



FEDERAL ELECTION COMMISSION

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

THIS IS THE END OF MUR # 806

Date Filmed 4/18/79 Camera No. --- 2

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FEDERAL ELECTION COMMISSION

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

January 26, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Dana W. Haas
516 Cannon House Office Building
Washington, D.C. 20515

RE: MUR 806

Dear Mr. Haas:

On January 25, 1979, the Commission voted to find no reasonable cause to believe that a violation of 2 U.S.C. §§434(b)(5); 441a(a)(1)(A); or 441a has occurred and to terminate its investigation in MUR 806. A copy of the Commission's determination and the General Counsel's Report is enclosed for your information. Accordingly, the Commission intends to close its files in this matter.

Sincerely,

William C. Oldaker
General Counsel

Enclosures

1. Commission certification
2. General Counsel's Report





FEDERAL ELECTION COMMISSION

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

January 26, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Gordon Garrett
Campaign Director
Don Allegrucci for Congress
Committee
P.O. Box 1536
Pittsburg, Kansas 66762

RE: MUR 806

Dear Mr. Garrett:

On January 25, 1979, the Commission voted to find no reasonable cause to believe that a violation of 2 U.S.C. §§434(b)(5); 441a(a)(1)(A); or 441g has occurred and to terminate its investigation in MUR 806. A copy of the Commission's determination and the General Counsel's Report is enclosed for your information. Accordingly, the Commission intends to close its files in this matter.

Sincerely,

William C. Oldaker
General Counsel

Enclosures

1. Commission certification
2. General Counsel's Report



BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Dr. Robert Whittaker, and)
The Whittaker for Congress)
Committee (Kansas))

MUR 806

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on January 25, 1979, the Commission determined by a vote of 5-0 to adopt the following recommendations, as set forth in the General Counsel's Report dated January 19, 1979, regarding the above-captioned matter:

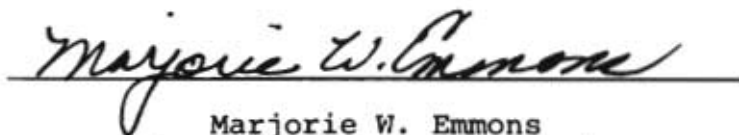
1. Find no reasonable cause to believe a violation of 2 U.S.C. §434(b)(5); §441a(a)(1)(A); or §441g of the Act has been committed by respondents Dr. Robert Whittaker and the Whittaker for Congress Committee.
2. Close the file.
3. Send the letters attached to the above-named report.

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

Attest:

1/25/79

Date



Marjorie W. Emmons
Secretary to the Commission

Received in Office of Commission Secretary: 1-22-79, 11:56
Circulated on 48 hour vote basis: 1-23-79, 9:00

7 9 0 4 0 1 1 3 6 5 1

January 22, 1979

MEMORANDUM TO: Marge Demons
FROM: Elissa T. Carr
SUBJECT: MUR 806

Please Have the attached General Counsel's Report on
MUR 806 distributed to the Commission on a 48 hour
tally basis.

Thank you.

79040113662

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

79 JAN 22 AM: 56

In the Matter of)
)
Dr. Robert Whittaker, and) MUR 806
The Whittaker for Congress)
Committee (Kansas))

GENERAL COUNSEL'S REPORT

On October 29, 1978, the Office of the General Counsel received a complaint from Gordon Garrett, Campaign Director of the Don Allegrucci for Congress Committee against Dr. Robert Whittaker and the Whittaker for Congress Committee. The complaint alleged that Whittaker received payments of \$1,000 per month from his optometric partnership throughout 1978 which Whittaker described, at various times, as salary, loans and installments in a buy-sell agreement that would be applied to purchasing Whittaker's share of the partnership if his congressional campaign was successful or a loan if it was unsuccessful.

Taking these allegations as true, there appeared to be a possible violation of the Act because neither Whittaker or the Whittaker for Congress Committee reported the receipt of these payments. Therefore, on November 28, 1978, the Commission voted to adopt the General Counsel's recommendation to find "reason to believe" a violation had occurred, and to open an investigation to determine whether the \$1,000 monthly payments Dr. Whittaker received from his optometric partnership violated 2 U.S.C. §424(b)(5) for the committee's failure to report contributions; 2 U.S.C. §441a(a)(1)(A) for the candidate's receipt of contributions in excess of the con-

tributions in excess of the contribution limitations; and in a separate transaction, 2 U.S.C. §441g for the committee's receipt of illegal cash loans. Respondents' answers to Commission questions were received by the Commission on December 14, 1978.

