphs. It states:



98040801241

In the 1993-1994 election cycle, Lalit Gadhia solicited several individuals to contribute money to the Indian-American Leadership Investment Fund ("IALIF") or directly to a federal candidate committee. He promised that the contributions would be reimbursed. In or around October of 1994 Mr. Gadhia requested Dr. Ramamurthy write several checks, for which he would be reimbursed, to federal election committees.

The disclosure reports for Robb for the Senate (\$1,000 on 11/1/94), Citizens for Sarbanes (\$1,000 on 10/28/94), Citizens for Senator Wofford (\$1,000 on 11/4/94), and the IALIF (\$1,000 on 10/31/94) all reflect contributions from Dr. S.V. Ramamurthy. Dr. Ramamurthy admits that Mr. Gadhia reimbursed him for each of these contributions.

Further, Dr. Ramamurthy aided Mr. Gadhia by soliciting additional reimbursed contributions. Dr. Ramamurthy assisted in acquiring an additional \$3,000 in reimbursed contributions to the IALIF. The disclosure reports of the IALIF reflect these contributions and Dr. Ramamurthy admits to soliciting these funds. Dr. Ramamurthy's admissions were confirmed by statements of individuals whom he solicited.

Dr. Ramamurthy lacks personal knowledge of Mr. Gadhia's dealings with other persons recited in the first sentence of the first paragraph quoted above. Dr. Ramamurthy concedes the other historical facts which the General Counsel has placed before the Commission in the Factual and Legal Analysis. He admitted these matters to the Government before he had any inkling the Commission was pursuing an administrative case. However, as noted below, there are undisputed mitigating facts not contained in the Factual and Legal Analysis.

#### Dr. Ramamurthy's Cooperation with the Government

For a period of almost two full years, Dr. Ramamurthy has been cooperating with the Government in its investigation of improper campaign contributions. He first provided information to the United States Attorney's Office on June 22, 1995 in an interview by Assistant United States Attorney Joseph D. Evans. On August 2, 1995, he appeared and testified before

98043001242

a federal grand jury. That grand jury returned an indictment against Mr. Gadhia. Mr. Gadhia subsequently pled guilty to causing false reports to be filed with the Commission, and the Court sentenced Mr. Gadhia to three months in jail and to periods of home detention and supervised release. For good and sufficient reasons, the Department of Justice treated Dr. Ramamurthy as a witness to rather than a knowing participant in Mr. Gadhia's illegal activity

Dr. Ramamurthy's complete candor and full cooperation with the Department of Justice, his lack of knowledge of Mr. Gadhia's overall activities, and his role in inducing Mr. Gadhia's guilty plea are confirmed in a May 2, 1997 letter from Mr. Evans, the original of which is attached to this memorandum. (Mem. Ex. B). It states in pertinent part:

... Dr. Ramamurthy [sic] was fully debriefed. It was the conclusion of those involved in the matter that Dr. Ramamurthy was candid, not aware of the scope of the scheme nor did he seem to know the original source of the money that was at issue. We maintained contact with Dr. Ramamurthy throughout the course of the investigation, and intended to use him as a government witness had the case against Mr. Gadhia gone to trial. I am confident that Dr. Ramamurthy's presence as a potential witness influenced Mr. Gadhia to plead guilty.

When Dr. Ramamurthy was named a respondent in the instant Matter Under Review, he continued his cooperation with the Government. On March 4, 1997 he submitted to a lengthy telephone interview by Dominique Dillenseger, Esquire of the General Counsel's Office and her assistant, Eric Morrison. At the request of Ms. Dillenseger, Dr. Ramamurthy's lawyer thereafter provided additional information to Ms. Dillenseger.

The Department of Justice, grand jury, District Court and Commission investigations and proceedings have taken a considerable toll on Dr. Ramamurthy. Over the last two years, many persons have come to know of the mistakes he made, particularly persons in the first and second generation Indian immigrant community in which he socializes and practices. He has been

embarrassed by what has occurred. Dr. Ramamurthy has also suffered financially, paying considerable legal fees.

There was No Knowing and Wilful Violation

98043081243  
The General Counsel's Factual and Legal Analysis does not suggest that anyone has stated that Dr. Ramamurthy actually knew that his activities violated the election laws or that he acted wilfully. As the General Counsel correctly notes, a knowing and wilful violation of the law "requires knowledge that one is violating the law." Factual and Legal Analysis at 2. Although its Factual Legal Analysis is bereft of any information that Dr. Ramamurthy had actual knowledge his actions violated the law, the General Counsel asks that the Commission find probable cause of a knowing and wilful violation of the election laws under 2 U.S.C. § 437g(a)(5)(B). The General Counsel implies that the Commission should infer knowledge of the requirements of the law from efforts to "disguise" the source of funds.

There are significant countervailing considerations at play. As Dr. Ramamurthy and his attorney have explained to the General Counsel, Mr. Gadhia was not merely an acquaintance or a good friend of Dr Ramamurthy, he was his lawyer. Dr. Ramamurthy did not inquire as to whether Mr. Gadhia's suggestions were legal, precisely because he did not, for a moment, think that his lawyer would ask him to do something illegal. It goes without saying that campaign financing laws are complex. One reads in the popular press that elected officials, professional politicians, national political committees and fund raisers disagree about the extent and application of rules governing campaign contributions and expenditures. Accounts are rife of technical exceptions which swallow up the apparent facial applications of rules. It is a

considerable and unwarranted stretch by the General Counsel to urge the inference that Dr. Ramamurthy, a layman acting at the behest of his trusted lawyer, knew that he was violating the law in so technical and arcane a field.

Further Proceedings Would be an Inefficient Use of Commission Resources

The Commission is enjoined by its own regulations to employ its resources efficiently. 11 C.F.R. § 7.7(c). While it is not Dr. Ramamurthy's place to tell the Commission how to fulfill its statutory mission, there are daily reports of serious violations of the election laws within the Commission's purview. These matters are surely more deserving of sustained attention than the instant Matter Under Review.

The Commission is empowered to engage in post-probable cause conciliation to "correct or prevent" violations of the law. 2 U.S.C. §437g(4)(a)(i). Although pre-probable cause conciliation neither mandatory nor explicitly provided for by statute, the Commission obviously has the necessary implied powers, and has provided for pre-probable cause conciliation in its regulations. 2 C.F.R. § 111.18(d).

Pre-probable cause conciliation like post-probable cause conciliations should work to "correct or prevent" violations of the law. The actions which led to the filing of administrative charges against Dr. Ramamurthy have been "corrected." There has been a full criminal inquiry by the Department of Justice, grand jury proceedings, an indictment and a conviction. Dr. Ramamurthy cooperated fully in these matters, and the Department of Justice so states. Dr. Ramamurthy has further cooperated with the Commission since he became aware of the Matter

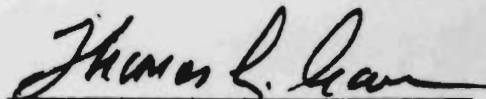
Under Review. To the extent the Commission is concerned about "preventing" future violations of the law, Dr. Ramamurthy poses no such threat.

Nothing would be gained if the Commission were to deny pre-probable cause conciliation, find probable cause and then engage in mandatory post-probable cause conciliation. This is particularly true where the General Counsel concedes that the evidence of wilfulness is inferential rather than direct. Further pursuit of Dr. Ramamurthy would be a distraction from more significant investigations. The Commission should either grant pre-probable cause conciliation or dismiss the proceeding against Dr. Ramamurthy without any finding of probable cause.

Conclusion

For the reasons stated above, Dr. Ramamurthy respectfully requests that the Commission authorize pre-probable cause conciliation or, alternatively, dismiss the proceeding against Dr. Ramamurthy in its entirety, without any finding of probable cause.

Respectfully submitted,



Thomas L. Crowe  
Monshower & Miller, LLP  
10440 Little Patuxent Parkway  
Columbia, Maryland 21044  
(410) 730-4860

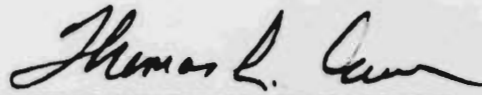
Attorneys for Respondent  
S.V. Ramamurthy, DDS



CERTIFICATE OF SERVICE

I HEREBY CERTIFY this 13<sup>th</sup> day of May, 1997, that a copy of the foregoing memorandum with its exhibits was mailed first class mail, postage prepaid and sent by facsimile to:

Dominique Dillenseger, Esquire  
Office of the General Counsel  
Federal Election Commission  
Washington, D.C. 20463.



Thomas L. Crowe



**MONSHOWER & MILLER, LLP**  
ATTORNEYS AT LAW

**FILE**

10440 LITTLE PATUXENT PARKWAY  
30 CORPORATE CENTER, SUITE 500  
COLUMBIA, MD 21044-3561

ALVIN C. MONSHOWER JR.  
RICHARD L. MILLER  
GERARD G. MAGROGAN

TEL 410-730-4860  
FAX 410-730-1093

OF COUNSEL  
THOMAS L. CROWE

December 19, 1996

**BY FACSIMILE AND REGULAR MAIL**  
**FAX (202) 219-3923**

Dominique Dillenseger, Esquire  
Federal Election Commission  
Washington, D.C. 20634

Re: MUR 4582  
Dr. S.V. Ramamurthy, Respondent  
Our File No.: 1902.001

Dear Ms. Dillenseger:

Pursuant to the Commission's November 25, 1996 letter to Dr. Ramamurthy and our telephone conversations last week, this letter constitutes Dr. Ramamurthy's formal request for pre-probable cause conciliation, as provided for in 11 C.F.R. § 111.18(d).

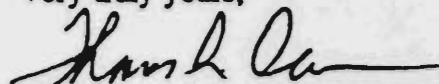
As the Commission's letter indicates, Dr. Ramamurthy has been fully forthcoming regarding the matters under investigation, having already provided the Government with a complete disclosure of his activities in an interview with the United States Attorney and also testified before a federal grand jury. I am confident that I can obtain further confirmation of Dr. Ramamurthy's cooperation with the Government from Assistant United States Attorney Joseph L. Evans, should the Commission feel it necessary.

In accordance with our conversations of last week, this letter will confirm that Dr. Ramamurthy and I are willing to discuss the matter further with representatives of the Commission, either personally at a time and place convenient to all concerned, or over the telephone at an agreed upon time.

Dominique Dillenseger, Esquire  
December 19, 1996  
Page 2

Given Dr. Ramamurthy's extensive cooperation with the Government for a period of months preceding his knowledge of, and perhaps preceding the initiation of, the Commission's investigation, we would submit that the equitable conclusion of the Matter Under Review would be its closing without any finding of a violation or monetary penalty.

Very truly yours,

  
Thomas L. Crowe

TLC/baw

cc: S.V. Ramamurthy, DDS

9804381240



U.S. Department of Justice

United States Attorney  
District of Maryland  
Northern Division

Lynne A. Battaglia  
United States Attorney

Joseph L. Evans  
Assistant United States Attorney

6625 United States Courthouse  
101 West Lombard Street  
Baltimore, MD 21201-2692

410-962-4822

410-962-2458 Ext. 395  
FAX 410-962-3124

May 2, 1997

Thomas L. Crowe, Esquire  
Suite 500  
10440 Little Patuxent Parkway  
Columbia, Maryland 21044

Re: S.V. Ramamurphy

Dear Mr. Crowe:

This letter concerns the relationship between this Office and your client, S.V. Ramamurphy, D.D.S., regarding his role in a scheme, orchestrated by Lalit H. Gadhia, to funnel illegal campaign contributions through nominee contributors.

At the outset of the investigation, Dr. Ramamurphy was approached by federal investigators concerning his involvement. After appropriate arrangements were worked out between you and this Office, Dr. Ramamurphy was fully debriefed. It was the conclusion of those involved in the matter that Dr. Ramamurphy was candid, truthful, and cooperative. It was also our conclusion that he was not aware of the scope of the scheme nor did he seem to know the original source of the money that was at issue. We maintained contact with Dr. Ramamurphy throughout the course of the investigation, and intended to use him as a government witness had the case against Mr. Gadhia gone to trial. I am confident that Dr. Ramamurphy's presence as a potential witness influenced Mr. Gadhia to plead guilty.

I understand that you may submit this letter to the Federal Election Commission in the context of an administrative action presently pending against Dr. Ramamurphy.

If you need any further information, please do not hesitate to contact me.

Very truly yours,

Lynne A. Battaglia  
United States Attorney

By: 

Joseph D. Evans  
Assistant United States Attorney

98043881250

POWELL, GOLDSTEIN, FRAZER & MURPHY LLP

ATTORNEYS AT LAW

www.pgfm.com

PLEASE RESPOND: Washington Address

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

MAY 27 2 51 PM '97

Sixteenth Floor  
191 Peachtree Street, N.E.  
Atlanta, Georgia 30303  
404 572-6600  
Facsimile 404 572-6699

Sixth Floor  
500 Indiana Avenue, N.W.  
Washington, D.C. 20004  
202 347-0066  
Facsimile 202 624-7222

May 22, 1997

VIA FACSIMILE & FIRST  
CLASS MAIL

Dominique Dillenseger, Esquire  
Office of General Counsel  
FEDERAL ELECTION COMMISSION  
999 E Street, N.W.  
Washington, D.C. 20463

Re: **MUR 4582**

Dear Ms. Dillenseger:

As we discussed by telephone earlier this week, enclosed please find a photocopy of a 1st National Bank of Maryland deposit slip dated October 12, 1994 demonstrating that \$800 in cash was deposited into the Trivedis' 1st National Bank account on that date. Mr. Trivedi's recollection is that he withdrew money from the 1st National Bank account in mid-September in order to pay personal expenses associated with a business trip. The amount withdrawn proved to be more than needed, and on October 12, 1994 the Trivedis redeposited the excess by making separate cash deposits of \$800 into both the 1st National and Signet Bank accounts.

The enclosed deposit slip completes our response to your latest request for additional documentation. We certainly hope that this documentation answers any remaining questions that the FEC may have regarding the Trivedis' contributions to the Indian-American Leadership Investment Fund, and that this matter can finally be resolved without further delay. As I mentioned during our telephone conversation, Chuck Roistacher and I would be glad to meet with you at the earliest opportunity to discuss an expeditious conclusion to this matter.

Sincerely,



Brett G. Kappel

BGK/sj

cc: Mr. Sudhir Trivedi  
Ms. Aruna Trivedi

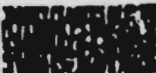
SUDHIR TRIVEDI  
 6 FOX BRIER LANE  
 BALTIMORE, MARYLAND 21238

DATE Oct 12 1994

THIS CHECK IS ACCEPTED AS DEPOSIT IN FULL FOR THE PAYEE'S ACCOUNT. THE PAYEE'S ACCOUNT IS THE ONLY ACCOUNT TO WHICH THIS CHECK IS DEPOSITED. THE PAYEE'S ACCOUNT IS THE ONLY ACCOUNT TO WHICH THIS CHECK IS DEPOSITED.

**First National Bank**  
 BALTIMORE, MARYLAND ACCOUNTS CENTER  
 1234

|        |               |        |
|--------|---------------|--------|
| CHECKS | CASH          | 800.00 |
|        | TOTAL DEPOSIT | 800.00 |



7-11/83  
 BRANCH 100

1320 101274 80  
 14966061  
 CASH IN

1320 101274 80  
 14966061  
 \$800.00  
 \$800.00

9804308125



THOMPSON  
HINE & FLORY LLP

Attorneys at Law

JUL 3

FILED  
ELECTION  
DIVISION  
JUL 3 1997

Subodh Chandra  
216-566-5572  
schandra@thf.com

July 1, 1997

Dominique Dillenseger, Esq.  
Office of General Counsel  
Federal Election Commission  
999 E Street, NW  
Washington, DC 20463

MUR 4582

Re: Indian-American Leadership Investment Fund Disbursement

Dear Ms. Dillenseger:

Per my letter of June 30, 1997, this letter specifies those campaign committees that—upon our request—returned contributions attributable to the illegal fundraising activities of Mr. Lalit Gadhia ("Gadhia Monies").

The following campaign committees returned contributions:

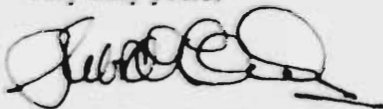
- (1) Engel for Congress, \$2,000
- (2) Murtha for Congress Committee, \$1,000
- (3) Friends for Jim McDermott, \$2,000
- (4) Massachusetts Democratic Party—Federal Account, \$5,000

Please further note that a \$1,000 check to Friends of Sherrod Brown was never cashed.

Thus, the total amount of previously disbursed Gadhia Monies returned or otherwise credited to the Indian-American Leadership Investment Fund (the "Fund") is \$11,000. This entire amount (along with the remaining \$269.38 in the Fund's bank account, \$100 of which was residual Gadhia Monies) was disgorged to the United States Treasury on June 30, 1997, transmitted to you with my letter of that day.

We are still awaiting your accounting of those committees that did not return their Gadhia Monies to us directly. *Please send it immediately.* If you have any questions, please contact me at the above telephone number.

Very truly yours,



Subodh Chandra, Treasurer  
Indian-American Leadership Investment Fund

SC/dk

THOMPSON  
HINE & FLORY LLP

Attorneys at Law

Subodh Chandra  
216-566-5572  
schandra@thf.com

June 30, 1997

**CERTIFIED MAIL**

Dominique Dillenseger, Esq.  
Office of General Counsel  
Federal Election Commission  
999 E Street, NW  
Washington, DC 20463

Re: Indian-American Leadership Investment Fund Disgorgement

Dear Ms. Dillenseger:

Pursuant to AO 1995-19, I am enclosing a check made out to the United States Treasury in the amount of \$11,269.38, which constitutes a disgorgement of the entire bank balance of the Indian-American Leadership Investment Fund (the "Fund"). Of this amount, approximately \$11,000.00 is attributable to the illegal fundraising activities of Mr. Lalit Gadhia ("Gadhia Monies"). We are also submitting to the Treasury an amount in excess of Gadhia Monies that were returned upon our request, so as to efficiently dispose of all Fund assets and close our books.

When I have had the opportunity to review the Fund's records more thoroughly, I will send you a follow-up letter specifying the campaign committees that returned contributions upon our request. *In the meantime, I would appreciate it if you would, per my earlier request, please send me an itemized listing for those campaign committees that have disgorged their Gadhia Monies directly to the United States Treasury, or for which you otherwise have an accounting.* This information is critical to enable us to bring the Gadhia matter, and the Fund, to an expeditious close.

THOMPSON  
HINE & FLORY LLP

*Attorneys at Law*

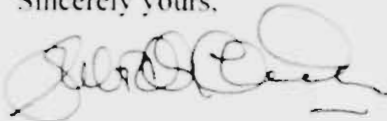
Dominique Dillenseger, Esq.

Page 2

June 30, 1997

Please note that disgorgement of the Gadhia Monies to the Treasury in no way should be interpreted as acceptance on the part of the Fund or myself of the FEC's "Reason to Believe" ("RTB") finding, transmitted on November 25, 1996 to us without notice, without opportunity for hearing, without a deposition, or without even a factual interview. Time permitting, we hope to more fully respond to, inquire about the basis for and legal significance of, and request correction of the numerous factual inaccuracies and omissions within, that finding. At a minimum, however, we request that the FEC substantively respond to the contrary views expressed by the United States Department of Justice officials who prosecuted Mr. Gadhia, as set forth in their letter to you of February 12, 1997.

Sincerely yours,



Subodh Chandra, Treasurer  
Indian-American Leadership Investment Fund

SC/dk

Enc.

cc: Meena Morey, Esq.

51-7010/2111

0135

INDIAN-AMERICAN  
LEADERSHIP INVESTMENT FUND

PO BOX 200 2102 CORYDON RD.

NEW HAVEN CT 06602-0200

CLEVELAND HEIGHTS, OH 44118-3514

6/30 1997

PAY TO THE  
ORDER OF

UNITED STATES TREASURY

\$ 11,269.38

Eleven thousand two hundred sixty nine & 38/100 only DOLLARS



FIRST FEDERAL BANK

First Federal Bank, FSB  
Waterbury, CT 06702

FOR DISBURSEMENT OF GADHIA MONIES  
AUS BALANCE TO CLOSE ACCOUNT

98043081256

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Lalit Gadhia

Vinay Wahi

Satish Bahl

Dr. S. V. Ramamurthy

Sachindar Gupta

Uday Gadhia

MUR 4582

**SENSITIVE**

GENERAL COUNSEL'S REPORT

I. **BACKGROUND**

Based on information obtained through a sua sponte submitted by the Indian-American Leadership Fund ("IALIF") and from a Department of Justice ("DOJ") investigation and prosecution, the Federal Election Commission ("Commission"), on November 12, 1996, found reason to believe that Lalit Gadhia knowingly and willfully violated 2 U.S.C. §§ 441e and 441f by using funds provided by Davendra Singh, a foreign national and official at the Indian Embassy in Washington D.C., to reimburse numerous individuals for campaign contributions to various political committees. On the same date, the Commission also found reason to believe that

Vinay Wahi, Satish Bahl, Uday Gadhia, Dr. S. V.

Ramamurthy, each knowingly and willfully violated 2 U.S.C. § 441f by permitting their names to be used to make contributions and by assisting in this scheme by soliciting other individuals to be conduits; and, Sachindar Gupta knowingly and willfully violated 2 U.S.C. § 441f by permitting his name to be used to make reimbursed contributions.

The Commission also found reason to believe that the Indian-American Leadership Investment Fund ("IALIF") and its treasurer Subodh Chandra violated 2 U.S.C. §§ 441e and 441f, and that numerous other individuals violated 2 U.S.C. § 441f by either soliciting others to make reimbursed contributions and/or knowingly permitting their names to be used. The Commission, however, decided to take no further action and closed the matter as to these respondents. See First General Counsel's Report, dated November 5, 1996.

In addition to the aforementioned reason to believe findings, the Commission also approved a subpoena for the deposition of Lalit Gadhia. Finally, the Commission approved the issuance of letters to federal political committees that had received contributions reimbursed through Gadhia (but had not yet voluntarily disgorged these amounts) instructing them to disgorge the funds to the United States Treasury.

On December 4, 1996, counsel for Gadhia submitted a response requesting that the Commission "withdraw its reason to believe letter." On December 18, 1996, counsel filed a Motion to Quash Subpoena accompanied by a Motion to File Said Motion Out of Time. On December 20, 1996, the Commission decided to reject the Motion to File out of Time and denied as untimely the Motion to Quash Subpoena for Deposition to Lalit Gadhia. See General Counsel's Report dated December 19, 1996. Gadhia was deposed on January 2, 1997. On February 24, 1997, counsel for Gadhia submitted another response requesting that the Commission "withdraw the reason to believe letter . . . and/or find no probable cause."



This Office received responses and documentation from several respondents against whom the Commission found reason to believe but took no further action. The IALIF and its treasurer Subodh Chandra disputed the Commission's reason to believe finding and questioned having had to disgorge refunds from recipient committees. This Office received a letter from Joseph L. Evans, Assistant United States Attorney, in support of IALIF and Chandra and addressing their cooperation with the investigation. Aruna and Sudhir Trivedi are also contesting the Commission's reason to believe finding and have submitted bank records in an attempt to show that their contributions were not reimbursed. Finally, this Office informally interviewed

Rosemary Osborne, Gadhia's former secretary, about her knowledge of Gadhia's activities pertaining to the issues in this matter.

This Office obtained information from the U.S. Attorney's Office (District of Maryland, Northern Division) and the FBI office that investigated and prosecuted the criminal case against Gadhia. The Assistant U.S. Attorney who prosecuted the case, provided this Office with copies of documents downloaded from Gadhia's computer (relating to respondents in this matter) and financial records pertaining to Sachindar Gupta. This Office also obtained information from the FBI office<sup>1</sup> that investigated this matter including current addresses and telephone numbers for some of the respondents and general information about the investigation.

After numerous contacts with staff of this office, all of the recipient committees that were issued disgorgement letters have responded and all but two have fully disgorged to the U.S. Treasury. The remaining two committees have made partial disgorgement and request additional time to raise the funds to pay the balance.

This report summarizes the responses, the deposition, and information obtained from informal interviews and documents provided by respondents. This Office makes recommendations as to all respondents in MUR 4582, including requests for **preprobable cause** conciliation.

<sup>1</sup> The FBI Baltimore office has informed this Office that Gadhia gave them the names of a half a dozen other Indian-Americans from other geographical areas that Gadhia claims Singh may have contacted about participating in the reimbursement scheme. In his deposition with this Office, Gadhia did not mention that other individuals might have been involved in this. The FBI office has told us that it has forwarded those names to the respective FBI offices for investigation. This Office plans to pursue this and has asked the FBI Baltimore office for the list of names and addresses of the FBI offices in order to obtain information and provide assistance.

98043381260

## II. SUMMARY AND ANALYSIS

### A. Lalit Gadhia

Prior to the Commission's investigation, the United States Department of Justice investigated and prosecuted Gadhia for reimbursing individuals for campaign contributions using funds provided by a foreign national. Gadhia agreed to a plea bargain and pled guilty on May 8, 1996, to one criminal count of 18 U.S.C. § 1001 for causing a false statement to be made to the Commission in connection with committee reports which were filed by the IALIF and political committees listing funds contributed in the name of another. On August 8, 1996, Gadhia was sentenced to three months in prison followed by two years of supervised release including six months of electronically monitored home detention.

#### 1. Summary of Responses

In submissions to the Commission before the deposition (letter of December 4, 1996, and Motion to Quash), counsel for Gadhia raised procedural arguments namely: (1) the investigation of this matter was time-barred because it was generated by complaint under 2 U.S.C. § 437g(a)(1) and the Commission failed to notify Gadhia within the statutorily mandated five days of receipt of the complaint; (2) the Commission's pursuit of Gadhia violated the terms of the plea agreement Gadhia negotiated with DOJ; and, (3) the Commission's imposition of further sanctions would violate the Double Jeopardy Clause of the Fifth Amendment to the United States Constitution because Gadhia has already been punished. Attachments 2-3. In a letter dated February 24, 1997, submitted after the deposition, counsel asserted the same procedural arguments and also argued: (1) Gadhia did not stipulate to the accuracy of the Statement of Facts in his guilty plea; and (2) Gadhia did not "knowingly and

willfully violate 2 U.S.C. §§ 441f and 441e. Attachment 4. These arguments will be addressed after the Summary of the Deposition.

## 2. Summary of Deposition

This Office deposed Gadhia on January 2, 1997. Gadhia's testimony concurs with the Statement of Facts that was presented as the basis of his guilty plea. In the deposition, he discussed his background more extensively, his contacts with the Indian Embassy, and the facets of the reimbursement scheme.

As well as practicing immigration law since the 1980's, Gadhia was heavily involved in political activities and held important positions on finance committees for numerous local, state, federal, and presidential candidates including Dukakis, Clinton, Mikulski, Sarbannes, Glendening and Schmoke. See Attachment 5 (Deposition of Lalit Gadhia) at 13-17. According to Rosemary Osborne,<sup>2</sup> Gadhia's secretary from 1989 to May 1995, Gadhia had a solo legal practice but spent considerable time in fundraising activities--telephoning, sending solicitations, organizing and attending fundraising functions, and collecting contribution checks. Osborne also stated that Gadhia had a "core group" of close friends composed of the Trivedis, Sachindar Gupta, and Dr. Ramamurthy, whom he could count on for contributions and fundraisers.

Gadhia also acted as president of STEP IN and as legal counsel for India Forum, two local Indian-American cultural organizations. Id. at 18-19.

Gadhia established his relationship with the Indian Embassy through involvement in India Forum banquets and STEP-IN events which attracted Embassy personnel, including Ambassadors, through newsletters and invitations. Id. at 21-27. He had contact with the Indian

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<sup>2</sup> This Office informally interviewed Rosemary Osborne on November 23, 1996.

Ambassadors dating back to Abid Hussain sometime in 1990 or 1991. *Id.* at 24. In addition, Gadhia attended numerous Indian national holiday events at the Embassy over a period of time up until 1994 or 1995. In his capacity as a legal counsel for the India Forum and STEP-IN, Gadhia interacted a great deal with Davendra Singh on an ongoing basis. He commenced contact with Davendra Singh, the then-Minister for Community Affairs at the Embassy, through correspondence and frequent visits by Singh to Gadhia's office which occurred primarily in 1993-1994. *Id.* at 39-46, 52-53, 82-85.

According to Gadhia, Singh initiated the idea for the reimbursement scheme. *Id.* at 108-112. In August/September '94 Singh engaged Gadhia in a conversation concerning political fundraising at a luncheon in Washington, DC. *Id.* at 109. Singh knew that Gadhia was active in supporting candidates and attempting to raise money within the Indian American community. Singh asked Gadhia if he could use any help, e.g. money, if it was available. *Id.* Gadhia responded that, "yes", he could use some help if made available. *Id.* Soon thereafter, Singh contacted Gadhia and proposed to make some "resources available" and a meeting was scheduled at the Holiday Inn, Laurel, Maryland in late September, or early October 1994. *Id.* at 110 and 112.

During the course of three meetings in September-November 1994, Singh offered Gadhia a total of approximately \$60,000 in cash and indicated that he wanted Gadhia "to channel it to appropriate candidates in the federal election, the upcoming '94 federal election." *Id.* at 105-144. At this first meeting in Laurel, Singh gave to Gadhia an envelope containing \$40,000 in \$100 bills to be channeled to appropriate candidates in the upcoming '94 federal election. Gadhia asserted that at that first meeting he asked Singh whether the money was provided by the



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government of India because it would be "a serious matter if it was government money" and because "he did not want to become an agent" of India. *Id.* at 113, 181-182. Gadhia asserted that Singh responded in the negative and that he did not ask Singh any other questions about the source of the money. *Id.* Two or three weeks later, Gadhia met with Singh again after Singh called Gadhia and asked if he could use more money and Gadhia responded affirmatively. At this second meeting in Laurel, Singh gave Gadhia another packet containing \$20,000 in cash. At this meeting, Gadhia informed Singh that he was channeling it to the PAC and making contributions through different individuals to the PAC and coordinating with the PAC as to whom should get the money. *Id.* at 125. Gadhia claims that \$15,000-\$16,000 of this money was unused and returned to Singh at a third meeting Gadhia initiated at the Holiday Inn in Laurel. *Id.* at 138-141. Finally, Gadhia sent to Singh's attention at the Embassy of India, a list of "who was receiving contributions and who was contributing." *Id.* at 145. This list was sent without a cover letter.<sup>3</sup> According to Gadhia, during the time period after the third meeting in Laurel, there was no other contact between Gadhia and Singh, or any other officials from the embassy, except for a farewell party for Singh later that winter.

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<sup>3</sup> Rosemary Osborne explained that she prepared the list of names and addresses of contributors and copies of contribution checks which were mailed to the Indian Embassy and that she prepared the list from the checks given to her by Gadhia. Osborne stated that Gadhia asked her to send the list without any cover letter and that she thought this was very unusual. She stated that in May 1995, after the story on the reimbursement scheme had made the papers, she was approached by the FBI and persuaded to continue working for Gadhia to keep an eye on things and to ensure that Gadhia did not dispose of evidence. During that time period, she said that Gadhia approached her and asked her to destroy the office copy of the information that was sent to the Indian Embassy. Osborne said that she did not destroy the list but put it on Gadhia's desk.



For a few days after the receipt of the money from Singh, Gadhia kept the money in his car and then in a locked safe in his office. Id. at 120. He told no one about the transactions between himself and Singh. He then proceeded to approach and reimburse numerous individuals for contributions. Id. at 105-138. He would reimburse them by providing cash in exchange for personnel checks either at his office or at a meeting place. Gadhia personally approached the following individuals, among others, and reimbursed them for their direct contributions: Dr. Ramamurthy, Rosemary Osborne, Satish Bahl, Vinay Wahi, Uday Gadhia, Indra Seunarine, and Ashok Kumta. Rosemary Osborne was solicited by Gadhia to provide him with checks with her husband's forged signature as well as her own. Gadhia also asked Wahi, Bahl, Ramamurthy, and Uday Gadhia to solicit other individuals to make reimbursed contributions, providing them additional funds for this purpose. Id. at 159. Gadhia further testified that Aruna and Sudhir Trivedi and Sachinder Gupta declined to be reimbursed for their contributions although he did approach them. Id. at 134.

Notwithstanding that the arranged meetings took place at a location away from either Gadhia or Singh's office and where Gadhia took \$60,000 in cash in packets from Singh, at his deposition, Gadhia would only admit that he "should have known" that these contributions were illegal. In addition, Gadhia claimed to not specifically recall whether any of the conduits raised any doubts concerning the legality of these contributions, but testified that if anyone had he would have given assurances to them that it was "okay." Id. at 164. In fact, Uday Gadhia, one of the conduits who was also a solicitor, told this Office that Gadhia specifically told him that the reimbursement was a loophole to get around the contribution limits. See discussion of Uday Gadhia, infra, at page 26.

### 3. Analysis Regarding Gadhia

The evidence in this matter reveals a pervasive pattern of knowing and willful violations by Gadhia including accepting and/or receiving contributions from a foreign national, making of contributions in the name of another, and soliciting others to make such contributions. Gadhia's arguments primarily concern whether the Commission's pursuit of this enforcement matter against him is appropriate. Indeed, Mr. Gadhia generally admits his culpability for the violations and was convicted criminally and imprisoned.

Though Gadhia admits that the violations enumerated in the Statement of Facts contained within his plea agreement are "substantially correct," Attachment 5 at 203, he nevertheless argues in his responses that the Commission should withdraw its findings against him and/or find no probable cause because: (1) the investigation of this matter is time-barred because it was generated by a complaint under 2 U.S.C. § 437g(a)(1) and the Commission failed to notify him within the statutorily mandated five days of receipt of the complaint; (2) he did not stipulate to the accuracy of the Statement of Facts in his guilty plea; (3) he did not "knowingly and willingly violate 2 U.S.C. §§ 441f and 441e;" (4) the institution of FEC proceedings against him at this time violates the Double Jeopardy Clause of the Constitution; and (5) the Justice Department waived the Commission's civil enforcement jurisdiction over him. See Attachment 4.

First, Gadhia asserts that the Commission received a "complaint" from Subodh Chandra regarding this matter and that pursuant to 2 U.S.C. § 437g(a)(1) and 11 C.F.R. § 111.5, the Commission was required to notify him within five days of the receipt of the complaint so as to provide him with an opportunity to respond to the allegations contained therein.

This matter was generated based on a notification to the Commission, sua sponte, by Subodh Chandra, president of the IALIF, of improper contributions and possible violations. Sua sponte letters are voluntarily submitted by any person or entity under the Commission's jurisdiction and are considered information ascertained by the Commission in the normal course of carrying out its supervisory responsibilities. See 2 U.S.C. § 437g(a)(2). The legislative history of Section 437(g) goes no further than the statutory language in describing what is meant by information obtained by the Commission "in the normal course of carrying out its supervisory duties."<sup>4</sup> However, the Commission has the authority to determine its own procedures and set clear standards for generating internal compliance actions. FEC, "Handling of Internally Generated Matters," Directive No. 6, April 21, 1978. Therefore, pursuant to 2 U.S.C. § 437(g)(a)(1) the Commission was not required, as with complaint-generated matters, to notify Gadhia. See also 11 C.F.R. § 111.8.

Second, Gadhia states that he did not verify the accuracy of the Statement of Facts in his guilty plea which was utilized by this Office in constructing its Factual and Legal Analysis. The Factual and Legal Analysis formed a basis for the Commission's reason to believe findings which were the threshold to open the investigation. The Statement of Facts accompanying the guilty plea, whether or not verified by Gadhia, was certainly ample basis to raise a question of illegality justifying an investigation by the Commission.

Third, Gadhia asserts that he did not commit knowing and willful violations of 2 U.S.C. §§ 441f and 441e.

<sup>4</sup> "... (O)r if the Commission, based on information obtained in the normal course of carrying out its duties under the Act, has reason to believe a violation has occurred." H. Rep. No. 94-1057, 94th Congress, 2nd Session. 49-50 (1976).

9 0 0 4 3 0 0 1 2 6 0

Gadhia's violations of 2 U.S.C. §§ 441f and 441e are clearly knowing and willful. The Act addresses violations of law that are knowing and willful. See 2 U.S.C. § 437g(a)(5)(b). The knowing and willful standard requires knowledge that one is violating the law. Federal Election Commission v. John A. Dramesi for Congress Committee, 640 F. Supp. 985 (D. N.J. 1986). A knowing and willful violation may be established "by proof that the defendant acted deliberately and with knowledge that the representation was false." United States v. Hopkins, 916 F.2d 207, 214 (5th Cir. 1990). An inference of a knowing and willful violation may be drawn "from the defendants' elaborate scheme for disguising" his actions. Id. at 214-15. Gadhia, as an attorney who had extensive fundraising experience and had served as a treasurer for prior state and federal campaigns, devised an elaborate scheme to circumvent campaign contribution limits by accepting funds from foreign sources and by reimbursing funds. Although he does not explicitly admit to knowing that his actions in connection with the reimbursement scheme were illegal, he does readily confess that he "should have known" that those contributions were illegal. See Attachment 5 at 164. Moreover, Gadhia's meetings with Singh at a restaurant in Laurel, Maryland (midway between Baltimore and Washington, D.C. and thus away from either party's office) where Singh handed Gadhia envelopes containing first \$40,000 and then \$20,000 in \$100 bills, and Gadhia's reimbursement of conduits with cash is clear evidence of intent to disguise the source of the money that under Hopkins would serve as a basis for a "knowing and willful" violation.

Fourth, Gadhia argues that the institution of Commission proceedings against him at this time violates the Double Jeopardy Clause of the Constitution.

The Double Jeopardy Clause, which forbids a second punishment for a single offense,<sup>5</sup> is inapplicable in this instance. Although Gadhia pled guilty and was sentenced for a criminal violation of 18 U.S.C. § 1001, the reason to believe threshold finding and the Commission's investigation does not implicate the Double Jeopardy Clause of the Constitution. Under certain rare circumstances, a civil penalty may constitute punishment for the purpose of the double jeopardy clause. U.S. CONST. amend. V; *see, e.g., United States v. Halper*, 490 U.S. 435 (1989). In *Halper*, the Court found that a disproportionately high civil sanction under the False Claims Act against an individual for filing inflated Medicare claims constituted double jeopardy where the individual had already been prosecuted and punished for criminal violations.<sup>6</sup> However, the Court made clear that the case involved a rare situation where the civil fine was overwhelmingly disproportionate to the amount involved in the violation. *Id.*; *see U.S. v. Ursery*, 116 S. Ct. at 2145 (1996) (the *Halper* decision sets forth a "case-by-case balancing test. . . in which a court must compare the harm suffered by the Government against the size of the penalty imposed.") Thus, *Halper* should be narrowly construed. On the other hand, the Court in *Ursery*, found that *in rem* civil forfeitures related to drug violations are neither punishment nor criminal for purposes of the Double Jeopardy Clause.<sup>7</sup> In any event, Double Jeopardy is not an issue in this matter because the Commission has not even reached the civil penalty stage.

<sup>5</sup> "[N]or shall any person be subject for the same offense to be twice put in jeopardy of life or limb." U.S. Const., Amdt. 5.

<sup>6</sup> The U.S. Supreme Court held in *Halper* that "[u]nder the Double Jeopardy Clause a defendant who already has been punished in a criminal prosecution may not be subjected to an additional civil sanction to the extent that the second sanction may not fairly be characterized as remedial, but only as a deterrent or retribution." 490 U.S. at 449.

<sup>7</sup> *See also, U.S. v. Alt*, 83 F.3d 779 (6th Cir. 1996) (Assessment of civil penalties on taxpayer did not constitute punishment for purposes of Double Jeopardy Clause); *SEC v. Bilzerian*, 29 F.3d



Finally, Gadhia asserts that the institution of the Commission proceedings against him violates the contractual terms of the Plea Agreement entered into with the Justice Department because this agreement, he argues, waives the Commission's civil enforcement jurisdiction over this matter. Specifically, Gadhia argues that he "negotiated a contractually binding Plea Agreement with DOJ in good faith reliance on the facts that only DOJ was pursuing charges, and that DOJ was representing all of the interests of the United States," on the basis that the AUSA "referred to his decisions and positions as those of 'the Government' and 'the United States'," and the Plea Agreement did not contain an express disclaimer to preserve the Commission's civil enforcement jurisdiction.

The "Federal Prosecution of Election Offenses" "(Handbook") does state that "plea agreements with defendants who have possible noncriminal exposure for FECA violations must contain a specific disclaimer to the effect that the United States Attorney is not waiving the civil enforcement jurisdiction of the FEC," *Federal Prosecution of Election Offenses* (U.S. Department of Justice, Criminal Division, Public Integrity Section, 6th ed. 1995 at 126), and it's not clear why Gadhia's plea agreement did not contain such a disclaimer. Nonetheless, the Handbook makes clear that it is intended solely as an internal reference tool for DOJ staff and definitively states that "[nothing contained herein is intended to confer substantive or procedural rights on the public generally, or on those whose activities may fall within the reach of these laws

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(D.C. Cir. 1994) (Civil disgorgement of profits from illegal conduct did not constitute punishment within the meaning of double jeopardy); McNichols v. Commissioner of Internal Revenue, 13 F.3d 432 (1st Cir. 1993) (Assessment of income tax deficiencies and penalties on proceeds of drug trafficking already forfeited to the government did not constitute double jeopardy or an excessive fine); U.S. v. Bizzell, 921 F.2d 263 (10th Cir. 1990) (Civil penalty and 18-month suspension from dealing in Department of Housing and Urban Development activities did not constitute punishment within the meaning of the Double Jeopardy Clause.



in particular." See Handbook at p. 1, fn. 1. Indeed, the handbook itself states that the Commission's enforcement jurisdiction over noncriminal FECA violations cannot be compromised or waived by the DOJ. See Handbook at 117; also see 2 U.S.C. §§ 437d(a)(6) and 437d(e). Therefore, although some agreements may include a "waiver" clause, such as that mentioned in Gadhia's response, its absence should not signal/signify a perfunctory waiver of the Commission's civil jurisdiction.

In light of the above, this Office recommends that the Commission reject Gadhia's request to withdraw (vacate) the reason to believe finding.<sup>8</sup> Gadhia has not requested preprobable cause conciliation. This Office, therefore, intends to prepare a General Counsel's Brief. At the same time, however, this Office realizes that Gadhia has already been punished and will likely prove to have no assets. The intent, therefore, would not be to recommend further penalties against Gadhia but to memorialize for the public the previously unexposed details of this criminal scheme, to signal the serious nature of these violations by finding probable cause against Gadhia, and to find out whether Gadhia has additional information about the role of the Indian Embassy and other individuals in the reimbursement scheme.

**B. Vinay Wahi and Satish Bahl**

The Commission found reason to believe that Satish Bahl, part-owner of the Akbar restaurant, knowingly and willfully violated 2 U.S.C. § 441f by making a \$1,000 reimbursed contribution to IALIF, and by soliciting an additional \$3,500 in reimbursed contributions to IALIF, mostly from Akbar employees. The Commission also found reason to believe that Vinay Wahi, fellow part-owner of the Akbar restaurant, knowingly and willfully violated 2 U.S.C.

<sup>8</sup> Gadhia's request to find no probable cause need not be addressed because we are not at the probable cause stage in this matter.

§ 441f by making \$4,500 in reimbursed contributions to IALIF and various candidate committees, and by assisting in acquiring an additional \$8,500 in reimbursed contributions, mostly from employees of Akbar restaurant.

In a response dated December 9, 1996, counsel for Bahl and Wahi stated that these respondents "cooperated fully and completely" with the U.S. Attorney's Office, that both met with agents of the federal government, and that Wahi testified before the grand jury. Attachment 6. In addition, counsel stated that Wahi and Bahl received immunity from the government (enclosing copies of the letters of immunity) and that when they were offered immunity "there was no anticipation by the government of a F.E.C. investigation" of Wahi or Bahl. *Id.* Counsel requested that the Commission decline to further pursue or in the alternative, offered to enter into preprobable cause conciliation.

The language in the immunity letters to Wahi and Bahl states that information given concerning this matter will not be used "in any criminal proceeding that may be brought in this District . . .", against Wahi or Bahl. *Id.* at 3-4. The letter further states "[t]here are no other agreements, promises, undertakings or understandings . . ." between the parties." *Id.*

In subsequent telephone conversations, counsel explained that he had "major problems" with the whole process given that his clients had fully cooperated in the criminal investigation and been immunized. We pointed out that the grant of immunity only applied to criminal proceedings and that in any event, the Commission's enforcement jurisdiction over noncriminal FECA violations cannot be compromised or waived. Counsel then asked how his clients would benefit by cooperating with us and what information we were interested in obtaining. This

Office responded that it wanted to further explore what his clients knew about the reimbursement scheme, actors involved, source of money and that cooperation would be rewarded.

In a subsequent letter dated February 12, 1997, counsel stated that Bahl was out of the country, would not return until mid-March, and proposed to meet with us without Bahl or Wahi. Attachment 7. We responded that we wanted to meet directly with his clients and would be willing to schedule a meeting when Bahl and Wahi would be available. Counsel, however, stated that "he was willing to make himself available" to meet us but "was not in the habit of volunteering that his clients speak to us" so that we could use their statements against them, unless we were willing to give something in return and not just a promise that cooperation would be rewarded.

In light of the above, it appears that these respondents would be more inclined to discuss this matter with us after receiving a conciliation agreement. Accordingly, this Office recommends that the Commission reject the respondents' request to take no further action, grant the respondents' request for preprobable cause conciliation and approve the attached proposed conciliation agreements

C. **Dr. S. V. Ramamurthy**

The Commission found reason to believe that Dr. S. V. Ramamurthy knowingly and willfully violated 2 U.S.C. § 441 by allowing his name to be used to make \$4,000 in reimbursed

contributions to Robb for Senate, Citizens for Sarbannes, Citizens for Senator Wofford, and the IALIF, and soliciting other individuals to make \$3,000 in reimbursed contributions to IALIF.

Ramamurthy solicited two guests, Jay Mangalvedhe and Sonne Gowda, during a social function at Ramamurthy's home. Jay Mangalvedhe reported that Ramamurthy requested that he and Sonne Gowda each write a \$1,000 check to IALIF for which they would be reimbursed. Mangalvedhe stated his understanding was that this was not a political contribution but related to the local Indian-American community. He further stated that he did not know the source of the cash and that Ramamurthy did not mention Gadhia's name during the transaction. Gowda stated that Ramamurthy announced that he had some money to give away but that there was a limit, and that Ramamurthy asked Mangalvedhe to provide a check in return for cash. Gowda said he was aware that this fundraising was connected to Gadhia and was also aware of the \$1,000 limit but did not know he was making a political contribution. He said he did not think Ramamurthy was the source of the cash but thought perhaps other wealthy Indian-Americans were. Ramamurthy gave Gowda \$2,000 in fresh \$100 bills numbered sequentially (Gowda offered to have his son Vikram also make a \$1,000 contribution). Gowda said Ramamurthy gave instructions to have the checks delivered to Gadhia's office.

On December 19, 1996, counsel for Dr. Ramamurthy requested preprobable cause conciliation while also suggesting that the Commission close the matter without a finding of a violation or monetary penalty. Attachment 10. Counsel cited Dr. Ramamurthy's cooperation with the Justice Department's investigation, his testimony before the grand jury, and his "complete disclosure of activities" to the AUSA. Counsel offered to discuss the matter further and Dr. Ramamurthy was informally interviewed by telephone on March 4, 1997.

1. Summary of Informal Interview

In the interview, Dr. Ramamurthy, a dentist, stated that he has known Gadhia since 1980 and that Gadhia is an acquaintance, a dental patient, and his attorney. Ramamurthy explained that he has made campaign contributions in the past and attended several fundraisers with Gadhia at Gadhia's request. Ramamurthy further stated that he has no fundraising experience though he declined a request to be the Indian-American community's coordinator for Governor Schaeffer's 1986-1987 campaign. Ramamurthy also stated he has been active in the two local Indian-American organizations -- India Forum and STEP IN-- but is not involved with the Indian Embassy though he attended a function there in 1985-1986.

Dr. Ramamurthy explained that in October 1994, as he was leaving a restaurant after having had lunch with Gadhia, Gadhia handed him an envelope, telling him that it contained money and that he would contact him later. Ramamurthy said the envelope contained \$8,000 in cash. He further said that Gadhia called him and ask that he and his wife each write a check for \$1,000 to IALIF and that he approach others to write more checks. Ramamurthy said that during a dinner party at his house, the guests, Sonne Gowda and Jay Mangalvedhe, said they had heard there was a fundraiser and wanted to know how they could help and that he told them they could write checks. Ramamurthy said that he told his guests that the money came from Gadhia. Later in the week, Ramamurthy explained, Gadhia asked him to write more checks to the campaigns of Sarbannes, Robb, and Wofford.

When asked whether he questioned Gadhia about the legality of these transactions, Ramamurthy stated that he did not even think to question it because Gadhia was an attorney and that he trusted that Gadhia would not ask him to do something illegal. He also said that he had



little opportunity to talk with Gadhia during that time because Gadhia was very busy with the Glendening campaign and said he would explain it all later. In subsequent discussions with this Office regarding this issue, counsel stated that Ramamurthy knew there was a \$1,000 limit for individual contributions.

## 2. Summary of Response and Analysis

By memorandum dated May 19, 1997, counsel for Dr. Ramamurthy requested preprobable cause conciliation or, in the alternative, that the Commission dismiss the matter without a finding of probable cause. Attachment 11. Counsel admits that Ramamurthy made reimbursed contributions as described in the Factual and Legal Analysis but sets forth the following as mitigating factors: (1) Ramamurthy cooperated with the U.S. Attorney's Office and with the Commission; (2) he did not willfully violate any law; and, (3) "further proceedings would constitute an inappropriate use of government resources," and the DOJ and Commission proceedings "have taken their toll" on Ramamurthy, causing him embarrassment within the Indian immigrant community and considerable legal fees.

First, counsel points out that Ramamurthy fully cooperated with the U.S. Attorney's Office and the Commission's investigations. Specifically, counsel explains that Ramamurthy provided information to the United States Attorney's Office who prosecuted the case, and testified before the grand jury. Counsel also points out that Ramamurthy was treated as "a witness rather than as a knowing participant." As evidence of Ramamurthy's cooperation with DOJ, counsel provided a letter from Joseph L. Evans, the Assistant United States Attorney who prosecuted the criminal case against Gadhia. *Id.* at 10-11. In his letter, Mr. Evans states that Ramamurthy had been "fully debriefed" and found to be "candid, truthful, cooperative." The



letter further states that it was concluded that Ramamurthy was "not aware of the scope of the scheme and did not seem to know" the source of the money. The letter adds that Ramamurthy would have been used as a Government witness had the case gone to trial and that "Ramamurthy's presence as a potential witness influenced Gadhia to plead guilty." In addition, counsel argues that Ramamurthy cooperated with the Commission by providing an interview and also providing additional information.

Dr. Ramamurthy's cooperation with DOJ in the criminal investigation would clearly not make him immune to pursuit under the FECA. Moreover, DOJ's nonprosecution of Ramamurthy and treatment of Ramamurthy as a witness is less evidence of Ramamurthy's level of cooperation than part of DOJ's practice. As noted in the DOJ handbook: "Although conduits may also have criminal exposure under Section 441f, the Justice Department customarily treats conduits as witnesses against the person who recruited them to launder the funds." Handbook at 103. DOJ will not normally pursue a conduit unless the violation is willful, involves a "substantial sum of money" and results in false reporting of campaign information. Moreover, the DOJ recognizes that "conduits remain subject to FEC civil enforcement proceedings" and "depending on the extent of their conduct," may be subject to civil penalties. *Id.* at fn. 38. Thus, although Ramamurthy's cooperation with DOJ is not necessarily a mitigating factor for the Commission, this Office does recognize his cooperation with this Office in willingly participating in an informal interview.

Second, counsel argues that Ramamurthy did not knowingly and willfully violate the law because he trusted his attorney Gadhia and did not think that his lawyer would ask him to do something illegal. Counsel also argues that it would be a "stretch" to infer that Ramamurthy "a

layman acting at the behest of his trusted lawyer" would "know he was violating the law in so technical and arcane a field."

Though it is possible that Ramamurthy so fully trusted Gadhia that he did not even think to question him about the legality of the reimbursement scheme, this is hard to believe given that Ramamurthy had previously made campaign contributions and attended fundraisers, and that he admitted that he knew of the contribution limits and was reimbursed in cash. At the very least, Ramamurthy should have questioned Gadhia about this.

Finally, counsel argues that it would be an inefficient use of Commission resources to pursue Ramamurthy suggesting that Ramamurthy's violations are not serious and that the violations have already been "corrected" through the criminal prosecution and investigation and "prevented" because Ramamurthy will not commit future violations.

Counsel's suggestions that Ramamurthy's \$4,000 worth of reimbursed contributions and \$3,000 worth of solicited reimbursed contributions are not worth pursuing ignores the fact that such violations are very serious and that Ramamurthy made reimbursed contributions and solicited others to make reimbursed contributions.

With regard to the above, this Office recommends that the Commission reject Dr. Ramamurthy's request for no further action and grant his request to enter into preprobable cause conciliation.

Accordingly, this Office recommends that the Commission approve the attached proposed conciliation agreement

**D. Sachindar Gupta**

The Commission found reason to believe that Sachindar Gupta knowingly and willfully violated 2 U.S.C. § 441f by permitting his name to be used to make \$10,000 worth of contributions to various candidate committees. Each of Gupta's contributions was listed in Gadhia's record of contributions which was sent to the Indian Embassy. In addition, disclosure documents reveal that Gupta made no reported federal contributions in the two election cycles previous to the contributions in question.

**1. Summary of Responses and Investigation**

According to the Statement of Facts, Gadhia was able to generate approximately \$60,000 in contributions to support IALIF and individual candidates. Gadhia asserts in his deposition that he reimbursed "only between \$44,000-\$45,000" in contributions and that he returned \$15,000-\$16,000 which, he claims reflects declined reimbursements from several individuals including Sachindar Gupta. See Attachment 5 at 141.

Gadhia testified that Gupta declined his offer of reimbursements and was not reimbursed for any of his contributions. *Id.* at 132. Gadhia explained that Gupta is a very wealthy individual who has made substantial contributions to state candidates in the past. Gadhia also testified that he and Gupta have a close relationship and that for some of the contribution checks Gupta asked him to fill in the payee name and/or the dollar amount. *Id.* at 135 and 185-192. Gadhia states

that the \$15,000 or \$16,000 or so he returned to Singh came in part from amounts not reimbursed to Gupta. Id. at 193.

Gadhia was asked why Gupta's name appeared on the list to the Indian Embassy if he had not been reimbursed. Gadhia answered that the purpose of the list was to let Singh know how much support Gadhia had generated without differentiating between those who had been reimbursed and those who had not. Id.

By letter dated December 9, 1996, counsel for Gupta contends that Gupta was not reimbursed for any of his contributions and requested that the Commission "withdraw" the reason to believe finding. Attachment 13. In response, this Office explained that Gupta had not submitted any documentation to show the contributions had not been reimbursed and requested that Gupta provide copies of relevant bank records covering the period during which the contributions were made.

In his February 25, 1997, response, counsel stated that Gupta had turned over the documentation requested to the U.S. Attorney's Office and FBI during the investigation. The U.S. Attorney's Office released the financial records to this Office.<sup>9</sup> As these records were incomplete as to the original request for documentation, this Office, by letter dated April 16, 1997, specifically requested bank statements for any other checking or savings account under Gupta's name and checkbook registers for two bank accounts. In response to the informal request, Gupta stated that he had "furnished all the information and records that are in my possession," and that he did not save deposit slips or maintain check registers. Attachment 14.

<sup>9</sup> Sachindar Gupta's bank records are too voluminous to include with this report, but are available in Docket.

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The bank statements provided by Gupta reveal numerous transactions involving large amounts of money obviously suggesting that he has the financial means to make contributions. It is not possible, however, to fully investigate this matter without knowing whether Gupta has other bank accounts. Rather than engaging in a full scale investigation, this Office recommends that the inquiry be narrowed to written discovery to Gupta to identify all of his bank accounts and for a subpoena for bank records of Gupta from the bank on which the contribution checks were drawn (Maryland National Bank now NationsBank). Accordingly, this Office recommends the Commission reject the request to vacate the reason to believe finding and instead authorize the attached Subpoena to Produce Documents to NationsBank, (Attachment 15), and Order to Submit Written Answers to Sachindar Gupta. Attachment 16.

E. Uday Gadhia

The Commission found reason to believe that Uday Gadhia knowingly and willfully violated 2 U.S.C. § 441f by permitting his name to be used to effect a \$500 contribution to IALIF, and by soliciting five other individuals in making \$4,500 worth of contributions to IALIF. The individuals solicited by Gadhia were: (1) Sivasubramanian Baskar (\$1,000); (2) Umesh Naik (\$1,000); (3) Venkatachlen Ramakrishnan (\$1,000); (4) Tejpal Rehncy (\$1,000); and (5) Zubair Siddiqi (\$500). Uday Gadhia also stated that he solicited an additional \$1,300 worth of contributions to IALIF from Arvind Mehta (\$500) and Hemanta Kole (\$900) and that his wife also made a \$500 reimbursed contribution.

Gadhia

approached them in late October 1994, at their personal residences, about making a reimbursed contribution. They were reimbursed in cash (\$100 bills). They stated that Uday Gadhia gave



them only general reasons for the fundraising such as supporting the Indian community, raising funds for politicians favorable to India, "people running for office," or helping Lalit Gadhia raise funds. One of the conduits, Siddiqi stated to the FBI that Uday Gadhia assured him that there was nothing wrong with making a reimbursed contribution. Several stated that they were later contacted by Uday Gadhia who notified them that they might be contacted by investigators. Uday Gadhia reportedly told them not to lie about anything and not to alter the details.

1. **Summary of Response and Informal Interview**

Counsel for Uday Gadhia submitted a response dated January 29, 1997. Attachment 17. This Office also conducted an informal interview of Gadhia on February 12, 1997. By letter dated February 21, 1997, counsel requested preprobable cause conciliation. Attachment 18.

In the January 29, 1997, response, counsel portrayed Uday Gadhia, Lalit Gadhia's nephew, as a "naive and youthful" individual who "had no reason to question the propriety" of what his uncle, Lalit Gadhia, asked him to do because he honored and loved his uncle who was also a "highly regarded and politically well-connected attorney." Attachment 16, page 1. Counsel also stated that Uday Gadhia was a "completely truthful, willing, and cooperative witness" for the United States Attorney's Office investigation of this matter. *Id.* at 2. Counsel also stated that Gadhia supports a family and makes a modest income

Counsel also requested that the Commission only reprimand and warn Gadhia.

In his informal interview, Uday Gadhia stated that he felt beholden to his uncle for helping him obtain a United States visa and employment and that he would do anything for his uncle. Gadhia also stated that he believed his uncle when he said that the reimbursement was just a loophole in the law to get around the contribution limit. Uday Gadhia confirmed that Lalit



Gadhia reimbursed both he and his wife for their \$1,000 contribution and that he later gave him \$10,000 in fresh \$100 bills to reimburse others. Uday Gadhia further stated that he approached other people and told them the same thing Gadhia had told him-- that the money was to aid politicians helpful to India and the reimbursement was a loophole which was not illegal. Uday Gadhia said Lalit Gadhia did not tell him anything about the source of the money and that he had no knowledge about the Indian Embassy or other solicitors or conduits in this matter.

In his deposition, Lalit Gadhia had testified that this was the only time he had approached his nephew about making a contribution and that Uday Gadhia acquiesced to his request to make reimbursed contributions because he is his uncle and a lawyer and that Uday Gadhia assumed it was proper. In her informal interview, Rosemary Osborne, Lalit Gadhia's former secretary, also commented that Uday Gadhia had not made political contributions before or been involved in campaigns and fundraising.

## **2. Discussion**

In light of the strong evidence that Uday Gadhia agreed to participate in the reimbursements because of his lack of knowledge in this area, his special relationship to his uncle, and his full trust, albeit mistaken, in his uncle's assurances that the reimbursements were legal, and because he has been fully cooperative and truthful with this Office, this Office recommends that the Commission approve Uday Gadhia's request to take no further action and close the file as to this respondent. This Office further recommends that the Commission issue a letter of admonishment to this respondent.

**F. The Indian-American Leadership Investment Fund; Subodh Chandra,**

**Treasurer**

The Commission found reason to believe that the Indian-American Leadership Investment Fund ("IALIF" or "PAC") and Subodh Chandra, as treasurer, violated 2 U.S.C. §§ 441e and 441f for knowingly accepting prohibited contributions, i.e., contributions which were both from a foreign source and made in the name of another. This Office recommended, however, that the Commission not pursue the PAC and its treasurer beyond finding reason to believe because of Chandra's prompt reporting of the violations in a sua sponte submission and his formal request for advice and cooperation with the DOJ investigation. The Commission determined to take no further action and closed the matter as to these respondents.

Subsequently, Chandra advised this Office that he had requested refunds from committees to which the IALIF had made prohibited contributions in October and November 1994 and that several of these committees had supplied the refunds to IALIF. In response, this Office informed Chandra that it had notified these committees to disgorge the contributions to the United States Treasury and requested that the IALIF disgorge an equivalent amount of any refunds received from these committees to the Treasury, care of the Commission.

While Chandra initially contested the disgorgement of funds to the United States Treasury instead of to charity, (Attachment 19), he did eventually disgorge the full amount of the refunds IALIF received and some residual funds that came from Gadhia. Attachment 20.

Chandra also disputed the reason to believe finding that IALIF is chargeable with knowledge of Gadhia's illegal activities because Gadhia acted as an agent of the IALIF. Though Chandra has stated he would be submitting a formal request for an advisory opinion on both the

disgorgement and reason to believe issue, (Attachment 19), such a request has not been submitted. In telephone conversations with this Office, Chandra has argued that he should not be held responsible as treasurer because he exercised best efforts to obtain and report contributor information, had no reason to mistrust Gadhia or had any inkling of the reimbursement scheme, and promptly reported to the Commission when he became aware of the problem.<sup>10</sup>

The basis for the Commission's findings as set out in the Factual and Legal Analysis was that Chandra, in authorizing Gadhia to raise money on behalf of IALIF during the 1994 election cycle and allowing Gadhia to select the campaigns to which the funds would go, essentially turned over the PAC to Gadhia to further the PAC's interest. Thus, Gadhia acted on behalf of the IALIF. In such situations, under settled principles of agency law, IALIF was chargeable with knowledge of its agent's, Gadhia, illegal actions and it is not unreasonable to hold IALIF and Chandra, as treasurer, responsible under the circumstances. Neither Gadhia nor Chandra dispute Gadhia's fundraising role. In his deposition, Gadhia testified that after receiving the first installment from Singh, he contacted Chandra and made an offer to generate support for IALIF, that Chandra "welcomed whatever support" Gadhia would generate, and that Gadhia arranged to

<sup>10</sup> This Office also received a letter from AUSA Joseph Evans questioning the "fairness" of the Commission's reason to believe finding against IALIF and Chandra. Attachment 21. The letter states that neither Chandra nor IALIF knew that Gadhia obtained donations from nominees and that the source of funds was the Indian Embassy, explaining that Chandra fully trusted Gadhia whom he viewed as a "mentor" and that IALIF and Chandra were "victims" of Gadhia's actions and were "cynically manipulated." *Id.* at 1. The letter also argues that Chandra tried to provide accurate reports to the Commission by writing Gadhia to obtain additional contributor information and that Chandra "made every effort to comply with the law" by promptly contacting the Commission as soon as he discovered that the contributions might be illegal and fully cooperating with both the criminal investigation and the Commission. *Id.* The letter also argues that because IALIF was a very small PAC with a low level of activity Chandra would be identified with IALIF and the reason to believe finding would carry a potential stigma to Chandra. *Id.* at 2.

send Chandra the checks. Attachment 5 at 152, 177-178. Gadhia said that Chandra did request additional occupation/employer information for the contributors, but that he does not recall Chandra questioning any aspect of the fundraising nor did he volunteer any information to Chandra about the reimbursements or source of the funds. *Id.* at 178-180. Gadhia also testified that it was decided that Gadhia would select the candidates that would receive IALIF's support though he and Chandra discussed the selections and Chandra provided some input. *Id.* at 153, 204-205.

As noted above, the Commission has already taken no further action with respect to IALIF and Subodh Chandra.

**G. Aruna and Sudhir Trivedi**

The Commission found reason to believe that Aruna and Sudhir Trivedi each violated 2 U.S.C. § 441f by knowingly permitting their names to be used to make a reimbursed contribution. At the same time, the Commission took no further action and closed the matter as to these respondents. The basis for the Commission's findings was that the Trivedis each made a \$1,000 contribution to IALIF which was received on October 31, 1994, and that both their names appeared on the list of contributors which Gadhia forwarded to Davendra Singh at the Indian Embassy.

By letter dated December 24, 1996, counsel for the Trivedis argued that there was no factual basis for the reason to believe finding against the Trivedis. Attachment 22. Counsel requests that the Commission reopen this investigation as it pertains to his clients, find no probable cause to believe that his clients violated the Act and close it again. *Id.* Counsel provided affidavits from the Trivedis denying they were reimbursed for their contributions to the

IALIF and provided various bank records.<sup>11</sup> *Id.* Counsel contends that the Trivedis have the financial means to make large campaign contributions and that they have made such contributions in the past to various federal candidates. Counsel also points out that the United States Attorney's Office never charged the Trivedis or targeted them for investigation for any criminal violation and that the AUSA stated "that he was unaware of any documents which indicated" the Trivedis had been reimbursed.

During its investigation of this matter, this Office requested and counsel willingly supplied copies of documentation from the Trivedis' bank records including bank statements, deposit slips, and checkbook registers. Attachment 23. Counsel also provided an explanation for specific deposits. Attachment 24. The information obtained from the bank records reveals numerous deposits and withdrawals involving large amounts of money reflecting that the Trivedis would have the financial wherewithal to make \$1,000 contributions. In addition, a search of the contributor index for the Trivedis revealed prior contributions to other federal candidates. There is no evidence of a reimbursements in any of the records provided.

In his deposition, Gadhia testified that the Trivedis are wealthy individuals who have made contributions in the past and who did not want to be reimbursed. Attachment 5 at 134 and 163. Gadhia also testified, as with questions regarding Sachindar Gupta, that not all individuals listed on the document provided to the Indian Embassy had been reimbursed.

The evidence obtained during investigation from the bank records and from the testimony of Gadhia strongly suggests that the Trivedis had the financial means to make the contributions to IALIF and were not reimbursed for their contributions. On the other hand, a reason to believe

<sup>11</sup> Bank records of the Trivedis are not included with this report but are available in Docket.



finding is merely a threshold determination which permits the Commission to undertake an investigation into whether a violation has occurred. The fact that the Trivedis' name appeared on the list of contributors forwarded to the Indian Embassy was sufficient information for the Commission to make a reason to believe finding against the Trivedis. A reason to believe finding is not vacated nor is a matter reopened absent evidence of a substantive or procedural error. No such evidence has been presented here. Accordingly, this Office recommends that the Commission not grant the Trivedis' request to reopen the matter.

#### **H. Recipient Committees**

All of the recipient committees that were issued disgorgement letters have responded and all but two have fully disgorged to the U.S. Treasury. Attachment 25. Four of these committees refunded contributions directly to the IALIF and the IALIF in turn has disgorged these contributions to the U.S. Treasury. Attachment 20. The two remaining committees, Mathews for Congress and Friends of Eric Fingerhut, have no cash on hand but have made partial disgorgement and have requested that the Commission allow them more time to raise the funds to pay the balance on the disgorgement. Mathews for Congress, which disgorged \$1,000 out of \$3,000, states that it currently has no cash on hand and is anticipating incoming contribution commitments to help fulfill its disgorgement obligation. Attachment 26. As Mathews for Congress did not request a specific extension period, this Office recommends that the Commission approve an extension of not more than two months to pay the balance. Friends of Eric Fingerhut made a partial disgorgement of \$250 and is expected to disgorge the remaining \$750 in the coming month. Attachment 27.

