



Judicial Watch™

*Because no one
is above the law!*

July 16, 2001

BY HAND DELIVERY

Office of the General Counsel
Federal Election Commission
999 E Street, NW
Washington, DC 20463

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
JUL 16 2 15 PM '01

Complaint: False Reporting of Federal Election Campaign Contributions.

Respondents: Senator Hillary Rodham Clinton, Hillary Rodham Clinton for U.S. Senate Committee, Inc., New York Senate 2000 Committee, David Rosen, Edward Rendell, Stephanie Berger, James Levin and William Jefferson Clinton.

Dear Sir/Madam:

I. INTRODUCTION.

Judicial Watch, Inc., (hereinafter "Judicial Watch") is a non-profit, public interest law firm that investigates and prosecutes government abuse and corruption. Judicial Watch client, Mr. Peter F. Paul, in the public interest, and based upon his personal knowledge, complains to the Federal Election Commission, in accordance with 11 C.F.R. §111.4 and 2 U.S.C. §437 (g)(a)(1), against: Senator Hillary Rodham Clinton, Hillary Rodham Clinton for U.S. Senate Committee, Inc., New York Senate 2000 Committee, David Rosen, Edward Rendell, Stephanie Berger, James Levin and William Jefferson Clinton. Specifically, the aforementioned individuals and organizations appear to be in violation of:

- A. 2 U.S.C. §431, *et seq.* (Definitions).
- B. 2 U.S.C. §434(b) (Reporting Requirements).
- C. 11 C.F.R. §104.3 (Contents of Reports).
- D. 11 C.F.R. §110.9(a) (Violation of Limitations)
- E. 11 C.F.R. §110.9(b) (Fraudulent Misrepresentation)

II. FACTS.

A. Background Concerning Peter F. Paul And Stan Lee Media, Inc.

Peter F. Paul of Calabasas, California, is an acclaimed Hollywood executive with extensive experience in event production, entertainment marketing, and media positioning. In 1999, he co-founded Stan Lee Media, Inc. ("SLM"), a branded global entertainment company. By early 2000, SLM was publicly traded on the NASDAQ stock exchange and enjoyed a market capitalization of approximately \$350 million. In order to further increase the business prospects of SLM, Mr. Paul sought to build his business partner, Mr. Stan Lee, whom he considered to be the "Walt Disney of the comics industry," into a major cultural and branded entertainment figure. Mr. Paul believed that one way to achieve this goal was through politics.

Mr. Paul contributed approximately \$1.9 million dollars in cash and "in-kind" direct contributions to Hillary Rodham Clinton for her federal election campaign for the United States Senate. Mr. Paul's contributions to, and on behalf of Hillary Rodham Clinton were specifically for the purpose of influencing the outcome of a federal election.

B. Mr. Paul Is Approached By Hillary Rodham Clinton's Agents.

In early 2000, Mr. Paul was approached by a former protege, Aaron Tonken, about elevating Stan Lee's public profile, recognition and acceptance by contributing money to the Democratic Party. After being introduced to the President and Mrs. Clinton and Vice President and Mrs. Gore by Denise Rich at a small reception held at Mrs. Rich's home in October 1999, Tonken had become a trusted producer for the Democratic National Committee ("DNC"), providing support and widely-recognized Hollywood talent for DNC fundraising activities with President Clinton and other prominent Democratic Party politicians. Tonken had worked directly with DNC Chairman Edward Rendell and DNC Southern California Finance Chairwoman Stephanie Berger on these fundraising activities.

Tonken induced Mr. Paul to contribute \$30,000 to the DNC to co-host a fundraiser featuring President Clinton at Café Des Artistes in Hollywood, California. The dinner, held on February 17, 2000, was chaired by California Governor Gray Davis. In addition to Mr. Paul, other co-hosts included entertainer "Babyface" Edwards, actress Calista Flockhart and two real estate developers.

Mr. Paul was led to reasonably believe by Tonken, Rendell and Berger that his substantial contribution to the DNC would enable Mr. Paul to better position himself to enlist the President's support for recognizing Stan Lee's significant contributions to literacy and global popular culture, including a Kennedy Center Honor and a White House presentation of a Presidential Medal of Freedom.

Mr. Paul, who admittedly had no experience or direct knowledge about major campaign contributions or federal campaign finance regulations, was prepared to commit a significant portion of his family share holdings in SLM, then valued at approximately \$90 million, in order to achieve his strategy of elevating Stan Lee's public profile, recognition and acceptance through the good offices of The White House, and was thereby induced to become a major contributor.