Analysis

Respondents' answers indicate that the \$1,000 monthly payments received by Dr. Whittaker from his optometric partnership were installments in an oral buy-out agreement whereby Dr. J. David Crum (Whittaker's partner) was to buy-out Dr. Whittaker's share of the partnership. The payments were to be applied toward the ultimate purchase price to be determined pursuant to the terms of the partnership agreement.

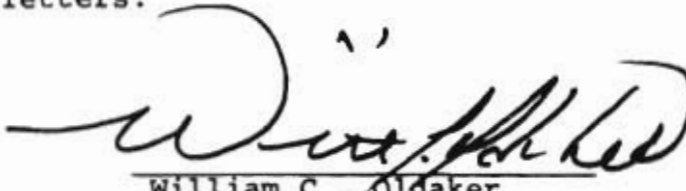
In the event that the sale did not go through, the payments received by Dr. Whittaker would serve to reduce his share of partnership profits until such time as Dr. Whittaker, at his option, repurchased that portion of the practice as reflected by the sums paid by Dr. Crum to Dr. Whittaker. The terms of this oral agreement are verified in the affidavits of Dr. Whittaker, Dr. Crum and Joseph F. Shupe, the partnership's accountant. These affidavits also indicate that the money paid to Whittaker came out of Crum's funds despite the fact that the checks used were drawn on the joint account of Whittaker and Crum at the Prairie State Bank in Augusta, Kansas. The formal "Partnership Dissolution and Purchase Agreement" was executed by Whittaker and Crum on December 26, 1978.

The possible 2 U.S.C. §441g violation concerned two "cash" loans, totalling \$15,000 that Whittaker made to his committee. Copies of cancelled checks received from Whittaker, however, demonstrate that these loans were made by check and therefore not in violation of 2 U.S.C. §441g.

Recommendation

1. Find no reasonable cause to believe a violation of 2 U.S.C. §434(b)(5); §441a(a)(1)(A); or §441g of the Act has been committed by respondents Dr. Robert Whittaker and the Whittaker for Congress Committee.
2. Close the file.
3. Send the attached letters.

1/19/79
Date


William C. Oldaker
General Counsel

Attachments

1. Respondents' answers to Commission questions
2. Partnership Dissolution and Purchase Agreement
3. Letters

File copy

BOB WHITTAKER
5TH DISTRICT, KANSAS

COUNTIES

ALLEN	LABETTE
ANDERSON	LISS
BOURBON	LYON
BUTLER	MIAMI
CHASE	MONTGOMERY
CHAUTAUQUA	MORRIS
CHEROKEE	NEDESHO
COFFEY	OSAGE
COWLEY	SEDERWICK
CRAWFORD	SUMNER
ELK	WILSON
GREENWOOD	WOODSON
HARPER	

Congress of the United States
House of Representatives

Washington, D.C. 20515 AM 11:39



WASHINGTON OFFICE:
516 CANNON HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515
(202) 225-3911

January 9, 1979

Mr. Scott Rinn
Federal Election Commission
1325 K. Street N. W.
Washington, D. C. 20463

900146

In Re: MUR 806

Dear Mr. Rinn:

Here is a copy of the partnership dissolution agreement entered into between Congressman Whittaker and Dr. Crum.

Paragraph '2' of the agreement acknowledges the receipt of \$12,000 received in 1978 and adjusts the purchase price accordingly.

I hope that this additional information is sufficient to resolve this matter. As we discussed on the phone, although the money was paid through a joint account, all the money in that account for 1978 was Dr. Crum's income.

If there is anything else we can provide you with, please contact me and I will do all that I can to satisfy your requests.

Sincerely,

Dan Haas

Dan Haas
Attorney at Law

7 2 0 4 0 1 1 3 6 6 7

PARTNERSHIP DISSOLUTION AND PURCHASE AGREEMENT

Whittaker and Crum, Optometrists

Whereas, an agreement of partnership was entered into on the 1st day of January, 1970, between Dr. Robert R. Whittaker, O.D. and Dr. J. David Crum, O.D. for carrying on the business of optometry under the name of Whittaker and Crum; and

Whereas, Dr. Whittaker and Dr. Crum have agreed to dissolve the partnership by mutual consent;

It is agreed as follows:

1. Transfer of Interest. Dr. Robert Whittaker hereby assigns and transfers to Dr. J. David Crum all of his right, title, and interest as a partner in the firm of Whittaker and Crum, and in its assets, good will and firm name, and all of his rights under the partnership agreement for the sum and in the manner set out herein.