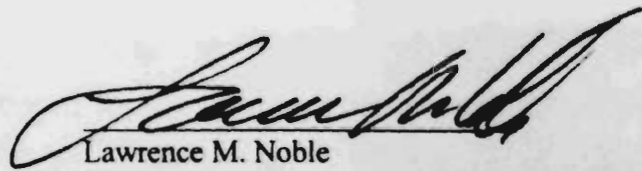


### III. RECOMMENDATIONS

1. Reject the request from Lalit Gadhia to vacate the reason to believe finding that he violated 2 U.S.C. §§ 441e and 441f.
2. Reject the request from Vinay Wahi to take no further action.
3. Reject the request from Satish Bahl to take no further action.
4. Reject the request from Dr. S. V. Ramamurthy to take no further action.
5. Take no further action and close the file as to Uday Gadhia.
6. Reject the request from Sachindar Gupta to vacate the reason to believe finding that he violated 2 U.S.C. § 441f.
7. Reject the request from Aruna and Sudhir Trivedi to reopen the matter as to them.
8. Enter into conciliation with Vinay Wahi prior to a finding of probable cause to believe.
9. Enter into conciliation with Satish Bahl prior to a finding of probable cause to believe.
10. Enter into conciliation with Dr. S. V. Ramamurthy prior to a finding of probable cause to believe.
11. Approve the attached proposed conciliation agreements.
12. Approve an Order to Submit Written Answers to Sachindar Gupta.
13. Approve a Subpoena to Produce Documents to NationsBank.
14. Approve an extension of two months for Mathews for Congress to make the required disgorgement.
15. Approve the appropriate letters.

Date

8/22/97

  
Lawrence M. Noble  
General Counsel

## Attachments

2. Letter from counsel for Lalit Gadhia dated December 4, 1996
3. Motion to Quash for Lalit Gadhia dated December 18, 1996
4. Letter from counsel for Lalit Gadhia dated February 24, 1997
5. Deposition of Lalit Gadhia, January 2, 1997
6. Letter from counsel for Vinay Wahi and Satish Bahl dated December 9, 1996.
7. Letter from counsel for Vinay Wahi and Satish Bahl dated February 12, 1997
8. Proposed Conciliation Agreement for Vinay Wahi
9. Proposed Conciliation Agreement for Satish Bahl
10. Letter from counsel for Dr. S.V. Ramamurthy dated December 19, 1996
11. Memorandum from counsel for Dr. S.V. Ramamurthy dated May 19, 1997
12. Proposed Conciliation Agreement for Dr. S.V. Ramamurthy
13. Letter from counsel for Sachindar Gupta dated December 9, 1996
14. Response from Sachindar Gupta and counsel to April 16, 1997 request from this Office.
15. Proposed Subpoena to Produce Documents to NationsBank.
16. Proposed Order to Submit Written Answers to Sachindar Gupta.
17. Response from Counsel for Uday Gadhia dated January 29, 1997
18. Letter from counsel for Uday Gadhia dated February 21, 1997
19. Letter from Subodh Chandra (IALIF) dated January 23, 1997
20. Letters from Subodh Chandra (IALIF) dated June 30, 1997 and July 1, 1997
21. Letter from AUSA Joseph Evans dated February 12, 1997
22. Letter from counsel for Trivedis dated December 24, 1996
23. Letter from counsel for Trivedis dated April 23, 1997
24. Letters from counsel for Trivedis dated March 10, 1997, and May 22, 1997
25. List of recipient committees and disgorgement amounts and dates
26. Letter from Mathews for Congress and disgorgement check dated 5/23/97
27. Letter from Friends Eric Fingerhut dated February 5, 1997 and disgorgement check dated January 23, 1997

Staff assigned: Dominique Dillenseger



FEDERAL ELECTION COMMISSION

Washington, DC 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE  
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/BONNIE ROSS  
COMMISSION SECRETARY

DATE: AUGUST 28, 1997

SUBJECT: MURs 4582/4583 - GENERAL COUNSEL'S REPORT

The above-captioned document was circulated to the Commission  
on Monday, August 25, 1997.

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

|                       |            |
|-----------------------|------------|
| Commissioner Aikens   | —          |
| Commissioner Elliott  | <b>XXX</b> |
| Commissioner McDonald | —          |
| Commissioner McGarry  | —          |
| Commissioner Thomas   | <b>XXX</b> |

This matter will be placed on the meeting agenda for  
Tuesday, September 09, 1997.

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

96043681291

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 ) MUR 4582  
Lalit Gadhia; )  
Vinay Wahi; )  
Satish Bahl; )  
Dr. S.V. Ramamurthy; )  
Sachindar Gupta; )  
Uday Gadhia )

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for  
the Federal Election Commission executive session on  
September 9, 1997, do hereby certify that the Commission  
decided by a vote of 4-1 to take the following actions  
with respect to MUR 4582

1. Reject the request from Lalit Gadhia  
to vacate the reason to believe  
finding that he violated 2 U.S.C.  
§§ 441e and 441f.
2. Reject the request from Vinay Wahi to  
take no further action.
3. Reject the request from Satish Bahl to  
take no further action.
4. Reject the request from Dr. S. V. Ramamurthy  
to take no further action.
5. Take no further action and close the file  
as to Uday Gadhia.

(continued)

- 9 0 0 4 0 0 0 1 2 9 0
6. Reject the request from Sachindar Gupta to vacate the reason to believe finding that he violated 2 U.S.C. § 441f.
  7. Reject the request from Aruna and Sudhir Trivedi to reopen the matter as to them.
  8. Enter into conciliation with Vinay Wahi prior to a finding of probable cause to believe.
  9. Enter into conciliation with Satish Bahl prior to a finding of probable cause to believe.
  10. Enter into conciliation with Dr. S. V. Ramamurthy prior to a finding of probable cause to believe.
  11. Approve the proposed conciliation agreements as recommended in the General Counsel's August 22, 1997 report.
  12. Approve an Order to Submit Written Answers to Sachindar Gupta as recommended in the General Counsel's August 22, 1997 report.
  13. Approve a Subpoena to Produce Documents to NationsBank as recommended in the General Counsel's August 22, 1997 report.
  14. Approve an extension of two months for Mathews for Congress to make the required disgorgement.

(continued)

15. Approve the appropriate letters as recommended in the General Counsel's August 22, 1997 report.

Commissioners Aikens, McDonald, McGarry, and Thomas voted affirmatively for the decision; Commissioner Elliott dissented.

Attest:

9-11-97  
Date

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

9804001294





FEDERAL ELECTION COMMISSION  
Washington, DC 20463

September 22, 1997

Charles H. Roistacher, Esq.  
Powell, Goldstein, Frazer & Murphy  
Sixth Floor  
1001 Pennsylvania Avenue, NW  
Washington, DC 20004

RE: MUR 4582  
Aruna and Sudhir Trivedi

Dear Mr. Roistacher:

This is in response to your letter dated December 24, 1996, in which you request action which would require the Federal Election Commission to reopen the investigation in MUR 4582 with respect to Aruna and Sudhir Trivedi. On September 9, 1997, the Commission reviewed your letter and determined not to grant your clients' request to reopen this matter or to vacate the reason to believe finding.

On November 12, 1996 the Commission found reason to believe that Aruna and Sudhir Trivedi each violated 2 U.S.C. § 441f. On the same date, the Commission decided to take no further action and close the file in this matter. By letter dated November 25, 1996, the Commission notified your clients of this action.

The Commission's decision to decline reopening this matter reflects the fact that a finding of reason to believe was made on the basis of the information available to the Commission at that time. That information reflected that the Trivedis each made a \$1,000 contribution to IALIF which was received on October 31, 1994, and that both their names appeared on the list of contributors which Lalit Gadhia forwarded to Davendra Singh at the Indian Embassy. The fact that the Trivedis' name appeared on the list of contributors forwarded to the Indian Embassy was sufficient information for the Commission to make a reason to believe finding against the Trivedis.

This Office acknowledges that counsel willingly supplied copies of documentation from the Trivedis' bank records including bank statements, deposit slips, and checkbook registers

suggesting that the Trivedis had the financial means to make the contributions to the IALIF and were not reimbursed for their contributions. Nonetheless, reason to believe, the only formal finding made by the Commission in this matter, is only the statutorily required finding to initiate an investigation and therefore does not constitute a determination by the Commission that a violation has occurred. A reason to believe finding is not vacated nor is a matter reopened absent evidence of a substantive or procedural error. No such evidence has been presented here.

In light of its decision to take no further action and close the matter, the Commission has issued no formal finding, binding or otherwise, that there was probable cause to believe your clients have violated the Federal Election Campaign Act of 1971, as amended.

The Commission will put your December 24, 1996 letter on the public record in this matter, along with any other submission you wish to make, when the matter closes completely. At the time the matter closes, you will be so notified should you wish to submit any additional materials to appear on the public record. Such materials should be sent to the Office of the General Counsel.

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

Sincerely,

*Dominique Dillenseger* (by NB)

Dominique Dillenseger  
Attorney

93043661296



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

September 22, 1997

David B. Irwin, Esq.  
Irwin, Green & Dexter, L.L.P.  
Suite 520, B & O Building  
2 North Charles Street  
Baltimore, MD 21201

RE: MUR 4582  
Uday Gadhia

Dear Mr. Irwin:

On November 26, 1996, your client, Uday Gadhia, was notified that the Federal Election Commission found reason to believe that Uday Gadhia violated 2 U.S.C. § 441f. On January 29, 1997, you submitted a response to the Commission's reason to believe finding. On February 12, 1997, your client cooperated with an informal interview.

After considering the circumstances of the matter, the Commission determined on September 9, 1997, to take no further action against Uday Gadhia, and closed the file as it pertains to him. The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved.

You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remain in effect with respect to all respondents still involved in this matter. The Commission will notify you when the entire file has been closed.

The Commission reminds you that contributions made in the name of another are a violation of 2 U.S.C. § 441. Your client should take steps to ensure that this activity does not occur in the future.

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

Sincerely,

*Dominique Dillenseger (By)*

Dominique Dillenseger  
Attorney



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

September 22, 1997

M. Albert Figinski, Esq.  
Stuart R. Berger, Esq.  
Weinberg & Green L.L.C.  
100 South Charles Street  
Baltimore, Maryland 21201-2773

RE: MUR 4582  
Satish Bahl, Vinay Wahi

Dear Messrs. Berger and Figinski:

On November 12, 1996, the Federal Election Commission found reason to believe that your clients, Satish Bahl and Vinay Wahi, knowingly and willfully violated 2 U.S.C. § 441f. On September 9, 1997, the Commission rejected your request to take no further action against your clients, and determined to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe.

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

If you have any questions or suggestions for changes in the agreement, or if you wish to arrange a meeting in connection with a mutually satisfactory conciliation agreement, please contact me or Erik Morrison at (202) 219-3690.

Sincerely,

A handwritten signature in cursive script, reading "Dominique Dillenseger".

Dominique Dillenseger  
Attorney

Enclosures  
Conciliation Agreements



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

September 22, 1997

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Legal Support  
NationsBank N.A.  
100 S. Charles Street  
Mail Code MD4-325-03-63  
Baltimore, MD 21201

RE: MUR 4582  
Sachindar Gupta

Dear Sir or Madam:

Enclosed is a Subpoena to Produce Documents, directed to NationsBank N.A. The Right to Financial Privacy Act of 1978 permits the customer whose records are sought ten days from the date of receipt of the Subpoena to move to quash them. Upon the expiration of this period, the Commission will notify you that it has complied with the Right to Financial Privacy Act. In the absence of judicial intervention, it is then your obligation to comply with the terms of the Subpoena. See 12 U.S.C. §§ 3405 and 3411.

Please be advised that 2 U.S.C. § 437g(a)(12) prohibits making public any Commission investigation without the written consent of the person with respect to whom such investigation is made. You are advised that no such consent has been given in this case.

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

Sincerely,

*Dominique Dillenseger* (68 N13)

Dominique Dillenseger  
Attorney

Enclosure  
Subpoena



BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

)  
) MUR 4582  
)

**SUBPOENA TO PRODUCE DOCUMENTS**

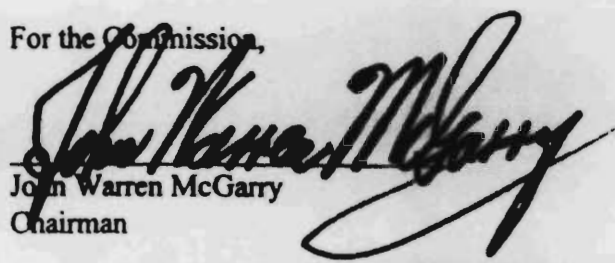
TO: Legal Support  
Nations Bank N.A.  
100 S. Charles Street  
Mail Code MD4-325-03-63  
Baltimore, MD 21201

Pursuant to 2 U.S.C. § 437d(a)(3), and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby orders you to produce the documents listed on the attachment to this subpoena. Legible copies which, where applicable, show both sides of the documents may be substituted for originals.

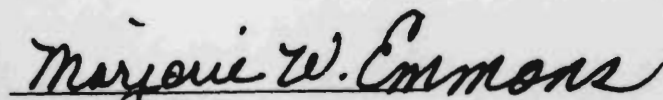
Notice is given that these documents must be submitted to the Office of the General Counsel, Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463, within 15 days of your receipt of the Commission's Certification of Compliance with the Right to Financial Privacy Act.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand in Washington, D.C. on this 19th day of September, 1997.

For the Commission,

  
John Warren McGarry  
Chairman

ATTEST:

  
Marjorie W. Emmons  
Secretary to the Commission



MUR 4582  
NationsBank N.A.  
Subpoena  
Page 2

Attachments  
Instructions  
Definitions  
Document Requests

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### INSTRUCTIONS

In answering this request for production of documents, furnish all documents and other information, however obtained, including hearsay, that is in possession of, known by or otherwise available to you, including documents and information appearing in your records.

Should you claim a privilege with respect to any documents, communications, or other items about which information is requested by any of the following interrogatories and requests for production of documents, describe such items in sufficient detail to provide justification for the claim. Each claim of privilege must specify in detail all the grounds on which it rests.

Unless otherwise indicated, the discovery request shall refer to the months of September, October, November, and December, 1994.

All requests for documents to NationsBank N.A. shall also include accounts at the institution formerly known as "Maryland National Bank."

The following requests for production of documents are continuing in nature so as to require you to file supplementary responses or amendments during the course of this investigation if you obtain further or different information prior to or during the pendency of this matter. Include in any supplemental answers the date upon which and the manner in which such further or different information came to your attention.

98040061302

### **DEFINITIONS**

For the purpose of these discovery requests, including the instructions thereto, the terms listed below are defined as follows:

"Document" shall mean the original and all non-identical copies, including drafts, of all papers and records of every type in your possession, custody, or control, or known by you to exist. The term document includes, but is not limited to books, letters, contracts, notes, diaries, log sheets, records of telephone communications, transcripts, vouchers, accounting statements, ledgers, checks, money orders or other commercial paper, telegrams, telexes, pamphlets, circulars, leaflets, reports, memoranda, correspondence, surveys, tabulations, audio and video recordings, drawings, photographs, graphs, charts, diagrams, lists, computer print-outs, and all other writings and other data compilations from which information can be obtained.

"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these interrogatories and request for the production of documents any documents and materials which may otherwise be construed to be out of their scope.

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### **DOCUMENT REQUESTS**

The attached Subpoena to Produce Documents has been issued by the Federal Election Commission under the authority of 2 U.S.C. § 437d(a)(3) as part of a lawful investigation being conducted under the authority of 2 U.S.C. § 437g(a)(2). You are required to submit the following requested documents within 15 days of the Commission's Certification of Compliance with the Right to Finance Privacy Act:

1. For all accounts under the name of Sachindar Gupta, and for any other account on which Sachindar Gupta has signature authority, provide copies of any and all financial records for the months of September, October, November, and December, 1994.

2. For all accounts under the name of Sachindar Gupta, and for any other account on which Sachindar Gupta has signature authority, provide copies of any and all checks, bank statements, withdrawal and deposit slips, copies of deposited items, instruments, and all other documents pertaining to the months of September, October, November, and December, 1994.

3. For any data described above maintained electronically, provide formats for the data, a description of any codes/symbols utilized, the software used to create the electronic records, and readable computer diskettes 3 1/2" or 5 1/4" or magnetic tape if stored on tape.

You are hereby advised of the provisions of 2 U.S.C. § 437g(a)(12) which prohibits anyone from making public any Commission investigation and provides for a fine up to \$5,000 for a violation of that provision.



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

September 22, 1997

Gerard P. Martin, Esquire  
Martin, Junghans, Snyder & Bernstein, P.A.  
Redwood Tower, Suite 2000  
217 East Redwood Street  
Baltimore, Maryland 21202

RE: MUR 4582  
Sachindar Gupta

Dear Mr. Martin:

On November 12, 1996, the Federal Election Commission found reason to believe that your client, Sachindar Gupta, knowingly and willfully violated 2 U.S.C. § 441f. On September 9, 1997, the Commission rejected your request to vacate the reason to believe finding that your client violated 2 U.S.C. § 441f.

Enclosed is an Order to Submit Written Answers directed to your client, Sachindar Gupta. All responses to the enclosed Order to Submit Written Answers must be submitted within 30 days of your receipt of this Order. Statements should be submitted under oath.

This letter also serves to notify you that records or information concerning the transactions of your client, Sachindar Gupta, held by the financial institution named in the attached Subpoena and Order are being sought by the Federal Election Commission in accordance with the Right to Financial Privacy Act of 1978 for the following purpose: to investigate possible violations of the Federal Election Campaign Act of 1971, as amended, in connection with the above referenced matter.

If your client desires that such records or information not be made available, you or he must:

1. Fill out the accompanying motion paper and sworn statement or write one of your own, stating that your client is the customer whose records are being requested by the Commission and either giving the reasons you or your client believe that the records are not relevant to the legitimate law enforcement inquiry stated in this notice or any other legal basis for objecting to the release of the records.

2. File the motion and statement by mailing or delivering them to the clerk of any one of the following United States District Courts: the United States District Court for the District of Maryland or the United States District Court for the District of Columbia.

3. Serve the Commission by mailing or delivering a copy of your motion and statement to: Federal Election Commission, Office of the General Counsel, 999 E Street, N.W., Washington, D.C. 20463.

4. Be prepared to come to court and present your position in further detail.

5. If you or your client do not follow the above procedures, upon the expiration of ten days from the date of service or 14 days from the date of mailing of this notice, the records or information requested therein will be made available. These records may be transferred to other Government authorities for legitimate law enforcement inquiries, in which event your client will be notified after the transfer.

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

Sincerely,

*Dominique Dillenseger* (by NB)

Dominique Dillenseger  
Attorney

Enclosures

Order to Submit Written Answers  
Subpoena to NationsBank N.A.  
Motion to Quash Subpoena  
Affidavit



UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MARYLAND

SACHINDAR GUPTA,  
Petitioner

v.

THE FEDERAL ELECTION COMMISSION,  
Respondent

)  
) MOTION TO QUASH  
) COMMISSION SUBPOENA  
)  
)  
)

MOTION TO QUASH COMMISSION  
SUBPOENA

This matter comes before the court pursuant to 12 U.S.C. § 3401 et. seq., Right to Financial Privacy Act of 1978. Petitioner, Sachindar Gupta, requests this court to quash a subpoena and order of the Federal Election Commission which seeks to obtain certain bank documents and information relating to accounts maintained by Petitioner.

In support of this application, Petitioner swears to the following:

1. Petitioner controlled and maintained accounts at Maryland National Bank of Lutherville, Maryland and NationsBank N.A. of Richmond, Virginia.
2. The Commission seeks financial records relating to the above accounts as part of its investigation pursuant to 2 U.S.C. § 437g.
3. Petitioner believes the Commission is not entitled to these records because

\_\_\_\_\_  
Sachindar Gupta

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# AFFIDAVIT

v.

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## AFFIDAVIT

) )

**Sachindar Gupta, being duly sworn, makes the following his affidavit and states:**

1. I hereby affirm that all of the statements in the Motion to Quash Commission Subpoena are true and accurate to the best of my knowledge and belief.
2. Further the affiant sayeth not.

## Sachindar Gupta

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 199\_\_\_\_\_.

**Notary Public**

My Commission expires \_\_\_\_\_

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

)  
)  
)

MUR 4582

ORDER TO SUBMIT WRITTEN ANSWERS

TO: Sachindar Gupta  
c/o Gerard P. Martin, Esquire  
Redwood Tower, Suite 2000  
217 East Redwood Street  
Baltimore, Maryland 21201

Pursuant to 2 U.S.C. § 437d(a)(1) and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order.

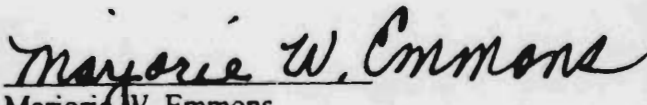
Such answers must be submitted under oath and must be forwarded to the Office of the General Counsel, Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463, within 30 days of receipt of this Order and Subpoena.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand in Washington, D.C. on this *19th*, day of *September*, 1997.

For the Commission,

  
John Warren McGarry  
Chairman

ATTEST:

  
Marjorie W. Emmons  
Secretary to the Commission

MUR 4582  
Sachindar Gupta  
Order  
Page 2

Attachments  
Instructions and Definitions  
Questions

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### **INSTRUCTIONS**

In answering these interrogatories furnish all documents and other information, however obtained, including hearsay, that is in possession of, known by or otherwise available to you, including documents and information appearing in your records.

Each answer is to be given separately and independently, and unless specifically stated in the particular discovery request, no answer shall be given solely by reference either to another answer or to an exhibit attached to your response.

The response to each interrogatory propounded herein shall set forth separately the identification of each person capable of furnishing testimony concerning the response given, denoting separately those individuals who provided informational, documentary or other input, and those who assisted in drafting the interrogatory response.

If you cannot answer the following interrogatories in full after exercising due diligence to secure the full information to do so, answer to the extent possible and indicate your inability to answer the remainder, stating whatever information or knowledge you have concerning the unanswered portion and detailing what you did in attempting to secure the unknown information.

Should you claim a privilege with respect to any documents, communications, or other items about which information is requested by any of the following interrogatories, describe such items in sufficient detail to provide justification for the claim. Each claim of privilege must specify in detail all the grounds on which it rests.

Unless otherwise indicated, the discovery request shall refer to the time period from September 1994 through December 1994.

The following interrogatories are continuing in nature so as to require you to file supplementary responses or amendments during the course of this investigation if you obtain further or different information prior to or during the pendency of this matter. Include in any supplemental answers the date upon which and the manner in which such further or different information came to your attention.

### **DEFINITIONS**

For the purpose of these discovery requests, including the instructions thereto, the terms listed below are defined as follows:

"You" shall mean the named respondent in this action to whom these discovery requests are addressed, including all officers, employees, agents or attorneys thereof.

"Persons" shall be deemed to include both singular and plural, and shall mean any natural person, partnership, committee, association, corporation, or any other type of organization or entity.

"Document" shall mean the original and all non-identical copies, including drafts, of all papers and records of every type in your possession, custody, or control, or known by you to exist. The term document includes, but is not limited to books, letters, contracts, notes, diaries, log sheets, records of telephone communications, transcripts, vouchers, accounting statements, ledgers, checks, money orders or other commercial paper, telegrams, telexes, pamphlets, circulars, leaflets, reports, memoranda, correspondence, surveys, tabulations, audio and video recordings, drawings, photographs, graphs, charts, diagrams, lists, computer print-outs, and all other writings and other data compilations from which information can be obtained.

"Identify" with respect to a document shall mean state the nature or type of document (e.g., letter, memorandum), the date, if any, appearing thereon, the date on which the document was prepared, the title of the document, the general subject matter of the document, the location of the document, the number of pages comprising the document.

"Identify" with respect to a person shall mean state the full name, the most recent business and residence addresses and the telephone numbers, the present occupation or position of such person, the nature of the connection or association that person has to any party in this proceeding. If the person to be identified is not a natural person, provide the legal and trade names, the address and telephone number, and the full names of both the chief executive officer and the agent designated to receive service of process for such person.

"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these interrogatories and request for the production of documents any documents and materials which may otherwise be construed to be out of their scope.



**QUESTIONS UNDER ORDER**

1. Identify all accounts under the name Sachindar Gupta and any other account on which Sachindar Gupta had signature authority for the months of September, October, November, and December, 1994.
2. For each account provide bank name and address, type of account, and account number.

9 8 0 4 3 5 1 3



FEDERAL ELECTION COMMISSION

Washington, DC 20463

September 5, 1997

Subodh Chandra, Esq.  
Thompson Hine & Flory  
3900 Key Center  
127 Public Square  
Cleveland, OH 44114

RE: MUR 4582

Dear Mr. Chandra:

In response to your letter dated July 1, 1997, the campaigns of Gary Ackerman, Robert Andrews, Howard Berman, Sherrod Brown, Eric Fingerhut, Thomas Foley, Lee Hamilton, Peter Mathews, Kweisi Mfume, Paul Sarbanes, and Richard Swett have made disgorgements to the U.S. Treasury.

If you have any further questions regarding this information, please feel to contact me at (202) 219-3690.

Sincerely,

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

Erik Morrison  
Staff Member

90043801314

**THOMPSON  
HINE & FLORY LLP**

Attorneys at Law

MUR 4582

**FAX COVER PAGE****Date:** September 12, 19971 page(s) including this cover**To:** Dominique Dillenseger  
**Of:** Federal Election Commission  
**Phone:** 800-424-9530  
**Fax:** 202-219-3923**From:** Subodh Chandra  
**Phone:** 216-566-5572**Comments:**

Ms. Dillenseger:

Mr. Chandra asked me to inform you, in his absence, that he will be out of the office and unreachable until Monday, September 29, when he returns to the office. He was unable to complete his letter to the Commission regarding the Indian-American Leadership Investment Fund, but will return to that project when he gets back to the office. He asked me to apologize for any inconvenience.

Debbie Kiska  
Assistant to Mr. Chandra

Ref: 01329-099999-00007

Our fax number is 216-566-5800.  
If there is a problem with transmission of this fax,  
please call Debbie Kiska at 216-566-7413.

CONFIDENTIALITY NOTICE: THE INFORMATION IN THIS TRANSMITTAL IS CONFIDENTIAL AND INTENDED ONLY FOR THE RECIPIENT LISTED ABOVE. IF YOU ARE NEITHER THE INTENDED RECIPIENT NOR A PERSON RESPONSIBLE FOR DELIVERING THIS TRANSMITTAL TO THE INTENDED RECIPIENT, YOU ARE HEREBY NOTIFIED THAT ANY DISTRIBUTION OR COPYING OF THIS TRANSMITTAL IS PROHIBITED. IF YOU RECEIVED THIS TRANSMITTAL IN ERROR, PLEASE IMMEDIATELY NOTIFY US AND RETURN THE TRANSMITTAL TO US AT OUR EXPENSE.

3900 Key Center 127 Public Square Cleveland, Ohio 44114-1216 216-566-5500 Fax 216-566-5800

BRUSSELS BRUXELLES CINCINNATI CLEVELAND COLUMBUS DAYTON PALM BEACH WASHINGTON, D.C.



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

September 24, 1997

David Gould  
Mathews for Congress  
555 Flower Street  
Suite 4510  
Los Angeles, CA 90071

RE: MUR 4582

Dear Mr. Gould:

This letter acknowledges receipt of disgorgements of \$1,000 on June 6, 1997 and August 27, 1997 respectively for contributions received by Mathews for Congress ("Committee") that were made in the name of another. The remaining balance for disgorgement is \$3,000. The Commission recently voted to allow a two month extension to disgorge this remaining balance.

In previous correspondence to this office, you have stated the Committee has not been able to disgorge more funds at the present time because of a low cash-on-hand balance and its need to pay outstanding debts. Nonetheless, funds should be disgorged immediately as they become available. As we have informed you previously, this is a disgorgement of an illegal contribution, not merely a settlement of a debt, and this Office advises you that pursuant to 11 C.F.R. §103.3(a)(2) the Committee shall make the disgorgement from the next funds it receives.

Accordingly, the Commission instructs you to disgorge the full amount of the remaining balance of the illegal contribution made to the Committee, \$3,000, to the United States Treasury, care of the Federal Election Commission within two months from date of receipt of this letter.

If you have any questions regarding this information, please feel free to contact me at (202) 219-3690.

Sincerely,

A handwritten signature in cursive script that reads "Erik Morrison".

Erik Morrison  
Staff Member

# WEINBERG & GREEN LLC

ATTORNEYS AT LAW  
100 SOUTH CHARLES STREET  
BALTIMORE, MARYLAND 21201-2773

TELEPHONE 410/332 8600  
WASHINGTON AREA 301/470 7400  
FACSIMILE 410/332 8862

STUART R. BERGER  
410/332 8602  
MCI Mail BERGERSR W&G  
Internet BERGERSR.W&G@mcimail.com

FILE NUMBER  
43924.1

September 25, 1997

Dominique Dillenseger, Esquire  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

RE: Satish Bahl and Vinay Wahi  
MUR 4582

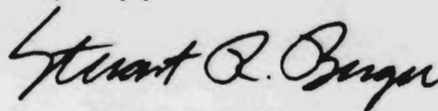
Dear Ms. Dillenseger:

We are in receipt of your letter dated September 22, 1997 in connection with the above-captioned matter. In your letter of September 22, you advised me that the Commission rejected our request to take no further action against Messrs. Bahl and Wahi on September 9, 1997. You further indicated that the Commission "determined to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe."

Your letter further requests that we give you a call if we "wish to arrange a meeting in connection with a mutually satisfactory conciliation agreement." Please be advised that I would very much like to meet with you to discuss this matter. You will recall that on February 12, 1997, I drafted a letter to you requesting the opportunity to meet with you in connection with this investigation. I am enclosing a copy of my February 12, 1997 letter to you. Since that date, I had not heard from you until I received your letter dated September 22, 1997.

Accordingly, I renew my request to meet with you or Mr. Morrison at your earliest convenience. Thank you for your consideration.

Very truly yours,



Stuart R. Berger

163855-ES12-3ifj\_1/6093/nem

cc: Mr. Satish Bahl  
Mr. Vinay Wahi

SEP 26 12 55 PM '97

# WEINBERG & GREEN LLC

ATTORNEYS AT LAW  
100 SOUTH CHARLES STREET  
BALTIMORE, MARYLAND 21201-2773

TELEPHONE 410/332 8600  
WASHINGTON AREA 301/470 7400  
FACSIMILE 410/332 8862

STUART R. BERGER  
410/332 8662  
MCI Mail: BERGERSR W&G  
Internet: BERGERSR W&G@aol.com

FILE NUMBER

February 12, 1997

Dominic Dillenseger, Esquire  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

*Re: Satish Bahl and Vinay Wahi*  
*MUR 4582*

Dear Ms. Dillenseger:

This letter follows my previous letter to you dated December 9, 1996, and our telephone conversation on February 6, 1997.

On February 6, 1997, you contacted me to advise me that the Federal Election Commission was in the process of conducting an investigation, and gathering information with regard to this Firm's clients, Satish Bahl and Vinay Wahi. You requested the right to interview Messrs. Bahl and Wahi with regard to the factual and legal analysis outlined in MUR 4582. Thereafter, I immediately contacted Messrs. Bahl and Wahi to ascertain whether they would be able to meet with you in connection with the investigation.

Please be advised that Satish Bahl is presently in New Delhi, India with his wife. The Bahls are attending the wedding of their nephew in Amritsar, India, and are not scheduled to return to the United States until the middle of March. In that context, I suggest that I would make myself available to meet with you in lieu of Messrs. Bahl and Wahi. As I indicated to you during our telephone conversation, I represented these gentlemen in connection with the Federal Government's criminal prosecution of Lalit Gadia. As a result, I am well aware of the facts alleged in the FEC investigation, and am willing to cooperate fully with you in connection with that investigation. I suggest that after we meet, you will be able to make your own assessment on whether any violations were committed based on the activities alleged in the factual analysis. Further, assuming, for the sake of argument, that the allegations, if true, result in a technical violation of the Federal Election laws, there is no



WEINBERG & GREEN LLC

Dominic Dillenseger, Esquire  
February 12, 1997  
Page 2

indication, whatsoever, that any of the alleged activities were committed "knowingly" or "willfully."

I look forward to hearing from you so that we may arrange a mutually convenient time for us to meet in connection with the investigation.

Very truly yours,



Stuart R. Berger

154020.DS12:3auc\_1/0366/ms

cc: Mr. Satish Bahl  
Mr. Vinay Wahi

98043001312

LAW OFFICES  
BROWN, GOLDSTEIN & LLP

THE MARYLAND BAR CENTER

SUITE 300

520 WEST FAYETTE STREET  
BALTIMORE, MARYLAND 21201

(410) 962-1030 OR (410) 659-0717  
FAX (410) 385-0869

DANIEL F. GOLDSTEIN  
C. CHRISTOPHER BROWN\*  
ANDREW D. LEVY  
ANDREW D. FREEMAN  
DANA WHITEHEAD\*\*

\*\*ALSO ADMITTED IN DC & NJ

RECEIVED  
FEDERAL ELECTION  
COMMISSION MAIL ROOM

Oct 1 12 39 PM '97

JOSEPH D. ESKY  
THERESA L. STAUDENMAIER  
MARTIN H. SCHREIBER II\*  
SHARON STANLEY STREET  
LAUREN E. WILLIS

\*ALSO ADMITTED IN DE

September 30, 1997

Federal Election Commission  
Washington, DC 20463

Re: MUR 4582

Dear Commissioners:

On behalf of our client, Lalit H. Gadhia, we are writing to inform you that because you have decided not to withdraw the frivolous reason-to-believe letter you have issued in the above-referenced matter,<sup>1</sup> we will be filing a motion for attorney fees and costs against you under the Equal Access to Justice Act, 28 U.S.C. § 2412.

Contrary to Ms. Dillenseger's letter of September 22, 1997, the Commission's reason-to-believe finding should have been vacated due to both substantive and procedural errors, for all of the reasons explained in our response to the reason-to-believe letter. Because further pursuit of this matter is in violation of the law, all attorney fees incurred by Mr. Gadhia in defending this action will be recoverable against you.

Very truly yours,

*Lauren E. Willis*

Daniel F. Goldstein  
Lauren E. Willis

✓ cc: Dominique Dillenseger, Esq.

<sup>1</sup> We also note that you spent six and one-half months to come to your closed session decision on our request that you withdraw your reason-to-believe finding, and that we were not informed of your decision for another two weeks after that. Your failure to act promptly or to even provide us with prompt notice of your belated actions is contrary to Congress' intent that you act expeditiously, as expressed by the various short deadlines in the statute. See Rose v. FEC, 608 F. Supp. 1, 6 (D.D.C. 1984).

# Friends of Congressman Fingerhut

September 22, 1997

Mr. Eric Morrison  
Federal Election Commission  
999 E Street NW  
Washington, D.C. 20463

**RE: MUR4582**

Dear Mr. Morrison:

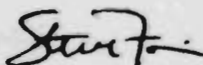
I am writing this letter pursuant to our telephone conversation of last week.

I have made Mr. Fingerhut and all other relevant parties aware of our outstanding obligation. At this time, we are not in a financial position to make payment on the remaining balance of \$750.00.

However, we have begun fundraising efforts in order to resolve this obligation.

Please call me if you have any questions or need any additional information. I can be reached at 216-561-7663.

Sincerely,



Steve Ferris  
Political Director

Oct 6 2 59 PM '97

FEDERAL  
ELECTION  
COMMISSION  
OFFICE OF  
LEGISLATIVE  
AFFAIRS



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

October 7, 1997

**By Facsimile and First Class Mail**

Stuart R. Berger, Esquire  
Weinberg & Green LLC  
100 South Charles Street  
Baltimore, Maryland 21201-2773

RE: MUR 4582  
Satish Bahl and Vinay Wahi

Dear Mr. Berger:

Per our telephone conversation today regarding your request for a meeting to discuss the above-referenced matter and to accommodate your schedule, this is to confirm the meeting will be held on Thursday, October 16, 1997, beginning at 2:00 p.m., at the Federal Election Commission, Office of the General Counsel (sixth floor), 999 E Street, NW, Washington DC 20463. If you have any questions, please call me at (202) 219-3690.

Sincerely,

  
Dominique Dillenseger  
Attorney

MARTIN, JUNGHANS, SNYDER & BERNSTEIN, P.A.  
ATTORNEYS AT LAW

REDWOOD TOWER  
SUITE 2000  
217 EAST REDWOOD STREET  
BALTIMORE, MARYLAND 21202  
TELEPHONE 410/547-7163  
FACSIMILE 410/547-1605

GERARD P. MARTIN  
PAULA M. JUNGHANS  
DAVID L. SNYDER  
GREGG L. BERNSTEIN

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF THE  
GENERAL COUNSEL

OCT 9 3 10 PM '97

KIMBERLY DUNN SPELMAN  
CAROLINE DELISLE KLEPPER

OF COUNSEL  
STEVEN J. SIBEL

410 547-8764

October 7, 1997

Dominique Dillenseger, Esquire  
Office of the General Counsel  
Federal Election Commission  
Washington, D.C. 20463

Re: MUR 4582/Sachinder Gupta

Dear Ms. Dillenseger:

Enclosed please find Mr. Gupta's Written Answers to Questions Under Order.

Very truly yours,

*Gerard P. Martin/amp*

Gerard P. Martin

Enclosure  
GPM/amp  
doc #20692.01

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

)  
)  
)

MUR 4582

Oct 5 3 11 PM '97

**WRITTEN ANSWERS TO QUESTIONS UNDER ORDER**

1. Identify all accounts under the name Sachinder Gupta and any other account on which Sachinder Gupta had signature authority for the months of September, October, November, and December, 1994.

**ANSWER:**

|                         |                                    |
|-------------------------|------------------------------------|
| NationsBank             | Earth Engineering & Sciences, Inc. |
| Light Street            | Checking :                         |
| Baltimore, Maryland     | Money Market :                     |
| Harbor Bank of Maryland | Certificate of Deposit:            |
| Fayette Street          |                                    |
| Baltimore, Maryland     |                                    |
| NationsBank             | Checking :                         |
| The Rotunda             |                                    |
| Baltimore, Maryland     |                                    |
| NationsBank             | Checking :                         |
| Jarrettsville Pike      | Sachinder and Carol Gupta          |
| Jacksonville, Maryland  |                                    |
|                         | Savings :                          |
|                         | Sachinder and Carol Gupta          |
| NationsBank             | Metro Ready Mix                    |
|                         | Checking i :                       |
|                         | Checking ii :                      |
|                         | Checking iii :                     |
| First National Bank     | E2CR                               |
|                         | Checking :                         |
|                         | Money Market :                     |

2. For each account provide bank name and addresses, type of account, and account number.



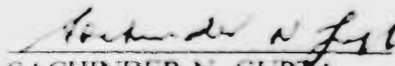
**ANSWER:** See answer to number 1 above.

Respectfully submitted,



Gerard P. Martin  
Martin, Junghans, Snyder  
& Bernstein, P.A.  
217 E. Redwood Street  
Suite 2000  
Baltimore, Maryland 21202  
(410) 547-7163

I DO SOLEMNLY DECLARE AND AFFIRM UNDER THE PENALTY OF PERJURY THAT THE FOREGOING ANSWERS ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.


  
SACHINDER N. GUPTA

STATE OF MARYLAND

CITY/COUNTY OF Baltimore

On this 6<sup>th</sup> day of October, 1997, before me, D. HANNA, the undersigned officer, personally appeared SACHINDER N. GUPTA, known to me (or satisfactorily proven to be) the person whose name is subscribed to the within instrument and acknowledged that he/she executed the same for the purposes therein contained, and in my presence signed and sealed the same.

IN WITNESS THEREOF, I hereunto set my hand and official seal.

  
NOTARY PUBLIC

My commission expires: My Commission Expires December 1, 2000



FEDERAL ELECTION COMMISSION  
WASHINGTON, D C 20463

October 14, 1997

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Legal Support  
NationsBank N.A.  
100 S. Charles Street  
Tower 1, Third Floor  
Mail Code MD4-325-03-63  
Baltimore, MD 21201

Attention: Dan Myers

RE: MUR 4582

Dear Mr. Myers:

Enclosed is a Certificate of Compliance with the Right to Financial Privacy Act of 1978, issued in connection with the Subpoena sent to your financial institution on September 22, 1997, seeking the financial records of Sachinder Gupta.

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

Sincerely,

A handwritten signature in cursive script, reading "Dominique Dillenseger", is written over a horizontal line.

Dominique Dillenseger  
Attorney

Enclosure  
Certificate

**CERTIFICATION OF COMPLIANCE WITH  
THE RIGHT TO FINANCIAL PRIVACY ACT**

TO: Legal Support  
NationsBank N.A.  
100 S. Charles Street  
Tower 1, Third Floor  
Mail Code MD4-325-03-63  
Baltimore, MD 21201

FROM: Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

RE: MUR 4582

I hereby certify, pursuant to Section 1103(b) of the Right to Financial Privacy Act of 1978, 12 U.S.C. § 3403(b), that the provisions of the Act have been complied with as to the Subpoena to Produce Documents forwarded to you in the above-captioned matter, responses to which are being ordered pursuant to 12 U.S.C. §§ 3402 and 3405.

Sincerely,

*Dominique Dilleneger*

Attorney

October 10, 1997

9 0 0 4 3 0 0 1 3 2 7



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

October 15, 1997

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Lauren E. Willis, Esq.  
Daniel F. Goldstein, Esq.  
Brown, Goldstein & Levy, L.L.P.  
The Maryland Bar Center  
Suite 300  
520 West Fayette Street  
Baltimore, MD 21201

RE: MUR 4582  
Lalit Gadhia

Dear Ms. Willis and Mr. Goldstein:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, and information supplied by your client, Lalit Gadhia, on November 12, 1996, the Federal Election Commission found reason to believe that your client, knowingly and willfully violated 2 U.S.C. §§ 441e and 441f, and instituted an investigation in this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that knowing and willful violations have occurred.

The Commission may or may not approve the General Counsel's recommendation. Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. The brief also addresses issues you have raised in previous submissions to the Commission including those in your most recent letter dated September 30, 1997, to the Commission. Within 15 days of your receipt of this notice, you may file with the Secretary of the Commission a brief (ten copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of the General Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of whether there is probable cause to believe a violation has occurred.

*Celebrating the Commission's 20th Anniversary*

YESTERDAY. TODAY AND TOMORROW  
DEDICATED TO KEEPING THE PUBLIC INFORMED

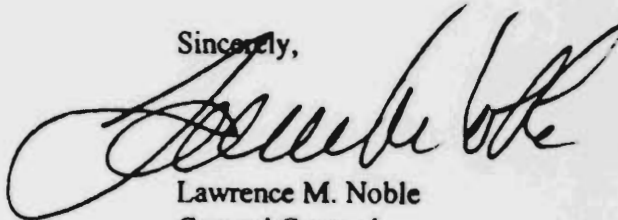
Lauren E. Willis, Esq.  
Daniel F. Goldstein, Esq.  
MUR 4582  
Page 2

If you are unable to file a responsive brief within 15 days, you may submit a written request for an extension of time. All requests for extensions of time must be submitted in writing five days prior to the due date, and good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

A finding of probable cause to believe requires that the Office of the General Counsel attempt for a period of not less than 30, but not more than 90 days, to settle this matter through a conciliation agreement.

Should you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 219-3960.

Sincerely,

A handwritten signature in dark ink, appearing to read "Lawrence M. Noble", with a large, stylized flourish extending from the end of the signature.

Lawrence M. Noble  
General Counsel

Enclosure  
Brief

93043801329

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Lalit Gadhia

)

)

)

MUR 4582

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

20043001333

In April/May of 1995, Lalit Gadhia was the subject of Baltimore *Sun* articles regarding illegal contributions to the Indian-American Leadership Investment Fund ("IALIF"). *The Sun* alleged that Gadhia had made several contributions to the IALIF using the names of other individuals ("conduits") to mask the true source of funds. To the press, Gadhia denied any impropriety. Thereafter, Subodh Chandra, treasurer of the IALIF, made a sua sponte submission to the Commission regarding the possible violations. Subsequently, Gadhia was criminally prosecuted and pled guilty to causing a false statement to be made to the Commission in connection with FEC reports which were filed by the IALIF and political committees listing funds contributed in the name of another. The plea and statement of facts alerted the Commission to evidence that the funds originated from Davendra Singh, a foreign national and official at the Indian Embassy in Washington, D.C.

On November 12, 1996, the Commission, based on information ascertained in the normal course of carrying out its supervisory responsibilities, found reason to believe that Lalit Gadhia, knowingly and willfully violated 2 U.S.C. §§ 441e and 441f. The Commission conducted an investigation which revealed circumstances of the scheme which have not yet been made public.



## II. FACTUAL AND LEGAL ANALYSIS

### A. APPLICABLE LAW

2 U.S.C. § 441e states that it is illegal for a foreign national to directly or indirectly contribute to any candidate in a federal election. It is also unlawful for any person to solicit, accept or receive any such contribution from a foreign national. Further, a foreign national may not participate in or control the election-related activities of a person or organization. 11 C.F.R. § 110.4(a)(3). The term "foreign national" includes, *inter alia*, an individual who is not a citizen of the United States and who is not lawfully admitted for permanent residence, or as a foreign principal as defined in Title 22. 2 U.S.C. § 441e. 22 U.S.C. § 611(b) defines "foreign principal" as, *inter alia*, a foreign government.

2 U.S.C. § 441f prohibits: (1) making a contribution in the name of another; (2) knowingly permitting one's name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(iii).

The Act addresses violations of law that are knowing and willful. See 2 U.S.C. § 437g(a)(5)(B). The knowing and willful standard requires knowledge that one is violating the law. Federal Election Commission v. John A. Dramesi for Congress Committee, 640 F. Supp. 985 (D.N.J. 1986). A knowing and willful violation may be established "by proof that the defendant acted deliberately and with knowledge that the representation was false." United States v. Hopkins, 916 F.2d 207, 214 (5th Cir. 1990). An inference of a knowing and willful violation may be drawn "from the defendants' elaborate scheme for disguising" their actions. Id. at 214-15.

## **B. FACTS AND ANALYSIS**

In August-September 1994, Davendra Singh, a foreign national and the then-Minister for Community Affairs at the Embassy of India, and Lalit Gadhia, a politically active Baltimore attorney, began a scheme in which federal contributions of up to approximately \$60,000 were made using conduits.

As well as practicing immigration law since the 1980's, Gadhia was heavily involved in political activities and held important positions on finance committees for numerous local, state, federal, and presidential candidates including Dukakis, Clinton, Mikulski, Sarbannes, Glendening and Schmoke. According to Rosemary Osborne, Gadhia's secretary from 1989 to May 1995, Gadhia had a solo legal practice but spent considerable time in fundraising activities--telephoning, sending solicitations, organizing and attending fundraising functions, and collecting contribution checks. Osborne also stated that Gadhia had a "core group" of close friends composed of Aruna and Sudhir Trivedi, Sachinder Gupta, and Dr. S. V. Ramamurthy, whom he could count on for contributions and fundraisers.

Gadhia also acted as president of STEP-IN and as legal counsel for the India Forum, two local Indian-American cultural organizations.

Gadhia established his relationship with the Indian Embassy through involvement in India Forum banquets and STEP-IN events which used newsletters and invitations to attract Embassy personnel, including Ambassadors. He had contact with the Indian Ambassadors dating back to Abid Hussain sometime in 1990 or 1991. In addition, Gadhia attended numerous Indian national holiday events at the Embassy over a period of time up until 1994 or 1995. In his capacity as a legal counsel for the India Forum and STEP-IN, Gadhia interacted a great deal with

Davendra Singh on an ongoing basis. He commenced contact with Minister Singh, the then-Minister for Community Affairs at the Indian Embassy, through correspondence and frequent visits by Minister Singh to Gadhia's office which occurred during the period 1990-1994.

According to Gadhia, Minister Singh initiated the idea for the reimbursement scheme. In August/September 1994, Minister Singh engaged Gadhia in a conversation concerning political fundraising at a luncheon in Washington, DC. Minister Singh knew that Gadhia was active in supporting candidates and attempting to raise money within the Indian-American community. Minister Singh asked Gadhia if he could use any help, e.g. money, if it was available. Gadhia responded that, "yes", he could use some help if it was made available. Soon thereafter, Minister Singh contacted Gadhia and proposed to make some "resources available" and a meeting was scheduled at the Holiday Inn, Laurel, Maryland, in late September, or early October 1994. This meeting place was neither in Baltimore, where Gadhia was, nor in Washington, where Minister Singh was, but at a hotel midway between the two cities.

During the course of three meetings in September-November 1994, Minister Singh offered Gadhia a total of approximately \$60,000 in cash and indicated that he wanted Gadhia "to channel it to appropriate candidates in the federal election, the upcoming '94 federal election." At this first meeting in Laurel, Minister Singh gave Gadhia an envelope containing \$40,000 in \$100 bills. Gadhia did not have any knowledge or impression of Minister Singh's financial situation. Gadhia stated that at that first meeting he asked Minister Singh whether the money was provided by the government of India because he thought "it would be a serious matter if it was government money" and because he "did not want to become an agent" of India. Gadhia stated that Minister Singh responded "no" to that question and further stated that for him

(Gadhia), "[t]hat was good enough. I didn't want to know anything more about it." Two or three weeks later, Gadhia met with Minister Singh again after Minister Singh called Gadhia and asked if he could use more money and Gadhia responded affirmatively. At this second meeting in Laurel, Minister Singh gave Gadhia another packet containing \$20,000 in cash. Gadhia states that, this second time, he did not ask Minister Singh about the source of the money.

At this meeting, Gadhia informed Minister Singh that he was channeling funds to the PAC (IALIF)<sup>1</sup>, making contributions through different individuals to the PAC and coordinating with the PAC as to whom should get the money. Gadhia has made the unsubstantiated claim that \$15,000-\$16,000 of this money was unused and returned to Minister Singh at a third meeting Gadhia initiated at the Holiday Inn in Laurel. Finally, Gadhia sent to Minister Singh's attention at the Embassy of India a list of "who was receiving contributions and who was contributing." This list was sent without a cover letter.<sup>2</sup> According to Gadhia, during the time period after the third meeting in Laurel, there was no other contact between himself and Minister Singh, or any other officials from the embassy, except for a farewell party for Minister Singh later that winter.

For a few days after the receipt of the money from Minister Singh, Gadhia kept the money in his car and then in a locked safe in his office. He told no one about the transactions

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<sup>1</sup> Gadhia testified that after receiving the first installment from Minister Singh, he contacted Subodh Chandra, the IALIF's treasurer, and made an offer to generate support for the IALIF. Gadhia said that Chandra "welcomed whatever support" Gadhia would generate and that it was agreed that Gadhia would raise the money, send the checks and select the candidates to receive IALIF's support. Gadhia stated that he discussed the selections with Chandra who provided input.

<sup>2</sup> Rosemary Osborne explained that she prepared the list of names and addresses of contributors and copies of contribution checks which were mailed to the Indian Embassy and that she prepared the list from the checks given to her by Gadhia. Osborne stated that Gadhia asked her to send the list without any cover letter and that she thought this was very unusual.

between himself and Minister Singh. He then proceeded to approach and reimburse numerous individuals for contributions. He would reimburse them by providing cash in exchange for personnel checks either at his office or at a meeting place. Gadhia approached 45 individuals (either directly or through one of seven solicitors) who agreed to write checks to either the IALIF or directly to federal candidates in return for reimbursements. During October-November 1994, Gadhia forwarded to the IALIF 41 checks from 41 individuals totaling \$34,400. In addition, Gadhia solicited approximately \$26,000 in reimbursed contributions from individuals which were sent directly to candidate committees. Gadhia personally approached the following individuals, among others, and reimbursed them for their direct contributions: Dr. Ramamurthy, Rosemary Osborne, Satish Bahl, Vinay Wahi, and Uday Gadhia. Rosemary Osborne was solicited by Gadhia to provide him with checks with her husband's forged signature as well as her own signature. Gadhia also asked Wahi, Bahl, Ramamurthy<sup>3</sup>, and Uday Gadhia to solicit other individuals to make reimbursed contributions, providing them additional funds for this purpose.

According to the Statement of Facts, Gadhia was able to generate approximately \$60,000 in contributions to support the IALIF and individual candidates. Gadhia testified that he reimbursed "only between \$44,000-\$45,000" in contributions and that he returned \$15,000-\$16,000 which, he claims reflects declined reimbursements from several individuals including Sachinder Gupta and Aruna and Sudhir Trivedi.

<sup>3</sup> Dr. Ramamurthy explained that in October 1994, as he was leaving a restaurant after having had lunch with Gadhia, Gadhia handed him an envelope, telling him that it contained money and that he would contact him later. Ramamurthy said the envelope contained \$8,000 in cash. He further said that Gadhia later called him and asked that he and his wife write checks to IALIF and that he approach others to write more checks.



Gadhia's record of contributions which was sent to the Indian Embassy reflects that Sachinder Gupta made ten 1,000 contributions to various candidate committees and that Aruna and Sudhir Trivedi each made a \$1,000 contribution to IALIF. Gadhia, however, contends that Gupta and the Trivedis declined to be reimbursed because they are wealthy individuals. Gadhia has claimed that the appearance of Gupta's and the Trivedis' names on the list to the Indian Embassy does not signify that they were reimbursed and that the purpose for the list was merely to inform Minister Singh how much support he had generated without differentiating between those who had been reimbursed and those who had not.

Despite Gadhia's claim that Gupta and the Trivedis declined reimbursement because of their wealth, there does not appear to be any differences between their contributions and the others solicited and reimbursed by Gadhia. As with the other contributions solicited by Gadhia, these checks were solicited during the same timeframe, made out to payees and in amounts designated by Gadhia,<sup>4</sup> submitted to Gadhia who forwarded them to the appropriate committees, and listed in Gadhia's report to Minister Singh at the Indian Embassy.

### III. DISCUSSION OF GADHIA'S RESPONSES

In his responses to the Commission's reason to believe findings, Gadhia admits that the violations enumerated in the Statement of Facts contained within his plea agreement are

<sup>4</sup> Gadhia himself filled in the payee name on about half of the checks signed by Sachinder Gupta and may also have filled in the amount on some of the contributions. Gadhia explained that Gupta was "in a hurry" and that he provided Gadhia with several signed blank checks, instructing him to "take care of it." Gadhia admits that, prior to this instance, Gupta had always filled in the name of the payee for his contributions and that Gupta had only provided Gadhia with blanks checks, made out to him (Gadhia), for personal transactions. Gadhia has also stated that Gupta has "always been a good supporter" who "had made substantial contributions to state candidates." Disclosure documents, however, reveal that Gupta made no reported federal contributions in the two election cycles previous to the contributions in question.



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"substantially correct," but nevertheless argues that the Commission should withdraw its findings against him and/or find no probable cause because: (1) the investigation of this matter is time-barred because it was generated by a complaint under 2 U.S.C. § 437g(a)(1) and the Commission failed to notify him within the statutorily mandated five days of receipt of the complaint; (2) he did not stipulate to the accuracy of the Statement of Facts in his guilty plea; (3) the institution of FEC proceedings against him at this time violates the Double Jeopardy Clause of the Constitution; (4) the Justice Department waived the Commission's civil enforcement jurisdiction over him; and (5) he did not "knowingly and willingly violate 2 U.S.C. §§ 441f and 441e."

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First, Gadhia asserts that the Commission received a "complaint" from Subodh Chandra regarding this matter and that pursuant to 2 U.S.C. § 437g(a)(1) and 11 C.F.R. § 111.5, the Commission was required to notify him within five days of the receipt of the complaint so as to provide him with an opportunity to respond to the allegations contained therein.

Contrary to Gadhia's assertion, the Commission received a sua sponte submission, not a complaint, from Chandra. Under the statute, the Commission must notify the respondent within five days of receiving a complaint. On the other hand, for information ascertained in the normal course of carrying out its supervisory responsibilities such as sua sponte submissions and referrals from other agencies, the Commission notifies the respondent upon making a reason to believe finding. See 2 U.S.C. § 437g(a)(2); 11 C.F.R. § 111.8. As this was not a complaint-generated matter, the Commission was not required to notify Gadhia within five days of the receipt of Chandra's submission.

Second, Gadhia states that he did not verify the accuracy of the Statement of Facts in his guilty plea, which was utilized by this Office in constructing its Factual and Legal Analysis. The Factual and Legal Analysis formed a basis for the Commission's reason to believe findings, which were the threshold to open the investigation. The Statement of Facts accompanying the guilty plea, whether or not verified by Gadhia, was certainly ample basis to raise a question of illegality justifying an investigation by the Commission.

Third, Gadhia argues that the institution of Commission proceedings against him at this time violates the Double Jeopardy Clause of the Constitution. The Double Jeopardy Clause, which forbids, *inter alia*, a second punishment for a single offense,<sup>5</sup> is inapplicable in this instance. Although Gadhia pled guilty and was sentenced for a criminal violation of 18 U.S.C. § 1001, the Commission's findings and investigation do not implicate the Double Jeopardy Clause of the Constitution. Under certain rare circumstances, a civil penalty may constitute punishment for the purpose of the double jeopardy clause. U.S. CONST. amend. V; *see, e.g., United States v. Halper*, 490 U.S. 435 (1989). In *Halper*, the Court found that a disproportionately high civil sanction under the False Claims Act against an individual for filing inflated Medicare claims constituted double jeopardy where the individual had already been prosecuted and punished for criminal violations.<sup>6</sup> However, the Court made clear that the case

<sup>5</sup> "[N]or shall any person be subject for the same offense to be twice put in jeopardy of life or limb." U.S. Const., Amdt. 5.

<sup>6</sup> The U.S. Supreme Court held in *Halper* that "[u]nder the Double Jeopardy Clause a defendant who already has been punished in a criminal prosecution may not be subjected to an additional civil sanction to the extent that the second sanction may not fairly be characterized as remedial, but only as a deterrent or retribution." 490 U.S. at 449. *See also, U.S. v. Hudson*, 92 F.3d 1026 (10th Cir. 1996), *cert. granted*, 65 U.S.L.W. 3684, 3691 (U.S., Apr. 14, 1997) (No. 96-976) (Civil fine imposed by Office of Comptroller of Currency was remedial rather than

involved a rare situation where the civil fine was overwhelmingly disproportionate to the amount involved in the violation. Id.; see U.S. v. Ursery, 116 S. Ct. at 2145 (1996) (the Halper decision sets forth a "case-by-case balancing test. . . in which a court must compare the harm suffered by the Government against the size of the penalty imposed.") Thus, Halper should be narrowly construed. On the other hand, the Court in Ursery found that in rem civil forfeitures related to drug violations are neither punishment nor criminal for purposes of the Double Jeopardy Clause.<sup>7</sup> In any event, Double Jeopardy is not an issue in this matter because the Commission has not even reached the civil penalty stage.

Fourth, Gadhia asserts that the institution of the Commission proceedings against him violates the contractual terms of the Plea Agreement entered into with the Justice Department because this agreement, he argues, waives the Commission's civil enforcement jurisdiction over this matter. Specifically, Gadhia argues that he "negotiated a contractually binding Plea Agreement with DOJ in good faith reliance on the facts that only DOJ was pursuing charges, and that DOJ was representing all of the interests of the United States," on the basis that the AUSA "referred to his decisions and positions as those of 'the Government' and 'the United States',"

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punitive for double jeopardy purposes where the amount of the fine was not disproportionate to the damage caused to the government).

<sup>7</sup> See also, U.S. v. Alt, 83 F.3d 779 (6th Cir. 1996) (Assessment of civil penalties on taxpayer did not constitute punishment for purposes of Double Jeopardy Clause); SEC v. Bilzerian, 29 F.3d (D.C. Cir. 1994) (Civil disgorgement of profits from illegal conduct did not constitute punishment within the meaning of double jeopardy); McNichols v. Commissioner of Internal Revenue, 13 F.3d 432 (1st Cir. 1993) (Assessment of income tax deficiencies and penalties on proceeds of drug trafficking already forfeited to the government did not constitute double jeopardy or an excessive fine); U.S. v. Bizzell, 921 F.2d 263 (10th Cir. 1990) (Civil penalty and 18-month suspension from dealing in Department of Housing and Urban Development activities did not constitute punishment within the meaning of the Double Jeopardy Clause.

and the Plea Agreement did not contain an express disclaimer to preserve the Commission's civil enforcement jurisdiction.

The "Federal Prosecution of Election Offenses" ("Handbook") does state that "plea agreements with defendants who have possible noncriminal exposure for FECA violations must contain a specific disclaimer to the effect that the United States Attorney is not waiving the civil enforcement jurisdiction of the FEC," *Federal Prosecution of Election Offenses* (U.S. Department of Justice, Criminal Division, Public Integrity Section, 6th ed. 1995 at 126), and it's not clear why Gadhia's plea agreement did not contain such a disclaimer. Nonetheless, the Handbook makes clear that it is intended solely as an internal reference tool for DOJ staff and definitively states that "[nothing contained herein is intended to confer substantive or procedural rights on the public generally, or on those whose activities may fall within the reach of these laws in particular." See Handbook at p. 1, fn. 1. Indeed, the Handbook itself states that the Commission's enforcement jurisdiction over noncriminal FECA violations cannot be compromised or waived by the DOJ. See Handbook at 117; also see 2 U.S.C. §§ 437d(a)(6) and 437d(e). Therefore, although some agreements may include a "waiver" clause, such as that mentioned in Gadhia's response, its absence should not signal a perfunctory waiver of the Commission's civil jurisdiction.

Finally, Gadhia asserts that he did not commit knowing and willful violations of 2 U.S.C. §§ 441f and 441e. The evidence shows, however, that Gadhia's violations of 2 U.S.C. §§ 441f and 441e were clearly knowing and willful. The Act addresses violations of law that are knowing and willful. See 2 U.S.C. § 437g(a)(5)(b). The knowing and willful standard requires knowledge that one is violating the law. Federal Election Commission v. John

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A. Dramesi for Congress Committee, 640 F. Supp. 985 (D. N.J. 1986). A knowing and willful violation may be established "by proof that the defendant acted deliberately and with knowledge that the representation was false." United States v. Hopkins, 916 F.2d 207, 214 (5th Cir. 1990). An inference of a knowing and willful violation may be drawn "from the defendants' elaborate scheme for disguising" his actions. Id. at 214-15. Gadhia, as an attorney who had extensive fundraising experience and had served as a treasurer for prior state and federal campaigns, devised an elaborate scheme to circumvent campaign contribution limits by accepting funds from foreign sources and by reimbursing funds. Although he does not explicitly admit to knowing that his actions in connection with the reimbursement scheme were illegal, he does readily confess that he "should have known" that those contributions were illegal. Clear evidence of the covert nature of Gadhia's activities and his intent to disguise the source of the money is evidenced by: (1) Gadhia's meetings with Minister Singh at a restaurant in Laurel, Maryland (midway between Baltimore and Washington, D.C. and thus away from either party's office) where Minister Singh handed Gadhia envelopes containing first \$40,000 and then \$20,000 in \$100 bills; (2) Gadhia's reimbursement of conduits with cash; and (3) Gadhia's list of contributors which was sent to Minister Singh without a cover letter. Although Gadhia claimed to not specifically recall whether any of the conduits raised any doubts concerning the legality of these contributions and testified that if anyone had, he would have given assurances to them that it was "okay," Uday Gadhia, one of the conduits who was also a solicitor, told this Office that Gadhia specifically told him that the reimbursement was a loophole to get around the contribution limits. Finally, while Gadhia claimed that he sought assurances from Davendra Singh that the money was not from the government of India, his admission that he did not want



to know more information about the source of the money, given his professional status as an attorney and his wide experience as a campaign fundraiser, raise doubts on the veracity of his assertions regarding the origin of the money provided by Singh, suggesting the possibility that these claims are just post hoc rationalizations. All these factors, under Hopkins, would serve as a basis for a "knowing and willful" violation.

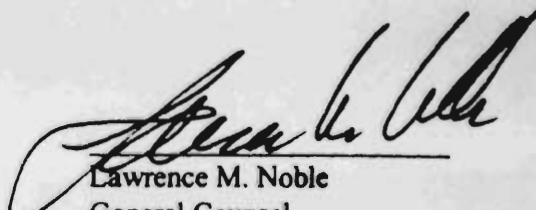
The evidence in this matter reveals a pervasive pattern of knowing and willful violations by Gadhia including accepting and/or receiving contributions from a foreign national, making of contributions in the name of another, and soliciting others to make such contributions. Indeed, Gadhia generally admits his culpability for the violations and was convicted and imprisoned.

In light of the foregoing, the General Counsel's Office is prepared to recommend that the Commission find probable cause to believe that Lalit Gadhia knowingly and willfully violated 2 U.S.C. §§ 441e and 441f by using \$60,000, provided by a foreign national and official at the Indian Embassy in Washington D.C., to reimburse numerous individuals for campaign contributions to various political committees.

#### IV. GENERAL COUNSEL'S RECOMMENDATION

Find probable cause to believe that Lalit Gadhia knowingly and willfully violated 2 U.S.C. §§ 441e and 441f.

10/15/97  
Date

  
Lawrence M. Noble  
General Counsel



Subodh Chandra  
2902 Corydon Rd.  
Cleveland Heights, OH 44118-3514

(216) 566-5572 (o)

October 28, 1997

**VIA CERTIFIED MAIL**

John Warren McGarry  
Chairman  
Federal Election Commission  
999 E Street, NW  
Washington, D.C. 20463

**Re: Indian-American Leadership Investment Fund & Illegal Fundraising Activities of  
Lalit Gadhia ("MUR 4582")**

Dear Chairman McGarry:

I am writing to respond to the Federal Election Commission's ("FEC" or "Commission") so-called "Reason to Believe" ("RTB") finding of November 12, 1996 regarding Matter Under Review ("MUR") 4582. That finding suggested that the Indian-American Leadership Investment Fund ("the Fund" or "IALIF"), and I as its treasurer<sup>1</sup>, violated 2 U.S.C. §§ 441e and 441f<sup>2</sup>, provisions of the Federal Election Campaign Act of 1971 as amended ("the Act"). The RTB finding arose out of the illegal—unbeknownst to the Fund or me—fundraising activities of Lalit H. Gadhia of Baltimore, Maryland during the 1994 general election cycle.

As you may know, I have already had a number of telephone conversations over the last several months discussing the RTB finding with Dominique Dillenseger of the Commission's Office

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<sup>1</sup> References in this letter to "we" refer to the Fund, its legitimate contributors, and those informal advisors who have been associated with it. References to "I" or "me" refer to Subodh Chandra.

<sup>2</sup> Section 441e of the Act provides in pertinent part that it is unlawful "for any person to solicit, accept, or receive [a contribution in connection with an election] from a foreign national."

Section 441f of the Act provides as follows:

No person shall make a contribution in the name of another person or *knowingly* permit his name to be used to effect such a contribution, and no person shall *knowingly* accept a contribution made by one person in the name of another person.

(emphasis added).

John Warren McGarry

October 28, 1997

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of General Counsel. Because those attempts to resolve my concerns have been unsuccessful, I have prepared this formal response, request for information, and request for corrective action. I apologize for the length of this response, but I see no alternative for fully setting forth our facts, viewpoint, and questions.

I became aware of the RTB finding on December 2, 1996, when I received a letter dated November 25, 1996 from your predecessor as Chair, Lee Ann Elliott (copy attached as Exhibit 1). I first became aware that the Commission was even undertaking an investigation in this matter at that time as well. Consequently, I had no opportunity to provide relevant information (testimonial or documentary) to the Commission that might have been helpful to it in reviewing the Gadhia matter, or my role in it.

In addition to informing me of the Commission's finding, Ms. Elliott's letter further stated that "after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you and the IALIF." See Letter from Lee Ann Elliott to Subodh Chandra of Nov. 25, 1996 ("Elliott Letter").

I am now writing for several reasons:

- (1) To provide (in the absence of any Commission request for information) as complete a factual background on the Fund and the Gadhia affair as possible; *and*
- (2) To thereby highlight significant factual errors and omissions made in the written "Factual and Legal Analysis" (copy attached as Exhibit 2), upon which, according to Ms. Elliott's letter, the Commission relied in making its finding; *and*
- (3) To request that the RTB finding be reconsidered and entirely withdrawn on the basis of these more complete facts, and that no other such finding be issued; *or*
- (4) To request in the alternative at a minimum that the Factual and Legal Analysis be corrected and completed based on the corrections and complete facts set forth herein; *and*
- (5) To request that the Commission respond in writing to specific questions and concerns that we have about the process by which it reached its RTB finding, and about the legal significance of the RTB finding; *and*
- (6) To request in the event that the RTB finding is not withdrawn and our questions are not satisfactorily answered, that the Commission *reopen its file as it pertains to the Fund and myself and provide a public hearing as to our conduct in this matter.*

**I.  
FACTUAL BACKGROUND.**

**A. The Fund's Formation and Mission.**

On August 10, 1993, I, along with a small group of other Indian-Americans, founded the Indian-American Leadership Investment Fund for one purpose: to generate political leadership from within the Indian-American community. The Fund would accomplish this objective in three ways:

- (1) By providing financial support to *Indian-American candidates* for political office at the local, state, and federal level;
- (2) By informally advising and directing *Indian-American candidates* toward technical assistance, campaign volunteers, and staff; and
- (3) By making occasional, token contributions (no more, for example, than approximately \$50 apiece) to only those non-Indian-American candidates who had demonstrated a commitment to nurturing leadership *within the Indian-American community*. Such commitment could be demonstrated, for example, by appointing Indian-American staff.

