FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 4733

DATE FILMED 12/2/98 CAMERA NO. 3

CAMERAMAN EES

98043901642

CHARLES D. SNELLING

OFFICE • 711 HAMILTON MALL • ALLENTOWN, PENNSYLVANIA 18101-2407 • 610 821-7770 • FAX 610 821-7773

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL

12 March 1998

MAR 16 2 31 PM '98

General Counsel to the FEC
999 East Street, N.W.
Washington, D.C. 20463

RE: Official Filings of Robert Kilbanks (15th District of Pa.)

Dear Sir:

I note in the filings of "Families and Taxpayers for Bob Kilbanks," the campaign finance committee for a congressional candidate in the 15th District of Pennsylvania Robert Kilbanks, certain apparent discrepancies which I wish to call to the attention of the FEC in order that these discrepancies might be resolved.

From the Internet I have a copy of Schedule C-1 "Loans and Lines of Credit from Lending Institutions," which describes a loan in the amount of $50,000 to the Kilbanks campaign. This loan is apparently secured by a certificate of deposit in the amount of $50,000.

I further note in Schedule II "Assets and 'Unearned' Income" for Robert D. Kilbanks that there is no listed asset in the form of a certificate of deposit or in an amount which could account for the proffered security for the above mentioned loan.

This gives rise to certain questions. A certificate of deposit valued at $50,000 has been used to collateralize a $50,000 personal loan to the Kilbanks campaign. Yet, there is no disclosed asset in the form of a certificate of deposit in the amount of $50,000.

Question 1: Does Kilbanks own the certificate of deposit used as collateral?
Question 2: If he does own this certificate of deposit, why was it not listed in his schedule of assets?
Question 3: If Kilbanks does not own the certificate of deposit, is it owned by some third party?
Question 4: If it is owned by some third party, then is it not a violation of campaign finance law because it is, under these circumstances, a personal contribution in excess of the $1,000 limit?

This presupposes FEC rules on campaign finance laws which state that loans from non-personal sources and contributions are one and the same.

The undersigned requests clarification of the issues raised above and confirmation of whether this report does or does not indicate adherence to applicable campaign disclosure and contribution rules.

General Counsel to the FEC
Page Two
12 March 1998

Please do not hesitate to call upon me if I can be of service.

Sincerely,

Charles D. Snelling

CDS:mav

Enclosures: (1) Schedule C-1 (Loans and Lines of Credit from Lending Institutions)
(2) Schedule II (Assets and "Unearned" Income) of Financial Disclosure Statement of Robert D. Kilbanks
(3) Federal campaign finance guidelines regarding loans

Signed before me this 12th day of March, 1998,

Ann E. Koch

Notary Public

NOTARIAL SEAL
ANN E. KOCH, Notary Public
City of Allentown, Lehigh County
My Commission Expires Sept. 7, 2000

9 9 0 4 3 9 0 1 6 4 4

FEDERAL ELECTION COMMISSION
Washington, DC 20463

March 19, 1998

Charles D. Snelling
711 Hamilton Mall
Allentown, PA 18101-2407

Dear Mr. Snelling:

This is to acknowledge receipt on March 16, 1998 of your letter dated March 12, 1998. The Federal Election Campaign Act of 1971, as amended and Commission Regulations require that the contents of a complaint meet certain specific requirements. One of these requirements is that a complaint be sworn to and signed in the presence of a notary public and notarized. Your letter was not properly sworn to.

In order to file a legally sufficient complaint, you must swear before a notary that the contents of your complaint are true to the best of your knowledge. The notary must represent as part of the jurat that such swearing occurred. The preferred form is "Subscribed and sworn to before me on this _____ day of _____, 19__." A statement by the notary that the complaint was sworn to and subscribed before him/her also will be sufficient. We regret the inconvenience that these requirements may cause you, but we are not statutorily empowered to proceed with the handling of a compliance action unless all the statutory requirements are fulfilled. See 2 U.S.C. § 437g.

Please note that this matter will remain confidential for a 15 day period to allow you to correct the defects in your complaint. If the complaint is corrected and refiled within the 15 day period, the respondents will be so informed and provided a copy of the corrected complaint. The respondents will then have an additional 15 days to respond to the complaint on the merits. If the complaint is not corrected, the file will be closed and no additional notification will be provided to the respondents.

Enclosed is a Commission brochure entitled "Filing a Complaint." I hope this material will be helpful to you should you wish to file a legally sufficient complaint with the Commission If you have any questions concerning this matter, please contact me at (202) 694-1517.

Sincerely,

Retha Dixon

Retha Dixon
Docket Chief

Enclosure

cc: Families and Taxpayers for Bob Kilbanks

CHARLES D. SNELLING
OFFICE • 711 HAMILTON MALL • ALLENTOWN, PENNSYLVANIA 18101-2407 • 610 821-7770 • FAX 610 821-7773

25 March 1998

MUR 4733

MAR 30 2 39 PM '98

Ms. Retha Dixon
Docket Chief
Federal Election Commission
999 East Street, N.W.
Washington, D.C. 20463

RE: Families and Taxpayers for Bob Kilbanks

Dear Ms. Dixon:

Thank you for your letter of March 19th. I am sorry that we did not use the appropriate language to signify my swearing that the contents of my complaint were true to the best of my knowledge.

