



FEDERAL ELECTION COMMISSION

1125 K STREET N.W.
WASHINGTON, D.C. 20461

THIS IS THE END OF MUR # 607

Date Filmed 3/16/79 Camera No. --- 2

Cameraman LPC

79040111207



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

February 16, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Lee Welch, Esquire
Secretary and Counsel
First Tennessee National Corporation
Box 84
Memphis, Tennessee 38101

RE: MUR 607

Dear Mr. Welch:

Enclosed for your files is a copy of the signed conciliation agreement which was entered into by the First Tennessee Bank and the Federal Election Commission.

The Commission has approved my signing of the agreement and the closing of this matter.

Thank you for your cooperation.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

Copy of signed conciliation agreement



BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
First Tennessee Bank) MUR 607 (78)

CONCILIATION AGREEMENT

This matter having been initiated by the Commission in the ordinary course of carrying out its supervisory responsibilities and after an investigation, the Commission having found reasonable cause to believe that the First Tennessee Bank (hereafter "Respondent") violated 2 U.S.C. §441b;

WHEREFORE, the Commission and Respondent having duly entered into conciliation as provided for in 2 U.S.C. §437g(a)(5), do hereby agree as follows:

- I. The Federal Election Commission has jurisdiction over the Respondent and the subject matter under review.
- II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- III. The pertinent facts in this matter are as follows:
 - A. Respondent, formerly the First National Bank of Memphis in 1974, is a national bank.
 - B. Respondent's former employee Walter Jarratt was a bank officer in the BankAmericard division during the months of June and July of 1974.
 - C. Respondent's officer, Walter Jarratt, who acted after consulting with his superior bank officer, made a \$200 contribution to Roy Nixon's 1974 campaign for sheriff in the months of June and July of 1974.

WHEREFORE, Respondent agrees:

- A. That the action of Respondent's officer, Walter Jarratt, in using bank funds to contribute to a political campaign was in violation of 2 U.S.C. §441b.
- B. That by way of settlement and conciliation Respondent will pay a civil penalty of \$100 pursuant to 2 U.S.C. §437g(a)(5)(B).
- C. That Respondent will take appropriate steps to enlighten its officers and employees of the prohibition against political contributions by national banks as set forth in 2 U.S.C. §441b and will at all times adhere to the requirements of the Federal Election Campaign Act of 1971, as amended.

IV. General Conditions

- A. The Commission, at the request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning matters involved herein, or on its own initiative, may review compliance with this agreement. If the Commission determines that this agreement has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia pursuant to 2 U.S.C. §437g(a)(7).
- B. Respondent agrees to testify to its knowledge of the facts underlying this matter in any civil action brought by the Commission pursuant to paragraph A, supra, or pursuant to 2 U.S.C. §437g(a)(5)(B).

C. It is mutually agreed that this agreement shall become effective on the date that all parties hereto have executed same and the Commission has approved the entire agreement.

FEDERAL ELECTION COMMISSION

Date

2/15/79



William C. Oldaker
General Counsel for the Federal
Election Commission

FIRST TENNESSEE BANK

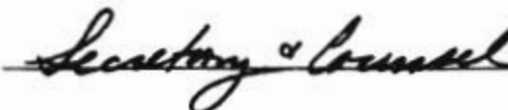
Date

January 25, 1979

BY:



ITS:



7004011211

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
First Tennessee Bank)

MUR 607

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on February 14, 1979, the Commission determined by a vote of 5-0 to adopt the following recommendations, as set forth in the General Counsel's Memorandum dated February 9, 1979, regarding the above-captioned matter:

1. Approve the signing of the conciliation agreement attached to the above-named memorandum.
2. Close the file in this matter.
3. Approve the letter attached to the above-named report.

Voting for this determination were Commissioners Springer, Aikens, McGarry, Thomson, and Harris.

Attest:

2/14/79
Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

Received in Office of Commission Secretary: Friday, 2-9-79, 12:33
Circulated on 48 hour vote basis: Monday, 2-12-79, 10:30

February 9, 1979

MEMORANDUM TO: Marge Ramona
FROM: Elissa T. Carr
SUBJECT: MUR 607

Please have the attached Memo and conciliation
agreement distributed to the Commission on a 48 hour
tally basis.

Thank you.

79040111213



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

79 FEB 9 P12:33

February 9, 1979

MEMORANDUM

TO: The Commission

FROM: William C. Oldaker *W.C. Oldaker*

RE: MUR 607, Receipt of signed conciliation agreement
and civil penalty

On January 31, 1979 this office received a signed conciliation agreement with a check for \$100.00, the amount of the civil penalty, from the respondent's attorney (see Attachment I). Accordingly, the Office of General Counsel recommends that the Commission approve the signing of this agreement and that this matter be closed. We also recommend approval of the attached letter.

Attachments

Attachment I
Letter to respondent



7904011214

Attachment I
(MUR 607)

FIRST TENNESSEE NATIONAL CORPORATION

19 JAN 31



30

January 29, 1979

William C. Oldaker, Esquire
General Counsel
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

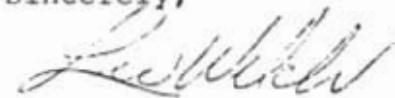
Re: MUR 607

Dear Mr. Oldaker:

In response to your letter of January 19 and the enclosed Conciliation Agreement, I have executed on behalf of First Tennessee Bank N.A. Memphis an original and one copy of the Conciliation Agreement. The Bank's check for \$100.00, made payable to the Federal Election Commission, is enclosed.

With this Agreement, we consider the matter closed. Please return for my files an executed copy of the Agreement.

Sincerely,


Lee Welch

LW:PA

encl:

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
First Tennessee Bank) MUR 607 (78)

CONCILIATION AGREEMENT

This matter having been initiated by the Commission in the ordinary course of carrying out its supervisory responsibilities and after an investigation, the Commission having found reasonable cause to believe that the First Tennessee Bank (hereafter "Respondent") violated 2 U.S.C. §441b;

WHEREFORE, the Commission and Respondent having duly entered into conciliation as provided for in 2 U.S.C. §437g(a)(5), do hereby agree as follows:

- I. The Federal Election Commission has jurisdiction over the Respondent and the subject matter under review.
- II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- III. The pertinent facts in this matter are as follows:
 - A. Respondent, formerly the First National Bank of Memphis in 1974, is a national bank.
 - B. Respondent's former employee Walter Jarratt was a bank officer in the BankAmericard division during the months of June and July of 1974.
 - C. Respondent's officer, Walter Jarratt, who acted after consulting with his superior bank officer, made a \$200 contribution to Roy Nixon's 1974 campaign for sheriff in the months of June and July of 1974.

WHEREFORE, Respondent agrees:

- A. That the action of Respondent's officer, Walter Jarratt, in using bank funds to contribute to a political campaign was in violation of 2 U.S.C. §441b.
- B. That by way of settlement and conciliation Respondent will pay a civil penalty of \$100 pursuant to 2 U.S.C. §437g(a)(5)(B).
- C. That Respondent will take appropriate steps to enlighten its officers and employees of the prohibition against political contributions by national banks as set forth in 2 U.S.C. §441b and will at all times adhere to the requirements of the Federal Election Campaign Act of 1971, as amended.

IV. General Conditions

- A. The Commission, at the request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning matters involved herein, or on its own initiative, may review compliance with this agreement. If the Commission determines that this agreement has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia pursuant to 2 U.S.C. §437g(a)(7).
- B. Respondent agrees to testify to its knowledge of the facts underlying this matter in any civil action brought by the Commission pursuant to paragraph A, supra, or pursuant to 2 U.S.C. §437g(a)(5)(B).

7 9 9 4 3 1 1 2 1 7

C. It is mutually agreed that this agreement shall become effective on the date that all parties hereto have executed same and the Commission has approved the entire agreement.

FEDERAL ELECTION COMMISSION

Date _____

William C. Oldaker
General Counsel for the Federal
Election Commission

FIRST TENNESSEE BANK

Date January 25, 1979

BY: *L. Webb*

ITS: *Secretary & Counsel*

70040111213

FIRST TENNESSEE BANK

BOX 84, MEMPHIS, TENNESSEE 38101

EXPENSE CHECK



No. 000924

26-2
845

DATE JAN 29 79

PAY →

100.00

AMOUNT

\$ **100.00**

TO THE
ORDER
OF

Federal Election Commission

[Signature]

AUTHORIZED SIGNATURE

⑈000924⑈ ⑆0840⑈0002⑆ 00⑈0001422⑈

FIRST TENNESSEE BANK



INVOICE NO.	AMOUNT	INVOICE NO.	AMOUNT	INVOICE NO.	AMOUNT
Federal Election Commission		Vendor #37077	\$100.00		
Company #001	Center #9985	Account #5448			
Re: Conciliation Agreement					

THE ATTACHED CHECK IS PAYMENT FOR ITEMS ABOVE. APPLICABLE DISCOUNTS HAVE BEEN TAKEN.
PLEASE DETACH THIS PORTION BEFORE CASHING CHECK.

7901011210



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Lee Welch, Esquire
Secretary and Counsel
First Tennessee National Corporation
Box 84
Memphis, Tennessee 38101

RE: MUR 607

Dear Mr. Welch:

Enclosed for your files is a copy of the signed conciliation agreement which was entered into by the First Tennessee Bank and the Federal Election Commission.

The Commission has approved my signing of the agreement and the closing of this matter.

Thank you for your cooperation.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

Copy of signed conciliation agreement



RECEIVED
FEDERAL ELECTION COMMISSION
WASHINGTON, D.C.

FIRST TENNESSEE NATIONAL CORPORATION

19 JAN 31



January 29, 1979

100000

900581

William C. Oldaker, Esquire
General Counsel
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

Re: MUR 607

Dear Mr. Oldaker:

In response to your letter of January 19 and the enclosed Conciliation Agreement, I have executed on behalf of First Tennessee Bank N.A. Memphis an original and one copy of the Conciliation Agreement. The Bank's check for \$100.00, made payable to the Federal Election Commission, is enclosed.

With this Agreement, we consider the matter closed. Please return for my files an executed copy of the Agreement.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lee Welch".

Lee Welch

LW:PA

encl:

FIRST TENNESSEE BANK

BOX 84, MEMPHIS, TENNESSEE 38101

EXPENSE CHECK



No. 000924

26-2
840

DATE JAN 29 79

PAY →

1ST DEPOSIT

AMOUNT

\$ **100.00**

TO THE
ORDER
OF

Federal Election Commission

00-2
[Signature]
CASH

AUTHORIZED SIGNATURE

⑈000924⑈ ⑆0840⑈0002⑆ 00⑈0001422⑈

FIRST TENNESSEE BANK



INVOICE NO	AMOUNT	INVOICE NO	AMOUNT	INVOICE NO	AMOUNT
Federal Election Commission		Vendor #37077	\$100.00		
Company #001	Center #9985	Account #5448			
Re: Conciliation Agreement					

THE ATTACHED CHECK IS PAYMENT FOR ITEMS ABOVE. APPLICABLE DISCOUNTS HAVE BEEN TAKEN.
PLEASE DETACH THIS PORTION BEFORE CASHING CHECK.

FIRST TENNESSEE NATIONAL CORPORATION

BOX 84 MEMPHIS TENNESSEE 38101



William C. Oldaker, Esquire
General Counsel
Federal Election Commission
1325 K Street N. W.
Washington, D. C. 20463

28
10 31 2:30



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

January 19, 1979

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Mr. Lee Welch, Esquire
Secretary and Counsel
First Tennessee Bank
Box 84
Memphis, Tennessee 38101

RE: MUR 607

Dear Mr. Welch:

Pursuant to your telephone conversation with Christopher Tow on January 8, 1979, the Commission has approved the conciliation agreement which was included with your letter dated November 6, 1978 with the new language agreed to on page 2, paragraph A after WHEREFORE. As was discussed, please sign the agreement and mail it back to this office. I will then sign it and return a copy to you for your files. We would also appreciate a check for the amount of the civil penalty (\$100) within ten days of your receipt of this letter. Our receipt of this check and the signed conciliation agreement will, in effect, close the matter.

Thank you for your patience and cooperation.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

Conciliatic



PS Form 3811, Apr 1977

RETURN RECEIPT REQUESTED, INSURED AND CERTIFIED MAIL

1. The following service is requested (check one):
☒ Show to whom and date delivered.
☐ Show to whom, date, and address of delivery.
☐ RESTRICTED DELIVERY
Show to whom and date delivered.
☐ RESTRICTED DELIVERY
Show to whom, date, and address of delivery.
(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO
Mr. Lee Welch

3. ARTICLE DESCRIPTION:
Box 84

REGISTERED NO. *403621* CERTIFIED NO. *403621* INSURED NO. *403621*

(Always obtain signature of addressee or agent)
I have received the article described above:
SIGNATURE ☐ Addressee ☐ Authorized agent

4. DATE OF DELIVERY *JAN 25 1979*

5. ADDRESS (Complete only if requested)
Box 84

6. UNABLE TO DELIVER BECAUSE

POSTMARK

CLERK'S INITIALS

5070 1977 - 0 - 249 503

MUR 607 - 700

7901011213

In the Matter of)
) MUR 607 (78)
First Tennessee Bank)

CONCILIATION AGREEMENT

This matter having been initiated by the Commission in the ordinary course of carrying out its supervisory responsibilities and after an investigation, the Commission having found reasonable cause to believe that the First Tennessee Bank (hereafter "Respondent") violated 2 U.S.C. §441b;

WHEREFORE, the Commission and Respondent having duly entered into conciliation as provided for in 2 U.S.C. §437g(a)(5), do hereby agree as follows:

- I. The Federal Election Commission has jurisdiction over the Respondent and the subject matter under review.
- II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- III. The pertinent facts in this matter are as follows:
 - A. Respondent, formerly the First National Bank of Memphis in 1974, is a national bank.
 - B. Respondent's former employee Walter Jarratt was a bank officer in the BankAmericard division during the months of June and July of 1974.
 - C. Respondent's officer, Walter Jarratt, who acted after consulting with his superior bank officer, made a \$200 contribution to Roy Nixon's 1974 campaign for sheriff in the months of June and July of 1974.