2. Payments. Dr. J. David Crum agrees to pay to Dr. Robert Whittaker for his share of the partnership the sum of \$74,151.25; \$12,000 of which sum has already been paid pursuant to an oral agreement between the parties and the receipt of which is hereby acknowledged by Dr. Whittaker. The remaining \$62,151.25 is to be paid off in monthly installments ranging between \$700 and \$1,300, at Dr. Crum's option, commencing the 20th day of January, 1979, and payable on the 20th day of each succeeding month until paid in full. The purchase price must be fully paid off within 10 years; the final payment being due no later than December 20, 1988, in an amount equal to the outstanding balance plus interest.

Interest on the above sum shall be figured by applying a rate equal to 1% less than the average interest rate charged by Augusta Bank & Trust and Prairie State Bank to its preferred customers, to the outstanding balance each month. Monthly payments are to be applied first to interest then to reduction of principle. The interest rate is to be adjusted at the first of each year to reflect any changes in the rate and the rate at the first of the year shall apply for that full year.

3. Firm Liabilities. Dr. Crum shall promptly pay when due all of the liabilities of the partnership and will indemnify and hold harmless Dr. Whittaker from all such liabilities.

4. Insurance on Parties. Each party shall keep in full force and effect the \$60,000 whole life policy which each owns on the others life, until such time as this contract is paid in full or Dr. Crum acquires a new partner. At this time each party shall be allowed to purchase the policy on his own life from the other.

5. Death of Whittaker. Should Dr. Whittaker die prior to Dr. Crum paying off this agreement, Dr. Crum shall continue making the monthly payments to Dr. Whittaker's spouse or surviving heirs in a manner which Dr. Whittaker may designate in his will or codicil thereto, which is consistent with the terms of this agreement. Dr. Crum

is obligated to continue making the payments as set out in Clause 2 of this agreement, and shall not accelerate the payments beyond the maximum payment allowed in Clause 2.

6. Death of Crum. Should Dr. Crum die prior to taking in a new partner, Dr. Whittaker agrees to transfer the proceeds of the \$60,000 whole life policy set out in Clause 4 to Dr. Crum's surviving spouse or heirs in return for which the ownership of the entire practice, including all records and accounts, will revert to Dr. Whittaker to be disposed of as Dr. Whittaker sees fit, with all proceeds of any disposition being the property of Dr. Whittaker; any outstanding debt owed by Dr. Crum under this agreement being canceled.

Except for the contingency set out in the first paragraph of this clause, Dr. Crum binds his estate to fully pay off the outstanding balance owed under this agreement in the event Dr. Crum should die prior to making full payment under this agreement.

7. Covenant Not to Compete. Dr. Whittaker agrees that he shall not for a period of ten years from the date of this dissolution, either alone, or jointly with, or as agent for any person, directly or indirectly, set up, exercise or carry on the trade or business of optometry within the counties of Butler, Cowley, Greenwood, Marion, and Sedgwick, all in Kansas; and shall not set up, make or encourage any opposition to the said trade or business hereafter to be carried on by Dr. Crum, his representatives or assigns. Should Dr. Whittaker violate this covenant, he agrees to repay to Dr. Crum 100% of the purchase price under this agreement to be deemed liquidated damages and not a penalty; plus any other additional damages, real and provable.

In addition to the above provision, Dr. Whittaker further agrees not to return to Butler County in competition with Dr. Crum or assigns for an additional five years after this purchase contract is paid in full. For any violation of this provision, Dr. Whittaker binds himself to Dr. Crum for a sum equal to 50% of the purchase price under this agreement, to be deemed liquidated damages and not a penalty; plus any additional damages real and provable.

8. Insurance on Crum. Dr. Whittaker agrees to maintain a term-life insurance policy on Dr. Crum's life, payable to Dr. Crum's wife in the amount of \$100,000 for a period of two years from the date of this agreement, or until Dr. Crum brings in a new partner, whichever occurs first.

9. Additional Documents. Dr. Whittaker shall execute and deliver any additional documents that may reasonably be required to assure Dr. Crum of all the assets of the partnership, together with the exclusive right to its good will, trade name, customer lists, books of account, contracts, files, and all similar items used in connection with the operation of the partnership business.

10. Arbitration. The parties to this agreement agree with

one another that should any dispute arise under this agreement they shall first submit the dispute to a third party agreeable to both for negotiation and only upon such negotiation proving unsuccessful, shall either party take legal action against the other.

This Agreement to be effective the 31st day of December, 1978.

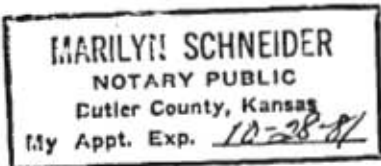
Robert F. Whittaker

Dr. Robert F. Whittaker

J. David Crum

Dr. J. David Crum

Subscribed and Sworn to before me this 26th day of December, 19 78.