I have corrected the enclosed complaint, using the requested language in the notary's signature block, and I resubmit it herewith. Furthermore, I have submitted the material in triplicate, as specified in "Filing A Complaint."

Please do not hesitate to contact me if I can be of further service in this matter.

Sincerely,

Charles D. Snelling

CDS:mav
Enclosures

9 8 0 4 3 9 0 1 6 4 7

CHARLES D. SNELLING

OFFICE • 711 HAMILTON MALL • ALLENTOWN, PENNSYLVANIA 18101-2407 • 610 821-7770 • FAX 610 821-7773

25 March 1998

General Counsel to the FEC
999 East Street, N.W.
Washington, D.C. 20463

RE: Official Filings of Families and Taxpayers for Bob Kilbanks (15th District of Pa.)

Dear Sir:

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25 March 1998

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(2) Schedule II (Assets and "Unearned" Income) of Financial Disclosure Statement of Robert D. Kilbanks
(3) Federal campaign finance guidelines regarding loans

Subscribed and sworn to before me
this 25th day of March, 1998,

Ann E Koch

Notary Public

NOTARIAL SEAL
ANN E. KOCH, Notary Public
City of Allentown, Lehigh County
My Commission Expires Sept. 7, 2000

9804390162?

SCHEDULE C-1
Federal Election Commission
Washington, D.C. 20463

Supplementary for information found on Page ___ of Schedule C

LOANS AND LINES OF CREDIT FROM LENDING INSTITUTIONS

NAME OF COMMITTEE (in Full) Families and Taxpayers for Bob Kilbanks	FEC Identification Number C00329508
FULL NAME, MAILING ADDRESS AND ZIP CODE OF LENDING INSTITUTION (LENDER) First Union Bank Charlotte NC	AMOUNT OF LOAN $50,000 — INTEREST RATE (APR) 10.51 % DATE INCURRED OR ESTABLISHED 12/31/96 — DATE DUE 2/20/05

A. Has loan been restructured? ☒ No ☐ Yes If yes, date originally incurred: ________

B. If line of credit, ☐ amount of this draw ________ ; total outstanding balance: ________

C. Are other parties secondarily liable for the debt incurred?
☒ No ☐ Yes (Endorsers and guarantors must be reported on Schedule C.)

D. Are any of the following pledged as collateral for the loan: real estate, personal property, goods, negotiable instruments, certificates of deposit, chattel papers, stocks, accounts receivable, cash on deposit, or other similar traditional collateral?

☐ No ☒ Yes If yes, specify: Certificate of Deposit

What is the value of this collateral? $50,000

Does the lender have a perfected security interest in it? ☐ No ☒ Yes

E. Are any future contributions or future receipts of interest income, pledged as collateral for the loan?

☒ No ☐ Yes If yes, specify: ________

A depository account must be established pursuant to 11 CFR 100.7(b)(11)(i)(B) and 100.8(b)(12)(i)(B). Date Account Established ________ Location of account: ________

F. If neither of the types of collateral described above was pledged for this loan, or if the amount pledged does not equal or exceed the loan amount, state the basis upon which this loan was made and the basis on which it assures repayment.

G. COMMITTEE TREASURER
TYPED NAME William Goodman CPA — SIGNATURE William N. Goodman CPA — DATE 1/12/98

H. Attach a signed copy of the loan agreement.

I. TO BE SIGNED BY THE LENDING INSTITUTION:

I. To the best of this institution's knowledge, the terms of the loan and other information regarding the extension of the loan are accurate as stated above.

II. The loan was made on terms and conditions (including interest rate) no more favorable at the time than those imposed for similar extensions of credit to other borrowers of comparable credit worthiness.

III. This institution is aware of the requirement that a loan must be made on a basis which assures repayment, and has complied with the requirements set forth at 11 CFR 100.7(b)(11) and 100.8(b)(12) in making this loan.

AUTHORIZED REPRESENTATIVE — SIGNATURE David W Stewart — TITLE Bank Officer — DATE 1-28-98
TYPED NAME David W Stewart

First Page | Previous Page | Goto Page # | Next Page

02/11/98 11:16:33

Name Robert D. Kilbanks | Page 1 of 4

SCHEDULE II — ASSETS AND "UNEARNED" INCOME

BLOCK A — Asset and/or Income Source

Identify (a) each asset held for investment or production of income with a fair market value exceeding $1,000 at the end of the reporting period, and (b) any other asset or source of income which generated more than $200 in "unearned" income during the period. For rental property or land, provide an address. Provide full names of any mutual funds. For an IRA or retirement plan that is self-directed, list the underlying assets worth more than $1,000. For an IRA or retirement plan that is not self-directed, name the institution holding the account.

