

RECEIVED  
FEDERAL ELECTION COMMISSION  
2001 AUG 27 11 00 AM '01

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 )  
Dear for Congress, Inc. )  
 )

MURs 4935 and 5057

**SENSITIVE**

GENERAL COUNSEL'S REPORT #16

I. ACTIONS RECOMMENDED:

Authorize attached subpoena and order to Dear for Congress, Inc. Authorize attached subpoena and order to Abraham Roth. Authorize attached subpoena and order to James Cunningham. Find reason to believe that Yedah Klein violated 2 U.S.C. § 441f. Find reason to believe that Arye Ringel violated 2 U.S.C. § 441f.

II. BACKGROUND

On July 25, 2000, the Federal Election Commission (the "Commission") found that there is reason to believe that Dear for Congress, Inc. (the "Committee") violated 2 U.S.C. § 441f by knowingly accepting contributions made by one person in the name of another person.<sup>1</sup> The Commission also found that there is reason to believe that 61 contributors to the Committee violated 2 U.S.C. § 441f by knowingly permitting their names to be used to effect contributions made by one person in the name of another person. These violations were based on the Audit staff's identification of fifteen instances in which the Committee accepted two or more money

<sup>1</sup> The Commission also found reason to believe that the Committee violated 2 U.S.C. § 441a(f) and 11 C.F.R. § 110.9(a) by accepting excessive contributions, 2 U.S.C. § 441b(a) and 11 C.F.R. § 114.2(d) by accepting prohibited corporate contributions, 11 C.F.R. § 104.5(a) by filing late reports and 2 U.S.C. §§ 434(a)(6)(A), 434(b)(4)(F) and 434(b)(8) by failing to report debts and failing to file 48-hour notices. These violations are not discussed in this Report.

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1 orders bearing sequential serial numbers from individual contributors. In several instances, the  
2 money orders purporting to be from different individuals within a particular sequence appeared  
3 to be executed in the same handwriting, including the purported signature of the person drawing  
4 the money order.

5 **III. DOCUMENT REQUESTS AND INTERROGATORIES**

6 The Office of General Counsel has conducted an informal investigation of these  
7 violations by making telephone calls to many of the respondents to obtain information  
8 concerning the circumstances of their contributions to the Committee. This Office also made  
9 telephone calls to many individuals who are not respondents in this matter, but who hosted  
10 fundraisers for the Committee, to obtain information regarding those fundraising events. During  
11 the audit, the Committee submitted to the Audit staff copies of letters sent to contributors who  
12 made contributions with money orders which requested the contributors to confirm that the  
13 contributions were made with personal funds. Attachment 1. The Committee also submitted  
14 documentation regarding the responses received from those contributors. This Office asked the  
15 respondents about the confirmation letters from the Committee and their responses to the  
16 Committee. Although the Committee submitted documentation to the Audit staff confirming  
17 contributions from several respondents, we learned through conversations with them that they did  
18 not make a contribution to the Committee. This discrepancy raises concerns that the Committee  
19 may not have submitted all of the documentation regarding the letters to contributors and their  
20 responses.

21 The Office of General Counsel would like to obtain all letters that the Committee sent to  
22 contributors requesting that they confirm that the contributions were made with personal funds.

1 This Office would also like to obtain all responses that the Committee received from the  
2 contributors. Furthermore, the Office of General Counsel wants to question the Committee about  
3 its fundraising operations and processing of contributions. Therefore, the Office of General  
4 Counsel recommends that the Commission authorize a subpoena to the Committee to produce  
5 documents and an order to submit written answers. Attachment 2.

6 The Committee's treasurer, Abraham Roth, is the principal in an accounting firm known  
7 as Roth & Company, LLP. An employee of the accounting firm, Charna Weiss, was listed as the  
8 contact person on the letters sent by the Committee to the contributors requesting that they  
9 confirm they made the contributions with their personal funds. Attachment 1 at 1. This Office is  
10 interested in the type of services provided by Roth & Company, LLP to the Committee.  
11 Moreover, during the audit process, the Audit staff learned that Mr. Roth may have an ownership  
12 interest in a company that sells money orders to the public. The money orders purchased by  
13 contributors to the Committee came from several banks and a few companies that sell money  
14 orders to the public. This Office is interested in obtaining information from Mr. Roth, in his  
15 personal capacity, whether he has an ownership interest in a company that sells money orders to  
16 the public and the name and location of such company. For instance, we would like to determine  
17 whether any of the money orders that were used by respondents to make contributions to the  
18 Committee were purchased at a company owned by Mr. Roth. Therefore, the Office of General  
19 Counsel recommends that the Commission authorize an order to submit written answers to  
20 Abraham Roth. Attachment 3.