Marilyn Schneider

Notary Public

COONROD & HAAS

attorneys at law

BRETT COONROD

P.O. BOX 87
423 STATE STREET

AUGUSTA, KANSAS 67010
(316) 775-2274

DANA W. HAAS

78 DEC 14 PM 1:16

December 11, 1978

Federal Election Commission
1325 K. Street N.W.
Washington, D.C. 20463

RE: MUR 806

000449

Dear Commissioners:

This is to inform you that I will be representing Congressman-Elect Robert Whittaker in this matter before the Commission.

I have enclosed the answer to your requested questions, along with affidavits and exhibits. Please be informed, however, that we never received a copy of the complaint filed with your Commission. The cover letter you sent with your questions refers to a copy of the complaint being enclosed. Neither the letter sent to Dr. Whittaker nor the copy sent to R. G. Maddy, campaign treasurer, included the complaint itself. We, therefore, must respectfully submit that our prepared answer is contingent upon receiving a copy of the actual complaint; and we reserve the right to amend our answer after receiving the complaint, should it be necessary, prior to any formal action by the Commission.

Please send a copy of the complaint immediately, so that I can determine if an amendment to our answer is necessary. It will expedite matters greatly, if a copy is sent directly to me.

We are anxious to bring this matter to a speedy conclusion and are willing to cooperate with the Commission in any way which will facilitate matters. If you need any further information prior to taking action, please do not hesitate to call on me. I will assist you in anyway I can.

Thank you for your prompt attention to this matter.

Sincerely,

Dana W. Haas

Dana W. Haas
Attorney at Law

Enclosures

mss



BOB WHITTAKER

Congress • Fifth District

**BOB WHITTAKER CAN WORK FOR YOU
... BECAUSE HE'S WORKED WITH YOU.**

December 9, 1978

Federal Election Commission
1325 K. Street N.W.
Washington, D.C. 20463

Dear Commissioners:

Enclosed please find the answer I have prepared with the assistance of my legal counsel. I believe we have provided you with all the information you have asked for in your questions.

I have great hopes that this matter will be resolved in the very near future. I have the utmost respect for this commission and the law over which you must regulate. Be assured that you will have my fullest cooperation in bringing this matter to a speedy conclusion. If there is any further information that I can provide you with before you take any final action on this complaint, please do not hesitate to call me or my legal counsel. We will assist you in anyway we can.

I hasten to add that I feel that I have violated no law in this matter. Never would I intentionally or knowingly set out to do anything illegal or attempt to circumvent the law in anyway. It is my sincerest hope that the information I have provided will dispose of this matter so that I may get on with the business of representing my district in the United States Congress.

Respectfully,

Robert R. Whittaker

Enclosures

mss

2330 N. OHIO ST. • AUGUSTA, KANSAS 67010 • (316) 775-5471

For Adv. pd. for by Whittaker for Congress Comm. Ronald G. Maddy, Treasurer
A copy of our report is filed with The Federal Election Commission and is
available for purchase from Federal Election Commission, Washington, D.C.

7 2 0 4 0 1 1 3 6 7 2

TO: THE FEDERAL ELECTION COMMISSION
RE: MUR 806 ANSWERS TO REQUESTED QUESTIONS
FROM: CONGRESSMAN-ELECT DR. ROBERT R. WHITTAKER

1. Did you receive any payments from an optometric partnership of which you are or were a partner, while you were a candidate for federal office in 1978?

ANSWER: YES

2. If the answer to question number (1) is yes, please provide the following information:

a. the name and address of the partnership

ANSWER: Whittaker and Crum
Augusta Plaza
Augusta, Kansas 67010

b. the members of the partnership

ANSWER: Dr. Robert R. Whittaker, O.D.
Dr. J. David Crum, O.D.

c. the manner of payment, (i.e. check or other)

ANSWER: Check

d. the number of payments you received in 1978

ANSWER: Twelve (12)

e. the date of each payment

ANSWER: January 6, February 2, February 17, (February payment was made in two installments equalling \$1,000), March 3, April 7, May 5, June 9, July 14, August 18, Sept. 8, Oct. 13, Nov. 10, December owed but not yet paid.

f. the amount of each payment

ANSWER: \$1,000

g. a photostatic copy of each payment

ANSWER: See Exhibit No. 1, attached hereto.

3. Did you or your Committee report the receipt of each payment referred to in question number one to the Federal Election Commission?

ANSWER: NO

4. If the answer to question number three (3) is yes, please provide the following information: a photostatic copy of each page of any report filed in 1978 indicating the itemized receipt by you or your committee of each payment referred to in question number one (1).