WHEREFORE, Respondent agrees:

- A. That the action of Respondent's officer, Walter Jarratt, in using bank funds to contribute to a political campaign was in violation of 2 U.S.C. §441b.
- B. That by way of settlement and conciliation Respondent will pay a civil penalty of \$100 pursuant to 2 U.S.C. §437g(a)(5)(B).
- C. That Respondent will take appropriate steps to enlighten its officers and employees of the prohibition against political contributions by national banks as set forth in 2 U.S.C. §441b and will at all times adhere to the requirements of the Federal Election Campaign Act of 1971, as amended.

IV. General Conditions

- A. The Commission, at the request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning matters involved herein, or on its own initiative, may review compliance with this agreement. If the Commission determines that this agreement has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia pursuant to 2 U.S.C. §437g(a)(7).
- B. Respondent agrees to testify to its knowledge of the facts underlying this matter in any civil action brought by the Commission pursuant to paragraph A, supra, or pursuant to 2 U.S.C. §437g(a)(5)(B).

7 2 0 4 0 1 1 2 3 5

C. It is mutually agreed that this agreement shall become effective on the date that all parties hereto have executed same and the Commission has approved the entire agreement.

FEDERAL ELECTION COMMISSION

Date _____

William C. Oldaker
General Counsel for the Federal
Election Commission

FIRST TENNESSEE BANK

Date _____

BY: _____

ITS: _____

79740111227

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
First Tennessee Bank)

MUR 607 (78)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on January 17, 1979, the Commission determined by a vote of 4-0 to adopt the recommendations, as set forth in the General Counsel's Memorandum dated January 15, 1979, to approve the conciliariion agreement (Attachment II to the above-named Memorandum) which includes the changes listed in the Memorandum.

Voting for this determination were Commissioners Springer, Tiernan, McGarry, and Thomson.

Attest:

1/18/79

Date



Marjorie W. Emmons
Secretary to the Commission

Received in Office of Commission Secretary: 1-15-79, 1:15
Circulated on 48 hour vote basis: 1-15-79, 4:30

7074911223

January 15, 1979

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Carr
SUBJECT: MUR 607

Please have the attached Memo and conciliation agreement distributed to the Commission on a 48 hour tally basis.

Thankyou.

79040111229



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

RECEIVED
OFFICE OF THE
COMMISSIONER SECRETARY

79 JAN 15 P 1: 15

January 15, 1979

MEMORANDUM

TO: THE COMMISSION

FROM: WILLIAM C. OLDAKER *W.C. Oldaker*

RE: MUR 607 CONCILIATION AGREEMENT

On October 11, 1978, the Commission found reasonable cause to believe that the respondent First Tennessee Bank violated 2 U.S.C. §441b. It appeared on the basis of information provided by the Comptroller of the Currency and the U.S. Attorney's Office, that the bank made a political contribution through its employee, Walter Jarratt.

Accompanying the Commission's reasonable cause to believe notification letter to the bank was a conciliation agreement which included a \$100 civil penalty. We have been conciliating with the bank's attorney, Lee Welch, during this time and have finally reached agreement on what appears to be mutually acceptable language. The \$100 civil penalty provision has been retained and the new agreement is basically the same as the original with the following changes:

1. Page 1, paragraph C of the original agreement (Attachment I) begins, "Respondent, through its officer Walter Jarratt..." The new agreement (Attachment II) reads, "Respondent's officer, Walter Jarratt, ..."
2. Page 2, paragraph A after WHEREFORE of the original agreement simply states that respondent will pay a civil penalty of \$100.

The new agreement begins, "That by way of settlement and conciliation", respondent will pay the civil penalty of \$100.



3. Page 2, paragraph B after WHEREFORE of the original agreement states:

"A. That respondent's participation in the making of a political contribution to Roy Nixon's 1974 campaign for sheriff through one of its officers was in violation of 2 U.S.C. §441b."

The new agreement states:

"A. That the action of respondent's officer, Walter Jarratt, in using bank funds to contribute to a political campaign was in violation of 2 U.S.C. §441b."

These changes are consistent with the agency theory upon which the bank was criminally convicted for falsifying its records in connection with the contribution made by Mr. Jarratt using the bank's funds. It has not been established that bank officer Walter Jarratt acted on direct authority from the bank. However, since Jarratt was thought to have been the bank's agent, his employer (the bank) was also found liable.

In light of these circumstances, we recommend approval of the attached conciliation agreement (Attachment II) and that it be sent with the accompanying letter to respondent's attorney for signature.

Attachments I and II
Letter to Lee Welch

Attachment I

(MUR 607)

original agreement

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 607(78)
First Tennessee Bank)

CONCILIATION AGREEMENT

This matter having been initiated by the Commission in the ordinary course of carrying out its supervisory responsibilities and after an investigation, the Commission having found reasonable cause to believe that the First Tennessee Bank (hereafter "Respondent") violated 2 U.S.C. §441b;

WHEREFORE, the Commission and Respondent having duly entered into conciliation as provided for in 2 U.S.C. §437g(a)(5), do hereby agree as follows:

- I. The Federal Election Commission has jurisdiction over the Respondent and the subject matter under review.
- II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- III. The pertinent facts in this matter are as follows:
 - A. Respondent, formerly the First National Bank of Memphis in 1974, is a national bank.
 - B. Respondent's former employee Walter Jarratt was a bank officer in the BankAmericard division during the months of June and July of 1974.
 - C. Respondent, through its officer Walter Jarratt who acted after consulting with a superior bank officer, made a \$200 contribution to Roy Nixon's 1974 campaign for sheriff in the months of June and July of 1974.

WHEREFORE, Respondent agrees:

- A. That respondent's participation in the making of a political contribution to Roy Nixon's 1974 campaign for sheriff through one of its officers was in violation of 2 U.S.C. §441b.
- B. That Respondent will pay a civil penalty of \$100 pursuant to 2 U.S.C. §437g(a)(5)(B).
- C. That Respondent will take appropriate steps to enlighten its officers and employees of the prohibition against political contributions by national banks as set forth in 2 U.S.C. §441b and will at all times adhere to the requirements of the Federal Election Campaign Act of 1971, as amended.

IV. General Conditions

- A. The Commission, at the request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning matters involved herein, or on its own initiative, may review compliance with this agreement. If the Commission determines that this agreement has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia pursuant to 2 U.S.C. §437g(a)(7).

790401123;

- B. Respondent agrees to testify to his knowledge of the facts underlying this matter in any civil action brought by the Commission pursuant to paragraph A, supra, or pursuant to 2 U.S.C. §437g(a)(5)(B).
- C. It is mutually agreed that this agreement shall become effective on the date that all parties hereto have executed same and the Commission has approved the entire agreement.

FEDERAL ELECTION COMMISSION

DATE _____

William C. Oldaker
General Counsel for the
Federal Election Commission

FIRST TENNESSEE BANK

DATE _____

BY: _____

ITS: _____

7004011234

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 607 (78)
First Tennessee Bank)

CONCILIATION AGREEMENT

This matter having been initiated by the Commission in the ordinary course of carrying out its supervisory responsibilities and after an investigation, the Commission having found reasonable cause to believe that the First Tennessee Bank (hereafter "Respondent") violated 2 U.S.C. §441b;

WHEREFORE, the Commission and Respondent having duly entered into conciliation as provided for in 2 U.S.C. §437g(a)(5), do hereby agree as follows:

- I. The Federal Election Commission has jurisdiction over the Respondent and the subject matter under review.
- II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- III. The pertinent facts in this matter are as follows:
 - A. Respondent, formerly the First National Bank of Memphis in 1974, is a national bank.
 - B. Respondent's former employee Walter Jarratt was a bank officer in the BankAmericard division during the months of June and July of 1974.
 - C. Respondent's officer, Walter Jarratt, who acted after consulting with his superior bank officer, made a \$200 contribution to Roy Nixon's 1974 campaign for sheriff in the months of June and July of 1974.

7904011235

WHEREFORE, Respondent agrees:

- A. That the action of Respondent's officer, Walter Jarratt, in using bank funds to contribute to a political campaign was in violation of 2 U.S.C. §441b.
- B. That by way of settlement and conciliation Respondent will pay a civil penalty of \$100 pursuant to 2 U.S.C. §437g(a)(5)(B).
- C. That Respondent will take appropriate steps to enlighten its officers and employees of the prohibition against political contributions by national banks as set forth in 2 U.S.C. §441b and will at all times adhere to the requirements of the Federal Election Campaign Act of 1971, as amended.

IV. General Conditions

- A. The Commission, at the request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning matters involved herein, or on its own initiative, may review compliance with this agreement. If the Commission determines that this agreement has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia pursuant to 2 U.S.C. §437g(a)(7).
- B. Respondent agrees to testify to its knowledge of the facts underlying this matter in any civil action brought by the Commission pursuant to paragraph A, supra, or pursuant to 2 U.S.C. §437g(a)(5)(B).

7004011236

C. It is mutually agreed that this agreement shall become effective on the date that all parties hereto have executed same and the Commission has approved the entire agreement.

FEDERAL ELECTION COMMISSION

Date _____

William C. Oldaker
General Counsel for the Federal
Election Commission

FIRST TENNESSEE BANK

Date _____

BY: _____

ITS: _____

79040111237



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Lee Welch, Esquire
Secretary and Counsel
First Tennessee Bank
Box 84
Memphis, Tennessee 38101

RE: MUR 607

Dear Mr. Welch:

Pursuant to your telephone conversation with Christopher Tow on January 8, 1979, the Commission has approved the conciliation agreement which was included with your letter dated November 6, 1978 with the new language agreed to on page 2, paragraph A after WHEREFORE. As was discussed, please sign the agreement and mail it back to this office. I will then sign it and return a copy to you for your files. We would also appreciate a check for the amount of the civil penalty (\$100) within ten days of your receipt of this letter. Our receipt of this check and the signed conciliation agreement will, in effect, close the matter.

Thank you for your patience and cooperation.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

Conciliation Agreement





FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

MEMORANDUM TO

CHARLES STEELE

FROM:

MARJORIE W. EMMONS

DATE:

DECEMBER 6, 1978

SUBJECT:

MUR 607 (78) - Interim Conciliation
Report dated 12-4-78;
Received in OCS 12-4-78,
5:20

The above-named document was circulated on a 24
hour no-objection basis at 12:00, December 5, 1978.

The Commission Secretary's Office has received
no objections to the Interim Conciliation Report as of
1:00 this date.

mwe

7904011239

December 4, 1972

MEMORANDUM TO: Marge Emons
FROM: Elissa T. Carr
SUBJECT: MUR 607

Please have the attached Interim Concil Report on
MUR 607 distributed to the Commission.

Thank you.

79040111240

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
OFFICE OF THE
SECRETARY

7 DEC 4 P 5: 20

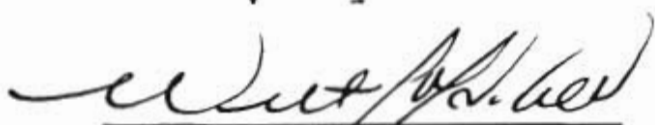
In the Matter of)
First Tennessee Bank) MUR 607 (78)

Interim Conciliation Report

The Office of General Counsel has been in the process of conciliating with the respondent bank. A signed conciliation agreement has been received from Lee Welch, counsel to the First Tennessee Bank. The provisions of this agreement are presently being reviewed by the staff. A general counsel's report is forthcoming shortly.

12/4/78

Date



William C. Oldaker
General Counsel

7904011241

see 55.21

FIRST TENNESSEE NATIONAL CORPORATION



NOV 8 AM 11 44

November 6, 1978

William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street N.W.
Washington, D. C. 20463

807695

Dear Mr. Oldaker:

In response to your letter of October 13, 1978, we agree that this matter should be resolved by conciliation as your letter suggests. We have noted that the proposed agreement makes no mention of an injunction or restraining order, but does include a civil penalty of \$100.

We agree that the matter should be conciliated, and believe that the proposed penalty is a reasonable one. We continue to believe that the Bank is not guilty of the offenses alleged. A reading of the transcript of the federal district court trial involving falsifications of bank records indicates that Mr. Jarrett's superior officer denied that he in any way gave approval for the Bank to make a contribution. In fact, Mr. Jarrett's behavior in concealing the contribution by falsification of bank records confirms that he had no authority to make a direct political contribution.