Mr. Paul was seated with President Clinton at the Café Des Artistes event. Mr. Paul also was introduced to Governor Davis, DNC Chairman Edward G. Rendell and California DNC

Finance Chairwoman Stephanie Berger.

During the Café Des Artistes event, Mr. Paul, Rendell, Berger and others began discussions about Mr. Paul providing more substantial support for the Democrats. In particular, Rendell and Berger suggested that Mr. Paul and Stan Lee co-host a DNC fundraiser to support Vice President Al Gore's presidential campaign. Rendell and Berger also suggested that Mr. Paul and Stan Lee co-host a DNC fundraiser at Mr. Paul's home in Los Angeles, California to be attended by President Clinton.

California DNC Finance Chairwoman Stephanie Berger and David Rosen, the Director of Finance for Mrs. Clinton's Senate campaign, asked Mr. Paul to make a \$150,000 commitment to co-host a luncheon for Mrs. Clinton at Spago in Beverly Hills on June 9, 2000. Mr. Paul agreed to support Mrs. Clinton's U.S. Senate campaign, however, by making a \$55,000 payment towards satisfying a \$150,000 commitment to co-host the June 9, 2000 luncheon and tea with Stan Lee. Thereafter, Mr. Paul was introduced by David Rosen to Jim Levin, a friend and fundraiser for President and Mrs. Clinton from the Chicago area.

C. Mr. Paul's Contributions To Hillary Rodham Clinton's Election To The Senate

Over the following month, Mr. Paul became increasingly involved with DNC operatives and members of Mrs. Clinton's campaign staff concerning fundraising for Mrs. Clinton's election to the U.S. Senate. On July 11, 2000, Mr. Paul participated in a conference call with Rosen and other fundraisers for Mrs. Clinton to discuss Mr Paul's and Stan Lee's sponsoring a fundraiser for Mrs. Clinton just prior to the Democratic National Convention in Los Angeles, California. Mr. Paul suggested a Hollywood Tribute to the President, the proceeds of which would be used to elect Mrs. Clinton to the U.S. Senate. The event was to be held on the grounds of the home of radio magnate Ken Roberts, in Brentwood, California.

Mr. Paul agreed to finance the Hollywood Tribute fundraiser. All funds raised from persons attending the fundraiser would constitute net contributions to Mrs. Clinton's U.S. Senate campaign. In agreeing to finance the event, Mr. Paul's sole and exclusive intention was to influence the outcome of Mrs. Clinton's U.S. Senate campaign, not any other election campaign. At no point did Mr. Paul ever intend to influence the outcome of any other election or to benefit any candidate other than Mrs. Clinton. The President and Mrs. Clinton knew this to be the case because Mr. Paul was specifically induced by the President and his agents to assist and boost Senator Clinton's campaign as a favor to the President.

As the Hollywood Tribute fundraiser drew closer, Mr. Paul became concerned about the increasing cost of the event, which was exceeding \$1 million. Mr. Paul complained to Rosen, Levin and others repeatedly about the cost. Rosen told Mr. Paul not to discuss the mounting costs of the fundraiser because, for public relations purposes, Mrs. Clinton's U.S. Senate campaign did not want the true cost of the fundraiser to become known. Rosen also told Mr. Paul that certain fundraising ratios required by federal campaign finance laws would be skewed if the true cost of the fundraiser became known.

At all times, President Clinton, Mrs. Clinton, Levin, Rosen and many others knew that Mr. Paul, not SLM, Stan Lee, or anyone else, was paying for the Hollywood Tribute fundraiser. Mr. Paul repeatedly told Rosen that this was the case, as did SLM Chief Executive Officer and President Ken Williams. SLM General Counsel Ric Madden also told Rosen that SLM could not and would not incur any costs for the fundraiser. Rosen also witnessed Mr. Paul writing checks

for costs associated with the fundraiser, and in fact had Mrs. Clinton join in negotiating Gary Smith's production fee of \$850,000 on behalf of Mr. Paul.

The Hollywood Tribute fundraiser for Mrs. Clinton's U.S. Senate campaign proceeded as planned on August 12, 2000.

On August 14, 2000, Mrs. Clinton called Mr. Paul at home to thank him for paying for the Hollywood Tribute fundraiser. In fact, the President and Mrs. Clinton had made several calls to Mr. Paul to encourage his support and to thank him for the event.

On August 18, 2000, both President Clinton and Mrs. Clinton wrote thank you notes to Mr. Paul for the Hollywood Tribute fundraiser. President Clinton expressly thanked Mr. Paul for giving the event itself and for "the boost it gave to Hillary's campaign." See Exhibit 1.