ANSWER: NOT APPLICABLE

5. Explain how each and every payment referred to in question number one (1) was received and treated by you and the Whittaker for Congress Committee, (i.e. loans, salary, installments in conjunction with a buy-sell agreement between you and the partnership of which you were a partner.)

ANSWER: The payments received were under an oral buy-out agreement between

Dr. J. David Crum and myself, whereby Dr. Crum was purchasing my share of the practice. The payments were to be applied toward the ultimate purchase price to be arrived at, at a later date pursuant to the terms of the partnership agreement, a copy of the relevant portions of the agreement are attached hereto as Exhibit No. 2.

The payments were never received, deposited, nor dealt with in any way by the Whittaker for Congress Committee, since it was not believed that they were a contribution or loan made to influence the outcome of the election, as defined in the Federal Election Campaign Act.

I treated these payments as a personal, private business transaction to be recorded in my personal records as capital gains from my past investment in the optometric practice, and they were so recorded on my Financial Disclosure Statement which I have filed pursuant to the Ethics in Government Act of 1978.

6. If there was a buy-sell agreement between you and the optometric partnership of which you were a partner, please provide a photostatic copy of that agreement if it was a written document, or affidavits by the principals if it was an oral agreement, concerning the terms of the agreement.

ANSWER: There was no written buy-out agreement during the time I received these \$1,000 payments. An Augusta, Kansas attorney Dana W. Haas, is currently preparing a combination dissolution and purchase agreement to be signed by Dr. Crum and myself prior to my moving to Washington.

Attached hereto are the following affidavits of the principals involved:

Affidavit of Dr. J. David Crum--Exhibit No. 3a

Affidavit of Joseph F. Shupe--Exhibit No. 3b

Affidavit of Dr. Robert R. Whittaker--Exhibit No. 3c

7. Provide a photostatic copy of your partnership's agreement used to allocate partnership profits. Include the name and current address of the person in charge of its administration.

ANSWER: See Exhibit No. 4--Original Agreement

See Exhibit No. 4a--Supplement to cover the period I served in the State Legislature

Person in charge of administration: Joseph F. Shupe
Public Accountant
522 State
Augusta, Kansas 67010

8. Provide a photostatic copy of any ancillary agreement made by the partnership to provide compensation to you while you campaigned for election to Congress.

ANSWER: No written agreement was ever made. I was to receive no salary while a candidate, except for services I actually performed in the practice. I performed no services nor collected any salary while a candidate for the Kansas 5th District House of Representatives. I did return to work after the election from November 13th to 17th and 20th to 24th for which services I will be compensated.

9. For the two personal loans you made to the Whittaker for Congress Committee, one for \$10,000 on July 1, 1978, and the other for \$5,000 on July 18, 1978 state whether they were made in cash, by check or in some other way. Provide a photostatic copy of the cancelled check or the receipt evidencing these transactions.

ANSWER: See Exhibit No. 5

10. For each of the following loan repayments from the Whittaker for Congress Committee to you, state the disposition of the funds, i.e. placed in your personal bank account; given back to your optometric partnership, etc.

ANSWERS:

- a. \$1,000 on July 7, 1978

ANSWER: Check #274, dated July 26, 1978, deposited in my personal farm account with the Exchange State Bank, Douglass, Kansas.

b. \$2,000 on August 8, 1978

ANSWER: Check #289, dated August 8, 1978, deposited in my personal account with the Exchange State Bank, Douglass, Kansas.

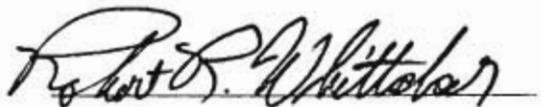
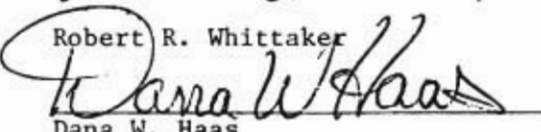
c. \$6,000 on August 28, 1978

ANSWER: Check #346, dated August 29, 1978, deposited in my personal account with the Exchange State Bank, Douglass, Kansas.

d. \$5,000 on September 20, 1978

ANSWER: Check #426, dated September 29, 1978, deposited in my personal account with the Rose Hill State Bank, Rose Hill, Kansas.

SEE EXHIBIT NO. 6

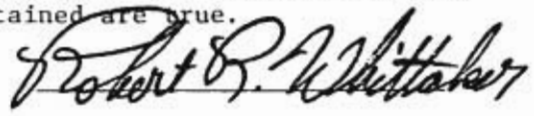

Robert R. Whittaker

Dana W. Haas
Legal Counsel

V E R I F I C A T I O N

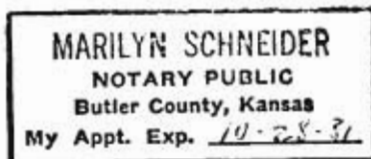
State of Kansas)
County of Butler) ss.