Exclude: Your personal residence(s) (unless there is rental income); any debt owed to you by your spouse, or by your or your spouse's child, parent, or sibling; any deposits totaling $5,000 or less in personal savings accounts; any financial interests in or income derived from U.S. Government retirement programs.

If you so choose, you may indicate that an asset or income source is that of your spouse (SP) or dependent child (DC) or is jointly held (JT), in the optional column on the far left.

For further information, see instructions, pages 14–20.

BLOCK B — Value of Asset

at close of reporting period.
If you use a valuation method other than fair market value, please specify the method used.
If an asset was sold and is included only because it generated income, the value should be "None."

BLOCK C — Type of Income

If other than one of the listed categories, specify the type of income by writing a brief description in this block.

BLOCK D — Amount of Income

For IRA's and retirement plans that are not self-directed, you may write in "NA" for income.

Block B columns: A None (or less than $1,001); B $1,001 – $15,000; C $15,001 – $50,000; D $50,001 – $100,000; E $100,001 – $250,000; F $250,001 – $500,000; G $500,001 – $1,000,000; H $1,000,001 – $5,000,000; I $5,000,001 – $25,000,000; J $25,000,001 – $50,000,000; K Over $50,000,000

Block C columns: Dividends; Rent; Interest; Capital Gains; Excepted Trust; Qualified Blind Trust

Block D columns (Current Year and Preceding Year): I None – $200; II $201 – $1,000; III $1,001 – $2,500; IV $2,501 – $5,000; V $5,001 – $15,000; VI $15,001 – $50,000; VII $50,001 – $100,000; VIII $100,001 – $1,000,000; IX $1,000,001 – $5,000,000; X Over $5,000,000

SP, DC, JT	Asset and/or Income Source	Value of Asset (Block B)	Type of Income (Block C)	Current Year (Block D)	Preceding Year (Block D)
SP (Example)	Mega Corp. Stock	D	Dividends	III	II
(Example)	101 Main St., Dover, DE	G	Rent	VI	VII
(Example)	1st Bank of Paducah, KY accounts	E	Interest	IV	IV
	2486 Fawn Rd. East Stroudsburg, PA rental	E	Rent	IV	IV
	2486 Fawn Rd. Overdue rent		Rent	V	V
	First Union Bank Account Charlotte, North Carolina	B	Interest	I	I

For additional assets and unearned income, use next page.

Understanding Contributions

1. What Is a Contribution

A *contribution* is anything of value given to influence a federal election. It is important to understand which receipts are considered contributions because:

- Contributions count toward the threshold that determines whether an individual has qualified as a candidate under the Federal Election Campaign Act. 100.3(a).
- They are subject to the Act's prohibitions.
- They are subject to the Act's contribution limits.

Like all receipts, contributions are also subject to the Act's recordkeeping and reporting requirements. The section below describes different types of contributions. (Contribution limits and prohibitions are discussed in the chapters that follow.)

2. Types of Contributions

Gifts of Money

A contribution of money may be made by check or cash (currency), although cash contributions are subject to a special $100 limit. There is also a $50 limit on anonymous cash contributions. 100.7(a)(1)(i) and 110.4(c). See page 8 for limits on contributions of cash.

Earmarked Contributions and Bundling

An *earmarked contribution* is one which the contributor directs (either orally or in writing) to a candidate through an intermediary or conduit. 110.6(b). Special rules govern this type of transaction; see Appendix C.

Note that when an intermediary or conduit collects and transmits contributions to the campaign (sometimes referred to as "bundling"), the special rules in Appendix C apply.

In-Kind Contributions

Definition

The donation of goods offered free or at less than the usual charge is called an *in-kind* contribution. Similarly, when a person pays for services on the committee's behalf, the payment is considered an in-kind contribution. An *expenditure* made in cooperation, consultation or concert with, or at the request or suggestion of, a candidate's campaign is also considered an in-kind contribution to the candidate. 2 U.S.C §441a(a)(7)(B)(i).

Limits

The value of an in-kind contribution—the *usual and normal charge*—counts against the same contribution limit as a gift of money. 100.7(a)(1)(iii) and (a)(3).

Value

- Goods (such as facilities, equipment, supplies and mailing lists) are valued at the price the item or facility would cost if purchased or rented at the time the contribution is made. For example, if someone donates a personal computer to the campaign, the contribution equals the ordinary market price of the computer at the time of the contribution.
- Services (such as advertising, printing or consultant services) are valued at the prevailing commercial rate at the time the services are rendered.

Exceptions

Under limited exemptions in the law, persons may provide certain goods and services to a committee without making contributions. For example, when services are volunteered—not paid for by anyone—the activity is not considered a contribution. 100.7(b)(3). See page 14.