Missing—by design—from our mission was any substantive public-policy agenda whatsoever. The Fund was formed solely to contribute to the diversity of America's political leadership. Indeed, the Fund was formed by second-generation Indian-Americans specifically to distinguish it from other Indian-American political organizations that have Indo/U.S. affairs central their agendas. In short—and contrary to the assertion made in the RTB finding—it was the Fund's *raison d'être* to *refrain* from making contributions to non-Indian-American candidates on the basis of a perceived "pro-India" stance on the part of these candidates.

**B. The Fund Before Mr. Gadhia's Involvement.**

For the first year of its existence, the Fund was relatively inactive. This was due primarily to the fact that I was extremely busy with other matters, and in part to the fact that Fund boosters had all become individually involved in the campaigns of certain Indian-American candidates for political office, making the need for the Fund moot. In any event, between its August 1993 founding and September 30, 1997 filing, the Fund collected \$696.00, with \$400 expended toward various federal and state Indian-American candidacies, and no contributions made toward non-Indian-American candidacies.

**C. Mr. Gadhia's Involvement With The Fund.**

**1. Mr. Gadhia Had A Strong Reputation for Integrity, Interest, and Experience in Domestic Politics.**

I had met Lalit Gadhia, a lawyer, in Baltimore through a mutual friend on November 12, 1992, while I was interviewing in that city. We were introduced by a mutual friend. Over the course of the coming two years, Mr. Gadhia and I became friends. Indeed, he became something of a mentor to me. Then a Yale law student with an interest in public service, I very much admired Mr. Gadhia's charm, sincerity, savvy, wit, devotion to public service, and longstanding experience in the American political process.<sup>3</sup>

During our friendship, Mr. Gadhia and I had had occasional friendly disagreements about the degree to which relations between the United States and India should have a place in the Indian-American political agenda. I, and those associated with the Fund, believe that they should play a very limited role at best. Mr. Gadhia expressed the view that Indo/U.S. affairs were "essential" to Indian-American political activity. He appeared, however, to understand the basis for my views, and to respect them. He was not nearly as zealous on the subject as other Indian-American political activists of his generation.

By all accounts, Mr. Gadhia was the foremost experienced and legitimate domestic political operative as the Indian-American community had ever seen (in any generation). I had no reason to be suspicious of him or his motives. Indeed, he struck me as the most trustworthy of those of those in his generation whom I knew were active in politics.

**2. Mr. Gadhia's Proposal.**

In or around late September or early October 1994, a few months after I had graduated from law school and relocated to Albuquerque, New Mexico, I received a telephone call from Mr. Gadhia.

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<sup>3</sup> Mr. Gadhia's achievements in domestic politics included volunteer work on the campaign of John F. Kennedy, service as a Baltimore city administrator in the Johnson Administration's War on Poverty (he said that U.S. Senator Barbara Mikulski had served under him when she was a social worker), management of Parren Mitchell's campaign as the first African-American to be elected to Congress from Maryland since the Civil War, a personal run for state office in the early 1970s (he lost), a position as Chairman of Baltimore's Municipal Zoning Board, status as a confidant to Mayor Kurt Schmoke, and acquaintance of and fundraiser for U.S. Senator Paul Sarbanes, presidential candidate Michael Dukakis, and other top officials. Mr. Gadhia went on to serve as treasurer of Parris Glendinning's campaign for Maryland Governor, and served in his administration.



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It had been several months since I had last spoken with him, and not yet two years since we had met.<sup>4</sup> After some initial small talk, Mr. Gadhia inquired about the status of the Fund. I told Mr. Gadhia that the Fund had been dormant for several months due to lack of time on my part, and because two of the three prominent 1994 Indian-American candidates had lost their primaries.

Mr. Gadhia asked me what was entailed in starting a political action committee. When I explained to him that the process was relatively simple, but involved time to acquire forms and to file a statement of organization with the FEC, Mr. Gadhia asked if he<sup>5</sup> could use the Fund to make contributions to certain congressional candidates (all non-Indian-American incumbents) in the remaining days of the 1994 general election cycle.

I responded that the Fund's mission statement effectively prohibited the contributions he was proposing. Mr. Gadhia persisted, intimating that he was in something of a jam, that he could not register a political action committee in time to engage in the activity he contemplating, and that he needed help with this dilemma. Evident from this conversation was that Mr. Gadhia had access to a sizable number of donors and that he wanted a vehicle that could readily be identified as "Indian-American" to make candidate contributions. From the beginning, Mr. Gadhia made it clear that he would raise the money, and he would direct where it would go. He further opined, however, that this activity would "benefit" the Fund's reputation as a major political "player."

I responded that protecting the Fund's core mission was of paramount importance to us. I added that I nevertheless would share Mr. Gadhia's proposal with the group of individuals that comprised an informal advisory group for the Fund—but that I was skeptical that a consensus would emerge in favor of his proposal because it ran so counter to our mission.

### **3. The Fund Conditionally Agreed to Mr. Gadhia's Proposal.**

To my surprise, the group overcame its initial reluctance, and decided to make a special exception for the 1994 race and allow Mr. Gadhia to raise funds and direct their expenditures through the Fund for his own purposes—but on one condition. The condition was that Mr. Gadhia and his associates had to allocate their resources such that "no non-Indian-American candidate committee should receive any greater contribution than the committee of any Indian-American candidate running for equivalent office." As a practical matter, this meant that no other candidate for the U.S. House of Representatives was to receive any contribution greater than that received by the "Mathews for Congress" committee for the 38<sup>th</sup> Congressional District in California, the lone

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<sup>4</sup> The Commission's Factual and Legal Analysis characterizes me as a "longtime friend" of Mr. Gadhia. See Factual and Legal Analysis at p. 2.

<sup>5</sup> Mr. Gadhia actually consistently referred to himself during conversations related to his fundraising plans as "we," and I could not determine whether he was speaking for a group or was speaking in the "royal 'we'" only of himself.

active Indian-American candidacy at that time.<sup>6</sup> It was our belief that this compromise would allow the Fund to fulfill somewhat its original mission—nurturing Indian-American political leadership—while allowing Mr. Gadhia to achieve his separate aims as well.

Mr. Gadhia agreed to this condition, and said that he immediately would begin “collecting contributions” and transmitting them to me. He emphasized repeatedly that I should process these contributions rapidly since Election Day was only a few weeks away. Per his request, I sent Mr. Gadhia fliers for the Fund that requested information required by federal law (such as occupational and employer information). Indeed, our fliers went beyond FEC regulations to warn expressly that contributions are only legal from citizens or permanent residents.

**4. There Was No Reason At The Time Of Receipt To Suspect Gadhia-Generated Contributions.**

Over the coming weeks, and shortly before the general election, I received three express-mail packages from Mr. Gadhia in rapid sequence, each containing checks and transmittal letters with lists of contributors. The checks totaled \$34,900. All of the checks were from individuals in Maryland. Missing from the packages was the occupational and employer information required by federal law.

Numerous calls to Mr. Gadhia to obtain this information went unreturned. This did not arouse suspicion so much as irritation. Having worked myself on hectic political campaigns in the past, I attributed the omissions to Mr. Gadhia's work as treasurer of the Glendenning gubernatorial campaign, in the final days of the election. Mr. Gadhia eventually called me to specify dispensation to candidate committees of the contributions he had generated. At that time, he provided only part of the requested information. I made handwritten notes on his transmittal letters of the additional information he provided over the telephone (copies of these letters with my handwritten notes attached as Exhibit 3). Mr. Gadhia said that he would “have to check on the others” and get back to me.

When he did not do so, and a few additional calls went unreturned, I left follow-up telephone messages pleasantly informing Mr. Gadhia that I would not process the checks or make contributions to candidates until the information was provided. Finally, before Election Day, he called back with much of the requested information. (After Election Day but before the Fund's FEC filing deadline, I sent Mr. Gadhia a memorandum (copy attached as Exhibit 4) that listed those few remaining contributors for whom information was missing, and requested the information.)<sup>7</sup>

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<sup>6</sup> Thus, for example, when Mr. Gadhia allocated \$3,000 of the funds he raised for the Committee to Re-elect [House Speaker] Thomas S. Foley, he had to allocate an equal amount to the Mathews for Congress Committee.

<sup>7</sup> All of these efforts on our part to obtain information, it should be noted, went far beyond the minimal conduct required by statute or by the Commission's “best efforts”



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When Mr. Gadhia provided requested occupational and employer information for certain contributors, his voice seemed confident. For other contributors, he seemed to be sincerely struggling to remember the information. He always referred vaguely to himself or his fundraisers as "we," stating that he did not know certain contributors well, and that was why he could not readily provide all of the needed information. When he did not know, he said that he would check and get back to me.

Mr. Gadhia ultimately provided virtually all of the requested information. The individuals who made contributions, according to Mr. Gadhia, were engineers, physicians, business owners, business managers, chefs—all presumably capable of making such donations. Again, Mr. Gadhia's respectable background, his apparent sincerity, and the information he provided, did not—and could not—justify any suspicion. At one point, I offhandedly joked to Mr. Gadhia, "Now, Lalit, these [contributions] are all okay, right?" and he responded indignantly, "Of course."

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regulations—even those that were in place at the time and were recently held unlawful by the United States Court of Appeals for the District of Columbia.

Per Mr. Gadhia's request, I sent contributions from the Fund to the candidate committees he selected, using the monies he had raised.<sup>8</sup> Also per Mr. Gadhia's request, I sent him copies of the transmittal letters that were sent to the candidate committees.

**D. Post-Election Discovery Of Problems With Gadhia-Generated Contributions.**

I do not recall any contact with Mr. Gadhia after the November 1994 election season was over, other than a brief telephone conversation in January or February of 1995 in which I sought career advice.

On April 27, 1995, while en route to Washington, D.C. on business, I retrieved from my answering machine in Albuquerque a message from Jim Haner, a reporter for the *Baltimore Sun*, inquiring about the Fund and Mr. Gadhia. I returned the telephone call shortly before boarding my next flight. Mr. Haner urged me to call him from my hotel in Washington, and said that he needed to meet with me. Anxious that the reporter might be writing a murky, baseless "hit-piece" on Mr. Gadhia and Indian-American political activity, I called Mr. Gadhia from my hotel that night for his thoughts. Mr. Gadhia did not express any alarm; rather, he called the inquiry a "great opportunity"

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<sup>8</sup> The following committees were sent contributions from the Gadhia-generated funds: Mathews for Congress (\$1,000 and then \$2,000); Friends of Congressman Fingerhut (\$1,000); Friends of Sherrod Brown (\$1,000 and then \$2,000—the \$1,000 contribution was never cashed and is credited on a subsequent IALIF report to the FEC); Citizens for Sarbanes (\$2,000); Victory '94—Massachusetts Democratic Party—Federal Account (\$5,000); Committee to Re-elect Thomas S. Foley (\$3,000); McDermott for Congress (\$2,000); Hamilton for Congress (\$3,000); Swett for Congress (\$1,000 and then \$2,000); Ackerman for Congress (\$2,000); Engel for Congress (\$2,000); Andrews for Congress (\$1,000); Murtha for Congress (\$1,000); Mfume for Congress (\$1,000); and Berman for Congress (\$2,000 and then \$800). These allocations totaled \$34,800, and Mr. Gadhia allocated \$100 to the Fund for administrative expenses.

As I informed the FBI and Department of Justice during the course of their investigation, in keeping with our agreement, Mr. Gadhia entirely directed the dispensation of the funds that he raised. In a conversational spirit, I did suggest at least one obviously powerful recipient that apparently had not occurred to him, the "Committee to Re-elect Thomas S. Foley." Mr. Gadhia considered and then took this suggestion.

I am informed and believe that Mr. Gadhia has told the FBI and perhaps the Commission that I suggested "Murtha for Congress" as a recipient. This is incorrect. I distinctly recall that at the time Mr. Gadhia told me to write a check to Murtha for Congress from the funds that he raised, that I had never heard of Congressman John Murtha (D-Pa) and had to look him up in my *Almanac of American Politics* (1994 ed.). I have no reason to know why Mr. Gadhia would make such a claim, other than (perhaps) faulty recollection.

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to "show the reporter how the Indian-American community is getting involved in politics." He exhorted me try to make it a "positive story."

Primed by Mr. Gadhia's enthusiasm, I met with Mr. Haner the next morning, Friday, April 28, 1995. After inquiring initially about the background and mission of the Fund, and how Mr. Gadhia became involved in fundraising, Mr. Haner proceeded to reveal the nature of his research and investigation. He said that in examining FEC reports, his curiosity had been piqued as to why so many Indian-Americans from the Baltimore area had made contributions to an "obscure" political action committee (then) based in New Mexico. Mr. Haner said that he had attempted to contact in person all of the contributors listed on the Fund's FEC general election 1994 filing (all from the Baltimore area), and had discovered that many of these individuals did not appear to have the financial means to make the high contributions that they had supposedly made. Some had admitted to Mr. Haner that they had been reimbursed in cash by Mr. Gadhia or his nephew, Uday, for their contributions. Some did not appear to be U.S. citizens or permanent residents.

The serious nature of the allegations, and the specificity with which Mr. Haner provided examples, came as a total surprise and shock to me. It was apparent from the conversation, and from Mr. Haner's detailed references to his notes, that he had undertaken a comprehensive investigation of the Maryland contributions that Mr. Gadhia had generated. Mr. Haner further said that he had been trying to reach Mr. Gadhia, by then an official in Governor Glendenning's administration, to discuss the matter, but that Mr. Gadhia was not returning his calls. This was my first indication that Mr. Gadhia had previously known of Mr. Haner and his investigation.

Mr. Haner asked me to speak with Mr. Gadhia, to communicate the nature of the investigation, and to suggest that he return Mr. Haner's calls. I agreed to do so.

Returning to my hotel room, I called Mr. Gadhia and spoke with him briefly. I informed him that Mr. Haner had undertaken an investigation of the Fund's contributors, and was alleging that these individuals were reimbursed for their contributions in violation of federal election law. I told Mr. Gadhia that this was a very serious matter, and that he should treat Mr. Haner's telephone inquiries accordingly.

Mr. Gadhia became more subdued. He asked, "What do you think I should do?"

I replied, "I strongly advise you to get a lawyer." I concluded the conversation by wishing Mr. Gadhia luck.

That was the last conversation I have had to date with Mr. Gadhia.

**E. The Fund And I Notified The Commission Of Problems With Gadhia-Generated Contributions.**

That same day, still in Washington, I telephoned the Commission and spoke with N. Bradley "Brad" Litchfield in the Office of General Counsel. I informed him of the situation, and he told me to follow up with a letter. By the close of business that day (Friday, April 28, 1995), I sent by facsimile a letter to the Commission informing it of the general allegations. The letter made clear that we had not known of any alleged improprieties, and pledged full effort to remedy the situation. Letter from Subodh Chandra to Lois Lerner, Chief Enforcement Officer, Federal Election Commission of Apr. 28, 1995 (the Fund and Mr. Chandra would take "whatever steps necessary to resolve the Federal Election Commission's concerns in a satisfactory manner.") (copy attached as Exhibit 5).

The following week, from Albuquerque, I called the Commission again for further guidance. In particular, I asked what the Fund should be doing to remedy a situation where contributions were not reasonably suspect at the time of receipt, but were later discovered to be questionable. Mr. Litchfield informed me that the Commission had received my letter, but that any investigative process would take time because of the Commission's tremendous caseload. He explained that my various questions would best be presented to the Commission by way of a written request for an advisory opinion.

Finally—and critically—Mr. Litchfield assured me that the Fund and I would be notified as soon as a Commission attorney was assigned to investigate the case.<sup>9</sup> He indicated that that might take some time, as the Commission is understaffed and its attorneys have tremendous caseloads.

Per Mr. Litchfield's suggestion, I sent on May 25, 1995 a letter to the Commission requesting an advisory opinion as to what specific action if any the Fund was required, permitted, or advised to take to address the allegations raised by Mr. Haner's investigation. (Copy attached as Exhibit 6.)

**F. The Commission Failed To Inform Us That It Was Undertaking An Investigation And Failed To Give Us An Opportunity To Present Facts.**

Shortly after my conversation with Mr. Litchfield, and while I was preparing my request for an advisory opinion, I received a general acknowledgment from the Commission of my April 28, 1997 letter notifying it of possible problems. Letter from Mary L. Taksar, Attorney, Central Enforcement Docket, to Subodh Chandra of May 10, 1997 (copy attached as Exhibit 7). Attached

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<sup>9</sup> Having heard nothing from the Commission, I made a follow-up telephone call to the Commission a few weeks later and spoke with a female staff member, whose name I do not recall. That staff member repeated that an investigation had not yet formally been opened, but confirmed Mr. Litchfield's promise. This staff member may have been Mary L. Taksar, but I am not certain.



to that letter was "a brief description of the Commission's procedures for handling matters such as this." *Id.* (copy of this procedural description attached as Exhibit 8). Entitled, "Description of Preliminary Procedures for Processing Complaints Filed With The Federal Election Commission" ("Description of Procedures"), the document stated as follows:

Within five days of receipt of a complaint, the *Commission shall notify in writing, the respondent listed in the complaint* that the complaint has been filed and *shall include with such notification a copy of the complaint*. Simultaneously, the complainant shall be notified that the complaint has been received and will be acted upon. *The respondent shall then have 15 days to demonstrate, in writing, that no action should be taken against him/her in response to the complaint*.

Description of Procedures, ¶ 1 (emphasis added).

Never did the Commission inform me that my own letter to the Commission informing it of possible problems constituted a "complaint," that I was a "complainant," or that the Fund and I were "respondents" as contemplated by these procedures. Ms. Taksar's letter did not include a copy of my April 28, 1995 letter bringing possible violations to the Commission's attention.

The Commission's procedural description goes on to outline the following internal Commission procedure:

At the end of the 15 days, the Office of the General Counsel shall report to the Commission making a recommendation(s) based upon a preliminary legal and factual analysis of the complaint *and any submission made by the respondent(s)*. *A copy of the respondent's submission shall be attached to the Office of General Counsel's report and forwarded to the Commission*. This initial report shall recommend either (a) that the Commission find reason to believe that the complaint sets forth a possible violation of [the Act]; or (b) *that the Commission find no reason to believe that the complaint sets forth a possible violation of the Act and, accordingly, that the Commission close the file in the matter.*

Description of Procedures, ¶ 2 (emphasis added).<sup>10</sup>

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<sup>10</sup> The procedures then allow that during the investigation period after the RTB finding, the Office of General Counsel may recommend that the Commission enter into a conciliation with respondents who so desire, *prior to a finding of probable cause to believe a violation has been committed*. Description of Procedures, ¶ 4 (emphasis added). Ms. Dillenseger, during our telephone conversations, has repeated again and again that the RTB finding is "merely a threshold finding similar to probable cause." Yet the Description of Procedures seems to indicate that there is a probable cause finding required *after* the initial RTB finding. See Description of Procedures at ¶¶ 4-5; see also 11 C.F.R. §§ 111.8 and 111.16. This further

The Factual and Legal Analysis that the Commission sent me—not fifteen days but *nineteen months* after my initial letter to the Commission—could not have been based upon any submission from the Fund and myself because such submissions were never sought by the Commission. Moreover, it is obvious from a reading of the Factual and Legal Analysis that the Office of General Counsel's work could not have been completed based on my April 28, 1995 letter alone; that early letter is undetailed.

It seems apparent from the Factual and Legal Analysis that the Commission—despite having sent me this particular Description of Procedures—would now claim that the Gadhia matter came to the Commission's attention "on the basis of information ascertained by the Commission in the normal course of carrying out its supervisory responsibilities" and that these procedures do not apply. See Factual and Legal Analysis at p. 1; see also 11 C.F.R. §§ 111.3, 111.8, and 111.9 (describing procedures where awareness of possible violations are generated internally within the Commission). As a consequence, the Commission might argue, it was not required by statute or regulation to notify me that an investigation was pending. We submit that the fact that we brought this matter to the Commission's attention, and *our pledge of full cooperation* should have been enough to trigger curiosity on the part of the Commission and its staff as to the full factual picture in the matter before it issued a damaging RTB finding.

In any event, despite Mr. Litchfield's and another Commission staff member's promises, and despite these procedures, I never received any oral or written notice from the Commission that any investigation was being undertaken until—a year and a half later—I received Ms. Elliott's letter of November 25, 1996 informing me of the Commission's RTB "finding." I was never told whether the Fund and I were considered both "complainants" and "respondents." I was never told—if we were indeed considered respondents—that the Commission was undertaking a review of the Fund's and my conduct, and that I should seek to demonstrate in writing that no action should be taken against us in response to our own "complaint." Despite my pledge of full cooperation, I was never contacted, interviewed, deposed, or otherwise queried by the Commission in connection with its finding. Nor did the Commission ever request copies of the numerous documents that I had in my possession that might have shed light on the matter.

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confuses us about the legal significance of the RTB finding.



**G. The Commission's Advisory Opinion.**

In response to my request, the Commission issued a draft,<sup>11</sup> and then final, advisory opinion, AO 1995-19, in July 1995. (Copy of final advisory opinion attached as Exhibit 11.) The Commission's final advisory opinion advised, among other things, that the Fund should disgorge Gadhia monies to a governmental entity or charity. *See Record*, Sept. 1995 (FEC publication summarizing content of AO 1995-19), at p. 5 (copy attached as Exhibit 12). Moreover, where (as was the case here) the Fund did not have sufficient monies to disgorge, the Fund should use any new, incoming funds to disgorge its Gadhia-induced obligations.

As a result of the Gadhia matter, I desired to terminate the Fund. Practically speaking, however, it was impossible for the Fund to raise new money to repay such a large obligation (\$34,800) that had already been contributed to candidates—many of whom had lost their re-election bids. No one would be willing to make contributions to an organization with such large liabilities. Even if new, incoming contributions were designated to charity, there would be no tax-deductibility benefit to the donors for what were still ostensibly “political” contributions.

The only plausible source of monies for meeting the Fund's disgorgement obligations were the very candidate committees that had wrongly benefited from the tainted funds. More importantly, we always felt that it was our moral obligation to notify the candidate committees of the allegations regarding Gadhia monies, and to seek the monies' return for disgorgement. As unwitting pawns of a scheme to violate federal election law, the least we could do to assuage our outrage was to facilitate removal of the tainted funds from the political process.

**H. The Fund And I Cooperated With The FBI And Department of Justice Investigation Into Mr. Gadhia's Fundraising Activities.**

While my request for an advisory opinion was pending, I was contacted by, and received a grand-jury subpoena (copy attached as Exhibit 13) from, the United States Attorney in Baltimore investigating the Gadhia matter. As the U.S. Attorney's office has already emphasized to the Commission, the Fund and I fully cooperated in the criminal investigation of the Gadhia matter, and provided—to our detriment in the Indian-American community—information helpful in ascertaining what happened. *See Letter from Joseph Evans to Dominique Dillenseger of February 12, 1997 (copy*

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<sup>11</sup> The draft advisory opinion of AO 1995-19 advised the Fund and me as its treasurer to undertake “best efforts” to determine the legality of Gadhia-generated contributions. (Copy attached as Exhibit 9.) At the urging of the Department of Justice, (*see Letter from Joseph Evans to N. Bradley Litchfield of July 18, 1995 at p. 2*) (copy attached as Exhibit 10), the final version of the advisory opinion permitted us to delay our investigative efforts until the Department's own criminal investigation was completed. *Compare Draft Advisory Opinion 1995-19 of July 13, 1995 with Advisory Opinion 1995-19 of July 28, 1995 at p. 5, n. 2.*

attached as Exhibit 14).<sup>12</sup> I flew to Baltimore in July of 1995 to meet extensively with the Federal Bureau of Investigation's ("FBI"'s) special-agent-in-charge and the federal prosecutor assigned to the matter, to provide copies and originals of all documents in my possession—including handwritten notes, and to testify before a federal grand jury investigating the Gadhia matter. I spent countless hours over the telephone and in person with investigators answering numerous questions. As discussed above, the FBI and Department of Justice requested that I not contact purported contributors to the Fund or candidate committees that received Gadhia funds, to avoid interference with the criminal investigation. Accordingly, I refrained from doing so until after Mr. Gadhia's guilty plea and sentencing in the fall of 1996.

**I. The Fund And I Continued Our Efforts To Repay The Gadhia Obligations.**

After Mr. Gadhia was sentenced in the fall of 1996 for his campaign violations, rather than close the Fund down with an outstanding obligation to the American people, I sent letters on the Fund's behalf to all candidate committees that had benefited from Gadhia funds. The letters warned recipients that the donations were tainted, and strongly requested return of contributions for ultimate disgorgement to charity. At no time had the Commission notified me that it was sending similar letters to candidate committees requesting disgorgement of Gadhia funds to the United States Treasury.

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<sup>12</sup> That letter observes as follows:

It is beyond question that the very serious criminal conduct committed by Mr. Gadhia could not have been as successfully prosecuted as it was without the complete and candid cooperation of Mr. Chandra and the IALIF. You should understand, as well, that Mr. Chandra was the subject of much opprobrium in the Indian community because of his immediate decision, made without regard to personal self-interest, to report the possibility of illegally procured funds to the FEC and to assist this Office in the criminal investigation. Certainly, Mr. Chandra could have been far more self-protective; he could have been coy or grudging in the supplying of information and documents; and he could have attempted to hedge his position so as to comply with the law while still shielding himself, the IALIF, or Mr. Gadhia. Without question, the openness and forthrightness with which Mr. Chandra dealt with the unfortunate situation was done with measurable personal loss for himself.

Letter from Joseph Evans to Dominique Dillenseger of Feb. 22, 1997, at p. 2.

The Fund and I were able to recover \$10,000 in Gadhia monies from campaign committees.<sup>13</sup> Some committee treasurers reported that they had already disgorged the funds to the United States Treasury, at the Commission's direction.<sup>14</sup> Still others stated that they did not have funds sufficient to repay the obligation.<sup>15</sup> The remainder did not respond to my inquiries or no longer had identifiable campaign committee addresses or treasurers.

The \$10,000 in recovered Gadhia monies, an additional \$1,100 in residual Gadhia monies left in our account<sup>16</sup>, and the Fund's remaining balance of \$169.38, were all disgorged to the United States Treasury in care of the Commission's staff person, Dominique Dillenseger, on June 30, 1997. Satisfied by Ms. Dillenseger's assurances and our own efforts that we had done everything possible to recover the tainted Gadhia monies from the political process,<sup>17</sup> we filed a report terminating our status as a political action committee on July 31, 1997. We were informed on September 22, 1997 that the Commission had accepted that filing as a valid termination. Letter from Andrew J. Dodson, Senior Reports Analyst, Reports Analysis Division, FEC, to Subodh Chandra of Sept. 22, 1997 (copy attached as Exhibit 16).

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<sup>13</sup> These included Engel for Congress (\$2,000); Murtha for Congress Committee (\$1,000); Friends of Jim McDermott (\$2,000); and Massachusetts Democratic Party—Federal Account (\$5,000).

<sup>14</sup> These included Mfume for Congress, Friends of Sherrod Brown (regarding the \$2,000 Fund contribution they received and deposited—a second \$1,000 contribution was never cashed and remained in the Fund's account), and Berman for Congress.

<sup>15</sup> These included Friends of Congressman Fingerhut and Mathews for Congress Committee

<sup>16</sup> This included the \$1,000 contribution check that had never been cashed by Friends of Sherrod Brown, and the \$100 that Mr. Gadhia had left with the Fund for administrative expenses.

<sup>17</sup> After numerous inquiries, I was later informed by the Commission that the campaigns of Gary Ackerman, Robert Andrews, Howard Berman, Sherrod Brown, Eric Fingerhut, Thomas Foley, Lee Hamilton, Peter Mathews, Kweisi Mfume, Paul Sarbanes, and Richard Swett have all eventually made disgorgements directly to the U.S. Treasury. Letter from Erik Morrison, Staff Member, FEC, to Subodh Chandra (Sept. 5, 1997) (copy attached as Exhibit 15).

**II.**  
**THE COMMISSION'S FAILURE TO MAKE FACTUAL INQUIRY OF US RESULTED  
IN SERIOUS ERRORS AND OMISSIONS IN ITS FACTUAL AND LEGAL  
ANALYSIS—AND LED TO AN ERRONEOUS RTB FINDING.**

**A. The Commission Failed to Follow Its Own Procedures, Or Any Fair Procedure.**

The Commission failed to notify me, per Mr. Litchfield's and another staff member's promises, that an investigation was being undertaken in the Gadhia matter, and that the matter had been assigned to a staff person. Had the Commission done so, I would have known that it was time to inquire about whether the Commission had all the necessary information. Instead, I heard *nothing* from the Commission from July 1995 (when I received its final advisory opinion), until December 1996 (when I received Ms. Elliott's letter about the RTB finding).

The Commission also failed to follow its own procedures. The Commission did not notify me clearly and in writing that my letter to the Commission of April 28, 1995 reporting possible violations constituted a "complaint," that I was a "complainant," or that the Fund and I as its treasurer were "respondents." It would be absurd to suggest that the procedures that were sent to me made obvious that these terms applied to the Fund and me, and that I was invited to submit within fifteen days my rendition of the facts and our evidence. By failing to follow its own procedures or deadlines, the Commission denied the Fund an opportunity submit the factual accounting that clearly absolves us of any liability in the Gadhia matter.

We are at a loss to understand how the Commission could reach its RTB finding without asking for further information from the entity and individual who brought the matter to its attention in the first place—especially when we had vital evidence in hand and had pledged full cooperation.

**B. As A Consequence Of Procedural Failures, The Factual and Legal Analysis Contains Significant Factual Errors and Omissions.**

As the factual narrative above suggests, the "Factual and Legal Analysis" upon which the Commission relied in issuing its RTB finding is misguided and factually incomplete in several respects. These include the following:

- (1) The first paragraph states that the "matter was generated based on information ascertained by . . . the Commission . . . in the normal course of carrying out its supervisory responsibilities." There is no mention that the entire matter first came to the Commission's attention through the good-faith submission of the Fund. There is also no mention that the Commission failed to make any inquiry of us (testimonial or documentary) in "ascertaining information."



- (2) The fourth paragraph delineates the responsibility of the treasurer where contributions present "genuine questions of legality" at the time of receipt, but fails to note that the Gadhia monies did not present genuine questions of legality at the time of receipt.
- (3) The fourth paragraph further fails to recognize that any effort to return contributions upon later discovery of illegality is made difficult where, as here, the Commission failed to notify the Fund that it was preempting our efforts to obtain refunds.
- (4) The fifth paragraph inaccurately limits the Fund's interest to "federal" candidates of Indian descent, when we were also interested in, and had supported, state and local candidates as well.
- (5) The sixth paragraph also does not fully describe our reasons for not planning to participate in the November 1994 elections, as described in the facts above.
- (6) While I admired Mr. Gadhia and considered him a friend, I do not know the source for the Commission's characterization in paragraph five of me as a "longtime" friend of Mr. Gadhia's, in that I had known him for two years at the time of his approach to the Fund. This fits the general pattern of the Factual and Legal Analysis of trying to placing Mr. Gadhia and me in the same bed, without factual inquiry.
- (7) The section describing the Fund's agreement with Mr. Gadhia also fails to fully describe the mentor protégé relationship between Mr. Gadhia and myself, the circumstances surrounding Mr. Gadhia's approach to the Fund, our initial resistance, why we agreed; and—crucially—the *conditional and temporary nature of that agreement*. As discussed more fully below, all of these facts belie the characterization that we blindly appointed Mr. Gadhia our fully charged Fund "agent" with blanket authority. All of these essential facts demonstrate that we were victims of Mr. Gadhia's misdeeds and that he was, in effect, an independent contractor for the purposes of his involvement with the Fund.
- (8) This same section fails to report our specific efforts (e.g., telephone calls, memoranda) to obtain information regarding Gadhia contributors that would comply with reporting requirements. This section also fails to observe that those demands on our part went well beyond the Commission's then-regulations that specified what would constitute "best efforts" on our part, the minimally required standard of conduct under the law.
- (9) The dates in paragraphs six are all imprecise per the above chronology.
- (10) Paragraph six also fails to mention that in orally demanding, and in writing "requesting," (both communications made by Ms. Dillenseger) that recovered Gadhia monies be disgorged to the United States Treasury, the Commission without written explanation ignored its own July 28, 1995 advisory opinion permitting the Fund to give Gadhia monies to charity.

- (11) In paragraph ten, the Commission declares, without any evidentiary foundation whatsoever, that "It seems clear that [Gadhia's direction of contributions] was done to advance the IALIF's interests in supporting pro-India congressional candidates." As set forth at length, above, the Fund *did not have a mission to support so-called "pro-India" candidates!* On the contrary, the Fund by design had no motive with respect to international affairs. The grievous, injurious nature of this error cannot be overemphasized: had the Commission bothered to inquire with us, we could have easily averted such ill-conceived and harmful stereotyping.

**C. As A Consequence Of Procedural Failures And Factual Errors And Omissions, The Commission's Legal Analysis Is Fundamentally Flawed.**

As a consequence of the procedural and factual errors and omissions set forth above, the Commission's substantive legal analysis is entirely erroneous.

**1. Mr. Gadhia Was At Best An Independent Contractor With The Fund, Not An Agent.**

Without further explanation, reasoning, or citation, the Commission's Factual and Legal Analysis states that "[U]nder settled principles of agency law, the committee is charged with the knowledge of its agents and may be liable for having knowingly accepted political contributions." Factual and Legal Analysis at p. 4. In reaching its conclusion that the Fund violated the Act, the Factual and Legal Analysis goes on to imply that Mr. Gadhia was an agent of the Fund.

Under a full rendition of the facts, however, Mr. Gadhia is more properly viewed as an independent contractor with the Fund, not as its agent. An independent contractor is not an agent, and is excluded from agency analysis. See REUSCHLEIN & GREGORY, THE LAW OF AGENCY AND PARTNERSHIP § 51 (2<sup>ND</sup> ED. 1990). Several factors should be considered in determining whether one acting for another is an agent or an independent contractor. Relevant factors include the following:

- (1) the extent of control which, by the agreement, the master may exercise over the details of the work;
- (2) whether or not the one employed is engaged in a distinct occupation or business;
- (3) the kind of occupation, with reference to whether, in the locality, the work is usually done under the direction of the employer or by a specialist without supervision;
- (4) the skill required in the particular occupation;
- (5) whether the employer or the workman supplies the instrumentalities, tools, and the place of work for the person doing the work;



- (6) the length of time for which the person is employed;
- (7) the method of payment, whether by the time or by the job;
- (8) whether or not the work is part of the regular business of the employer;
- (9) whether or not the parties believe they are creating the relation of master and servant; and
- (10) whether the principal is or is not in business.

*Id* (citing *Chapman v. Black*, 49 Wash.App. 94, 741 P.2d 998, 1001 (1987); Restatement (Second) of Agency § 220(2) (1958))

Considering the applicable factors<sup>18</sup> in turn, it is evident that Mr. Gadhia was acting as an independent contractor, *not* as an agent of the Fund.

As to factor one, the Fund's agreement with Mr. Gadhia expressly specified that Mr. Gadhia would exercise total control over his fundraising and dispensation of monies he raised, irrespective of our group's mission. With the exception of our efforts in keeping the Gadhia contributions in federal compliance, Mr. Gadhia was to have total control over the manner in which he procured those contributions, since he was better acquainted with the contributors and locale of Baltimore. Moreover, with the exception of the Mathews for Congress contribution—which could be said to be Mr. Gadhia's consideration for our agreement with him—Mr. Gadhia would not agree to any Fund control over dispensation of the monies he raised.

As to factor two, the Fund was engaged in the business of supporting *Indian-American* candidates, while Mr. Gadhia was in the business of supporting supposedly "India-friendly" (*non-Indian-American*, mostly incumbent) congressional candidates. Thus, our agreement with Mr. Gadhia is more properly viewed as an independent contract, *not* as an agency agreement. Mr. Gadhia was not carrying out our work, but his own. This is why our agreement was structured as it was.

As to factors three and four, Mr. Gadhia could only be supervised by us with regard to federal reporting requirements (which we did in good faith beyond the minimum conduct required by law). As for raising funds from Baltimore Indian-Americans for so-called "pro-India" causes, the Fund could not possibly direct Mr. Gadhia in that regard. That was his specialty, and that was his special skill, not ours.

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<sup>18</sup> Factors seven (regarding method of payment) and ten (regarding whether the principal is in business) do not apply to this situation.

As to factor five, other than providing Mr. Gadhia with Fund fliers that warned (beyond what was necessary under FEC regulations) what constituted prohibited contributions, we did not supply Mr. Gadhia with any instrumentalities, tools, or place of work. Mr. Gadhia presumably used his own office, home, telephones, staff, secretarial services, mail facilities, postage, and transportation to facilitate his work. He did not seek, nor would we have granted, reimbursement for any expenses. Indeed, in allocating disbursement of the funds he raised, he left the Fund with \$100 to cover the Fund's administrative costs. (As mentioned above, that amount has since been disgorged to the United States Treasury.)

As to factor 6, the span of Mr. Gadhia's entire agreement with the Fund was to be the last month or two of the 1994 general-election season. As discussed above, Mr. Gadhia's agreement with the Fund was temporary and conditional. Because Mr. Gadhia's interests ran so counter to the Fund's core mission, we agreed to allow him to pursue his fundraising activities through the Fund only because of the special time-crunched situation he faced before the general election.

Factor 8 also militates for a finding that Mr. Gadhia was an independent contractor. Mr. Gadhia's work, raising money for so-called "pro-India" congressional incumbents, was not a part of our regular business. As we have explained, above, our mission was limited to supporting candidates of Asian-Indian ethnic origin.

As to factor 9, neither the Fund nor Mr. Gadhia believed or could have believed that we were creating a master-servant relationship. Mr. Gadhia would have been the first to reject such a notion, given his adamancy about directing where funds he raised would go, irrespective of the Fund's mission. The facts as set forth fully above belie any characterization that Mr. Gadhia was a servant of the Fund.

"The crucial factor," in determining whether an individual or entity is an independent contractor or an agent, "is the *right of control* which must exist to prove agency." It is not necessary that all of the . . . factors be present because no single one of them is conclusive and all relate, directly or indirectly, to the crucial factor of control or right of control." *Id.* (citing *Chapman*, 741 P.2d at 1001 (emphasis added)). Accord Restatement (Second) of Agency, §§ 14 N cmt. a. & b. and 220 cmt. d. Here, where our agreement with Mr. Gadhia sharply limited our control over his activities, and where Mr. Gadhia was engaging in specialized activity clear across the country from the Fund's treasurer, it would be absurd to suggest that we had the type of control over Mr. Gadhia that is the cornerstone of a principal-agent relationship.

**2. Even If Mr. Gadhia Were An Agent, He Was Acting Outside the Scope of Any Agency.**

Even assuming *arguendo* that Mr. Gadhia was serving as the Fund's agent for the purposes of his fundraising (which the Fund disputes given the temporary and conditional nature of the agreement), a

master is not responsible for acts which are clearly inappropriate to or unforeseeable in the accomplishment of the authorized result. The master can reasonably anticipate that servants may commit minor crimes in the prosecution of the business, but serious crimes are not only unexpected but in general are in nature different from what servants in a lawful occupation are expected to do.

Restatement (Second) of Agency, § 231 cmt. a.

Here the authorized result was fundraising legal contributions. In fact, precautions above and beyond those required by regulation were taken to ensure that contributions would be legal. In committing his very serious violations of federal election law, Mr. Gadhia was clearly acting outside of the scope of any purported agency. Even if he were considered a servant of the Fund, Mr. Gadhia acted in violation of express instructions given to him. This should be a defense to any claim of liability on the part of the Fund. See, e.g., *Commonwealth v. Jackson*, 146 Pa. Super. 328, 22 A.2d 299 (1941), *aff'd* Memorandum decision, 345 Pa. 456, 28 A.2d 894 (1942). Mr. Gadhia's conduct is so unlike that authorized that neither the Fund nor I should be held liable for his gross misdeeds.

While the third paragraph of the Factual and Legal Analysis accurately summarizes the prohibition in 2 U.S.C. § 441f, it fails to explain how the Fund can be liable for "knowingly" permitting our name to effect such an illegal contribution or "knowingly" accepting an illegal contribution, when we did not *knowingly* do anything except attempt to comply with the law. Similarly, paragraphs ten and eleven of the Factual and Legal Analysis refer to "settled" principles of agency law without explaining what the applicable principles are that would hold victims of deceit—here the Fund and me—liable for a deceiver's misdeeds. Whatever these purportedly "settled" principles of agency law are, they would render meaningless the statutory requirement that our actions be "knowingly" committed.

**III.**  
**THE RTB FINDING AND FACTUAL AND LEGAL ANALYSIS SHOULD BE  
WITHDRAWN AND NO SUCH FINDING SHOULD BE ISSUED.**

In light of these errors and omissions, the Fund and I as its treasurer strongly request that the RTB finding and the "Factual and Legal Analysis" upon which it is based be withdrawn and that no similar finding be issued. As the prosecutor who examined the Gadhia affair has exhorted you:

*[C]onsiderations of fairness ought to inform any action taken by the FEC. In that regard, it is difficult to imagine circumstances more compelling than those present here. In this situation, the PAC and Mr. Chandra made every effort to comply with the law, and upon discovery of possible wrongdoing, they cooperated extensively with all official inquiries. For the FEC to take punitive action—no matter how lenient the FEC may itself view that action—may well convey an unintended message to other PACs which find themselves in a position to report wrongdoing possibly attributable to them. More importantly, such action simply does not seem to comport with common sense notions of essential justice.*

Letter from Joseph Evans to Dominique Dillenseger of Feb. 12, 1997, at p. 2-3 (emphasis added).

To the extent the Commission believes, as Ms. Dillenseger has stated to me repeatedly over the telephone, that the RTB finding is "merely a threshold finding" against the treasurer of a PAC in his purely official capacity, and would have been issued against even another person holding the treasurer's seat after the Gadhia affair, it would be wise to consider that this legal distinction is not made anywhere in the Factual and Legal Analysis. Indeed, the Factual and Legal Analysis describes (albeit inaccurately and incompletely) my limited and innocent role in the Gadhia matter and then holds me liable. There is no clue to the reader that the finding against me is a mere formality because of my continued assignment as treasurer.

As we have demonstrated, the RTB finding is based upon incorrect and incomplete facts and a flawed legal analysis. The Commission should, in good conscience, withdraw it, and issue no similar finding.

**IV.**  
**IN THE ALTERNATIVE, THE FACTUAL AND LEGAL ANALYSIS SHOULD BE  
CORRECTED AND COMPLETED BASED UPON THE CORRECT AND COMPLETE  
FACTS.**

Obviously, it is not our preferred remedy to the Commission's mistaken factual rendition, analysis, and legal conclusions, that the Commission merely set forth the complete factual context, engage in similarly faulty analysis, and render similarly harmful and illogical conclusions.



Should the Commission be unwilling to question its own reasoning in this matter, however, we strongly request that a minimum, that the Commission recognize that it made a grievous error in developing "facts" regarding our involvement in the Gadhia matter without ever inquiring with us or me as to the facts.<sup>19</sup> This error is underscored by the fact that we were the ones who brought the entire matter to the Commission's attention, and we had always pledged full cooperation with any investigation. We were always ready to be entirely forthcoming with responses to any testimonial or documentary inquiries; the Commission had no reasonable basis to believe otherwise.

It is essential that before the Commission makes any finding or publishes any document that purports to reflect a complete rendition of the facts in the Gadhia matter, the Commission should take steps to in fact present a complete rendition of the facts.

V.

**THE COMMISSION SHOULD RESPOND TO OUR QUESTIONS AND CONCERNS  
ABOUT THE RTB FINDING PROCESS AND LEGAL SIGNIFICANCE.**

The apparent lack of any discernable process in the Commission's handling of the Gadhia matter has left us utterly baffled. We would appreciate candid and thorough responses to the following questions:<sup>20</sup>

- (1) Why did the Commission never seek to interview, to depose, or seek documents from us in developing its "Factual and Legal Analysis?" After all, it was we who had brought the matter to the Commission's attention in the first place, and we had expressed our desire to cooperate.
- (2) Why did the Commission not inform me that an investigation had been opened and that an attorney had been assigned, per its earlier promise?
- (3) Why did the Commission not notify us that we and I (and not just Mr. Gadhia) were "respondents" subject to a finding of possible liability? Why did the Commission not follow its own procedures with respect to allowing us and me the opportunity to be heard regarding

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<sup>19</sup> Indeed, not only has the Commission never inquired with us as to our conduct in the Gadhia matter, incredibly, the Commission has never inquired with us as to *Mr. Gadhia's* conduct in the Gadhia matter. We are informed that the Commission has deposed numerous other witnesses in the Gadhia affair, including Mr. Gadhia himself; yet to our further astonishment, the Commission has not deposed me.

<sup>20</sup> We reserve the right to present additional questions in the future, or to ask for clarification or greater explanation to the Commission's responses to these questions.

any complaint? What procedures *did* the Commission follow with respect to giving us and me the opportunity to be heard?

- 90043001366
- (3) What are the "settled principles of agency law," referenced without further explanation in the Factual and Legal Analysis, that make us chargeable with "knowledge" of Mr. Gadhia's misdeeds? How does the Commission's liberal application of these purported principles not render meaningless the language of 2 § U.S.C. 441f that we must have "knowingly" have accepted illegal contributions to be liable for Mr. Gadhia's misdeeds? Under the Commission's interpretation, could not *anyone* who has unwitting accepted such contributions through a third-party volunteer be charged with knowledge? Does Mr. Gadhia's temporary and conditional arrangement with the Fund—an arrangement that Mr. Gadhia undertook not to fulfill the mission of the Fund but for his own purposes—change the Commission's analysis? If not, why not?
  - (4) What are the precise legal implications of the RTB finding? In our telephone conversations, Ms. Dillenseger has repeatedly contradicted herself. On the one hand, she has downplayed the impact of the finding, insisting that the RTB is "merely a threshold finding similar to probable cause" with no legal impact. Yet she has also said that the RTB finding is the "changed circumstance" that justified that Commission's change in its position from AO 1995-19 (that the Fund could disgorge Gadhia funds to charity) to its more recent position that the Fund *must* disgorge funds *only* to the United States Treasury. Also, why has this change in position never been explained in writing?
  - (5) Similarly, is the RTB finding a personal finding against *me* or related to *my* actions, or—as Ms. Dillenseger has insisted in our conversations—would it have been issued adverse to *any* individual serving as the Fund's treasurer *after* the Gadhia matter? If so, why does the Factual and Legal Analysis purport to address my conduct? If not, why does the Factual and Legal Analysis not explain beyond the words "as treasurer" that this is not a personal finding based on my conduct but is a *pro forma* finding *in my capacity as a current organizational officer*? Such legal precision would be very helpful in understanding the impact of the finding.
  - (6) Most importantly, what prophylactic regulation addressing the conduct of treasurers did we violate? Short of becoming omniscient, what could we have done differently under the facts set forth above to prevent the Gadhia matter from occurring?



VI.

**IF IT REFUSES TO WITHDRAW ITS FLAWED RTB FINDING, THE COMMISSION  
SHOULD REOPEN ITS FILE AND GRANT US A PUBLIC HEARING AS TO OUR  
CONDUCT IN THE GADHIA MATTER.**

It is manifestly unjust for the Commission to make such a harmful finding, and then to purport to "close its file as it pertains to [Subodh Chandra] and the IALIF" without providing us or me an opportunity for a hearing or to present exculpatory evidence. It is even more unjust for the Commission to make such a finding without providing any guidance as to what we or I could possibly have done differently under the circumstances.

**Indeed, we challenge the Commission to tell us what—under these facts and under applicable statutes and regulations—we the Fund or I as its treasurer *could possibly have done* to prevent the Gadhia affair from occurring.**

It defies logic and law for the Commission in hindsight to suggest that the Fund or I are in any way liable for Mr. Gadhia's misdeeds when we followed (and indeed went beyond) every applicable prophylactic statute and regulation in ensuring compliance with the law. The Commission's RTB finding represents "guilt by association." Any failure on the part of the Commission to address head on the concerns we have expressed here would leave the impression that Commission makes up the rules as it goes along.

The Commission's own regulations provide that, "An investigation *shall be conducted* in any case in which the Commission finds reason to believe that a violation of a statute or regulation over which the Commission has jurisdiction has occurred . . ." 11 C.F.R. § 111.10 (a) (emphasis added). *See also* 2 U.S.C. 437g (a) (2). "The [Commission's] investigation may include, but is not limited to, field investigations, audits, *and other methods of information gathering.*" 11 C.F.R. § 111.10 (b) (emphasis added); *see also* 2 U.S.C. 437g (a) (2). The Commission's broad fact-finding mandate is presumably intended not only to ferret-out wrongdoers, but also to vindicate the innocent. By "closing its file" as it pertains to the Fund and myself, the Commission has made a misguided accusation without giving us or me an opportunity to respond.

Accordingly, if the Commission is unable to provide us with a satisfactory response to the facts presented and concerns outlined in this letter, we must strongly request a public hearing in which we may present testimonial and documentary evidence, respond to any questions that the Commissioners may have, and discuss the important questions of public policy and procedural fairness raised by the Commission's actions in this matter.

John Warren McGarry  
October 28, 1997  
Page 26

We remain hopeful, however, that in light of the complete factual picture presented here, this will not be necessary. We look forward to your favorable reply.

Very truly yours,



Subodh Chandra, Esq.  
Former Treasurer,  
Indian-American Leadership  
Investment Fund  
(terminated committee)

cc: (Via Regular U.S. Mail)  
✓ Dominique Dillenseger, Esq.  
Meena A. Morey, Esq.

EXHIBIT 1

93043001369

REC'D 12/2/96



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

November 25, 1996

Subodh Chandra, Treasurer  
Indian-American Leadership Investment Fund  
357 S. Curson Ave., Apt. 12A  
Los Angeles, CA 90036-5206

RE: MUR 4582

Dear Mr. Chandra:

On November 12, 1996, the Federal Election Commission found reason to believe that the Indian-American Leadership Investment Fund ("IALIF") and you, as treasurer, violated 2 U.S.C. §§ 441e and 441f, provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you and the IALIF. The Factual and Legal Analysis, which formed a basis for the Commission's findings, is attached for your information.

The Commission reminds you and the IALIF that it is a violation of 2 U.S.C. § 441e to accept contributions from foreign nationals and a violation of 2 U.S.C. § 441f to knowingly accept contributions made in the name of another person. You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remain in effect with respect to all respondents still involved in this matter.

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

A handwritten signature in cursive script that reads "Lee Ann Elliott".

Lee Ann Elliott  
Chairman

Enclosure  
Factual and Legal Analysis

EXHIBIT 2

90043001371

## FEDERAL ELECTION COMMISSION

### FACTUAL AND LEGAL ANALYSIS

**RESPONDENT:** The Indian-American Leadership Investment Fund and Subodh Chandra, Treasurer      **MUR: 4582**

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See U.S.C. § 437g(a)(2).

2 U.S.C. § 441e states that it is illegal for a foreign national to directly or indirectly contribute to any candidate in a federal election. It is also forbidden for any person to solicit, accept or receive any such contribution from a foreign national. Further, a foreign national may not participate in or control the election related activities of a person or organization. 11 C.F.R. § 110.4(a)(3). The term "foreign national" includes, inter alia, an individual who is not a citizen of the United States and who is not lawfully admitted for permanent residence, or as a foreign principal as defined in title 22.

2 U.S.C. § 441e. 22 U.S.C. § 611(b) defines "foreign principal" as, inter alia, a foreign government.

2 U.S.C. § 441f prohibits: (1) making a contribution in the name of another; (2) knowingly permitting one's name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(iii).

The treasurer of a political committee is responsible for examining all contributions received by the political committee for evidence of legality. 11 C.F.R.



§ 103.3(b). Contributions that present genuine questions as to whether they were made by legal sources may be deposited into a campaign depository or returned to the contributor. If any such contribution is deposited, the treasurer shall make his or her best efforts to determine the legality of the contribution. 11 C.F.R. § 103.3(b)(1). If the treasurer determines that at the time a contribution was received and deposited, it did not appear to be made in the name of another, but later discovers that it is illegal based on new evidence not available to the political committee at the time of receipt and deposit, the treasurer shall refund the contribution to the contributor within thirty days of the date on which the illegality was discovered. 11 C.F.R. § 103.3(b)(2). If the political committee does not have sufficient funds, it must refund the contribution using the next funds it receives. Id.

The Indian-American Leadership investment Fund ("IALIF" or "PAC") was formed for the purpose of contributing to federal candidates of Indian descent. The IALIF did not plan on participating in the November 1994 elections because of lack of funds. Lalit Gadhia discussed with Subodh Chandra, treasurer of the IALIF and long time friend, the possibility of the IALIF contributing to India-friendly candidates as well as candidates of Indian descent. The IALIF agreed to work with Mr. Gadhia, stating that as long as he raised the money, Mr. Gadhia could choose to which campaigns the contributions would go. In under one month, Mr. Gadhia forwarded 41 checks from 41 individuals totaling \$34,900 to the IALIF.

On April 28, 1995, Subodh Chandra, Treasurer of the IALIF, was contacted by a reporter for the Baltimore Sun who informed him that improper contributions may have

been made to the IALIF. That same day, Mr. Chandra then notified the Commission of the possible violations. The Sun reporter alleged that, several months earlier, Lalit Gadhia had made several contributions to the IALIF using the names of other individuals ("conduits") to mask the true source of the funds. The committee had long since disbursed these funds to candidate committees. At the Commission's suggestion, Mr. Chandra then made a sua sponte submission to the Commission regarding the possible violations pledging to "*take whatever steps necessary to resolve the Federal Election Commission's concerns in a satisfactory manner*" (italics in original). In addition, on May 25, 1995, Mr. Chandra requested an Advisory Opinion from the Commission. The Commission issued an Advisory Opinion on July 28, 1995.

The Advisory Opinion stated that under circumstances where questions arise as to the legality of a contribution, it is the duty of the recipient organization to use "best efforts" to determine the legality of the funds and then to refund any funds which it determined to be illegal. AO 1995-19, p. 3, 2 Fed. Election Camp. Fin. Guide [CCH] ¶ 6156 at p. 12,098. The IALIF was advised that if it did not have sufficient funds on hand, it should do so from the next funds it received. Id. at 12,099. However, because the Department of Justice ("DOJ") had begun an investigation into the funds raised by Mr. Gadhia, the DOJ requested that the IALIF not contact any contributors. The Advisory Opinion stated that the IALIF was not required to contact any contributors, but in such an event, the IALIF was required to disgorge the "questionable contributions." Id. at 12,100.

Regarding the disgorgement of funds, the IALIF had disbursed all but \$100 of the Gadhia funds to federal political committees by November 3, 1994. Based on its reports, the IALIF has not raised or contributed any funds since November 1994. Its most recent reports show a cash on hand balance of less than \$300.

On March 29, 1996, Mr. Gadhia pled guilty to causing a false statement to be made to the Commission in connection with FEC reports which were filed by the IALIF and political committees listing funds contributed in the name of another. In his plea, Mr. Gadhia admitted the illegality of all of the contributions which he forwarded to the IALIF. Mr. Gadhia admitted that he was given funds by an official at the Embassy of India which he then used to reimburse individuals in exchange for personal checks to the IALIF.

Because Mr. Gadhia acted on behalf of the IALIF, the Committee is chargeable with knowledge of Mr. Gadhia's illegal actions. Where an individual is given fundraising duties and roles as well as authority to decide on expenditures, it suggests that the individual was authorized to act on behalf of the committee. See 11 C.F.R. § 102.8(b); 110.6(b)(2)(E); and 109.1(b)(5). In such a situation, under settled principles of agency law, the committee is charged with the knowledge of its agents and may be liable for having knowingly accepted prohibited contributions. Here, Mr. Chandra, with the consent of other IALIF members, not only authorized Mr. Gadhia to raise money on behalf of the IALIF but also allowed Mr. Gadhia to determine to which campaigns the funds he raised would go. Further, Mr. Gadhia raised all funds and directed all contributions by the IALIF during the 1994 election cycle. It seems clear that this was done to advance the IALIF's interests in supporting pro-India congressional candidates.

Thus, there is reason to believe that the Indian-American Leadership Investment Fund and Subodh Chandra, as treasurer, violated 2 U.S.C. §§ 441e and 441f.

930043331370

EXHIBIT 3

90043661377

# Lalit H. Gadhia P.A.

Law Offices

355 North Calvert Street, Baltimore, Maryland 21202  
Phone (410) 244-8448 Fax (410) 244-8568

October 12, 1994

Mr. Subodh Chandra  
c/o Modrall  
500 4th St., N.W., Suite 1000  
Albuquerque, NM 87102

RE: Contributions to Indian American  
Leadership Investment Fund

Dear Mr. Chandra,

I enclose herewith the following checks totaling Fourteen  
Thousand Dollars (\$14,000.00) in the above referenced matter:

- 1) \$1000.00 : Anita L. Gadhia, 3700 N. Charles St.,  
Apt. 310, Balto., MD 21218; Sales Manager  
Sak's Fifth Ave.
- 2) \$1000.00 : Lalit H. Gadhia, 3700 N. Charles St.,  
Apt. 310, Balto., MD 21218; Attorney  
Self-employer.
- 3) \$ 500.00 : Parvani Gadhia, 7509 B Stonecutter Ct.,  
Balto., MD 21237; Homemaker
- 4) \$ 500.00 : Uday N. Gadhia, 7509 B Stonecutter Ct.,  
Balto., MD 21237; Engineer  
Solut Corp.
- 5) \$1000.00 : Ashok R. Kumta, 9 White Wood Ct., Balto.,  
MD 21236; Engineer  
MTA
- 6) \$1000.00 : Jyoti Kumta, 9 White Wood Ct., Balto., MD  
21236; Atty  
City of Baltimore
- 7) \$1000.00 : Anne Tomec Mileham, 2912 N. Calvert St.,  
Balto., MD 21218; Computer Technician
- 8) \$1000.00 : Richard C. Osborne, 3501 St. Paul St.,  
#841, Balto., MD 21218; Engineer  
Gas & Electric Co.

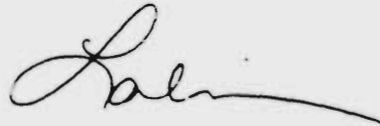


- 9) \$1000.00 : Rosemary C. Osborne, 3501 St. Paul St.,  
#841, Balto., MD 21218; *Office Man.  
Lalit Gadhia*
- 10) \$1000.00 : George Roy Paniker, 3101 Guilford Ave.,  
Balto., MD 21218; *Restaur Man.  
P.J.'s Pub*
- 11) \$1000.00 : Indra Seunarine, 1813 South Rd., 2W,  
Balto., MD 21209; *Atty  
Self Empl.*
- 12) \$1000.00 : Rajendra K. Sharma, A/4-6, Joppawood Ct.,  
Balto., MD 21236; *Engineer,*
- 13) \$1000.00 : Kathleen C. Stone, 2236 Foxbane Sq.,  
Balto., MD 21209; *Personel  
Recruiter Self Employed.*
- 14) \$1000.00 : Aruna Trivedi, 5 Fox Brier Ln., Balto.,  
MD 21236; *Proprietor ARA Inc.  
Import-Export.*
- 15) \$1000.00 : Sudhir Trivedi, 5 Fox Brier Ln., Balto.,  
MD 21236. *CEO  
Sunbelt Corp.  
Manuf. of Dyes.*

Thanking you for your cooperation,

With best regards,

Sincerely,



Lalit H. Gadhia

LHG/ro  
enclosures:

9 0 0 4 3 0 0 1 3 7 9

# Lalit H. Gadhia P.A.

Law Offices

355 North Calvert Street, Baltimore, Maryland 21202  
Phone (410) 244-8448 Fax (410) 244-8568

October 18, 1994

Mr. Subodh Chandra  
c/o Modrall  
500 4th St., N.W., Suite 1000  
Albuquerque, NM 87102

RE: Contributions to Indian American  
Leadership Investment Fund

Dear Mr. Chandra,

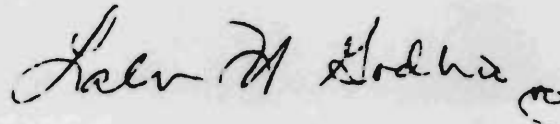
I enclose herewith the following four checks totaling Two Thousand Nine Hundred Dollars (\$2,900.00) in the above referenced matter:

- 1) \$1000.00 : Tanzania M. Cooper, Zeta Phi Beta, 3801 Kimble Road, Baltimore, MD 21218; *Grad Student Johns Hopkins U.*
- 2) \$ 900.00 : Hemanta Kole, 16 Chesthill Court, Baltimore, MD 21236; *Manager NHT Scientist*
- 3) \$ 500.00 : Zubair Mohammad Siddiqi, 4 Philadelphia Court, Baltimore, MD 21237-4600; *Self-employed Retail store*
- 4) \$ 500.00 : Arvind V. Mehta, 6 Joppawood Ct., Apt. A-3, Baltimore, MD 21236; *Manager Nurse Cholest Practical Technologies*

Thanking you for your cooperation,

With best regards,

Sincerely,



Lalit H. Gadhia

*Engineer*  
Raj Sharma - Practical Technology

LHG/ro  
enclosures:

- \* 8) \$1000.00 : Sivasubramanian and Padmavathi Baskar,  
3528 Lowlen Court, Ellicott City, MD  
21042; *U of MD Prof.*
- \* 9) \$ 500.00 : T. P. Reddy, 3541 Brenbrock Dr.,  
Randallstown, MD 21133; *Post man. Akbar.*
- 10) \$ 500.00 : Harbhajan Singh, 3541 Brenbrook Drive,  
Randallstown, MD 21133; *Chef Akbar Rest.*
- 11) \$ 500.00 : Hardeep Singh, 3541 Brenbrook Drive,  
Randallstown, MD 21133; *Chef. Akbar Rest.*
- 12) \$ 500.00 : Arun Bedi, 10 Cinnamon Cir., Apt. 1D,  
Randallstown, MD 21133. *Retailer  
Self Employed.  
or Chef?*

Thanking you for your cooperation,

With best regards,

Sincerely,

Lalit H. Gadhia

LHG/ro  
enclosures:

20040301301



SOCIETY OF TECHNOLOGISTS ENTREPRENEURS  
AND PROFESSIONALS FROM INDIA INC.

355 N. CALVERT ST.,

BALTIMORE, MD 21202

TELE: (301) 244-8448

October 24, 1994

Mr. Subodh Chandra  
c/o Modrall  
500 4th St., N.W., Suite 1000  
Albuquerque, NM 87102

RE: Contributions to Indian American  
Leadership Investment Fund

Dear Mr. Chandra,

I enclose herewith the following twelve checks totaling Ten  
Thousand Dollars (\$10,000.00) in the above referenced matter:

- 1) \$1000.00 : Vinay K. Wahi, 823 N. Charles Street,  
Balto., MD 21202; *Restaurant*
- 2) \$1000.00 : Satish Bahl, Promila Bahl, 2 Applegrove  
Ct., Baltimore, MD 21228; *Manager Rest.*
- \* 3) \$1000.00 : Sanjay Kumar, Balto., MD; 823 N Charles St.  
*St. MD Accountant*
- ? 4) \$1000.00 : Shyam Parkash, 2922 Willston Pl., No.  
101, Falls Church, VA 22044; *Engineer*
- 5) \$1000.00 : Ashok and Anju Sahni, 33526 Carriage Hill  
Circle, Apt. 101, Randallstown, MD  
21133; *Manager - Restaurant*
- 6) \$1000.00 : Usha and Umesh Naik, 101-B AAspinwood  
Way, Baltimore, MD 21237;  
*Accountant, Shree MD*
- 7) \$1000.00 : Venk~~at~~ Ramakrishnan and Elizabeth H.  
Fernandez, 8489G Falls Run Road, Ellicott  
City, MD 21043;  
*Salesman Rolle Pharmaceuticals*



# SOCIETY OF TECHNOLOGISTS ENTREPRENEURS AND PROFESSIONALS FROM INDIA INC.

355 N. CALVERT ST.,

BALTIMORE, MD 21202

TELE: (301) 244-8448

October 26, 1994

Mr. Subodh Chandra  
c/o Modrall  
500 4th St., N.W., Suite 1000  
Albuquerque, NM 87102

RE: Contributions to Indian American  
Leadership Investment Fund

Dear Mr. Chandra,

I enclose herewith the following five checks totaling Eight  
Thousand Dollars (\$8,000.00) in the above referenced matter:

- 1) \$1000.00 : Tejpal S. Rehncy, 10123 Fontaine Dr.,  
Balto., MD 21234; Engineer, ProTech.
- 2) \$1000.00 : Ashok K. Dhawan, 7290-E Cradlerock Way,  
Baltimore, MD 21045; Manager, Baskin Roth
- 3) \$ 500.00 : Preeti Bahl, 2 Apple Grove Ct.,  
Baltimore, MD 21228; Manager.
- 4) \$ 200.00 : Raghavan and Ramamani Seshadri, 23  
Hapsburg Court, Baltimore, MD 21234;
- 5) \$ 300.00 : Ramesh G. Ganachen<sup>art</sup> and Shama<sup>R.</sup>  
Ganachari, 10 Merrion Ct., Timonium, MD  
21093-1834;
- 6) \$1000.00 : Janet K. and Jay V. Mangalvedhe, 6500  
Loch Hill Road, Baltimore, MD 21239;
- 7) \$1000.00 : S. V. Ramamurthy, D.D.S., 6936 D' Donachie  
Road, Baltimore, MD 21239;

Dentist,  
Self employed.

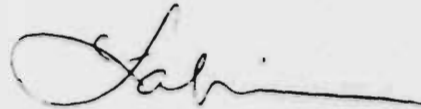


- 8) \$1000.00 : Sonne C. and Lalitha Gowda, 12210  
Cleghorn Road, Cockeysville, MD 21030;
- 9) \$1000.00 : Vikram Gowda, 12210 Cleghorn Road,  
Cockeysville, MD 21030;
- 10) \$1000.00 : Nirmala Ramamurthy, 3 Hunters Court,  
Tmonium, MD 21093.

Thanking you for your cooperation,

With best regards,

Sincerely,



Lalit H. Gadhia

LHG/ro  
enclosures:


900043001304

EXHIBIT 4

98043661385

# Memorandum

**URGENT**

**To:** Lalit H. Gadhia  
Rosemary C. Osborne  
**From:** Subodh Chandra   
**Date:** 5 December 1994  
**Subject:** Missing FEC Information

Please find listed below the names for individual contributors to the Indian-American Leadership Investment Fund for whom we have missing information, per the requirements of the Federal Election Commission.

*OR SOONER!*  
Please provide this information, if at all possible, by Thursday, December 7th. I must type, complete, and postmark via certified mail FEC disclosure forms by Friday, December 8th.

| <u>Name</u> | <u>Occupation/Job Title</u> | <u>Employer</u> |
|-------------|-----------------------------|-----------------|
| Preeti Bahl | Manager                     | ?               |

Arun Bedi—CONTRADICTION INFO—RETAILER, SELF-EMPLOYED OR CHEF, FOR WHOM?

|                          |                     |   |
|--------------------------|---------------------|---|
| Ramesh & Shama Ganachari | ?                   | ? |
| Sonne C. & Lalitha Gowda | ?                   | ? |
| Vikram Gowda             | ?                   | ? |
| Jay V. Mangalvedhe       | ?                   | ? |
| Anne Tomec Mileham       | Computer Technician | ? |

|                              |          |   |
|------------------------------|----------|---|
| Shyam Parkash                | ?        | ? |
| Nirmala Ramamurthy           | ?        | ? |
| S.V. Ramamurthy              | ?        | ? |
| Raghavan & Ramamani Seshadri | ?        | ? |
| Rajendra K. Sharma           | Engineer | ? |

Finally, I have no record of receiving a check from "Shyam P. Sharma" whose name was written on a Post-It with the word "chef" written next to it in one of your submissions. I do have a record for a check for Shyam Parkash for \$1,000, listed above, for whom I need occupational and employer information. Is this the same person? Is he a chef, an engineer, or a manager, as was described earlier? Please clear up this confusion.

You may write the missing info on these pages & fax it back to me.