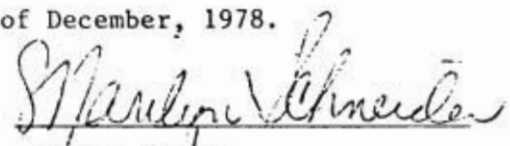
Dr. Robert R. Whittaker, of lawful age, being first duly sworn on his oath, deposes and says:

That he has answered the above questions from the Federal Election Commission, that he has read the foregoing answers, knows the contents thereof, and that the answers and attachments therein contained are true.


Robert R. Whittaker

SUBSCRIBED AND SWORN to before me this 9th day of December, 1978.




Marilyn Schneider
Notary Public

7 9 0 4 0 1 1 3 6 7 3

DR. ROBERT R. WHITTAKER
DR. J. DAVID CRUM
AUGUSTA - VALLEY CENTER

10153

PAY
TO THE
ORDER OF

Dr. Robert R. Whitaker

\$1,000.00

One thousand dollars and no/100 DOLLARS

THE TRUST COMPANY
AUGUSTA - VALLEY CENTER

ROBERT R. WHITTAKER, O. D.
J. DAVID CRUM, O. D.

FOR

001011 12930

2258 10

000001000000

DR. ROBERT R. WHITTAKER
DR. J. DAVID CRUM
AUGUSTA - VALLEY CENTER

10256

PAY
TO THE
ORDER OF

Dr. Robert R. Whitaker

\$200.00

Two hundred dollars and no/100 DOLLARS

THE TRUST COMPANY
AUGUSTA - VALLEY CENTER

ROBERT R. WHITTAKER, O. D.
J. DAVID CRUM, O. D.

FOR

001011 12930

2258 10

000000200000

DR. ROBERT R. WHITTAKER
DR. J. DAVID CRUM
AUGUSTA - VALLEY CENTER

10279

PAY
TO THE
ORDER OF

Dr. Robert R. Whitaker

\$800.00

Eight hundred dollars and no/100 DOLLARS

THE TRUST COMPANY
AUGUSTA - VALLEY CENTER

ROBERT R. WHITTAKER, O. D.
J. DAVID CRUM, O. D.

FOR

001011 12930

2258 10

000000800000

DR. ROBERT R. WHITTAKER
DR. J. DAVID CRUM
AUGUSTA - VALLEY CENTER

10339

PAY
TO THE
ORDER OF

Dr. Robert R. Whitaker

\$1,000.00

One thousand dollars and no/100 DOLLARS

THE TRUST COMPANY
AUGUSTA - VALLEY CENTER

ROBERT R. WHITTAKER, O. D.
J. DAVID CRUM, O. D.

FOR

001011 12930

2258 10

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30040113678

For Deposit Only
Robert B. White

0000 02474

PAY TO THE ORDER OF
EXCHANGE
STATE BANK
DOUGLAS, KANSAS
83-493 83-493

JAN 79 10
PAY ANY BANK
1010-0004-5

KN-9701

For Deposit Only
Exchange State Bank

Robert B. White

0000 30640

PAY TO THE ORDER OF
EXCHANGE
STATE BANK
DOUGLAS, KANSAS
83-493 83-493

FEB 14 70

For Deposit Only
Exchange State Bank

Robert B. White

0000 00000

PAY TO THE ORDER OF
EXCHANGE
STATE BANK
DOUGLAS, KANSAS
83-493 83-493

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For Deposit Only
Exchange State Bank

Robert B. White

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PAY TO THE ORDER OF
EXCHANGE
STATE BANK
DOUGLAS, KANSAS
83-493 83-493

FEB 14 70

DR. ROBERT R. WHITTAKER
DR. J. DAVID CRUM
AUGUSTA - VALLEY CENTER

10411

PAY
TO THE
ORDER OF

Dr. Robert R. Whittaker

4-7-1978

F3-1293
1011

\$1,000.00

One thousand and 00/100 DOLLARS

THE TRUSTEE OF THE
AUGUSTA VALLEY CENTER

ROBERT R. WHITTAKER, O. D.
J. DAVID CRUM, O. D.

For

⑆1011⑆1293⑆

L 2253 L⑆

⑈0000100000⑈

DR. ROBERT R. WHITTAKER
DR. J. DAVID CRUM
AUGUSTA - VALLEY CENTER

10491

PAY
TO THE
ORDER OF

Dr. Robert R. Whittaker

5-5-1978

F3-1293
1011

\$1,000.00

One thousand and 00/100 DOLLARS

THE TRUSTEE OF THE
AUGUSTA VALLEY CENTER

ROBERT R. WHITTAKER, O. D.
J. DAVID CRUM, O. D.