Mr. Paul conceived, designed, organized, produced, conducted and paid for the August 12, 2000 Hillary Rodham Clinton fundraising event entitled "A Hollywood Tribute to President William Jefferson Clinton." Mr. Paul personally financed the entire event. In total, Mr. Paul spent approximately \$1.9 million of his own personal funds for the Hollywood Tribute fundraiser, which Mr. Paul was told netted Senator Clinton approximately \$1.5 million dollars in direct contributions for her campaign.

D. False Reporting Of Mr. Peter F. Paul's Contributions To Hillary Rodham Clinton's Election To The U.S. Senate

Attached as Exhibit 2 are the Year 2000 reported political campaign contributions of Peter F. Paul as reported to the Federal Election Commission and made publically available on the Internet.

FEC records indicate Mr. Paul's federal election contributions for year 2000 total only \$2000.00.

Mr. Paul's contributions, both cash and "in-kind," have been improperly and/or inaccurately reported by Mrs. Clinton and her federal election campaign committees. There is clear and compelling evidence that Mrs. Clinton and her staff intentionally failed to report direct "in kind" contributions, in accordance with federal election law. When asked by the media about Mr. Paul's contributions, they lied.¹

Attached as Exhibit 4 are Mr. Paul's checks and statements, detailing and documenting the itemized expenditures Mr. Paul made to Mrs. Clinton's election.

In light of the above, Mr. Paul has demanded that Mrs. Clinton return the contributions Mr. Paul has made to her. A copy of this demand letter is attached as Exhibit 5, and is incorporated herein as reference.

¹Lloyd Grove; "Hillary Returns Bucks To Ex-Felon," *The Washington Post*, August 17, 2000, Page C01 (Attached as Exhibit 3).

CONCLUSION.

Mr. Peter F. Paul made cash and in-kind contributions to the federal election campaign of Hillary Rodham Clinton for the U.S. Senate seat representing the State of New York, totaling almost \$2 million dollars. Mr. Paul solely and exclusively intended his contributions to Hillary Rodham Clinton to influence the outcome of a federal election, in favor of Hillary Rodham Clinton's election.

Federal Election Commission records for year 2000 reported political contributions by Peter F. Paul reflect a total contribution of \$2000.00, which was returned.

The Federal Election Commission is obligated to investigate false and misleading reporting by Senator Hillary Rodham Clinton, her campaign and related committees concerning Mr. Paul's contributions.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

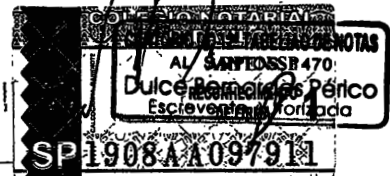
Executed on July 16, 2001
Sao Paulo, Brazil



Peter F. Paul

Este documento só terá efeito no território nacional e para valer contra terceiros, se vertido em vernáculo e registrada a tradução
art. 140-CCB e Prov 58/89-Item 67 - NCGJ

CARTORIO DO 12º TABELIAO DE NOTAS - HOMERO SANTI - TABELIAO
Al. Santos. 1470 - Fone: 288-6277 Nº 0107180918205
Reconheço por semelhança a firma: PETER FRANKLIN PAUL, a qual comparece com o padrão depositado em Cartório.
Sao Paulo, 18 de Julho de 2001
Em testemunho _____ da verdade.
Dulce Bernardes Perico - Esc. Autorizada
Valores: Firma: R\$ 1,83 | Proc. dados: R\$ 0,00 |
VALIDO SOMENTE COM O SELO DE AUTENTICIDADE



200411151002

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EXHIBIT 1

EXHIBIT 1 HAS BEEN REMOVED

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EXHIBIT 2

Year 2000 reported political contributions of Peter F. Paul (as obtained by contributor name search at: <http://www.tray.com/fecinfo/>).

PAUL, PETER

8/16/00 -\$2,000.00

CALABASAS, CA 91302

-[contribution refunded to individual]

Transaction itemized by: NEW YORK SENATE 2000

[[View Image](#)]

PAUL, PETER

6/30/00 \$2,000.00

CALABASAS, CA 91302

STAN LEE MEDIA -[Contribution]

Transaction itemized by: NEW YORK SENATE 2000

[[View Image](#)]