EXHIBIT 5

9 0 0 4 3 0 6 1 3 0 0

INDIAN AMERICAN LEADERSHIP INVESTMENT FUND

3939 RIO GRANDE BLVD., NW #57 • ALBUQUERQUE, NM 87107-3153 • 505.345.4442

BY FACSIMILE

28 April 1995

Lois Lerner  
Chief Enforcement Officer  
Federal Election Commission  
Washington, D.C.

Re: Indian American Leadership Investment Fund • F.E.C. I.D. No. C00283184 •

Dear Ms. Lerner:

I am writing with some sense of urgency, at the suggestion of Brad Litchfield in your office.

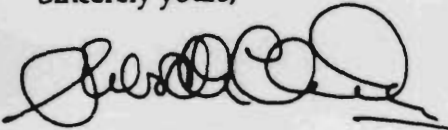
It came to my attention this morning during a conversation with Jim Haner, a reporter for the *Baltimore Sun*, that improper contributions may have been made to our political action committee. Specifically, there seem to be credible allegations that individuals who contributed were improperly reimbursed for those contributions by other individual(s).

I do not yet have details on the number of contributions that may have been tainted, the dollar figures involved, or the individuals who may have been involved. I expect some of those details to come to light from the reporter's investigation, and other details to surface upon my own inquiries. Mr Haner informs me that he expects his article to be published this Sunday, April 30, in the *Sun*.

I wish to make clear from the outset that neither the Indian-American Leadership Investment Fund, nor I as its treasurer, had any knowledge of the alleged improprieties. *We believe very strongly in fulfilling both the letter and spirit of the law, and we will take whatever steps necessary to resolve the Federal Election Commission's concerns in a satisfactory manner.*

I will be in touch early next week to discuss this further with you.

Sincerely yours,



Mr. Subodh Chandra  
Treasurer



EXHIBIT 6

96043001390

## INDIAN-AMERICAN LEADERSHIP INVESTMENT FUND

3939 RIO GRANDE BLVD., NW #57 • ALBUQUERQUE, NM 87107-3153 • 505.848.1800 (O)

25 May 1995

BY FACSIMILE & MAIL

Brad Litchfield  
Associate General Counsel for Policy  
Federal Election Commission  
999 E Street, NW  
Washington, D.C. 20463

RE: REQUEST FOR ADVISORY OPINION  
Indian-American Leadership Investment Fund, FEC I.D. No: C00283184

Dear Mr. Litchfield:

We are writing to request an advisory opinion from the Federal Election Commission as to our appropriate course of action at the present time as a political action committee. The circumstances in which we find ourselves are described, below.

### Facts.

On Thursday April 27 I was contacted by, and on Friday April 28 I met with, a reporter for the *Baltimore Sun* newspaper, Jim Haner. During our April 28th discussion, Mr. Haner informed me that he had conducted an investigation of contributors to our PAC from the Baltimore area. He indicated that he discovered that an unspecified number of these individuals (although not all) did not appear to have the financial means to make the size of contributions that they had. Mr. Haner alleged further that some of these contributors suggested that they had been improperly reimbursed for making contributions. The specificity and seriousness of the reporter's allegations led me as Treasurer to notify the FEC by facsimile on the afternoon of April 28 that there may have been a violation of federal election law. I have been told by Mary Tackser in your office that this letter will be treated as a *sua sponte* submission from the political action committee and that an FEC investigation may be pending. I have also received written acknowledgement from Ms. Tackser to that effect.

All of the Indian-American Leadership Investment Fund's contributions from Maryland had been collected and transmitted to us by Mr. Lalit H. Gadhia, a Baltimore attorney. At the time these contributions were received, I as treasurer examined them for evidence of illegality and found that they presented no such questions. Thus, the monies were duly deposited in the PAC's account and drawn upon. As yet, I have no information verifying the illegality of any of these contributions other than what was reported in the *Baltimore Sun* article of Wednesday, May 4, 1995, which with you have previously indicated to me the Commission is familiar. I have been contacted by the Federal Bureau of Investigation for information and documents pertaining to this matter, which I have provided. I have not yet heard from the FEC regarding any investigation.

### Applicable Law.

Federal regulations appear to address only two scenarios regarding illegal contributions to political action committees. The first is the situation in which a treasurer has reason to suspect

*Paid for by the Indian-American Leadership Investment Fund and not authorized by any other candidate or candidate's committee.*

at the time of receipt that contributions may be improper. In that case, the treasurer is required to exercise "best efforts" to verify the legality of the contribution. This may culminate in either a written statement from, or a written memorandum of oral communications with, contributors attesting to the legality of their respective contributions. 11 C.F.R. § 103.3(b)(1) (1995). As I have indicated, above, we had no reason to suspect at the time these contributions were received that there was anything improper about them.

The second scenario involves the case of a treasurer who has already deposited funds that at the time of receipt seemed proper, but who "later discovers" that the contributions are illegal based on new evidence not available at the time of receipt and deposit. In that situation, the PAC must refund the improper contributions, or if no funds are available, refund the contributions from any incoming funds. 11 C.F.R. § 103.3(b)(2) (1995). As I have indicated, we do not yet "know" what if any contributions are improper, as we have not conducted our own independent investigation in light of the pending FBI and FEC inquiries. We do not wish to interfere with or unwittingly obstruct those pending investigations, and also do not know to what extent our own queries would be fruitful or provide reliable information under the present, sensitive circumstances.

In short, it is unclear to us whether the federal regulations address the responsibilities of a PAC treasurer under a third scenario: where contributions appear to be legitimate at the time of receipt and deposit, but *suspicions* are later raised that demand further factfinding and confirmation. This general scenario is further complicated in our present situation by the existence of parallel federal investigations.

#### **Proposed Course of Action.**

We propose either or both of the following two possible courses of action:

- (1) A mailing to Maryland contributors of letters that describe proper criteria for contributions—including the invalidity of reimbursed contributions—and that request a signed statement confirming the legality of contributions made.
- (2) An effort to obtain the telephone numbers of all Maryland contributors, followed by an effort to contact all Maryland contributors by telephone and request their oral confirmation of the legality of the contributions made. These conversations would be memorialized in a written memorandum from the Treasurer.

#### **Questions Presented.**

Thus, the four questions that we would present to the Commission are as follows:

- (1) Given the facts described above, are either or both of the proposed courses of action outlined *required* of the PAC or its treasurer?
- (2) Given the facts described above, are either or both of the proposed courses of action outlined *permitted* of the PAC or its treasurer?
- (3) Given the facts described above, are either or both of the proposed courses of action outlined *advisable* for the PAC or its treasurer to undertake?

Brad Litchfield  
Federal Election Commission  
Page 3

(4) Given the facts and proposed courses of action described above, what alternative or additional courses of action would the Commission require, permit, or advise the PAC or its treasurer to undertake?

We would deeply appreciate the Commission's response to these questions as soon as possible. To avoid any risk of interference with the federal investigations, we will delay pursuing any investigative course of action until we hear from the Commission what actions are required, permitted, or advisable. We also trust that any specific timing requirements, should any course of action be required, will be delayed to toll only when we receive an answer—and we would greatly appreciate assurances to this effect.

In the meantime, if we can be of service to the Commission in its investigation, please do not hesitate to contact us.

Most respectfully,



Mr. Subodh Chandra  
Treasurer

EXHIBIT 7

93043881394



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

May 10, 1995

Subodh Chandra, Treasurer  
Indian-American Leadership Investment Fund  
3939 Rio Grande Blvd., N.W. #57  
Albuquerque, NM 87107-3153

RE: Pre-MUR 316

Dear Mr. Chandra:

This is to acknowledge receipt of your letter dated April 28, 1995, advising us of a possible violation(s) of the Federal Election Campaign Act of 1971, as amended, by the Indian-American Leadership Investment Fund. We will review the matter and will be notify you as soon as the Federal Election Commission takes action on your submission.

If you have any questions, please contact Alva E. Smith at (202) 219-3400. For your information, we have attached a brief description of the Commission's procedures for handling matters such as this.

Sincerely,

*Mary L. Taksar*

Mary L. Taksar, Attorney  
Central Enforcement Docket

Enclosure  
Procedures

Celebrating the Commission's 20th Anniversary

YESTERDAY, TODAY AND TOMORROW  
DEDICATED TO KEEPING THE PUBLIC INFORMED



EXHIBIT 8

90040001390

**DESCRIPTION OF PRELIMINARY PROCEDURES  
FOR PROCESSING COMPLAINTS FILED WITH THE  
FEDERAL ELECTION COMMISSION**

Complaints filed with the Federal Election Commission shall be referred to the Enforcement Division of the Office of the General Counsel, where they are assigned a MUR (Matter Under Review) number and assigned to a staff member. Within five days of receipt of a complaint, the Commission shall notify, in writing, the respondent listed in the complaint that the complaint has been filed and shall include with such notification a copy of the complaint. Simultaneously, the complainant shall be notified that the complaint has been received and will be acted upon. The respondent(s) shall then have 15 days to demonstrate, in writing, that no action should be taken against him/her in response to the complaint.

At the end of the 15 days, the Office of the General Counsel shall report to the Commission making a recommendation(s) based upon a preliminary legal and factual analysis of the complaint and any submission made by the respondent(s). A copy of respondent's submission shall be attached to the Office of the General Counsel's report and forwarded to the Commission. This initial report shall recommend either: (a) that the Commission find reason to believe that the complaint sets forth a possible violation of the Federal Election Campaign Act of 1971, as amended, (hereinafter "the Act"); or (b) that the Commission find no reason to believe that the complaint sets forth a possible violation of the Act and, accordingly, that the Commission close the file in the matter.

If, by an affirmative vote of four Commissioners, the Commission decides that it has reason to believe that a person has committed or is about to commit a violation of the Act, the Office of the General Counsel shall open an investigation into the matter. During the investigation, the Commission shall have the power to subpoena documents, to subpoena individuals to appear for deposition, and to order written answers to interrogatories. The respondent(s) may be contacted more than once by the Commission during its investigation.

If, during this period of investigation, the respondent(s) indicate a desire to enter into conciliation, the Office of the General Counsel may recommend that the Commission enter into conciliation prior to a finding of probable cause to believe a violation has been committed. Conciliation is an attempt to correct or prevent a violation of the Act by informal methods of conference and persuasion. Most often, the result of conciliation is an agreement signed by the Commission and the respondent(s). The Conciliation Agreement must be adopted by four votes of the Commission before it becomes final. After signature by the Commission and the respondent(s), the Commission shall make public the Conciliation Agreement.

If the investigation warrants, and no conciliation agreement is entered into prior to a probable cause to believe finding, the General Counsel must notify the respondent(s) of his/her intent to recommend that the Commission proceed to a vote on probable cause to believe that a violation of the Act has been committed or is about to be committed. Included with the notification to the respondent(s) shall be a brief setting forth the position of the General Counsel on the legal and factual issues of the case. Within 15 days of receipt of such brief, the respondent(s) may submit a brief stating their position on the issues. Both briefs will then be filed with the Commission Secretary and will be considered by the Commission. Thereafter, if the Commission determines by an affirmative vote of four Commissioners, that there is probable cause to believe that a violation of the Act has been committed or is about to be committed, conciliation must be undertaken for a period of at least 30 days but not more than 90 days. If the Commission is unable to correct or prevent any violation through conciliation the Office of the General Counsel may recommend that the Commission file a civil suit against the respondent(s) to enforce the Act. Thereafter, the Commission may, upon the affirmative vote of four Commissioners, institute civil action for relief in the United States District Court.

See 2 U.S.C. § 437g, 11 C.F.R. Part III

January 1987

EXHIBIT 9

98043881397



FEDERAL ELECTION COMMISSION  
OFFICE OF THE GENERAL COUNSEL  
999 E Street N.W.  
Washington, D.C. 20463  
Telephone (202) 219-3690  
Telefax (202) 219-3923

DATE 7/13/95

TIME 10:35 am

TO Subodh Chandra

FAX # 505-848-1889

FROM N. B. Litchfield

No. of Pages (following cover page) 12

MESSAGE \_\_\_\_\_

The information contained in this telefacsimile message is transmitted by an attorney. It may be privileged and/or confidential, and is intended only for the use of the individual or entity named above. If the reader of this message is not the intended recipient, you are hereby notified that disseminating, distributing, or copying any portion of this communication is strictly prohibited and may be in violation of 2 USC 437g(a)(2). If this communication has been received in error, please notify us immediately by telephone, collect if necessary, and return the original message to us at the above address via the US Postal Service (we will reimburse postage). Thank You.

Please contact N.B. Litchfield at the above listed number if you do not receive all pages.

July 13, 1995

**NOTICE--CHANGE IN AO COMMENT PROCEDURES**

The Commission has approved a temporary revision in its advisory opinion procedures that permits the submission of written public comments on draft advisory opinions when proposed by the Office of General Counsel and scheduled for a future Commission agenda.

The 63rd AO draft made available for public comments under this procedure is DRAFT ADVISORY OPINION 1995-19 which was requested by Subodh Chandra, on behalf of Indian-American Leadership Investment Fund. The draft is now available from the Public Disclosure Division of the Commission.

Proposed Advisory Opinion 1995-19 will be on the Commission's agenda for its public meeting of July 20, 1995.

Please note the following requirements for submitting comments:

1) Comments must be submitted in writing to the Commission Secretary with a duplicate copy to the Office of General Counsel. Comments in legible and complete form may be submitted by fax machine to the Secretary at (202) 208-3333 and to OGC at (202) 219-3923.

2) The deadline for the submission of comments is 12:00 noon (EDT) on July 19, 1995.

3) No comments will be accepted or considered if received after the deadline. Late comments will be rejected and returned to the commenter. Requests to extend the comment period are discouraged and unwelcome. An extension request will be considered only if received before the comment deadline and then only on a case by case basis in special circumstances.

4) All comments timely received will be distributed to the Commission and the Office of General Counsel. They will also be made available to the public at the Commission's Public Disclosure Division.



CONTACTS

Press inquiries: Ron Harris (202) 219-4155

Commission Secretary: Marjorie Emmons (202) 219-4145

Other inquiries:

To obtain copy of draft AO 1995-19 contact Public Records Office--Public Disclosure Division (202) 219-4140, or 800-424-9530.

For questions about comment submission procedure contact N. Bradley Litchfield, Associate General Counsel, (202) 219-3690.

ADDRESSES

Submit single copy of written comments to:

Commission Secretary  
Federal Election Commission  
999 E Street NW  
Washington, DC 20463

Submit full duplicate copy of written comments to:

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

9004301402



## FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20541

July 13, 1995

MEMORANDUM

TO: The Commission

THROUGH: John C. Surina  
Staff DirectorFROM: Lawrence M. Noble  
General CounselN. Bradley Litchfield  
Associate General CounselJonathan M. Levin  
Senior Attorney

SUBJECT: Draft AO 1995-19

Attached is a proposed draft of the subject advisory opinion.

We request that this draft be placed on the agenda for July 20, 1995.

Celebrating the Commission's 20th Anniversary

YESTERDAY, TODAY AND TOMORROW  
DEDICATED TO KEEPING THE PUBLIC INFORMED

**DRAFT**

## ADVISORY OPINION 1995-19

Subodh Chandra, Treasurer  
Indian-American Leadership Investment Fund  
3939 Rio Grande Blvd. #57  
Albuquerque, NM 87107-3153

Dear Mr. Chandra:

This responds to your letter dated May 25, 1995, requesting an advisory opinion on behalf of the Indian-American Leadership Investment Fund ("the Fund") concerning the application of the Federal Election Campaign Act of 1971, as amended ("the Act"), and Commission regulations to the disposition of contributions received by the Fund that may be unlawful under the Act.

The Fund is a nonconnected political committee which has been registered with the Commission since August 16, 1993. You state that, on April 27 and 28, 1995, you met with a reporter from the Baltimore Sun who informed you that he had conducted an investigation of contributors to the Fund from the Baltimore area. The reporter indicated that some of these individuals "did not appear to have the financial means" to make contributions in the amount that they gave. The reporter also suggested that some of these contributors had been improperly reimbursed for making contributions. You state that the "specificity and seriousness of the reporter's allegations" led you to notify the Commission by facsimile transmission, sent on April 28, that there may have been violations of the Act. The Commission's Office of General Counsel informed you that your letter will be treated as a

1 AO 1995-19  
2 Page 2

3 sua sponte submission, subject to investigation by the  
4 Commission.

5 An article by the reporter containing these allegations  
6 appeared in the May 4 issue of the Baltimore Sun. This  
7 article referred to the fact that \$34,900 in contributions  
8 from the Baltimore area were received by the Fund in one day.  
9 It contains specific assertions by some contributors  
10 identified in the Fund's reports that they were reimbursed  
11 for their donations. The article also contains specific  
12 information as to the conduct of the alleged original  
13 contributor and other circumstances surrounding some of the  
14 donations.

15 All of the contributions to the Fund from contributors  
16 in Maryland were transmitted to you by a Baltimore attorney.  
17 You assert that, when the contributions were received, you,  
18 as treasurer, examined them for evidence of illegality and  
19 found that the contributions did not present a question of  
20 their legality. The contributions were thus deposited in the  
21 Fund's account and drawn upon. You state that, as yet, you  
22 "have no information verifying the illegality of any of these  
23 contributions" other than what was ultimately reported in the  
24 Baltimore Sun. You note that the Federal Bureau of  
25 Investigation has asked you for information and documents,  
26 which you have provided.

27 In view of Commission regulations addressing refunds by  
28 a political committee of unlawful contributions, you propose  
29 two alternative courses of action for the Fund. Under your  
30

AO 1995-19

Page 3

first proposal, the Fund would mail letters to Maryland contributors describing the proper criteria for contributions, including the invalidity of reimbursed contributions. The letter would also request a signed statement "confirming the legality of contributions made." The second proposal provides that the Fund would obtain the telephone numbers of all the Maryland contributors, contact those contributors by phone, and request their oral confirmation of the legality of the contributions. You, as treasurer, would memorialize these conversations in a written memorandum.

You ask whether either or both of the proposed courses of action are required or permitted by Commission regulations. You also ask whether it is "advisable" for the Fund to undertake either course of action. Finally, you ask if there are any additional courses of action that would be required, permitted, or advisable.

A contribution by a person who is reimbursed in advance or afterward by another person or entity is unlawful under the Act because it is a "contribution in the name of another." 2 U.S.C. §441f; 11 CFR 110.4(b)(1)(i). It is also unlawful for a committee to knowingly accept such a contribution. 2 U.S.C. §441f; 11 CFR 110.4(b)(1)(iii).

Commission regulations prescribe the obligations of a committee treasurer upon receipt of a contribution that appears unlawful or presents genuine questions of illegality. \_\_\_\_\_ when received, or upon discovery of the contribution's

1 AO 1995-19  
2 Page 4

3 unlawful nature at a later date.

4 Contributions that, when received, present genuine  
5 questions as to whether they were made by corporations, labor  
6 organizations, foreign nationals, or Federal contractors may  
7 be either deposited into a campaign depository or returned to  
8 the contributor within ten days of the receipt. If such a  
9 contribution is deposited, the treasurer must make his or her  
10 best efforts to determine the legality of the contribution.  
11 The treasurer must make at least one written or oral request  
12 for evidence of the legality. Such evidence includes, but is  
13 not limited to, a written statement from the contributor  
14 explaining why the contribution is legal, or a written  
15 statement by the treasurer memorializing an oral  
16 communication from the contributor to that effect. If the  
17 contribution cannot be determined to be legal, the treasurer  
18 must refund it to the contributor within thirty days of its  
19 receipt. 11 CFR 103.3(b)(1).

20 If the treasurer determined at the time the contribution  
21 was received and deposited that it did not appear to be from  
22 an unlawful source or made in the name of another, but "later  
23 discovers that it is illegal based on new evidence not  
24 available to the political committee at the time of receipt  
25 and deposit," the contribution must be refunded to the  
26 contributor within thirty days of the discovery of the  
27 illegality. If the committee does not have sufficient funds  
28 to refund the contribution at the time the illegality is  
29 discovered, it must make the refund from the next funds it  
30



1 AO 1995-19  
2 Page 5

3 receives. 11 CFR 103.3(b)(2).

4 In several opinions, the Commission has reviewed  
5 situations involving the requirement to subsequently refund  
6 contributions made in the names of others. See Advisory  
7 Opinions 1991-39, 1989-5, and 1984-52. In Advisory Opinions  
8 1989-5 and 1984-52, the Commission addressed circumstances in  
9 which the corporation that actually contributed the funds at  
10 issue or its corporate employees (or both) had pled guilty to  
11 criminal charges related to the making of the contributions.  
12 As stated in Advisory Opinion 1991-39, those two opinions,  
13 however, did not limit to guilty pleas the circumstances in  
14 which a refund obligation can be said to arise.

15 Advisory Opinion 1991-39 presented a situation in which  
16 a political committee received a letter from the Department  
17 of Justice indicating that contributions, reported by the  
18 committee as received from several persons, had actually been  
19 made by one individual who had been indicted by a Federal  
20 grand jury. Upon receipt of the DOJ letter, the committee  
21 had determined that there was a basis for the appearance of  
22 illegality and "segregated" the funds by depositing an amount  
23 sufficient to cover the questioned contributions so that the  
24 amount would be available if and when the Commission  
25 determined that a committee disbursement was warranted. The  
26 indicted individual asserted his innocence.

27 Noting that the Federal evidentiary test for a grand  
28 jury indictment was whether there was probable cause to  
29 believe the accused had committed the crime, the Commission  
30

AO 1995-19

Page 6

determined that the DOJ letter and the indictment "provided sufficient basis to question the lawfulness" of the contributions under 11 CFR 103.3(b). The Commission concluded that, because the committee could not, under the circumstances, determine the identity of the original contributor, the funds should be disbursed at that time for a lawful purpose unrelated to any Federal campaign, committee, or candidate; to the Federal government, a state or local governmental entity, or a charitable organization qualified under 26 U.S.C. §170(c).

The Commission notes the logical and appropriate application of standards set out in 11 CFR 103.3(b)(1) to situations arising under 11 CFR 103.3(b)(2) where the issue of illegality arises sometime after the receipt of a contribution. Such a situation calls for the taking of ameliorative action where there is a sufficient basis to question the lawfulness of a contribution. In this regard, the Commission does not need to consider whether, by itself, a newspaper article containing general allegations as to contributions in the name of another would necessarily provide a sufficient basis to question the lawfulness of a contribution. However, you note the "specificity" of the allegations presented to you in meetings with the reporter. In addition, the May 4 article contains specific information briefly described above as to some of the contributions. The Commission concludes that these circumstances present a sufficient basis for you to question the legality of at least

1 AO 1995-19  
2 Page 7

3 some of the contributions at issue. You must, therefore,  
4 take steps that would constitute best efforts to determine  
5 the legality of those contributions.

6 Based on information you may have received from the  
7 reporter, there may be some contributions (from the Maryland  
8 contributors) that may not present a genuine question of  
9 legality to you at this time. Nevertheless, the Commission  
10 advises exercising best efforts at determining the legality  
11 of those contributions as well. During the course of a  
12 Commission investigation, the Commission may determine that  
13 there is culpability on the part of the recipient committee,  
14 and that the culpability pertains to those contributions as  
15 well. The Commission often views the expeditious refund or  
16 disgorgement of unlawfully accepted contributions as a  
17 mitigating factor in determining an appropriate civil  
18 penalty.

19 Either one of your proposed courses of action would  
20 comply with the best efforts requirements set out in 11 CFR  
21 103.3(b)(1).<sup>1/</sup> The amounts of those contributions for which  
22 the identified donors do not provide confirmation of legality  
23 should be disbursed for any of the lawful purposes listed in  
24 Advisory Opinion 1991-39, and not for a purpose related to  
25 any of the Fund's activities. Disbursements should be made  
26

27  
28 <sup>1/</sup> The Commission assumes that, in connection with your  
29 second proposal, i.e., the written memorialization of  
30 contributions with the Maryland contributors, the Fund will  
describe to the contributors the proper criteria for  
contributions, as provided for in the first proposal.

1 AO 1995-19  
2 Page 8

3 in this way because the individual alleged to have reimbursed  
4 the contributors denies having done so. See Advisory Opinion  
5 1991-39. The disbursements should be made, from committee  
6 funds on hand, within thirty days of this opinion. If the  
7 Fund does not have sufficient monies on hand to make the  
8 disbursements, it should make the disbursements from the next  
9 funds it receives. 11 CFR 103.3(b)(2).

10 The Commission also advises, but does not consider  
11 mandatory, an additional course of action. If the Fund has  
12 information as to a specific contributor indicating that his  
13 or her contribution may have been in the name of another, but  
14 that person has provided the aforementioned confirmation of  
15 legality, it may segregate the particular contribution amount  
16 in a separate bank account to be set up solely for such  
17 situations.<sup>2/</sup> If, upon receipt of further information as to  
18 the source of the contribution, the Fund can verify that the  
19 contribution was lawful, it may transfer the amount back to  
20 the account used for committee transactions. If the Fund  
21 receives further information verifying that the contribution  
22 was not lawful in origin, it should disburse the amount as  
23 described above, plus any interest accrued on that amount.

24 The Commission expresses no opinion as to any  
25 ramifications resulting from any investigation or other  
26

27 <sup>2/</sup> The bank where such an account is held must be  
28 designated as a committee depository on an amended statement  
29 of organization if the account is not in an already existing  
30 committee depository. See 2 U.S.C. 55432(h)(1) and  
433(b)(6); 11 CFR 103.1, 103.2, 102.2(a)(1)(vi), and  
102.2(b).

1 AO 1995-19  
2 Page 9

3 review of your situation by the FBI or any other government  
4 agency.

5 This response constitutes an advisory opinion concerning  
6 application of the Act, or regulations prescribed by the  
7 Commission, to the specific transaction or activity set forth  
8 in your request. See 2 U.S.C. §437f.

9 Sincerely,

10  
11 Danny L. McDonald  
12 Chairman

13 Enclosures (AOs 1991-39, 1989-5, and 1984-52)  
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EXHIBIT 10

90040001413





U.S. Department of Justice

United States Attorney  
District of Maryland  
Northern Division

Lynne A. Battaglia  
United States Attorney

Joseph L. Evans  
Assistant United States Attorney

604 United States Courthouse  
101 West Lombard Street  
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410-962-2458 Ext. 395  
FAX 410-962-3124

**BY FACSIMILE**

July 18, 1995

N. Bradley Litchfield, Esquire  
Associate General Counsel  
Federal Election Commission  
999 E. Street, N.W.  
Washington, D.C. 20463

Re: Indian-American Leadership Investment Fund  
F.E.C. I.D. No. C00283184

Dear Mr. Litchfield:

I am writing this letter as a follow-up to our telephone conversation of this morning. As I understand it, the FEC is presently considering the parameters of an opinion to be issued to the Indian-American Leadership Investment Fund (IALIF). This opinion concerns the appropriate course of action to be taken by the IALIF regarding possible improprieties associated with funds contributed to the IALIF.

The IALIF has requested guidance from the FEC as to the appropriate course of action that the IALIF should take. Apparently one alternative that is under consideration is to advise the IALIF to exercise its best efforts to determine for itself the propriety of the contributions.

As I indicated in our earlier conversation, this office, in conjunction with the Federal Bureau of Investigation, is conducting a criminal investigation into the circumstances surrounding the raising of funds that were contributed to the IALIF. The circumstances of this investigation are known to the IALIF which has cooperated fully. There are, however, possible problems with the prospect of the IALIF contacting individuals who are witnesses in the on-going criminal investigation. Under these circumstances, any IALIF investigation could seriously intrude upon, and adversely affect, the integrity of the criminal investigation. I might add, as well, that most of the contributors are now represented by counsel and the likelihood of any of them responding to a private inquiry from the IALIF is minimal.

I recognize that the IALIF is attempting to comply with the appropriate regulations and guidelines of the FEC, and it is for that reason that the IALIF has requested guidance from the FEC. Because of the considerations outlined above, it is hereby requested that the advisory opinion recognize the best efforts on the part of the IALIF is served by cooperating with the formal investigation and permitting that investigation to proceed to its conclusion unimpeded. If the FEC is of the view that the IALIF must conduct its own inquiry, I make the alternate request that the FEC permit the IALIF to defer conducting that inquiry until after the conclusion of the formal criminal investigation and the resolution of any criminal charges that may result from that investigation.

Obviously, if you have any questions or concerns regarding these issues, you should feel free to contact me. In the meantime, thank you for your consideration of this matter.

Very truly yours,

Lynne A. Battaglia  
United States Attorney

By: 

Joseph D. Evans  
Assistant United States Attorney

cc: Marjorie Emmons  
Commission Secretary

93043561415

EXHIBIT 11

90043001410



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

REC'D AUG. 2, 1995  
*[Signature]*

July 28, 1995

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

ADVISORY OPINION 1995-19

Subodh Chandra, Treasurer  
Indian-American Leadership Investment Fund  
3939 Rio Grande Blvd. #57  
Albuquerque, NM 87107-3153

Dear Mr. Chandra:

This responds to your letter dated May 25, 1995, requesting an advisory opinion on behalf of the Indian-American Leadership Investment Fund ("the Fund") concerning the application of the Federal Election Campaign Act of 1971, as amended ("the Act"), and Commission regulations to the disposition of contributions received by the Fund that may be unlawful under the Act.

The Fund is a nonconnected political committee which has been registered with the Commission since August 16, 1993. You state that, on April 27 and 28, 1995, you met with a reporter from the Baltimore Sun who informed you that he had conducted an investigation of contributors to the Fund from the Baltimore area. The reporter indicated that some of these individuals "did not appear to have the financial means" to make contributions in the amount that they gave. The reporter also suggested that some of these contributors had been improperly reimbursed for making contributions. You state that the "specificity and seriousness of the reporter's allegations" led you to notify the Commission by facsimile transmission, sent on April 28, that there may have been violations of the Act. The Commission's Office of General Counsel informed you that your letter will be treated as a sua sponte submission, subject to investigation by the Commission.

An article by the reporter containing these allegations appeared in the May 3 issue of the Baltimore Sun. This article referred to the fact that \$34,900 in contributions from the Baltimore area were received by the Fund in one day. It contains specific assertions by some contributors identified in the Fund's reports that they were reimbursed

for their donations. The article also contains specific information as to the conduct of the alleged original contributor and other circumstances surrounding some of the donations.

All of the contributions to the Fund from contributors in Maryland were transmitted to you by a Baltimore attorney. You assert that, when the contributions were received, you, as treasurer, examined them for evidence of illegality and found that the contributions did not present a question of their legality. The contributions were thus deposited in the Fund's account and drawn upon. You state that, as yet, you "have no information verifying the illegality of any of these contributions" other than what was ultimately reported in the Baltimore Sun. You note that the Federal Bureau of Investigation has asked you for information and documents, which you have provided.

In view of Commission regulations addressing refunds by a political committee of unlawful contributions, you propose two alternative courses of action for the Fund. Under your first proposal, the Fund would mail letters to Maryland contributors describing the proper criteria for contributions, including the invalidity of reimbursed contributions. The letter would also request a signed statement "confirming the legality of contributions made." The second proposal provides that the Fund would obtain the telephone numbers of all the Maryland contributors, contact those contributors by phone, and request their oral confirmation of the legality of the contributions. You, as treasurer, would memorialize these conversations in a written memorandum.

You ask whether either or both of the proposed courses of action are required or permitted by Commission regulations. You also ask whether it is "advisable" for the Fund to undertake either course of action. Finally, you ask if there are any additional courses of action that would be required, permitted, or advisable.

A contribution by a person who is reimbursed in advance or afterward by another person or entity is unlawful under the Act because it is a "contribution in the name of another." 2 U.S.C. §441f; 11 CFR 110.4(b)(1)(i). It is also unlawful for a committee to knowingly accept such a contribution. 2 U.S.C. §441f; 11 CFR 110.4(b)(1)(iv).



Commission regulations prescribe the obligations of a committee treasurer upon receipt of a contribution that appears unlawful or presents genuine questions of illegality when received, or upon discovery of the contribution's unlawful nature at a later date.

Contributions that, when received, present genuine questions as to whether they were made by corporations, labor organizations, foreign nationals, or Federal contractors may be either deposited into a campaign depository or returned to the contributor within ten days of the receipt. If such a contribution is deposited, the treasurer must make his or her best efforts to determine the legality of the contribution. The treasurer must make at least one written or oral request for evidence of the legality. Such evidence includes, but is not limited to, a written statement from the contributor explaining why the contribution is legal, or a written statement by the treasurer memorializing an oral communication from the contributor to that effect. If the contribution cannot be determined to be legal, the treasurer must refund it to the contributor within thirty days of its receipt. 11 CFR 103.3(b)(1).

If the treasurer determined at the time the contribution was received and deposited that it did not appear to be from an unlawful source or made in the name of another, but "later discovers that it is illegal based on new evidence not available to the political committee at the time of receipt and deposit," the contribution must be refunded to the contributor within thirty days of the discovery of the illegality. If the committee does not have sufficient funds to refund the contribution at the time the illegality is discovered, it must make the refund from the next funds it receives. 11 CFR 103.3(b)(2).

In several opinions, the Commission has reviewed situations involving the requirement to subsequently refund contributions made in the names of others. See Advisory Opinions 1991-39, 1989-5, and 1984-52. In Advisory Opinions 1989-5 and 1984-52, the Commission addressed circumstances in which the corporation that actually contributed the funds at issue or its corporate employees (or both) had pled guilty to criminal charges related to the making of the contributions. As stated in Advisory Opinion 1991-39, those two opinions, however, did not limit to guilty pleas the circumstances in which a refund obligation can be said to arise.

Advisory Opinion 1991-39 presented a situation in which a political committee received a letter from the Department



of Justice indicating that contributions, reported by the committee as received from several persons, had actually been made by one individual who had been indicted by a Federal grand jury. Upon receipt of the DOJ letter, the committee had determined that there was a basis for the appearance of illegality and "segregated" the funds by depositing an amount sufficient to cover the questioned contributions so that the amount would be available if and when the Commission determined that a committee disbursement was warranted. The indicted individual asserted his innocence.

Noting that the Federal evidentiary test for a grand jury indictment was whether there was probable cause to believe the accused had committed the crime, the Commission determined that the DOJ letter and the indictment "provided sufficient basis to question the lawfulness" of the contributions under 11 CFR 103.3(b). The Commission concluded that, because the committee could not, under the circumstances, determine the identity of the original contributor, the funds should be disbursed at that time for a lawful purpose unrelated to any Federal campaign, committee, or candidate; to the Federal government, a state or local governmental entity, or a charitable organization qualified under 26 U.S.C. §170(c).

The Commission notes the logical and appropriate application of standards set out in 11 CFR 103.3(b)(1) to situations arising under 11 CFR 103.3(b)(2) where the issue of illegality arises sometime after the receipt of a contribution. Such a situation calls for the taking of ameliorative action where there is a sufficient basis to question the lawfulness of a contribution. In this regard, the Commission does not need to consider whether, by itself, a newspaper article containing general allegations as to contributions in the name of another would provide a sufficient basis to question the lawfulness of a contribution. However, you note the "specificity" of the allegations presented to you in meetings with the reporter. In addition, the May 3 article contains specific information briefly described above as to some of the contributions. The Commission concludes that these circumstances present a sufficient basis for you to question the legality of at least some of the contributions at issue. You must, therefore, take steps that would constitute best efforts to determine the legality of those contributions.

Based on information you may have received from the reporter, there may be some contributions (from the Maryland contributors) that may not present a genuine question of

legality to you at this time. Nevertheless, the Commission advises exercising best efforts at determining the legality of those contributions as well. In instances where the Commission has investigated and determined that there is culpability on the part of the recipient committee, the Commission often views the expeditious refund or disgorgement of unlawful contributions as a mitigating factor in determining an appropriate civil penalty.

90043001421  
Either one of your proposed courses of action would comply with the best efforts requirements set out in 11 CFR 103.3(b)(1).<sup>1/</sup> The amounts of those contributions for which the identified donors do not provide confirmation of legality should be disbursed for any of the lawful purposes listed in Advisory Opinion 1991-39, and not for a purpose related to any of the Fund's activities. Disbursements should be made in this way because the individual alleged to have reimbursed the contributors denies having done so. See Advisory Opinion 1991-39. The disbursements should be made, from committee funds on hand, within thirty days of this opinion. If the Fund does not have sufficient monies on hand to make the disbursements, it should make the disbursements from the next funds it receives. 11 CFR 103.3(b)(2).

The Fund may have credible information as to a specific contribution indicating that it was made in the name of another, notwithstanding any explanation and assertion of legality by the contributor that might be offered if the committee had made inquiry. In this situation, the Fund should disgorge the contribution amount as described above within thirty days of your receipt of this opinion, or from the next funds it receives.<sup>2/</sup>

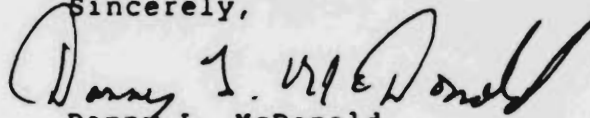
This response constitutes an advisory opinion concerning

1/ The Commission assumes that, in connection with your second proposal, i.e., the written memorialization of contributions with the Maryland contributors, the Fund will describe to the contributors the proper criteria for contributions, as provided for in the first proposal.

2/ The Commission notes that the United States Attorney for the Northern District of Maryland has submitted comments with respect to your request. This advisory opinion does not require you to contact any contributors contrary to the express advice of the U.S. Attorney. However, if upon the request of the U.S. Attorney, you decide not to contact contributors, you may not use the amounts of their questionable contributions for any committee expenses, and such amounts must be disgorged as described above. If the Fund does not have sufficient monies on hand, it must make the disgorgement from the next funds it receives.

application of the Act, or regulations prescribed by the Commission, to the specific transaction or activity set forth in your request. See 2 U.S.C. §437f.

Sincerely,



Danny L. McDonald  
Chairman

Enclosures (AOs 1991-39, 1989-5, and 1984-52)

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# CONTAINS IAHF ADVISORY OPINION A-19-19 Record

September 1995

Federal Election Commission

Volume 21, Number 9

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## Reports

### Pilot Program for Electronic Filing Gets Underway

The FEC has invited a number of PACs, party committees and candidate committees to participate in a voluntary pilot program to develop an electronic filing system for campaign disclosure reports. Ultimately, committees would be able to submit reports via computer, either on disk or through telecommunications technology. Pilot program invitees were chosen for their proximity to the FEC and to include committees of various types and sizes with disclosure reports of varying complexity.

In letters dispatched recently to the Democratic National Committee, the Republican National Committee, 24 members of the House and Senate, and selected political action committees, FEC Chairman Danny L. McDonald wrote:

"[We] want to acquire some practical, real world knowledge of what [electronic filing] means to the political committees who file with us." He asked the committees, "to advise us about their current report preparation and records maintenance practices."

(continued on page 2)

## Publications

### Combined Federal and State Disclosure Directory 1995 Now Available on Disk

The *Combined Federal and State Disclosure Directory 1995* is now available on a 3.5" disk for only \$5. This electronic version of the *Directory* may be purchased for use with both IBM and Macintosh versions of the following word processing software: Microsoft Word, WordPerfect and Microsoft Write.

The *Directory* lists the federal and state offices responsible for disclosing and dispensing information on a variety of election-related topics, as well as lobbying and corporate registration information. See page 6 of the May 1995 *Record* for a more detailed description of the *Directory*.

Disk packages of the *Directory* may be purchased at the FEC's Public Records Office. They may also be ordered by telephone (800/424-9530, extension 3, or 202/219-4140) or by mail (Public Disclosure Division, Federal Election Commission, 999 E Street, NW, Washington, DC, 20463).

A one-page, descriptive and instructive flyer on the *Directory* disk package is available through the automated Flashfax system. To receive it via fax, just dial 202/501-3413 and request document 308. ♦



and costs for food, drinks and the use of facilities. See AOs 1980-50 and 1979-72.

Date Issued: July 28, 1995;  
Length: 13 pages. ♦

### AO 1995-19 Discovering Illegal Contributions in a Committee's Treasury

fund by donating funds and merchandise, such as raffle prizes. Similarly, the individual members of NAR's state and local affiliates may be solicited for, and donate funds and merchandise to, their associations for the purpose of defraying RPAC's solicitation expenses.

NAR's state and local affiliates plan to conduct fundraising social events for RPAC that involve the sale raffle or auction of items solicited and donated by individual members. The proceeds collected from these fundraisers should be compared with the value of the prizes contributed under the one-third rule at 11 CFR 114.5(b)(2). That rule states that a reasonable practice to follow is for the PAC to reimburse the membership association for the costs which exceed one-third of the money contributed.

Any reimbursement owed by the PAC per the one-third rule should be given to the association sponsoring the event, which may then decide how to distribute the reimbursed amount among the donors. See AO 1982-36.

Since the reimbursement under the one-third rule is to be made to the membership organization, the amount of the reimbursement may be ascertained by aggregating the value of the items. This includes the value of all prizes and entertainment provided for the event by the association and the individual donors. In calculating the value of these items, the membership organization may omit solicitation costs

Mr. Subodh Chandra, treasurer of the Indian-American Leadership Investment Fund (the Fund) must undertake best efforts to confirm the legality of contributions he now suspects were made in the name of another: he deposited these contributions because they appeared lawful at the time of receipt. To confirm a suspect contribution's legality, Mr. Chandra may request written or oral confirmation from each contributor. He must keep a written memorandum on a confirmation made orally. Contributions that remain questionable must be disgorged, as described below.

This advisory opinion does not require the Fund to take any action contrary to any advice it receives from the U.S. Department of Justice (DOJ). However, should the Fund choose not to contact contributors based on DOJ advice, it may not use the questionable contributions for any of its expenses; these monies must be disgorged as described below.

#### Background

Mr. Chandra first learned of the suspect contributions in a meeting with a *Baltimore Sun* reporter who alleged that certain of the Fund's contributors in Maryland made sizable contributions although they "did not appear to have the financial means" to make them. The reporter's subsequent article contained assertions by some of the individuals that they had been reimbursed for their contributions. All of the contributions from Maryland were transmitted to the Fund by a Baltimore attorney.

#### Handling Suspect Contributions

The specificity of the reporter's allegations, as manifested in the article and his meeting with Mr. Chandra, raise genuine questions as to the legality of certain contributions. The Fund is therefore obligated to take some form of ameliorative action with respect to these genuinely questionable contributions. The Fund's proposal to seek confirmation from its contributors complies with the requirements at 11 CFR 103.3(b)(1).

In his advisory opinion request, Mr. Chandra asked the Commission to offer further guidance. Accordingly, the Commission suggests that under the circumstances Mr. Chandra consider seeking confirmations for all contributions received from Maryland.

In instances where the Commission has investigated and determined that there is culpability on the part of the recipient committee, the Commission often views the expeditious refund or disgorgement of unlawful contributions as a mitigating factor in determining an appropriate civil penalty.

Contributions made illegally are normally returned to the contributor, but in this case the individual suspected of reimbursing others' contributions denies having done so. Therefore, contributions that are not confirmed to be legal must, within 30 days of this opinion, be disbursed for any lawful purpose unrelated to a federal campaign. Appropriate payees are federal, state and local government entities and qualified charitable organizations described in 26 U.S.C. §170(c). See AO 1991-39, 11 CFR 103.3(b)(2).

Furthermore, the Fund may have credible information indicating, despite any contributor explanation and assertion of legality that might be offered, that a certain contribution was made in the name of another. In this situation, the Fund

(continued on page 6)



## Advisory Opinions

(continued from page 5)

should disgorge the amount of the contribution as described above.

Date Issued: July 28, 1995;

Length: 6 pages. ♦

### AO 1995-21

#### Campaign's Use of Funds Awarded in Law Suit

The Larson for U.S. Senate Committee (the committee) may use the \$1,500 it was awarded in a campaign-related law suit to pay attorney's fees in that case. On the next FEC report due, the committee must disclose the court award under the "other receipts" category of the Detailed Summary Page and itemize it on Schedule A.

A North Dakota court awarded the committee the \$1,500 in a law suit the committee had filed against the local Sheriff's office for damages arising from the seizure of the committee's campaign videotapes from local television stations.

#### Applicability of the Contribution Limits

The Federal Election Campaign Act (the Act) defines a contribution as money or anything of value given for the purpose of influencing an election for federal office. 2 U.S.C. §431(8)(A). Certain funds received by a political committee are not considered contributions and thus do not count against the contribution limits. For example, interest earned on a committee's bank account balance is not considered a contribution—nor is a vendor rebate or refund, if made in the ordinary course of business. See Advisory Opinions 1994-10, 1986-1 and 1981-6. Similarly, the \$1,500 legal award is not considered a contribution and may therefore be accepted in full by the committee since the contribution limits are not applicable.

#### Paying Legal Fees with Court Awarded Monies

FEC regulations state that the Commission will consider on a case-by-case basis whether the use of campaign funds to pay legal expenses violates the personal use ban. 11 CFR 113.1(g)(1)(ii)(A). The personal use ban forbids: "any use of funds in a campaign account of a present or former candidate to fulfill a commitment, obligation or expense of any person that would exist irrespective of the candidate's campaign or duties as a Federal officeholder." 11 CFR 113.1(g).

The law suit in this case arose from circumstances that are clearly attributable to the campaign. The committee may therefore pay the attorney's fees with its campaign funds, including the \$1,500 award money.

The committee should disclose payments for the legal costs as operating expenditures.

The Commission expresses no opinion on the tax ramifications of the proposed transaction; that issue falls outside the FEC's jurisdiction.

Date Issued: July 28, 1995;

Length: 4 pages. ♦

### AO 1995-23

#### Paying Legal Expenses with Campaign Funds

Congressman Christopher Shays may use campaign funds to pay for legal costs arising out of a law suit brought against him by one of his opponents for office in 1994; he is accused of having removed plaintiff's campaign signs. The personal use ban does not bar Congressman Shays from using campaign funds for this purpose.

The regulations banning personal use of campaign funds forbid: "any use of funds in a campaign account of a present or former candidate to fulfill a commitment, obligation or expense of any person that would exist irrespective of the candidate's campaign or duties as a Federal

officeholder." 11 CFR 113.1(g).<sup>1</sup> FEC regulations further state that the Commission will consider on a case-by-case basis whether the use of campaign funds for legal expenses constitutes personal use. 11 CFR 113.1(g)(1)(ii)(A).

In this case, Congressman Shays's legal expenses arise directly from his campaign activity and his position as a candidate. They are therefore clearly attributable to the campaign and may be paid with campaign funds.

In its FEC reports, the committee should disclose these legal costs as operating expenditures.

The Commission expresses no opinion on the tax ramifications of the proposed transaction; that issue falls outside the FEC's jurisdiction.

Date Issued: July 20, 1995;

Length: 4 pages. ♦

## Advisory Opinion Requests

Advisory opinion requests (AORs) are available for review and comment in the Public Records Office.

### AOR 1995-26

Use of campaign funds to pay dues of club whose facilities are used for campaign fundraisers (Senator Frank Murkowski; July 19, 1995; 1 page)

### AOR 1995-27

Solicitation of restricted class of business trust members of trade association (National Association of Real Estate Investment Trusts; August 1, 1995; 5 pages plus 4-page attachment) ♦

<sup>1</sup> The regulations became effective April 5, 1995. They are not in the 1995 edition of FEC regulations, but the final rules are available as reprints of the Federal Register notice (60 FR 7826, February 9, 1995). Call the FEC to order a copy, or use Flashfax (202/501-3413) to order document #228.

EXHIBIT 13

90043001421



U.S. Department of Justice

United States Attorney  
District of Maryland  
Northern Division

Lynne A. Battaglia  
United States Attorney

Joseph L. Evans  
Assistant United States Attorney

604 United States Courthouse  
101 West Lombard Street  
Baltimore, MD 21201-2692

410-962 4822  
410-962 2458 Ext. 395  
FAX 410-962-3124

June 14, 1995

M. Albert Figinski, Esquire  
Stuart R. Berger, Esquire  
Weinberg and Green  
100 South Charles Street  
Baltimore, Maryland 21201

Re: Vinay K. Wahi


Dear Mr. Figinski and Mr. Berger:

This is to confirm that the United States Attorney's Office for the District of Maryland has agreed that any information or testimony that Vinay K. Wahi gives concerning nominee political contributions made through or solicited by Lalit Gadhia, will not be used against Vinay K. Wahi, directly or indirectly, in any criminal proceeding that may be brought in this District, provided that any such information or testimony that Vinay K. Wahi gives is completely truthful.

There are no other agreements, promises, undertakings or understandings between Vinay K. Wahi and this office.

Very truly yours,

Lynne A. Battaglia  
United States Attorney

By:   
Joseph L. Evans  
Assistant United States Attorney



U.S. Department of Justice

United States Attorney  
District of Maryland  
Northern Division

Lynne A. Battaglia  
United States Attorney

Joseph L. Evans  
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604 United States Courthouse  
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FAX 410-962-3124

June 14, 1995

M. Albert Figinski, Esquire  
Stuart R. Berger, Esquire  
Weinberg and Green  
100 South Charles Street  
Baltimore, Maryland 21201

Re: Satish Bahl

Dear Mr. Figinski and Mr. Berger:

This is to confirm that the United States Attorney's Office for the District of Maryland has agreed that any information or testimony that Satish Bahl gives concerning nominee political contributions made through or solicited by Lalit Gadhia, will not be used against Satish Bahl, directly or indirectly, in any criminal proceeding that may be brought in this District, provided that any such information or testimony that Satish Bahl gives is completely truthful.

There are no other agreements, promises, undertakings or understandings between Satish Bahl and this office.

Very truly yours,

Lynne A. Battaglia  
United States Attorney

By:

Joseph L. Evans  
Assistant United States Attorney

96043001422

EXHIBIT 14

98043881430



U.S. Department of Justice

United States Attorney  
District of Maryland  
Northern Division

Lynne A. Battaglia  
United States Attorney

Joseph L. Evans  
Assistant United States Attorney

6625 United States Courthouse  
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FAX (410) 962-3124

February 12, 1997

Dominique Dillenseger, Esquire  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

Re: Indian American Leadership Investment Fund  
Subodh Chandra, Treasurer  
MUR 4582

Dear Ms. Dillenseger:

I am writing this letter to you regarding the Federal Election Commission's (FEC) Reason To Believe ("RTB") finding that the Indian-American Leadership Investment Fund (IALIF) and its treasurer, Subodh Chandra, Esquire, are in violation of 2 U.S.C. §§ 441e and 441f.

As you know, this Office prosecuted Lalit H. Gadhia, a Baltimore, Maryland attorney for causing false statements to be made to the FEC in the context of the 1994 federal election cycle. Reduced to its most fundamental terms, the evidence compiled in the criminal investigation and presented at Mr. Gadhia's guilty plea, established that Mr. Gadhia injected money received from an Indian embassy official into the American electoral process through a series of nominees. The nominees were procured by Mr. Gadhia or by friends of his. Once the nominee contributions were obtained, the checks from those nominees were, in part, contributed to the IALIF for ultimate disbursement to federal candidates. Neither Mr. Chandra, nor any person associated with the IALIF, knew that the donations procured by Mr. Gadhia were from nominees or that the original source of the funds was the Indian embassy. Indeed, Mr. Chandra supplied correspondence between the IALIF and Mr. Gadhia in which Mr. Chandra insisted upon more complete biographical information pertaining to certain of the contributors because of the need to disclose such information accurately to the FEC.

Immediately upon the IALIF's discovery of the possibility that



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illegal contributions were funneled through the IALIF, the IALIF reported the matter to the FEC. In a similar vein, the IALIF and Mr. Chandra cooperated completely and forthrightly with the criminal investigation. It is beyond question that the very serious criminal conduct committed by Mr. Gadhia could not have been as successfully prosecuted as it was without the complete and candid cooperation of Mr. Chandra and the IALIF. You should understand, as well, that Mr. Chandra was the subject of much opprobrium in the Indian community because of his immediate decision, made without regard for personal self-interest, to report the possibility of illegally procured funds to the FEC and to assist this Office in the criminal investigation. Certainly Mr. Chandra could have been far more self-protective; he could have been coy or grudging in the supplying of information and documents; and he could have attempted to hedge his position so as to comply with the law while still shielding himself, the IALIF, or Mr. Gadhia. Without question, the openness and forthrightness with which Mr. Chandra dealt with the unfortunate situation was done with measurable personal loss for himself.

The IALIF, generally, and Mr. Chandra, in particular, trusted Mr. Gadhia who traded on that trust in order to achieve his own objectives. Mr. Gadhia was something of a mentor to Mr. Chandra, and it is clear to those of us involved in the criminal investigation that Mr. Gadhia cynically manipulated the IALIF in order to achieve ends that he knew neither the IALIF nor Mr. Chandra would tolerate. As a result, the IALIF, Mr. Chandra, and the other officials of the IALIF are most appropriately viewed as victims of Mr. Gadhia's actions.

I do not purport to understand the intricacies of the FEC process. It is, I suppose, understandable at a technical or theoretical level, for some kind of strict liability finding to be entered against the IALIF as an entity. However, before such a finding -- whether the finding is against the IALIF, or Mr. Chandra, or both -- is lodged in the public record, the equities of such action should be assessed in the overall context. The IALIF, for example, was a very small PAC, which, on its own, made only nominal, and largely symbolic, contributions. For that reason, it is difficult, as a practical matter, to separate the IALIF as a formal entity, from Mr. Chandra as the most visible member of that entity. Accordingly, this is a far different situation from that in which a named officer of a sophisticated and moneyed entity accepts responsibility for illegal conduct within that organization where the public knows that that individual is simply designated to do so. In the present situation, the scale of activity of the IALIF is so small that the potential stigma to Mr. Chandra, even in the context of a strict liability finding against the IALIF, is such that it is more reasonable to make no such finding.

Finally, considerations of fairness ought to inform any action

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taken by the FEC. In that regard, it is difficult to imagine circumstances more compelling than those present here. In this situation, the PAC and Mr. Chandra made every effort to comply with the law, and upon discovery of possible wrongdoing, they cooperated extensively with all official inquiries. For the FEC to take punitive action -- no matter how lenient the FEC may itself view that action -- may well convey an unintended message to other PACs which find themselves in a position to report wrongdoing possibly attributable to them. More importantly, such action simply does not seem to comport with common sense notions of essential justice.

I bring these matters to your attention in the spirit of cooperation between federal agencies both of whose missions are to insure that the public is protected from unethical and unscrupulous campaign practices. I trust that you will forward this letter to Chairman McGarry and the other commissioners, and obviously, it is my desire that the FEC consider this letter in reaching any decisions regarding the IALIF and Mr. Chandra. Of course, if Chairman McGarry or any of the other commissioners would like additional information, I would be happy to provide it.

Thank you for your attention to this matter.

Very truly yours,

Lynne A. Battaglia  
United States Attorney

By:   
Joseph B. Evans  
Assistant United States Attorney

✓ cc: Subodh Chandra, Esquire

EXHIBIT 15

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FEDERAL ELECTION COMMISSION  
Washington, DC 20463

September 5, 1997

Subodh Chandra, Esq.  
Thompson Hine & Flory  
3900 Key Center  
127 Public Square  
Cleveland, OH 44114

RE: MUR 4582

Dear Mr. Chandra:

In response to your letter dated July 1, 1997, the campaigns of Gary Ackerman, Robert Andrews, Howard Berman, Sherrod Brown, Eric Fingerhut, Thomas Foley, Lee Hamilton, Peter Mathews, Kweisi Mfume, Paul Sarbanes, and Richard Swett have made disgorgements to the U.S. Treasury.

If you have any further questions regarding this information, please feel to contact me at (202) 219-3690.

Sincerely,

A handwritten signature in black ink, reading "Erik Morrison", is written over the typed name.

Erik Morrison  
Staff Member

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EXHIBIT 16

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

MS-K

SEP 22 1997

Subodh Chandra, Treasurer  
Indian-American Leadership  
Investment Fund  
2902 Corydon Road  
Cleveland Heights, OH 44118

Identification Number: C00283184

Reference: Termination Report (1/1/97-6/30/97)

Dear Treasurer:

Your committee's filing has been accepted as a valid termination because it meets the conditions set forth in 2 U.S.C. §433(d) and 11 CFR §102.3. Your committee is no longer required to file reports on a periodic basis. However, 2 U.S.C. §432(d) and 11 CFR §§102.9(c) and 104.14(b)(3) require that you maintain your records and copies of reports for inspection for at least three (3) years. In addition, you may be required to respond to Commission requests for information regarding your committee's federal election activity and previously filed reports.

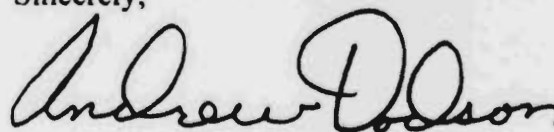
If your committee again becomes active in federal elections, it will be required to re-register with the Commission in accordance with the Federal Election Campaign Act and applicable Regulations. Your committee will be treated as a new entity by the Commission and should register as a new committee on FEC FORM 1, pursuant to 2 U.S.C. §§432(g) and 433(a).

Political committees and separate segregated funds which once attained multicandidate committee status and subsequently terminated will, upon re-registration, again be required to meet the criteria set forth in 2 U.S.C. §441a(a)(4).



If you have any questions concerning your status and requirements, please contact the Reports Analysis Division on the toll-free number, (800) 424-9530. My local number is (202) 219-3580.

Sincerely,



Andrew J. Dodson  
Senior Reports Analyst  
Reports Analysis Division

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LAW OFFICES  
**BROWN, GOLDSTEIN & LEVY, LLP**

DANIEL F. GOLDSTEIN  
C. CHRISTOPHER BROWN\*  
ANDREW D. LEVY  
ANDREW D. FREEMAN  
DANA WHITEHEAD\*\*

THE MARYLAND BAR CENTER  
SUITE 300  
520 WEST FAYETTE STREET  
BALTIMORE, MARYLAND 21201

(410) 962-1030 OR (410) 659-0717  
FAX (410) 385-0869

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL

Nov 10 3 16 PM '97

JOSEPH B. ESPRIT  
THERESE L. STAUDENMAIER  
MARTIN H. SCHREIBER II\*  
SHARON STANLEY STREET  
LAUREN E. WILLIS

\*\*ALSO ADMITTED IN DC & NJ

\*ALSO ADMITTED IN DC

November 7, 1997

Dominique Dillenseger, Esq.  
Federal Election Commission  
Washington, DC 20463

Re: MUR 4582

Dear Ms. Dillenseger:

I am writing to confirm your statements to me regarding access to the transcript of my client's deposition. You stated that the Federal Elections Commission has a written rule prohibiting a respondent from obtaining a copy of the transcript of his own deposition until after the probable cause briefs of the General Counsel's Office and the Respondent have been filed with the Commission. You also stated that there is legal precedent supporting this policy.

Please let me know if this is incorrect. Please also send me something in writing confirming that this is the rule of the Commission -- preferably a copy of the actual rule as it has been promulgated.

I would also like to know the rules regarding access to transcripts of other witnesses deposed by the Commission in the course of its investigation. Further, I would like to know if the Commission reviews the transcripts when determining whether to find probable cause, or simply relies on the briefs.

Thank you for your assistance.

Very truly yours,

  
Lauren E. Willis

cc: Lalit Gadhia

# Friends of Congressman Fingerhut

November 7, 1997

Mr. Eric Morrison  
Federal Election Commission  
999 E Street NW  
Washington, D.C. 20463

**RE: MUR4582**

Dear Mr. Morrison:

I am writing this letter pursuant to our telephone conversation of last week.

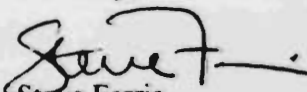
As you requested, this letter is a follow-up to letters dated September 22, 1997 and February 5, 1997. These letters in sum, stated that we are 1. not in a financial position to make payment on the remaining balance of \$750.00, and 2. would make payment within six months.

As of November 7, 1997, we are not in a financial position that would allow us to make payment. As I stated on the telephone, we have scheduled a number of fund-raising events in December in order to raise monies to make this payment.

Those fund-raising events are scheduled for December 7, 11, 13, and 16. We fully anticipate to make payment on this matter following the completion of these events.

Please call me if you have any question or need any additional information. My number is 216-561-7663.

Sincerely,



Steve Ferris  
Political Director

NOV 13 12 40 PM '97

Dec 15 4 55 PM '97

2902 Corydon Rd.  
Cleveland Heights, OH 44118-3514  
(216) 397-3760

December 10, 1997

John Warren McGarry, Chairman  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

**Re Indian-American Leadership Investment Fund and Enclosed Correction  
Page to Letter of October 28, 1997**

Dear Chairman McGarry:

I sent you a letter on October 28, 1997 requesting reconsideration, information, and certain specific remedies regarding the Federal Election Commission's (the "Commission") handling of MUR 4582, involving the Indian-American Leadership Investment Fund and the illegal fundraising activities of Lalit H. Gadhia. As yet, I have received no reply.

On page 10 of that letter, there were a couple of minor typographical errors in the dates of letters cited. Dates for attached letters that obviously should have been cited as "1995" were erroneously indicated as "1997." I am enclosing a corrected page 10—two-hole punched at the top for your convenience.

You may simply substitute this page 10 into the October 28, 1997 letter, and discard the previous one.

I apologize for any inconvenience. In any event, these corrections should not alter the substantive import of our urgent request, or the ability of the Commission to promptly and favorably respond.

I look forward to hearing from you as soon as possible. Please feel free to call me if you have any questions.

Very truly yours,



Subodh Chandra

Enclosure

cc: ✓ Dominique Dillenseger, Esq.  
Meena A. Morey, Esq.

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**E. The Fund And I Notified The Commission Of Problems With Gadhia-Generated Contributions.**

That same day, still in Washington, I telephoned the Commission and spoke with N. Bradley "Brad" Litchfield in the Office of General Counsel. I informed him of the situation, and he told me to follow up with a letter. By the close of business that day (Friday, April 28, 1995), I sent by facsimile a letter to the Commission informing it of the general allegations. The letter made clear that we had not known of any alleged improprieties, and pledged full effort to remedy the situation. Letter from Subodh Chandra to Lois Lerner, Chief Enforcement Officer, Federal Election Commission of Apr. 28, 1995 (the Fund and Mr. Chandra would take "whatever steps necessary to resolve the Federal Election Commission's concerns in a satisfactory manner.") (copy attached as Exhibit 5).

The following week, from Albuquerque, I called the Commission again for further guidance. In particular, I asked what the Fund should be doing to remedy a situation where contributions were not reasonably suspect at the time of receipt, but were later discovered to be questionable. Mr. Litchfield informed me that the Commission had received my letter, but that any investigative process would take time because of the Commission's tremendous caseload. He explained that my various questions would best be presented to the Commission by way of a written request for an advisory opinion.

Finally—and critically—Mr. Litchfield assured me that the Fund and I would be notified as soon as a Commission attorney was assigned to investigate the case.<sup>9</sup> He indicated that that might take some time, as the Commission is understaffed and its attorneys have tremendous caseloads.

Per Mr. Litchfield's suggestion, I sent on May 25, 1995 a letter to the Commission requesting an advisory opinion as to what specific action if any the Fund was required, permitted, or advised to take to address the allegations raised by Mr. Haner's investigation. (Copy attached as Exhibit 6.)

**F. The Commission Failed To Inform Us That It Was Undertaking An Investigation And Failed To Give Us An Opportunity To Present Facts.**

Shortly after my conversation with Mr. Litchfield, and while I was preparing my request for an advisory opinion, I received a general acknowledgment from the Commission of my April 28, 1995 letter notifying it of possible problems. Letter from Mary L. Taksar, Attorney, Central Enforcement Docket, to Subodh Chandra of May 10, 1995 (copy attached as Exhibit 7). Attached

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<sup>9</sup> Having heard nothing from the Commission, I made a follow-up telephone call to the Commission a few weeks later and spoke with a female staff member, whose name I do not recall. That staff member repeated that an investigation had not yet formally been opened, but confirmed Mr. Litchfield's promise. This staff member may have been Mary L. Taksar, but I am not certain.

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
STAFF

JAN 27 3 13 PM '98

In the Matter of )

Dr. S.V. Ramamurthy )

Vinay Wahi )

Satish Bahl )

MUR 4582

**SENSITIVE**

GENERAL COUNSEL'S REPORT

I. **BACKGROUND**

This report includes recommendations that the Commission accept conciliation agreements with MUR 4582 respondents Dr. S.V. Ramamurthy, Vinay Wahi, and Satish Bahl.

II. **PREPROBABLE CAUSE CONCILIATION IN MUR 4582**

On September 9, 1997, the Commission rejected the request from Dr. S.V. Ramamurthy, Vinay Wahi, and Satish Bahl to take no further action and offered to enter into conciliation prior to a finding of probable cause to believe with these respondents.



A. Dr. S.V. Ramamurthy

Accordingly, this Office

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recommends that the Commission accept the attached, signed conciliation agreement with Dr. S.V. Ramamurthy and close the file as to this respondent. Attachment 2.

**B. Vinay Wahi and Satish Bahl**

In response to the Commission's offer of conciliation, counsel agreed to interviews of Vinay Wahi and Satish Bahl which were conducted on November 7, 1997. At these interviews, the respondents provided information about their relationship with Gadhia and the circumstances surrounding their involvement in this matter. The respondents, who are part-owners of the Akbar restaurant, stated that they have known Lalit Gadhia since 1984 when he served as their attorney for the purchase of the Akbar restaurant and that Gadhia has been the attorney for the business since that time. Wahi said that Gadhia gave him several installments of cash in fresh \$100 bills and requested that he provide checks made out to the Indian fund and to various candidate committees. Wahi personally solicited checks from several employees at Akbar and also provided some of the money to Bahl who solicited other Akbar employees. Wahi stated that at various junctures he asked Gadhia if the contributions were legal and that Gadhia assured him that they were, in fact, legal. Wahi explained that he relied on Gadhia's position as an attorney and Gadhia's status in the community to influence his judgment. Bahl, who only interacted with Wahi and had no direct contact with Gadhia, stated that he asked Wahi if this activity was legal and that Wahi relayed Gadhia's assurances that it was. In correspondence with this Office, respondents have also maintained that they acted at the direction of Gadhia who was their legal advisor. Attachment 3.

Though the fact pattern reflects that respondents, both of whom are experienced businessmen and, in the case of Bahl also an accountant, participated in a scheme in which they

accepted several large installments of cash in \$100 bills and then solicited most of their employees to make reimbursed contributions, respondents nevertheless contend that their activities were not knowing and willful because they relied on their attorney Gadhia's assertions that the contributions were legal.

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Accordingly, this Office recommends that the Commission accept the attached, signed conciliation agreements with Vinay Wahi, (Attachment 4), and Satish Bahl, (Attachment 5), and close the file as to these respondents.

**C. Remaining Respondents in MUR 4582**

A General Counsel's Brief was sent to Lalit Gadhia on October 16, 1997, and a reply brief was received on November 6, 1997. The Commission had also issued a subpoena for bank records of Sachinder Gupta. These records were received on December 15, 1997, and are being reviewed. After completing its review of these records, this Office will make recommendations as to Gupta and Gadhia and address any remaining issues in a subsequent report.

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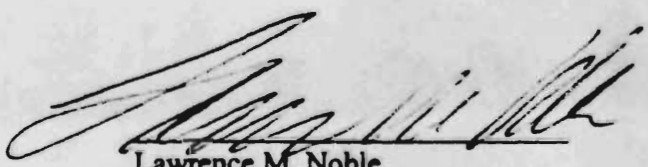
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**IV. RECOMMENDATIONS**

1. Accept the attached conciliation agreement with Dr. S.V. Ramamurthy and close the file as to this respondent.
2. Accept the attached conciliation agreement with Vinay Wahi and close the file as to this respondent.
3. Accept the attached conciliation agreement with Satish Bahl and close the file as to this respondent.
4. Approve the appropriate letters.

Date

1/27/98

  
Lawrence M. Noble  
General Counsel



**Attachments**

1. Correspondence from Counsel for Dr. S.V. Ramamurthy.
2. Proposed Conciliation Agreement with Dr. S.V. Ramamurthy.
3. Correspondence from Counsel for Vinay Wahi and Satish Bahl.
4. Proposed Conciliation Agreement with Vinay Wahi.
5. Proposed Conciliation Agreement with Satish Bahl.

Staff Assigned: Dominique Dillenseger

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Dr. S.V. Ramamurthy;  
Vinay Wahi;  
Satish Bahl

)  
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) MUR 4582  
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CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on February 3, 1998, the Commission decided by a vote of 5-0 to take the following actions in MUR 4582

1. Accept the conciliation agreement with Dr. S.V. Ramamurthy and close the file as to this respondent, as recommended in the General Counsel's Report dated January 27, 1998.
2. Accept the conciliation agreement with Vinay Wahi and close the file as to this respondent, as recommended in the General Counsel's Report dated January 27, 1998.
3. Accept the conciliation agreement with Satish Bahl and close the file as to this respondent, as recommended in the General Counsel's Report dated January 27, 1998.