For

⑆1011⑆1293⑆

L 2253 L⑆

⑈0000100000⑈

DR. ROBERT R. WHITTAKER
DR. J. DAVID CRUM
AUGUSTA - VALLEY CENTER

10584

PAY
TO THE
ORDER OF

Dr. Robert R. Whittaker

6-9-1978

F3-1293
1011

\$1,000.00

One thousand and 00/100 DOLLARS

THE TRUSTEE OF THE
AUGUSTA VALLEY CENTER

ROBERT R. WHITTAKER, O. D.
J. DAVID CRUM, O. D.

For

⑆1011⑆1293⑆

L 2253 L⑆

⑈0000100000⑈

DR. ROBERT R. WHITTAKER
DR. J. DAVID CRUM
AUGUSTA - VALLEY CENTER

10673

PAY
TO THE
ORDER OF

Dr. Robert R. Whittaker

7-14-1978

F3-1293
1011

\$1,000.00

One thousand and 00/100 DOLLARS

THE TRUSTEE OF THE
AUGUSTA VALLEY CENTER

ROBERT R. WHITTAKER, O. D.
J. DAVID CRUM, O. D.

For

⑆1011⑆1293⑆

L 2253 L⑆

⑈0000100000⑈

79040113678

For Deposit only into
the First N. H. State
Bank in 1950 & 1951
account of

Dr. or Mrs. F. R. Whitman
F. R. Whitman

AT 1951 12
83-1021-1021
MAR 11 70

For Deposit Only into
Rock Hill State Bank
in account of
Dr. or Mrs. F. R. Whitman

F. R. Whitman
0601 07400

MAR 24 1970
MAR 23 70

For Deposit Only into
Exchange State Bank

F. R. Whitman

EXCHANGE
STATE BANK
D. C. 1950, KANSAS
6-12-55 10-400

JUN 13 70

For Deposit only
Dr. R. H. Whitman
Rt. 1, Box 101
Springfield, Mo. 65800

R. H. Whitman
0601 07400

JUN 13 70

DR. ROBERT R. WHITTAKER
DR. J. DAVID CRUM
AUGUSTA - VALLEY CENTER

10767

83-1223
1011

PAY TO THE ORDER OF Dr. Robert R. Whittaker \$1,000⁰⁰

One thousand and 00/100 DOLLARS

THE TRUST COMPANY OF GEORGIA
ATTEST: JAMES H. CRUM

ROBERT R. WHITTAKER, O. D.
J. DAVID CRUM, O. D.

FOR Dr. Robert R. Whittaker 10767 40 00001000000

DR. ROBERT R. WHITTAKER
DR. J. DAVID CRUM
AUGUSTA - VALLEY CENTER

10829

83-1223
1011

PAY TO THE ORDER OF Dr. Robert R. Whittaker \$1,000⁰⁰

One thousand and 00/100 DOLLARS

THE TRUST COMPANY OF GEORGIA
ATTEST: JAMES H. CRUM

ROBERT R. WHITTAKER, O. D.
J. DAVID CRUM, O. D.

FOR Dr. Robert R. Whittaker 10829 40 00001000000

DR. ROBERT R. WHITTAKER
DR. J. DAVID CRUM
AUGUSTA - VALLEY CENTER

10933

83-1223
1011

PAY TO THE ORDER OF Dr. Robert R. Whittaker \$1,000⁰⁰

One thousand and 00/100 DOLLARS

THE TRUST COMPANY OF GEORGIA
ATTEST: JAMES H. CRUM

ROBERT R. WHITTAKER, O. D.
J. DAVID CRUM, O. D.

FOR Dr. Robert R. Whittaker 10933 40 00001000000

DR. ROBERT R. WHITTAKER
DR. J. DAVID CRUM
AUGUSTA - VALLEY CENTER

11015

83-1223
1011

PAY TO THE ORDER OF Dr. Robert R. Whittaker \$1,000⁰⁰

One thousand and 00/100 DOLLARS

THE TRUST COMPANY OF GEORGIA
ATTEST: JAMES H. CRUM

ROBERT R. WHITTAKER, O. D.
J. DAVID CRUM, O. D.