For these reasons, we believe that the conciliation and payment of the \$100 civil penalty should be on the basis of the Bank's neither admitting nor denying making a political contribution. Toward this end, I have suggested certain modifications of your proposed conciliation agreement and return it for your consideration.

This proposed conciliation agreement has the full approval of First Tennessee Bank N. A. Memphis, and accordingly, has been signed in duplicate by me as Secretary and Counsel of the Bank. If the Commission is agreeable, please sign one of the copies and return it for our files, and I will forward to you the Bank's check for \$100.00.

Sincerely,

Lee Welch

blt

enc.

7 9 0 4 0 1 1 2 1 1

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of
First Tennessee Bank

)

18 NOV 8 AM 11:44

)

MUR 607(78)

CONCILIATION AGREEMENT

This matter having been initiated by the Commission in the ordinary course of carrying out its supervisory responsibilities and after an investigation, the Commission having found reasonable cause to believe that the First Tennessee Bank (hereafter "Respondent") violated 2 U.S.C. Sec. 441b;

WHEREFORE, the Commission and Respondent having duly entered into conciliation as provided for in 2 U.S.C. Sec. 437 g(a)(5), do hereby agree as follows:

- I. The Federal Election Commission has jurisdiction over the Respondent and the subject matter under review.
- II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- III. The pertinent facts in this matter are as follows:
 - A. Respondent, formerly the First National Bank of Memphis in 1974, is a national bank.
 - B. Respondent's former employee Walter Jarratt was a bank officer in the BankAmericard division during the months of June and July of 1974.
 - C. Respondent's officer, Walter Jarratt, who acted after consulting with his superior bank officer, made a \$200 contribution to Roy Nixon's 1974 campaign for sheriff in the months of June and July of 1974.

WHEREFORE, Respondent and Commission agree:

- A. That Respondent neither admits nor denies making a political contribution to Roy Nixon's 1974 campaign for sheriff through one of its officers.

- 7 0 0 4 0 1 1 2 4 4
- B. That by way of settlement and conciliation Respondent will pay a civil penalty of \$100 pursuant to 2 U.S.C. Sec. 437g(a)(5)(B).
- C. That Respondent will take appropriate steps to enlighten its officers and employees of the prohibition against political contributions by national banks as set forth in 2 U.S.C. Sec. 441b and will at all times adhere to the requirements of the Federal Election Campaign Act of 1971, as amended.

IV. General Conditions

- A. The Commission, at the request of anyone filing a complaint under 2 U.S.C. Sec. 437g(a)(1) concerning matters involved herein, or on its own initiative, may review compliance with this agreement. If the Commission determines that this agreement has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia pursuant to 2 U.S.C. Sec. 437g(a)(7).
- B. Respondent agrees to testify to its knowledge of the facts underlying this matter in any civil action brought by the Commission pursuant to paragraph A, supra, or pursuant to 2 U.S.C. Sec. 437g(a)(5)(B).
- C. It is mutually agreed that this agreement shall become effective on the date that all parties hereto have executed same and the Commission has approved the entire agreement.

FEDERAL ELECTION COMMISSION

Date: _____

William C. Oldaker
General Counsel for the
Federal Election Commission

FIRST TENNESSEE BANK

Date: November 6, 1978

By: *Lawrence*

Its: *Secretary & Counsel*

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
First Tennessee Bank) MUR 607(78)

CONCILIATION AGREEMENT

This matter having been initiated by the Commission in the ordinary course of carrying out its supervisory responsibilities and after an investigation, the Commission having found reasonable cause to believe that the First Tennessee Bank (hereafter "Respondent") violated 2 U.S.C. Sec. 441b;

WHEREFORE, the Commission and Respondent having duly entered into conciliation as provided for in 2 U.S.C. Sec. 437 g(a) (5), do hereby agree as follows:

- I. The Federal Election Commission has jurisdiction over the Respondent and the subject matter under review.
- II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- III. The pertinent facts in this matter are as follows:
 - A. Respondent, formerly the First National Bank of Memphis in 1974, is a national bank.
 - B. Respondent's former employee Walter Jarratt was a bank officer in the BankAmericard division during the months of June and July of 1974.
 - C. Respondent's officer, Walter Jarratt, who acted after consulting with his superior bank officer, made a \$200 contribution to Roy Nixon's 1974 campaign for sheriff in the months of June and July of 1974.

WHEREFORE, Respondent and Commission agree:

- A. That Respondent neither admits nor denies making a political contribution to Roy Nixon's 1974 campaign for sheriff through one of its officers.

- B. That by way of settlement and conciliation Respondent will pay a civil penalty of \$100 pursuant to 2 U.S.C. Sec. 437g(a)(5)(B).
- C. That Respondent will take appropriate steps to enlighten its officers and employees of the prohibition against political contributions by national banks as set forth in 2 U.S.C. Sec. 441b and will at all times adhere to the requirements of the Federal Election Campaign Act of 1971, as amended.

IV. General Conditions

- A. The Commission, at the request of anyone filing a complaint under 2 U.S.C. Sec. 437g(a)(1) concerning matters involved herein, or on its own initiative, may review compliance with this agreement. If the Commission determines that this agreement has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia pursuant to 2 U.S.C. Sec. 437g(a)(7).
- B. Respondent agrees to testify to its knowledge of the facts underlying this matter in any civil action brought by the Commission pursuant to paragraph A, supra, or pursuant to 2 U.S.C. Sec. 437g(a)(5)(B).
- C. It is mutually agreed that this agreement shall become effective on the date that all parties hereto have executed same and the Commission has approved the entire agreement.

FEDERAL ELECTION COMMISSION

Date: _____

William C. Oldaker
General Counsel for the
Federal Election Commission

FIRST TENNESSEE BANK

Date: November 6, 1978

By: *LeWelle*
Its: Secretary & Counsel

FIRST TENNESSEE NATIONAL CORPORATION

BOX 84, MEMPHIS TENNESSEE 38101



William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street N.W.
Washington, D. C. 20463



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

October 13, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Lee Welch, Esquire
First Tennessee National Corporation
Box 84
Memphis, Tennessee 38101

RE: MUR 607

Dear Mr. Welch:

On October 11, 1978, the Commission determined that there was reasonable cause to believe that the First Tennessee Bank committed a violation of 2 U.S.C. §441b of the Federal Election Campaign Act of 1971, as amended. Specifically, the Commission found reasonable cause to believe that the bank violated Section 441b by making a political contribution to Roy Nixon's 1974 campaign for sheriff.

The Commission has a duty to attempt to correct such violations for a period of 30 days by informed methods of conference, conciliation and persuasion, and by entering into a conciliation agreement. If we are unable to reach an agreement during that period, the Commission may, upon a finding of probable cause to believe a violation has occurred institute civil suit in United States District Court and seek a civil penalty not in excess of \$5000. 2 U.S.C. §437g(a)(5)(B).

We enclose a conciliation agreement that this office is prepared to recommend to the Commission in settlement of this matter. Please note that the agreement makes no mention of an injunction or a restraining order. It does however, include a civil penalty of \$100. If you agree with the provisions of the enclosed conciliation agreement, please sign and return it to the Commission within ten days along with the civil penalty. I will then recommend that the Commission approve the agreement.

-2-

If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Christopher Tow, the attorney assigned to this matter at (202) 523-4073.

Sincerely,



William C. Oldaker
General Counsel

Enclosure

Conciliation Agreement

7904011249

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 607(78)
First Tennessee Bank)

CONCILIATION AGREEMENT

7 9 0 1 0 1 1 2 5 0
This matter having been initiated by the Commission in the ordinary course of carrying out its supervisory responsibilities and after an investigation, the Commission having found reasonable cause to believe that the First Tennessee Bank (hereafter "Respondent") violated 2 U.S.C. §441b;

WHEREFORE, the Commission and Respondent having duly entered into conciliation as provided for in 2 U.S.C. §437g(a)(5), do hereby agree as follows:

- I. The Federal Election Commission has jurisdiction over the Respondent and the subject matter under review.
- II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- III. The pertinent facts in this matter are as follows:
 - A. Respondent, formerly the First National Bank of Memphis in 1974, is a national bank.
 - B. Respondent's former employee Walter Jarratt was a bank officer in the BankAmericard division during the months of June and July of 1974.
 - C. Respondent, through its officer Walter Jarratt who acted after consulting with a superior bank officer, made a \$200 contribution to Roy Nixon's 1974 campaign for sheriff in the months of June and July of 1974.

WHEREFORE, Respondent agrees:

- A. That respondent's participation in the making of a political contribution to Roy Nixon's 1974 campaign for sheriff through one of its officers was in violation of 2 U.S.C. §441b.
- B. That Respondent will pay a civil penalty of \$100 pursuant to 2 U.S.C. §437g(a)(5)(B).
- C. That Respondent will take appropriate steps to enlighten its officers and employees of the prohibition against political contributions by national banks as set forth in 2 U.S.C. §441b and will at all times adhere to the requirements of the Federal Election Campaign Act of 1971, as amended.

IV. General Conditions

- A. The Commission, at the request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning matters involved herein, or on its own initiative, may review compliance with this agreement. If the Commission determines that this agreement has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia pursuant to 2 U.S.C. §437g(a)(7).

79040111251

- B. Respondent agrees to testify to his knowledge of the facts underlying this matter in any civil action brought by the Commission pursuant to paragraph A, supra, or pursuant to 2 U.S.C. §437g(a)(5)(B).
- C. It is mutually agreed that this agreement shall become effective on the date that all parties hereto have executed same and the Commission has approved the entire agreement.

FEDERAL ELECTION COMMISSION

DATE _____

William C. Oldaker
General Counsel for the
Federal Election Commission

FIRST TENNESSEE BANK

DATE _____

BY: _____

ITS: _____

7 9 9 4 0 1 1 2 5



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

October 13, 1978

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Mr. Ronald Krelstein, Esquire
Gerber, Bernstein, Gerber and Winestone
100 North Main Building
Memphis, Tennessee 38103

RE: MUR 607

Dear Mr. Krelstein:

The Commission has determined after an investigation of this situation to take no further action as to your client, Walter Jarratt. Accordingly, the Commission intends to close its file as to him in this matter. A copy of the Commissioner's certification is enclosed for your information.

Sincerely yours,

William V. Oldaker
William V. Oldaker

Enclosure

Certification

79040111253

MUR 607-78W

SENDER Complete items 1, 2 and 3. RETURN TO space on Add your address in the reverse.		1. The following service is requested (check one): ☐ Show to whom and date delivered. ☒ Show to whom, date, and address of delivery. ☐ RESTRICTED DELIVERY ☐ Show to whom and date delivered. ☐ RESTRICTED DELIVERY ☐ Show to whom, date, and address of delivery. (CONSULT POSTMASTER FOR FEES)		2. ARTICLE ADDRESSED TO: Ronald Krelstein, Esquire Gerber, Bernstein, Gerber and Winestone 100 North Main Building Memphis, Tennessee		3. ARTICLE DESCRIPTION: Certified Mail, Registered, Insured and Certified		REGISTERED NO. 94359		CERTIFIED NO. INSURED NO.		4. SIGNATURE I have received the article described above. SIGNATURE <i>Pay Coate</i> ☐ Addressee ☐ Authorized agent		5. ADDRESS (complete only if necessary)		6. POSTMARK NOV 17 1978		7. CLERK'S INITIALS	
8. UNABLE TO DELIVER BECAUSE																			

PS Form 3811, Apr 1977 RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED

79040111253

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Walter Jarratt)
First Tennessee Bank)

MUR 607

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on October 11, 1978, the Commission determined by a vote of 6-0 to adopt the following recommendations, as set forth in the General Counsel's Report dated October 5, 1978, regarding the above-captioned matter:

1. Take no further action against Walter Jarratt in this matter and close the file as to him.
2. Find reasonable cause to believe that the First Tennessee Bank violated 2 U.S.C. §441b.
3. Approve the conciliation agreement attached to the above-named report.
4. Send the letters attached to the above-named report.

Attest:

10/11/78

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

Received in Office of Commission Secretary: 10-6-78, 11:43
Circulated on 48 hour vote basis: 10-6-78, 5:15

October 6, 1978

MEMORANDUM TO: Marge Ramona
FROM: Elissa T. Garr
SUBJECT: MUR 607

Please have the attached General Counsel's Report on MUR 607 distributed to the Commission on a 48 hour tally basis.

Thank you.

79040111255

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

78 OCT 6 All: 43

In the Matter of)
)
Walter Jarratt) MUR 607
First Tennessee Bank)

GENERAL COUNSEL'S REPORT

BACKGROUND

The Commission found reason to believe on June 21, 1978 that the First Tennessee Bank and Walter Jarratt, an officer of the bank, violated 2 U.S.C. §441b. On the basis of information provided by the Comptroller of the Currency and the U.S. Attorney's Office it appeared that the bank had made a political contribution through its employee Jarratt.

ANALYSIS

The facts in question have already been heard and adjudicated in a criminal proceeding dealing with the \$200 contribution at issue in this matter. Respondents Jarratt and the First Tennessee Bank have been criminally convicted of falsifying bank records in order to hide the fact of the bank's political contribution.