(continued)

4. Approve the appropriate letters, as recommended in the General Counsel's Report dated January 27, 1998.

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

Attest:

2-3-98  
Date

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

Received in the Secretariat: Tues., Jan. 27, 1998 3:13 p.m.  
Circulated to the Commission: Wed., Jan. 28, 1998 11:00 a.m.  
Deadline for vote: Mon., Feb. 02, 1998 4:00 p.m.

lrd

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

FEB 6 1998

Stuart R. Berger, Esquire  
Weinberg & Green LLC  
100 South Charles Street  
Baltimore, MD 21201-2773

RE: MUR 4582  
Satish Bahl

Dear Mr. Berger:

On February 3, 1998, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on your client's behalf in settlement of a violation of 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). Accordingly, the file has been closed in this matter as it pertains to Satish Bahl.

This matter will become public within 30 days after it has been closed with respect to all other respondents involved. Information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B). The enclosed conciliation agreement, however, will become a part of the public record.

You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) still apply with respect to all respondents still involved in this matter. The Commission will notify you when the entire file has been closed.

Enclosed you will find a copy of the fully executed conciliation agreement for your files. Please note that the initial payment of the civil penalty is due within 30 days of the conciliation agreement's effective date. If you have any questions, please contact me at (202) 219-3690.

Sincerely,

*Dominique Dillenseger* LAH.

Dominique Dillenseger  
Attorney

Enclosure  
Conciliation Agreement

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RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

Dec 5 2 39 PM '97

**BEFORE THE FEDERAL ELECTION COMMISSION**

In the Matter of )

) MUR 4582

Satish Bahl )

)

**CONCILIATION AGREEMENT**

This matter was initiated by the Federal Election Commission ("Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe that Satish Bahl (the "Respondent") knowingly and willfully violated 2 U.S.C. § 441f.

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

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

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

III. Respondent enters voluntarily into this agreement with the Commission.

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

1. The Respondent, Satish Bahl, is an individual contributor.
2. 2 U.S.C. § 441f prohibits: (1) making a contribution in the name of another; (2) knowingly permitting one's name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(iii).



3. In the 1993-94 election cycle, Lalit Gadhia solicited several individuals to contribute money to the Indian-American Leadership Investment Fund ("IALIF") or directly to a federal candidate committee. He promised that the contributions would be reimbursed. Satish Bahl is part-owner of the Akbar Restaurant in Baltimore, and Mr. Gadhia was the attorney for the Akbar Restaurant, as well as a regular customer of the restaurant. Mr. Gadhia had asked Vinay Wahi, partner to Mr. Bahl in the Akbar Restaurant, to solicit reimbursed contributions.

4. Mr. Wahi stated that Mr. Gadhia said he would reimburse him or anyone else with cash as long as they would provide a \$1,000 dollar personal check. Respondent stated that Mr. Wahi requested that he write a check to the IALIF.

5. The IALIF report covering the period 10/1/94 through 11/8/94 discloses that Respondent made a \$1,000 contribution which was received on October 31, 1994. Respondent admits that Mr. Gadhia, through Mr. Wahi, reimbursed him for this contribution.

6. Further, Respondent aided Mr. Gadhia by soliciting additional reimbursed contributions. Respondent assisted in acquiring an additional \$3,500 in reimbursed contributions to IALIF, mostly from employees of Akbar. The disclosure reports of the IALIF reflect these contributions. Respondent's admissions were confirmed by statements of a number of individuals whom he solicited.

V. 1. Respondent violated 2 U.S.C. § 441f by permitting his name to be used to make one contribution in the name of another totaling \$1,000.00.

2. Respondent violated 2 U.S.C. §441 by assisting others in making contributions in the name of another totaling \$3,500.00.

VI. Respondent will pay a civil penalty to the Federal Election Commission in the amount of three thousand two hundred and fifty dollars (\$3,250.00), pursuant to 2 U.S.C. § 437g(a)(5)(A), such penalty to be paid as follows:

1. One initial payment of \$1,084 due thirty (30) days after the date on which the Conciliation Agreement is fully executed;
2. Thereafter, beginning thirty (30) days after the date of the initial payment, two consecutive monthly installment payments of \$1,083 each;
3. Each such installment shall be paid thirty (30) after the previous payment;
4. In the event that any installment payment is not received by the Commission by the fifth day after the date in which it becomes due, the Commission may, at its discretion, accelerate the remaining payments and cause the entire amount to become due upon ten days written notice to the respondent. Failure by the Commission to accelerate the payments with regard to any overdue installment shall not be construed as a waiver of its right to do so with regard to future overdue installments.

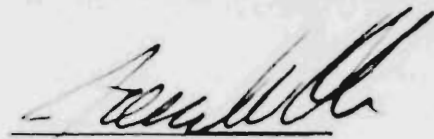
VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute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

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

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

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


FOR THE COMMISSION:



Lawrence M. Noble  
General Counsel

2/5/98  
Date

FOR THE RESPONDENT:

  
(Name) SATISH C. BHAT  
(Position)

12/03/97  
Date

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SATISH BAHL  
2 APPLGROVE COURT  
BALTIMORE, MD 21228



Resource Management Account

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FEDERAL ELECTION COMMISSION

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S.C. Davis

MEMO

MUR 4582

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

FEB 6 1998

Stuart R. Berger, Esquire  
Weinberg & Green LLC  
100 South Charles Street  
Baltimore, MD 21201-2773

RE: MUR 4582  
Vinay Wahi

Dear Mr. Berger:

On February 3, 1998, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on your client's behalf in settlement of a violation of 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). Accordingly, the file has been closed in this matter as it pertains to Vinay Wahi.

This matter will become public within 30 days after it has been closed with respect to all other respondents involved. Information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B). The enclosed conciliation agreement, however, will become a part of the public record.

You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) still apply with respect to all respondents still involved in this matter. The Commission will notify you when the entire file has been closed.

Enclosed you will find a copy of the fully executed conciliation agreement for your files. Please note that the initial payment of the civil penalty is due within 30 days of the conciliation agreement's effective date. If you have any questions, please contact me at (202) 219-3690.

Sincerely,

*Dominique Dillenseger* LAH  
Dominique Dillenseger  
Attorney

Enclosure  
Conciliation Agreement

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**BEFORE THE FEDERAL ELECTION COMMISSION**

In the Matter of )

MUR 4582

Vinay Wahi )

**CONCILIATION AGREEMENT**

This matter was initiated by the Federal Election Commission ("Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe that Vinay Wahi ("Respondent") knowingly and willfully violated 2 U.S.C. § 441f.

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

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

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

III. Respondent enters voluntarily into this agreement with the Commission.

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

1. The Respondent, Vinay Wahi, is an individual contributor.
2. 2 U.S.C. § 441f prohibits: (1) making a contribution in the name of another,

(2) knowingly permitting one name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. In addition, under the Commission's regulations, no person may knowingly help or assist any person in making a contribution in the name of another.

11 C.F.R. § 110.4 (b)(1)(iii).

3. In the 1993-94 election cycle, Lalit Gadhia solicited several individuals to contribute money to the Indian-American Leadership Investment Fund ("IALIF") or directly to a federal candidate committee. He promised that the contributions would be reimbursed. Respondent is part-owner of the Akbar Restaurant in Baltimore, and Mr. Gadhia was the attorney for the Akbar restaurant, as well as a regular customer of the restaurant. In or around October of 1994, Mr. Gadhia, Respondent's attorney for several years, requested that Respondent write several checks, for which Respondent would be reimbursed. Mr. Gadhia said he would reimburse the Respondent or anyone else with cash as long as they would provide a \$1,000 dollar personal check.

4. Disclosure documents reveal that Respondent made five contributions totaling \$4,500: Ben Cardin for Congress (\$500 on 11/7/94); Citizens for Sarbanes (\$1,000 on 10/28/94); the IALIF (\$1,000 on 10/31/94); Robb for the Senate (\$1,000 on 11/1/94); and Murtha for Congress (\$1,000 on 11/23/94). Respondent admits that Mr. Gadhia reimbursed him for these contributions. The aforementioned committees have all disgorged the identified contributions to the U.S. Treasury.

5. Further, Respondent assisted Mr. Gadhia by soliciting an additional \$8,500 in reimbursed contributions from several individuals. Respondent, aided by Satish Bahl, a fellow part-owner of Akbar Restaurant, assisted in acquiring an additional \$8,500 (\$7,500 to the IALIF

and \$1,000 to Citizens for Senator Wofford) in reimbursed contributions, mostly from employees of Akbar. Disclosure documents of the IALIF and Citizens for Senator Wofford reflect these contributions and Respondent admits to having soliciting these funds. Respondent's admissions were confirmed by statements of the individuals whom Respondent and Mr. Bahl solicited.

V. 1. Respondent violated 2 U.S.C. § 441f by permitting his name to be used to make five contributions in the name of another totaling \$4,500.

2. Respondent violated 2 U.S.C. § 441f by assisting others in making contributions in the name of another totaling \$8,500.

VI. Respondent will pay a civil penalty to the Federal Election Commission in the amount of eight thousand seven hundred and fifty dollars (\$8,750.00), pursuant to 2 U.S.C. § 437g(a)(5)(B), such penalty to be paid as follows.

1. One initial payment of \$2,918 due thirty (30) days after the date on which the Conciliation Agreement is fully executed;
2. Thereafter, beginning thirty (30) days after the date of the initial payment, two consecutive monthly installment payments of \$2,916.00 each;
3. Each such installment shall be paid thirty (30) after the previous payment;
4. In the event that any installment payment is not received by the Commission by the fifth day after the date in which it becomes due, the Commission may, at its discretion, accelerate the remaining payments and cause the entire amount to become due upon ten days written notice to the respondent. Failure by the Commission to accelerate the payments with regard to any overdue installment shall not be construed as a waiver of its right to do so with regard to future overdue installments.

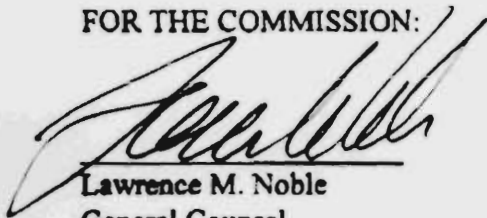
VII. The Commission, on request of anyone filing a complaint under 2 U.S.C.

§ 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

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

IX. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

  
Lawrence M. Noble  
General Counsel

2/5/98  
Date

FOR THE RESPONDENT:

Vinay K. Wahi  
(Name) VINAY WAHI  
(Position)

12/3/97  
Date

VINAY K. WAHI  
SUNITA WAHI

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**CRESTAR**

Crestar Bank  
Baltimore, Maryland

MUR 4582

Vinay K. Wahi

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FEDERAL ELECTION COMMISSION

WASHINGTON, DC 20463

FEB 6 1998

Thomas L. Crowe, Esquire  
Monshower & Miller, LLP  
10440 Little Paxtuxent Parkway  
30 Corporate Center, Suite 500  
Columbia, MD 21044-3561

RE: MUR 4582  
Dr. S.V. Ramamurthy

Dear Mr. Crowe:

On February 3, 1998, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on your client's behalf in settlement of a violation of 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). Accordingly, the file has been closed in this matter as it pertains to Dr. S.V. Ramamurthy.

This matter will become public within 30 days after it has been closed with respect to all other respondents involved. Information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B). The enclosed conciliation agreement, however, will become a part of the public record.

You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) still apply with respect to all respondents still involved in this matter. The Commission will notify you when the entire file has been closed.

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Enclosed you will find a copy of the fully executed conciliation agreement for your files. Please note that civil penalty is due within 30 days of the conciliation agreement's effective date. If you have any questions, please contact me at (202) 219-3690.

Sincerely,

*Dominique Dillenseger*  
Dominique Dillenseger  
Attorney  
LAH.

Enclosure  
Conciliation Agreement

9 8 0 4 3 8 8 1 4 6 0

**BEFORE THE FEDERAL ELECTION COMMISSION**

In the Matter of

Dr. S. V. Ramamurthy

)

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)

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MUR 4582

**CONCILIATION AGREEMENT**

This matter was initiated by the Federal Election Commission ("Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities.

The Commission found reason to believe that Dr. S. V. Ramamurthy ("Respondent") knowingly and willfully violated 2 U.S.C. § 441f.

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

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

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

III. Respondent enters voluntarily into this agreement with the Commission.

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

1. The Respondent, Dr. S. V. Ramamurthy, is an individual contributor.

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2. 2 U.S.C. § 441f prohibits: (1) making a contribution in the name of another; (2) knowingly permitting one's name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. In addition, under the Commission's regulations, no person may knowingly help or assist any person in making a contribution in the name of another. 11 C.F.R. § 110.4 (b)(1)(iii).

3. In the 1993-94 election cycle, Lalit Gadhia solicited several individuals to contribute money to the Indian-American Leadership Investment Fund ("IALIF") or directly to a federal candidate committee. He promised that the contributions would be reimbursed. In or around October of 1994, Mr. Gadhia, Respondent's attorney of several years' standing, requested that Respondent write several checks, for which Respondent would be reimbursed, to federal political committees.

4. Disclosure documents reveal that Respondent made four contributions totaling \$4,000 to: Robb for Senate (\$1,000 on 11/1/94); Citizens for Sarbanes (\$1,000 on 10/28/94); Citizens for Senator Wofford (\$1,000 on 11/4/94); and, the IALIF (\$1,000 on 10/31/94). Respondent admits that Mr. Gadhia reimbursed him for these contributions. The aforementioned committees have all disgorged the identified contributions to the U.S. Treasury.

5. Further, Respondent assisted Mr. Gadhia by soliciting an additional \$3,000 from several individuals in reimbursed contributions to the IALIF. Disclosure documents of the IALIF reflect these contributions and Respondent admits to having solicited these funds. Respondent's admissions were confirmed by statements of the individuals whom he solicited.

6. Respondent has been fully cooperative with the Department of Justice and with the Federal Election Commission in connection with the investigations under their jurisdiction. Respondent made himself available for an extensive interview with the Commission and provided relevant information regarding this matter.

V. 1. Respondent violated 2 U.S.C. § 441f by permitting his name to be used to make four contributions in the name of another totaling \$4,000.

2. Respondent violated 2 U.S.C. § 441f by assisting others in making contributions in the name of others totaling \$3,000.

VI. Respondent will pay a civil penalty to the Federal Election Commission in the amount of three thousand five hundred dollars (\$3,500.00), pursuant to 2 U.S.C. § 437g(a)(5)(B).

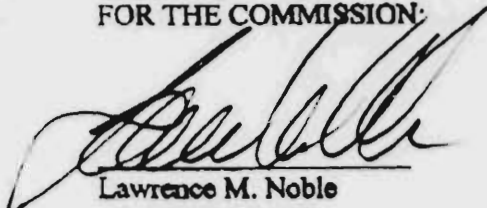
VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute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

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

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


X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:


  
Lawrence M. Noble  
General Counsel

2/5/98  
Date

FOR THE RESPONDENT:

  
(Name)  
(Position) S.V. Ramamurthy  
Respondent

12/1/92  
Date

  
Thomas L. Crowe  
Attorney for Respondent

12/4/97  
Date



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

April 3, 1998

**By Facsimile and U.S. Mail**

Steve Ferris, Treasurer  
Friends of Congressman Fingerhut  
1340 Depot Street, Suite 102  
Rocky River, OH 44116

RE: MUR 4582

Dear Mr. Ferris:

During our telephone conversation on March 3, 1998, I reminded you that despite repeated promises to do so, and the fact that over a year has elapsed since the Commission asked the the Friends of Congressman Fingerhut Committee to disgorge, the committee has yet to pay the \$750 remaining balance on its \$1,000 disgorgement. You responded that a check would be cut and sent out immediately. Pursuant to your representations, I informed the Commission that the Committee would make full payment. When I did not receive a check, I made several telephone calls to your office and left messages with your assistant.

On March 18, 1998, we received a \$250 check, instead of a \$750 check, from Michael S. Mayor. In a telephone conversation with Mr. Mayor, he stated that it was his understanding, based on a conversation with you, that there was no promise that the full balance would be paid. Mr. Mayor stated that he would check with you and call me back on Monday, March 30, 1998. To date, Mr. Mayor has not called me back.

As we have informed you previously, this is a disgorgement of an illegal contribution, not merely a settlement of a debt. Accordingly, the Commission instructs you to disgorge the full amount of the remaining balance of the illegal contribution made to the Committee, \$500, to the United States Treasury, care of the Federal Election Commission by close of business on Friday, April 13, 1998. If we do not hear from you by that date, we will notify the Commission. If you have any questions, please feel free to contact me at (202) 694-1650.

Sincerely,

*Dominique Dillenseger*  
Dominique Dillenseger *by em.*  
Attorney



BEFORE THE FEDERAL ELECTION COMMISSION

MAR 17 9 21 AM '98

In the Matter of )

Lalit Gadhia )

Sachinder Gupta )

MUR 4582

**SENSITIVE**

GENERAL COUNSEL'S REPORT

I. **BACKGROUND**

This report includes recommendations as to the two remaining respondents in MUR 4582, Lalit Gadhia and Sachinder Gupta, addresses remaining issues, and recommends that the Commission close the file.

II. **RESPONDENTS**

A. **Sachinder Gupta**

On September 9, 1997, the Commission rejected the request from Sachinder Gupta to vacate the reason to believe finding that he knowingly and willfully violated 2 U.S.C. § 441f by permitting his name to be used to make \$10,000 worth of contributions to various candidate committees. The Commission also approved written discovery to Gupta to identify all of his bank accounts and a subpoena for bank records of Gupta from the bank on which the contribution checks were drawn (Maryland National Bank now NationsBank).

The findings against Gupta were based on the fact that each of Gupta's contributions was listed in Gadhia's record of contributions that was sent to Embassy of India. Both Gupta and Gadhia have maintained that Gupta declined Gadhia's offer of reimbursements and that Gupta was not reimbursed for any of his contributions.

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In investigating this matter, this Office obtained copies of bank records of Gupta covering the period during which the contributions were made. The records were obtained through informal requests and written discovery to Gupta, from the U.S. Attorney's Office, and from the subpoena to NationsBank. The records included bank statements, copies of deposit slips and deposited items, checkbook registers, and checks.<sup>1</sup> The last records from NationsBank were received on February 9, 1998. In reviewing these records, this Office sought, among other things, to determine whether the money for Gupta's contributions came from other than Gupta's personal funds and whether any of the transactions, particularly those of \$5,000 or more, involved Gadhia, the Embassy of India, or other respondents in this matter.

The information obtained from the bank records is inconclusive as to whether the contributions were reimbursed but does reflect that Gupta had the financial means to make these contributions and none of the transactions reviewed by this Office appear to involve Gadhia or any other respondents in this matter. In light of the above, this Office recommends that the Commission take no further action as to Sachinder Gupta.

**B. Lalit Gadhia**

On September 9, 1997, the Commission rejected the request from Lalit Gadhia to vacate the reason to believe finding that he knowingly and willfully violated 2 U.S.C. §§ 441e and 441f. A General Counsel's Brief ("GC Brief") was sent to Gadhia on October 16, 1997, and Gadhia's reply brief was received on November 6, 1997. Attachment 1. The factual and legal analysis set forth in the GC Brief is incorporated as if fully set forth herein.

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<sup>1</sup> The financial records pertaining to Sachinder Gupta are available for review in OGC Docket.

In the reply brief, counsel for Gadhia requests that the Commission reject the General Counsel's recommendations to find probable cause and that the Commission close this matter. In support of this request, counsel makes similar arguments as in previous submissions to this Office, namely that there is no factual and legal basis that Gadhia violated Sections 441e and 441f; and that the Commission's pursuit of this matter<sup>2</sup> "is barred by the time limitations in FECA, the contractually binding plea agreement Mr. Gadhia entered into with the United States Government, and principles of double jeopardy."<sup>3</sup> *Id.*

Counsel argues that Gadhia did not violate 2 U.S.C. § 441e because: there is no evidence that the money came from a foreign source; Gadhia did not solicit, accept, or receive a foreign "contribution" because the money was not a contribution until it was given to the committees; and Gadhia did not know that it was illegal to give foreign money to candidates. *Id.* at 9-12.

Despite the fact that Gadhia received \$60,000 in fresh \$100 bills from Minister Davendra Singh, an official with the Indian Embassy, counsel argues there is no evidence the money came from a foreign source. Counsel further argues that Gadhia concluded that the money came from wealthy Indian-Americans who had already met their contribution limits because the money was

<sup>2</sup> Also, in a letter dated September 30, 1997, counsel argues that the Commission's "further pursuit of this matter is in violation of the law" and states an intent to file a motion for attorney fees and costs against the Commission. Attachment 2.

<sup>3</sup> Counsel also contends that Gadhia was improperly denied a copy of his deposition transcript, that OGC failed to address "much of the evidence and analysis" they submitted, and states that Gadhia "has no confidence that the relevant portions of the transcript will be placed before the Commissioners when they make their probable cause determination." Attachment 1. Counsel made similar allegations in a letter dated November 7, 1997. Attachment 3. Counsel had made several requests for a copy of Gadhia's deposition transcript after the deposition and during Gadhia's review of the transcript. Counsel was informed that the Commission does not permit respondents to have copies of their deposition transcripts prior to the time the briefs have gone out in a matter and that they could request a copy after that time. Counsel did not ask for a copy of the transcript until after they had submitted their reply brief.

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in American dollars and was delivered twice rather than in a lump sum (suggesting that if it came from the Government he would have gotten the money in one drop off rather than two) and because, Minister Singh told him it was not from the government of India. Gadhia, however, has never claimed that Minister Singh or anyone else told him that the money came from Indian-Americans and has not provided any evidence to support this hypothesis. In addition, Gadhia testified that he asked Minister Singh only once whether this was government of India of money and did not ask further questions when Minister Singh responded in the negative. In short, except for the alleged denial by Minister Singh that the money was not from the Indian government, Gadhia has not provided any evidence to show that the money furnished him by an official from the Indian Embassy did not come from a foreign source.<sup>4</sup>

The argument that Gadhia did not solicit, accept, or receive a "contribution" from Minister Singh is incorrect. The Act defines "contribution" as anything made by any person for the purpose of influencing a federal election. 2 U.S.C. § 431(8)(A). Gadhia testified that Minister Singh indicated that he wanted Gadhia "to channel it [the money] to appropriate candidates in the federal election, the upcoming '94 federal election." In addition, Section 441e states that it is unlawful for any person to solicit, accept, or receive money from a foreign national. The term is not limited to committees.

Gadhia also argues that he did not know that there was a prohibition on foreign national contributions. As explained at length in the GC Brief, Gadhia's professional background as an

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<sup>4</sup> Gadhia also argues that he only had the "usual type of sporadic contact" with the Embassy. This is inconsistent with his testimony that he was routinely invited to social events at the Indian ambassador's residence, had direct dealings with the ambassador, and that he was viewed and treated by the Embassy as a spokesperson for the Indian-American community.

attorney and fundraiser and the manner in which he carried out this scheme clearly establish that the violations were knowing and willful.

Similarly, Gadhia argues that he did not violate Section 441f because he did not know that contributions in the name of another were illegal under federal law and "thought he was using a legal loophole that permitted him to help Indian-Americans who had donated up to the limits." *Id.* at 12. Though Gadhia himself told some of the respondents that the reimbursed contributions were a legal loophole, as set out in the GC Brief, the evidence shows that these violations were knowing and willful. Moreover, Gadhia pled guilty and was convicted for causing a false statement to be made to the Commission in connection with committee reports which were filed by the IALIF and political committees listing funds contributed in the name of another.

Gadhia testified that he did not use the full \$60,000 provided by Davendra Singh and that he returned \$15,000-\$16,000 which, he claims, reflects declined reimbursements from several individuals including Aruna and Sudhir Trivedi and Sachinder Gupta. Though Gadhia's report to Singh reflected over \$60,000 in contributions and Gadhia has provided no concrete evidence that the money was returned, the investigation has not resolved the issue. As explained in the discussion regarding Gupta, *supra*, and earlier discussions regarding Aruna and Sudhir Trivedi, (See GC Report, dated August 22, 1997, pages 30-32), these respondents maintain that they were not reimbursed and the evidence shows that they had the financial means to make these contributions. Moreover, the information obtained from the Trivedis and Gupta's financial records does not reveal any transactions involving Gadhia or other respondents, nor is there other evidence they were reimbursed.



Gadhia's procedural arguments as to why this action should be barred were fully discussed in the GC Brief and need not be readdressed here.

In light of the above, this Office recommends that the Commission find probable cause to believe that Lalit Gadhia knowingly and willfully violated 2 U.S.C. §§ 441e and 441f. At the same time, however, this Office recommends that the Commission take no further action and issue a letter of admonishment to Lalit Gadhia. The basis for this recommendation is threefold. First, this is a 1994 cycle case. Second, Gadhia has already been criminally prosecuted, convicted, and incarcerated for these actions, and might well prove to have no assets. Finally, the probable cause report and findings against Gadhia will clarify the record, signal the serious nature of these violations, and provide the previously unexposed details of this criminal scheme.<sup>5</sup>

## II. REMAINING ISSUES IN MUR 4582

### A. The Indian-American Leadership Investment Fund; Subodh Chandra, Treasurer

The Commission found reason to believe that the Indian-American Leadership Investment Fund, and Subodh Chandra, as treasurer ("IALIF") violated 2 U.S.C. §§ 441e and 441f but took no further action and close the matter as to these respondents. The basis for the findings was that IALIF was chargeable with knowledge of its agent's, Gadhia, illegal actions. The Commission, however, did not pursue the PAC and its treasurer because of Chandra's prompt reporting of the violations in a *sua sponte* submission and his formal request for advice and cooperation with the DOJ investigation.

<sup>5</sup> There is also no benefit to keeping this matter open as it does not appear that Gadhia will provide us with additional information about the role of the Indian Embassy in the reimbursement scheme.

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In telephone conversations with this Office, Chandra had disputed the Commission's findings, arguing, among other things, that Gadhia was not an agent of IALIF. The issues raised by IALIF were discussed in the GC Report dated August 22, 1997, pages 28-30. By letter dated October 28, 1997, Chandra formally requested that the Commission withdraw its reason to believe findings, correct the factual and legal analysis or "reopens its files as it pertain to the Fund and provide a public hearing." Attachment 4. In the letter, Chandra again disputes the finding that Gadhia was an agent of IALIF, arguing that he was at most an "independent contractor," or if an agent, acting outside the scope of his agency. *Id.* Chandra also alleges various "procedural failures and factual errors and omissions" stemming from the Commission's alleged failure to follow procedures for complaint-generated matters.

A political committee is an artificial entity, and therefore, it must necessarily act through individuals and agents. A principal who grants an agent express or implied authority is responsible for the agent's acts within the scope of his or her employment. *See Weeks v. United States*, 245 U.S. 618, 623 (1918); *see also Rouse Woodstock, Inc. v. Surety Federal Savings & Loan Ass'n*, 630 F. Supp. 1004, 1010-11 (N.D. Ill. 1986) (principal who places agent in position of authority normally must accept agent's abuse of that authority). When an agent acts within the scope of his authority, a principal cannot escape responsibility on the grounds that he lacked knowledge of the agent's actions, or that the agent's actions were unauthorized, tortious, or even unlawful. 3 Am. Jur. 2d Agency § 280 at 783.<sup>6</sup> As stated in the GC Report and in the Factual and Legal Analysis, the basis for the Commission's determination that Gadhia acted on behalf of the IALIF was that Chandra, in authorizing Gadhia to raise money on behalf of IALIF and

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<sup>6</sup> The Commission has in the past held members of the regulated community liable for the acts of their agents. See MURs 2602 and 3585.

allowing Gadhia to select the campaigns to which the funds would go, essentially turned over the PAC to Gadhia to further the PAC's interest. Though Chandra disagrees that IALIF and Gadhia had similar interests, neither Gadhia nor Chandra dispute Gadhia's fundraising role. Under settled principles of agency law, Gadhia's activities in raising funds for the IALIF were within the scope of his authority as agent for IALIF. Accordingly, there is a solid basis to hold IALIF and Chandra, as treasurer, responsible under the circumstances. At the same time, however, the Commission took into account reasons argued by Chandra in determining not to impute knowing and willful against IALIF and in taking no further action as to these respondents.

Chandra also argues that the Commission did not follow procedures for complaint-generated matters i.e., that he was not notified of the "complaint", was not informed that he and IALIF were respondents, and was not provided an opportunity for input before the Commission made its finding. This misconception on the part of Chandra that this was a "complaint" resulted from the fact that Chandra was inadvertently sent a "Description of Preliminary Procedures For Processing Complaints" with the letter acknowledging receipt of his *sua sponte* submission advising the Commission of possible violations in this matter.

A reason to believe finding is not vacated nor is a matter reopened absent evidence of a substantive or procedural error. No such evidence has been presented here. Accordingly, this Office recommends that the Commission deny IALIF's request to withdraw the reason to believe findings or reopen the matter.<sup>7</sup>

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<sup>7</sup> In the notification to IALIF, this Office will address IALIF's concerns regarding the agency issue and also attempt to correct IALIF's impression that this was a complaint-generated matter, explaining that confusion may have occurred because of instructions which were inadvertently sent with the acknowledgment letter.

**B. Recipient Committees**

In the First General Counsel's Report dated November 5, 1996, this Office informed the Commission that 19 federal political committees had received contributions reimbursed through Gadhia and that 7 committees had voluntarily disgorged to the United States Treasury. The Commission instructed the 12 remaining committees to disgorge the illegal contributions. In the General Counsel's Report dated August 22, 1997, this Office informed the Commission that all the recipient committees that were issued disgorgement letters had responded and that all but two had fully disgorged to the U.S. Treasury (several of the committees had refunded contributions directly to the IALIF and the IALIF in turn had disgorged these contributions to the U.S. Treasury). Of the two remaining recipient committees that had made partial disgorgement, Mathews for Congress has now fully disgorged, (Attachment 5), and Friends of Eric Fingerhut has informed this Office that a check for the remaining balance of \$750 will be sent shortly.

In light of the above disposition of the remaining respondents and issues in MUR 4582, this Office recommends that the Commission close the entire file.

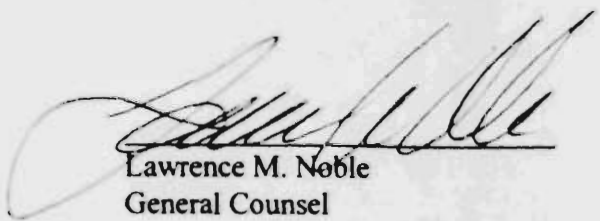
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**III. RECOMMENDATIONS**

1. Find probable cause to believe that Lalit Gadhia knowingly and willfully violated 2 U.S.C. §§ 441e and 441f but take no further action.
2. Take no further action as to Sachinder Gupta.
3. Reject the request from the Indian-American Leadership Investment Fund and Subodh Chandra, as treasurer, to withdraw the reason to believe findings or to reopen the matter.
4. Close the entire file in MUR 4582.
5. Approve the appropriate letters.

Date

3/16/98

  
Lawrence M. Noble  
General Counsel**Attachments**

1. Reply Brief from Lalit Gadhia.
2. Letter from Lauren Willis, dated September 30, 1997
3. Letter from Lauren Willis, dated November 7, 1997.
4. Letters from Subodh Chandra.
5. Disgorgement check.

**Staff Assigned: Dominique Dillenseger**

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 ) MUR 4582  
Lalit Gadhia; )  
Sachinder Gupta )

AMENDED CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on March 20, 1998, the Commission decided by a vote of 4-0 to take the following actions in MUR 4582:

1. Find probable cause to believe that Lalit Gadhia knowingly and willfully violated 2 U.S.C. §§ 441e and 441f, but take no further action.
2. Take no further action as to Sachinder Gupta.
3. Reject the request from the Indian-American Leadership Investment Fund and Subodh Chandra, as treasurer, to withdraw the reason to believe findings or to reopen the matter.
4. Close the entire file in MUR 4582.

(continued)

5. Approve the appropriate letters, as recommended in the General Counsel's March 16, 1998 report.

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

Attest:

4-10-98  
Date

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

93043001405





FEDERAL ELECTION COMMISSION  
Washington, DC 20463

April 21, 1998

Subodh Chandra, Esquire  
2902 Corydon Rd.  
Cleveland Heights, OH 44118-3514

RE: MUR 4582

Dear Mr. Chandra:

On November 12, 1996, the Federal Election Commission ("Commission") found reason to believe that the Indian-American Leadership Investment Fund and you, as treasurer ("IALIF") violated 2 U.S.C. §§ 441e and 441f but took no further action and closed the matter as to the IALIF. The basis for the findings was that the IALIF was responsible for the illegal actions of its agent, Lalit Gadhia.

You subsequently requested that the Commission withdraw the reason to believe findings or reopen the investigation on the basis that the Commission failed to follow notification procedures for complaint-generated matters and that Mr. Gadhia was not an agent of the IALIF. On March 20, 1998, the Commission reviewed your letter and determined not to grant your request to reopen this matter or to vacate the reason to believe findings.

This matter was generated based on your *sua sponte* letter advising the Commission of possible violations of the Federal Election Campaign Act of 1971, as amended, by the IALIF. *Sua sponte* letters are voluntarily submitted by any person or entity under the Commission's jurisdiction. Such letters are not treated as complaints but are considered information ascertained by the Commission in the normal course of carrying out its supervisory responsibilities. The notification procedures for complaint-generated matters at 2 U.S.C. § 437(g)(a)(1) do not apply to *sua sponte* submissions. It also appears that you were inadvertently sent a "Description of Preliminary Procedures For Processing Complaints" with the letter acknowledging receipt of your *sua sponte* submission. This may have created the impression this was a "complaint." We regret the error.

A political committee is an artificial entity, and therefore, it must necessarily act through individuals and agents. A principal who grants an agent express or implied authority is responsible for the agent's acts within the scope of his or her employment. See *Weeks v. United States*, 245 U.S. 618, 623 (1918); see also *Rouse Woodstock, Inc. v. Surety Federal Savings &*

*Loan Ass'n*, 630 F. Supp. 1004, 1010-11 (N.D. Ill. 1986) (principal who places agent in position of authority normally must accept agent's abuse of that authority). When an agent acts within the scope of his authority, a principal cannot escape responsibility on the grounds that he lacked knowledge of the agent's actions, or that the agent's actions were unauthorized, tortious, or even unlawful. 3 Am. Jur. 2d Agency § 280 at 783. In authorizing Mr. Gadhia to raise money on behalf of the IALIF and to select the campaigns to which the funds would go, you essentially turned over the IALIF to Mr. Gadhia to further IALIF's interest. Though you disagree that IALIF and Mr. Gadhia had similar interests, neither you nor Mr. Gadhia dispute Mr. Gadhia's fundraising role. Under settled principles of agency law, Mr. Gadhia's activities in raising funds for the IALIF and directing IALIF's contributions to federal candidates were within the scope of his authority as agent for the IALIF. Accordingly, there was a solid basis to hold the IALIF responsible under the circumstances. At the same time, however, the Commission took into account your prompt reporting of the violations, your formal request for advice, and cooperation with the Department of Justice investigation in determining not to also impute knowing and willful intent against the IALIF and in taking no further action.

Reason to believe is only a preliminary finding and is a statutory prerequisite to an investigation to ascertain whether there is probable cause to believe a violation has occurred. Thus, a finding of reason to believe does not constitute a determination by the Commission that a violation has occurred. A reason to believe finding is not vacated nor is a matter reopened absent evidence of a substantive or procedural error. No such evidence has been presented here. In light of its decision to take no further action and close the matter, the Commission has issued no formal finding, binding or otherwise, that there was probable cause to believe the IALIF violated the Federal Election Campaign Act of 1971, as amended.

This is also to advise you that this matter is now closed. 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. The Commission will put your October 28, 1997, letter on the public record in this matter. If you wish to submit any additional 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.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

*Dominique Dillenseger*

Dominique Dillenseger  
Attorney



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

April 21, 1998

Hemanta Kole  
16 Chesthill Court  
Baltimore, MD 21236

RE: MUR 4582

Dear Ms. Kole:

This is to advise you that this matter is now closed. 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.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

*Dominique Dillenseger F.E.C.*

Dominique Dillenseger  
Attorney



FEDERAL ELECTION COMMISSION

Washington, DC 20463

April 21, 1998

Sanjay Kumar  
823 N. Charles Street  
Baltimore, MD 21218

RE: MUR 4582

Dear Mr. Kumar:

This is to advise you that this matter is now closed. 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.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

*Dominique Dillenseger / F.E.C.*

Dominique Dillenseger  
Attorney



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

April 21, 1998

Ashok Kumta  
9 White Wood Court  
Baltimore, MD 21236

RE: MUR 4582

Dear Mr. Kumta:

This is to advise you that this matter is now closed. 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.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

*Dominique Dillenseger/T.C.C.*

Dominique Dillenseger  
Attorney





FEDERAL ELECTION COMMISSION  
Washington, DC 20463

April 21, 1998

Vikram Gowda  
12210 Cleghorne Road  
Cockeysville, MD 21030

RE: MUR 4582

Dear Mr. Gowda:

This is to advise you that this matter is now closed. 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.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

*Dominique Dillenseger/T.C.C.*

Dominique Dillenseger  
Attorney

90043001491





FEDERAL ELECTION COMMISSION  
Washington, DC 20463

April 21, 1998

Sonne Gowda  
12210 Cleghorne Road  
Cockeysville, MD 21030

RE: MUR 4582

Dear Mr. Gowda:

This is to advise you that this matter is now closed. 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.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

*Dominique Dillenseger F.E.C.*

Dominique Dillenseger  
Attorney

9804301492



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

April 21, 1998

Parvani Gadhia  
57 Spring Time Way  
Baltimore, MD 21234

RE: MUR 4582

Dear Ms. Gadhia:

This is to advise you that this matter is now closed. 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.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

*Dominique Dillenseger f.e.c.*

Dominique Dillenseger  
Attorney

90040001490



FEDERAL ELECTION COMMISSION

Washington, DC 20463

April 21, 1998

Anu Gadhia  
349-3B Homeland Southway  
Baltimore, MD 21212

RE: MUR 4582

Dear Ms. Gadhia:

This is to advise you that this matter is now closed. 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.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

*Dominique Dillenseger/T.C.C.*

Dominique Dillenseger  
Attorney



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

April 21, 1998

Anita L. Gadhia  
3700 N. Charles Street, NW  
Apt. 310  
Baltimore, MD 21218

RE: MUR 4582

Dear Ms. Gadhia:

This is to advise you that this matter is now closed. 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.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

*Dominique Dillenseger F.E.C.*

Dominique Dillenseger  
Attorney

93043001495



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

April 21, 1998

Ashok Dhawan  
7118 Upper Mills Circle  
Baltimore, MD 21228-2415

RE: MUR 4582

Dear Mr. Dhawan:

This is to advise you that this matter is now closed. 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.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

*Dominique Dillenseger/T.C.C.*

Dominique Dillenseger  
Attorney



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

April 21, 1998

Tanzania M. Cooper  
4408 Franconia Drive, Apt. #1  
Baltimore, MD 21206

RE: MUR 4582

Dear Ms. Cooper:

This is to advise you that this matter is now closed. 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.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

A handwritten signature in cursive script, reading "Dominique Dillenseger".

Dominique Dillenseger  
Attorney





FEDERAL ELECTION COMMISSION  
Washington, DC 20463

April 21, 1998

Arun Bedi  
10 Cinnamon Cr, #1D  
Randallstown, MD 21133

RE: MUR 4582

Dear Mr. Bedi:

This is to advise you that this matter is now closed. 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.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

*Dominique Dillenseger/T.E.C.*

Dominique Dillenseger  
Attorney



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

April 21, 1998

Hardeep Singh  
3541 Brenbrook Drive  
Randallstown, MD 21133

RE: MUR 4582

Dear Mr. Singh:

This is to advise you that this matter is now closed. 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.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

A handwritten signature in cursive script that reads "Dominique Dillenseger F.E.C." is written above the typed name.

Dominique Dillenseger  
Attorney



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

April 21, 1998

Harbhajan Singh  
3541 Brenbrook Drive  
Randallstown, MD 21133

RE: MUR 4582

Dear Mr. Singh:

This is to advise you that this matter is now closed. 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.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

*Dominique Dillenseger / F.E.C.*

Dominique Dillenseger  
Attorney



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

April 21, 1998

Zubair M. Siddiqi  
4 Philadelphia Court  
Baltimore, MD 21237-4600

RE: MUR 4582

Dear Mr. Siddiqi:

This is to advise you that this matter is now closed. 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.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

*Dominique Dillenseger F.C.C.*

Dominique Dillenseger  
Attorney

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FEDERAL ELECTION COMMISSION  
Washington, DC 20463

April 21, 1998

Rayjendra K. Sharma  
A/4-6 Joppawood Court  
Baltimore, MD 21236

RE: MUR 4582

Dear Mr. Sharma:

This is to advise you that this matter is now closed. 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.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

*Dominique Dillenseger / f.e.c.*

Dominique Dillenseger  
Attorney

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FEDERAL ELECTION COMMISSION  
Washington, DC 20463

April 21, 1998

Anne T. Mileham  
2912 N. Calvert Street  
Baltimore, MD 21218

RE: MUR 4582

Dear Ms. Mileham:

This is to advise you that this matter is now closed. 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.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

*Dominique Dillenseger/r.c.c.*

Dominique Dillenseger  
Attorney

9604300150





FEDERAL ELECTION COMMISSION  
Washington, DC 20463

April 21, 1998

Preeti Bahl  
2 Apple Grove Ct.  
Baltimore, MD 21228

RE: MUR 4582

Dear Ms. Bahl:

This is to advise you that this matter is now closed. 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.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

*Dominique Dillenseger*

Dominique Dillenseger  
Attorney



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

April 21, 1998

Ashok Sahni  
33526 Carriage Hill Circle #101  
Randallstown, MD 21133

RE: MUR 4582

Dear Mr. Sahni:

This is to advise you that this matter is now closed. 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.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

*Dominique Dillenseger / F.E.C.*

Dominique Dillenseger  
Attorney



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

April 21, 1998

Sivasubramanian Baskar  
3528 Lowlen Court  
Ellicott City, MD 21042

RE: MUR 4582

Dear Mr. Baskar:

This is to advise you that this matter is now closed. 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.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

*Dominique Dillenseger* / F.E.C.

Dominique Dillenseger  
Attorney



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

April 21, 1998

Kishor S. Mehta  
5 Granby Court  
Darwood, MD 20855-1406

RE: MUR 4582

Dear Mr. Mehta:

This is to advise you that this matter is now closed. 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.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

*Dominique Dillenseger* /f.c.c.

Dominique Dillenseger  
Attorney



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

April 21, 1998

Mirdula K. Mehta  
5 Granby Court  
Darwood, MD 20855-1406

RE: MUR 4582

Dear Ms. Mehta:

This is to advise you that this matter is now closed. 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.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

*Dominique Dillenseger / F.E.C.*

Dominique Dillenseger  
Attorney



FEDERAL ELECTION COMMISSION

Washington, DC 20463

April 21, 1998

Jay V. Mangalvedhe  
6500 Loch Hill Road  
Baltimore, MD 21239

RE: MUR 4582

Dear Mr. Managalvedhe:

This is to advise you that this matter is now closed. 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.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

*Dominique Dillenseger F.E.C.*

Dominique Dillenseger  
Attorney





FEDERAL ELECTION COMMISSION  
Washington, DC 20463

April 21, 1998

George Roy Paniker  
3101 Guilford Avenue  
Baltimore, MD 21218

RE: MUR 4582

Dear Mr. Paniker:

This is to advise you that this matter is now closed. 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.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

A handwritten signature in cursive script that reads "Dominique Dillenseger / F.E.C." is written over the typed name.

Dominique Dillenseger  
Attorney



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

April 21, 1998

Sivasubramanian Baskar  
3528 Lowlen Court  
Ellicott City, MD 21042

RE: MUR 4582

Dear Mr. Baskar:

This is to advise you that this matter is now closed. 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.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

*Dominique Dillenseger/F.E.C.*

Dominique Dillenseger  
Attorney



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

April 21, 1998

Janet K. Managalvedhe  
6500 Loch Hill Road  
Baltimore, MD 21239

RE: MUR 4582

Dear Mrs. Managalvedhe:

This is to advise you that this matter is now closed. 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.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

*Dominique Dillenseger /f.c.*

Dominique Dillenseger  
Attorney



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

April 21, 1998

Mark B. Martin, Esq.  
The Fidelity Bldg., #1301  
210 N Charles Street  
Baltimore, MD 21201-4015

RE: MUR 4582  
Indra Seunarine

Dear Mr. Martin:

This is to advise you that this matter is now closed. 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.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

*Dominique Dillenseger F.E.C.*

Dominique Dillenseger  
Attorney



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

April 21, 1998

David B. Irwin, Esquire  
Irwin Green & Dexter, L.L.P.  
Suite 520, B & O Building  
2 North Charles Street  
Baltimore, Maryland 21201-3754

RE: MUR 4582  
Uday Gadhia

Dear Mr. Irwin:

This is to advise you that this matter is now closed. 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.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

*Dominique Dillenseger*

Dominique Dillenseger  
Attorney



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

April 21, 1998

Kathleen C. Stone  
2236 Foxbane Square  
Baltimore, MD 21209

RE: MUR 4582

Dear Ms. Stone:

This is to advise you that this matter is now closed. 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.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

*Dominique Dillenseger / F.E.C.*

Dominique Dillenseger  
Attorney





FEDERAL ELECTION COMMISSION  
Washington, DC 20463

April 21, 1998

M. Surendra  
7481 Hickory Log Circle  
Columbia, MD 21045

RE: MUR 4582

Dear Mr. Surendra:

This is to advise you that this matter is now closed. 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.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

*Dominique Dillenseger/t.c.c.*

Dominique Dillenseger  
Attorney



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

April 21, 1998

Shyam Parkash  
12 Eastbend Court  
Baltimore, MD 21244-2301

RE: MUR 4582

Dear Mr. Parkash:

This is to advise you that this matter is now closed. 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.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

*Dominique Dillenseger/f.e.c.*

Dominique Dillenseger  
Attorney

9 8 0 4 3 0 0 1 5 1 7



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

April 21, 1998

Usha Naik  
8422 Ashford Blvd.  
Laurel, MD 20707

RE: MUR 4582

Dear Mr. Naik:

This is to advise you that this matter is now closed. 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.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

*Dominique Dillenseger/F.E.C.*

Dominique Dillenseger  
Attorney



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

April 21, 1998

William Bauer, III, Esq.  
The Shell Bldg.  
Suite 105  
200 E. Joppa Road  
Towson, MD 21286

RE: MUR 4582  
Rosemary Osborne

Dear Mr. Bauer:

This is to advise you that this matter is now closed. 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.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

*Dominique Dillenseger*

Dominique Dillenseger  
Attorney



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

April 21, 1998

Tejpal S. Rehncy  
10123 Fountaine Drive  
Baltimore, MD 21234

RE: MUR 4582

Dear Mr. Rehncy:

This is to advise you that this matter is now closed. 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.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

*Dominique Dillenseger F.E.C.*

Dominique Dillenseger  
Attorney



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

April 21, 1998

T.P. Reddy  
3541 Brenbrook Drive  
Randallstown, MD 2133

RE: MUR 4582

Dear Mr. Reddy:

This is to advise you that this matter is now closed. 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.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

A handwritten signature in dark ink, reading "Dominique Dillenseger/F.E.C.", is written over the typed name.

Dominique Dillenseger  
Attorney

9 0 0 4 3 0 0 1 5 2 1





FEDERAL ELECTION COMMISSION  
Washington, DC 20463

April 21, 1998

Mirmala Ramamurthy  
3 Hunters Court  
Timonium, MD 21093

RE: MUR 4582

Dear Mrs. Ramamurthy:

This is to advise you that this matter is now closed. 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.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

*Dominique Dillenseger F.E.C.*

Dominique Dillenseger  
Attorney

93043081522



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

April 21, 1998

Venkatachalam Ramakrishnan  
4529 Turkey Farm Place  
Ellicott City, MD 21043

RE: MUR 4582

Dear Mr. Ramakrishnan:

This is to advise you that this matter is now closed. 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.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

*Dominique Dillenseger/T.C.C.*

Dominique Dillenseger  
Attorney

98043001523



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

April 21, 1998

Pradeep J. Perera  
1806 Bronzegate Boulevard  
Silver Spring, MD 20904

RE: MUR 4582

Dear Mr. Perera:

This is to advise you that this matter is now closed. 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.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

*Dominique Dillenseger/f.c.c.*

Dominique Dillenseger  
Attorney



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

April 21, 1998

Tara C. Pathak  
6 East Read Street, #301  
Baltimore, MD 21202

RE: MUR 4582

Dear Mr. Pathak:

This is to advise you that this matter is now closed. 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.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

*Dominique Dillenseger F.E.C.*

Dominique Dillenseger  
Attorney



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

April 21, 1998

Jyoti Kumta  
9 White Wood Court  
Baltimore, MD 21236

RE: MUR 4582

Dear Ms. Kumta:

This is to advise you that this matter is now closed. 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.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

*Dominique Dillenseger F.E.C.*

Dominique Dillenseger  
Attorney

98043001520



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

April 21, 1998

Brett G. Kappel, Esq.  
Powell, Goldstein, Frazer & Murphy  
1001 Pennsylvania Ave, N.W.  
Washington, D.C. 20004

RE: MUR 4582  
Sudhir Trivedi

Dear Mr. Kappel:

This is to advise you that this matter is now closed. 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.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

*Dominique Dillenseger/F.E.C.*

Dominique Dillenseger  
Attorney

200043001521





FEDERAL ELECTION COMMISSION  
Washington, DC 20463

April 21, 1998

Brett G. Kappel, Esq.  
Powell, Goldstein, Frazer & Murphy  
1001 Pennsylvania Ave, N.W.  
Washington, D.C. 20004

RE: MUR 4582  
Aruna Trivedi

Dear Mr. Kappel:

This is to advise you that this matter is now closed. 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.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

*Dominique Dillenseger/F.E.C.*

Dominique Dillenseger  
Attorney

98043081520



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

April 21, 1998

Thomas L. Crowe, Esquire  
Monshower & Miller, LLP  
10440 Little Paxtuxent Parkway  
30 Corporate Center, Suite 500  
Columbia, MD 21044-3561

RE: MUR 4582  
Dr. S.V. Ramamurthy

Dear Mr. Crowe:

This is to advise you that this matter is now closed. 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.

We also acknowledge receipt of the civil penalty check for \$3,500 submitted by your client, Dr. S. V. Ramamurthy, in settlement of this matter

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

A handwritten signature in cursive script that reads "Dominique Dillenseger".

Dominique Dillenseger  
Attorney



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

April 21, 1998

Stuart R. Berger, Esquire  
Weinberg & Green LLC  
100 South Charles Street  
Baltimore, MD 21201-2773

RE: MUR 4582  
Satish Bahl

Dear Mr. Berger:

This is to advise you that this matter is now closed. 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.

We also acknowledge receipt of two checks totaling \$2,167 submitted by your client Satish Bahl, representing two of the three monthly installment payments on the \$3,250.00 civil penalty amount.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

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

Dominique Dillensieger  
Attorney



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

April 21, 1998

Stuart R. Berger, Esquire  
Weinberg & Green LLC  
100 South Charles Street  
Baltimore, MD 21201-2773

RE: MUR 4582  
Vinay Wahi

Dear Mr. Berger:

This is to advise you that this matter is now closed. 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.

We also acknowledge receipt of two checks totaling \$5,835 submitted by your client Vinay Wahi, representing two of the three monthly installment payments on the \$8,750.00 civil penalty amount.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

A handwritten signature in cursive script, reading "Dominique Dillenseger", is written over a horizontal line.

Dominique Dillenseger  
Attorney



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

April 21, 1998

Gerard P. Martin, Esquire  
Martin, Junghans, Snyder & Bernstein, P.A.  
Redwood Tower, Suite 2000  
217 East Redwood Street  
Baltimore, Maryland 21202

RE: MUR 4582  
Sachinder Gupta

Dear Mr. Martin:

On November 25, 1996, your client, Sachinder Gupta, was notified that the Federal Election Commission found reason to believe that he knowingly and willfully violated 2 U.S.C. § 441f. On December 9, 1996, you submitted a response to the Commission's reason to believe findings. The Commission subsequently investigated this matter and obtained copies of financial records from your client. After considering the circumstances of the matter, the Commission determined on March 20, 1998, to take no further action against your client, and closed the file in this matter.

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.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

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

Dominique Dillenseger  
Attorney





FEDERAL ELECTION COMMISSION  
Washington, DC 20463

April 21, 1998

Lauren E. Willis, Esquire  
Brown, Goldstein & Levy, LLP  
300 Maryland Bar Center  
520 West Fayette Street  
Baltimore, Maryland 21201

RE: MUR 4582  
Lalit Gadhia

Dear Ms. Willis:

This is to advise you that on March 20, 1998, the Federal Election Commission found probable cause to believe that your client, Lalit Gadhia, knowingly and willfully violated 2 U.S.C. §§ 441e and 441f, provisions of the Federal Election Campaign Act of 1971, as amended. After considering the circumstances of this matter, however, the Commission also determined to take no further action against your client, and closed its file in this matter.

The Commission reminds your client that soliciting and reimbursing straw donors for contributions using cash obtained from a foreign national is a violation of 2 U.S.C. §§ 441f and 441e. Your client should take steps to ensure that this activity does not occur in the future.

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.

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 694-1650.

Sincerely,

A handwritten signature in dark ink, appearing to read "Lawrence M. Noble", is written over the word "Sincerely,".

Lawrence M. Noble  
General Counsel





FEDERAL ELECTION COMMISSION  
Washington, DC 20463

April 21, 1998

Lynne A Battaglia  
United States Attorney  
6625 United States Courthouse  
101 West Lombard Street  
Baltimore, MD 21201-2692

RE MUR 4582  
Lalit H. Gadhia et. al

Dear Ms Battaglia:

This is in reference to the matter involving Lalit H. Gadhia, which your office referred to the Federal Election Commission.

On November 12, 1996, the Commission found that there was reason to believe that Lalit Gadhia knowingly and willfully violated 2 U.S.C. §§ 441e and 441f, provisions of the Federal Election Campaign Act of 1971, as amended. After conducting an investigation into this matter, the Commission on March 20, 1998, found that there was probable cause to believe that Mr. Gadhia knowingly and willfully violated 2 U.S.C. §§ 441e and 441f, but under the circumstances of this matter, determined to take no further action.

The Commission also found reason to believe that Vinay Wahi, Satish Bahl, and Dr. S.V. Ramamurthy, each knowingly and willfully violated 2 U.S.C. § 441f by permitting their names to be used to make contributions and by assisting Lalit Gadhia by soliciting other individuals to be conduits. The Commission entered into conciliation with Messrs. Wahi, Bahl, and Ramamurthy. Copies of these agreements are enclosed for your information.

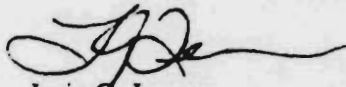
Finally, the Commission found reason to believe that the Indian-American Leadership Investment Fund and its treasurer Subodh Chandra violated 2 U.S.C. §§ 441e and 441f, and that numerous other individuals violated 2 U.S.C. § 441f by either soliciting others to be conduits and/or by permitting their names to be used to make reimbursed contributions. The Commission determined to take no further action as to these respondents. On March 20, 1998, the Commission determined to close the matter as to all respondents in MUR 4582.

Lynne A. Battaglia, United States Attorney  
Page 2

We appreciate your cooperation in helping the Commission meet its enforcement responsibilities under the Federal Election Campaign Act of 1971, as amended. If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 694-1650.

Sincerely,

Lawrence M. Noble  
General Counsel



BY Lois G. Lerner  
Associate General Counsel

Enclosures

Conciliation Agreements (Wahi, Bahl, and Ramamurthy)

980043001535

**MONSHOWER & MILLER, LLP**  
ATTORNEYS AT LAW

10440 LITTLE PATUXENT PARKWAY  
30 CORPORATE CENTER, SUITE 500  
COLUMBIA, MD 21044-3561

ALVIN C. MONSHOWER, JR.  
RICHARD L. MILLER  
GERARD G. MAGROGAN

TEL 410-730-4860  
FAX 410-730-1093

March 4, 1998

RECEIVED  
FEDERAL ELECTION  
COMMISSION MAIL ROOM

MAR 9 11 05 AM '98

OF COUNSEL  
THOMAS L. CROWE

MAR 10 10 24 AM '98

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Dominique Dillenseger, Esquire  
Federal Election Commission  
Washington, D.C. 20634

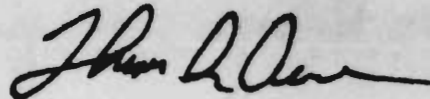
Re: MUR 4582  
Dr. S.V. Ramamurthy, Respondent  
Our File No.: 1902.001

Dear Ms. Dillenseger:

Enclosed please find Dr. Ramamurthy's check in the amount of Three Thousand, Five Hundred Dollars (\$3,500.00) in settlement of the above matter.

Please contact me if your have any questions.

Very truly yours,



Thomas L. Crowe

TLC/djh  
Enclosure  
cc: Dr. Ramamurthy

S.V. RAMAMURTHY DDS

3 HUNTERS COURT  
TIMONIUM, MARYLAND 21093

MEMO

NATIONSBANK  
NATIONSBANK N.A.  
MARYLAND

7669

7-163/520

PAY

Three thousand five hundred  $\frac{00}{100}$

DOLLARS

CHECK  
AMOUNT

| DATE   | TO THE ORDER OF                           | IN PAYMENT OF THE FOLLOWING | CHECK NO | CHECK AMOUNT |
|--------|---|-----------------------------|----------|--------------|
| 3/3/97 | Federal Election Commission<br>'MUR 4582' |                             | 7669     | \$ 3500.00   |

AUTHORIZED SIGNATURE

THIS CHECK HAS MULTIPLE SECURITY FEATURES. SEE REVERSE SIDE FOR SPECIFICS. THIS CHECK HAS MULTIPLE SECURITY FEATURES. SEE REVERSE SIDE FOR SPECIFICS.



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20461

FILE  
MAY 10 1998

March 09, 1998

**TWO WAY MEMORANDUM**

TO: OGC Docket

FROM: Rosa E. Swinton  
Accounting Technician

SUBJECT: Account Determination for Funds Received

We recently received a check from **Dr. Ramamurthy, Respondent**, check number **7669**, dated **March 03, 1998**, for the amount of **\$3,500.00**. A copy of the check and any correspondence is being forwarded. Please indicate below which account the funds should be deposited and give the MUR/Case number and name associated with the deposit.

=====

TO: Rosa E. Swinton *RS*                      Leslie D. Brown  
Accounting Technician                      Disbursing Technician

FROM: OGC Docket

SUBJECT: Disposition of Funds Received

In reference to the above check in the amount of \$ 3500.00, the MUR/Case number is 4582 and in the name of Dr. Ramamurthy. Place this deposit in the account indicated below:

- ☐ Budget Clearing Account (OGC), 95F3875.16
- ☒ Civil Penalties Account, 95-1099.160
- ☐ Other: \_\_\_\_\_

Frankie Hampton  
Signature

March 10, 1998  
Date

# WEINBERG & GREEN LLC

ATTORNEYS AT LAW

100 SOUTH CHARLES STREET  
BALTIMORE, MARYLAND 21201-2773

410/332 8600

STUART R. BERGER  
410/332 8662  
FACSIMILE 410/332 8663  
BERGER@W&G@MCMAIL.COM

FILE NUMBER  
43924.1

March 4, 1998

## VIA FEDERAL EXPRESS

Dominique Dillenseger, Esquire  
Federal Election Commission  
999 E. Street, N.W.  
Washington, D.C. 20463

RE: Satish Bahl and Vinay Wahi  
MUR 4582

Dear Ms. Dillenseger:

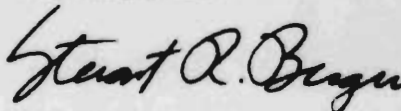
Pursuant to the terms of the fully executed Conciliation Agreement in connection with the above-captioned matter, I am providing you with the first of three installment payments. Accordingly, please accept the following checks:

- (1) Check No. 128 from Satish Bahl in the amount of \$1,084.00;
- (2) Check No. 878 from Vinay K. Wahi in the amount of \$2,918.00.

Per your direction, I have instructed Messrs. Wahi and Bahl to make the checks payable to the Federal Election Commission. In addition, in the memo portion of each check, Messrs. Wahi and Bahl have provided the following identification: "MUR 4582."

If you have any further questions, please do not hesitate to contact me.

Very truly yours,



Stuart R. Berger

171446:DS12:30ae\_1/0366/slm

Enclosures

cc: Mr. Satish Bahl  
Mr. Vinay Wahi





FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

file

MAR 9 3 45 PM '98

March 09, 1998

**TWO WAY MEMORANDUM**

TO: OGC Docket

FROM: Rosa E. Swinton *RS*  
Accounting Technician

SUBJECT: Account Determination for Funds Received

We recently received a check from **Vinay K. Wahi**, check number **878**, dated **March 04, 1998**, for the amount of **2,918.00**. A copy of the check and any correspondence is being forwarded. Please indicate below which account the funds should be deposited and give the MUR/Case number and name associated with the deposit.

=====

TO: Rosa E. Swinton                      Leslie D. Brown  
Accounting Technician                  Disbursing Technician

FROM: OGC Docket

SUBJECT: Disposition of Funds Received

In reference to the above check in the amount of \$2,918.00, the MUR/Case number is 4582 and in the name of VINAY K. WAHI. Place this deposit in the account indicated below:

- ☒ Budget Clearing Account (OGC), 95F3875.16
- ☐ Civil Penalties Account, 95-1099.160
- ☐ Other: \_\_\_\_\_

Frankie Hampton  
Signature

March 10, 1998  
Date

SATISH BAHU  
2 APPLE GROVE COURT  
BALTIMORE, MD 21228



Resource Management Account

128

(25 MAR 1998)

3/4/ 1998

FEDERAL ELECTION COMMISSION

\$ 1084

ONE THOUSAND EIGHTY FOUR AND 1/100

EXR 1/100

PaineWebber

ABCDEFGHIJKLMNPRSTUVWYZ

BANK ONE

MUR 4582

S.C. Dow



VINAY K. WAHI  
SUNITA WAHI

7-7120  
2520  
895/8125

.878

3/4 1998

Pay to the  
order of

FEDERAL ELECTION COMMISSION \$ 2918 1/100

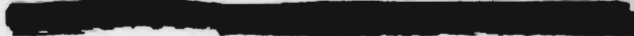
Only Two thousand nine hundred eighteen and 1/100 Dollars

CRESTAR

Crestar Bank  
Baltimore, Maryland

MUR 4582

Vinay K. Wahi



90043001541



FEDERAL ELECTION COMMISSION  
WASHINGTON, DC 20461

Mar 9 1998

March 09, 1998

**TWO WAY MEMORANDUM**

TO: OGC Docket

FROM: Rosa E. Swinton *RES*  
Accounting Technician

SUBJECT: Account Determination for Funds Received

We recently received a check from **Satish Bahl**, check number **128**, dated **March 04, 1998**, for the amount of **1,084.00**. A copy of the check and any correspondence is being forwarded. Please indicate below which account the funds should be deposited and give the MUR/Case number and name associated with the deposit.

=====

TO: Rosa E. Swinton                      Leslie D. Brown  
Accounting Technician                  Disbursing Technician

FROM: OGC Docket

SUBJECT: Disposition of Funds Received

In reference to the above check in the amount of \$1,084.00, the MUR/Case number is 4582 and in the name of Satish Bahl. Place this deposit in the account indicated below:

- ☒ Budget Clearing Account (OGC), 95F3875.16
- ☐ Civil Penalties Account, 95-1099.160
- ☐ Other: \_\_\_\_\_

Frankie Hampton  
Signature

March 10, 1998  
Date

WEINBERG & GREEN LLC

ATTORNEYS AT LAW

100 SOUTH CHARLES STREET  
BALTIMORE, MARYLAND 21201-2773

410/332 8600

STUART R. BERGER  
410/332 8600  
FACSIMILE 410/332 8603  
srberger@wglaw.com

FILE NUMBER  
439241

April 30, 1998

**VIA FEDERAL EXPRESS**

Dominique Dillenseger, Esquire  
Federal Election Commission  
999 E. Street, N.W.  
Washington, D.C. 20463

RE: Satish Bahl and Vinay Wahi  
MUR 4582

Dear Ms. Dillenseger:

Pursuant to the terms of the Conciliation Agreement in connection with the above-captioned matter, I am providing you with the third of the three agreed-upon installment payments. Accordingly, please accept the following checks:

- (1) Check number 136 from Satish Bahl in the amount of \$1,083.00;
- (2) Check number 906 from Vinay Wahi in the amount of \$2,916.00.

Per your direction, I have instructed Messrs. Bahl and Wahi to make the checks payable to the Federal Election Commission. In addition, in the memo portion of each check Messrs. Bahl and Wahi provided the following identification: "MUR 4582."

I trust this completes this matter. If you have any questions or comments, please do not hesitate to contact me.

Very truly yours,

*Stuart R. Berger*

Stuart R. Berger

174356:OS12:3qj8\_1/0366/mlm

Enclosures

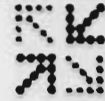
cc: Mr. Satish Bahl  
Mr. Vinay Wahi

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
ACCOUNTING OFFICE  
Apr 31 3 58 PM '98

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF THE CLERK

MAY 4 10 49 AM '98

SATISH BAHL  
2 APPLGROVE COURT  
BALTIMORE, MD 21228



Resource Management Account

136

25 80 44

4/28/ 10 98

FEDERAL ELECTION COMMISSION

\$ 1083

Pay to the order of

ONE THOUSAND EIGHTY THREE AND 7/10

DEALERS

PaineWebber

ABCDEFGHIJKLMNPQRST UVWYZ

BANK ONE

MUR 4582

J. C. Dine

[Redacted line]

VINAY K. WAHI  
SUNITA WAHI

7-7120  
2520  
89508125

906

4/28 10 98

Pay to the  
order of

FEDERAL ELECTION COMMISSION \$ 2916 <sup>00</sup>/<sub>100</sub>

Only Two thousand nine hundred Ninety Six and 00/100 Dollars

CRESTAR

Greeter Bank  
Baltimore, Maryland

MUR 4582

Vinay K. Wahi

[Redacted line]

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



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

MAY 4 10 42 AM '98

May 5, 1998

FILED

**TWO WAY MEMORANDUM**

TO: OGC Docket  
FROM: Rosa E. Swinton *RES*  
Accounting Technician  
SUBJECT: Account Determination for Funds Received

We recently received a check from **Satish Bahl and Vinay Wahi**, check number **136**, dated **April 28, 1998**, for the amount of **1,083.00**. A copy of the check and any correspondence is being forwarded. Please indicate below which account the funds should be deposited and give the MUR/Case number and name associated with the deposit.

=====

TO: Rosa E. Swinton                      Leslie D. Brown  
Accounting Technician                  Disbursing Technician

FROM: OGC Docket

SUBJECT: Disposition of Funds Received

In reference to the above check in the amount of \$ 1083.00, the MUR/Case number is 4582 and in the name of Satish Bahl. Place this deposit in the account indicated below:

- ☐ Budget Clearing Account (OGC), 95F3875.16  
☒ Civil Penalties Account, 95-1099.160  
☐ Other: \_\_\_\_\_

*Jim A. Henneman*  
Signature

5-4-98  
Date

98043001545





FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

May 5, 1998

**TWO WAY MEMORANDUM**

TO: OGC Docket

FROM: Rosa E. Swinton *RES*  
Accounting Technician

SUBJECT: Account Determination for Funds Received

We recently received a check from **Satish Bahl and Vinay Wahi**, check number **4582**, dated **April 28, 1998**, for the amount of , **2916.00**. A copy of the check and any correspondence is being forwarded. Please indicate below which account the funds should be deposited and give the MUR/Case number and name associated with the deposit.