Loans

A loan, including a loan to the campaign from a member of the candidate's family, is considered a contribution to the extent of the outstanding balance of the loan. (*Bank* loans, however, are not considered contributions if made in the ordinary course of business. 100.7(b)(11). See page 13.) An unpaid loan, when added to other contributions from the same donor may not exceed the contribution limit. Repayments made on the loan reduce the amount of the contribution. Once repaid in full, a loan no longer counts against the donor's contribution limit. However, a loan exceeding the limit is unlawful even if it is repaid in full. Besides being reported as a contribution, a loan must be continuously reported as a debt until fully repaid. 100.7(a)(1)(i) and 104.3(d).

Endorsements and Guarantees of Loans

An endorsement or guarantee of a loan counts as a contribution to the extent of the outstanding balance of the loan.[1] Repayments made on the loan reduce the amount of the contribution. Once the loan is repaid in full, the endorsement or guarantee no longer counts against the endorser's or guarantor's contribution limit. If a written loan agreement does not stipulate the portion for which each endorser or guarantor is liable, then individual contributions are calculated by dividing the amount of the loan by the number of persons who have endorsed or guaranteed it. 100.7(a)(1)(i)(C).

Proceeds from Sales

The entire amount paid to attend a political fundraiser or to purchase a fundraising item is a contribution. 100.7(a)(2). For example, if a contributor pays $100 to buy a ticket to a fundraising dinner, he or she has made a $100 contribution to the committee, even though the meal may have cost the committee $30. Similarly, if a contributor spends $20 to buy a campaign T-shirt that cost the campaign $5, the contributor has made a $20 contribution. See also "Sale of Assets," page 32.

Extensions of Credit

An extension of credit outside of a creditor's ordinary course of business is considered a contribution. 100.7(a)(4). Moreover, an extension of credit to a candidate or political committee by an incorporated vendor could result in a prohibited contribution. For more information on when an extension of credit is considered a contribution, see the "Debt Settlement Rules" on page 34.

1. *An exception to this rule is provided for spouses of candidates. See page 11.*

FEDERAL ELECTION COMMISSION
Washington, DC 20463

April 1, 1998

Charles D. Snelling
711 Hamilton Mall
Allentown, PA 18101-2407

RE: MUR 4733

Dear Mr. Snelling:

This letter acknowledges receipt on March 30, 1998, of your complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended. The respondent(s) will be notified of this complaint within five business days.

You will be notified as soon as the Federal Election Commission takes final action on your complaint. Should you receive any additional information in this matter, please forward it to the Office of the General Counsel. Such information must be notarized and sworn to in the same manner as the original complaint. We have numbered this matter MUR 4733. Please refer to this number in all future communications. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

Enclosure
Procedures

FEDERAL ELECTION COMMISSION
Washington, DC 20463

April 1, 1998

Robert D. Kilbanks
911 Northampton Street
Easton, PA 18042

RE: MUR 4733

Dear Mr. Kilbanks:

The Federal Election Commission received a complaint which indicates that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4733. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

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

If you have any questions, please contact Jennifer H. Boyt at (202) 694-1650. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

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

FEDERAL ELECTION COMMISSION
Washington, DC 20463

April 1, 1998

William N. Goodman, CPA, Treasurer
Families and Taxpayers for Bob Kilbanks
PO Box 707
Bethlehem, PA 18016

RE: MUR 4733

Dear Mr. Goodman:

The Federal Election Commission received a complaint which indicates that Families and Taxpayers for Bob Kilbanks and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4733. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against Families and Taxpayers for Bob Kilbanks and you, as treasurer, in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

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Supervisory Attorney
Central Enforcement Docket

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

Law Offices of
Murphy & Murphy, P.C.
507 William Street
P.O. Box 97
Pen Argyl, PA 18072

James G. Murphy
Angela Uliana-Murphy

Phone: (610) 863-8502
Fax: (610) 863-3022

April 14, 1998

F. Andrew Turley, Esquire
Supervisory Attorney, Central Enforcement Docket
Federal Election Commission
Washington, D.C. 20463

Re: Mur 4733

Dear Mr. Turley:

Please accept this correspondence as the response of Robert D. Kilbanks to the complaint of Charles Snelling. Please note, that we desire that this matter remain confidential as indicated by your correspondence.

The Snelling complaint raises questions regarding circumstances of the loan Mr. Kilbanks obtained from First Union Bank. This loan was secured by Mr. Kilbanks by a contingent interest in the Lester Kilbanks Marital Trust, funds of the trust are held by First Union Bank. I have attached copies of the loan documents executed by Mr. Kilbanks.

Please note that the trust in question is financially secure and Mr. Kilbank's contingent interest is substantial. The Federal Election Campaign Act of 1971 does not require the reporting of contingent interest possessed by the candidate. Therefore, the contingent interest did not appear on Schedule II as an asset.

FEC
Kilbanks Letter
Page Two

Finally, I note that Mr. Snelling has long engaged in a pattern of unfounded personal attacks against Mr. Kilbanks. It is our position that this complaint is yet another in the long history of unfounded personal attacks on Mr. Kilbanks. The source of the complaint should be considered and should not be given any credibility.