This conviction, which the bank is not appealing, outweighs the bank's statement to OGC staff that Mr. Jarratt acted independently. The bank has not submitted any evidence to substantiate that statement. For this reason, we are recommending that the Commission find reasonable cause to believe that the bank violated the Act and seek a penalty of \$100, one half of the amount contributed.

We are recommending that the Commission take no further action with respect to respondent Walter Jarratt. Evidence indicates that Jarratt was assured by a senior bank official that there was nothing wrong with making such a contribution. Jarratt is presently appealing his conviction.

RECOMMENDATION

1. Take no further action against Walter Jarratt in this matter and close the file as to him.
2. Find reasonable cause to believe that the First Tennessee Bank violated 2 U.S.C. §441b.
3. Approve the attached conciliation agreement.
4. Send the attached letters.

10/5/78
Date


William C. Oldaker
General Counsel

ATTACHMENTS

1. Conciliation Agreement
2. Letters

7904011257



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Ronald Krelstein, Esquire
Gerber, Bernstein, Gerber and Winestone
100 North Main Building
Memphis, Tennessee 38103

RE: MUR 607

Dear Mr. Krelstein:

The Commission has determined after an investigation of this situation to take no further action as to your client, Walter Jarratt. Accordingly, the Commission intends to close its file as to him in this matter. A copy of the Commissioner's certification is enclosed for your information.

Sincerely yours,

William C. Oldaker
General Counsel

Enclosure

Certification

79040111258



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Lee Welch, Esquire
First Tennessee National Corporation
Box 84
Memphis, Tennessee 38101

RE: MUR 607

Dear Mr. Welch:

On , 1978, the Commission determined that there was reasonable cause to believe that the First Tennessee Bank committed a violation of 2 U.S.C. §441b of the Federal Election Campaign Act of 1971, as amended. Specifically, the Commission found reasonable cause to believe that the bank violated Section 441b by making a political contribution to Roy Nixon's 1974 campaign for sheriff.

The Commission has a duty to attempt to correct such violations for a period of 30 days by informed methods of conference, conciliation and persuasion, and by entering into a conciliation agreement. If we are unable to reach an agreement during that period, the Commission may, upon a finding of probable cause to believe a violation has occurred institute civil suit in United States District Court and seek a civil penalty not in excess of \$5000. 2 U.S.C. §437g(a)(5)(B).

We enclose a conciliation agreement that this office is prepared to recommend to the Commission in settlement of this matter. Please note that the agreement makes no mention of an injunction or a restraining order. It does however, include a civil penalty of \$100. If you agree with the provisions of the enclosed conciliation agreement, please sign and return it to the Commission within ten days along with the civil penalty. I will then recommend that the Commission approve the agreement.

-2-

If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Christopher Tow, the attorney assigned to this matter at (202) 523-4073.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

Conciliation Agreement

7904011260

FIRST TENNESSEE NATIONAL CORPORATION



September 8, 1978

'78 SEP 12 AM 11:56

Office of the General Counsel
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

806124

Attention: Christopher Tow, Esquire

RE: MUR 607 (78)

Dear Mr. Tow:

This will confirm our telephone conversation of Thursday, September 7, 1978. You telephoned me to tell me that it would not be necessary for me to attend the meeting which you and I had agreed to hold in your office on September 13, at 9:30 a.m.

To recount the developments in this matter to date, your office wrote First Tennessee Bank on June 26, 1978, advising that the Federal Election Commission had found that the Bank may have violated certain provisions of the Federal Election Campaign Act of 1971, as amended.

You advised that the Bank had an opportunity to demonstrate that no action should be taken against it and requested submission of any factual or legal materials which the Bank believed to be relevant to the Commission's analysis of the matter. You indicated that the Bank's response should be submitted within ten days of receipt of your letter.

On July 5, 1978, within ten days receipt of your letter of June 26, I wrote you on behalf of the Bank and indicated that the information in your original letter was not sufficient to inform the Bank of the charge being made and requested that you provide the Bank with the specifics upon which the findings were based so that the Bank might have a reasonable opportunity to demonstrate that no action should be taken against it.

On August 7, 1978, 33 days after the date of my letter to you, you wrote detailing specifics of the matter in question. You reiterated the duty of the Commission to investigate the matter expeditiously and indicated that you

Page 2
Christopher Tow, Esquire
September 8, 1978

would appreciate the Bank's response within ten days of its receipt of the August 7 letter.

On Friday, August 18, 1978, within ten days of receipt of your second letter, I telephoned you to tell you that I would be in Washington, D. C. on September 12 and 13, 1978, and suggested a meeting on September 13 in lieu of a written response to your letter of August 7. I told you that I would like to bring with me certain information which the Commission should consider in its deliberations. We agreed that we would meet in your office at 9:30 a.m., Wednesday, September 13 to discuss these matters and to permit me to present certain additional information to you. We also discussed to some extent the questions involved in the Commission's investigation, and I told you that the Bank very strongly denies any violation of the Federal Election Act. I pointed out to you that I would be happy to provide you with a transcript of the earlier trial involving falsification of bank records, as well as other information. You said that you already had that information from Mr. Mulrooney.

Today you telephoned me to say that the Commission was required by the Act to act "expeditiously" and was going forward with its determinations and there would be no need for me to come to your office on September 13.

I reminded you that we had agreed that our meeting on September 13 would be in lieu of the Bank's response to your second letter and renewed my request to meet with you and present certain other information. You indicated to me that the Commission would proceed, but that I was welcome to come to your office at that time and bring whatever information I desired to bring.

In our telephone conversation of yesterday I also indicated to you that I thought there was every opportunity to conciliate this matter, as long as the Commission recognizes the Bank's denial of a violation of the federal election laws.

I look forward to talking with you in your office Wednesday at 9:30 a.m.

Sincerely,


Lee Welch

blt

FIRST TENNESSEE NATIONAL CORPORATION

BOX 84 MEMPHIS, TENNESSEE 38101



Office of the General Counsel
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

Attention: Christopher Tow, Esquire



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

79040111264

MEMORANDUM TO CHARLES STEELE

FROM: MARJORIE W. EMMONS *mwe*

DATE: SEPTEMBER 21, 1978

SUBJECT: MUR 607 - Interim Report dated 9-15-78
 Received in Office of Com-
 mission Secretary 9-15-78,
 5:07

The above-named document was circulated on a 24 hour no-objection basis at 10:00, September 20, 1978.

The Commission Secretary's Office has received no objections to Interim Report as of 10:15 this date.

September 15, 1978

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Carr
SUBJECT: MUR 607

Please have the attached Interim Report on MUR 607
distributed to the Commission.

Thank you.

79040111265

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
First Tennessee Bank) MUR 607
Walter Jarratt)

INTERIM REPORT

On June 21, 1978, the Commission found reason to believe that the respondents violated 2 U.S.C. §441b. Since this time the Office of General Counsel has communicated with attorneys for both respondents.

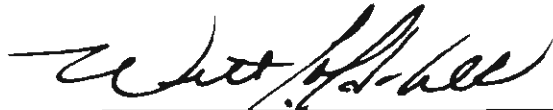
Walter Jarratt's attorney alleges that his client was merely acting on behalf of the bank, having consulted his superiors before making what appeared to him to be a legal contribution. This position was stated in a letter received by the Commission on July 13, 1978.

The First Tennessee Bank, after receiving a letter from the Commission clarifying our allegations, contacted the Office of General Counsel on August 18, 1978. Their attorney stated that Walter Jarratt acted independently in this matter and not on behalf of the bank. He also made an appointment to present evidence to the General Counsel's office in lieu of any further written communication. The date of the meeting is September 13, 1978.

The Office of General Counsel will be prepared to make a recommendation to the Commission pending the outcome of this meeting.

9/15/78

Date



William C. Oldaker
General Counsel



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

August 7, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Lee Welch
First Tennessee National Corporation
Box 84
Memphis, Tennessee 38101

RE: MUR 607

Dear Mr. Welch:

This is in response to your letter received at the Commission on July 10, 1978 in which you requested more specific information about the bank's apparent violation of 2 U.S.C. §441b. According to our communications with the Comptroller of the Currency's Enforcement and Compliance Division and with Assistant U.S. Attorney John Mulrooney, the First Tennessee Bank was found guilty of falsifying bank records. More specifically, the bank was found guilty of falsifying its records by making a political contribution to Roy Nixon's 1974 campaign for sheriff and recording it as a collection expense for investigative purposes. Section 441b(a) of the Federal Election Campaign Act of 1971, as amended (the Act) states that it is unlawful for any national bank to make a contribution in connection with any election to any political office.

In light of this the Commission has found reason to believe the First Tennessee Bank violated Section 441b of the Act. As was previously stated in our letter dated June 26, 1978, the Commission is under a duty to investigate this matter expeditiously. Therefore we would appreciate your response within ten days after your receipt of this notification.

If you have any questions, please contact Christopher Tow, the attorney assigned to this matter at (202) 523-4073.

Sincerely,

William C. Oldaker
General Counsel

79040111247

79011010123

-007- TO W

SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
☐ Show to whom and date delivered. _____
☒ Show to whom, date, and address of delivery. _____
☐ RESTRICTED DELIVERY
 Show to whom and date delivered. _____
☐ RESTRICTED DELIVERY
 Show to whom, date, and address of delivery. \$ _____
 (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO
Mr. Lee Welch
First Tennessee National Corp.
Box 84 - Memphis, Tennessee

3. ARTICLE DESCRIPTION:
 REGISTERED NO. *458031* CERTIFIED NO. _____ INSURED NO. _____
 (Always obtain signature of addressee or agent)

I have received the article described above.
 SIGNATURE *R. V. Miller* ☐ Addressee ☐ Authorized agent

DATE OF DELIVERY
AUG 10 1978

5. ADDRESS (Complete only if requested):

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

PHILADELPHIA
 POSTMARK
 AUG 10 1978
 U.S. PC

☆GPO 1977-0-249-590

Form 3811, Apr. 1977 RETURN RECEIPT REGISTERED, INSURED AND CERTIFIED MAIL



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

7904011259

MEMORANDUM TO CHARLES STEELE
FROM: MARJORIE W. EMMONS *mus*
DATE: JULY 31, 1978
SUBJECT: MUR 607 - Interim Report, dated
 July 25, 1978
 Received in Office of Commission
 Secretary : 7-28-78, 11:40

The above-named document was circulated on a 24 hour no-objection basis at 3:00 p.m. on July 28, 1978.

The Commission Secretary's Office has received no objections to the Interim Report as of 4:00 p.m. this date.

Commissioners Harris, Springer, Staebler, Thomson, and Tiernan returned their papers by the deadline.

July 28, 1978

MEMORANDUM TO: Marge Emsone
FROM: Elissa T. Carr
SUBJECT: MUR 607

Please have the attached Intake Report Report on
MUR 607 distributed to the Commission.

Thank you.

7904011270

BEFORE THE FEDERAL ELECTION COMMISSION
July 25, 1978

In the Matter of)
)
First Bank of Tennessee) MUR 607(78)
Walter Jarratt)

INTERIM REPORT

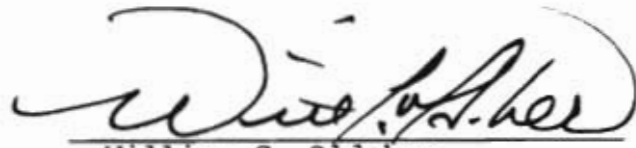
On June 21, 1978, the Commission found reason to believe that Walter Jarratt and the First Bank of Tennessee violated 2 U.S.C. §441b. Since then, letters have been received from attorneys representing both respondents.

Walter Jarratt's attorney disputes the allegation that his client was a bank officer in the normal sense of the word and states that they are presently appealing the conviction (see First General Counsel's Report certified on June 23, 1978). Further investigation as to Jarratt's status at the bank is forthcoming.

As for the First Tennessee Bank, their attorney requested more specific allegations in order to respond properly. A letter is presently being drafted and will be mailed to them shortly in response to their request.

Date:

7/28/78


William C. Oldaker
General Counsel

HAL GERBER
EUGENE BERNSTEIN
MARSHALL L. GERBER
TED M. WINESTONE
LYNN AGEE
RONALD D. KRELSTEIN
BRUCE F. GRAY, JR.
JAMES H. MATHIS
TIM EDWARDS
B. J. WADE
ERNEST JETTON

WILLIAM GERBER 1988-1989

JOSEPH L. TAGG III
OF COUNSEL

LAW OFFICES

GERBER, BERNSTEIN, GERBER & WINESTONE

FEDERAL ELECTION

'78 JUL 13 14:10:27

DIRECT REPLY TO:
600 NORTH MAIN BLDG
MEMPHIS, TENN. 38103
TEL. 901 523-0019

□ 5521 MURRAY AVENUE
MEMPHIS, TENN. 38117
TEL. 901 682-6631

July 6, 1978

Mr. Christopher Tow
Attorney at Law
Federal Election Commission
1325 "K" Street, Northwest
Washington, D. C. 20463

804432

RE: MUR 607 (78)

Dear Mr. Tow:

This will confirm our conversation of today's date concerning the possible violation of the Federal Election Campaign Act by our client Mr. Walter Jarratt.

Mr. Jarratt was employed by the First Tennessee Bank as an investigator in their BankAmericard Division. His primary function was to prevent the fraudulent use of credit cards and to make a recovery where possible, of stolen credit cards.