=====

TO: Rosa E. Swinton  
Accounting Technician

FROM: OGC Docket

SUBJECT: Disposition of Funds Received

In reference to the above check in the amount of \$ 2916.00, the MUR/Case number is 4582 and in the name of Vinay Wahi. Place this deposit in the account indicated below:

- ☐ Budget Clearing Account (OGC), 95F3875.16
- ☒ Civil Penalties Account, 95-1099.160
- ☐ Other: \_\_\_\_\_

*Kim A. Stevenson*  
\_\_\_\_\_  
Signature

5-4-98  
\_\_\_\_\_  
Date

98043001546



pje

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C O N F I D E N T I A L  
UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ELECTION COMMISSION

-----X  
: In the Matter of:  
:

MUR 4582  
:  
-----X

Baltimore, Maryland

Thursday, January 2, 1997

9 8 0 4 0 6 1 5 4 8  
The deposition of LALIT H. GADHIA, called for examination by counsel for the Federal Election Commission in the above-entitled matter, pursuant to Notice, in the offices of the United States Attorney, 101 W. Lombard Street, 2nd Floor Conference Room, Baltimore, Maryland, convened at 10:35 a.m., before Paula J. Eastes, a notary public in and for the State of Maryland, when were present on behalf of the parties:

APPEARANCES:

On behalf of the Federal Election Commission:

DOMINIQUE DILLENSEGER, ESQ.  
JONATHAN A. BERNSTEIN, ESQ.  
Federal Election Commission  
Office of the General Counsel  
999 E Street, N.W.  
Washington, D.C. 20463  
(202) 219-3690

On behalf of LALIT H. GADHIA:

LAUREN E. WILLIS, ESQ.  
Brown, Goldstein & Levy, LLP  
Suite 300  
Maryland Bar Center  
520 W. Fayette Street  
Baltimore, Maryland 21201  
(410) 962-1030

# C O N T E N T S

WITNESS EXAMINATION BY COUNSEL FOR  
FEDERAL ELECTION COMMISSION

LALIT H. GADHIA

By Ms. Dillenseger

Page 5

# E X H I B I T S

| FEC EXHIBITS       | FOR IDENTIFICATION |
|--------------------|--------------------|
| Exhibit No. 1..... | 167                |
| Exhibit No. 2..... | 183                |
| Exhibit No. 3..... | 200                |
| Exhibit No. 4..... | 218                |
| Exhibit No. 5..... | 224                |

550  
550  
1  
550  
430  
980  
430

## P R O C E E D I N G S

Whereupon,

LALIT H. GADHIA

was called for examination by counsel for the Federal Election Commission and, having been first duly sworn by the notary public, was examined and testified as follows:

MS. DILLENSEGER: This deposition is being taken pursuant to a Federal Election Commission subpoena issued in connection with an investigation under Section 437(g) of Title 2 of the United States Code. The statute provides that the confidentiality of this investigation must be maintained until the Commission closes its file. The Commission has civil jurisdiction over the Federal Election Campaign Act of 1971, as amended.

This investigation is designated as Matter Under Review No. 4582.

My name is Dominique Dillenseger. I am an attorney with the Office of the General Counsel. I am here today on behalf of the Federal Election Commission, along with Jonathan Bernstein,



1 Assistant General Counsel.

2 EXAMINATION BY COUNSEL FOR THE  
3 FEDERAL ELECTION COMMISSION  
4 BY MS. DILLENSEGER:

5 Q. I will be asking you a series of  
6 questions. These questions will not necessarily be  
7 limited to your involvement, but will also include  
8 requests for information regarding other persons.  
9 If I ask a question and you don't understand it,  
10 please let me know and I will rephrase it. If you  
11 don't hear the question, let me know and I will  
12 repeat it.

13 A. I hope they will be limited to my  
14 knowledge.

15 Q. If you realize at any point that you have  
16 made a response that is incomplete or inaccurate,  
17 please let me know and I will give you an  
18 opportunity to modify your response.

19 Please be mindful that the Court Reporter  
20 can only take down words. Therefore, please  
21 respond verbally, as opposed to nodding your head  
22 or making gestures.

pje

6

1 If you are in need of a break for any  
2 reason, let me know and we will take a short recess  
3 after I finish my line of questioning.

4 Do you understand everything thus far?

5 A. So far. Yes.

6 Q. We just have some initial background  
7 questions.

8 Please state and spell your full name for  
9 the record.

10 A. First name is spell L-A-L-I-T. Middle  
11 initial H. Last name is spelled G-A-D-H-I-A.

12 Q. Where do you maintain a home address?

13 A. 3700 North Charles Street, Apartment 310,  
14 Baltimore, Maryland 21218.

15 Q. What is your telephone number and area  
16 code at that location?

17 A.

18 Q. Are you currently incarcerated at the  
19 Volunteers of America Comprehensive Sanctions  
20 Center in Baltimore?

21 A. Yes. I am.

22 Q. Are you incarcerated as a result of a

1 conviction regarding illegal contributions that are  
2 in issue in this matter?

3 A. Well, I don't know what you are referring  
4 to when you say illegal contributions at issue in  
5 this matter. I don't know what this matter refers  
6 to. So, I can't answer that question.

7 Q. The contributions that were described in  
8 the factual legal analysis which you received from  
9 the Commission.

10 A. I don't agree with the factual. I can't  
11 speak to a legal analysis, but I don't agree with  
12 the factual analysis of the Commission. So, I have  
13 to limit my answer to the facts that I pleaded  
14 guilty to at the time that I appeared before the  
15 Federal Court.

16 Q. What is your date and place of birth?

17 A. August 25, 1938. Bombay, India.

18 Q. What is your Social Security number?

19 A.

20 Q. Are you currently married?

21 A. No.

22 Q. Were you formerly married?

1 A. Yes.

2 Q. What is your former wife's name?

3 A. The first one's name was A-N-U-R-A-D-H-A

4 first name, middle initial or middle name same as

5 mine and last name same as mine.

6 Q. So you were formerly married once?

7 A. Twice. The second wife's name was Susan.

8 Q. Same last name?

9 A. Yes.

10 Q. Do you have any children?

11 A. Yes. I have one daughter.

12 Q. What is her name?

13 A. Anita.

14 Q. Please describe briefly your educational  
15 background.

16 A. Graduate of high school in Bombay.

17 Bachelors degree from the University of  
18 Bombay, St. Xavier's College.

19 Masters degree from the University of  
20 Maryland in College Park.

21 JD from the University of Maryland School  
22 of Law.

1 Q. Please describe briefly your employment  
2 history.

3 A. Let's see. How brief can I be on that?

4 After some part time jobs when I was a  
5 graduate student, my first full-time employment was  
6 with what is now Morgan State University as an  
7 instructor and assistant professor. Then a  
8 research position with the same institution.

9 I ultimately became Assistant Director of  
10 the Community Action Agency of the City of  
11 Baltimore.

12 Then with the Legal Aid Bureau of  
13 Baltimore, after having done some work for the  
14 state.

15 Since then, after some brief employment  
16 in the private sector, I started my own law firm  
17 and was self-employed.

18 Q. Which year was that?

19 A. 1982. I was self-employed since then.

20 That is just a brief sketch with many  
21 omissions.

22 Q. For the record, are you represented here

1 today by counsel?

2 A. Yes. I am.

3 Q. And the name of your counsel?

4 A. Ms. Lauren Willis is here from the law  
5 firm of Brown, Goldstein & Levy.

6 Q. Have you ever been deposed before?

7 A. I don't believe so.

8 Q. Have you had any other experience  
9 testifying under oath, such as in court?

10 A. Yes.

11 Q. When was that?

12 A. Well, let me go back on the deposition.  
13 If that will include my debriefing by the FBI in  
14 the U.S. Attorney's Office, yes, I was, but it was  
15 not characterized as a deposition, nor was there  
16 any transcription of that meeting.

17 I have appeared as a witness on my own  
18 behalf when I had to sue somebody in civil  
19 matters.

20 I guess maybe as a character witness once  
21 or twice for some people.

22 Q. On the same civil matters?



1 A. No. Different matters.

2 Q. When were those that this testimony took  
3 place?

4 A. I couldn't tell you with any precision.  
5 That was a long time ago.

6 Q. Any other instances that you recall that  
7 you appeared as a witness?

8 A. Offhand I don't.

9 Q. Whom have you talked to about the fact  
10 that you were subpoenaed for this deposition?

11 A. With my attorney.

12 Q. And who else?

13 A. No one else.

14 Well, my employer, of course. At work I  
15 had to tell them that I am going for a deposition.

16 Of course, the people at the Volunteers  
17 of America, my case manager, they needed to know,  
18 of course.

19 Q. With whom have you had conversations  
20 regarding the Commission's investigation?

21 A. I didn't know the Commission had an  
22 investigation.

1 Q. Well, with whom have you had  
2 conversations regarding the notifications you  
3 received from the Commission, the letter and the  
4 factual legal analysis?

5 A. I just mentioned all the people to you.

6 Q. In preparing for the deposition which  
7 documents or other materials have you reviewed?

8 A. None.

9 Q. If you could, please describe generally  
10 your fund-raising experience.

11 A. It's a very broad question. Can you  
12 narrow down the question for me?

13 Q. Well, we can start off with your  
14 fund-raising experience for candidates in local and  
15 state and then federal campaigns. We could start  
16 with the year that you started working as a  
17 fund-raiser.

18 A. I do not remember what year I started  
19 raising funds for any candidate. I believe I  
20 raised funds for a number of local candidates,  
21 state and federal candidates.

22 Q. Were you a fund-raiser in 1982 when you

1 first started your law practice?

2 A. I don't recall if I did any raising of  
3 money for anyone in '82. You have to tell me what  
4 election, what candidate, before I can focus on  
5 questions like that. 1982 probably there were  
6 hundreds of candidates running.

7 Q. Well, let's start then with the election  
8 cycle. Let's say the 87/88 election cycle.

9 A. 87/88?

10 Q. Yes.

11 A. I don't understand. What is the cycle?

12 Q. Well, I am asking you which year, what is  
13 the first year that you recall.

14 A. Well, what is a cycle? What do you refer  
15 to as a cycle? That is what I am trying to  
16 understand.

17 Q. Well, we are talking about the federal  
18 election cycle, basically the start of the  
19 campaigning until the election.

20 Let's begin with the year that you first  
21 recall where you did fund-raising activities.

22 A. For Mr. Dukakis. I raised money for

1 Mr. Dukakis in 1986, I believe it was.

2 Is that '86 or '88? Maybe '88 it was.

3 Q. During that same year did you also raise  
4 funds for federal candidates?

5 A. None that I can recall. But maybe if you  
6 tell me who was running, I can tell you.

7 I have been involved in raising funds for  
8 both U.S. Senators, for Senator Mikulski, Senator  
9 Sarbanes, and for former Congressman Mitchell,  
10 Congresswoman Mikulski.

11 I have contributed. When I say the  
12 fund-raising, it hasn't always been that I raised a  
13 lot of money. I contributed my own to a number of  
14 these candidates and sought out or recommended to  
15 other people that they should contribute. It  
16 doesn't mean I collected money from them.

17 Q. Can you please describe then how you went  
18 about your fund-raising activity itself, how you  
19 contacted people?

20 A. Just tell friends who I talked with who  
21 was worthy of support and ask them if they would  
22 support them.

1 Q. Did you serve in any official capacity  
2 for any candidate?

3 A. Yes. I was on the National Finance  
4 Committee for Dukakis for President. I was on the  
5 State Finance Committee for Clinton for President  
6 in '92. I was on the Finance Committee for Senator  
7 Mikulski and on the Finance Committee for, I  
8 believe for Senator Sarbanes, and Treasurer for  
9 Governor Glendening.

10 They are the ones I can remember right  
11 offhand.

12 Q. Did you --

13 A. I was on the Finance Committee for Mayor  
14 Schmoke also.

15 Q. Were you on any Finance Committee or  
16 other official position for members of the House of  
17 Representatives?

18 A. None that I can recall.

19 Q. Please describe your fund-raising  
20 experience with regard to other groups, Indian  
21 American organizations.

22 A. What kind of organizations?

1 Q. Well, for which Indian American  
2 organizations have you raised money?

3 A. Nonprofit organizations like India Forum,  
4 which is a cultural organization.

5 Q. Is that the full name?

6 A. Yes. That's the full name. India Forum.

7 Q. Is it also known as the India Forum for  
8 Political Education?

9 A. No. Nothing to do with politics. As I  
10 just said, it's a cultural organization.

11 It's a 501-C-3. Unlike Mr. Gingrich, I  
12 am very particular about not using any 501-C-3 for  
13 political purposes.

14 Q. Which other Indian American organization?

15 A. Any number of temple groups would come  
16 and ask me if I would help them raise money for  
17 activities.

18 An organization called STEP-IN.

19 Q. STEP-IN, what organization is that?

20 A. Society of Technologists, Entrepreneurs  
21 and Professionals from India. It's a professional  
22 organization, as the name suggests, to bring



1 together Indian American professionals.

2 Q. Is there an Action India organization  
3 that you are active in?

4 A. I don't know if there is one, so I can't  
5 be active in that.

6 Q. Now, with regard to the two you  
7 mentioned, STEP-IN and India Forum, what has been  
8 your activity with these organizations?

9 A. To interest people to contribute to both  
10 organizations.

11 Q. What were your official functions with  
12 these organizations?

13 A. I was legal counsel to the India Forum.

14 Q. Any other position with that  
15 organization?

16 A. No.

17 I was President of STEP-IN.

18 Q. When was STEP-IN founded?

19 A. I believe in 86/87. Something like  
20 that. Maybe '88. I'm not sure.

21 Q. Who were the other officers in STEP-IN?

22 A. There were a number of people who came in

1 and left. I couldn't tell you offhand.

2 Q. Aside from a President, what were the  
3 other positions in STEP-IN, the other official  
4 positions?

5 A. Vice President. Secretary. Treasurer.  
6 The usual official positions that a corporation  
7 should have.

8 Q. Is STEP-IN still in existence as an  
9 organization?

10 A. I don't know.

11 Q. The last time you were active in STEP-IN  
12 would have been which year?

13 A. 1994.

14 Q. You were the President of STEP-IN at that  
15 time?

16 A. Yes. I was.

17 Q. Who was the Vice President?

18 A. I believe there were several, not just  
19 one. There were two or three Vice Presidents.

20 Q. What were the names of those individuals?

21 A. I would be insulting some if I tackled  
22 the name and missed.

1 I think Dr. Raval was one.

2 There was a Mr. Patell, who was the  
3 Treasurer, I believe, or the Secretary.

4 There was another Vice President.

5 I can't be sure who among the people who  
6 were officers. Maybe Mr. Chakivarthi.

7 Q. Excuse me?

8 A. Maybe Mr. Chakivarthi.

9 Q. Other names? Other officer names?

10 A. I think maybe Mr. Kumta, K-U-M-T-A, was  
11 an officer of the corporation.

12 Q. The first name of Mr. Kumta?

13 A. A-S-H-O-K.

14 Q. Who were the members? Who was extended  
15 an invitation for membership?

16 A. As the name implies, all professionals  
17 and entrepreneurs and technologists of Indian  
18 origin interested in the organization.

19 Q. How many members did the organization  
20 have?

21 A. At what point?

22 Q. 93/94.

1           A.    93/94 maybe about 40, 50. And, again,  
2 that is just people who happened to be on the  
3 list. It doesn't mean they paid their dues or  
4 not. I don't know. I don't know how many had paid  
5 their dues for that particular calendar year.  
6 Maybe only 20 had paid their dues.

7           Q.    How did the organization meet? What sort  
8 of schedule did the organization have for meetings  
9 and other activities?

10          A.    Well, we tried to meet about once a month  
11 for different activities. I couldn't always line  
12 up speakers, so maybe it came to be more like once  
13 every other month or once a quarter, depending on  
14 when we could secure an appropriate speaker to meet  
15 with us.

16          Q.    You would try to have a speaker every  
17 time you met?

18          A.    Yes.

19          Q.    Which individuals were usually extended  
20 honorary membership to the organization?

21          A.    There was no honorary membership that I  
22 know of.

1 Q. What type of speakers would come to the  
2 events, would be featured at these meetings?

3 A. Mostly policy makers and people who could  
4 bring appropriate information of interest to the  
5 members of the organization.

6 Q. Did you have any annual banquets or  
7 annual special events of the organization?

8 A. No. I don't believe we had any special  
9 annual event, other than an annual membership  
10 meeting where officers would be elected.

11 Q. The speakers that you have had that would  
12 come to the meetings, did you have speakers from  
13 the Indian Embassy?

14 A. I am trying to remember if we did.

15 Yes. We did. Yes. We had organized an  
16 event where we brought the then Indian Ambassador  
17 to speak to the Baltimore community. Governor  
18 Schaffer was a guest of honor as well.

19 Q. Which date was this event held?

20 A. Well, it had to be when Schaffer was  
21 Governor. So, it had to be before '94.

22 Q. Which Ambassador was present then?

1 A. It was Ambassador Abid Hussain.

2 Q. How do you spell that name?

3 A. A-B-I-D. H-U-S-S-A-I-N.

4 Q. Which other embassy officials were there  
5 at that event?

6 A. I don't recall who accompanied him, if  
7 anyone.

8 Q. Which other functions have embassy  
9 officials or embassy personnel attended, STEP-IN  
10 functions?

11 A. I can't tell you which other functions  
12 embassy personnel attended because there were  
13 several variety of functions. Occasionally they  
14 might come in to attend a function that they  
15 thought was relevant to their interest.

16 Q. So, were embassy personnel invited to all  
17 the STEP-IN functions?

18 A. No. They were informed.

19 Q. They were informed of all the STEP-IN  
20 functions?

21 A. I wouldn't say of all. I'm not even sure  
22 if they were on the list that went out. But I



1 believe they kept themselves apprised of the  
2 functions.

3 Q. Who was the point of contact at the  
4 embassy for sending out the information to these  
5 functions?

6 A. No particular person that I can think  
7 of. Unless you give me a specific date, I can't  
8 answer that question appropriately.

9 Q. Would the invitation or the information  
10 be sent to the Minister of Personnel and Community  
11 Affairs?

12 A. Well, Community Relations would be the  
13 appropriate person, but also they had an  
14 information section, I believe. Many of our  
15 members had occasional contact with several  
16 different members of the embassy.

17 Q. Can you elaborate on that, contact with  
18 different members of the embassy?

19 A. Well, they would know each other from  
20 back home and they would meet at community  
21 meetings.

22 For example, the celebration of India Day

1 or India Independence Day they would run into each  
2 other and they would exchange information I am sure  
3 about events taking place, not just for STEP-IN,  
4 but all other organizations as well.

5 Q. So, which Indian Embassy officials were  
6 you in more constant contact with?

7 Let me put it that way.

8 A. I wouldn't say I was in constant contact  
9 with anybody.

10 Q. Well, then more in contact than with  
11 others. Which embassy officials that you were in  
12 contact with at all at the Indian Embassy.

13 A. I had contacts. I wouldn't call them  
14 constant or frequently. I had contact with the  
15 Indian Ambassadors dating back to Abid Hussain.

16 Q. Mr. Hussain was Ambassador during what  
17 time period?

18 A. I believe maybe '90 something. 91/92.

19 Q. And your contact with Ambassadors going  
20 back would be of a personal nature?

21 A. (Nodding.)

22 Q. Is that a yes?

1 A. What is personal nature?

2 Q. Personal. In other words, direct contact  
3 with the individual.

4 A. I met them, if that is what you are  
5 asking me. I met them maybe about once in a year.

6 Q. Where would the meeting take place?

7 A. Whenever they had a reception at the  
8 Ambassador's residence for Indian Independence Day  
9 or New Republic Day, I would be one of the people  
10 invited of hundreds of people. I would be there to  
11 attend the function and greet the Ambassador.

12 Q. Could you please explain? You said  
13 Indian Independence Day. Which day is that?

14 A. Indian Independence Day is August 15th.  
15 New Republic Day is January 26th.

16 Q. What is the difference between the two  
17 dates?

18 A. One is when India became independent from  
19 the British and the other is when India became a  
20 constitutionally organized sovereign state.

21 Q. Which other Indian national holidays  
22 would you attend at the Indian Embassy or the

1 Ambassador's residence?

2 A. These are the two primary events of  
3 significance to which a large number of people  
4 would be invited by the Indian Embassy.

5 Q. Were there functions held on October 2nd,  
6 the anniversary of Gandhi's birth?

7 A. At times. Yes.

8 I guess every year maybe, but I'm not  
9 sure I attended most of them. I may have attended  
10 one. I don't know.

11 Q. And in the fall, perhaps in November or  
12 late October, the Diwali Festival.

13 A. Yes. That is the equivalent of  
14 Christmas, India Christmas. It's a festival of  
15 lights. That is what Diwali means.

16 Q. And this was a festival also that  
17 generated invitation or function at the embassy?

18 A. Surely. There were many such religious  
19 events for which invitations would be extended, but  
20 I did not attend them.

21 Q. You did attend the receptions at the  
22 Ambassador's residence, as you indicated earlier?

1 A. Yes. But not for Diwali.

2 Q. But for the Indian Independence Day,  
3 August 15th, and the New Republic Day?

4 A. Yes. At times. Not all of them.

5 Q. If you could recall the most recent year  
6 you had been a guest at the embassy, that would  
7 have been '94, correct, or '95?

8 A. I really can't recall exactly when I last  
9 attended any functions at the embassy.

10 Q. If we were to go to the year '93, which  
11 functions did you attend at the embassy in '93?

12 A. If I attended any, it would have to be  
13 Indian Independence Day or Indian Republic Day.

14 Q. So those two functions were ones that you  
15 would normally attend; is that correct?

16 A. That is correct. I would try to attend  
17 if I was invited.

18 Q. And you were invited every year?

19 A. I wouldn't say every year. I was invited  
20 for a period of time. Yes.

21 Q. In 1994 which functions would you have  
22 attended at the embassy?



1 A. I couldn't recall. I really couldn't.

2 '94 actually was a very busy year for me  
3 as Treasurer for Mr. Glendening, who was running  
4 for the Governorship of Maryland, and consequently  
5 I had very little time for anything else. It took  
6 all my time besides making a living as a lawyer.

7 Q. Can we go back to that time period when  
8 you assumed the duties of Treasurer for the  
9 Glendening campaign?

10 Which month was that that you began work?

11 A. I became Treasurer for Mr. Glendening  
12 sometime in 1991 and remained the Treasurer for  
13 what was called Marylanders for Glendening until he  
14 was elected and until after he was elected and I  
15 guess until sometime in '95 when I stepped down  
16 voluntarily.

17 Q. You mentioned you were very busy during  
18 the period 93/94, although you had been Treasurer  
19 since '91.

20 Can you please take us through that time  
21 period as to what you were doing, the reasons why  
22 you were busy during that time?



1 A. Well, the election was getting closer in  
2 '94, so obviously I was much more busier in '94.

3 Q. When did it begin to get busy for you  
4 during that time period in '93?

5 A. '94.

6 Q. In '94 was when it began to get very  
7 busy?

8 A. Yes.

9 Q. Which months in '94?

10 A. I would say soon after New Year's.

11 Q. Which were the busiest months for you  
12 during that time?

13 A. Well, as campaigns go, they accelerate  
14 their pace as the Election Day gets closer and  
15 closer. So, it just kept on accelerating from  
16 January on.

17 Q. When did things begin to slacken a bit  
18 where you had more time?

19 A. There was no slackening of pace after  
20 January of '94.

21 Q. Yes. But January of '94 until what month  
22 in '94?

1           A.     Well, really the election was in November  
2 of '94 and then there was an uncertainty because of  
3 a challenge to the election, so everyone remained  
4 busy until he was sworn in in January of '95.

5           Of course, we weren't raising money after  
6 the Election Day because there was no need to. So,  
7 I wasn't busy as a Treasurer raising money  
8 obviously after the election was over.

9           Q.     You were raising money for the Glendening  
10 campaign until what month approximately?

11          A.     Until November of '94.

12           I wasn't only raising money.

13          Q.     Which other activities were you involved  
14 in?

15          A.     Running my law firm.

16          Q.     How much time was spent with your law  
17 firm, with your practice, during that year?

18          A.     As much as I could.

19          Q.     Which part of the year then were you  
20 spending with the practice?

21          A.     Every day I was spending time in my law  
22 firm as well as trying to be of help to the

1 campaign.

2 Q. Which days of the week or time of the  
3 month would you dedicate to the campaign versus the  
4 practice?

5 Did you have an office at the Glendening  
6 headquarters?

7 A. No.

8 Q. So, all the activities took place where?

9 A. Well, there was no particular location as  
10 such. There were campaign offices that I would  
11 visit and otherwise go about trying to be of help  
12 besides having my legal practice.

13 Q. We already discussed one organization,  
14 STEP-IN. You mentioned the India Forum to which  
15 you were legal counsel.

16 A. Yes.

17 Q. Which other positions did you have with  
18 the India Forum?

19 A. None.

20 Q. What were the officers in that  
21 organization?

22 A. They change every year.

1 Q. What were the positions in '94?

2 A. There is a President. There is a Vice  
3 President. There is a Treasurer. There is a  
4 Secretary. There is an Auditor. There is legal  
5 counsel. And there are the members.

6 Q. Who was the President in '94 of the India  
7 Forum?

8 A. I really couldn't tell you. They changed  
9 every year, as I told you.

10 Q. Who was the last President of the Forum  
11 that you recall?

12 A. Varma. V-A-R-M-A.

13 Q. What is his first name?

14 A. I'm not sure, but I will take a guess  
15 that his name is Jitendar, J-I-T-E-N-D-A-R, but I'm  
16 not sure. We called him by his nickname, which was  
17 "Balla". It has nothing to do with Varma.

18 Q. What about the Vice President?

19 A. The Vice President was Mr. Sahni,  
20 S-A-H-N-I.

21 Then he became President. It's an  
22 automatic successor system. So, the Vice President

1 becomes President the succeeding year.

2 Q. And his first name, Mr. Sahni's?

3 A. Bansi. B-A-N-S-I.

4 Q. The Treasurer?

5 A. I don't know.

6 Q. The Secretary?

7 A. I don't recall.

8 Q. Who were the members of the India Forum?

9 A. Anyone who was interested in cultural  
10 activities of the Indian American community in this  
11 area principally. They did not have to be of  
12 Indian origin.

13 Q. How many individuals were members?

14 A. I couldn't tell you. Only the President  
15 could tell you that.

16 Q. Well, was it under 50?

17 A. I have no idea.

18 Q. Was it larger than STEP-IN?

19 A. I don't know what the membership was, so  
20 I am not going to guess.

21 Q. What were the regular activities of the  
22 India Forum?

1 Did they have monthly meetings?

2 A. The Board met probably every month, but  
3 not all the general membership.

4 Q. Were you a member of the Board?

5 A. Yes.

6 Q. So you attended regular meetings of the  
7 India Forum?

8 A. No.

9 Q. Of the meetings that you attended, who  
10 would be present at the meeting?

11 A. The members of the Board, whoever  
12 happened to be members at the time.

13 Q. Who were the members of the Board at the  
14 time that you would attend?

15 A. I couldn't tell you. It has been long  
16 ago.

17 Q. So you don't recall any names?

18 A. Not other than the ones I have given to  
19 you.

20 Q. What were the social activities that the  
21 India Forum belonged to?

22 A. Celebration of Diwali.



1 A religious festival called Holi, spelled  
2 H-O-L-I.

3 The Indo-American Friendship Dinner which  
4 takes place every year.

5 Q. It's an annual dinner?

6 A. Annual dinner. Yes.

7 Maybe a picnic once a year.

8 Let me see what else.

9 Boat rides. A cruise from the harbor.

10 Q. As far as members of the Board were  
11 concerned, was there a representative from the  
12 Indian Embassy at the meetings?

13 A. No.

14 Q. At the Indo-American Friendship Dinner,  
15 was there a featured speaker or speakers from the  
16 embassy?

17 A. Well, there was a featured speaker, but  
18 not from the embassy.

19 Q. Did they ever have speakers from the  
20 embassy at the Indo-American Friendship Dinner?

21 A. If there was a representative of the  
22 embassy present, I'm sure they were extended an

1 opportunity to speak, just as others who were at  
2 the head table also were extended an opportunity to  
3 speak.

4 Q. So, was the Indian Embassy, as was  
5 STEP-IN, invited and informed of activities?

6 A. Repeat that, please.

7 Q. Yes.

8 You indicated that with STEP-IN the  
9 Indian Embassy would be informed of activities,  
10 meetings.

11 With regard to the India Forum, was it  
12 the same situation?

13 A. I did not say that we informed the Indian  
14 Embassy of STEP-IN. I said that they learned  
15 through our members of activities we had, unless we  
16 scheduled them to speak.

17 Q. In which case they were invited?

18 A. Yes. Then they were invited. Right.  
19 That is not the same thing.

20 As far as the India Forum is concerned, I  
21 don't know who they informed because that was not  
22 my role then.

1 Q. Did you see individuals from the Indian  
2 Embassy at the India Forum functions?

3 A. Yes.

4 Q. Which individuals did you see?

5 A. Which year?

6 Q. Well, '93.

7 A. I'm sure whoever was the Ambassador was  
8 invited. I don't know if he came or not. He may  
9 have sent a representative.

10 The Indian Embassy always tries to send  
11 representatives to events organized by any  
12 organization where they are invited.

13 Q. Which representatives then were sent to  
14 the functions that you attended that you saw?

15 A. Well, different people at different  
16 times. It's a very broad question, so I can't  
17 really answer it.

18 Q. Which individual, which names of  
19 individuals, have you seen at those functions?

20 A. I saw Mr. Mansingh, for example, who was  
21 Deputy Ambassador.

22 Q. Which year was that?

1 A. I couldn't tell you.

2 Q. How do you spell Mr. Mansingh's name?

3 A. M-A-N-S-I-N-G-H.

4 Q. Do you know the first name?

5 A. Lalit.

6 Q. Deputy Ambassador.

7 And other individuals?

8 A. Occasionally I saw Mr. Devendra Singh.

9 Depending again, Mr. Sibal, who was also

10 Deputy Ambassador.

11 Q. Sibal?

12 A. S-I-B-A-L.

13 Q. What was Mr. Singh's position or title?

14 A. He was Minister for Community Relations.

15 Q. For how long was he in that position?

16 A. They have a rotation system, as all

17 diplomatic services do. So, people come here for a

18 few years and go back.

19 Q. What is the rotation system, your

20 understanding of how many years people would be in

21 a position?

22 A. I really couldn't tell you. It all

1 changes. It depends on the position. And there is  
2 other factors that I am not familiar with.

3 Q. Mr. Sibal, S-I-B-A-L, what was the first  
4 name?

5 A. Kanwal. K-A-N-W-A-L.

6 Q. Other official names?

7 A. Ambassador P.K. Kaul. K-A-U-L.

8 Ambassador Karan Singh.

9 K-A-R-A-N. Singh, S-I-N-G-H.

10 Obviously, they were not all there at the  
11 same time.

12 Q. Yes. The title of Ambassador, is that  
13 just for the Ambassador himself or herself?

14 A. I would hope so.

15 Q. Is Ambassador Ray another --

16 A. I take that back. The title Ambassador  
17 can be used even for somebody who is not an  
18 official Ambassador. That is right. I take that  
19 back.

20 It is pretty much like --

21 Q. Honorific?

22 A. -- you can be full professor, but not

1 necessarily chairman of the department, although  
2 they are both professors.

3 Q. Right.

4 So, the Ambassadors that you mentioned  
5 were the Ambassador, as opposed to a Minister or  
6 someone else?

7 A. Well, the only person I know with the  
8 designation of Ambassador that was not an  
9 Ambassador in the U.S. was Mr. Mansingh and also  
10 Mr. Sibal. That is because they had the Ambassador  
11 rank, but they did not serve in that capacity, as I  
12 understand it.

13 Q. Since we are talking Ambassadors now,  
14 which other Ambassador names do you recall more  
15 recently, 93/94?

16 A. Ambassador Ray.

17 Q. What is his first name?

18 A. S.S. Ray.

19 Q. Which other individuals do you recall  
20 attended the India Forum or STEP-IN functions?

21 A. I don't recall.

22 Q. You mentioned attending functions at the



1 Indian Ambassador's residence.

2 Which Indian Embassy officials did you  
3 know from attending these functions at the  
4 Ambassador's residence?

5 A. I guess most of those who were present.

6 Q. Which ones did you know more than others?

7 A. I didn't know any one more than others.

8 I just knew all of them.

9 Q. In your capacity as legal counsel in the  
10 India Forum and with STEP-IN, which of these Indian  
11 officials would you have more of an opportunity to  
12 interact with in carrying out your functions?

13 A. The Minister for Community Relations  
14 obviously.

15 Q. And that would be Mr. Singh?

16 A. Right.

17 Q. What type of function was the Community  
18 Relations post?

19 What was that all about as far as the  
20 embassy interaction with the Indian community?

21 A. My guess is a liaison with the Indian  
22 community groups, Indian American community groups.

1 Q. What did that mean in practical terms as  
2 far as what did that individual do?

3 A. Keeping us informed of visa matters that  
4 the embassy would get inquiries about and  
5 complaints about all the time. Keeping us informed  
6 about concerns they feel would adversely affect the  
7 relationship between India and the U.S.

8 Q. Can you describe generally your  
9 interactions or contacts with the Minister of  
10 Community Relations during the year 93/94?

11 A. Inviting to functions of the Indian  
12 community where appropriate.

13 Q. Which function did the individual attend?

14 A. I don't remember.

15 Q. What other interaction took place?

16 In addition to the invitations to the  
17 functions, what other interactions?

18 A. I am not sure I understand the question.

19 Q. Okay.

20 The individual that attended meetings,  
21 certain meetings of the India Forum or STEP-IN, as  
22 a representative of the embassy.

1           A.     As I said earlier, I am sure he attended  
2 the Indo-American Friendship Dinner at times.

3                     Maybe when there was an opening -- I am  
4 trying to remember. On Howard Street there was an  
5 opening of an Indian Cultural Center, Indian  
6 American Cultural Center, and at the opening  
7 ceremony he was present, as I recall.

8                     In Montgomery County there was an Indian  
9 Independence Day celebration that he attended one  
10 time. I don't recall exactly when it was, but I  
11 remember he was there.

12           Q.     Did that individual visit your office?

13                     Did the Minister of Community Affairs  
14 come by your office or come by the offices of the  
15 India Forum?

16           A.     Well, I can't speak for the Forum. My  
17 office, yes.

18           Q.     So, Mr. Singh would come and visit your  
19 office?

20           A.     No. The question was if he ever did.  
21 Yes. He did.

22           Q.     If he ever did visit your office?

1 A. Yes. He did.

2 Q. When would he visit your office?

3 A. I didn't say he would. I said he did.

4 Q. When did he visit your office?

5 A. He visited my office a couple of times a  
6 few years ago.

7 Q. And what occasions? What was the  
8 occasion?

9 A. He just happened to be in Baltimore and  
10 wanted to say hello.

11 Q. Was Mr. Singh also a social guest at your  
12 home on occasion?

13 A. Not that I can think of.

14 Q. Which other officials did visit your  
15 office during that same time period?

16 A. Which time period?

17 Q. 93/94.

18 A. I can't think of any.

19 Q. Which other Indian Embassy official ever  
20 visited your office at any time?

21 A. Ambassador Karan Singh visited my office.

22 Q. Ambassador who?

1 A. Karan Singh. K-A-R-A-N. S-I-N-G-H.

2 Q. Which year was that?

3 A. I can't tell you that. I don't remember  
4 that. He did visit my office.

5 Q. What was the occasion of the visit?

6 A. He happened to be in Baltimore to meet  
7 with the editors of the Sun paper. It was two  
8 blocks away from my office. So, I had invited  
9 members of the Indian community to meet with the  
10 Ambassador at my office. He came and saw about a  
11 dozen and a half, about 12 or 15 people.

12 Q. With which of the Ambassadors were you  
13 more familiar with or had occasion to see more than  
14 others of this group?

15 A. All equally scarcely. No more. No less.

16 Q. In case we need a calendar, I have one  
17 with me. I would like to find out which date was  
18 this Indian American Friendship Dinner.

19 A. It's held every year, as I said to you.

20 Q. Around the same time every year?

21 A. Summertime. Usually in the summertime.  
22 It's usually in July or August.

1 Q. You mentioned the meeting back when  
2 Ambassador Singh came to visit.

3 Did the Forum or STEP-IN have their own  
4 offices?

5 A. No. STEP-IN did not have its own  
6 offices.

7 The Forum by now has its own office on  
8 Howard Street where they have a facility, physical  
9 facility, available.

10 Q. When did they start having their own  
11 office? Which year?

12 A. I would say about 93/94.

13 Q. So they had an office in '94, 93/94?

14 A. Roughly that time they just started in  
15 that new location.

16 Q. Howard Street.

17 And STEP-IN, where did they meet then?  
18 Where did they have their meetings?

19 A. STEP-IN met whenever we were going to  
20 host any speaker, usually in a restaurant or in a  
21 conference facility.

22 Q. Did you have joint activities between the



1 Forum and STEP-IN?

2 A. India Forum and STEP-IN?

3 Q. Yes. Joint activities.

4 A. No.

5 The only joint activity would be to maybe  
6 recognize someone for their contribution. I can't  
7 imagine any other joint activities.

8 Q. Any joint social activities?

9 A. No. None that I can recall.

10 Q. The India Forum annual dinner, that was  
11 sponsored by?

12 A. India Forum.

13 Q. India Forum. Okay.

14 A. Just as the name says.

15 Q. Okay. I guess that makes sense. Okay.

16 Now, going back, you mentioned some of  
17 your fund-raising activities within the Indian  
18 community.

19 Can you elaborate on that as to how you  
20 would go about raising funds within the Indian  
21 community?

22 A. As I stated before, I just would call

1 friends and recommend to them individuals who I  
2 considered worthy of support.

3 Q. What about fund-raising activities during  
4 the meetings of STEP-IN and the Forum?

5 A. No. Not during meetings of any  
6 organization.

7 Q. Which other individuals in the  
8 organization assisted you with fund-raising within  
9 the Indian American community?

10 A. I can't say which individual assisted me.

11 Q. Which individual then occasionally or at  
12 any time assisted you?

13 A. They all assisted me in the sense of they  
14 contributed to the extent that they did.

15 Q. If we were then to make a list -- not a  
16 list, but talk about the people that you tended to  
17 rely upon who were a core group, let's say, of  
18 supporters, which individuals would that be?

19 A. Supporters for what?

20 Q. The type of people you could count on for  
21 making contributions for whatever candidate or a  
22 group of people that would assist you in calling

1 and writing letters.

2 A. You are mixing up two different concepts.

3 Q. Which names come to your mind if I were  
4 to ask you, during your years of fund-raisers,  
5 which individuals would you consider as your core  
6 group of supporters in your fund-raising  
7 activities?

8 A. I did not limit myself to any particular  
9 group of people.

10 In terms of candidates, when I considered  
11 them worthy of my support, I tried to solicit, if  
12 that is the term to use. I am not sure that is the  
13 correct term. I tried to encourage as many  
14 individuals as I could wherever I would find them.

15 Q. But if we were to limit that group to  
16 just the Indian American community, your people in  
17 the STEP-IN and the India Forum, if we were just  
18 looking at those two entities, which individuals  
19 did you --

20 A. Go ahead.

21 Q. Which individuals, which names, come to  
22 your mind if I were to ask you which individuals

1 did you rely on as a group of supporters in your  
2 fund-raising activities?

3 A. Well, first of all, I should make it  
4 clear that people I contacted were not contacted  
5 because they are members of any organization. So,  
6 their membership in the India Forum or STEP-IN had  
7 nothing to do with my contacting them. Whoever I  
8 contacted was because I thought that they might  
9 respond to me favorably. That is all.

10 Q. I understand that.

11 A. Coincidentally they might be members of ten  
12 organizations that I'm not aware of.

13 Q. If we just look at STEP-IN then, is there  
14 anyone in STEP-IN, such individuals might be  
15 members of other organizations, whose name you  
16 recall as someone who you went to for support on a  
17 regular basis?

18 A. Not as members of STEP-IN. I did not go  
19 to anyone for support as members of STEP-IN.

20 Q. You mentioned the Indian American  
21 Friendship Dinner. You said that was July or  
22 August.

1 A. Usually July or August is when it takes  
2 place.

3 Q. I brought with me a printout of calendars  
4 from January '93 to December of '94. In an attempt  
5 to see if I could refresh your recollection, I will  
6 turn to July and August of '94, which are pages 19  
7 and 20 of the document, and ask if you recall more  
8 specifically if it was in July around Independence  
9 Day?

10 A. I would not be able to.

11 Q. In August?

12 A. No. I would not be able to because they  
13 are blanks here. It doesn't tell me anything.

14 I just told you either July or August.  
15 If you want me to read all the dates, I can read  
16 them. I think that is of no help.

17 Q. Was it held on the same date every year?

18 A. No.

19 Q. Which other Indian American functions did  
20 you attend in which Indian Embassy officials also  
21 attended?

22 A. Functions of what?



1 Q. Any functions.

2 A. An exhibition of photographs in  
3 Washington. An Indian journalist. Yes. There  
4 were a number of them present there.

5 The World Trade Organization here holds  
6 an Ambassador's Day when some officials from the  
7 Indian Embassy come and participate in that.

8 I guess if I attended any Republic Day or  
9 Independence Day celebrations in Washington or  
10 Montgomery County or the Baltimore area, I am sure  
11 that some members of the embassy were present  
12 there.

13 Q. You mentioned your contact with the  
14 Minister of Community Affairs.

15 Who is the current one?

16 A. Community Relations.

17 Q. Community relations.

18 Who is the current Minister there at the  
19 embassy?

20 A. I don't know.

21 Q. How long was your contact with  
22 Mr. Singh? Until what year was he at the embassy?



1 A. He was, as I recall, until the end of '94  
2 or the beginning of '95.

3 Q. Are you still in contact with Mr. Singh?

4 A. No.

5 Q. When did you first meet Mr. Singh?

6 A. I don't know when he first arrived in  
7 Washington, but I am sure soon after his arrival.

8 Q. Where did you meet him? Where did you  
9 first meet him?

10 A. I don't recall that.

11 Q. Was there some sort of official function  
12 where the new person there would be presented and  
13 you would have an opportunity to meet the new  
14 people at the embassy?

15 A. Not that I can recall.

16 Q. In what context was your first meeting  
17 with Mr. Singh?

18 A. I don't recall because I don't recall  
19 when I first met him.

20 Q. What were the subsequent contexts in  
21 which you did meet him?

22 A. Different cultural events where he would

1 be present.

2 Q. In addition to the cultural events, was  
3 Mr. Singh also interested, or were discussions  
4 held, with regard to legislative matters, political  
5 matters?

6 A. Meaning what? I don't understand.

7 Q. Legislative initiative, for example,  
8 concerning India.

9 A. Were there any legislative initiatives  
10 concerning India?

11 Q. Well, yes. That is what I am asking.

12 A. I don't know.

13 Q. In addition to cultural matters, which  
14 other areas was he concerned with?

15 A. I'm sure everybody was concerned about  
16 any legislation going through Congress affecting  
17 Indo-U.S. relations.

18 Q. What was Mr. Singh's role then with  
19 regard to legislation affecting Indo-U.S.  
20 relations?

21 A. I don't know if he had any specific role  
22 in that, except to keep the community informed of

1 what would affect Indian U.S. relations.

2 Q. How would he keep the community  
3 informed?

4 A. By sending information items.

5 Q. The items would be sent to your office?

6 A. If they are addressed to me, to my office  
7 I would hope.

8 Q. How was the information disseminated I  
9 mean?

10 A. Only he can answer that.

11 If your question is did I receive it by  
12 mail, yes. I was on a mailing list that I assume  
13 was one of those computerized mailing lists.

14 Q. In 1994 what were some of the issues  
15 involving Indian American relations that you were  
16 involved in?

17 A. Well, not just in 1994. Every year  
18 Mr. Burton, Congressman Burton, introduces a bill  
19 to adversely affect Indo-U.S. relationship. That  
20 is an issue that comes up every year. I am sure it  
21 was brought up in '94 as well.

22 Q. So, what was your activity with regard to

1 that?

2 A. To urge members of Congress from this  
3 state to vote against it.

4 Q. How did you go about doing that?

5 A. I called the staff people and expressed  
6 the sentiments of the Indian community that I was  
7 aware of, or maybe write a letter.

8 Q. How did you disseminate the information  
9 to other members of the Indian American community  
10 with regard to potential passage of this bill?

11 A. By calling them or by talking to them at  
12 different meetings.

13 Q. What was the involvement of Minister  
14 Singh or other embassy officials with regard to  
15 these legislative matters?

16 A. To inform us of the calendar, which he  
17 could have found out from a Congressional source,  
18 of when these bills are coming up for a vote in the  
19 committees and in the Congress.

20 Q. Just looking specifically at 1994, what  
21 were the issues that you were actively involved in?

22 A. I just mentioned the only dominant issue

1 has been the effort by Congressman Burton to pass  
2 legislation that would adversely affect Indo-U.S.  
3 relations.

4 Q. In 1994 there was an issue involving  
5 sales of F-16 fighter planes to Pakistan.

6 Was that an issue that you were involved  
7 in?

8 A. Yes. I was involved in that issue.

9 Q. In what way?

10 A. To oppose it.

11 Q. What steps did you take?

12 A. Again to tell as many friends as possible  
13 to inform members of Congress that we were opposed  
14 to it.

15 Q. What communication did you receive from  
16 the embassy about that particular issue?

17 A. Same communication as I would always  
18 receive, to tell me when the vote is going to come  
19 up and what it entails.

20 Q. And the communication would come from  
21 whom?

22 A. I am sure from Mr. Singh's office. It

1 was his function, I gather.

2 Q. Which other communications were received  
3 from Mr. Singh's office that you received from  
4 Mr. Singh's office?

5 A. I couldn't tell you.

6 Q. There were regular communications then  
7 with your office?

8 A. Yes. With my office, as I am sure with  
9 many other offices or individuals who were on the  
10 list to be informed of issues affecting the  
11 India-U.S. relationship.

12 Q. Were there also telephone calls between  
13 you and Mr. Singh at the embassy?

14 A. Regarding what?

15 Q. Regarding whatever issues.

16 A. There may have been. I don't know.

17 Q. What was the role of the Ambassador with  
18 regard to these legislative issues?

19 Was there a communication also from the  
20 Ambassador about issues?

21 A. To who?

22 Q. To the Indian American community.



1           A.     I think the Ambassador can speak to  
2 that.   I don't know.

3           Q.     Did you receive anything from the  
4 Ambassador's office about that?

5           A.     Not specifically from the Ambassador's  
6 office.   No.

7           MS. DILLENSEGER:   It looks like this is a  
8 good time to take a break.   It's about quarter to  
9 12.

10          THE WITNESS:   Let's take a lunch break.  
11 It's time to take a lunch break.

12          MS. WILLIS:   That is fine.

13          (Discussion off the record.)

14          (Whereupon, at 11:55 a.m., the deposition  
15 was recessed for lunch, to reconvene at 1:00 p.m.  
16 that same day.)

## 1 AFTERNOON SESSION

2 (1:20 p.m.)

3 MS. DILLENSEGER: We are now back on the  
4 record.

5 Whereupon,

6 LALIT H. GADHIA

7 having been previously duly sworn, was further  
8 examined and testified as follows:

9 EXAMINATION BY COUNSEL FOR THE  
10 FEDERAL ELECTION COMMISSION

11 BY MS. DILLENSEGER:

12 Q. Just a reminder that you are still under  
13 oath.

14 Just a question as to whether you have  
15 spoken with anyone else besides counsel during the  
16 intervening break?

17 A. I said hello to two judges, one of the  
18 Circuit Court and one retired judge of the Court of  
19 Appeals of Maryland.

20 Q. I want to just go back for clarification  
21 on a couple of things.

22 The geographical orientation of STEP-IN,

1 is it local, or what is the geographical  
2 orientation?

3 A. I don't think it was ever defined as  
4 local.

5 Q. Are most of the people local?

6 A. Most of the people are from the State of  
7 Maryland.

8 Q. And the India Forum?

9 A. Also most of the people are from the  
10 State of Maryland.

11 Q. Are there other chapters or organizations  
12 with similar names in other states?

13 A. I wouldn't know if there are.

14 Q. Clarification on the Indian Ambassadors  
15 attendance at the annual Indo-American Friendship  
16 Dinner.

17 Is it your memory that over the years the  
18 following Ambassadors have attended the dinner?

19 The names mentioned were Ambassador  
20 Sibal, Ambassador Kaul, Ambassador Karan Singh and  
21 Ambassador Ray.

22 MS. WILLIS: Objection.

1 Could you ask each question separately?

2 MS. DILLENSEGER: Okay.

3 BY MS. DILLENSEGER:

4 Q. Is it your memory that over the years the  
5 following Ambassadors have attended the annual  
6 Indo-American Friendship Dinner?

7 The first Ambassador is Ambassador Kanwal  
8 Sibal.

9 A. Yes. He attended ones that I know of.

10 Q. Do you know which years?

11 A. As I said, his rank was Ambassador, but  
12 he was not here as an Ambassador, not as the  
13 Ambassador of India to the U.S.

14 Q. The official Ambassador?

15 A. Right. He was not. He was a Deputy.

16 Q. Thank you.

17 Ambassador P.K. Kaul?

18 A. Yes. He attended that I recall. It's a  
19 vague memory about him.

20 Q. Was he the official Ambassador?

21 A. Yes. He was the then Ambassador to the  
22 U.S.

1 Q. Ambassador Karan Singh?

2 A. I don't believe he attended the  
3 Indo-American Friendship Dinner.

4 I believe he came to my office and he  
5 attended some reception at the art gallery because  
6 he had just written a book that he was promoting, I  
7 think.

8 Not promoting. He talked about it. He  
9 was a maharajah. He did not need to promote his  
10 book.

11 Q. He was a maharajah?

12 A. Yes. He was the son of a maharajah.

13 Titles are no longer used in India. But  
14 his father was a maharajah.

15 Q. And then Ambassador S.S. Ray.

16 A. Not that I can recall. He did not attend  
17 any.

18 Q. He did not attend any?

19 A. Indo-American Friendship Dinner.

20 Q. Did he attend other social functions of  
21 the Indian American organizations?

22 A. Where?

1 Q. That is a question.

2 Did he attend any functions, any social  
3 functions?

4 A. Of Indian American organizations?

5 Q. Yes.

6 A. In Montgomery County he did I am sure.

7 Q. Which functions were these in Montgomery  
8 County?

9 A. Probably Independence Day, I would  
10 assume. I don't know that for a fact. I am just  
11 guessing that he did.

12 Q. With regard to Ambassador Ray, did you  
13 attend a function at Ambassador Ray's residence  
14 when he was Ambassador?

15 A. Well, it was an Ambassador residence,  
16 Ambassadorial residence, that he had been occupying  
17 because he was the Ambassador at the time.

18 Yes. I did.

19 Q. Which years? He was Ambassador during  
20 which time period?

21 A. I don't recall precisely, but probably  
22 92/93 to '95. Something like that. 95/96.



1 Q. You said that the embassy kept the Indian  
2 American community aware of various things that  
3 were happening regarding visa matters or cultural  
4 matters.

5 A. Yes.

6 Q. Legislative issues. Issues of interest  
7 to the community.

8 Did the embassy inform individuals of  
9 upcoming elections and candidates?

10 A. Whose candidates?

11 Q. U.S. U.S. elections.

12 A. They were not the embassy's candidates.  
13 They had nothing to do with that.

14 Q. So, with regard to the legislative  
15 issues, how did the embassy communicate the fact  
16 that there were issues that were up before  
17 Congress, how did they communicate that and what  
18 sort of action was called for in the letters or the  
19 information notices?

20 A. Well, there are several parts to that  
21 question.

22 MS. WILLIS: Objection.

1 Can you re-ask them each separately?

2 MS. DILLENSEGER: Okay.

3 MS. DILLENSEGER:

4 Q. What form did the notices from the  
5 embassy take?

6 A. The information items were on, I guess  
7 master produced xeroxed material, outlining what  
8 the pending legislation was and how it affected the  
9 relationship.

10 Q. What else did it say?

11 A. That was basically the information.

12 Q. Did it identify the individuals behind  
13 the legislation that were putting forth the bill?

14 A. Well, usually any bill going to the  
15 Congress carries the names of the sponsors of the  
16 bill. So, obviously.

17 Q. How often would these informational  
18 notices be sent out?

19 A. It had to do more with the Congressional  
20 activity. Whenever activity was taking place  
21 involving that type of legislation, that is when  
22 such information was sent.

1 Q. Was it sent out in a separate notice?

2 A. Meaning separate from what?

3 MS. WILLIS: Objection.

4 Separate from what?

5 BY MS. DILLENSEGER:

6 Q. Was it sent out as part of a newsletter  
7 with other information?

8 A. Oh, yes. Yes.

9 Q. What other information was in this  
10 newsletter?

11 A. About recent matters. About who to  
12 contact for what kind of community service that the  
13 embassy might provide. That kind of information.

14 Q. What was the title of the publication?

15 A. There is an India News, I believe. It's  
16 an official publication of the Embassy of India.

17 Q. It was an official publication of the  
18 embassy itself?

19 A. Yes.

20 Q. Which part of the embassy would put this  
21 information out?

22 A. I don't know.

1 Q. You mentioned social events that were  
2 sponsored at the embassy, such as the Indian  
3 Independence Day and Indian Proclamation Day.

4 A. No. I didn't say "proclamation".  
5 Republic Day.

6 Q. Republic Day. Excuse me.

7 Were there any social events where the  
8 embassy paid for the event?

9 A. I would assume the embassy paid for the  
10 food for all these events because I didn't pay.

11 Q. Did the embassy hold any functions where  
12 the individual had to pay to attend the function?

13 A. None that I'm aware of.

14 Q. Did the embassy have any fund-raising  
15 activities itself?

16 A. None that I know of.

17 Q. Did the embassy have any --

18 A. Unless it was for victims of disasters in  
19 India. I am sure then the embassy made some  
20 appeals to the Indian American community to  
21 contribute for the relief funds.

22 Q. Did the embassy hold functions in other

1 sites in the area besides the Ambassador's  
2 residence?

3 A. Yes. Occasionally there would be a  
4 reception at the chancery, what is known as the  
5 chancery. That is the official, I guess, offices  
6 of the embassy.

7 Q. Are those the offices on Massachusetts  
8 Avenue?

9 A. Yes. They are on Massachusetts Avenue.

10 Q. What type of functions would be held  
11 there?

12 A. It would be a reception in the honor of  
13 somebody arriving from India or going to India.

14 Q. Did you attend those functions at the  
15 chancery?

16 A. Yes. I did. Some of them.

17 Q. Which functions did you attend at the  
18 chancery in '94?

19 A. I couldn't tell you. I don't know of  
20 actually any specific functions.

21 Q. Did you attend any function at the Gandhi  
22 Center?

1 A. Not that I can recall.

2 Where is it?

3 Q. I'm not sure. I believe it's on Nebraska  
4 Avenue.

5 A. No. I have no recollection of going  
6 there.

7 Q. You mentioned among the other national  
8 holidays is Gandhi's birthday on October 2nd.

9 A. Yes.

10 Q. What function did the embassy hold for  
11 that holiday?

12 A. I guess to commemorate the memory.

13 I don't recall attending any of those.

14 Q. Let's go back a bit to the information  
15 notices from the embassy.

16 One issue we had talked about before was  
17 the issue of the sale of fighter planes to  
18 Pakistan. In 1994 there was also some trade issues  
19 that were at the time important.

20 What was your involvement in that?

21 MS. WILLIS: Objection.

22 Could you be more specific? What trade



1 issues?

2 BY MS. DILLENSEGER:

3 Q. Well, the trade issues involving GATT and  
4 trade with India in particular.

5 A. The only trade issue I was involved in in  
6 1994 was to support NAFTA and go to the White House  
7 in support of that at the invitation of the  
8 President.

9 Q. You mentioned attending functions at the  
10 embassy for the Indian Independence Day and  
11 Republic Day and other people attended.

12 Were there members of Congress at the  
13 functions?

14 A. I believe so. I offhand couldn't even  
15 tell you who, but there were a number of members of  
16 Congress who attended such functions and members of  
17 the State Department.

18 Q. Which members of Congress do you recall  
19 attending?

20 A. Senator Percy is an ex-member of  
21 Congress. I remember seeing Senator Percy.

22 Q. Any members of the Maryland delegation?

1 A. No. Not when I was there at least. I  
2 didn't see any if they were there.

3 Q. Any other members attending that you  
4 remember?

5 A. I know there were some members of  
6 Congress. I just offhand don't remember who was  
7 there from different states. I don't have any  
8 specific recollection.

9 Q. Have you heard of the Indian Caucus?

10 A. Where?

11 Q. In Congress.

12 A. Yes.

13 Q. What is that?

14 A. I assume it's a group of members of  
15 Congress who kind of banded together to exchange  
16 information, support the Indian relationship with  
17 the U.S.

18 Q. Who are the members of that group?

19 A. I don't know.

20 I know somebody from New Jersey is kind  
21 of in the forefront of that, but I don't recall his  
22 name either.

1 He was in the forefront of that I should  
2 say more accurately.

3 Q. Who was that?

4 A. I just said I don't recall his name.  
5 Somebody from New Jersey was in the forefront of  
6 that as I remember.

7 Q. Because you said he was at the forefront.

8 A. Well, I can't say if he is right now. I  
9 don't know if it exists right now.

10 Q. Who was the individual at the embassy  
11 that was a liaison or contact person with regard to  
12 political affairs?

13 Was there someone that was following the  
14 issues in Congress?

15 MS. WILLIS: Objection.

16 Time frame?

17 BY MS. DILLENSEGER:

18 Q. Well, who in the embassy has a position  
19 for that? Is it the Minister of Community Affairs?

20 A. I doubt that. I doubt that.

21 No. I think somebody else would have  
22 that responsibility and let the Community Affairs

1 Minister know what is happening. Because, of  
2 course, observing congressional activities is on an  
3 ongoing basis and I don't believe that the Minister  
4 of Community Relations would have enough time to do  
5 that.

6 Q. Who then would be the logical person to  
7 do that?

8 A. I don't know. I'm sure there is someone  
9 assigned such responsibility.

10 Q. I am going to go back a bit to the India  
11 Forum annual dinner, which you said was held either  
12 July or August, and the India Independence Day,  
13 which is August 15th.

14 It's always on that date, isn't it?

15 A. Yes. Just like the Fourth of July is  
16 always on the Fourth of July.

17 Q. Now, using that date as a reference  
18 point, I am looking at the printout of a calendar  
19 for August 15th of 1994 and showing it to you.

20 August 15th was a Monday in '94.

21 Would the India Forum annual dinner have  
22 been held before that?

1 A. Possibly.

2 Q. Would it have been held on the weekend?

3 A. It was always held on a Saturday.

4 Q. Always held on a Saturday?

5 A. Yes.

6 Q. Could it have been held on a Saturday  
7 near August 15th?

8 In other words, Saturday, August the 6th?

9 A. It could have been. I don't have a  
10 specific recollection.

11 Q. Well, was it more likely to have been  
12 held closer to August 15th than some other date?

13 A. Not necessarily.

14 Q. Is it more likely to have been held  
15 before August 15th than after August 15th?

16 A. Yes. I would think so.

17 Q. Before August 15th?

18 A. Yes.

19 Q. The India Forum, of course, would  
20 organize it, but who would put it together?

21 Who was the individual in the Forum that  
22 would put it together?

1 A. Whoever was the President of the Board of  
2 the India Forum that year.

3 Q. Was it more likely that the banquet would  
4 have been held in August rather than July?

5 A. I don't know more likely or less likely.  
6 It would be held sometime in either July or August.

7 Q. Is it more likely that it was held  
8 after?

9 I am showing you again July '94.  
10 Independence Day was Monday, the 4th.

11 Was it more likely to have been held  
12 after the 4th, between the 4th and August the 15th?

13 A. I don't know how to answer this  
14 likelihood question. Likelihood is based on what?

15 Q. Well, I am trying to jog your memory.

16 A. I don't have a memory of any specific  
17 date. It's either held in July or August.

18 Q. Is the date selected on the basis of a  
19 third Saturday or fourth Saturday?

20 A. No. It's on the basis of availability of  
21 the World Trade Center where it's held on a  
22 Saturday.



1 Q. Let me ask you some questions about your  
2 office, your law practice here.

3 Is it a solo practice?

4 A. Yes. It was. It's no longer now.

5 Q. Was it always a solo practice?

6 A. Except for about a year or  
7 year-and-a-half when I had a partner.

8 Q. What time period was that?

9 A. It was back in 1984 maybe. Roughly  
10 that. I don't recall specific dates.

11 Q. Apart from yourself, who else worked in  
12 your office?

13 A. When?

14 Q. In the last four or five years.

15 A. So many people have come and gone I  
16 couldn't tell you a list of people. I had  
17 different law clerks.

18 Q. Going back to, let's say starting in '93  
19 and moving forward, who provided the secretarial  
20 work or the administrative assistance?

21 A. Rose Osborne.

22 Q. Anyone else work with her in a clerical

1 capacity?

2 A. Ann Mileham worked there.

3 Q. Who was the law intern during that time  
4 in '93?

5 A. I didn't have any interns.

6 Q. That year you didn't have an intern, in  
7 '93?

8 A. I didn't have any interns ever.

9 Q. Okay.

10 What about in '94? Who worked there in a  
11 clerical capacity?

12 A. Rose Osborne.

13 Q. And Ann Mileham as well?

14 A. I don't know. She worked really for a  
15 brief period for me. I don't know whether she was  
16 still there in '94 or not. I don't recall  
17 specifically.

18 Q. Did you work for any temporary period  
19 with attorneys during that time on a contract  
20 basis?

21 A. I'm not sure I understand the question.

22 Q. Not as a full time partner, but someone

1 that would be working with you for a temporary time  
2 period on a project.

3 Or you worked strictly on your own?

4 A. No. I had other people work with me as  
5 attorneys. Right.

6 Q. Not in your office though?

7 A. In my office.

8 Q. In your office. That is what I am  
9 asking.

10 Who are those people that worked with  
11 you?

12 A. Indra Seunarine worked for me for awhile.  
13 Joyce Seunarine worked in my office.

14 Q. Is it the same family?

15 A. Yes.

16 That was awhile ago.

17 Q. When was that?

18 A. That would be back in '87.

19 I don't believe anybody else was there in  
20 '94.

21 Q. Was your practice limited to immigration  
22 law?

1 A. No.

2 Q. What other areas?

3 A. General civil practice.

4 Q. You mentioned earlier working in the  
5 Finance Committee for various candidates or  
6 incumbents.

7 As far as the clerical paperwork involved  
8 with fund-raising, who in the office helped with  
9 that?

10 A. There were no clerical people involved in  
11 fund-raising. So, I am not sure what you are  
12 asking.

13 Q. The question was, what kind of work  
14 related to the fund-raising that you carried out in  
15 your office?

16 A. That involved my office staff?

17 Q. Yes.

18 A. None other than if occasionally I was  
19 going to transmit checks that I had received, the  
20 secretary would type out a transmittal letter and  
21 transmit the checks.

22 Yes. We did that for Clinton. We did

1 that for Dukakis. We did that for Governor  
2 Schaefer. I forgot Governor Schaefer. And  
3 Governor Glendening.

4 Q. What other correspondence did the office  
5 staff handle? In addition to the transmittal  
6 letters, what other correspondence relating to it?

7 A. Related to what?

8 Q. To the fund-raising. Solicitation  
9 letters.

10 A. I never solicited for political  
11 purposes. No. I recommended candidates.

12 Q. How did individuals know then to send the  
13 checks to your office?

14 A. Well, that assumes they all sent checks  
15 to my office, doesn't it?

16 Q. You said that on occasion with regard to  
17 Clinton, Dukakis and Schaffer office staff prepared  
18 a transmittal letter.

19 A. For the checks I had received.

20 Q. Yes. That is what I mean.

21 A. That doesn't mean all checks were sent to  
22 me.

1 Q. Well, the checks that were received in  
2 your office.

3 A. Right.

4 Q. How did you make the recommendations to  
5 people to support candidates?

6 A. Here is a candidate worthy of your  
7 support. If you want to support, either send it  
8 directly or send it to me and I will take care of  
9 sending to them.

10 Q. Was that communication made  
11 telephonically?

12 A. Generally or verbally. You know,  
13 face-to-face.

14 Q. And also by letter?

15 A. I don't recall sending any letters like  
16 that.

17 Q. You briefly mentioned visitors to your  
18 office. You mentioned the Ambassador, I believe it  
19 was Karan Singh, that visited your office once.

20 A. Yes.

21 Q. That was in connection with another visit  
22 he was having to the Baltimore Sun?



1 A. Board of Editors.

2 Q. Board of Editors.

3 What date was that?

4 A. I don't know.

5 Q. What year was that?

6 A. I guess it was in the nineties some time,  
7 but I don't recall exactly.

8 Q. When was he Ambassador? During what time  
9 period?

10 A. If I could recall that, I would be able  
11 to pinpoint the previous question.

12 Q. You mentioned he was going to the Sun.  
13 That was in connection with what activity?

14 A. Only he can tell you.

15 Q. You stated that Mr. Devendra Singh had  
16 been to your office a couple of times.

17 During what occasions did he come by your  
18 office?

19 A. Well, I will say the same thing again.  
20 He was doing something else in the Baltimore area  
21 and happened to have some time, so he stopped by at  
22 my office.

1 Q. Did he call ahead of time to make an  
2 appointment?

3 A. He called while he was here to let me  
4 know he was in town and if he could stop by.

5 Q. So the call was made when he was already  
6 in the area?

7 A. As I recall. Yes.

8 Q. And that was the usual practice for him  
9 to make a call while he was in the area?

10 A. Not necessarily.

11 Q. On some occasions did he call ahead of  
12 time?

13 A. Yes. He did. To say that he was going  
14 to be in the area.

15 Q. Going back to 93/94, which occasion did  
16 Mr. Singh visit your office during that time?

17 A. I don't recall any specific occasion. I  
18 think he was attending some meetings in the  
19 Baltimore area during the 93/94 period and he did  
20 stop by to see me.

21 Q. What were those meetings regarding?

22 A. Just to say hello, see how things are

1 going.

2 Q. No. What were the meetings that he was  
3 attending?

4 A. I don't know.

5 Q. Would he usually come in the morning or  
6 in the afternoon?

7 A. Afternoon.

8 Sometime in the morning, I guess. I  
9 don't know.

10 Q. How long would he stay when he would  
11 come?

12 A. A half hour. An hour.

13 Q. If he came in the afternoon, would he  
14 stay sometime for dinner or for social activities  
15 afterwards?

16 A. If he did on his own, I have no idea.

17 Q. Did he ever go with you to the Akbar  
18 Restaurant?

19 A. Might have. I don't know. I don't have  
20 a specific recollection of him going to the Akbar  
21 Restaurant with me.

22 Q. Do you recall going to other restaurants

1 in Baltimore with him?

2 A. I didn't say I had gone to any. So, what  
3 other?

4 Q. I forgot to ask for a clarification  
5 earlier about the India Forum.

6 I asked if the India Forum for Political  
7 Education was a separate group, a separate entity,  
8 a separate organization.

9 A. What are you talking about?

10 Q. We mentioned two organizations, the India  
11 Forum and then the India Forum for Political  
12 Education.

13 A. Who mentioned that?

14 Q. I did.

15 A. I did not.

16 Q. No.

17 My question to you is if you know what  
18 the India Forum for Political Education is?

19 A. Never heard of it.

20 Does it exist? This is the first time I  
21 am hearing of it.

22 Q. Can you describe generally what were your

1 activities with regard to the federal elections in  
2 1994?

3 A. Just to support the candidates who I  
4 thought were worthy of support.

5 Q. Well, when did you begin your work on  
6 behalf of federal candidates in 1994?

7 A. Probably about early '94.

8 Q. Excuse me?

9 A. Probably about early '94.

10 Q. What did you do in preparation for that?

11 A. I did not do anything in particular.  
12 They just invited me to become a member of the  
13 Finance Committee and if I thought I wanted to  
14 support them, I joined the Finance Committee.

15 Q. Which individual's Finance Committee?

16 A. I believe Senator Sarbanes Finance  
17 Committee I joined maybe about mid-94.

18 Q. In conjunction with your joining the  
19 Finance Committee for Sarbanes what sort of work  
20 were you doing for him?

21 A. I guess encouraged people to contribute  
22 to him.

1 Q. What form did that take?

2 A. Just talking to friends.

3 Q. In what forum was the word put out?

4 A. I'm not sure I understand that.

5 Q. In what settings, in what various  
6 settings, did you encourage people to contribute?

7 A. As I went around in different meetings or  
8 different forums if I happened to see friends of  
9 mine who I thought would be likely to support, I  
10 would approach them and ask them to support.

11 If there was any fund-raising events  
12 organized by the campaign with tickets to the  
13 political fund-raising events, then I would try to  
14 persuade them to buy those tickets.

15 I said earlier I did not seek anything in  
16 writing. I may have transmitted some tickets in  
17 writing to events like that.