Given the lack of credibility of Mr. Snelling and the obvious lack of credibility of his complaint, I respectfully request summary dismissal of the complaint.

Of course, Mr. Kilbanks desires to fully cooperate with the FEC in this matter. Should you require any additional information, please do not hesitate to contact me. Thank you for your cooperation.

Very truly yours,

Angela Uliana-Murphy, Esquire

AUM:cc

Enclosures

CHARLES D. SNELLING
OFFICE • 711 HAMILTON MALL • ALLENTOWN, PENNSYLVANIA 18101-2407 • 610 821-7770 • FAX 610 821-7773

9 June 1998

JUN 11 3 10 PM '98

MUR 4733

Ms. Retha Dixon, Docket Chief
Federal Election Commission
999 East Street, N.W.
Washington, D.C. 20463

RE: Families and Taxpayers for Bob Kilbanks

Dear Ms. Dixon:

Enclosed you will find a copy of an inquiry which I made to the FEC under date of 25 March 1998. In my opinion, the matter is now moot and I see no constructive reason to pursue this inquiry.

This is formal notification to the Federal Election Commission that I wish to withdraw all of the documents which I submitted to you under date of 25 March. This inquiry is hereby withdrawn.

Sincerely,

Charles D. Snelling

CDS:mav
Enclosure

Subscribed and sworn to before me
this 9th day of June, 1998,

Ann E Koch
Notary Public

NOTARIAL SEAL
ANN E. KOCH, Notary Public
City of Allentown, Lehigh County
My Commission Expires Sept. 7, 2000

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CHARLES D. SNELLING
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25 March 1998

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(3) Federal campaign finance guidelines regarding loans

Subscribed and sworn to before me
this 25th day of March, 1998.

Ann E Koch
Notary Public

NOTARIAL SEAL
ANN E. KOCH, Notary Public
City of Allentown, Lehigh County
My Commission Expires Sept. 7, 2000

SCHEDULE C-1
Federal Election Commission
Washington, D.C. 20463

Supplementary for Information
found on Page ___ of Schedule C

LOANS AND LINES OF CREDIT FROM LENDING INSTITUTIONS

Name of Committee (in Full): Families and Taxpayers for Bob Kilbanks	FEC Identification Number: C00329508
Full Name, Mailing Address and ZIP Code of Lending Institution: First Union Bank, Charlotte NC	Amount of Loan: $30,000 / Interest Rate (APR): 10.51 %
	Date Incurred or Established: 12/31/96 / Date Due: 2/20/05

A. Has loan been restructured? ☒ No ☐ Yes If yes, date originally incurred:

B. If line of credit, ☐ amount of this draw ________ ; total outstanding balance:

C. Are other parties secondarily liable for the debt incurred?
☒ No ☐ Yes (Endorsers and guarantors must be reported on Schedule C.)

D. Are any of the following pledged as collateral for the loan: real estate, personal property, goods, negotiable instruments, certificates of deposit, chattel papers, stocks, accounts receivable, cash on deposit, or other similar traditional collateral?

☐ No ☒ Yes If yes, specify: Certificate of Deposit

What is the value of this collateral? $50,000

Does the lender have a perfected security interest in it? ☐ No ☒ Yes

E. Are any future contributions or future receipts of interest income, pledged as collateral for the loan?

☒ No ☐ Yes If yes, specify:

A depository account must be established pursuant to 11 CFR 100.7(b)(11)(i)(B) and 100.8(b)(12)(i)(B). Date Account Established: ________ Location of account: ________

F. If neither of the types of collateral described above was pledged for this loan, or if the amount pledged does not equal or exceed the loan amount, state the basis upon which this loan was made and the basis on which it assures repayment.

G. COMMITTEE TREASURER
TYPED NAME: William Goodman, CPA
SIGNATURE: William N. Goodman CPA
DATE: 1/28/98

H. Attach a signed copy of the loan agreement.

I. TO BE SIGNED BY THE LENDING INSTITUTION:

I. To the best of this institution's knowledge, the terms of the loan and other information regarding the extension of the loan are accurate as stated above.

II. The loan was made on terms and conditions (including interest rate) no more favorable at the time than those imposed for similar extensions of credit to other borrowers of comparable credit worthiness.

III. This institution is aware of the requirement that a loan must be made on a basis which assures repayment, and has complied with the requirements set forth at 11 CFR 100.7(b)(11) and 100.8(b)(12) in making this loan.

AUTHORIZED REPRESENTATIVE
TYPED NAME: David W Stewart
SIGNATURE: David W Stewart
TITLE: Bank Officer
DATE: 1-28-98

98043901653

First Page | Previous Page | Goto Page # | Next Page

Name Robert D. Kilbanks

Page 1 of 4

SCHEDULE II — ASSETS AND "UNEARNED" INCOME

BLOCK A

Asset and/or Income Source

Identify (a) each asset held for investment or production of income with a fair market value exceeding $1,000 at the end of the reporting period, and (b) any other asset or source of income which generated more than $200 in "unearned" income during the period. For rental property or land, provide an address. Provide full names of any mutual funds. For an IRA or retirement plan that is self-directed, list the underlying assets worth more than $1,000. For an IRA or retirement plan that is not self-directed, name the institution holding the account.