Mr. Jarratt was not a bank officer in the normal sense of the word and was not involved in the policy making or decision making of the bank. I reiterate that his sole function was to handle the investigation of the misuse of credit cards issued by the bank to its customers. His day to day duties only involved dealing with local law enforcement agencies to help recover stolen cards and to assist in the prosecution.

The episode referred to in your letter occurred in 1974 on behalf of the campaign committee and a donation from the bank was solicited.

Thereafter, Mr. Jarratt, being unfamiliar with the normal prohibition of national banks contributing to campaigns, spoke with a Vice President of the bank, Mr. Troy Barron, to determine whether or not the campaign contribution could be made.

Mr. Christopher Tow
Page Two
July 6, 1978

It was Mr. Jarratt's testimony in both of the trials that occurred that Mr. Barron referred to a manual, which apparently had the old law in it, which seemed to indicate that the prohibition against campaign contributions applied only to federal elections and not local elections.

Based on that, Mr. Jarratt prepared a check in the amount of \$200.00 from the investigative expense account for the campaign contribution.

Thereafter, Mr. Jarratt was advised by Mr. Jones that the contribution would look better coming from Mr. Jarratt since he had dealt with the Sheriff's department on so many cases. Mr. Jarratt deposited the check into his own account and issued his check in the amount of \$200.00 to the Nixon Campaign Fund.

These matters all came to light as a result of another investigation conducted by the U. S. Attorney's office. Mr. Jarratt testified freely before the Federal Grand Jury as to the sequence of events. He testified for the government in the trial of Mr. Jones and the bank who were charged with making false entries.

Ultimately Mr. Jarratt as well as Mr. Jones and the bank were found guilty of making a false entry in the books and records of the bank and Mr. Jarratt was given a ninety day suspended sentence and placed on probation.

As a result of his indictment, Mr. Jarratt was terminated from employment by the bank and in order to support himself and his family was reduced to working in a car wash. His problems were further compounded by the fact that the court would not sentence him until after the trial of Mr. Jones and the bank which occurred nearly a year after his own trial. During this period of time his only income was that derived from his employment at the car wash. In short, his financial condition is extremely poor.

We are in the process of perfecting an appeal to the Court of Appeals for the Sixth Circuit and the issues involved will be rather simple.

Mr. Christopher Tow
Page Three
July 6, 1978

7 0 0 1 1 1 2 7 1
I would like to emphasize that what Mr. Jarratt did was based on an honest misunderstanding of what was prohibited by the then existing law and what he had been advised by a Vice President of the bank who should have known better. Of course Mr. Barron denied any such conversation but admitted before the Federal Grand Jury that if Mr. Jarratt said such a conversation took place he would not believe that he would lie about the matter.

In conclusion, I would like to say that it would appear that Mr. Jarratt has certainly suffered a great deal over a matter involving the inconsequential sum of \$200.00. I realize that there probably has been a technical violation of the Act but I would hope that the Commission would see fit to weigh all of the relevant circumstances in determining whether or not to proceed further with this matter.

If additional information is needed please advise me and we will be happy to provide it.

Sincerely,

GERBER, BERNSTEIN, GERBER & WINESTONE



RONALD KRELSTEIN

RK/mv

LAW OFFICES

GERDER, BERNSTEIN, GERDER & WINSTONE

15 NORTH MAIN BUILDING
MEMPHIS, TENNESSEE 38003

JUL 13 1973

Mr. Christopher Tow
Attorney at Law
Federal Election Commission
1325 "K" Street, Northwest
Washington, D. C. 20463

Dec 4082

RECEIVED
FEDERAL ELECTION
COMMISSION

FIRST TENNESSEE NATIONAL CORPORATION

1ST

'78 JUL 10 PM 2:31

July 5, 1978

804345

William C. Oldaker, Esquire
General Counsel
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

Re: Your letter 6/26/78
MUR 607 (78)

Dear Sir:

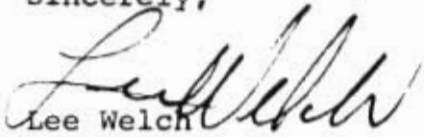
Cullen Kehoe, President of First Tennessee Bank N. A. Memphis,
has asked me to respond to your letter of June 26, 1978.

You indicate that the Commission "has found that the bank
may have violated certain provisions of the Federal Election
Campaign Act of 1971, as amended ("the Act")", and that "it
appears that the bank has violated 2 U.S.C. Sec. 441b by
making a political contribution to Roy Nixon's 1974 campaign
for sheriff."

You indicate no facts upon which the Commission made such a
"finding". The bank will be happy, indeed anxious, to respond
to any allegations against it. It can do so only if those
allegations are specific enough to acquaint the bank with the
charge being made.

We respectfully request that you provide us with the specifics
of any findings and the facts upon which they are based so
that we may have a reasonable opportunity to demonstrate that
no action should be taken against the bank by the Commission
under the Act.

Sincerely,


Lee Welch

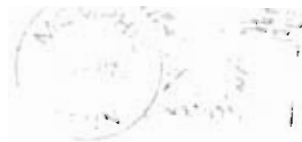
blt

1ST TENNESSEE NATIONAL CORPORATION

BOX 84 MEMPHIS TENNESSEE 38101



RECEIVED
FEDERAL ELECTION COMMISSION



13 JUL 16 11 21 67

William C. Oldaker, Esquire
General Counsel
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

June 26, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

First Tennessee Bank
c/o Mr. Cullen Kehoe, President
P.O. Box 84
Memphis, Tennessee 38101

RE: MUR 607 (78)

Dear Mr. Kehoe:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found that the bank may have violated certain provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically, it appears that the bank has violated 2 U.S.C. §441b by making a political contribution to Roy Nixon's 1974 campaign for sheriff. We have numbered this matter MUR 607.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. 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.

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten days after your receipt of this notification.

If you have any questions, please contact Christopher Tow, the attorney assigned to this matter at (202)523-4073.

This matter will remain confidential in accordance with 2 U.S.C. §437g(a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public.

If you intend to be represented by counsel in this matter, please had such counsel so notify us in writing.

Sincerely,

William C. Oldaker
William C. Oldaker
General Counsel

TOW MAR 60778

790101127

PS Form 3811, Apr. 1977

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● **SENDER:** Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).
☐ Show to whom and date delivered.
☐ Show to whom, date, and address of delivery.
☐ **RESTRICTED DELIVERY**
 Show to whom and date delivered.
☐ **RESTRICTED DELIVERY.**
 Show to whom, date, and address of delivery. \$
 (CONSULT POSTMASTER FOR FEES)

2. **ARTICLE DESCRIBED TO:**
 First Tennessee Bank
 60 Main Street, Knoxville, Tennessee 37901
 P.O. Box 84
 Memphis, Tennessee 38104

3. **ARTICLE DESCRIPTION:**
 REGISTERED NO. CERTIFIED NO. INSURED NO.
 (Always obtain signature of addressee or agent)

I have received the article described above.
 SIGNATURE ☒ Addressee ☐ Authorized agent
Carolyn Stepler

4. DATE OF DELIVERY 6/30/78 POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

☆ BPO : 1977-O-234-537



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

June 26, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Walter Jarratt
1224 Huntsman Lane
Memphis, Tennessee 38138

RE: MUR 607 (78)

Dear Mr. Jarratt:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found that you may have violated certain provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically, it appears that you have violated 2 U.S.C. §441b as an officer of a national bank by consenting to a political contribution by the bank to Roy Nixon's campaign for sheriff. We have numbered this matter MUR 607.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. 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.

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten days after your receipt of this notification.

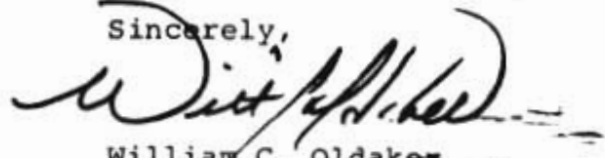
If you have any questions, please contact Christopher Tow, the attorney assigned to this matter at (202) 523-4073.

This matter will remain confidential in accordance with 2 U.S.C. §437g(a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public.

-2-

If you intend to be represented by counsel in this matter, please have such counsel so notify us in writing.

Sincerely,

A handwritten signature in dark ink, appearing to read "W. C. Oldaker", with a long horizontal flourish extending to the right.

William C. Oldaker
General Counsel

7 9 0 4 2 1 1 2 3 1

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
First Bank of Tennessee)
Walter Jarratt)

MUR 607 (78)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on June 21, 1978, the Commission determined by a vote of 5-0 to adopt the recommendation of the General Counsel to take the following actions in the above-captioned matter:

1. Find reason to believe that the First Bank of Tennessee and Walter Jarratt have violated 2 U.S.C. Section 441b.
2. Send the letters attached to the First General Counsel's Report in this matter.

Commissioner Harris did not cast a vote.

Attest:

Date

6/23/78

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

70740111231



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

June 20, 1978
9:45 a.m.

MEMORANDUM TO: CHARLES STEELE
FROM: MARJORIE W. EMMONS *mwe*
SUBJECT: Tally Vote Matters Lacking Four Affirmative
Votes

The following documents, circulated June 15, 1978 at
4:30 p.m., have failed to receive four affirmative during the
48 hour period ending at 4:30 p.m., June 19, 1978.

Pursuant to Directive No: 8, approved at the Commission
meeting of April 27, 1978, these matters are submitted for
inclusion on Amended Agenda II for June 21, 1978.

MUR 589 - First General Counsel's Report dated 6-15-78

MUR 523 - Memo dated 6-15-78, Letters and Conciliation
Agreements

MUR 555 - First General Counsel's Report dated 6-15-78

MUR 584 - First General Counsel's Report dated 6-15-78

MUR 607 - First General Counsel's Report dated 6-15-78

790401128

June 15, 1978

MEMORANDUM TO: Marge Emons
FROM: Elissa T. Garr
SUBJECT: EOR 607

Please have the attached 7 day report on EOR 607
distributed to the Commission on a 48 hour tally basis.

Thank you.

79040111284

FEDERAL ELECTION COMMISSION
1325 K Street, N.W.
Washington, D.C. 20463

FIRST GENERAL COUNSEL'S REPORT

DATE AND TIME OF TRANSMITTAL JUN 15 1978
BY OGC TO THE COMMISSION

MUR NO. 607
DATE COMPLAINT RECEIVED
BY OGC May 18, 1978
STAFF
MEMBER TOW

COMPLAINANT'S NAME: Comptroller of the Currency, Administrator of
National Banks

RESPONDENT'S NAME: First Bank of Tennessee
Walter Jarratt

RELEVANT STATUTE: 2 U.S.C. §441b

INTERNAL REPORTS CHECKED: N/A

FEDERAL AGENCIES CHECKED: Comptroller of the Currency, Administrator
of National Banks U.S. Attorney's Office,
Memphis, Tennessee

SUMMARY OF ALLEGATIONS

This matter was initiated on the basis of information provided by the Comptroller of the Currency. Under 18 U.S.C. §1005, a criminal sanction for the falsification of bank records, the above named respondents have been prosecuted and convicted. The evidence appears to be that the First Bank of Tennessee, which at the time of the incident in question was called the First National Bank of Memphis, contributed through one of its officers, Walter Jarratt, \$200 to the campaign of former sheriff Roy Nixon.

PRELIMINARY LEGAL ANALYSIS

The prohibition in 2 U.S.C. §441b against a national bank making a contribution in connection with an election covers local elections, as in this matter. The bank and Jarratt appear to have violated Section 441b.

The incident in question occurred in June, 1974. Therefore, depending upon statutory interpretation, there may be a possible statute of limitations issue under 2 U.S.C. §455. However, because of the serious nature of the violation where a national bank contributes to an election, we are recommending reason to believe.

RECOMMENDATION

Find reason to believe that the First Bank of Tennessee and Walter Jarratt have violated 2 U.S.C. §441b. Send the attached letters.

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C/CC 3581
NRX

MUR 607

Comptroller of the Currency
Administrator of National Banks

Washington, D. C. 20219

May 18, 1978

William Oldaker, General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: Prosecution of Political Contributions by a National Bank

Dear Mr. Oldaker:

For the past year, Mr. John W. Shockey, my Special Assistant, has been assisting the United States Attorney's Office in Memphis, Tennessee, in the preparation and prosecution of certain individuals and the bank for making a political contribution in 1974 to a local sheriff. The facts of the case were that the bank made a \$200 contribution and reflected the payment in the books and records of the bank as a "collection expense" to Dan Jones for "investigative assistance." In fact, the cashier's check was deposited to the personal checking account of the employee who then made a personal check to the campaign for the local sheriff. There were two separate federal trials. The first, in July, 1977, resulted in the conviction of the bank officer for making a false entry in the books and records of the national bank. The second trial, recently concluded, resulted in the conviction of the bank qua bank and a member of the sheriff's department who solicited the payment for aiding and abetting the making of a false entry in the books and records of the bank.

Enclosed for your information are copies of the newspaper clippings concerning this matter.

Sincerely,


Robert B. Serino, Director
Enforcement and Compliance Division

Enclosures

7001011237

Memphis, Tenn., Saturday Morning, April 22, 1978

Jury Finds Jones, First Tennessee Guilty

By OTIS L. SANFORD

Dan Jones and First Tennessee Bank were convicted yesterday of helping falsify bank records to cover up a \$200 bank contribution to Roy Nixon's 1974 campaign for sheriff.