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SCHEDULE B

ITEMIZED DISBURSEMENTS

PAGE 1 of 2

FOR LINE NUMBER 28a

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE: New York Senate 2000

Full Name, Mailing Address and Zip Code	Purpose of Disbursement	Date	Amount
Bensinger, David B. 69 W. 9th, Apt. 10B New York, NY 10011	Contribution refund Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (Specify)	7/5/2000	1,000.00
Harstein, Karen 10322 Boar Harbor Drive., #5 St. Louis, MO 63146	Contribution Refund Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (Specify)	9/5/2000	1,000.00
Karlan, Mark 1118 Third St., #506 Santa Monica, CA 90403	Contribution Refund Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (Specify)	9/12/2000	1,000.00
Nevo, Aviv 2220 Ave. of the Stars #2804 Century City, CA 90067	Contribution Refund Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (Specify)	8/29/2000	1,000.00
Paul, Peter 23586 Parkscouth Street Calabasas, CA 91302	Contribution Refund Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (Specify)	8/16/2000	2,000.00
Secotin, Scott 8455 Beverly Boulevard, #305 Los Angeles, CA 90048	Contribution Refund Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (Specify)	9/21/2000	200.00
Shah, Pravin 1187 Arthur Drive Lawrenceville, GA 30042	Contribution refund Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (Specify)	7/7/2000	500.00
Shorenstein, Walter H 555 California St. San Francisco, CA 94104	Contribution Refund Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (Specify)	9/29/2000	8,000.00

SUBTOTAL of Disbursements This Page (optional)

14,700.00

TOTAL this Period (last page this line number only)

SCHEDULE A**ITEMIZED RECEIPTS**

Page 198 of 214

FOR LINE NUMBER 11a

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE: New York Senate 2000

Full Name, Mailing Address and Zip Code	Name of Employer	Date	Amount
L. Vanfua Maughan 730 Park Avenue New York, NY 10021	Information Requested Occupation:	6/30/00	1,000.00

Receipt for Election:		Aggregate Year-to-Date: \$ 1000	
Full Name, Mailing Address and Zip Code	Name of Employer	Date	Amount
Linda L. Vaughan 3316 Westover Dr. Plano, TX 75093	Self-employed Occupation: Freelance Photographer	6/12/00	1,000.00

Receipt for Election:		Aggregate Year-to-Date: \$ 1000	
Full Name, Mailing Address and Zip Code	Name of Employer	Date	Amount
Tom Cruise 10100 Santa Monica Blvd., #1300 Los Angeles, CA 90067	Self-employed Occupation: Actor	6/30/00	5,000.00

Receipt for Election:		Aggregate Year-to-Date: \$ 5000	
Full Name, Mailing Address and Zip Code	Name of Employer	Date	Amount
Peter Paul 23586 Parksouth Street Calabasas, CA 91302	Stan Lee Media Occupation: Executive	6/30/00	2,000.00

Receipt for Election:		Aggregate Year-to-Date: \$ 2000	
Full Name, Mailing Address and Zip Code	Name of Employer	Date	Amount
Lois Gould 144 East End Avenue New York, NY 10028	Self-employed Occupation: Writer	5/23/00	1,000.00

Receipt for Election:		Aggregate Year-to-Date: \$ 11000	
Full Name, Mailing Address and Zip Code	Name of Employer	Date	Amount
Lois Gould 144 East End Avenue New York, NY 10028	Self-employed Occupation: Writer	6/21/00	10,000.00

Receipt for Election:		Aggregate Year-to-Date: \$ 11000	
Full Name, Mailing Address and Zip Code	Name of Employer	Date	Amount
Max Rees Shulman 610 West End Ave., #5-A New York, NY 10024	Cravath Swaine Moore Occupation: Lawyer	5/9/00	2,000.00

Receipt for Election:		Aggregate Year-to-Date: \$ 9000	
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SUBTOTAL of Receipts This Page (optional)

22,000.00

TOTAL this Period (last page this line number only)

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EXHIBIT 3

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August 17, 2000, Thursday, Final Edition

SECTION: STYLE; Pg. C01; THE RELIABLE SOURCE

LENGTH: 972 words

HEADLINE: Jerry Springer Drops In on 'A Silly Show'

BYLINE: Lloyd Grove, Washington Post Staff Writer

DATELINE: LOS ANGELES, Aug. 16

BODY:

Who says modern political conventions lack spontaneity?

Consider this delicious departure from the Democrats' script: Mere minutes after Vice President Gore's running mate, Sen. Joe Lieberman, entered the Staples Center to a tumultuous welcome Tuesday night--the triumphant scene blazoned on the giant screen behind the podium as well as on four smaller screens around the hall--the folks directing the in-house video displayed another live shot: Jerry Springer, a frequent Lieberman target, making his way onto the floor.

"I'm walking into the hall trying to find the Ohio delegation, and then all of a sudden I hear people shouting, 'Jer-ry! Jer-ry!' " the notorious trash-TV host told us today. "I'm thinking: 'What the hell is this? How would anybody notice I was there?' And then I saw my image on the screen. That was pretty frightening."