18 Q. Transmitted tickets to friends?

19 A. Yes. Asking them to buy them. It's  
20 possible. Yes.

21 Q. Which friends did you transmit some of  
22 these invitations to?



1           A.    I don't know. I couldn't tell you right  
2 now.

3                   I am just saying if I did write to  
4 anyone, it would most likely be in connection with  
5 sending tickets like that to some fund-raising  
6 events urging them to buy those tickets.

7                   I'm not saying I did it. If I did it,  
8 that would be a likely context.

9           Q.    You said you would encourage people to  
10 make contributions or support a candidate in  
11 various settings, including meetings.

12                   What type of meetings?

13           A.    I have attended so many meetings that  
14 it's impossible for me to pinpoint any particular  
15 meeting. It could be a prayer meeting where I meet  
16 people. It could be a professional gathering where  
17 I meet people. It could be just running into them  
18 on the street. I don't know.

19           Q.    How was the word put out within the  
20 Indian American community as far as supporting  
21 candidates?

22           A.    Through word of mouth. By telling people

1 if they wanted to help me, they would tell their  
2 friends.

3 Q. Which people did you go to as far as in  
4 support of telling them to tell other people to  
5 support candidates? Which people did you go to?

6 A. As many as I could. I can't say any in  
7 particular.

8 Q. Do you recall some of the people that you  
9 went to, some of the names?

10 A. I don't want to be selective about it.  
11 It's unfair to them and to others if I try to be  
12 selective about that.

13 All my friends.

14 Q. Which other candidates on whose behalf  
15 were you active in the federal arena in '94?

16 A. Which other meaning?

17 Q. You already mentioned Sarbanes.

18 A. Right.

19 Q. Which other candidates or incumbents?

20 A. Well, locally not too many others faced  
21 any strong opposition that I can recall right now.  
22 There was not a big race going on back then.

1 Q. What about other congressional races in  
2 Maryland?

3 A. Well, in the Sixth Congressional District  
4 an Indian American was running seeking the  
5 nomination of the Democratic Party by the name of  
6 Mr. Dhilon, D-H-I-L-O-N, and he sought out my  
7 help. That was an important race for him.

8 Q. When did you become involved with  
9 Mr. Dhilon's candidacy?

10 A. He came to see me sometime in June of  
11 '94, I think. Again, I'm not that clear on  
12 dates. Sometime in mid 94.

13 The election was in November, so a few  
14 months before that he came to see me.

15 Q. Which other federal candidates were you  
16 actively involved in supporting?

17 A. I don't think there are too many other  
18 districts in Maryland that I have much of an  
19 involvement other than telling friends who I liked  
20 and who I particularly want to be involved with.

21 Q. How much of your time was spent in the  
22 portion of working with federal candidates in 1994,

1 as opposed to Glendening, working in the Glendening  
2 campaign?

3 A. Only a fraction of my time for federal.

4 Q. Only a fraction of your time?

5 A. Right.

6 Q. Was that considerably less time than you  
7 had spent in the past for federal candidates?

8 A. Yes.

9 Q. How did you go about maximizing the  
10 little time that you had with regard to federal  
11 candidates?

12 What was your approach?

13 A. Maximizing in what way?

14 Q. Given that you had so very little time  
15 for federal activities because you were working  
16 with the Glendening campaign, what approach or  
17 method did you use with the little time that you  
18 had to maximize that?

19 MS. WILLIS: Objection. He never said he  
20 maximized his time.

21 MS. DILLENSEGER: I will ask the  
22 question.

1 BY MS. DILLENSEGER:

2 Q. With the little time that you had, what  
3 did you do with that?

4 A. Urged my friends to give support.

5 Q. Did you do anything differently in '94 as  
6 far as urging people to support federal candidates  
7 because of the time crunch?

8 A. The time crunch had nothing to do with  
9 who I wanted to support or did not want to support.

10 Q. Not the person that you would support or  
11 not, but what you normally would do if you had more  
12 time, in other words.

13 A. I would do the same thing to a greater  
14 extent, which was to urge my friends to support the  
15 candidates. If I had more time, I would just be  
16 able to reach more friends.

17 Q. But you are saying that in 1994 you had  
18 very little time to spend in federal activities  
19 generally.

20 A. Less than if I did not have the  
21 responsibilities of the Glendening campaign.

22 Q. Did your office staff therefore become



1 more involved with the paperwork involved with the  
2 checks, contribution checks, because you were more  
3 active in the Glendening campaign?

4 A. Well, there had to be paperwork to be  
5 sent to the Glendening campaign office which had to  
6 be handled by the office staff, which was not the  
7 case in previous elections.

8 Yes. It was more than previous  
9 elections.

10 Q. Did the office staff assume more  
11 responsibility with regard to the processing of  
12 campaign fund-raising for federal candidates?

13 A. My staff was never involved in  
14 fund-raising more or less. It was never involved  
15 in fund-raising.

16 Q. You said you were urging people to  
17 support candidates and you did less of it because  
18 you had less time.

19 A. No. I did not say that. But go ahead.

20 Q. Did you, therefore, rely on other people  
21 to spread the word for you to support candidates,  
22 federal candidates?



1 A. I relied as much as I could on everybody.

2 Q. So, on which individuals did you rely  
3 upon to spread the word?

4 A. All my friends.

5 Q. Which friends in particular?

6 A. I can't single out anybody.

7 Q. Well, I am not asking you to single out  
8 anybody. I am just asking you to name some  
9 friends.

10 A. That wouldn't be appropriate because I  
11 asked all my friends and then if I leave out  
12 somebody, I am saying they are not my friends.

13 Q. Which then were some of the people that  
14 you didn't necessarily ask, but that passed the  
15 word on to other people that made contributions?

16 A. That is a very general question. Can you  
17 specify that?

18 Q. Okay. I will ask you directly.

19 In 1994 please state the names of the  
20 individuals you asked to help you solicit  
21 contributions.

22 A. I solicited contributions. I did not ask

1 anyone to solicit contributions. If the word  
2 "solicitation" is appropriate. I like to use the  
3 words that I encouraged my friends to contribute.

4 Q. You are saying it's a large group of  
5 people we are dealing with here, correct?

6 A. It's pretty large.

7 Q. Do you know a Mr. Vinay Wahi?

8 A. Yes.

9 Q. How do you know him?

10 A. He is owner of the Akbar Restaurant in  
11 Baltimore and a friend and a client.

12 Q. Do you have any business relationship?

13 A. And a client.

14 Q. How long have you known Mr. Wahi?

15 A. I would say more than ten years.

16 I should more accurately say as long as  
17 he has owned the restaurant, if that is more than  
18 ten years.

19 Q. Do you have a business interest in the  
20 restaurant as well?

21 A. No.

22 Q. In 1994 did you approach Mr. Wahi with

1 regard to support of candidates?

2 A. Yes.

3 Q. What did you say to him?

4 A. That I wanted him to consider supporting  
5 certain candidates.

6 Q. And what did he say?

7 A. I don't recall what he said.

8 Q. Did you ask him to spread the word to  
9 others to support candidates?

10 A. I don't remember asking him to spread the  
11 word in the sense of telling his customers who come  
12 in there.

13 Q. Did you ask him to ask his employees to  
14 contribute?

15 A. I didn't ask him to ask anyone in  
16 specific to contribute.

17 Q. Not in specific, but in general? Did you  
18 ask him in general?

19 A. I asked him to have as many people as  
20 possible contribute in general. Right.

21 Q. And in connection with that, what other  
22 things were told to him about the actual making of

1 the contributions?

2 A. I don't remember that.

3 Q. Did you give him any instructions about  
4 collecting contributions or contribution checks and  
5 sending them to your office?

6 A. I might have. I don't recall that.

7 Q. You said he was the owner of the Akbar  
8 Restaurant.

9 A. He is one of the owners. He is not the  
10 only owner.

11 Q. One of the owners.

12 Did employees of the restaurant  
13 contribute?

14 A. That is what I am told subsequently.

15 Q. And they were solicited by whom? They  
16 were asked to contribute by which individual?

17 A. I don't know.

18 Q. The checks from the Akbar Restaurant  
19 employees, were they received at your office?

20 A. My office received checks. I didn't know  
21 what the occupation of the people were when we  
22 received the checks. Subsequently we found out.

1 Q. And the checks were to be sent where?

2 A. What checks?

3 Q. The checks that were received from the  
4 Akbar employees.

5 A. Who were they made out to?

6 Q. That is the question.

7 Do you know who they were made out to?

8 A. I don't recall right now. No.

9 Q. What do you know about the checks from  
10 the Akbar employees which your office received?

11 A. I am sure they were transmitted to the  
12 appropriate place.

13 Q. What do you mean?

14 A. Whoever was supposed to receive them.

15 Q. What role did your office play in  
16 processing those checks?

17 A. Transmitted them.

18 Q. What does that mean in practical terms?

19 A. Putting them in an Airmail Express,  
20 Airborne Express, envelope and addressing them to  
21 wherever they are supposed to go.

22 Q. What other correspondence was involved in

1 that?

2 A. I don't recall if there was any.

3 Q. Was there a cover letter?

4 A. I don't recall.

5 Q. So you are saying checks were just put in  
6 an envelope and sent out like that?

7 A. No. Usually there is a transmittal  
8 letter that goes with that.

9 Q. Yes. And who signs that letter?

10 A. Usually my secretary will sign my name to  
11 most of that correspondence, transmittal letters.

12 Q. Would your secretary show you the checks?

13 A. No. Not necessarily. Not necessarily.

14 Q. So, what would be the standard procedures  
15 for checks that were coming in to your office?

16 A. To make a copy and then to transmit them  
17 to whoever should be receiving them.

18 Q. Make copies of the checks and prepare a  
19 transmittal letter?

20 A. Yes. Prepare a transmittal letter.

21 Q. Would there be a listing of the names of  
22 the individuals and the amount that was



1 contributed?

2 A. On the transmittal letter?

3 Q. Yes. On the transmittal letter.

4 A. I would think so.

5 Q. And when this was done this was presented  
6 to you for review?

7 A. No.

8 Q. So, is it your testimony that you had no  
9 knowledge or had no involvement at all with these  
10 checks that would come into your office and then  
11 would leave your office?

12 A. I did not say I had no involvement  
13 because they came there because of me, because of  
14 my urging people. I had significant involvement in  
15 obtaining them. But in the clerical work of  
16 transmitting them I had very little involvement.  
17 Yes. That is my statement.

18 Q. But you knew which individuals had sent  
19 in the checks, of course.

20 A. Not necessarily at the time. No.

21 Q. Well, during 1994, the time period that  
22 we are looking at, the checks that would come in

1 for federal candidates, what was your procedure for  
2 handling the checks?

3 A. Make copies and transmit them with a  
4 transmittal letter. That is what my secretary  
5 would do.

6 Q. Did your secretary present you with a  
7 copy of the people who had given?

8 A. She would put them in the file. Yes.  
9 Obviously the file was available to me to look at.

10 Q. Do you know Mr. Satish Bahl?

11 A. Yes.

12 Q. How do you know him?

13 A. He is also one of the owners of the Akbar  
14 Restaurant.

15 Q. He is a co-owner with Mr. Wahi?

16 A. That is correct.

17 Q. How long have you known him?

18 A. For many years.

19 Q. As long as you have known Mr. Wahi?

20 A. Longer.

21 Q. Did you approach Mr. Bahl in '94 urging  
22 him to support federal candidates?

1 A. I don't have any specific recollection of  
2 approaching him.

3 Q. Did you stop at the Akbar Restaurant  
4 during that '94 time period?

5 A. Yes.

6 Q. Did you at that time speak to Mr. Bahl  
7 regarding the supporting of candidates?

8 A. I would imagine so.

9 Q. Did you tell him the same thing that you  
10 told Mr. Wahi, to ask others to support candidates?

11 A. I don't recall exactly what I said to  
12 him.

13 Q. Did you say something to that effect?

14 A. I really don't recall what I said. So,  
15 there is no sense in my guessing.

16 Q. How many Akbar Restaurants are there?

17 A. There are three.

18 Q. There are three.

19 Who are the owners? Do you know who the  
20 owners are for the Akbar Restaurants?

21 A. Mr. Wahi and Mr. Bahl.

22 Q. So, Mr. Wahi and Mr. Bahl are owners of

1 all three restaurants?

2 A. Yes. That is my understanding.

3 Q. Is there any other owner or part owner of  
4 those restaurants?

5 A. I don't know.

6 At one point I think there was, but I  
7 don't believe that now.

8 Q. You stated there were checks coming in  
9 from employees of Akbar Restaurants.

10 A. I didn't say that.

11 Q. You didn't say that?

12 A. No. You said that.

13 Q. Well, I asked you if there were Akbar  
14 employees that had made contributions.

15 A. I said I subsequently found out.

16 Q. When did you find out?

17 A. After the transmittal. After I received  
18 them and transmitted them.

19 Q. After you received them in your office?

20 A. Right.

21 Q. Do you know Uday Gadhia?

22 A. Yes.

1 Q. How do you know him?

2 A. He is my nephew.

3 Q. Was Uday Gadhia one of the individuals  
4 you spoke to about supporting federal candidates?

5 A. Yes.

6 Q. What did you say to him?

7 A. The same. Would you consider supporting  
8 some candidates?

9 Q. What else did you tell him?

10 A. Get his friends to support the  
11 candidates.

12 Q. What else did you tell him?

13 What else did you say about how they  
14 could support the candidates?

15 A. By contributing.

16 Q. What else was said in connection with the  
17 contributions?

18 Do you recall anything else that you said  
19 with regard to the contributions?

20 A. That he would be reimbursed.

21 Q. That he would be reimbursed. Who?

22 A. That the contributions would be

1 reimbursed.

2 Q. So, that was said to Mr. --

3 A. Let's get to the substance of it.

4 Q. Yes. I am trying to establish what you  
5 know.

6 A. I pleaded guilty to it.

7 Actually, I have not pleaded guilty to  
8 reimbursements.

9 Q. So you told Mr. Uday Gadhia that he would  
10 be reimbursed?

11 A. He would be reimbursed. That is right.

12 Q. And you said the same to Mr. Wahi and  
13 Mr. Bahl?

14 A. Yes.

15 Q. How did you tell them that this would  
16 happen, the reimbursement?

17 A. I would reimburse them.

18 Q. You said I would reimburse them. By that  
19 you mean?

20 A. Well, actually I gave them money in  
21 advance to get the checks.

22 Q. Did you give them the money at the time



1 you approached them?

2 A. Yes.

3 Q. How much money did you give Mr. Wahi?

4 A. I don't recall the specific amounts.

5 Q. How much money would you have at that  
6 time to give him?

7 A. Which time?

8 Q. The time you approached Mr. Wahi.

9 A. When I approached Mr. Wahi?

10 Q. Yes.

11 A. I received, for instance, two  
12 installments, one was 40,000, another was 20,000.  
13 So, this was probably part of the 40,000.

14 Q. When was the first installment received?

15 A. Sometime in October, I believe. Maybe  
16 September, early October. I think early October,  
17 if I'm not mistaken. I can't be very specific  
18 about the dates.

19 Q. How was the money received? In what  
20 form?

21 A. In cash.

22 Q. In cash. But how did you get it?

1 A. At a meeting with Mr. Devendra Singh.

2 Q. Where was the meeting?

3 A. In Laurel.

4 Q. Laurel?

5 A. Yes. Laurel, Maryland.

6 Q. Where in Laurel?

7 A. The Holiday Inn.

8 Q. How did you happen to meet Mr. Singh  
9 during that time in Laurel?

10 Who set up the meeting?

11 A. We mutually set up the meeting. He  
12 wanted to meet with me. Since he was in Washington  
13 and I am in Baltimore, that is a convenient  
14 midpoint.

15 Q. Did he tell you what he wanted to meet  
16 you about?

17 A. I had a vague idea.

18 Q. Why did you have a vague idea?

19 A. From the earlier conversation I had with  
20 him.

21 Q. So, going back to the earlier  
22 conversation, can you take me to the first

1 conversation you had with him about this?

2 A. He asked me if -- I am trying to be  
3 precise about it. It was a long time ago, the  
4 conversation, but an important conversation.

5 He knew that I was active in supporting  
6 different candidates locally and that I was trying  
7 to raise money within the Indian American community  
8 and that not a whole lot was forthcoming as much as  
9 I would have liked. He asked if I could use any  
10 help in raising money, you know, use money if it  
11 was available, and I said, yes.

12 Q. When was that conversation?

13 A. Probably in September sometime I would  
14 think.

15 Q. Of 90?

16 A. Yes. August/September '94. Something  
17 like that. I can't be specific about the dates.  
18 Roughly that period.

19 Q. What was the upshot of that first  
20 meeting?

21 A. After I said that, yes, I would be able  
22 to use some resources if made available, he said,

1 okay, I will call you. The next time when he  
2 called me I kind of vaguely thought that was the  
3 reason why he was calling me.

4 Q. When was the next call or the next  
5 exchange? Was that a week after?

6 How many days after the first meeting  
7 that you had with Mr. Singh did he call you back?

8 A. Well, let's not call it the first  
9 meeting. That is not the first time I met him.  
10 Obviously, I had an ongoing relationship.

11 This was the first time he proposed to  
12 make some resources available. After that when he  
13 called I realized, by putting it in context, that  
14 that was the nature of the call.

15 Q. Where was the meeting held, that meeting  
16 in September '94?

17 A. The restaurant in the Holiday Inn.

18 Q. This was also in Laurel?

19 A. No. The first meeting was in Washington  
20 at some event. I don't remember.

21 Q. It was some event.

22 Was it an embassy event?

1 A. I can't be specific because I have no  
2 specific recollection of that.

3 Q. So this was during a social gathering?

4 A. Some gathering somewhere where he took me  
5 to the side and asked me -- well, no. It wasn't  
6 that way. It was at the end of some luncheon  
7 meeting that I had and as I was walking back to my  
8 car that is where this conversation took place, not  
9 at any particular gathering. I take that back.

10 Q. Who put on the luncheon meeting? What  
11 was it in relation to?

12 A. It was just a casual social luncheon. I  
13 don't even recall who else was there.

14 Q. So, it was just --

15 A. Three or four people luncheon, not a big  
16 luncheon.

17 Q. Were there any other embassy people at  
18 that function?

19 A. No.

20 Q. You said a call came in sometime  
21 afterwards?

22 A. Subsequently. And I kind of connected

1 that maybe that is the reason why he is calling me.

2 Q. What did he say in the call?

3 A. That he would like to meet.

4 Q. He would like to meet. Okay.

5 A. I said, fine.

6 Q. And then what happened?

7 A. I arranged a breakfast meeting at the

8 Holiday Inn restaurant in Laurel.

9 Q. Does he live in Laurel or lived at the  
10 time?

11 A. No. He didn't.

12 Q. Does he know anybody in Laurel?

13 Was there any reason why Laurel?

14 A. I suggested Laurel.

15 Q. You suggested Laurel?

16 A. I suggested the Holiday Inn in Laurel  
17 because I didn't want to drive to Washington.

18 Q. But there was no other reason that it  
19 would have been in Laurel except for the  
20 convenience?

21 A. That is right. My convenience.

22 Q. So, that meeting in Laurel was when?



1 Do you recall?

2 A. Probably late September, early October.

3 I'm not sure. I would say about that time.

4 Q. What took place then when you met at the  
5 Holiday Inn?

6 A. He gave me an envelope with \$40,000.

7 Q. What was said in connection with that?

8 A. To channel it to appropriate candidates  
9 in the federal election, the upcoming '94 federal  
10 election.

11 Q. What did you say when you were handed the  
12 envelope?

13 A. The only thing I wanted to know was if it  
14 was government money, and he said, no. That was  
15 good enough. I didn't want to know anything more  
16 about it.

17 Q. What do you mean you asked him if this  
18 was government money?

19 A. If it was money of the government of  
20 India.

21 Q. You asked him that?

22 A. Right.

1 Q. What was his response?

2 A. No.

3 Q. Did he say anything else in connection  
4 with the source of the money?

5 A. No. I did not ask him any further about  
6 that source of the money.

7 Q. Was this someone of means, this  
8 Mr. Singh? What was your impression of his  
9 financial situation? Do you know?

10 A. I don't know his finances.

11 Q. What else was in the envelope?

12 A. Nothing.

13 Q. And the money was in what format or  
14 denominations?

15 A. \$100 denominations.

16 Q. After you took the envelope you asked a  
17 question about whether it was government money and  
18 he said no?

19 A. That is correct.

20 Q. And then what was the rest of the  
21 conversation?

22 A. Just essentially, I guess, about what I

1 was going to do with it. I said that there is this  
2 PAC started by some young Indian Americans who were  
3 struggling for money and I was going to offer it.  
4 You know, I was going to channel it to that PAC.

5 Q. And then what did he say?

6 A. He left that decision up to me.

7 Q. Did he give instructions about notifying  
8 him as to what the outcome or the disposition was?

9 A. No. Just obviously he wanted to know  
10 what was being done with it. That is all.

11 Q. How did you know it was 40,000 in the  
12 envelope?

13 A. He told me.

14 Q. He said there is 40,000 in the envelope?

15 A. Right.

16 Q. Was there any kind of paper that came  
17 with the money showing how much?

18 A. No.

19 Q. How long was this meeting in Laurel?

20 A. About an hour at the most. We ate  
21 breakfast. If that long. I don't think it lasted  
22 that long because I was in a hurry to do other

1 things.

2 Q. So, right after the breakfast meeting  
3 what did you do next then with the money or with  
4 the envelope?

5 A. I took it with me and I guess approached  
6 Mr. Wahi and gave him some, gave some to my nephew,  
7 and I started asking for them to give me checks in  
8 exchange.

9 Q. Did you approach Mr. Wahi and your nephew  
10 and these others before you approached the PAC?

11 When was the approach to the PAC?

12 A. I had been in communication with the  
13 PAC.

14 Let's back up. What do you mean by  
15 approach?

16 Q. When were you in communication with the  
17 PAC during '94 about fund-raising for the PAC?  
18 When were you first in communication?

19 A. It would be around that same time. When  
20 I knew that there was a possibility of obtaining  
21 some money, I informed the PAC that I might be in a  
22 position to help them.

1 Q. So, the meeting you said was late  
2 September, early October. Let me pull out the  
3 calendar again.

4 A. It won't do me any good because I don't  
5 remember any dates. I can look at all of the  
6 calendars and it is just as blank to me as ever.

7 Q. Well, for example, the meeting at the  
8 Holiday Inn in Laurel, what day of the week would  
9 that have been?

10 A. A weekday.

11 Q. That was a weekday?

12 A. Yes.

13 Q. Which day would that have been?

14 A. I don't know.

15 Q. Would it have been the early part of the  
16 week or the latter part of the week?

17 A. I don't have the slightest memory of that  
18 other than it was a weekday. It was for sure not  
19 Saturday or Sunday. That I can tell you.

20 Q. Okay.

21 THE WITNESS: Can we interrupt for a  
22 minute? I need to go and use the restroom.

1 MS. DILLENSEGER: Sure.

2 Off the record.

3 (Recess.)

4 MS. DILLENSEGER: We are back on the  
5 record.

6 BY MS. DILLENSEGER:

7 Q. I would remind you that you are still  
8 under oath.

9 A. Sure.

10 Q. Just to go back a little bit, you said  
11 you had a meeting with Mr. Singh late September,  
12 early October, where you first brought up making  
13 available resources with regard to the campaign to  
14 help congressional candidates.

15 A. No. I didn't say that. That was much  
16 earlier.

17 Q. Much earlier. I am sorry. Yes.

18 A. About a month or so earlier.

19 Q. About a month earlier. Okay.

20 Prior to that time did you have any  
21 discussion with Mr. Singh regarding candidates and  
22 elections?



1 A. You know, that is a general question,  
2 candidates and elections. Yes. I had continued  
3 discussions about candidates and elections with  
4 everybody I meet.

5 Q. I understand.

6 So, it's fair to assume, because you have  
7 had conversations with just about everybody  
8 regarding elections and candidates, that you had  
9 similar conversations with Mr. Singh?

10 A. Yes.

11 Q. When you were given the money in Laurel,  
12 did you that very same day or the day after begin  
13 approaching people?

14 A. I don't know when after that I started  
15 approaching, but soon thereafter. Yes.

16 The election was coming up soon. Money  
17 had to get to support people in a timely fashion.  
18 Otherwise it was useless.

19 Q. Where was the money kept? Where was the  
20 cash kept?

21 A. With me.

22 Q. You kept it on your person?

1 A. No. I just kept it in my car.

2 Q. Kept it in your car?

3 A. Yes.

4 Q. For how long?

5 A. For a couple of days, I guess.

6 Q. When you took it out of your car where  
7 did you put it?

8 A. I locked it and then I kept it in my  
9 office, I guess.

10 Q. Who else knew about that you had this  
11 money with you?

12 A. Nobody else that I can think of.

13 Q. When you took it to your office to lock  
14 it, was any other office staff involved in that?

15 A. No.

16 Q. You mentioned then you started  
17 approaching people and you would give them some of  
18 the money for reimbursement.

19 How did you keep a reckoning or  
20 accounting of how much was given to various  
21 individuals?

22 A. Just scribbles. You know, notes I

1 scribbled on a piece of paper.

2 Q. Did you have a plan of people you would  
3 approach and when?

4 A. Not really.

5 Q. Who was the first person that you  
6 approached?

7 A. I couldn't tell you.

8 Q. Now, the fact that you were approaching  
9 various people and handing out this money, did you  
10 have any concern that somebody would say something  
11 to someone else about it?

12 A. Not really. I wasn't paying that much  
13 attention to it to begin with.

14 Q. Why not?

15 A. Because I was busy with a campaign that I  
16 considered very important, the Governor's campaign.

17 I was paying less attention to this than  
18 Mr. Gingrich was paying to what his involvement was  
19 in.

20 Q. What was your response to people that  
21 raised concern about the legality of the  
22 reimbursement?

1 A. I don't remember if anyone raised the  
2 question or not. I don't remember right now.

3 Q. Do you remember any instance where  
4 somebody raised a question about whether this was  
5 legitimate?

6 A. They might have. I don't remember.

7 Q. Well, what was your response if someone  
8 might have raised that?

9 A. I don't really recall my response  
10 either. I probably said don't worry about it or  
11 something like that.

12 Q. Let me see if I understand correctly.

13 You had this large amount of money that  
14 you were passing out to various individuals and you  
15 did not really have a concern about that becoming  
16 known, the fact of this reimbursement?

17 A. Could we go back to your question?

18 You said I had a large amount of money  
19 that nobody knew about and I had concern about  
20 that.

21 Q. Yes.

22 A. I don't follow that.

1 Q. Not the fact that you had large amounts  
2 of money, but the fact that you were passing out  
3 the money, reimbursing people for their  
4 contributions.

5 A. I actually was giving them an advance,  
6 not reimbursing them. The checks came after I gave  
7 the money, not the other way around.

8 Q. What do you mean by that?

9 You didn't see anything wrong with that  
10 then? Is that what you are saying?

11 A. Well, maybe I should have. Obviously, I  
12 have been through enough because of it.

13 I frankly just wasn't thinking much about  
14 it at the time. My mind was preoccupied with a lot  
15 of other things.

16 Q. You said this was a first installment.

17 When was the next time that you had an  
18 exchange with Mr. Singh?

19 A. Probably two or three weeks later.

20 Q. And how did that come about?

21 A. Same way.

22 Q. Did he call you?

1 A. He asked me if I could use more and I  
2 said, yes, I thought so.

3 Q. By the time he called you had you  
4 expended already the money that he had given you in  
5 the first installment?

6 A. I doubt that. I don't remember that.  
7 But certainly I had gone through more than half of  
8 it to say, yes, I could use more.

9 Q. So, two or three weeks later he calls you  
10 and asks you if you could use more and you said,  
11 yes?

12 A. I said I think so.

13 Q. Then what happened after the  
14 conversation?

15 A. We had another meeting at the same place  
16 where he gave me another packet. It was \$20,000.

17 Q. At the same place in Laurel?

18 A. Same place in Laurel.

19 Q. Was that on a weekday?

20 A. Yes. Also a weekday.

21 Q. Was that in October?

22 A. I think so.



1 Q. Was it late October?

2 A. Late October. Yes.

3 Q. And so you had the meeting on a weekday  
4 in Laurel late October and he gave you an envelope  
5 with 20,000?

6 A. Yes.

7 Q. What was discussed at that time?

8 A. There was no particular discussion at  
9 that time.

10 Q. What did you talk about the second time?

11 A. I guess I informed him that I was  
12 channeling it to the PAC and that I was making the  
13 contributions through three different individuals  
14 to the PAC and coordinating with the PAC as to who  
15 should get the money.

16 Q. At that time had all the contributions  
17 that were being reimbursed sent through the PAC, at  
18 the time that you spoke with Mr. Singh?

19 A. I doubt it. I don't recall specifically,  
20 but I don't think so.

21 Q. What was the thinking behind channeling  
22 the contributions through the PAC first or through

1 the IALIF?

2 A. What do you mean first?

3 Q. What was the advantage or thinking behind  
4 having people send checks to the PAC versus sending  
5 checks directly to the candidates?

6 A. The objective was to make the PAC  
7 stronger in visibility. That was the sole  
8 objective, to put the PAC on kind of a road map so  
9 that people would support it. Once the PAC was an  
10 ongoing organization that made some impact in  
11 visibility, then hopefully it would attract on its  
12 own contributions from Indian Americans, which it  
13 was unable to do up to that point.

14 So, it was just making its presence  
15 felt. That is all. That was the sole objective of  
16 the whole exercise.

17 Q. Now, not all of the money was used for  
18 PAC contributions.

19 A. That is right.

20 Q. What was the rest of the money used for?

21 A. If you look at it carefully, that is  
22 because I was running out of time, I didn't have

1 enough time to send it to the PAC, the PAC to wait  
2 until the checks cleared and then to make  
3 contributions to the candidates for support by  
4 Election Day. There wasn't sufficient time left.  
5 So, then I decided to have people make  
6 contributions directly. It was not the preferred  
7 way.

8 Q. Did the individuals you approached  
9 initially, Mr. Wahi and Mr. Bahl, did they give you  
10 an accounting of those people that made  
11 contributions?

12 A. They just sent me the checks, if that is  
13 what you call accounting.

14 Q. Now, with the second installment, the  
15 20,000, how was that amount determined or arrived  
16 at?

17 A. By who?

18 Q. I am asking you how did Mr. Singh --

19 A. I don't know. I guess that is what he  
20 was able to come up with through whatever source  
21 was coming up with it.

22 Q. Did you ask him the second time about the

1 source of the money?

2 A. No.

3 Q. Do you know a Dr. Ramamurthy?

4 A. Yes.

5 Q. How do you know him?

6 A. He is a friend, client and my dentist.

7 Q. How long have you known him?

8 A. A couple of years.

9 Q. Now, he was one of the individuals that  
10 was also approached to support candidates?

11 A. Yes.

12 Q. How did he assist you with that?

13 A. The same way as Mr. Wahi did. I asked  
14 him if he could give me checks for some amount of  
15 money and I gave him that amount of money.

16 Q. I guess you gave him the money  
17 beforehand, right?

18 A. I believe so.

19 Q. Do you know about how much?

20 A. No. I don't know that.

21 Q. Did you have any discussion with him  
22 about where he would try to get people's support?

1 A. No.

2 Q. Did you follow up with him on that, on  
3 the reimbursements with Mr. Ramamurthy?

4 A. In what way?

5 Q. Well, did you follow up in that did he  
6 call you and indicate people that he had approached  
7 or did you call him?

8 A. I think by the time I was talking to  
9 Dr. Ramamurthy there was not enough time to send to  
10 the PAC and I believe that I urged him if he would  
11 just personally contribute, get contributions made  
12 personally to different candidates, as best as I  
13 can recall.

14 Q. Did you attend a function, social  
15 function, that he had at his house where people  
16 were asked to contribute?

17 A. I didn't know he had a social function of  
18 that kind. That is news.

19 Q. Did any individual who was reimbursed  
20 come to your office and get reimbursed at your  
21 office?

22 A. It's possible. I don't know. It's

1 possible.

2 Q. Was Ms. Osborne reimbursed at your  
3 office?

4 A. Yes.

5 Q. She was given the money right at the  
6 office itself?

7 A. Yes. She was.

8 Q. Did she handle any of the reimbursement  
9 for people that came to your office?

10 A. I don't recall.

11 Q. Towards the end of October when there was  
12 little time left to go through the PAC and people  
13 were being asked to make direct contributions, how  
14 did the process go with that? Did people come to  
15 the office? Did you call?

16 A. Some people might have come to my office  
17 to pick up the money and others would call and ask  
18 to meet me somewhere. Each one was different.

19 Q. Which are some of the names of people you  
20 recall that you reimbursed from your office?

21 A. I couldn't say that. I would say very  
22 few people, maybe hardly any. I don't know.



1 I doubt it because most of the time I did  
2 not ask Rose to handle that. I handled it  
3 personally.

4 Q. But which people did you personally  
5 approach yourself and reimburse for their direct  
6 contributions?

7 A. I think you already mentioned some.

8 Q. Dr. Ramamurthy?

9 A. Dr. Ramamurthy.

10 Q. Uday Gadhia?

11 A. Yes.

12 Q. Mr. Bahl?

13 A. Yes.

14 Q. Vinay Wahi?

15 A. Yes.

16 Q. Ms. Osborne?

17 A. Yes. Ms. Osborne.

18 Q. Indra Seunarine?

19 A. Indra Seunarine. Yes.

20 Q. Hementa Kole?

21 A. I'm sorry?

22 Q. Hementa Kole. H-E-M-E-N-T-A.

1 A. No. I don't believe I personally had  
2 anything to do with him.

3 Q. Pradeep Perera?

4 A. He did not need any reimbursement, as I  
5 recall.

6 Q. Rajendra Sharma?

7 A. I don't recall that either, any contact  
8 with him.

9 Q. Do you know Mr. Sharma?

10 A. I know him. I don't recall if anything  
11 was mentioned to him or not. I don't recall.

12 Q. M. Surendra?

13 A. No. I don't recall.

14 Q. Sam Gupta?

15 A. He is quite well off and did not need  
16 reimbursement, so he told me he would not take the  
17 money.

18 Q. Did you approach him?

19 A. Yes. I approached him to get  
20 contributions. He just made contributions.

21 Q. What did he say to you when you said you  
22 would reimburse him?

1 A. He said, are you crazy? He said he makes  
2 big money.

3 Q. When was it you approached him?

4 A. Around the same time. I guess October  
5 sometime.

6 Q. Was it in the latter part of October or  
7 initial part of October?

8 A. I can't remember, but I guess the  
9 latter. I'm not sure.

10 Q. How much had you asked him to make in  
11 contributions?

12 A. A substantial amount.

13 Sam has always been a good supporter.  
14 So, it could be 10 or 15,000 I asked him to  
15 contribute.

16 Q. Had he made contributions previously to  
17 federal candidates?

18 A. I don't know. He can tell you.

19 Q. Why do you say that he was a good  
20 supporter? In what way?

21 A. He had made substantial contributions to  
22 state candidates.

1 Q. What about Mr. and Mrs. Sudhir and Aruna  
2 Trivedi?

3 A. They did not need any reimbursement  
4 because they are also extremely well off and are  
5 used to supporting candidates.

6 Q. You also approached him initially with  
7 making a reimbursed contribution?

8 A. Yes. Sure. I was offering that to  
9 everybody. Some needed it. Some didn't need it.

10 Q. You stated that Mr. Gupta made a  
11 substantial amount in contributions for which he  
12 was not reimbursed; is that correct?

13 A. He was not reimbursed. No.

14 Q. For any of the contributions made?

15 A. No.

16 Q. How was it decided then where the  
17 contributions would go to, to which candidates, in  
18 Mr. Gupta's case?

19 A. I essentially decided where it would go.

20 Q. So, did he give you a blank check or a  
21 check?

22 A. Yes. He gave me checks signed by him and

1 asked me to fill out the names of who I wanted.

2 Some of them I filled out. Some he filled out.

3 Q. What about the Trivedis?

4 A. What about them?

5 Q. Did they also decide where the checks  
6 would go or did you make the decision?

7 A. I asked them where they should go. I  
8 suggested to them who they should write to.

9 Q. And they made it out themselves?

10 A. I believe so. I don't believe that they  
11 gave me blank checks. I think Sam was the only one  
12 with whom I have a relationship that he gave me  
13 blank checks and said, okay.

14 Q. Has he given you blank checks in the  
15 past?

16 A. Many times. And not for political  
17 campaigns either.

18 Q. For other donations? For other purposes?

19 A. For personal.

20 Q. For personal?

21 A. Yes.

22 Q. As a gift you mean?

1 A. As a loan.

2 Q. As a loan.

3 A. Yes. A loan. If I needed to borrow  
4 money from him, he would just sign it and give it  
5 to me and say, okay, you fill in the amount.

6 Of course, with reason. If I filled in  
7 a million dollars, that wouldn't be right.

8 Q. Which other individuals do you recall you  
9 approached with a reimbursed contribution and they  
10 decided that they would make it on their own  
11 without?

12 A. If you give me the names, I will tell you  
13 whether there was reimbursement or not that I can  
14 recall.

15 Q. What about Dr. Ramamurthy?

16 A. Yes.

17 Q. He was reimbursed?

18 A. Yes. He was reimbursed.

19 Q. Was it your practice at an earlier time  
20 to reimburse contributions?

21 A. No.

22 Q. Why did you do it differently then for



1 this fund-raiser?

2 A. Not for this fund-raiser. Let's go  
3 back. Your question is misplaced.

4 What fund-raiser are we talking about?

5 Q. The October '94, November '94  
6 fund-raiser.

7 Well, I use the word "fund-raiser", but  
8 your solicitations of various individuals.

9 A. There was no fund-raiser. I specifically  
10 wanted to help this particular PAC make its  
11 presence known. So, when I was offered a source of  
12 money that I could channel to that PAC, I decided  
13 to take the opportunity to do that. That was the  
14 sole reason.

15 Q. To go back to the checks from Mr. Gupta,  
16 I just want to make it clear.

17 You are saying that he had given you  
18 blank checks for contributions before the ones that  
19 were given to you in October of '94?

20 A. I did not say that. I said for my  
21 personal transactions he had given me checks  
22 pursuant to a conversation where I would say, Sam,

1 I need to borrow \$5,000 from him. He would just  
2 sign the check and give it to me and expect me to  
3 fill in the amount that I said I would fill in.

4 Q. So, for his political contributions  
5 before that time he had always filled in the payee?

6 A. I guess so.

7 Q. So, why this time did he not fill it in?

8 A. He was in a hurry to go somewhere when I  
9 saw him. So, he just handed me the checks and  
10 said, why don't you take care of it because I am in  
11 a hurry right now.

12 Q. So, the amount that was given to you,  
13 that was a total of 60,000, correct?

14 A. Yes.

15 Q. All of it was used for reimbursement?

16 A. No. As I just told you, I did not need  
17 to reimburse everybody. So, no. All of it was  
18 not.

19 Q. How much was left over?

20 A. Probably about 15, 16.

21 Q. And where did that money go?

22 A. Back to Mr. Devendra Singh.

1 Q. How did it go back to Mr. Singh?

2 A. Another meeting at the Holiday Inn when I  
3 gave it back to him saying that this was not used.

4 Q. When was that meeting?

5 A. Sometime in November.

6 Q. Let me go back to make sure I have the  
7 meetings with Mr. Singh correctly.

8 You said the first meeting regarding this  
9 transaction took place at a luncheon sometime in  
10 either late September or early October.

11 A. No. I did not say that.

12 Q. A month before that time?

13 A. That is right. Approximately. A few  
14 weeks or a month. I'm not certain right now.

15 Q. A few weeks or a month.

16 And then the second meeting was in  
17 Laurel, at the Holiday Inn in Laurel?

18 A. The first one was not a meeting. The  
19 first was a conversation that took place after a  
20 luncheon. The first meeting regarding this took  
21 place in Laurel.

22 Q. And that was late September, early

1 October?

2 A. That is right, to the best of my  
3 recollection.

4 Q. Then the third exchange was a phone call  
5 where Mr. Singh asked if you could use more money?

6 A. Yes.

7 Q. And you said, yes, and there was another  
8 meeting in Laurel?

9 A. That is right.

10 Q. In late October?

11 A. Middle to late October.

12 Q. So, the solicitations and reimbursements  
13 took place in the October, early November time  
14 frame?

15 A. Roughly.

16 Q. When was the next exchange with  
17 Mr. Singh?

18 A. Sometime in November.

19 Q. What form of exchange was that, telephone  
20 or meeting?

21 A. Another meeting set up by telephone.

22 Q. Mr. Singh contacted you or you contacted

1 him?

2 A. No. This time I contacted him because I  
3 needed to return the money.

4 Q. So, you agreed to meet in Laurel again?

5 A. Yes. Same place.

6 Q. And you gave him the balance that was  
7 left?

8 A. That is right.

9 Q. 15 or 16,000 you said?

10 A. Yes. Roughly. Some odd amount. It  
11 wasn't an even amount.

12 Q. It was an odd amount?

13 A. Meaning it's 14,600 or 15,400 or whatever  
14 it was. I don't recall.

15 Q. What else was given back to him in  
16 conjunction with the meeting? Was there any kind  
17 of accounting or list?

18 A. No.

19 Q. What did he say at the meeting?

20 A. Well, he asked me how I thought  
21 everything went. I said, well, all right, I  
22 think. Obviously not.

1 Q. Did he express any concern about who was  
2 part of this?

3 A. He didn't know who was part of it. How  
4 would he know?

5 Q. Did he ask you questions about who had  
6 been approached?

7 A. No.

8 Q. What did you tell him that you would do  
9 afterwards? What else was said?

10 A. Nothing.

11 Q. Nothing?

12 A. There was nothing I would do other than  
13 send him a list of who was supporting to what  
14 extent through this effort.

15 Q. Who paid for the meal at the Holiday  
16 Inn? Who paid for the breakfast?

17 A. I don't recall.

18 Q. Was it paid for in cash?

19 A. I have no recollection of that.

20 Q. But you met for breakfast you said?

21 A. Yes. It's a few dollars. It's eggs and  
22 coffee. I don't know who paid and how much.



1 Q. You suggested the Holiday Inn in Laurel,  
2 correct?

3 A. Yes.

4 Q. Had you been there before on another  
5 occasion?

6 A. Well, I live here. I have lived here for  
7 36 years. I have known of the Holiday Inn.

8 Yes. I have had meetings there, business  
9 meetings, with people in the past.

10 Q. Did Mr. Singh drive up to Laurel on his  
11 own or how did he get there?

12 A. I assume he did. I don't know.

13 Q. So he made it there on his own and you  
14 just met him there?

15 A. That is right.

16 Q. Was he driven there by a chauffeur?

17 A. I don't know.

18 Q. He was there by himself?

19 A. Yes. He was there by himself.

20 Q. Did he need instructions on how to get  
21 there?

22 A. The first time, yes. I explained where

1 it was.

2 Q. So, at the meeting in November you meet  
3 in Laurel and you return the money and then what  
4 happens after that?

5 A. What do you mean?

6 Q. Well, when is your next exchange with  
7 him?

8 A. The next exchange was to say good-bye to  
9 him at somebody's house where there was a farewell  
10 reception.

11 Q. When was the farewell reception?

12 A. I don't recall that now. Maybe a few  
13 weeks or a few months later. A few months later.

14 Q. What exchanges did you have with him  
15 between the time that you met him, the last time  
16 you met him in Laurel, and then before he left?

17 A. Just to send him a list of who  
18 contributed how much to whom.

19 Q. Whose idea was it to send the list?

20 A. Mine.

21 Q. Did he ask you to send him something in  
22 writing?

1 A. No.

2 Q. So you decided to send him --

3 A. Just so that he was aware of who was  
4 receiving contributions and who was contributing.

5 Q. How was the list prepared? Who was the  
6 individual who put the list together?

7 A. Rose.

8 Q. And she did it from what sources?

9 A. From the copies of checks and transmittal  
10 letters, I assume. I wasn't present to watch as to  
11 how she prepared it.

12 Q. At the time that she prepared the list,  
13 was the list prepared for transmittal to the  
14 embassy?

15 A. No. I wanted to know for myself first.

16 Q. So the purpose then was for you to know  
17 who had made contributions?

18 A. Right.

19 Q. And then to notify the embassy that the  
20 following individuals had made contributions?

21 A. I shared the information. Not to notify.

22 Q. You shared the information with them that

1 these people had made contributions?

2 A. Right.

3 Q. And the list was sent to Mr. Singh?

4 A. Yes.

5 Q. The list was a list of the names of  
6 people who had made contributions and were  
7 reimbursed?

8 A. No. That was a list of all people who  
9 made contributions. Some were reimbursed and some,  
10 as I told you before, were not.

11 Q. So, copies of the checks were made.

12 There was a listing of what else? What  
13 was on the list? The name? The address?

14 A. I guess. I haven't looked at the list in  
15 a long time. So, I really don't know.

16 Q. What other documents were with the list  
17 that was sent to the embassy?

18 Was there a cover letter?

19 A. I don't think so. I don't recall any.

20 Q. So you decided on your own to send the  
21 list to Singh without his prompting or asking you?

22 A. Yes.

1 Q. Did you follow it up with a phone call or  
2 a letter to him?

3 A. I might have to make sure he received  
4 it. I don't know.

5 Q. Did he call you back to say he had  
6 received it?

7 A. I don't recall that.

8 Q. By what form was the list sent? By what  
9 method? Regular mail?

10 A. No. Airborne Express.

11 Regular mail was not used in any of  
12 this. It was all Airborne Express.

13 Q. Why did you use Airborne Express? Any  
14 particular reason?

15 A. It's fast.

16 Q. Fast.

17 A. We had limited time.

18 Q. What other kind of correspondence did you  
19 have with Singh during that time period?

20 A. I don't recall any other correspondence.

21 Q. When did you next speak to Singh after  
22 the meeting in Laurel? When was the next time you

1 spoke to him or heard from him?

2 A. I don't recall now.

3 Q. Well, was it the same month?

4 A. I do not remember.

5 Q. You mentioned a farewell party for  
6 Singh. When was that?

7 A. As I said, a couple of months later. I  
8 don't know.

9 Q. Was it still in the wintertime?

10 A. I believe so.

11 Q. Where was the party held?

12 A. At someone's house in Columbia.

13 Q. Do you remember the individual's house?

14 A. Right now I don't recall.

15 Q. Were there other meetings with Singh  
16 during that time period in between the time you met  
17 him at Laurel and the farewell party?

18 A. None that I can think of.

19 Q. Were there telephone calls with him  
20 during that time?

21 A. I don't recall any phone calls either.

22 Q. Was there correspondence during that



1 time?

2 A. None that I can think of.

3 Q. Who else at the embassy were you dealing  
4 with or speaking with during that time frame?

5 A. About what?

6 Q. Generally about Indian American issues.

7 A. In what time frame?

8 Q. The time frame September, October,  
9 November of '94.

10 A. Hardly anyone.

11 Q. Did you have any contact with Ambassador  
12 Ray during that time?

13 A. I don't believe so.

14 Q. Did you have contact with any other  
15 officials at the embassy during that time?

16 A. Not that I can remember.

17 Q. Did you attend any functions at the  
18 embassy during that time?

19 A. I can't think of any.

20 Q. Did you attend any functions at the  
21 chancery during that time?

22 A. None that I can think of.

1 Q. Did you have any occasion to drop in at  
2 the embassy during that time?

3 A. No. No. Not that I can remember.

4 Q. Were there any other functions that were  
5 not held at the embassy but which embassy personnel  
6 attended during that time?

7 A. If there were, they were held. I don't  
8 know about that. But I don't remember having any  
9 time for any of that.

10 Q. Let's talk a little bit about IALIF.

11 Do you know Subodh Chandra?

12 A. Yes.

13 Q. How long have you known him?

14 A. I would say maybe about four years, five  
15 years.

16 Q. In what context did you meet him?

17 A. Through a mutual friend.

18 Q. Was he living in Baltimore at the time  
19 that you met him?

20 A. Subodh Chandra?

21 Q. Yes. Was he in Baltimore at the time?

22 A. To my knowledge, he has never lived in

1 Baltimore.

2 Q. So you met him in another state or in  
3 another area?

4 A. No. I didn't say that either. He  
5 visited here in Baltimore.

6 Q. He visited here. Okay. All right.

7 You described a little bit the Indian  
8 American Leadership Investment Fund.

9 What is the nature of the organization  
10 generally?

11 A. To support causes. I believe it was  
12 founded to support Indian Americans running for  
13 federal offices essentially.

14 Q. When was it founded?

15 A. Well, by '94 it had been in existence for  
16 a couple of years, as I recall.

17 Q. When did you first become active within  
18 that organization?

19 A. I was never active within that  
20 organization.

21 Q. What was the nature of your contact then  
22 with Mr. Chandra about the organization?

1           A.     I just learned about it from him and  
2 thought that he was doing good things in giving  
3 leadership to young people and establishing this  
4 kind of an organization and it was worthy of  
5 support.   I'm sorry it backfired.

6           Q.     Who else was active in the organization?

7           A.     I have no idea.

8           Q.     If you could please describe your  
9 activities when you first contacted Mr. Chandra  
10 with the view of helping him.

11          A.     As soon as I realized that there was this  
12 money available that could be used to support  
13 federal candidates, I contacted him and asked him  
14 if he could use money for his PAC. I knew the PAC  
15 was not getting much support. It had meager  
16 support by that time. Then once he agreed to  
17 receive the support, I arranged for him to receive  
18 the checks.

19          Q.     What was the understanding that you had  
20 with him regarding your role in the support?

21          A.     Regarding my role there was no  
22 understanding other than that I would send to him

1 or transmit to him support contributions from  
2 different people and have them sent directly to  
3 them, whichever way it worked.

4 Q. Was there a decision made that you would  
5 select the beneficiaries?

6 A. Mostly. Mostly. But not all. He had a  
7 say in that too.

8 Q. So you began to send him checks or  
9 transmit to him the checks?

10 A. My office transmitted the checks. Right.

11 Q. Who signed off on the transmittal cover  
12 letter or the transmittal letter?

13 A. As I said before, my secretary signed on  
14 my behalf.

15 Q. What type of letterhead was used for  
16 transmitting the checks?

17 A. I think STEP-IN letterhead was used.

18 That is the Society of Technologists,  
19 Entrepreneurs and Professionals from India. It was  
20 inviting people to step into the process.

21 Q. Why was the STEP-IN letterhead used?

22 A. Well, because I did not want people to

1 feel that I was trying to take personally any  
2 credit for transmitting contributions to the IALIF  
3 or to any of the candidates because this effort was  
4 not for personal recognizement. I was afraid if I  
5 transmitted it on my letterhead as a lawyer, it  
6 would leave the impression that I was trying to be  
7 a big shot.

8 Q. Was the other reason that a lot of people  
9 from STEP-IN happened to have contributed?

10 A. I just stated the reason that I had.

11 Q. What was the connection?

12 I mean, the fact that you were the  
13 President of STEP-IN, what was the connection with  
14 using their letterhead?

15 A. It's an organization that was created to  
16 promote professional interests of people and it  
17 seemed appropriate that the transmittal should go  
18 in the name of some organization.

19 STEP-IN is not a 501-C-3, so it is not  
20 bound by any of that. India Forum is 501-C-3, so  
21 you couldn't use that.

22 Q. Now, the letters that did not go through



1 IALIF but directly to the candidates, were they  
2 transmitted from your office as well?

3 A. I believe so. I believe some were  
4 transmitted and some were personally carried to  
5 those people. They were not all transmitted.

6 Q. They were personally carried to that  
7 candidate's campaign office?

8 A. To some receptionist there.

9 Q. Did all the checks come through your  
10 office then?

11 A. No. The ones that were personally  
12 hand-delivered to the receptionists of different  
13 candidates didn't come to my office.

14 Q. The person who wrote the check --

15 A. They took them directly and just made a  
16 copy for my benefit. Or for my information, not  
17 benefit.

18 Q. Was there a problem with the information  
19 being transmitted to Mr. Chandra as far as the  
20 occupation of the individual?

21 A. Yes. There were some gaps there.

22 Q. What was the problem?

1           A.     They did not receive information. The  
2 office did not receive complete information. We  
3 had checks and that is all we had. You couldn't  
4 tell from the check all the information that he  
5 needed.

6           Q.     Did he contact you about getting the  
7 information?

8           A.     Yes. He did.

9           Q.     What did you do then?

10          A.     Tried to supply it to the best of my  
11 ability.

12          Q.     Do you know Ashok Kumta?

13          A.     Yes.

14          Q.     How do you know him?

15          A.     Friends for a long time.

16          Q.     Was he an individual that was approached  
17 about making reimbursed contributions?

18          A.     Yes. I had approached Ashok.

19          Q.     Did he come to your office to be  
20 reimbursed?

21          A.     He might have.

22          Q.     What makes you think he might have come

1 to your office?

2 A. Just possibly because his office is not  
3 too far from mine. I may have just left it with my  
4 secretary to give it to him if we could not connect  
5 with each other.

6 Q. So, is it possible that you may have left  
7 some of the money with your secretary to give to  
8 people that were coming by the office?

9 A. It's possible. Yes.

10 It's possible that, for example, my  
11 nephew also received it in that manner because I  
12 wasn't always there after arranging with people  
13 that they would receive the money, the checks. I  
14 wasn't always in a position to connect with them  
15 personally.

16 Q. Is it fair to say that some of the people  
17 you approached you had not approached before to  
18 make contributions, you were approaching them for  
19 the first time, so to speak?

20 A. Well, I don't know what is fair to say.

21 Q. Is it accurate to say that some of the  
22 people were being approached for the first time?

1 A. Well, for example, my nephew. Yes. I  
2 never approached my nephew.

3 Q. For any kind of contribution?

4 A. Of course not.

5 Q. So when you approached him this time to  
6 make a reimbursed contribution and also you gave  
7 him money to solicit other people, what did he say?

8 A. He went along because I am his uncle, a  
9 lawyer. What is he going to say to me other than,  
10 okay, uncle, I will do it?

11 Q. Did he say anything at all expressing any  
12 kind of doubt?

13 A. If he did, I'm sure I said it's okay.

14 I don't recall any specific conversation,  
15 but I think he just assumed that it's okay if I say  
16 so.

17 Q. What about Indra Seunarine? What was her  
18 response when you approached her?

19 A. I don't recall. I just know that she  
20 wrote out a check.

21 Q. As an attorney did she raise any concerns  
22 about this, about the legality of this?

1 A. If she did, I don't recall.

2 Q. What about Mr. Wahi and Mr. Bahl?

3 A. Again, they are my clients, who I'm sure  
4 assumed that it must be okay if I say so. I would  
5 be surprised if they didn't.

6 Q. But with regard to Wahi and Bahl, they  
7 were asked to do more, to go out on their own and  
8 reimburse people with the money given to them.

9 Did they question that?

10 A. I don't recall that.

11 Q. How about Dr. Ramamurthy? Had you  
12 approached him before about making contributions?

13 A. Yes. Sure.

14 Q. When you approached him this time and  
15 offered to reimburse the contribution and, in fact,  
16 reimbursed the contribution, what did he say?

17 A. I really don't recall the specific  
18 conversation with him.

19 I think he had previously contributed to  
20 some state elections. He might have on federal.  
21 I'm not sure.

22 Q. Who?

1 A. Mr. Ramamurthy.

2 Q. Ramamurthy?

3 A. Yes. State and local.

4 Q. What about Rosemary Osborne? Had you  
5 approached her before about making contributions?

6 A. No.

7 Well, I guess I have encouraged her, as I  
8 encourage many others, to make contributions and to  
9 participate in the process.

10 Yes. I think that is fair.

11 Q. So, when you approached her about making  
12 the contribution and being reimbursed for that,  
13 what did she say?

14 A. I don't recall what she said.

15 Q. How did you explain it to her? How did  
16 you put this to her?

17 A. I told her to write a check and I said I  
18 will give you the money.

19 Q. How did you explain to her why you had to  
20 give her the money? What was the explanation?

21 A. I think most of the time there was no  
22 conversation explaining as to why I wanted it that



1 way.

2 Q. Most of the time in your dealings  
3 generally?

4 A. No. In terms of people who I knew  
5 couldn't afford it on their own to make  
6 contributions of that size.

7 I think it was assumed that if I asked  
8 Rose to make a \$1,000 contribution, she can't  
9 afford it that I know of.

10 Q. So what did she say when you offered to  
11 reimburse her?

12 A. I don't recall any further conversation  
13 than writing a check for herself and signing  
14 another one for her husband.

15 Q. Did she tell you she was going to sign  
16 for her husband?

17 A. She gave me one with her husband's  
18 signature too.

19 Q. Did you ask her for two checks then?  
20 You gave her \$2,000, correct?

21 A. Yes. If she gave me two checks, I gave  
22 her \$2,000.

1 Q. Did she know that you had more money than  
2 the \$2,000 you gave her?

3 A. I don't know if she did.

4 Q. Although, you said you might have left  
5 some money with her.

6 A. Right. But I don't know if that was  
7 before or after she gave me her checks.

8 Q. Well, whether it was before or after she  
9 gave you the checks, did she perhaps know that  
10 there was more money available?

11 A. I don't know.

12 Q. In previous years had you received any  
13 kind of cash contributions to your office, as  
14 opposed to check contributions?

15 A. I don't remember receiving any cash  
16 contributions. No.

17 Q. You said some of the people declined to  
18 be reimbursed, including Mr. Gupta.

19 A. Yes.

20 Q. What was his response to you? What was  
21 his reason for declining? What did he say to you  
22 exactly?

1 A. He can afford it on his own.

2 Q. Did he say anything else?

3 A. Not that I can recall.

4 Q. What about the Trivedis?

5 A. The same thing. They could afford it on  
6 their own. They participated before.

7 Q. How did you approach them since you knew  
8 that they were people of means?

9 Was your approach with them different?

10 A. I asked them if they would be willing to  
11 write out a check to this organization or to the  
12 candidate, whoever was appropriate, and they said,  
13 yes. I said, well, if you want, I can reimburse  
14 you for that. If they wanted reimbursement, I  
15 would give it to them. If they did not, I didn't  
16 have to.

17 Q. So you knew that this was illegal to have  
18 these contributions reimbursed and you went along  
19 nevertheless and asked people to do this and these  
20 people didn't raise any doubts about what was going  
21 on?

22 MS. WILLIS: Objection. Compound and

1 facts not in evidence.

2 MS. DILLENSEGER: I will rephrase that.

3 BY MS. DILLENSEGER:

4 Q. You knew that these contributions were  
5 illegal?

6 A. Well, I should have known. Let's put it  
7 that way.

8 Q. And you gave assurances to these people  
9 that were reimbursed, you gave them assurances that  
10 this was okay?

11 A. Well, the substance of my saying it's  
12 okay, don't worry, is that, and that is what I did.

13 Q. And it's your testimony that none of  
14 these people raised any kind of doubts about the  
15 legality of these contributions?

16 A. I didn't say that. I said I don't recall  
17 specifically any of the conversations.

18 Q. Of these individuals that we discussed,  
19 and I will go through them one by one, the question  
20 would be: These individuals, were they regular or  
21 did they occasionally attend embassy functions?

22 Mr. Wahi?

1 A. Not that I know of.  
2 Q. Mr. Bahl?  
3 A. Not that I know of.  
4 Q. Uday Gadhia?  
5 A. Not that I know of.  
6 Q. Dr. Ramamurthy?  
7 A. Not that I know of.  
8 Q. Rosemary Osborne?  
9 A. Not that I'm aware of.  
10 Q. Sachinder Gupta?  
11 A. Not that I know of.  
12 Q. Aruna and Sudhir Trivedi?  
13 A. Not that I know of.  
14 Q. Rajendra Sharma?  
15 A. Not that I know of.  
16 Q. M. Surendra?  
17 A. Not that I'm aware of.  
18 Q. Hemanta Kole?  
19 A. Not that I'm aware of.  
20 Q. Did the embassy functions include  
21 individuals who were businessmen, Indian American  
22 businessmen?

1 A. Did it include some?

2 Q. Yes.

3 A. I am sure it included some Indian  
4 American businessmen. Yes.

5 Q. So why wouldn't they have included the  
6 Guptas or the Trivedis?

7 A. Ask the embassy about that.

8 Q. I have here a current list of Indian  
9 Embassy personnel at the Indian Embassy. I would  
10 ask you if you would please look at the list and  
11 indicate the individuals that you know from that  
12 list at the embassy. This is a current list.

13 A. Well, for the clarity of the record,  
14 maybe you should read them to me and I will tell  
15 you whether I know them or not.

16 Q. Well, if you indicate which ones, it will  
17 probably take less time for me to read the ones you  
18 indicate than if I were to read all of them.

19 First of all, my pronunciation of the  
20 names is probably not very good.

21 MS. WILLIS: Can you read it without your  
22 glasses?



1 THE WITNESS: Another problem is that I  
2 don't have my reading glasses. But I will try the  
3 best I can.

4 MS. DILLENSEGER: Why don't we go off the  
5 record? This will give you more time to look at  
6 the list. That way we are not going to be rushed  
7 or anything.

8 THE WITNESS: Okay.

9 (Recess.)

10 (FEC Exhibit No. 1  
11 was marked for identification.)

12 MS. DILLENSEGER: We are back on the  
13 record.

14 You are still under oath.

15 BY MS. DILLENSEGER:

16 Q. The document that you were reviewing.  
17 Which is a listing of current personnel of the  
18 Indian Embassy, has been marked as FEC Exhibit 1.  
19 It's a two page document.

20 Have you had an opportunity to review it?

21 A. Yes. I have.

22 Q. Would you mark the names of those

1 individuals that you recognize?

2 A. (Witness complies.)

3 Q. Did you look at the second page? It  
4 doesn't go on for much longer.

5 A. Yes. I don't believe I recognize any on  
6 that page. I don't believe so. Let me just double  
7 check.

8 That is about it.

9 Q. Okay. Thank you.

10 I will just read through the names and  
11 ask you how you know these individuals.

12 His Excellency Ambassador Naresh  
13 Chandra.

14 A. Yes.

15 Q. You know Ambassador Chandra?

16 A. I know of him.

17 Q. Have you ever met him?

18 A. Once.

19 Q. When was that?

20 A. The last Indo-American Friendship Dinner,  
21 he attended it and that is where I met him.

22 Q. That was the Indo-American Friendship

1 Dinner in '96?

2 A. In '96 at the World Trade Center.

3 Q. Which date was that in '96?

4 A. That was July or August. I have no idea.

5 Q. Have you had other communication with  
6 Ambassador Chandra?

7 A. No.

8 Q. Have you attended functions at the  
9 Ambassador's residence while he was Ambassador?

10 A. No.

11 Q. Have you been at any function where he  
12 was present?

13 A. No. Not other than the one I mentioned.

14 Q. Ms. Shyamala Balasubramanian.

15 A. Yes. She is the Deputy Ambassador.  
16 Deputy Chief of the mission.

17 I believe I met her maybe '95. Something  
18 like that.

19 Q. When did she assume the position?

20 A. I believe '95.

21 When she first arrived she was introduced  
22 to all the Indian community and that is when I

1 first met her.

2 Q. So when was she first introduced to you?

3 A. Not to me in particular. She was  
4 introduced to everybody.

5 Q. Which function was that?

6 A. I don't recall exactly, but there was  
7 some event where she happened to be present and she  
8 was introduced as the Deputy Ambassador.

9 Q. Have you had any other contacts with her?

10 A. No.

11 Q. Mr. Shiv S. Mukherjee.

12 A. Just vaguely I recognize the name. I  
13 can't tell you where I met him or how.

14 Q. He is listed here as Press, Information  
15 and Culture.

16 A. Yes. I guess that is the connection in  
17 which.

18 Q. Is this someone that you called or that  
19 you talked to on the phone?

20 A. No. I just recognize the name. That is  
21 all. I have no specific recollection of where or  
22 when I met him.

1 Q. Mr. Arvind Trikamlal Dave.

2 A. Dave.

3 Q. Dave.

4 A. He is the Consular Officer, so he is in  
5 charge of the visa section, visas for going to  
6 India.

7 He has been there for awhile and I have  
8 had dealings with him in terms of arranging for  
9 people to get visas on the weekend when they are  
10 not open, for example. I would call in and say,  
11 will you please help this person out?

12 Q. How long has it been since you have known  
13 him, Mr. Dave?

14 A. Maybe two or three years.

15 I think the last time I recall him was  
16 when a Hopkins professor wanted to go to India and  
17 called me on the weekend to arrange for him to  
18 obtain a visa to go to India. I called Mr. Dave to  
19 see if he would be kind enough to accommodate this  
20 gentleman, and he did that, to the best of my  
21 knowledge. I didn't follow-up.

22 Q. Was he the person that you would go

1 through for any kind of visits?

2 A. He has nothing to do with any visits.

3 All he does is to issue visas to nonIndian citizens  
4 who want to go to India.

5 I am not an Indian citizen, so I also  
6 have to deal with the office to go to India.

7 Q. Mr. Wajahat Habibullah.

8 A. He was introduced as the successor to  
9 Mr. Devendra Singh at one of the community  
10 meetings. I can't recall which one.

11 Q. Was Mr. Singh still at the embassy at the  
12 time he was introduced, at the time his successor  
13 was introduced?

14 A. I think that is true. I think maybe he  
15 was.

16 Q. And they were both then present at that?

17 A. I think Mr. Devendra Singh introduced him  
18 as a successor at one of his meetings. Yes.

19 Q. Was this at the farewell party?

20 A. I think so. I think so.

21 Q. That was in early '95? Would that have  
22 been in early '95?



1 A. Yes. That is about right. Roughly.

2 Q. What other contacts have you had with  
3 Mr. Habibullah?

4 A. None.

5 Q. Have you seen him at any embassy  
6 functions?

7 A. No.

8 Q. Was he at the Indo-American Friendship  
9 Dinner in '96?

10 A. I did not see him.

11 Q. Since he was the successor to Mr. Singh  
12 and you had contacts with Mr. Singh, Devendra  
13 Singh, regarding Indian American issues, wouldn't  
14 he have been continuing that with regards to you?

15 A. Not really. Because by '95 hell broke  
16 loose. So, there was no contact.

17 Q. Mr. Navdeep S. Suri, First Secretary.

18 A. Yes. Again at one of these cultural  
19 functions he was introduced as a senior staff  
20 person of the embassy.

21 No. I take that back.

22 I think he represented the Ambassador at

1 an Indo-American Friendship Dinner a couple of  
2 years ago when the Ambassador was not able to be  
3 present or something like that. It's a vague  
4 memory I have of meeting him in Baltimore.

5 Q. It says he is a First Secretary  
6 (Political).

7 What does that mean as far as his  
8 functions in the embassy?

9 A. I really couldn't tell you.

10 Q. Mr. Arvind Saxena.

11 Is that a question mark by his name?

12 A. Yes. It's a question mark because I  
13 believe I have met him. He also handles visa  
14 matters and I think in connection with that I may  
15 have met him. There is a question mark about  
16 that.

17 Saxena is not an uncommon name, so I  
18 could easily be confusing him with somebody else.

19 Q. So, of the people that we have read, the  
20 ones that have been at the embassy for several  
21 years, going back several years, are Mr. Suri?

22 A. By several, I would say a couple of

1 years.

2 Q. A couple of years?

3 A. Right.

4 Q. 94/95?

5 A. Mr. Suri probably 94/95. Yes.

6 Q. And Mr. Dave?

7 A. From about that period. Yes.

8 Q. Ambassador Chandra you first met in July  
9 or August of '96?

10 A. '96.

11 Q. During the dinner?

12 A. Yes.

13 Q. Ms. Balasubramanian, is '95 when you  
14 first met her?

15 A. Roughly.

16 Q. Thank you very much.

17 Did you deposit any of the cash at all  
18 that you received from Mr. Singh?

19 A. Deposit where?

20 Q. Deposit it in a bank account.

21 A. Whose bank account?

22 Q. Any bank account.

1 Was it deposited in any kind of account?

2 A. In my own account.

3 Q. The money was deposited in your own  
4 account?

5 A. The money that I got reimbursed for  
6 because I wrote checks, as you know.

7 Q. Yes. Not that money. The other money.  
8 That was not deposited?

9 A. No.

10 Q. Going back to the discussions with  
11 Mr. Chandra at IALIF, when did you approach  
12 Mr. Chandra? Was it after you received the 40,000  
13 or after you received the \$20,000, the second  
14 installment?

15 A. No. After the 40,000, the first one.

16 Q. The first one.

17 Prior to that time, when was the last  
18 time that you talked to him?

19 A. We were in frequent contact with each  
20 other.

21 Q. How was your conversation with him  
22 different? The one that you had after having

1 received the 40,000, how was that different from  
2 the earlier conversation?

3 A. Earlier I was not in a position to offer  
4 him any financial support for his organization.  
5 After the funds came I was in a position to offer  
6 that.