Exclude: Your personal residence(s) (unless there is rental income); any debt owed to you by your spouse, or by your or your spouse's child, parent, or sibling; any deposits totalling $5,000 or less in personal savings accounts; any financial interests in or income derived from U.S. Government retirement programs.

If you so choose, you may indicate that an asset or income source is that of your spouse (SP) or dependent child (DC) or is jointly held (JT), in the optional column on the far left.

For further information, see instructions, pages 14–23.

BLOCK B

Value of Asset

at close of reporting period.

If you use a valuation method other than fair market value, please specify the method used.

If an asset was sold and is included only because it generated income, the value should be "None."

BLOCK C

Type of Income

If other than one of the listed categories, specify the type of income by writing a brief description in this block.

BLOCK D

Amount of Income

For IRA's and retirement plans that are not self-directed, you may write in "IRA" for income.

SP, DC, JT	Asset and/or Income Source	A	B	C	D	E	F	G	H	I	J	K	DIVIDENDS	RENT	INTEREST	CAPITAL GAINS	EXCEPTED TRUST	QUALIFIED BLIND TRUST	Current Year I	II	III	IV	V	VI	VII	VIII	IX	X	Preceding Year I	II	III	IV	V	VI	VII	VIII	IX	X
Examples: SP	Mega Corp. Stock				X								X								X									X								
	123 Main St., Dover, DE							X						X										X											X			
	1st Bank of Paducah, KY account					X									X							X										X						
	2486 Fawn Rd. East Stroudsburg, PA rental					X								X								X										X						
	2486 Fawn Rd. Overdue rent													X									X										X					
	First Union Bank Account Charlotte, North Carolina		X												X				X										X									

For additional assets and unearned income, use next page.

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 12, 1998

Charles D. Snelling
711 Hamilton Mall
Allentown, PA 18101-2407

RE: MUR 4733

Dear Mr. Snelling:

This is in reference to your letter dated June 9, 1998, which we received on June 11, requesting that the complaint you filed against Families and Taxpayers for Bob Kilbanks be withdrawn.

Under 2 U.S.C. § 437g, the Federal Election Commission is empowered to review a complaint properly filed with it and to take action which it deems appropriate under the Federal Election Campaign Act of 1971, as amended ("the Act"). A request for withdrawal of a complaint will not prevent the Commission from taking appropriate action under the Act. Your request will become part of the public record within 30 days after the entire file is closed.

If you have any further questions about this procedure, please contact Jennifer H. Boyt on our toll-free number, (800)-424-9530. Our local number is (202) 694-1650.

Sincerely,

F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	CASE CLOSURES UNDER
	)	ENFORCEMENT PRIORITY
	)	

GENERAL COUNSEL'S REPORT

I. INTRODUCTION.

The cases listed below have been identified as either stale or of low priority based upon evaluation under the Enforcement Priority System (EPS). This report is submitted to recommend that the Commission no longer pursue these cases.

II. CASES RECOMMENDED FOR CLOSURE.

A. Cases Not Warranting Further Action Relative to Other Cases Pending Before the Commission

EPS was created to identify pending cases that, due to the length of their pendency in inactive status or the lower priority of the issues raised in the matters relative to others presently pending before the Commission, do not warrant further expenditure of resources. Central Enforcement Docket (CED) evaluates each incoming matter using Commission-approved criteria which results in a numerical rating for each case.

Closing

cases permits the Commission to focus its limited resources on more important cases presently pending before it. Based upon this review, we have identified 17 cases that do not warrant further action relative to other pending matters.[1] The attachments to this report contain a factual summary of each case, the EPS rating, and the factors leading to assignment of a low priority and recommendation not to further pursue the matter.

B. Stale Cases

Effective enforcement relies upon the timely pursuit of complaints and referrals to ensure compliance with the law. Investigations concerning activity more remote in time usually require a greater commitment of resources, primarily due to the fact that the evidence of such activity becomes more difficult to develop as it ages. Focusing investigative efforts on more recent and more significant activity also has a more positive effect on the electoral process and the regulated community. In recognition of this fact, EPS also provides us with the means to identify those cases which

remain unassigned for a significant period due to a lack of staff resources for effective investigation. The utility of commencing an investigation declines as these cases age, until they reach a point when activation of a case would not be an efficient use of the Commission's resources.