The jury deliberated about 4½ hours yesterday before bringing back the guilty verdicts to a jammed courtroom at 3:21 p.m. Jones, who appeared confident earlier yesterday that he would be acquitted, hung his head as jury foreman Larry D. Cox reported to U.S. Dist. Judge Robert M. McRae Jr.

Jones' attorneys, Ike Clinton and Robert Colvin, as well as bank attorneys Edward D. "Mike" Grogan and Michael Pleasants, showed disappointment at the jury's decision.

Jones, a former assistant chief deputy sheriff in charge of the detective division, was indicted along with the bank in March of 1977 on charges of aiding and abetting former bank investigator Walter Jarratt to make a false entry on bank records. The false entry, the indictment charged, showed a \$200 "collection expense" had been paid by the bank, then First National Bank, to Jones for "investigative assistance" when the money really went to Nixon's successful campaign for sheriff in 1974.

Jarratt, who was convicted in July of concealing the \$200 contribution, was the government's key witness during this week's trial of Jones and First Tennessee. He testified that Jones asked him for a campaign contribution "in behalf of the bank."

Jarratt said he discussed the request

with bank vice president Troy Barron and they determined that it was not illegal to contribute to a local political campaign. Barron denied such a conversation ever took place.

Jones testified during the four-day trial that he asked Jarratt for a personal campaign contribution, and the bank contended that Jarratt acted alone in concealing the \$200 contribution.

Jones could be sentenced to a maximum of five years in prison and fined \$5,000. The bank faces a maximum fine of \$5,000. McRae is expected to sentence Jones, the bank and Jarratt later. Jones has already been sentenced to a year and a day in federal prison on an extortion conviction late last year.

Jones, perspiring heavily as he left the courtroom yesterday afternoon, said he was "completely surprised and disappointed" by the guilty verdict.

"I can't believe the jury found me guilty of falsifying bank records. I did not alter or cause to be altered any bank records," Jones said he thought the jury may have been confused about the charges and may have thought he was indicted on charges of soliciting an illegal campaign contribution.

"Certainly something's wrong," he said. Jones was found guilty in November on 55 counts of illegally taking money for credit-card fraud investigations conducted by the sheriff's department in which he did not participate. He has appealed the conviction to the U.S. Sixth Circuit Court of Appeals in Cincinnati and said he would appeal yesterday's verdict.

The tall, stocky Jones said he felt public-

ity surrounding his earlier conviction and his brief appointment by Nixon to a top position at the Shelby County Penal Farm probably hurt his chances with the jury.

"You're talking to the hottest potato in the South," he said. "I've received undue publicity and criticism and I've always felt that way, and I'm unhappy about it. This was a political issue from the start and I'm the one whose shoulders it's been upon."

Bank attorneys said they will appeal the conviction. Nixon, now Shelby County mayor, was not available for comment yesterday.

Ron Terry, chairman of First Tennessee National Corporation, the parent company of First Tennessee Bank, was told of the decision shortly after he arrived here yesterday afternoon from Chattanooga, said Mike Houseal, director of public relations for First Tennessee Bank.

"I'm aware an appeal would be both time consuming and expensive," Houseal quoted Terry as saying. "We will strongly consider it because of the strong conviction that justice has not been served."

Houseal said Terry told him he was disappointed "by any decision that would find the bank guilty of aiding and abetting the falsification of records. I was disturbed at the indictment and greatly disappointed in the verdict."

"Throughout the investigation, the bank went out of its way to develop facts and report them to the U.S. attorneys. In my judgment, if a crime was committed it was against the bank and not by it," Terry said.

The jury began deliberations at 9:30 a.m. yesterday and reported to McRae at

12:30 p.m. that it had reached a verdict on one of the defendants. The verdict was not disclosed and jurors continued deliberations at 1:45 p.m.

In an unusual move, McRae granted a jury request to be read a transcript of Jones' testimony under cross-examination by Asst. U.S. Atty. John Mulrooney. The panel then resumed its deliberations and returned to McRae's court about 10 minutes later with the guilty verdicts.

During Mulrooney's cross-examination of Jones on Thursday, the former deputy was questioned concerning a \$100 check which had been paid to Jones by the bank for "investigative services." The check was endorsed by Jones and the "Friends of Roy Nixon" campaign committee. Jones testified that he did not remember receiving the check.

Jones also was asked by Mulrooney if he knew it was against state law for sheriff's department employees to solicit funds for political campaigns. He said he had never heard of such a law.

Mulrooney then attempted to introduce into evidence a County Sheriff's Civil Service Law passed by the Tennessee General Assembly in 1974. However, the act does not have local effect until it is ratified by two-thirds of the county court. McRae ruled that the state law was inadmissible in the case.

Asst. County Atty. Lee Winchester said yesterday the 1974 law has never been adopted by the Shelby County Court.

(Picture on Page 1)



Dan Jones
With Him

Ex-Bank Investigator Tells of Contribution to Nixon

By PEGGY BURCH
Press Scimitar Staff Writer

A former First Tennessee Bank investigator testified in federal court that he contributed \$200 "on behalf of" the bank to Shelby County Mayor Roy Nixon's 1974 campaign for sheriff because the bank needed the cooperation of the sheriff's department to conduct investigations on credit card fraud cases.

Walter Jarratt, who was in charge of the bank's credit card fraud investigations until he was fired last year, was the government's first witness yesterday in the trial for First Tennessee Bank and Dan Jones, former chief of detectives for the Sheriff's Department.

Jarratt, Jones and the bank were indicted on charges that they helped each other falsify bank records concerning the \$200 contribution to Nixon's campaign. The contribution was listed in the bank's records as a payment to Jones for "investigative assistance," according to the indictment.

Jarratt, who was convicted on the charge in a trial last July, said Jones asked him in June of 1974 if he would contribute to Nixon's campaign. He said he often had dealings with Jones in his work because the bank investigators needed the assistance of sheriff's deputies to complete their credit card fraud investigations and Jones was in charge of assigning deputies to those investigations.

Jarratt said he and Troy Barron, a bank vice president, searched a comptroller's manual to see if it was illegal for a bank to make political campaign contributions and

could find no prohibitions about banks making contributions to local elections.

He testified that when he and another investigator went to Jones' office to turn over the check drawn on an account Jarratt controlled at the bank, Jones gave him back the check because "he said it would look better if the money came from me instead of the bank." Jarratt said he deposited the bank check in his personal account and, 21 days later, wrote a personal check for \$200 to the "Friends of Roy Nixon" campaign fund.

First Tennessee is represented in the trial by attorneys Edward G. Grogan and Michael Pleasants. Jones is represented by Robert Colvin and Ike Clinton.

The trial before U.S. District Judge Robert M. McRae Jr. began after an unusually long jury selection process that started yesterday at 9:30 a.m. and was completed at 2:45 p.m. Prospective jurors were questioned at length about whether they knew of Jones because of publicity concerning his conviction last November on federal extortion charges and his later appointment to another county job. After the conviction, Jones was named by Nixon to an administrative position at the Shelby County Penal Farm, but Nixon was forced to dismiss him because of a flurry of criticism about the appointment.

In his opening statement to jurors, Grogan said that Jarratt "acted on his own for his own benefit" in the incident concerning the campaign contribution. Jarratt "deceived the bank," Grogan said. "This bank has long had a written policy specifically

stating that the bank would not make political contributions. We believe that in the end of this matter, you will find Mr. Jarratt not only deceived the comptroller of the currency, he deceived the bank itself."

Clinton, representing Jones, told jurors in his opening statement that Jones was not involved in the organized political campaign for Nixon and that he "simply called a number of people he knew, asking if they would or could make a contribution."

Jarratt worked with the Sheriff's Department as a special reserve deputy as well as in his capacity as a bank investigator, Clinton said, and Jones solicited a contribution from him as a matter of course.

"That's all Dan did," Clinton told the jurors. "He didn't undertake to tell him (Jarratt) how much to contribute or when or whether to make it a check or a money order."

"Dan Jones had nothing to do with him making a false entry if he did," Clinton said. "Dan did tell Mr. Jarratt he would appreciate a \$200 contribution from him; more than he would from a big bank. But he didn't make any entries and he didn't tell anyone else to make any entries in the bank records."

Assistant U.S. Attorney John J. Mcrooney told the jurors that Jones requested an "improper and illegal political campaign contribution" from the bank.

"At the time Mr. Jarratt made the contribution, he was acting on behalf of the bank to secure the good will and favor of the Sheriff's Department" for future help in credit card investigations, Mcrooney said.

The government planned to rest its case against the defendants today.

Jarratt Claims Contribution Was For Bank

By OTIS L. SANFORD

Former First Tennessee Bank investigator Walter Jarratt testified yesterday he was "acting in behalf of the bank" when he gave a \$200 contribution to Roy Nixon's campaign for sheriff in 1974.

Jarratt said he made the contribution at the request of former Asst. Chief Deputy Sheriff Dan Jones. He said he wanted to assure the "committee" of the sheriff's department in investigating credit card fraud.

Jarratt, the only witness to testify yesterday as the trial of Jones and the bank went underway before U.S. District Court Judge Robert M. McRae Jr., said the help of the sheriff's department was necessary in investigating thefts of credit cards.

He said the \$200 contribution, made payable to "Friends of Roy Nixon," came from the bank's "collection expense" account which was used to reimburse the bank for their work on credit-card fraud investigations.

Jones and First Tennessee are charged with aiding and abetting falsification of bank records in connection with the contribution to Nixon's campaign. Nixon is Sheriff by County mayor.

The indictment, returned in March, 1977, charges that Jones and the bank helped Jarratt to enter on bank records that a \$200 "collection expense" had been paid by the bank to Jones for "investigative assistance" when the money really went to Nixon's campaign "by a series of maneuvers."

Jarratt, 37, was convicted in July on charges of concealing the bank's contribution.

Bank attorneys contend Jarratt acted alone in falsifying the records and making the \$200 contribution, and attorney Jones claims the innocence of deputy chief Jarratt for a personal contribution toward Nixon's re-election efforts in 1974.

Contributions to political campaigns by a corporation was a violation of state law, but making false entries or aiding and abetting the making of false entries was a violation of federal law.

Jarratt, who spent more than an hour on the stand yesterday, was questioned by Asst. U.S. Atty. John W. McRoney. Jarratt said he worked as an investigator in the bank's BankAmericard (now Visa) division until his dismissal in July.

Much of the testimony was a repeat

over a handbook for national banks and determined that the contribution to Nixon's campaign was legal.

Jarratt said that according to the handbook it was "obvious it was against the law for a national bank to make a contribution in a national election, but we could find nowhere in there where it was illegal to make a contribution to a local election."

He testified he then authorized a \$200 cash ticket to be made out with a notation of "collection expense" to Dan Jones for "investigative assistance," and the next day a cashier's check was made out to Jones.

Jarratt said Jones told him, "It would look better if the money came from me rather than a cashier's check." Jarratt said he then deposited the check in his personal account and about three weeks later gave Jones his personal check for \$200 made payable to "Friends of Roy Nixon."

In his direct examination of Jarratt, McRoney focused on the contribution request from Jones:

Q — Did you know what the money was for?

A — It was for the re-election of Roy C. Nixon.

Q — Were you acting in behalf of yourself or someone else in making the campaign contribution?

A — In behalf of my employment, in behalf of the bank. (Jarratt earlier said he was never asked for a personal campaign contribution.)

Q — At the time you approved the campaign contribution, were you in need of the sheriff's department's assistance (in investigating credit-card fraud)?

A — Yes, sir.

McRae adjourned court at the conclusion of Jarratt's testimony. He will be questioned today by Jones' attorneys, Ike Clinton and Robert Colvin, and by the bank's lawyers, Michael Pleasants and Edward G. "Mike" Grogan.

In opening statements yesterday, Grogan told jurors Jarratt "acted on his own" in falsifying the bank records and said First Tennessee was "also a victim in this case." Grogan also cautioned the jurors that the bank is not charged with making a

campaign contribution.

Clinton, in his preliminary remarks, said Jones "didn't have a thing in the world to do with bank records." He said Jones asked Jarratt, "Can you help my boss (Nixon) get re-elected with a campaign contribution?"

"That's all Dan did," Clinton said.

McRae and the attorneys spent several hours yesterday selecting a jury to hear the case. Prospective jurors were questioned at length concerning whether they dealt with First Tennessee Bank, whether they owned credit cards and whether they had ever heard of Dan Jones.

Several persons who were called, including an employee of WATS radio, told McRae they had never heard of Jones, while others said they had read about him in the newspapers or seen his picture on television.

Jones was the subject of front-page headlines after his November trial when he was appointed by Nixon to a top position at the Shelby County Penal Farm. The appointment sparked heavy public criticism and Nixon later fired Jones.

David L. Smith, April 20, 1978

COMMERCIAL APPEAL, Thursday, April 20, 1978

Bank's Official Disputes Political Gift Discussion

By OTIS L. SANFORD

First Tennessee Bank vice president Troy Barron testified yesterday that he did not discuss with another bank official the legality of a \$200 bank contribution to Shelby County Mayor Roy Nixon's 1974 campaign for sheriff before the money was given to former Asst. Chief Deputy Sheriff Dan Jones.