21 The Committee utilized a consulting firm, Cunningham Harris and Associates, Inc., to  
22 assist in fundraising. James Cunningham is the principal in the firm who worked with the

1 Committee. The Office of General Counsel would like to obtain additional information  
2 regarding the role of the firm in conducting fundraising for the Committee or providing advice  
3 and assistance in fundraising for the Committee. Therefore, the Office of General Counsel  
4 recommends that the Commission authorize an order to submit written answers to Mr. James  
5 Cunningham. Attachment 4.

6 IV. RESPONDENT BORIS MOTOVICH

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2025 RELEASE UNDER E.O. 14176

1                   the Office of General Counsel is moving to the next stage of the enforcement  
2 process by preparing a probable cause brief on Mr. Motovich

3 V.     RESPONDENTS YIDEL KLEIN AND AYRE EINGEL

4             On July 25, 2000, the Commission found reason to believe that Yidel Klein and Arye  
5 Eingel violated 2 U.S.C. § 441f. Subsequent to that finding, this Office determined that the  
6 respondents' correct names are Yedah Klein and Arye Ringel, respectively. Therefore, the Office  
7 of General Counsel recommends that the Commission find reason to believe that Yedah Klein  
8 violated 2 U.S.C. § 441f. This Office also recommends that the Commission find reason to  
9 believe that Arye Ringel violated 2 U.S.C. § 441f.

10 VI.    CONCILIATION WITH DEAR FOR CONGRESS, INC., DEAR 2000, INC AND  
11 FRIENDS OF NOACH DEAR '93

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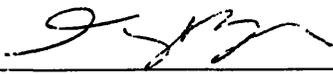
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VII. RECOMMENDATIONS

1. Authorize Subpoena and Order to Dear for Congress, Inc.;
2. Authorize Subpoena and Order to Abraham Roth;
3. Authorize Subpoena and Order to James Cunningham;
4. Find reason to believe that Yedah Klein violated 2 U.S.C § 441f;
5. Find reason to believe that Arye Ringel violated 2 U.S.C. § 441f;
- 6.
7. Approve the appropriate letters.

Lois G. Lerner  
Acting General Counsel

2/25/01  
Date

BY:   
Gregory R. Baker  
Acting Associate General Counsel

1 Attachments

2

- 3 1. Sample letter from Committee to contributors
- 4 2. Subpoena and Order to Dear for Congress, Inc.
- 5 3. Subpoena and Order to Abraham Roth
- 6 4. Subpoena and Order to James Cunningham
- 7 5. Letter from Respondent Boris Motovich dated April 30, 2001
- 8 6. Letter from Dear for Congress, Inc. dated February 9, 2001

9

10 Staff Assigned: Rhonda J. Vosdingh  
11 Delbert K. Rigsby  
12 Danita Lee

2025 RELEASE UNDER E.O. 14176

NOAC  
**Dear**  
DEMOCRAT FOR CONGRESS

September 28, 1999

Dear Mr. Bernstein,

The Noach Dear for Congress Committee is reviewing its 1998 receipts. Our records show that you made a personal contribution for \$1,000.00 in the form of a money order #9066239177, dated 4/7/98. If this information is correct, please sign the attached statement and return it to us in the enclosed stamped return envelope. If this information is incorrect, please note any changes.

Thank you for your attention to this matter. If you have any questions, you may contact Charna Weiss

Very truly yours,



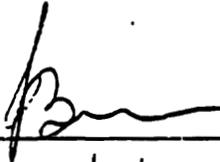
Abraham Roth  
Treasurer

ATTACHMENT 1  
Page 1 of 2

5612 18th Avenue ★ Brooklyn, NY ★ 11204 ★ phone: 718 435 9700 ★ fax 718 435 142

24 04 409 1527

This confirms that I contributed \$1,000.00 from my personal funds to the Dear for Congress Committee on 4/7/98, money order #9066239177.

Signed: 

Date: 11/2/99