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[1] These cases are: Pre-MUR 365 (*Friends of Marjorie Margolies-Mezvinsky, et al*); MUR 4729 (*Friends of Melinda Katz*); MUR 4730 (*The Capital Times*); MUR 4731 (*Randall Terry Live*); MUR 4732 (*Juneau Democratic District Committee*); MUR 4733 (*Families and Taxpayers for Bob Kilbanks*); MUR 4734 (*Dennis Newinski for Congress*); MUR 4738 (*Friends of Corrine Brown*); MUR 4739 (*Direct Voice/DMAPAC*); MUR 4744 (*Mayor James Hoffman*); MUR 4745 (*Congressional Accountability Project*); MUR 4746 (*Phillip Cyre*); MUR 4747 (*NAWGA-PAC & FOODVIP PAC*); MUR 4765 (*Gary Miller*); MUR 4767 (*Committee to Elect Glenn Reese To Congress*); MUR 4778 (*Rick Hill for Congress*); and MUR 4784 (*Verticchio for Congress*).

We have identified cases that have remained on the Central Enforcement Docket for a sufficient period of time to render them stale. We recommend that these cases be closed.[4]

We recommend that the Commission exercise its prosecutorial discretion and direct closure of the cases listed below, effective October 29, 1998. Closing these cases as of this date will allow CED and the Legal Review Team the necessary time to prepare closing letters and case files for the public record.

---

[4] The cases recommended for closure are: Pre-MUR 345 (*Simon Fireman*); MUR 4630 (*Kentucky State Democratic Central Committee*); MUR 4662 (*Democratic Congressional Campaign Cmte*); RAD 97L-08 (*Thomas for Congress*); RAD 97L-11 (*Eggleston for Congress*); RAD 97L-12 (*Massachusetts Democratic Party*); RAD 97L-13 (*McMains for Senate*); RAD 97L-20 (*Republican Party of Arkansas*); and RAD 97NF-24 (*NC Committee Against Extremism*).

III. RECOMMENDATIONS.

A. Decline to open a MUR, close the file effective October 29, 1998, and approve the appropriate letters in the following matters:

RAD 97L-08	RAD 97L-13	Pre-MUR 345
RAD 97L-11	RAD 97L-20	Pre-MUR 365
RAD 97L-12	RAD 97NF-24	

B. Take no action, close the file effective October 29, 1998, and approve the appropriate letters in the following matters:

MUR 4630	MUR 4732	MUR 4745
	MUR 4733	MUR 4746
MUR 4662	MUR 4734	MUR 4747
MUR 4729	MUR 4738	MUR 4765
MUR 4730	MUR 4739	MUR 4767
MUR 4731	MUR 4744	MUR 4778
		MUR 4784

10/20/98
Date

Lawrence M. Noble
General Counsel

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)
	)
Case Closures Under	)
Enforcement Priority.	)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on October 27, 1998, the Commission took the following actions with respect to the General Counsel's October 20, 1998 report on Case Closures under Enforcement Priority:

I. Decided by a vote of 4-0 to:

A. Decline to open a MUR, close the file effective October 29, 1998, and approve the appropriate letters in the following matters, as recommended in the General Counsel's Report dated October 20, 1998:

1.	RAD 97L-08	5.	RAD 97L-20
2.	RAD 97L-11	6.	RAD 97NF-24
3.	RAD 97L-12	7.	Pre-MUR 345
4.	RAD 97L-13	8.	Pre-MUR 365

B. Take no action, close the file effective October 29, 1998, and approve the appropriate letters in the following matters, as recommended in the General Counsel's Report dated October 20, 1998:

1.	MUR 4630	7.	MUR 4733
2.	MUR 4662	8.	MUR 4734
3.	MUR 4729	9.	MUR 4738
4.	MUR 4730	10.	MUR 4739
5.	MUR 4731	11.	MUR 4744
6.	MUR 4732	12.	MUR 4745

(continued)

13. MUR 4746
14. MUR 4747
15. MUR 4765
16. MUR 4767
17. MUR 4778
18. MUR 4784

Commissioners Elliott, Mason, McDonald, and Thomas voted affirmatively for the decision; Commissioners Sandstrom and Wold did not cast a vote.

Attest:

10/27/98
Date

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

Received in the Secretariat:	Wed.,	Oct. 21, 1998	9:46 a.m.
Circulated to the Commission:	Wed.,	Oct. 21, 1998	11:00 a.m.
Deadline for vote:	Mon.,	Oct. 26, 1998	4:00 p.m.

lrd

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 2, 1998

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Charles D. Snelling
711 Hamilton Mall
Allentown, PA 18101-2407

RE: MUR 4733

Dear Mr. Snelling:

On March 30, 1998, the Federal Election Commission received your complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended ("the Act").

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no action against the respondents. See attached narrative. Accordingly, the Commission closed its file in this matter on October 29, 1998. This matter will become part of the public record within 30 days.