Barron, disputing testimony Monday by former bank investigator Walter Jarratt, said "the answer would have been no" if he had been asked if a political contribution from the bank was legal.

Jarratt testified Monday during the trial of Jones and the bank before U.S. District Judge Robert M. McRae Jr. that Jones asked him "in behalf of the bank" for a contribution to Nixon's campaign, and he later consulted Barron concerning the legality of such a contribution.

Jarratt said he and Barron read a handbook for national bank guidelines and determined that the contribution was legal because it was not going to a candidate in a federal election.

Jones and First Tennessee are charged with aiding and abetting Jarratt to make a false entry on bank records that a \$200 "collection expense" had been paid by then First National Bank to Jones for "investigative assistance" when the money really went to Nixon's campaign "by a series of maneuvers."

Jarratt was convicted in July of concealing the bank's \$200 contribution.

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Mulrooney, apparently relying almost entirely on the testimony of Jarratt, called only one other witness — John W. Shockey,

senior national bank examiner for the U.S. Treasury Department, who testified as an expert witness on falsification of bank records.

Shockey said that "assuming" the \$200 went to Nixon's campaign, "it would be a false entry" to indicate on a bank debit ticket that the money was given to Jones for investigative assistance.

Under questioning from the bank's attorney Edward G. "Mike" Grogan, Barron said he was "positive (the meeting between he and Jarratt) did not take place."

He said the first time he learned of the contribution was after federal prosecutors issued a subpoena for bank records in connection with their investigation of Jones in another case.

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Jarratt said, however, that he personally contributed to Nixon's campaigns in 1970 and 1972, but said he made those contributions voluntarily.

After Mulrooney rested the government case, Grogan and one of Jones' attorneys, Ike Clinton, asked McRae for a directed verdict of acquittal.

McRae denied the request. Jones is expected to testify in his own behalf today.

2004011291

July 1977

Jarratt Trial - Memphis Tenn.

Examiner Says Entry Concealed Bank Gift

By DEBORAH WHITE

A bank examiner testified in federal court yesterday that a false entry in First Tennessee Bank records made under the authority of bank employee Walter Jarratt concealed the bank's \$200 contribution to a political campaign in 1974.

Jarratt, a bank investigator in the BankAmericard division, is on trial on charges he helped conceal the bank's \$200 contribution to Roy Nixon's campaign for sheriff in 1974. First Tennessee Bank was known then as First National Bank of Memphis.

First Tennessee Bank and Dan Jones, chief of detectives for the Shelby County Sheriff's Department, were indicted on the same charge along with Jarratt in March. They will be tried later.

John W. Shockey, a special assistant in the U.S. office of the comptroller of the currency, testified that a bank record which said a \$200 "collection expense" had been paid by the bank to Jones for "investigative assistance" was false. Shockey, a bank examiner for 30 years, also said the entry would tend to deceive a bank examiner who saw it.

Records introduced yesterday showed that a debit ticket of \$200 was made out June 10, 1974, with the notation of "collection expense to Dan Jones for investigative assistance." The next day, a cashier's check was made out to Jones and endorsed by Jarratt and Jones.

On June 14, 1974, records showed, \$200 was deposited to Jarratt's personal check-

ing account and on July 5, 1974, a personal check of \$200 was made out by Jarratt to "Friends of Roy Nixon." Nixon won the 1974 sheriff's race and was elected county mayor in 1975.

Hal Gerber, an attorney for Jarratt, said, "What Jarratt did in no way defrauded anyone and this is a key part of what the government is required to prove."

In opening statements to the jury yesterday, Asst. U.S. Atty. John Mulrooney said Jarratt caused the entry to be made that the \$200 check to Jones was for investigative assistance when Jarratt knew it was for a campaign contribution.

Mulrooney said Jones returned the check to Jarratt saying it would look better if the check came from Jarratt personally. Then Jarratt wrote a personal check to the Nixon fund, Mulrooney said.

Gerber in his opening statements to the jury said that after Jones asked Jarratt for a contribution from the bank, Jarratt sought the advice of a superior in the bank. "It was determined it was not illegal for the bank to make a contribution to a local campaign, so a check was made out to Jones and later given back because it was thought it would look better if it came from Jarratt personally."

Gerber said Jarratt deposited the \$200 check in his account and delivered a \$200 check to Jones for the Nixon fund.

"He had no intention to defraud anyone. He had nothing to gain for himself," Gerber said. "The key to the whole situation is not whether he made a false entry.

Even if there was, it does not satisfy the need of the government to prove an intent to defraud."

Gerber made a motion for a judgment of acquittal after the government rested its proof yesterday afternoon, but U.S. Dist. Judge Robert M. McRae overruled the motion.

(Found Guilty)

Gerber contended grand jury testimony introduced into evidence yesterday through a court reporter showed Jarratt had no intent to defraud.

Jarratt is scheduled to take the stand today in his defense when the trial resumes at 9:30 a.m., Gerber said. Testimony is expected to end today.



FEDERAL ELECTION COMMISSION

1125 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Walter Jarratt
1224 Huntsman Lane
Memphis, Tennessee 38138

RE: MUR 607 (78)

Dear Mr. Jarratt:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found that you may have violated certain provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically, it appears that you have violated 2 U.S.C. §441b as an officer of a national bank by consenting to a political contribution by the bank to Roy Nixon's campaign for sheriff. We have numbered this matter MUR 607.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. 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.

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten days after your receipt of this notification.

If you have any questions, please contact Christopher Tow, the attorney assigned to this matter at (202)523-4073.

This matter will remain confidential in accordance with 2 U.S.C. §437g(a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public.

-2-

If you intend to be represented by counsel in this matter, please have such counsel so notify us in writing.

Sincerely,

William C. Oldaker
General Counsel



FEDERAL ELECTION COMMISSION

1125 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

First Tennessee Bank
c/o Mr. Cullen Kehoe, President
P.O. Box 84
Memphis, Tennessee 38101

RE: MUR 607 (78)

Dear Mr. Kehoe:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found that the bank may have violated certain provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically, it appears that the bank has violated 2 U.S.C. §441b by making a political contribution to Roy Nixon's 1974 campaign for sheriff. We have numbered this matter MUR 607.

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Sincerely,,

William C. Oldaker
General Counsel

MUR 607

May 18, 1978

MEMORANDUM TO: Marge Ewons
FROM: Elissa T. Carr
SUBJECT: Referral from the Comptroller of the
Currency

Please have the attached referral distributed to the
Commission on an informational basis.

Thank you.

79040111297

NCC 3581
NRW

Comptroller of the Currency
Administrator of National Banks

Washington, D.C. 20219

May 18, 1978

William Oldaker, General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

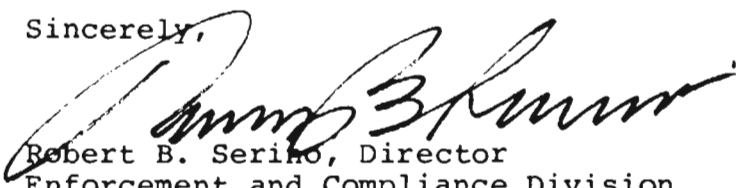
Re: Prosecution of Political Contributions by a National Bank

Dear Mr. Oldaker:

For the past year, Mr. John W. Shockey, my Special Assistant, has been assisting the United States Attorney's Office in Memphis, Tennessee, in the preparation and prosecution of certain individuals and the bank for making a political contribution in 1974 to a local sheriff. The facts of the case were that the bank made a \$200 contribution and reflected the payment in the books and records of the bank as a "collection expense" to Dan Jones for "investigative assistance." In fact, the cashier's check was deposited to the personal checking account of the employee who then made a personal check to the campaign for the local sheriff. There were two separate federal trials. The first, in July, 1977, resulted in the conviction of the bank officer for making a false entry in the books and records of the national bank. The second trial, recently concluded, resulted in the conviction of the bank qua bank and a member of the sheriff's department who solicited the payment for aiding and abetting the making of a false entry in the books and records of the bank.

Enclosed for your information are copies of the newspaper clippings concerning this matter.

Sincerely,


Robert B. Serino, Director
Enforcement and Compliance Division

Enclosures

July 1977

Jarratt Trial - Memphis Tenn.

Examiner Says Entry Concealed Bank Gift

By DEBORAH WHITE

A bank examiner testified in federal court yesterday that a false entry in First Tennessee Bank records made under the authority of bank employee Walter Jarratt concealed the bank's \$200 contribution to a political campaign in 1974.

Jarratt, a bank investigator in the BankAmericard division, is on trial on charges he helped conceal the bank's \$200 contribution to Roy Nixon's campaign for sheriff in 1974. First Tennessee Bank was known then as First National Bank of Memphis.

First Tennessee Bank and Dan Jones, chief of detectives for the Shelby County Sheriff's Department, were indicted on the same charge along with Jarratt in March. They will be tried later.

John W. Shockey, a special assistant in the U.S. office of the comptroller of the currency, testified that a bank record which said a \$200 "collection expense" had been paid by the bank to Jones for "investigative assistance" was false. Shockey, a bank examiner for 30 years, also said the entry would tend to deceive a bank examiner who saw it.

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ing account and on July 5, 1974, a personal check of \$200 was made out by Jarratt to "Friends of Roy Nixon." Nixon won the 1974 sheriff's race and was elected county mayor in 1975.

Hal Gerber, an attorney for Jarratt, said, "What Jarratt did in no way defrauded anyone and this is a key part of what the government is required to prove."

In opening statements to the jury yesterday, Asst. U.S. Atty. John Mulrooney said Jarratt caused the entry to be made that the \$200 check to Jones was for investigative assistance when Jarratt knew it was for a campaign contribution.

Mulrooney said Jones returned the check to Jarratt saying it would look better if the check came from Jarratt personally. Then Jarratt wrote a personal check to the Nixon fund, Mulrooney said.

Gerber in his opening statements to the jury said that after Jones asked Jarratt for a contribution from the bank, Jarratt sought the advice of a superior in the bank. "It was determined it was not illegal for the bank to make a contribution to a local campaign, so a check was made out to Jones and later given back because it was thought it would look better if it came from Jarratt personally."

Gerber said Jarratt deposited the \$200 check in his account and delivered a \$200 check to Jones for the Nixon fund.

"He had no intention to defraud anyone. He had nothing to gain for himself," Gerber said. "The key to the whole situation is not whether he made a false entry.

Even if there was, it does not satisfy the need of the government to prove an intent to defraud."

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(Found Guilty)

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Jarratt is scheduled to take the stand today in his defense when the trial resumes at 9:30 a.m., Gerber said. Testimony is expected to end today.

First 2006. July 1977

Second Sub, April 1978

COMMERCIAL APPEAL, Thursday, April 20, 1978

Bank's Official Disputes Political Gift Discussion

By OTIS L. SANFORD

First Tennessee Bank vice president Troy Barron testified yesterday that he did not discuss with another bank official the legality of a \$200 bank contribution to Shelby County Mayor Roy Nixon's 1974 campaign for sheriff before the money was given to former Asst. Chief Deputy Sheriff Dan Jones.

Barron, disputing testimony Monday by former bank investigator Walter Jarratt, said "the answer would have been no" if he had been asked if a political contribution from the bank was legal.

Jarratt testified Monday during the trial of Jones and the bank before U.S. District Judge Robert M. McRae Jr. that Jones asked him "in behalf of the bank" for a contribution to Nixon's campaign, and he later consulted Barron concerning the legality of such a contribution.

Jarratt said he and Barron read a handbook for national bank guidelines and determined that the contribution was legal because it was not going to a candidate in a federal election.

Jones and First Tennessee are charged with aiding and abetting Jarratt to make a false entry on bank records that a \$200 "collection expense" had been paid by then First National Bank to Jones for "investigative assistance" when the money really went to Nixon's campaign "by a series of maneuvers."

Jarratt was convicted in July of concealing the bank's \$200 contribution.

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Mulrooney, apparently relying almost entirely on the testimony of Jarratt, called only one other witness — John W. Shockey,

senior national bank examiner for the U.S. Treasury Department, who testified as an expert witness on falsification of bank records.

Shockey said that "assuming" the \$200 went to Nixon's campaign, "it would be a false entry" to indicate on a bank debit ticket that the money was given to Jones for investigative assistance.

Under questioning from the bank's attorney Edward G. 'Mike' Grogan, Barron said he was "positive (the meeting between he and Jarratt) did not take place."

He said the first time he learned of the contribution was after federal prosecutors issued a subpoena for bank records in connection with their investigation of Jones in another case.

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Jarratt testified Monday that he gave the \$200 campaign contribution to Jones because he wanted to assure the "continued assistance" of the sheriff's department in investigating credit card fraud.

Jarratt said, however, that he personally contributed to Nixon's campaigns in 1970 and 1972, but said he made those contributions voluntarily.

After Mulrooney rested the government case, Grogan and one of Jones' attorneys, Ike Clinton, asked McRae for a directed verdict of acquittal.

McRae denied the requests.

Jones is expected to testify in his own behalf today.

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Jarratt Claims Contribution Was For Bank

By OTIS L. SANFORD

Former First Tennessee Bank investigator Walter Jarratt testified yesterday he was "acting in behalf of the bank" when he gave a \$200 contribution to Roy Nixon's campaign for sheriff in 1974.