Convention managers were also startled. "All of us were surprised, to say the least," said one top official who asked not to be named.

"It just goes to show that there will always be irony in politics," said Lieberman campaign spokeswoman Kiki McLean.

The Connecticut senator, who has joined Republican virtue czar William Bennett in denouncing excesses of the entertainment industry and the resulting damage to American culture, recently named "The Jerry Springer Show" one of the worst offenders. In March, Lieberman called on the Department of Education to stop funding closed-captioning for deaf Springer fans, arguing that the popular show "may titillate and humiliate, but short of the window it provides on the depths to which our culture has sunk, we challenge anyone to demonstrate how it may 'educate' the general public." Alas, the department continues to underwrite the service.

"Listen, he doesn't like my show. That's fine. It just shows he has good taste," said Springer, whose nine-year-old talkfest features sex, perversion, violence and crime punctuated by frequent melees. Springer, whose resume includes a stint as mayor of Cincinnati, added that he's a loyal Democrat and political junkie who has attended every convention since 1968, borrowing floor credentials from friends in the Illinois delegation. "I've always said it's a silly show," he said. "But I think Joe Lieberman will be a great vice

president."

"I may be a dork, but I'm not a cad."

-- White House Chief of Staff John Podesta, disputing our claim in yesterday's column that he boasted that rock star Sheryl Crow begged him to boogie at a party honoring himself and his predecessors. In fact, Podesta says, it was he who asked Crow.

Hillary Returns Bucks to Ex-Felon

Senate candidate Hillary Rodham Clinton's press secretary misspoke--and convicted felon Peter Paul apparently misremembered--when they told us this week that Paul produced Saturday's star-glutted million-dollar fundraiser but didn't personally give money to Clinton's campaign.

"I stand corrected," Clinton spokesman Howard Wolfson said Wednesday after we located Federal Election Commission records showing that the fifty-something Paul donated \$ 2,000 to Clinton's Senate campaign on June 30. "He had previously given, but not associated with this event, and today we returned the check," Wolfson said.

Two decades ago, Paul served three years in prison and had his lawyer's license suspended after he pleaded guilty to cocaine possession and trying to swindle \$ 8.7 million out of the Cuban government. Wednesday, Paul said he is innocent and described his criminal record as the fruits of falling on his sword for fellow conspirators in a government-sponsored covert operation against Fidel Castro. "I paid my dues and served my time, and I spent the next 20 years resurrecting myself," said Paul, who organized a "welcome home" dinner for Ronald Reagan in 1989 and faxed us, among other testimonials, a letter of commendation from Chief Justice Warren Burger for his work on the 1988 bicentennial celebration of the Constitution.

A sometime show-business talent manager who co-founded Los Angeles-based Stan Lee Media, Paul describes himself as "an Internet guru." Paul said producer Aaron Tonken, who helped organize the fundraiser at businessman Ken Roberts's Brentwood estate, must have sent candidate Clinton the money on Paul's behalf. "Aaron had me write checks for a lot of things, and I didn't pay attention," Paul said. Tonken didn't return our phone calls seeking comment.

Paul was paid "a nominal fee" for his producing services, he said, and Wolfson said Stan Lee donated \$ 100,000 to cover some expenses for the event. As for the rest of the estimated \$ 1 million-plus cost, "it was an in-kind contribution . . . and not a check," Wolfson said.

THIS JUST IN . . .

* Warren Beatty may talk softly, but he wears a loud suit. When he showed up with wife Annette Bening at the convention's VIP entrance Tuesday night, he was dressed in banana yellow. He told The Post's Hamil R. Harris he was there to hear Jesse Jackson, an old friend from the civil rights movement, deliver one of his patented stemwinders. "Has he spoken yet?" Beatty asked. Unfortunately, the answer was yes. Meanwhile, incorrigible cutup Tom Arnold said he's making his bid to serve in the Gore Cabinet as--stop us if you've heard this one--the secretary of entertainment.

* The Bill Bradley crusade is a fond memory, but the dream will live on in a docudrama being filmed by his former campaign manager, Gina Glantz's son Peter. She told The Post's Dana Milbank that the 24-year-old auteur is shooting convention footage and interviewing Bradley and such supporters as Sens. Paul Wellstone and Bob Kerrey and author Cornel West. Will her son's fictitious script rewrite recent Democratic history--say, with a Bradley victory? "No, no," Glantz answered. "It's not a Bradley movie."

LOAD-DATE: August 17, 2000

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EXHIBIT 4

EXHIBIT 4 HAS BEEN REMOVED

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EXHIBIT 5

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EXHIBIT 5 HAS BEEN REMOVED

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