The Act allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

Sincerely,

F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

Attachment
Narrative

98043901672

MUR 4733
FAMILIES AND TAXPAYERS FOR BOB KILBANKS

Charles D. Snelling alleges that Families and Taxpayers for Bob Kilbanks ("Committee") took out a $50,000 loan for his committee, using a $50,000 certificate of deposit ("CD") as collateral, without having claimed a $50,000 CD or other asset of equal value on his Schedule II, Assets and Unearned Income statement. Snelling questions whether the CD is owned by the candidate or a third party, potentially making the use of it an excessive contribution. Snelling is concerned that, if the candidate owns the CD, it should be listed on his Schedule of Assets; or, if owned by a third party, its use as collateral for a Committee loan could be an excessive contribution. He further states that the Committee failed to report this debt on a Schedule D and did not disclose it on Line 10 (Debts and Obligations owed). Approximately two months after filing his complaint, Mr. Snelling requested that his complaint and all supporting documents be withdrawn, since he considered the matter moot. Mr. Kilbanks lost the 1998 Pennsylvania Primary with 24% of the vote.

The Committee responds that Mr. Kilbanks used his contingent interest in a trust fund as collateral for the $50,000 loan, the proceeds of which were used by the campaign. The Committee notes that this contingent interest did not appear on Schedule II as an asset because of its belief that the Federal Election Campaign Act of 1971 does not require the reporting of contingent interest possessed by the candidate. The Committee further asserts that this is one of many unfounded personal attacks made by the complainant against the candidate, and should be given no credibility.

This matter is less significant relative to others pending before the Commission.

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 2, 1998

Robert D. Kilbanks
911 Northampton Street
Easton, PA 18042

RE: MUR 4733

Dear Mr. Kilbanks:

On April 1, 1998, the Federal Election Commission notified you of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no action against you. See attached narrative. Accordingly, the Commission closed its file in this matter on October 29, 1998.

The confidentiality provisions of 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 prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact Jennifer H. Boyt on our toll-free number, (800)-424-9530. Our local number is (202) 694-1650.

Sincerely,

F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

Attachment
Narrative

cc: Angela Uliana-Murphy, Esq.

MUR 4733
FAMILIES AND TAXPAYERS FOR BOB KILBANKS

Charles D. Snelling alleges that Families and Taxpayers for Bob Kilbanks ("Committee") took out a $50,000 loan for his committee, using a $50,000 certificate of deposit ("CD") as collateral, without having claimed a $50,000 CD or other asset of equal value on his Schedule II, Assets and Unearned Income statement. Snelling questions whether the CD is owned by the candidate or a third party, potentially making the use of it an excessive contribution. Snelling is concerned that, if the candidate owns the CD, it should be listed on his Schedule of Assets; or, if owned by a third party, its use as collateral for a Committee loan could be an excessive contribution. He further states that the Committee failed to report this debt on a Schedule D and did not disclose it on Line 10 (Debts and Obligations owed). Approximately two months after filing his complaint, Mr. Snelling requested that his complaint and all supporting documents be withdrawn, since he considered the matter moot. Mr. Kilbanks lost the 1998 Pennsylvania Primary with 24% of the vote.

The Committee responds that Mr. Kilbanks used his contingent interest in a trust fund as collateral for the $50,000 loan, the proceeds of which were used by the campaign. The Committee notes that this contingent interest did not appear on Schedule II as an asset because of its belief that the Federal Election Campaign Act of 1971 does not require the reporting of contingent interest possessed by the candidate. The Committee further asserts that this is one of many unfounded personal attacks made by the complainant against the candidate, and should be given no credibility.

This matter is less significant relative to others pending before the Commission.

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 2, 1998

William N. Goodman, CPA, Treasurer
Families and Taxpayers for Bob Kilbanks
P.O. Box 707
Bethlehem, PA 18106

RE: MUR 4733

Dear Mr. Goodman:

On April 1, 1998, the Federal Election Commission notified you of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no action against Families and Taxpayers for Bob Kilbanks and you, as treasurer. See attached narrative. Accordingly, the Commission closed its file in this matter on October 29, 1998.

The confidentiality provisions of 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 prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact Jennifer H. Boyt on our toll-free number, (800)-424-9530. Our local number is (202) 694-1650.

Sincerely,

F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

Attachment
Narrative

93043901676

MUR 4733
FAMILIES AND TAXPAYERS FOR BOB KILBANKS

Charles D. Snelling alleges that Families and Taxpayers for Bob Kilbanks ("Committee") took out a $50,000 loan for his committee, using a $50,000 certificate of deposit ("CD") as collateral, without having claimed a $50,000 CD or other asset of equal value on his Schedule II, Assets and Unearned Income statement. Snelling questions whether the CD is owned by the candidate or a third party, potentially making the use of it an excessive contribution. Snelling is concerned that, if the candidate owns the CD, it should be listed on his Schedule of Assets; or, if owned by a third party, its use as collateral for a Committee loan could be an excessive contribution. He further states that the Committee failed to report this debt on a Schedule D and did not disclose it on Line 10 (Debts and Obligations owed). Approximately two months after filing his complaint, Mr. Snelling requested that his complaint and all supporting documents be withdrawn, since he considered the matter moot. Mr. Kilbanks lost the 1998 Pennsylvania Primary with 24% of the vote.

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This matter is less significant relative to others pending before the Commission.

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 4733

DATE FILMED 12/2/98 CAMERA NO. 3

CAMERAMAN EES

98043901678