Jarratt said he made the contribution at the request of former Asst. Chief of Police Sheriff Dan Jones. Jones said he wanted to assure the "committee" of the sheriff's department in investigating credit card fraud.

Jarratt, the only witness to testify yesterday as the trial of Jones and the bank got underway before U.S. District Court Judge Robert M. McRae Jr., said the head of the sheriff's department was necessary in investigating thefts of credit cards.

He said the \$200 contribution, made payable to "Friends of Roy Nixon," came from the bank's "collection in expense" account which was used to pay for credit card investigations.

Jones and First Tennessee are charged with aiding and abetting falsification of bank records in connection with the contribution to Nixon's campaign. Nixon is Shelby County mayor.

The indictment, returned in March, 1977, charges that Jones and the bank helped Jarratt to enter on bank records that a \$200 "collection expense" had been paid by the bank to Jones for "investigative assistance" when the money really went to Nixon's campaign by a series of maneuvers.

Jarratt, 37, was convicted in July on charges of concealing the bank's contribution.

Bank attorneys contend Jarratt acted alone in falsifying the records and making the \$200 contribution, and attorney Jones claims the former chief of deputies told Jarratt for a personal contribution toward Nixon's reelection efforts in 1974.

Contributions to political campaigns by a corporation was a violation of state law, but making false entries or aiding and abetting the making of false entries was a violation of federal law.

Jarratt, who spent more than an hour on the stand yesterday, was questioned by Asst. U.S. Atty. John Mulrooney. Jarratt said he worked as an investigator in the bank's BankAmerica (now Visa) division until his dismissal in July.

Much of the testimony was a re-

over a handbook for national banks and determined that the contribution to Nixon's campaign was legal.

Jarratt said that according to the handbook it was "obvious it was against the law for a national bank to make a contribution in a national election, but we could find nowhere in there where it was illegal to make a contribution to a local election."

Jarratt testified Jones authorized a \$200 cash check to be made out with a notation of "collection expense to Dan Jones for investigative assistance," and the next day Jarratt's check was made out to Jones.

Jarratt said Jones told him, "It would look better if the money came from me rather than a cashier's check." Jarratt said he then deposited the check in his personal account and about three weeks later gave Jones his personal check for \$200 made payable to "Friends of Roy Nixon."

In his direct examination of Jarratt, Mulrooney focused on the contribution request from Jones:

Q — Did you know what the money was for?

A — It was for the re-election of Roy C. Nixon.

Q — Were you acting in behalf of yourself or someone else in making the campaign contribution?

A — In behalf of my employment, in behalf of the bank. (Jarratt earlier said he was never asked for a personal campaign contribution.)

Q — At the time you approved the campaign contribution, were you in need of the sheriff's department's assistance (in investigating credit-card fraud)?

A — Yes, sir.

McRae adjourned court at the conclusion of Jarratt's testimony. He will be questioned today by Jones' attorneys, Ike Clinton and Robert Colvin, and by the bank's lawyers, Michael Pleasants and Edward G. "Mike" Grogan.

In opening statements yesterday, Grogan told jurors Jarratt "acted on his own" in falsifying the bank records and said First Tennessee was "also a victim in this case." Grogan also cautioned the jurors that the bank is not charged with making a

campaign contribution.

Clinton, in his preliminary remarks, said Jones "didn't have a thing in the world to do with bank records." He said Jones asked Jarratt, "Can you help my boss (Nixon) get re-elected with a campaign contribution?"

"That's all Dan did," Clinton said.

McRae and the attorneys spent several hours yesterday selecting a jury to hear the case. Prospective jurors were questioned at length concerning whether they dealt with First Tennessee Bank, whether they owned credit cards and whether they had ever heard of Dan Jones.

Several persons who were called, including an employee of WMPB radio, told McRae they had never heard of Jones, while others said they had read about him in the newspapers or seen his picture on television.

Jones was the subject of front-page headlines after his November trial when he was appointed by Nixon to a top position at the Shelby County Penal Farm. The appointment sparked heavy public criticism and Nixon later fired Jones.

MEMPHIS PRESS-SCIMITAR, WEDNESDAY, APRIL 19, 1978

Ex-Bank Investigator Tells of Contribution to Nixon

By PEGGY BURCH

Press-Scimitar Staff Writer

A former First Tennessee Bank investigator testified in federal court that he contributed \$200 "on behalf of" the bank to Shelby County Mayor Roy Nixon's 1974 campaign for sheriff because the bank needed the cooperation of the sheriff's department to conduct investigations on credit card fraud cases.

Walter Jarratt, who was in charge of the bank's credit card fraud investigations until he was fired last year, was the government's first witness yesterday in the trial for First Tennessee Bank and Dan Jones, former chief of detectives for the Sheriff's Department.

Jarratt, Jones and the bank were indicted on charges that they helped each other falsify bank records concerning the \$200 contribution to Nixon's campaign. The contribution was listed in the bank's records as a payment to Jones for "investigative assistance," according to the indictment.

Jarratt, who was convicted on the charge in a trial last July, said Jones asked him in June of 1974 if he would contribute to Nixon's campaign. He said he often had dealings with Jones in his work because the bank investigators needed the assistance of sheriff's deputies to complete their credit card fraud investigations and Jones was in charge of assigning deputies to those investigations.

Jarratt said he and Troy Barron, a bank vice president, searched a comptroller's manual to see if it was illegal for a bank to make political campaign contributions and

could find no prohibitions about banks making contributions to local elections.

He testified that when he and another investigator went to Jones' office to turn over the check drawn on an account Jarratt controlled at the bank, Jones gave him back the check because "he said it would look better if the money came from me instead of the bank." Jarratt said he deposited the bank check in his personal account and, 21 days later, wrote a personal check for \$200 to the "Friends of Roy Nixon" campaign fund.

First Tennessee is represented in the trial by attorneys Edward G. Grogan and Michael Pleasants. Jones is represented by Robert Colvin and Ike Clinton.

The trial before U.S. District Judge Robert M. McRae Jr. began after an unusually long jury selection process that started yesterday at 9:30 a.m. and was completed at 2:45 p.m. Prospective jurors were questioned at length about whether they knew of Jones because of publicity concerning his conviction last November on federal extortion charges and his later appointment to another county job. After the conviction, Jones was named by Nixon to an administrative position at the Shelby County Penal Farm, but Nixon was forced to dismiss him because of a flurry of criticism about the appointment.

In his opening statement to jurors, Grogan said that Jarratt "acted on his own for his own benefit" in the incident concerning the campaign contribution. Jarratt "deceived the bank," Grogan said. "This bank has long had a written policy specifically

stating that the bank would not make political contributions. We believe that in the end of this matter, you will find Mr. Jarratt not only deceived the comptroller of the currency, he deceived the bank itself."

Clinton, representing Jones, told jurors in his opening statement that Jones was not involved in the organized political campaign for Nixon and that he "simply called a number of people he knew, asking if they would or could make a contribution."

Jarratt worked with the Sheriff's Department as a special reserve deputy as well as in his capacity as a bank investigator, Clinton said, and Jones solicited a contribution from him as a matter of course.

"That's all Dan did," Clinton told the jurors. "He didn't undertake to tell him (Jarratt) how much to contribute or when or whether to make it a check or a money order."

"Dan Jones had nothing to do with him making a false entry if he did," Clinton said. "Dan did tell Mr. Jarratt he would appreciate a \$200 contribution from him; more than he would from a big bank. But he didn't make any entries and he didn't tell anyone else to make any entries in the bank records."

Assistant U.S. Attorney John J. Mulrooney told the jurors that Jones requested an "improper and illegal political campaign contribution" from the bank.

"At the time Mr. Jarratt made the contribution, he was acting on behalf of the bank to secure the good will and favor of the Sheriff's Department" for future help in credit card investigations, Mulrooney said.

The government planned to rest its case against the defendants today.

PAGES 15 TO 22

THE COMMERCIAL APPEAL

Memphis, Tenn., Saturday Morning, April 22, 1978

Jury Finds Jones, First Tennessee Guilty

By OTIS L. SANFORD

Dan Jones and First Tennessee Bank were convicted yesterday of helping falsify bank records to cover up a \$200 bank contribution to Roy Nixon's 1974 campaign for sheriff.

The jury deliberated about 4½ hours yesterday before bringing back the guilty verdicts to a jammed courtroom at 3:21 p.m. Jones, who appeared confident earlier in the day that he would be acquitted, hung his head as jury foreman Larry D. Cox read to U.S. Dist. Judge Robert M. McRae.

Attorneys, Ike Clinton and Robert McRae, as well as bank attorneys Edward J. Grogan and Michael Pleasants, expressed disappointment at the jury's decision.

Jones, a former assistant chief deputy sheriff in charge of the detective division, was indicted along with the bank in March 1977 on charges of aiding and abetting former bank investigator Walter Jarratt to make a false entry on bank records. The indictment charged, among other things, the falsification of a \$200 "collection expense" had been paid by the bank, then First National Bank, to Jones for "investigative assistance" when the money really went to Nixon's successful campaign for sheriff in 1974.

Jarratt, who was convicted in July of concealing the \$200 contribution, was the government's key witness during this week's trial of Jones and First Tennessee. He testified that Jones asked him for a campaign contribution "in behalf of the bank."

Jarratt said he discussed the request

with bank vice president Troy Barron and they determined that it was not illegal to contribute to a local political campaign. Barron denied such a conversation ever took place.

Jones testified during the four-day trial that he asked Jarratt for a personal campaign contribution, and the bank contended that Jarratt acted alone in concealing the \$200 contribution.

Jones could be sentenced to a maximum of five years in prison and fined \$5,000. The bank faces a maximum fine of \$5,000. McRae is expected to sentence Jones, the bank and Jarratt later. Jones has already been sentenced to a year and a day in federal prison on an extortion conviction late last year.

Jones, perspiring heavily as he left the courtroom yesterday afternoon, said he was "completely surprised and disappointed" by the guilty verdict.

"I can't believe the jury found me guilty of falsifying bank records. I did not alter or cause to be altered any bank records."

Jones said he thought the jury may have been confused about the charges and may have thought he was indicted on charges of soliciting an illegal campaign contribution.

"Certainly something's wrong," he said. Jones was found guilty in November on 55 counts of illegally taking money for credit-card fraud investigations conducted by the sheriff's department in which he did not participate. He has appealed the conviction to the U.S. Sixth Circuit Court of Appeals in Cincinnati and said he would appeal yesterday's verdict.

The tall, stocky Jones said he felt public-

ity surrounding his earlier conviction and his brief appointment by Nixon to a top position at the Shelby County Penal Farm probably hurt his chances with the jury.

"You're talking to the hottest potato in the South," he said. "I've received undue publicity and criticism and I've always felt that way, and I'm unhappy about it. This was a political issue from the start and I'm the one whose shoulders it's been upon."

Bank attorneys said they will appeal the conviction. Nixon, now Shelby County mayor, was not available for comment yesterday.

Ron Terry, chairman of First Tennessee National Corporation, the parent company of First Tennessee Bank, was told of the decision shortly after he arrived here yesterday afternoon from Chattanooga, said Mike Houseal, director of public relations for First Tennessee Bank.

"I'm aware an appeal would be both time consuming and expensive," Houseal quoted Terry as saying. "We will strongly consider it because of the strong conviction that justice has not been served."

Houseal said Terry told him he was disappointed "by any decision that would find the bank guilty of aiding and abetting the falsification of records. I was disturbed at the indictment and greatly disappointed in the verdict."

"Throughout the investigation, the bank went out of its way to develop facts and report them to the U.S. attorneys. In my judgment, if a crime was committed it was against the bank and not by it," Terry said.

The jury began deliberations at 9:30 a.m. yesterday and reported to McRae at

12:30 p.m. that it had reached a verdict on one of the defendants. The verdict was not disclosed and jurors continued deliberations at 1:45 p.m.

In an unusual move, McRae granted a jury request to be read a transcript of Jones' testimony under cross-examination by Asst. U.S. Atty. John Mulrooney. The panel then resumed its deliberations and returned to McRae's court about 10 minutes later with the guilty verdicts.

During Mulrooney's cross-examination of Jones on Thursday, the former deputy was questioned concerning a \$100 check which had been paid to Jones by the bank for "investigative services." The check was endorsed by Jones and the "Friends of Roy Nixon" campaign committee. Jones testified that he did not remember receiving the check.

Jones also was asked by Mulrooney if he knew it was against state law for sheriff's department employees to solicit funds for political campaigns. He said he had never heard of such a law.

Mulrooney then attempted to introduce into evidence a County Sheriff's Civil Service Law passed by the Tennessee General Assembly in 1974. However, the act does not have local effect until it is ratified by two-thirds of the county court. McRae ruled that the state law was inadmissible in the case.

Asst. County Atty. Lee Winchester said yesterday the 1974 law has never been adopted by the Shelby County Court.

(Picture on Page 1)



Dan Jones (With Him Are



FEDERAL ELECTION COMMISSION

1125 K STREET N.W.
WASHINGTON, D.C. 20461

THIS IS THE BEGINNING OF MUR # 607

Date Filmed 3/16/79 Camera No. --- 2

Cameraman bpc