7 Q. How did you communicate that to him?

8 A. By phone.

9 Q. What did you say to him?

10 I mean, how did you present the fact?

11 A. Would your organization like to receive  
12 some funds, some financial support, from people who  
13 are willing to contribute?

14 Q. What did he say?

15 A. Yes.

16 Q. Did he ask what had changed between the  
17 earlier conversation you had with him and the  
18 current one?

19 A. Which is the earlier conversation?

20 Q. Well, the conversation that you had with  
21 him before you received this money.

22 A. I had many conversations with him. No

1 particular one.

2 Q. But this conversation you were having  
3 with him now made an offer to him of support.

4 A. Of generating support for his  
5 organization.

6 Q. Did he ask why now you were in a position  
7 to offer that support?

8 A. No. Not that I can recall.

9 Q. What did he say then in response to that?

10 A. He welcomed whatever support I could  
11 generate for his organization.

12 Q. When he started receiving the checks did  
13 he call you?

14 A. Yes.

15 Q. What was he saying?

16 A. To get the information he needed.

17 Q. Did he question that you were able to  
18 send him so many checks --

19 A. No.

20 Q. -- in such a short time period?

21 A. No.

22 Q. Did he mention anything at all about



1 that?

2 A. Not that I can recall.

3 Q. Did he ask what you were doing to be able  
4 to generate that much money?

5 A. Not that I can recall.

6 Q. Was Chandra aware that the money was  
7 being reimbursed?

8 A. No. Not from me. I can't speak to his  
9 other sources.

10 Q. Did he ask for clarifications about the  
11 nature of the contributions at any time?

12 A. No.

13 Q. But he did request occupation  
14 information?

15 A. Yes. He wanted the complete information  
16 he needed to file a report with your agency he told  
17 me.

18 Q. Prior to October '94, had you forwarded  
19 any checks to IALIF?

20 A. No. Not that I'm aware of.

21 Q. Excuse me?

22 A. I can't recall sending him anything

1 before this source of money was available.

2 Q. But now you were sending him multiple  
3 checks?

4 A. Surely.

5 Q. Why didn't you tell him about the  
6 reimbursements?

7 A. It was none of his business.

8 Q. Why did you feel comfortable to approach  
9 so many different people and offer to reimburse  
10 them and not mention anything to Chandra?

11 A. I don't understand the question.

12 Q. Why didn't you feel comfortable with  
13 discussing the reimbursement with Chandra?

14 A. I didn't say I didn't feel comfortable.  
15 It was none of his business. That is what I said.

16 Q. Why wouldn't it be any of his business?

17 A. His business is to receive contributions  
18 in support of his organization.

19 Q. Since you were aware that he was  
20 concerned about the contributions and that they be  
21 in proper form and was asking you about the  
22 occupations, did you ever think that maybe you

1 should explain to him where the source of the money  
2 came from?

3 A. I was aware that he needed some  
4 information to submit reports to you.

5 Q. Did you think that this might be  
6 something that would cause trouble later on and  
7 that you should tell him something?

8 A. If I thought this was going to cause  
9 trouble, I wouldn't have done it obviously. Why  
10 would I be doing it if I thought it was going to  
11 cause trouble?

12 Q. When you had the discussion with  
13 Mr. Singh at the Holiday Inn, why did you ask him,  
14 why did you want to rule out the fact that the  
15 money had come from the government?

16 A. Because I did not want to become an agent  
17 of the government of India. Very simply.

18 Q. Why didn't you ask him the same question  
19 the second time, for the second installment?

20 A. I assumed it was a continuation of the  
21 same sources precluding the government of India.

22 Q. Was there any other reason why you wanted

1 to rule out that this money was not government  
2 money?

3 A. I thought it would be a very serious  
4 matter if it was government money. I did not want  
5 to be entangled in anything that would involve  
6 government money coming to me.

7 Q. Why weren't you concerned that the money  
8 was coming from another source other than from the  
9 contributors?

10 A. Well, I really didn't give it enough  
11 thought, obviously. I should have been concerned,  
12 even if it was coming from private sources, that I  
13 was running afoul of the law.

14 Q. Had Mr. Singh approached you at any  
15 previous times to make offers of support for any  
16 kind of Indian American activity in the community?

17 A. No.

18 Q. The speakers from the Indian Embassy, did  
19 they receive honorarium for their presentation?

20 A. No.

21 MS. DILLENSEGER: Would you mark this,  
22 please?

1 (FEC Exhibit No. 2  
2 was marked for identification.)

3 BY MS. DILLENSEGER:

4 Q. I have here what has been marked as FEC  
5 Exhibit No. 2, which is copies of a document that  
6 was sent to the Indian Embassy addressed to  
7 Devendra Singh consisting of a list of names of  
8 contributors to the Indian American Leadership  
9 Investment Fund and various other candidate  
10 committees, copies of the checks and an Airborne  
11 receipt to the Indian Embassy. The document  
12 consists of 35 pages.

13 I will just hand it to you. Take a few  
14 minutes to look at it.

15 A. Well, I assume this is what was attached  
16 to the Statement of Facts that was presented to  
17 Judge Smalkin at the U.S. District Court. If that  
18 is so, that is how I recognize it.

19 Yes. This was a result of the FBI  
20 investigation.

21 Q. Please look through it and let me know if  
22 all of the documents that are part of that record



1 are included in there?

2 A. I would not be in a position to do that.  
3 I don't have in front of me what was in front of  
4 Judge Smalkin to compare this with. So, I cannot  
5 say that this includes all of that or not.

6 Q. I want to know, from your recollection,  
7 of what was sent to the embassy, if this is what  
8 you recall was the packet that was sent?

9 A. I sent nothing to the embassy. I sent  
10 information items to Mr. Devendra Singh. There is  
11 a difference.

12 So, if this is a copy of what was before  
13 Judge Smalkin, then that is what it is.

14 Q. I just want to go through the document.  
15 I want to make sure that you look through it first.

16 The first page is the list of names of  
17 people who made contributions to the Indian  
18 American Leadership Investment Fund.

19 Who prepared that list of names?

20 A. My secretary.

21 Q. And she prepared it from the checks that  
22 came into the office?



1 A. I assume that.

2 Q. What instructions were given to her about  
3 preparing the form?

4 A. To just prepare a list.

5 Q. Was she asked to prepare, was Ms. Osborne  
6 asked to prepare, a cover letter for this document?

7 A. Not that I can recall.

8 Q. Why wouldn't there have been a cover  
9 letter for this document?

10 A. I didn't see any need for it.

11 Q. Now, attached to the list are copies of  
12 the checks and we have some questions about some of  
13 those checks.

14 The checks that were signed by Sam Gupta,  
15 some of the checks --

16 A. Are there page numbers there?

17 Q. Page 25.

18 That is a check made out to Robert  
19 Andrews for Congress.

20 Who filled in the payee line?

21 A. I did.

22 Q. And the check on page 26, Ackerman for

1 Congress?

2 A. I filled it out.

3 Q. You filled it out?

4 A. Yes.

5 Q. The check on page 27, which is also  
6 signed by Mr. Gupta, McDermott for Congress, who  
7 filled this out?

8 A. I don't know.

9 Q. What was the amount?

10 A. For who?

11 Q. For McDermott for Congress.

12 A. Well, it says here \$1,000. On page 27 it  
13 says that.

14 Q. The check to Robert Andrews on page 25 is  
15 how much?

16 A. It's for \$1,000.

17 Q. The check for Ackerman for Congress on  
18 page 26?

19 A. It's \$1,000.

20 Q. Now, we have one check made out by  
21 Sachinder Gupta to Hoyer for Congress.

22 Who filled in that check?

1 A. I don't know.

2 Q. What is the amount?

3 A. \$1,000.

4 Q. Going back to page 25, the Robert Andrews  
5 for Congress check, which was filled out by you,  
6 who filled out the dollar amount?

7 A. I don't know.

8 Q. You remember filling out the name, but  
9 you don't remember if you filled out the dollar  
10 amount?

11 A. I don't remember.

12 Q. What about the Ackerman for Congress on  
13 page 26? Who filled out the dollar amount?

14 A. I don't know.

15 Q. What about the check on page 27,  
16 McDermott for Congress? Who filled out the dollar  
17 amount?

18 A. I don't know.

19 Q. The check on page 28, Hoyer for Congress,  
20 who filled out the dollar amount?

21 A. I don't know.

22 Q. On page 29 there is a check from

1 Sachinder Gupta to Matthews for Congress.

2 Who filled out the payee?

3 A. I did.

4 Q. And who filled out the dollar amount?

5 A. Maybe I did. I don't know for sure.

6 Q. Why do you think you filled it out on  
7 this particular one?

8 A. Well, because I recognize my own  
9 handwriting. It could be mine.

10 Q. So, for the dollar amounts it could be  
11 your handwriting?

12 A. It could be.

13 Q. Page 30, the check from Sachinder Gupta  
14 to Engel for Congress for \$1,000, who filled out  
15 the Engel for Congress?

16 A. I think I did.

17 Q. And who filled out the dollar amount?

18 A. I can't say.

19 Q. On page 31 we have a check from Sachinder  
20 Gupta made out to Murtha for Congress for \$1,000.

21 Who filled out the payee?

22 A. Probably I did.

1 Q. And who filled out the dollar amount?

2 A. No. I'm sorry. I did not. I'm sorry.

3 I don't know who filled that out.

4 Q. And who filled out the dollar amount?

5 A. I don't know.

6 Q. On that same page there is a check from  
7 Vinay Wahi to Murtha for Congress.

8 Who filled that amount in?

9 A. I don't know.

10 Q. And who filled out the payee?

11 A. Probably I did.

12 Q. Page 32, a check from Sachinder Gupta  
13 dated October 29, '94, to Mfume for Congress for  
14 \$1,000, who filled out the payee?

15 A. I don't know.

16 Q. And who filled out the dollar amount?

17 A. I don't know.

18 Q. Page 33, a check from Sachinder Gupta to  
19 Wofford for Senate for \$1,000, who filled out the  
20 payee?

21 A. I don't know.

22 Q. Are you looking at the right check?

1 A. Yes.

2 Q. Who filled out the dollar amount?

3 A. I don't know.

4 Q. Page 34, a check from Sachinder Gupta,  
5 second check on the page, made out to Cardin for  
6 Congress in the amount of \$1,000 dated October 27th  
7 or 29th, who made out the check?

8 A. I don't know.

9 Q. And who made out the dollar amount?

10 A. I don't know.

11 Q. Some of the checks were filled out by you  
12 and others were filled out by Sachinder Gupta.

13 Why is that the case?

14 A. I don't really remember. Whatever was  
15 not filled out, I filled out according to my  
16 judgment.

17 Q. The checks also bear different dates.  
18 Some of the checks are dated November 1. Some of  
19 the checks are dated October 29th.

20 Were the checks given to you on two  
21 separate occasions?

22 A. I don't remember that.



1           You are implying that all of them were  
2 given to me, and I don't know of that.

3           Q.    Now, the checks that are dated November  
4 1st are the ones that you indicated had been filled  
5 in by yourself.

6           The check, Robert Andrews for Congress,  
7 November 1st.

8           A.    It looks as if I did.   Yes.

9           Q.    Ackerman for Congress, November 1st.

10          A.    It looks as if I may have.

11          Q.    This one, McDermott for Congress, is also  
12 dated November 1st.

13                Are you saying you didn't fill out the  
14 one for McDermott for Congress?

15          A.    I don't know if I filled that out.

16          Q.    The check dated October 29th on page 28,  
17 Hoyer for Congress, dated October 29th for 1,000,  
18 did you fill --

19          A.    Page 29?

20          Q.    Page 29.   Yes.

21          A.    Hoyer for Congress?   I don't see it here  
22 on page 29.

1 MS. WILLIS: 28.

2 MS. DILLENSEGER: I'm sorry. 28.

3 Correction. 28.

4 THE WITNESS: I don't know.

5 BY MS. DILLENSEGER:

6 Q. Now, you had stated that Mr. Gupta had  
7 given you the checks and asked you to fill in the  
8 blank.

9 A. In some cases.

10 Q. Why would some of the checks be filled in  
11 and others would not?

12 A. I can't answer that.

13 Q. Would it be that some of them were  
14 reimbursed?

15 A. No. I already told you what was  
16 reimbursed and what was not in terms of who was  
17 reimbursed and who was not.

18 These were matters of expediency at the  
19 time. That is all.

20 Q. If, as you say, Mr. Gupta was not  
21 reimbursed, why does his name appear on this list  
22 that is going to the Indian Embassy?

1           A.     I think we should go back to what was the  
2 reason why I sent the list. I informed you that I  
3 was informing Mr. Devendra Singh as to who had  
4 given what kind of support to which candidate.

5           Q.     Why would you be interested in informing  
6 Mr. Singh of that? Why would you want to tell  
7 Mr. Singh of the ones that were reimbursed versus  
8 the ones that voluntarily gave without any  
9 reimbursement?

10          A.     Because our goal was to generate support  
11 for about \$60,000 worth and that is what I  
12 achieved.

13          Q.     But you stated that 15,000 or 16,000 was  
14 returned to Mr. Singh.

15          A.     That doesn't mean I did not generate the  
16 support. I generated support worth \$60,000, some  
17 with reimbursement and some without reimbursement.

18          Q.     Why wouldn't you want to differentiate  
19 between those people that gave, including  
20 Mr. Gupta, who, according to what you are saying,  
21 voluntarily gave quite a bit of money?

22          A.     That wasn't important to me.

1 Q. What about the information being conveyed  
2 to Mr. Singh?

3 A. What about it?

4 Q. Why would you want him to know that  
5 Mr. Gupta gave the money without being reimbursed?

6 A. It was not necessary for him to know  
7 that.

8 Q. Now, this was sent by Airborne receipt.  
9 Would you please take a look at the last  
10 page, page 35?

11 A. Yes.

12 Q. The Airborne receipt is addressed to the  
13 Embassy of India, attention of Mr. Devendra Singh.

14 A. Right.

15 Q. If, as you say, this was not addressed to  
16 the Embassy of India, but to Mr. Singh, why was it  
17 sent to the Embassy of India?

18 A. I did not fill that out, so I cannot  
19 answer that.

20 Q. What instruction did you give Ms. Osborne  
21 about where to send this?

22 A. To Mr. Devendra Singh.

1 Q. Where would she get the information as to  
2 how to contact Mr. Devendra Singh? I mean, where  
3 to send this to?

4 A. Only she can tell you.

5 I guess she didn't have his home address.

6 Q. Did you have his home address?

7 A. I might have.

8 Q. My question is why wasn't --

9 A. Are you asking why didn't I send it to  
10 his home?

11 Q. Yes.

12 A. I don't know. I didn't send it. Rose  
13 sent it.

14 Q. You stated that you wanted to make sure  
15 that the embassy was not involved in this.

16 Am I correct?

17 A. As far as I was concerned, he was the  
18 person I was dealing with as a person.

19 Q. Well, if that is the case, then it just  
20 puzzles me that this was sent to the embassy.

21 A. It puzzles me too why it was sent there.

22 Q. The other question is why this does not

1 have a transmittal cover letter.

2 A. I didn't feel it was necessary.

3 I guess Rose did not feel it was  
4 necessary.

5 Q. Did you tell Rose not to include a cover  
6 letter with this?

7 A. I don't recall the conversation.

8 Q. You mean for an important document like  
9 this you don't recall what you told her?

10 A. Why are you characterizing this as an  
11 important document?

12 Q. Well, this document was sent in  
13 connection with an exchange of \$60,000 worth of  
14 money that was given to you by Mr. Singh and  
15 supposedly this is a reflection of what the money  
16 was used to generate.

17 A. Of which part was returned to him.

18 This was an information item that just  
19 told him who contributed how much. In the past I  
20 have submitted the same kind of thing for Clinton.

21 Q. But given the large --

22 A. And for Dukakis. So what?



1 Q. But given the large numbers of people  
2 though on the list and the amount of money, why  
3 wouldn't there be a letter?

4 A. There were a large number of people  
5 contributing to President Clinton also in 1992, a  
6 huge number, and I submitted all kinds of reports  
7 without any transmittal.

8 Q. So, are you saying that you gave no  
9 instructions to Rosemary --

10 A. Not to the embassy.

11 Q. Not to the embassy.

12 A. No.

13 I don't want to leave you with the  
14 impression that I submitted that information to the  
15 embassy. I shared that information with people in  
16 the political process who happened to be U.S.  
17 citizens and were involved in the Clinton  
18 campaign. They needed to know how much money we  
19 raised for Clinton. It was a way of getting  
20 recognition for the Indian community.

21 Q. But normally when you send out a list of  
22 names there is some kind of cover letter. It's

1 very unusual to me that there is none here.

2 A. I didn't think I needed to explain to him  
3 what this constituted. It speaks for itself. If  
4 there is an example of res ipsa loquitur, this is  
5 it.

6 Q. Wasn't it the practice to send the checks  
7 with a cover letter? Wasn't that Rosemary  
8 Osborne's practice to do that?

9 A. When I was transmitting checks to people,  
10 yes, to explain what this is all about. I wasn't  
11 sending any checks to him.

12 Q. But this was still correspondence and  
13 since this was a departure from her usual practice,  
14 did she ask you about that?

15 A. I don't recall having such a  
16 conversation. She might have and I might have said  
17 it's not necessary.

18 Q. The copy of this document was kept in  
19 your office after it was sent?

20 A. Yes. It was.

21 Q. How did it come to be attached to the  
22 Statement of Facts?

1           A.    The FBI obtained it from my office  
2 pursuant to a subpoena and a search warrant.

3           Q.    Why was this attached?

4                    If this was, in fact, purporting to  
5 reflect just contributions to various Indian  
6 American groups and was nothing beyond that, why  
7 would that be attached to the Statement of Facts?

8           A.    I guess you should ask the U.S. Attorney  
9 and FBI about that.

10                   MS. DILLENSEGER:   Would you mark this?

11                               (FEC Exhibit No. 3

12                                       was marked for identification.)

13                   BY MS. DILLENSEGER:

14           Q.    This is a copy of the Statement of Facts  
15 which was marked as FEC Exhibit No. 3. I will give  
16 you an opportunity to take a look at it.

17           A.    (Witness perusing document.)

18           Q.    I just direct your attention to page 8 of  
19 the document, the second paragraph, which states:

20                    "The evidence indicates that the source  
21 of the cash used by Mr. Gadhia to finance the  
22 nominee contributions was Devendra Singh, an

1 individual assigned to the Indian Embassy in  
2 Washington. After the November election, Mr.  
3 Gadhia sent a report to Singh that detailed the  
4 money given. A copy of that report is attached as  
5 Exhibit 2."

6 That refers to the list that we have just  
7 spoken about, the list of names, correct?

8 A. I guess so.

9 Q. Further down in the paragraph it says:

10 "The investigators found the  
11 correspondence in which Mr. Gadhia had assembled  
12 copies of all the checks that Mr. Gadhia had  
13 procured that are payable to IALIF as well as the  
14 checks payable directly to election campaigns, and  
15 forwarded those check copies, by messenger, to  
16 Mr. Singh at the Indian Embassy in Washington, D.C.  
17 As reflected above, foreign nationals are  
18 prohibited from contributing to federal elections."

19 So, this paragraph refers to the record  
20 that was sent to Mr. Singh as an accounting of what  
21 the money was used for, reimbursement.

22 MS. WILLIS: Objection. These are not

1 this deponent's words that you just read.

2 BY MS. DILLENSEGER:

3 Q. You want to explain?

4 A. What would you like for me to explain?

5 Q. Explain that this is not an accounting to  
6 Mr. Singh that the money was used for --

7 A. Well, I would just direct your attention  
8 to page 9 of the same document and the last  
9 sentence which says that:

10 "Accordingly, it has been established  
11 that approximately \$46,400 of the funds solicited  
12 by either Lalit Gadhia or those who agreed to do so  
13 for Mr. Gadhia are nominee contributions."

14 Q. If that is, in fact, the case --

15 A. Well, that is what they are saying,  
16 aren't they?

17 Q. Yes. That is what they are saying.

18 A. Are you doubting that?

19 Q. No. I am saying the list reflects  
20 contributions also made by Mr. Gupta. Okay?

21 A. Yes. And obviously they are not nominee  
22 contributions because 46 is actually an error.



1 Q. Well, then why is Mr. Gupta's name on  
2 that list if this is an accounting --

3 A. Because he responded to my appeal for  
4 support and I wanted to inform Mr. Devendra Singh  
5 of who responded to my appeals for support, in what  
6 amounts, and who received the support.

7 Q. Yes. But it still is not clear to me as  
8 to why there was no difference made between those  
9 who gave voluntarily and those who didn't.

10 A. I guess only the U.S. Attorney can answer  
11 that.

12 MS. WILLIS: Objection. Asked and  
13 answered many, many times now.

14 THE WITNESS: The U.S. Attorney can  
15 explain why they didn't make the difference. I  
16 don't know.

17 MS. DILLENSEGER: Counsel mentioned that  
18 there was some contention with the Statement of  
19 Facts?

20 MS. WILLIS: The Statement of Facts is  
21 written by Joseph Evans of the U.S. Attorney's  
22 Office. It is not written by this deponent.



1 Therefore, your reading it into the record does not  
2 reflect the words of this deponent.

3 THE WITNESS: Any problem with that?

4 MS. DILLENSEGER: No.

5 Are you stating that this is not correct  
6 then, this Statement of Facts is not correct?

7 THE WITNESS: This is what I pleaded  
8 guilty to.

9 BY MS. DILLENSEGER:

10 Q. To what is in the Statement of Facts?

11 A. Right.

12 Q. And you were asked at the time if what  
13 was in the Statement of Facts was correct?

14 A. It's substantially correct. I wasn't  
15 going to go into nitpicking of the Statement of  
16 Facts at that point either.

17 Yes. I was going to plead guilty to a  
18 charge that was substantially correct. Yes. That  
19 doesn't mean I agree with every detail.

20 I don't even agree with the 46,000  
21 there. If I pressed them to explain to me how they  
22 came to that, I can bet you they can't, but I

1 wasn't going to go through that. It's a waste of  
2 time because I had to plead guilty ultimately  
3 anyway to that.

4 Q. Let's go back for a moment to the  
5 discussion with Mr. Chandra about where the money  
6 for the contributions would go.

7 What was said exactly to Mr. Chandra  
8 about that?

9 A. I can't tell you exactly what was said to  
10 anybody actually. I really have been trying to  
11 forget the whole episode, as best as I can, since  
12 it happened, with all deliberation and force that I  
13 can bring to the subject.

14 Vaguely I can tell you that I talked to  
15 him to think about who among those who were running  
16 for election or reelection to Congress would be  
17 worthy of our support and we decided that these  
18 were the people.

19 By "we", I can't say that he participated  
20 in deciding the local people. That is when we were  
21 running out of time.

22 Q. How was it communicated to Chandra about

1 which candidates that the money should go to?

2 A. He was quite knowledgeable about people  
3 running in various districts, more so than I was.  
4 He had his thoughts as to who should be supported  
5 and I had my thoughts on some of them.

6 Q. Did you send him a letter with a list of  
7 names?

8 A. No. We just talked on the phone. I  
9 don't believe I sent him any letters.

10 Q. Now, going back to the discussion with  
11 Singh about the money which he gave you in support  
12 of federal candidates, which candidates did he  
13 mention in particular?

14 A. I didn't say he mentioned any  
15 candidates. He left it to my discretion.

16 Q. How did he word this?

17 A. Make good use of it.

18 Q. What did he say?

19 A. At the time the money was going to the  
20 PAC. Who could guarantee any candidate support?  
21 Come on. Let's be serious.

22 I don't control the PAC. I have no

1 official position with the PAC. All I am doing is  
2 to receive the funds, to arrange that the PAC will  
3 receive it, and then hope that the PAC would  
4 support the candidates that I think are worthy of  
5 support. I have no control over the PAC.

6 Q. But even before the time you spoke with  
7 the PAC, at the time that you had just gotten the  
8 money, what did Mr. Singh say to you about what the  
9 money was to be used for specifically?

10 A. To support candidates who I considered  
11 worthy of our support.

12 Q. Did he further modify candidates as to  
13 whether local, state or federal?

14 A. No. He did not.

15 Q. Did he specify any names?

16 A. No.

17 Q. Did he specify any geographical area?

18 A. No.

19 Q. Did he specify any incumbents?

20 A. No.

21 Q. Did he specify any individual in  
22 connection with a particular issue involving India,

1 Indian American issue?

2 A. Well, I was well educated on the issues,  
3 probably better than he was.

4 Q. Yes. But did you discuss those issues?

5 A. No. I didn't need to discuss. I didn't  
6 have time to discuss anything with him.

7 Q. But you said you met in Laurel and he  
8 handed you this large amount of money. You didn't  
9 discuss --

10 A. What you call a large amount is nothing  
11 compared to the 1.2 million Mr. Gingrich just  
12 washed through a nonprofit organization for his  
13 political purposes. This is insignificant probably  
14 compared to that.

15 But I will accept your characterization  
16 for the time being. 44,000 to 46,000, that range,  
17 is what I was able to use, which I managed to get  
18 most of it through the PAC, that I was trying to  
19 put on the map, to give it some presence, and other  
20 directly to candidates who I considered worthy of  
21 our support, "our" meaning the Indian American  
22 community support. That is what we did. That is

1 not something that Mr. Singh can tell me about.

2 Q. Besides Mr. Singh, who else at the  
3 embassy was aware that Mr. Singh had provided you  
4 with \$40,000, \$60,000 in cash?

5 A. How would I know?

6 MR. BERNSTEIN: Does that mean you don't  
7 know?

8 THE WITNESS: I don't know.

9 MR. BERNSTEIN: Then say you don't know.

10 THE WITNESS: I don't know. Fine. I  
11 don't know. I am not in a position to know those  
12 things.

13 BY MS. DILLENSEGER:

14 Q. Who else worked with Mr. Singh at the  
15 embassy in the same department?

16 A. I don't know of anyone.

17 Q. Who was Mr. Singh's secretary at the  
18 embassy?

19 A. I have no idea. I don't even know if he  
20 had one. I don't know.

21 Q. Whom did you deal with when you called  
22 Mr. Singh at the embassy?



1 A. The operator. The operator would connect  
2 me. I would ask for Mr. Singh and I would talk to  
3 Mr. Singh.

4 Q. When he wasn't in who were you connected  
5 to?

6 A. Nobody.

7 Q. Are you saying he had no secretary?

8 A. If he had one, I never talked to her or  
9 him.

10 Q. With whom did you leave messages when he  
11 wasn't in?

12 A. I didn't leave messages when he wasn't in  
13 unless with the operator, whoever was answering the  
14 switchboard. If I wanted him to call me back, I  
15 would say, have him call me back. I assume it was  
16 the operator. I don't know who it was.

17 Q. Did you have any conversation with  
18 Ambassador Ray at the embassy?

19 A. Yes.

20 Q. When were these conversations?

21 A. Many times.

22 Q. On what matters?

1           A.    On matters of his stay here, as to how he  
2 was doing.

3                   One time he needed my help in arranging a  
4 meeting with Congressman Mfune, which I arranged.

5           Q.    When did he ask for your help with  
6 arranging this meeting with Mfune?

7           A.    It was when the Indian Prime Minister was  
8 visiting here. There was a miscommunication about  
9 his stay at a hotel in Boston, which created a  
10 potential for an adverse relationship with the  
11 Black Caucus, of which Congressman Mfune was  
12 Chairman at the time. So, the Ambassador needed to  
13 explain that to the Chairman and, being one of his  
14 constituents, I called him and urged him if he  
15 would meet with the Indian Ambassador, and he did.

16          Q.    When was this meeting or when was this  
17 conversation?

18          A.    Sometime in '94. I don't know when.

19          Q.    Was it in the fall of '94?

20          A.    No. Much before that. I think more like  
21 spring maybe. I don't know.

22                   When the Indian Prime Minister came here,

1 that is when it happened.

2 Q. What other instances did you have contact  
3 with the Ambassador personally?

4 A. Whenever I went to his residence for the  
5 receptions that he had.

6 Q. Were there any other official matters  
7 where you had occasion to call the Ambassador to  
8 discuss anything else in addition to the meeting  
9 that was arranged with Mfune?

10 A. I don't know what you call official  
11 matters.

12 Q. Matters involving Indian American  
13 issues.

14 A. Well, I don't call them official. They  
15 are just matters of concern to all Indian  
16 Americans, and I hope the Indian Ambassador,  
17 whoever he or she may be.

18 Q. So, what were the other matters that you  
19 referred to that you contacted him about?

20 A. I did not contact him about anything.

21 Q. You just said that you had several  
22 contacts.

1 A. I had contacts with him whenever I went  
2 to his residence to attend cultural events.

3 Q. Were there other instances, other than  
4 the Mfuné meeting, where you had occasion to call  
5 the Ambassador on another issue?

6 MS. WILLIS: Objection.

7 THE WITNESS: I did not have occasion to  
8 call the Ambassador even for that meeting. He  
9 called me. I did not call him.

10 BY MS. DILLENSEGER:

11 Q. Were there other times that he called  
12 you?

13 A. No.

14 Q. Was it unusual for the Ambassador to call  
15 you directly that one time?

16 A. No.

17 Q. Why not?

18 A. I am called by people in many positions.  
19 Everyone calls me. So, what about an Ambassador is  
20 different?

21 Q. For the Ambassador to call somebody  
22 directly, somebody who is obviously probably very

1 busy --

2 A. So am I.

3 Q. But why would he call you?

4 A. I would not have responded to anybody  
5 else. He probably figured that out.

6 Q. What I am wondering about is why he  
7 didn't go through Devendra Singh, as opposed to  
8 calling you?

9 MS. WILLIS: Objection. Calls for  
10 speculation.

11 THE WITNESS: I don't know.

12 MR. BERNSTEIN: Speculation is fine in  
13 this context. Your objection is noted.

14 THE WITNESS: I have no speculation to  
15 offer. Only the Ambassador can explain why he  
16 called me and had not asked anyone else.

17 You are assuming that I had a special  
18 relationship with Mr. Devendra Singh as against  
19 the Ambassador and that is why you are asking the  
20 question? Is that right?

21 BY MS. DILLENSEGER:

22 Q. I am just asking, do you have a special

1 relationship with the Ambassador?

2 A. So what? I have the same relationship  
3 with both of them probably.

4 Q. On an equal basis you would say?

5 A. An Ambassador is never equal to anybody  
6 else. Ambassadors are in a class by themselves.

7 Q. So, we have had two officials mentioned,  
8 Mr. Singh and Ambassador Ray. Any other Indian  
9 Embassy official that contacted you on any other  
10 matter?

11 A. The Gandhi memorial, for example, was  
12 going to be built in Washington, D.C. and they  
13 needed support for that. The bill was going to  
14 Congress for the Gandhi Memorial. Sure. They  
15 contacted me to see if I can generate support for  
16 that, and I tried my best to do that.

17 Q. Generally what kind of support? Are you  
18 talking about political or financial support?

19 A. Both.

20 Q. And that was when, the Gandhi memorial?

21 A. Back in maybe the late eighties or  
22 something.



1 Q. Late eighties?

2 A. Yes. '88 or something.

3 There was a proposal going to the  
4 Congress to erect a monument and make it part of  
5 some park in D.C. for a Gandhi memorial. It was  
6 running into problems in Congress. Mr. Stevens of  
7 Alaska killed it finally, Senator Stevens.

8 Q. And the financial support was for what,  
9 for the building?

10 A. To erect the monument, I guess.

11 Q. You are stating that the idea was killed?

12 A. Yes.

13 Q. It never got off the ground?

14 A. It was killed in Congress by the Senator  
15 from Alaska.

16 Q. Had you raised any funds for the project?

17 A. No. The project wasn't going anywhere.  
18 If it had gone somewhere, surely in exchange for  
19 the Congress supporting that, the community would  
20 have come up with some funds to maintain it. But  
21 it never got anywhere. It died in the committee.

22 Q. Which other occasion were you called by

1 the embassy for financial support or support with  
2 members of Congress?

3 A. See. There you go again. You are asking  
4 me on which other occasion I was called for  
5 financial support. They never called me for  
6 financial support.

7 I didn't say they called me for financial  
8 support with regard to the memorial. If it had  
9 gone through, then the Indian community was going  
10 to generate some funds so that the maintenance part  
11 of it would not be a concern of the American  
12 taxpayers. That was being proposed because we did  
13 not want to burden the American taxpayers with the  
14 expense of maintaining the monument.

15 Q. So you were contacted in your capacity to  
16 generate support with the Indian community if it  
17 got off the ground?

18 A. If it got off the ground.

19 First of all, we needed support in the  
20 Congress to approve creation of the monument. It  
21 has to be approved by the Senate and the House.  
22 The Senate killed it, the committee of the Senate

1 killed it.

2 I did what I could. I contacted  
3 Senator -- he is from Kentucky -- Wendell Forbes, I  
4 think, his office, because he was on the  
5 committee. He wrote a nice letter supporting it,  
6 but it didn't work.

7 Q. Who at the embassy was the individual  
8 that talked to you about the Gandhi memorial?

9 A. I don't know. Maybe the then  
10 Ambassador. Most likely the Ambassador. I don't  
11 know. Or the Deputy Ambassador. I don't know.

12 I can't be specific on that because it's  
13 awhile ago and my memory isn't all that clear about  
14 that either. But one of them called me and I  
15 thought the project was worthy of support, so I did  
16 what I could.

17 MS. DILLENSEGER: Would you mark this,  
18 please?

19 (FEC Exhibit No. 4  
20 was marked for identification.)

21 BY MS. DILLENSEGER:

22 Q. I have here FEC Exhibit No. 4, which is

1 the Factual and Legal Analysis which you received a  
2 copy of. I want you to take a look at it.

3 A. (Witness complies.)

4 Can I mark this?

5 Q. Yes. I believe we have another copy.

6 You can mark it.

7 A. Okay.

8 Q. You said you wanted to mark something?

9 A. No. That is okay.

10 Q. You mentioned earlier, it was off the  
11 record, or maybe it was on the record, I think it  
12 was on the record, that you had some disagreement  
13 with the Factual and Legal Analysis.

14 Could you elaborate what specifically you  
15 were referring to?

16 A. Well, I haven't gone through the legal  
17 analysis, so I can't comment on that. Maybe my  
18 counsel will give you a response in terms of the  
19 legal analysis.

20 Factually, the amounts are wrong in  
21 saying here that --

22 Q. Referring to what page? Page 2?

1           A.     Page 2 where you state the Statement of  
2 Facts, which served as the basis of my plea  
3 agreement. It says originated from Devendra Singh.  
4 And then the next sentence: "The link between the  
5 Indian Embassy and this reimbursement scheme is  
6 reflected."

7                     No. Not the Indian Embassy in the  
8 scheme. That is incorrect. Devendra Singh, yes.

9                     Then going down, the amount of 60,800 is  
10 incorrect. I don't agree with that. No.

11                    Then what is this on page 3, first  
12 paragraph, second line:

13                    "Mr. Gadhia listed these contributions as  
14 having been reimbursed in his personal records."

15                    What are we talking about here? What  
16 personal records? Do you have any that you can  
17 show to me on which you relied to make this  
18 statement? Do you have copies of any personal  
19 records here that you rely on?

20           Q.     We have information that --

21           A.     Wait a minute. That is different from  
22 personal records.



1 Q. Well, we won't get into that.

2 A. This is your statement here.

3 Q. Yes. Okay.

4 A. This is your statement here. I mean, you  
5 can't just say it one way one time and another way  
6 another time.

7 We are dealing with written communication  
8 here that tells me you are relying on some personal  
9 records of mine. Where are they? I would like to  
10 see them.

11 MR. BERNSTEIN: I think that is helpful  
12 for us.

13 Because you have testified at some length  
14 about the activities, and since Ms. Dillenseger  
15 remembered that the way it started was you  
16 expressing some concern about something that was in  
17 the Factual and Legal Analysis, she wanted to be  
18 sure we had a complete understanding of what your  
19 disagreement was.

20 THE WITNESS: Sure. I appreciate the  
21 opportunity to point out what is not correct here  
22 factually. I welcome the opportunity.



1           This goes back to the total amount and  
2 says an additional 57,300 is reimbursed to  
3 individuals. Not correct.

4           Then in addition many of the individuals  
5 who were solicited confirmed information. I don't  
6 know what that means, you know, that confirmation,  
7 who or what they are confirming to. I have no  
8 idea. That is just a very general statement. I  
9 don't know what it means. I can't tell you I agree  
10 with that.

11           Then these materials thus suggest that  
12 Lalit Gadhia permitted his name to be used to  
13 effect contributions. Whatever that means. I've  
14 no idea what that means either.

15           Assisted others in making contributions  
16 in the name of another. I don't know if that's  
17 correct.

18           Solicited, accepted, and received  
19 contributions from a foreign national. Not  
20 correct. I don't know whether it was money coming  
21 from domestic sources or foreign sources. I have  
22 no idea.

1 Do you?

2 I don't know. That could be Mr. Farino  
3 (spelled phonetically) who was contributing, giving  
4 money, to Mr. Devendra Singh. Or Mr. Gingrich. I  
5 don't know who.

6 Q. Is there anything else?

7 MS. WILLIS: I believe he went through  
8 the first page.

9 THE WITNESS: Well, to begin with, I  
10 don't have a copy of the letter because that really  
11 astonished me.

12 Do you have a copy of the letter you sent  
13 to me?

14 MR. BERNSTEIN: We obviously are in a  
15 situation where your counsel will have plenty of  
16 opportunity to make any legal argument and have a  
17 legal discussion.

18 THE WITNESS: No. I am not making a  
19 legal argument. I don't know the law. I am no  
20 longer a lawyer.

21 MR. BERNSTEIN: What we are most  
22 concerned about here is prodding your memory -- I

1 understand your desire to put it behind you -- and  
2 trying to have as complete an understanding as we  
3 can get.

4 THE WITNESS: I will be glad to help you  
5 in that as best as I can, but I am only going to  
6 talk about factually the way I see everything as to  
7 what it is.

8 BY MS. DILLENSEGER:

9 Q. This is a complete copy of what was sent  
10 to you, the cover letter. I am handing that to  
11 you.

12 A. That is fine. If I may just refer to  
13 this.

14 Shall we call this part of Exhibit No. 4  
15 here?

16 MS. DILLENSEGER: I don't know if we need  
17 to put the cover letter in the exhibit.

18 We will mark it as a separate exhibit.

19 THE WITNESS: I would like to offer that  
20 as my exhibit.

21 (FEC Exhibit No. 5

22 was marked for identification.)

1 BY MS. DILLENSEGER:

2 Q. FEC Exhibit No. 5 is the notification  
3 letter from the Commission and attached to it is  
4 the subpoena and the Factual and Legal Analysis.

5 A. Which was already marked as No. 4.

6 Q. Right.

7 A. I received this, dated November 25, 1996,  
8 from the Federal Election Commission addressed to  
9 me, Lalit H. Gadhia, Esquire.

10 First of all, I am no longer "Esquire" as  
11 of November 25, 1996 because anyone who has  
12 followed my case knows that I turned in my license  
13 to practice law as of August 6, 1996 when I was  
14 sentenced in the Federal Court and I have not used  
15 the suffix "Esquire" since then. But be that as it  
16 may.

17 Then it says, on November 12, 1996, the  
18 FEC found that there is reason to believe knowingly  
19 and willfully I violated this.

20 Where was the FEC when Subodh Chandra  
21 sent a letter in May of 1995 saying that he had  
22 reason to believe that IALIF had received

1 contributions through me?

2 What happened on November 12th all of a  
3 sudden? That is what I would like to know. This  
4 is factually totally mind boggling that on November  
5 12, 1996 the FEC is telling me that I am in  
6 violation of 2 U.S.C. I am astounded by it, to say  
7 the least.

8 Where was the FEC, as far as I am  
9 concerned, between May of 1995 when in writing the  
10 FEC was informed by Subodh Chandra? I expected to  
11 receive something from the FEC at that point.  
12 Nothing came until November 1996.

13 There is no explanation for that. Is it  
14 the record keeping of FEC or what? I don't know.

15 Q. There is no reason to go into an  
16 explanation.

17 A. I guess not now.

18 Q. I guess the notification letter and the  
19 Factual and Legal Analysis is what was sent to  
20 you.

21 A. Well, what puzzles me is what happened on  
22 November 12th?

1 Q. Do you have any other substantive --

2 A. You don't think that is substantive?

3 Q. Well, I am asking, do you have anything  
4 else to add?

5 A. Well, there is nothing else factual in  
6 there. It's all legal. I will defer to my counsel  
7 to respond to the legal analysis.

8 MS. WILLIS: Certainly as well as any  
9 facts beyond this deponent's personal knowledge.

10 I mean, things about your internal  
11 procedures, obviously he is not adopting those as  
12 his facts at this time.

13 THE WITNESS: Right. I am not.

14 BY MS. DILLENSEGER:

15 Q. You have stated that the Indian Embassy  
16 sent mailings to individuals regarding various  
17 bills or issues that were up before the Congress.

18 A. No. I said that I received mailings from  
19 the Indian Embassy.

20 Q. From the embassy.

21 A. Correct.

22 I don't know who they were sent to.



1 Q. You received mailings from the Indian  
2 Embassy?

3 A. Right.

4 And the way I received it, I assume, as I  
5 said, was because it was a computerized label. So,  
6 my guess is that I wasn't the only one. They  
7 created a computer list.

8 Q. You mentioned one mailing being the India  
9 News, correct, that you received from the embassy?

10 A. Right.

11 Q. What other types of mailings did you  
12 receive from the embassy?

13 A. From time to time they would have  
14 typewritten information about bills going through  
15 the Congress that affect the Indian U.S.  
16 relationship.

17 Q. And this typewritten information, was  
18 that in the form of a letter addressed to you?

19 A. No. No. No letter. Just information.

20 Q. On a single sheet of paper?

21 A. Or more than one sheet. 8-1/2 by 11.  
22 Stapled together.

1 Q. What was the sheet entitled?

2 A. White paper.

3 Q. What was the sheet entitled?

4 A. For your information these are the items  
5 going to Congress.

6 Q. And who was the information signed by?

7 A. I don't believe it was signed by anybody.

8 Q. Which department?

9 A. It could have originated in the Community  
10 Affairs Office or it could be the Public  
11 Information Office. Either one it could be.

12 Q. So this typewritten information would  
13 state what? What would it state?

14 A. It would summarize the contents of the  
15 bill, give the bill number, names of the sponsors  
16 and date when the bill is going to come up for a  
17 hearing and a vote.

18 Q. What were some of these notices referring  
19 to? What were some of the issues that the  
20 individual notices referred to?

21 A. Well, Dan Burton's bill, that was always  
22 before the Congress, and the F-16 sale. I think

1 that is really the two major things.

2 Q. What were some about Dan Burton's bill  
3 that were sent out?

4 A. Dan Burton keeps on introducing a bill to  
5 say that India is violating human rights against  
6 the sheiks and in Kashmir and, therefore, India  
7 should be declared in violation of all kinds of  
8 things and the U.S. Government should withhold  
9 relationships on many fronts with India.

10 So, it's a very disruptive kind of bill.

11 Q. Was there information about bills that  
12 were favorable to India?

13 A. I can't recall a single bill that was  
14 favorable to India that went to Congress. Maybe  
15 you can name one and I will respond to it.

16 Q. So, in 1994, in addition to the F-16  
17 notice that went out, what other notices on what  
18 other issues went out that year?

19 A. I can't think of too many others.  
20 Essentially the relationship has hinged around  
21 these two kinds of issues that have been going  
22 through Congress back and forth over many years

1 now.

2 Q. Which are these two issues?

3 A. About Mr. Burton's effort to have  
4 Congress declare India as a violator of human  
5 rights and the sale of F-16s to Pakistan.

6 Q. Can you discuss instances when Ambassador  
7 Ray or other Indian Embassy officials have voiced  
8 support through speeches for various issues,  
9 various legislative initiatives, in Congress?

10 A. I'm sorry. I didn't get that question.

11 Q. Can you discuss instances that you recall  
12 where Indian Embassy officials, Ambassador Ray or  
13 other embassy officials, have voiced support by way  
14 of speeches with regard to legislative initiatives?

15 A. I don't believe they have ever supported  
16 or opposed issues. They tried to educate the  
17 Indian leadership, Indian American leadership, as  
18 to how these issues affect the relationship between  
19 India and the United States.

20 Q. Do you recall speeches in the context  
21 where they would educate the Indian American  
22 community about these issues?

1 A. Give us factual information if there are  
2 violations as alleged or not.

3 Q. How is the factual information conveyed?

4 A. At cultural events when they speak as to  
5 what is happening in terms of the domestic  
6 situation of India, which is of concern to some  
7 people.

8 Q. During those presentations were there  
9 instances where there was discussions of various  
10 members of Congress and their role in the support  
11 of India?

12 A. No. There was no discussion about  
13 members of Congress and their support for India  
14 that I know of or that I can recall.

15 Q. What about a discussion about  
16 Representative Burton and his initiative?

17 A. Well, everybody who was involved in the  
18 issues affecting the relationship was quite aware  
19 of Mr. Burton's efforts.

20 Q. You said there was educational  
21 presentations or speeches at cultural events.  
22 Which cultural events are you referring to?



1 A. I can't say specifically which ones.

2 Q. Are you speaking about Indian American  
3 cultural events?

4 A. Yes.

5 Q. Are you speaking about events that  
6 STEP-IN would hold?

7 A. STEP-IN was not a cultural organization.

8 Q. The India Forum?

9 A. The India Forum is cultural.

10 Q. So the embassy officials would speak at  
11 the India Forum events about these issues?

12 A. About the relationship. Right. About  
13 the relationship with India and the United States.  
14 Yes.

15 Q. Who would speak about the relationship?

16 A. Anybody.

17 Q. I mean who from the embassy would speak  
18 about the relationship?

19 A. Whoever was there representing the  
20 embassy.

21 Q. Who was it usually? What are some of the  
22 people?



1           A.     As I mentioned, it could be the  
2 Ambassador, it could be the Deputy Ambassador, it  
3 could be one of the other people in some senior  
4 position in the embassy.

5           Those presentations don't have much to do  
6 with any particular legislation. Don't get the  
7 wrong impression. They are just general speeches  
8 about how the democracies should work together and  
9 how the Indian Americans should participate and  
10 contribute to the processes of society.

11          Q.     Were there any speeches from Indian  
12 government officials that had come over to the U.S.  
13 for a visit?

14          A.     Like who?

15          Q.     I am asking you.

16                 Did the Indian American organization ever  
17 host a visitor from India, from the Indian  
18 government?

19          A.     Not that I know of.

20          Q.     Did you have any discussions with any of  
21 the committees that received the money from either  
22 IALIF or directly about the reimbursements?

1 A. No.

2 Q. Did you ever have any discussion at all  
3 with any treasurers of these committees?

4 A. No. Not that I can recall.

5 Q. You stated you were -- was it on the  
6 Finance Committee for Sarbanes?

7 A. Sure. And Mikulski.

8 Q. And Mikulski.

9 According to the list here, there are  
10 three contributions to Citizens for Sarbanes, one  
11 contribution for yourself.

12 I am referring to the records that were  
13 sent to Mr. Singh at the Indian Embassy, page 5.  
14 It shows three contributions to Citizens for  
15 Sarbanes, a \$500 contribution from you, a \$1,000  
16 contribution from Anu Gadhia.

17 A. My ex.

18 Q. Your ex-wife?

19 A. Yes.

20 Q. And a \$1,000 contribution from Mr. Wahi.

21 A. Yes.

22 Q. Were you active in the Citizens for

1 Sarbanes or generally in the Sarbanes fund-raising  
2 drive?

3 A. Active in the sense that if there was an  
4 event to raise money for which tickets were issued,  
5 then I would try to sell them. Yes.

6 Q. Did you have any discussions with the  
7 other members of the Sarbanes campaign staff about  
8 the contributions that were made?

9 A. No.

10 Q. Did Mr. Chandra indicate to you that he  
11 received any call from any recipient committees  
12 about the contributions that IALIF made?

13 A. When?

14 Q. The contributions made in October of  
15 '94.

16 A. No.

17 When is he supposed to have received  
18 these calls?

19 Q. No. I am asking you if Mr. Chandra  
20 mentioned to you that he ever received any call  
21 from a recipient committee about any contributions?

22 A. After they received the contributions?

1 Q. After they received the contributions.

2 A. That is what I am trying to pin down.

3 Q. Yes.

4 A. No. None that I can think of.

5 Q. So, when the story finally began to be  
6 publicized, the story about the reimbursement, what  
7 actions did you take at that time?

8 A. There was no action I took at the time  
9 except to read the newspaper and find out that he  
10 had written to you. That is what The Washington  
11 Post said, that he had written to you and asked you  
12 to look into it back in May of 1995.

13 Q. But the people that you had approached,  
14 and let's start with Mr. Wahi, what was the  
15 communication or interaction with Mr. Wahi at that  
16 time?

17 A. I had no interaction with Mr. Wahi.

18 Q. Did Mr. Wahi call you to ask about what  
19 was going on?

20 A. No.

21 Q. Did you call Mr. Wahi?

22 A. No.

1 Q. What about Mr. Bahl?

2 A. No.

3 Q. Did Mr. Bahl contact you at all?

4 A. Not that I can recall.

5 Q. What about Uday Gadhia?

6 A. Not that I can recall.

7 Q. Are you saying that he didn't say

8 anything to you?

9 A. No.

10 Q. Did you say anything to him?

11 A. No.

12 Once the story was out, I didn't want to  
13 talk to anybody who was involved with it. Very  
14 simply put, I had no interest in talking to  
15 anybody.

16 MS. WILLIS: At some point Mr. Gadhia  
17 was, of course, represented by counsel.

18 BY MS. DILLENSEGER:

19 Q. Did Ms. Osborne speak to you about this?

20 A. When?

21 Q. After the story broke out.

22 A. No.

1 Q. You never had any discussion with  
2 Ms. Osborne about her contributions?

3 A. I think maybe she was still with me for a  
4 week after the story, maybe a few days, and there  
5 may have been some incidental conversation about  
6 it. I don't know. I just was saying, don't worry  
7 about it. That is all. I may have said that to  
8 her.

9 Q. Did you give her any instructions about  
10 dealing with any records or any documents?

11 A. I don't recall.

12 Q. Did you have any discussion with  
13 Sachinder Gupta about this since you are saying  
14 that he was not reimbursed?

15 Did he contact you?

16 A. Not that I can recall.

17 Q. What about the Trivedis, Aruna and Sudhir  
18 Trivedi? Did they call you?

19 A. Not about this that I can recall.

20 All these people are my friends and I had  
21 communication with them on other matters all the  
22 time.



1 Q. So, you are saying that you didn't call  
2 anybody and they did not react and call you when  
3 this broke out?

4 A. I don't recall. And I guess they felt it  
5 was not proper at that point to talk to me.

6 Q. What did Mr. Chandra say to you when this  
7 first came out?

8 A. He told me that he had written to the FEC  
9 and he was hoping that the FEC would pursue this.

10 Q. He called you and said he had written to  
11 the FEC?

12 A. As best as I recall, yes.

13 Q. Did he contact you first?

14 A. I don't know.

15 Q. Did he ask you what had taken place?

16 A. No.

17 Q. So, what did he say exactly?

18 A. He said that he had been informed by a  
19 reporter that there were possible reimbursements  
20 and that he had written to the FEC and that I  
21 should seek counsel.

22 Q. So, that was the extent of your

1 conversation with him?

2 A. That was about it, as best as I can  
3 recall.

4 Q. Did you get any calls from the Indian  
5 Embassy?

6 A. None that I can recall.

7 Q. Did you call anybody at the Indian  
8 Embassy?

9 A. No. Not that I can think of.

10 Q. Did you get any letter from anyone in the  
11 Indian Embassy?

12 A. No.

13 Q. Did you get a letter from Mr. Singh?

14 A. No.

15 Q. Did you get a call from Mr. Singh?

16 A. No. Mr. Singh by that time left for  
17 India, as I recall.

18 Q. Did you happen to visit the Indian  
19 Embassy?

20 A. Not that I can think of.

21 Q. Did anyone from the Indian Embassy visit  
22 you?

1 A. Not that I can think of.

2 Q. Since the story broke out, between that  
3 time and the present time, have you received  
4 anything from the Indian Embassy relating to this  
5 incident?

6 A. Not that I can think of.

7 Receive what?

8 Q. A telephone call.

9 A. To wish me well at Volunteers of America?

10 No.

11 MS. DILLENSEGER: We are going to close  
12 at this point.

13 BY MS. DILLENSEGER:

14 Q. Mr. Gadhia, do you have any knowledge of  
15 any other facts, events or conversations concerning  
16 the matters that we have discussed today?

17 A. Not that I can think of.

18 Q. Have we fully explored your knowledge  
19 regarding these matters?

20 A. Only you know that.

21 Q. Well, I am asking you?

22 A. You are exploring. Not me.

1 MS. DILLENSEGER: I am advising you that  
2 you have the right to review and sign the  
3 transcript of this deposition when it is  
4 completed. You may, however, at this time waive  
5 your right.

6 Do you wish to waive your right to review  
7 and sign the transcript?

8 MS. WILLIS: We will read and sign.

9 THE WITNESS: I will waive.

10 MS. WILLIS: You will waive?

11 THE WITNESS: Yes.

12 MS. WILLIS: Fine.

13 MS. DILLENSEGER: You will waive it?

14 THE WITNESS: I will waive it. I don't  
15 have to sign it, unless counsel wants me to.

16 Why don't you reserve on that and let us  
17 get back to you?

18 Can you reserve on that?

19 MS. DILLENSEGER: We will reserve. Fine.

20 Mr. Gadhia, we are also reserving the  
21 right to recall you as a witness if, after we  
22 review the record, further testimony is needed.

9866436A1790

1           One last thing. I mentioned the witness  
2 fee which you are entitled to and let me know if  
3 there is any kind of mileage. You can let me know  
4 if there is any kind of mileage involved in your  
5 trip over here.

8 MS. DILLENSEGER: We now stand  
9 adjourned.

12 (Signature not waived.)

## 1 CERTIFICATE OF DEPONENT

2 I have read the foregoing 243 pages,  
3 which contain the correct transcript of the answers  
4 made by me to the questions therein recorded.

5  
6  
7  
8  
9  
10 LALIT GADHIA  
11 - - -

12  
13  
14 Subscribed and sworn to before me this

15 \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

16  
17  
18  
19  
20 Notary Public in and for  
21  
22  
23  
24

25 My commission expires: \_\_\_\_\_  
26  
27  
28



**CERTIFICATE OF NOTARY PUBLIC**

I, **PAULA J. EASTES**, the officer before whom the foregoing deposition was taken, do hereby testify 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 stenographically and thereafter reduced to typewriting under my direction; 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 hereto nor financially or otherwise interested in the outcome of the action.

Paula J. Eastes

**PAULA J. EASTES**

Notary Public in and for  
the State of Maryland

My commission expires: February 7, 2000



FEDERAL ELECTION COMMISSION

WASHINGTON DC 20463

THIS IS THE END OF MUR # 4582

DATE FILMED 5/28/98 CAMERA NO. 2

CAMERAMAN SES

90043601793



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

Date: 11/24/58

✓ Microfilm

         Press

THE ATTACHED MATERIAL IS BEING ADDED TO CLOSED MUR 4582

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RECEIVED  
FEDERAL ELECTION  
COMMISSION  
SECRETARIAT

Nov 9 4 08 PM '98



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

**SENSITIVE**

November 9, 1998

**MEMORANDUM**

TO: The Commission

FROM: Lawrence M. Noble  
General Counsel

BY: Lois Lerner  
Associate General Counsel

SUBJECT: Closed MUR 4582  
Status of Disgorgement—Friends of Congressman Fingerhut

In MUR 4582, the Commission instructed 12 federal political committees that had received contributions reimbursed through Lalit Gadhia to disgorge the illegal contributions to the United States Treasury. In the General Counsel's Report dated March 16, 1998, which closed this matter, this Office informed the Commission, *inter alia*, that all the recipient committees except for Friends of Congressman Fingerhut ("Fingerhut Committee")<sup>1</sup> had fully disgorged. Attachment 1. In correspondence with this Office, the Fingerhut Committee claimed that it was not in a financial position to make the full \$1,000 disgorgement and proceeded to make a partial disgorgement of \$250 with a promise to conduct several fund-raisers to pay the remaining balance within several months. Attachment 2. On March 18, 1998, this Office received a check from the Fingerhut Committee for \$250 rather than the \$750. Attachment 3. In telephone conversations and by letter, this Office reminded the Fingerhut Committee of its obligation to fully disgorge the illegal contribution and instructed it to pay the \$500 balance by April 13, 1998. Attachment 4. To date, the Fingerhut Committee has not made any payments, and we do not expect to further hear from them.

A review of the Fingerhut Committee's 1997 Mid-Year Report, the most recent report filed with the Commission, reflects only \$41 cash-on-hand and over \$53,000 in debts. In light of

<sup>1</sup> Eric Fingerhut was elected to the House of Representatives in 1992. He ran again in 1994 but lost the election. He is not currently a candidate for federal office.

this Committee's moribund financial situation, the fact that it is defunct, and given that the amount remaining on the disgorgement is small, this Office, absent objection, does not intend to further pursue disgorgement from the Fingerhut Committee. This memorandum will be part of the public record.

Attachments:

1. General Counsel's Report, dated March 16, 1998, page 9.
2. Letters from Fingerhut Committee, dated February 5, 1997 (enclosing check); September 22, 1997; and November 7, 1997.
3. Letter from Fingerhut Committee, dated March 12, 1998 (enclosing check)
4. Letter from OGC to Fingerhut Committee, dated April 3, 1998

Staff Assigned: Dominique Dillenseger

**B. Recipient Committees**

In the First General Counsel's Report dated November 5, 1996, this Office informed the Commission that 19 federal political committees had received contributions reimbursed through Ghadha and that 7 committees had voluntarily disgorged to the United States Treasury. The Commission instructed the 12 remaining committees to disgorge the illegal contributions. In the General Counsel's Report dated August 22, 1997, this Office informed the Commission that all the recipient committees that were issued disgorgement letters had responded and that all but two had fully disgorged to the U.S. Treasury (several of the committees had refunded contributions directly to the IALIF and the IALIF in turn had disgorged these contributions to the U.S. Treasury). Of the two remaining recipient committees that had made partial disgorgement, Mathews for Congress has now fully disgorged, (Attachment 5), and Friends of Eric Fingerhut has informed this Office that a check for the remaining balance of \$750 will be sent shortly.

In light of the above disposition of the remaining respondents and issues in MUR 4582, this Office recommends that the Commission close the entire file.



# Eric D. Fingerhut

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL

MAR 3 2 39 PM '97

February 5, 1997

Ms. Dominique Dillenseger  
Federal Election Commission  
999 E Street NW  
Washington, D.C. 20723

RE: MUR 4582

Dear Ms. Dillenseger:

Pursuant to the Federal Election Commission's letter dated December 2, 1997<sup>6</sup> and subsequent telephone conversations, we request the following:

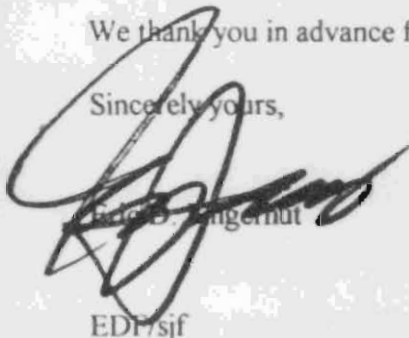
- submission of partial re-payment equal to \$250.00; and
- petition for a period of time not to exceed six months for full re-payment.

Though we had no knowledge of any concerns regarding this contribution, we acknowledge the seriousness of the matter and will make every effort to repay the full amount as soon as possible.

Please feel free to call Mr. Steve Ferris of our staff if there are any further questions. He can be reached at 216-561-7663.

We thank you in advance for your cooperation.

Sincerely yours,



Eric D. Fingerhut

EDF/sjf

enclosure

cc: Mike Mayor

**2775 South Moreland Boulevard #200  
Cleveland, Ohio 44120  
561-7663 561-1942 (fax)**

Paid for and authorized by: Friends of Eric Fingerhut Campaign Committee, Steve Ferris, Treasurer  
(all labor donated.)

ATTACHMENT 2  
Page 1 of 5

MAR 3 2 39 PM '97



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20461

March 3, 1997

TWO WAY MEMORANDUM

TO: OGC, Docket

FROM: *RSW* Rosa E. Swinton  
Accounting Technician

SUBJECT: Account Determination for Funds Received

We recently received a check from Friends of Congressman Fingerhut, check number 1374, dated 1-23-97, and in the amount of \$250.00. Attached is a copy of the check and any correspondence that was forwarded. Please indicate below the account into which it should be deposited, and the MUR number and name.

TO: Rosa E. Swinton  
Accounting Technician

FROM: OGC, Docket

In reference to the above check in the amount of \$250.00, the MUR number is 4582 and in the name of Fds. of Cong. Fingerhut. The account into which it should be deposited is indicated below:

☐ Budget Clearing Account (OGC), 95F3875.16

☐ Civil Penalties Account, 95-1099.160

☒ Other: Disbursement

Retha L. Nijon  
Signature

3/3/97  
Date 2  
Page 2 of 5

1324

FRIENDS OF CONGRESSMAN FINGERHUT  
P O Box 24233  
Mayfield Heights, Ohio 44124

6-12/410  
BRANCH 1

PAY  
TO THE  
ORDER OF

January 23 1997

\$ 250.00

DOLLAR

*Two hundred fifty and 00/100*  
**National City Bank**  
Cleveland, Ohio

FOR

⑈001324⑈ ⑈041000124⑈ 3717007⑈

# Friends of Congressman Fingerhut

OCT 6 2 59 PM '97

September 22, 1997

Mr. Eric Morrison  
Federal Election Commission  
999 E Street NW  
Washington, D.C. 20463

RE: MUR4582

Dear Mr. Morrison:

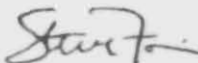
I am writing this letter pursuant to our telephone conversation of last week.

I have made Mr. Fingerhut and all other relevant parties aware of our outstanding obligation. At this time, we are not in a financial position to make payment on the remaining balance of \$750.00.

However, we have begun fundraising efforts in order to resolve this obligation.

Please call me if you have any questions or need any additional information. I can be reached at 216-561-7663.

Sincerely,



Steve Ferris  
Political Director

Dillenseger

## Friends of Congressman Fingerhut

November 7, 1997

Mr. Eric Morrison  
Federal Election Commission  
999 E Street NW  
Washington, D C 20463

RE: MUR4582

Dear Mr. Morrison

I am writing this letter pursuant to our telephone conversation of last week.

As you requested, this letter is a follow-up to letters dated September 22, 1997 and February 5, 1997. These letters in sum, stated that we are 1. not in a financial position to make payment on the remaining balance of \$750.00, and 2. would make payment within six months.

As of November 7, 1997, we are not in a financial position that would allow us to make payment. As I stated on the telephone, we have scheduled a number of fund-raising events in December in order to raise monies to make this payment.

Those fund-raising events are scheduled for December 7, 11, 13, and 16. We fully anticipate to make payment on this matter following the completion of these events.

Please call me if you have any question or need any additional information. My number is 216-561-7663.

Sincerely,



Steve Ferris  
Political Director

ATTACHMENT 2  
Page 5 of 5

# MAYOR AND COMPANY CPAs

BEACHCLIFF EXECUTIVE CENTRE  
1340 DEPOT STREET SUITE 102  
ROCKY RIVER, OHIO 44116-1741  
440-331-6000

March 12, 1998

Ms. Dominique Dillenseger  
Federal Election Commission  
999 E Street NW  
Washington, DC 20723

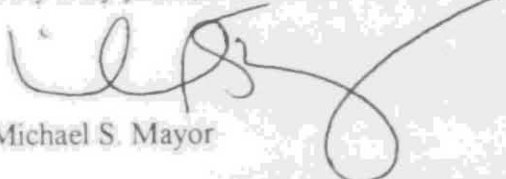
Re MUR 4582

Dear Ms. Dillenseger:

Enclosed as requested, please find check #1334 in the amount of \$250 dated March 12, 1998.

Please feel free to contact me if you have any questions regarding this information.

Very truly yours,



Michael S. Mayor

MSM/ccp

Enclosure (check)

ATTACHMENT

3

Page

1

of

3





FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

*D. King*

Mar 18 2 50 PM '98

March 18, 1998

**TWO WAY MEMORANDUM**

TO: OGC Docket  
FROM: Rosa E. Swinton *RES*  
Accounting Technician  
SUBJECT: Account Determination for Funds Received

We recently received a check from **Friends of Congressman Fingerhut**, check number **1334**, dated **March 12, 1998**, for the amount of , **\$250.00**. A copy of the check and any correspondence is being forwarded. Please indicate below which account the funds should be deposited and give the MUR/Case number and name associated with the deposit.

=====

TO: Rosa E. Swinton                      Leslie D. Brown  
Accounting Technician                  Disbursing Technician  
FROM: OGC Docket  
SUBJECT: Disposition of Funds Received

In reference to the above check in the amount of \$250.00, the MUR/Case number is 4582 and in the name of Friends of Congressman Fingerhut. Place this deposit in the account indicated below:

- ☐ Budget Clearing Account (OGC), 95F3875.16  
☐ Civil Penalties Account, 95-1099.160  
☒ Other: Disgorgement

Frankie Hampton  
Signature

March 19, 1998  
Date

ATTACHMENT 3  
Page 2 of 3

FRIENDS OF CONGRESSMAN FINGERHUT  
P O Box 24233  
Mayfield Heights, Ohio 44124

1334

6-12/410  
BRANCH 1

PAY  
TO THE  
ORDER OF

*U.S. Treasury*

*March 12* 19 *98*

*Two hundred fifty and 00/100*

\$ *250.00*

**National City Bank**

Cleveland, Ohio

DOLLARS

FOR

*MUR 4582*

*Pay*  
"001334" 10410001241 3717007"

ATTACHMENT

*3*

Page

*3*

of

*3*



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

*Dillenseger*

April 3, 1998

By Facsimile and U.S. Mail

Steve Ferris, Treasurer  
Friends of Congressman Fingerhut  
1340 Depot Street, Suite 102  
Rocky River, OH 44116

RE: MUR 4582

Dear Mr. Ferris:

During our telephone conversation on March 3, 1998, I reminded you that despite repeated promises to do so, and the fact that over a year has elapsed since the Commission asked the the Friends of Congressman Fingerhut Committee to disgorge, the committee has yet to pay the \$750 remaining balance on its \$1,000 disgorgement. You responded that a check would be cut and sent out immediately. Pursuant to your representations, I informed the Commission that the Committee would make full payment. When I did not receive a check, I made several telephone calls to your office and left messages with your assistant.

On March 18, 1998, we received a \$250 check, instead of a \$750 check, from Michael S. Mayor. In a telephone conversation with Mr. Mayor, he stated that it was his understanding, based on a conversation with you, that there was no promise that the full balance would be paid. Mr. Mayor stated that he would check with you and call me back on Monday, March 30, 1998. To date, Mr. Mayor has not called me back.

As we have informed you previously, this is a disgorgement of an illegal contribution, not merely a settlement of a debt. Accordingly, the Commission instructs you to disgorge the full amount of the remaining balance of the illegal contribution made to the Committee, \$500, to the United States Treasury, care of the Federal Election Commission by close of business on Friday, April 13, 1998. If we do not hear from you by that date, we will notify the Commission. If you have any questions, please feel free to contact me at (202) 694-1650.

Sincerely,

*Dominique Dillenseger*

Dominique Dillenseger  
Attorney

ATTACHMENT

Page 1 of 1



# FEDERAL ELECTION COMMISSION

Washington, DC 20463

## MEMORANDUM

TO: Office of the Commission Secretary

FROM: Office of General Counsel

DATE: November 9, 1998

SUBJECT: MUR 4582-Memo to the Commission

The attached is submitted as an Agenda document for the Commission Meeting of \_\_\_\_\_

Open Session \_\_\_\_\_

Closed Session \_\_\_\_\_

### CIRCULATIONS

SENSITIVE

☒

NON-SENSITIVE

☐

72 Hour TALLY VOTE ☐

24 Hour TALLY VOTE ☐

24 Hour NO OBJECTION ☐

INFORMATION ☒

### DISTRIBUTION

COMPLIANCE

☒

Open/Closed Letters ☐

MUR ☐

DSP ☐

STATUS SHEETS ☐

Enforcement ☐

Litigation ☐

PFESP ☐

RATING SHEETS ☐

AUDIT MATTERS ☐

LITIGATION ☐

ADVISORY OPINIONS ☐

REGULATIONS ☐

OTHER ☐