FOR Dr. Robert R. Whittaker

33040113680

For Deposit Only
into Rose Hill State
Bank into account
of

Dr. or Mrs. Robert
W. Miller 36922

Robert W. Miller

0001 82106

PAY TO THE ORDER OF
ROSE HILL
STATE BANK
ROSE HILL, KANSAS

83-1021 83-1021

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Pay to the
Order of
Rose Hill State
Bank

Robert W. Miller

0001 27090

PAY TO THE ORDER OF
ROSE HILL
STATE BANK
ROSE HILL, KANSAS

83-1021 83-1021

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For Deposit Only
Robert W. Miller

0001 6731

PAY TO THE ORDER OF
ROSE HILL
STATE BANK
ROSE HILL, KANSAS

83-1021 83-1021

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Valuation of partnership clause in the Whittaker and Crum partnership agreement.

(b) Professional liability insurance premiums, overhead and cost of employees under HR10 plan shall be paid by the partnership. Mention of the foregoing specific costs shall not preclude payment of other partnership expense which will necessarily accrue.

12. VALUATION OF PARTNERSHIP FOR TERMINATION PURPOSES:

The valuation of the partnership for purposes of termination, necessitated either by death or by decision of one or both partners, shall be arrived at as follows:

(a) For the year 1970, the value would be an amount equal to the gross receipts for the year 1969.

(b) For the year 1971, the value would be an amount equal to the average of the gross receipts for the years 1969 and 1970.

(c) For the year 1972, the value would be an amount equal to the average of the gross receipts for the years 1969, 1970 and 1971.

(d) For all subsequent years, the value would be an amount equal to the average of the gross receipts for the last three years, immediately preceding the year for which the valuation was to be determined.

13. TERMINATION:

(a) It is agreed that in the event of the death of one of the partners hereto, the surviving partner shall be obligated to buy, and the estate of the deceased partner shall be obligated to sell the entire partnership interests of the deceased partner, in accordance with the following terms:

The estate of the deceased partner shall be paid a sum equal to the following:

- (a) The deceased partner's share of accrued net profits for the month of his death together with any balance due him still in the drawing account.
- (b) His undivided one-half share of the capital account, as based on the valuation method set out in Paragraph 12 herein.

It is further agreed that in the event of the death of one of the partners hereto, the surviving partner shall have the right to manage, operate and control said partnership business, without interruption,

7 9 0 4 0 1 1 3 6 8 2

AFFADAVIT

OF

Dr. J. David Crum

Augusta, Kansas

I, Dr. J. David Crum, do hereby make this affadavit freely and of my own accord and under oath, deposing and saying:

1. That I am a partner to Dr. Robert R. Whittaker in the optometric practice known as Whittaker & Crum located in the Augusta Plaza, Augusta, Kansas.

2. That I have been paying to Dr. Whittaker the sum of \$1,000 per month during 1978 out of the optometric partnership of which we are both partners.

3. That said sums of money were paid under an oral agreement between myself and Dr. Whittaker to purchase Dr. Whittaker's share of the optometric practice. That these sums were not to be considered salary nor were they a loan which Dr. Whittaker was to be compelled to repay, but rather these payments reduced the purchase price of the practice; and, in the event the sale did not go through, would serve to reduce Dr. Whittaker's share of partnership profits until such time as Dr. Whittaker, at his option, repurchased this share of the practice.

4. That the purchase agreement between myself and Dr. Whittaker is currently being prepared by Dana W. Haas, an Augusta attorney who is fully aware of the terms of this oral agreement and the effect it will have on the purchase contract.

5. That I have never knowingly or intentionally violated any law, but have at all times and do still feel that the arrangement between myself and Dr. Whittaker is a legitimate business transaction.

6. That this agreement was not put into writing at an earlier date because of the long-lasting relationship and climate of trust which exists between myself and Dr. Whittaker.

Further affiant saith not.

Dated:

J. David Crum
Dr. J. David Crum

V E R I F I C A T I O N

State of Kansas)
County of Butler) ss.

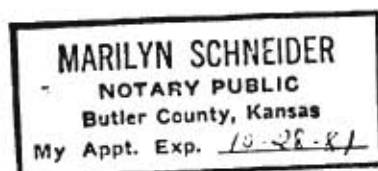
Dr. J. David Crum, of lawful age, being first duly sworn on his oath, deposes and says:

That he is the affiant above named, that he has read the foregoing Affadavit, knows the contents thereof, and that the statements therein contained are true.

J. David Crum
Dr. J. David Crum

Subscribed and Sworn to before me this 9th day of December, 1978.

Marilyn Schneider
Notary Public



AFFADAVIT

OF

Joseph F. Shupe

Augusta, Kansas

I, Joseph F. Shupe, do hereby make this affadavit freely and of my own accord and under oath, deposing and saying:

1. That I am a Public Accountant ~~at the firm of Whittaker & Crum, located at 522 State, Augusta, Kansas.~~
2. That I am employed by the Whittaker & Crum optometric practice to handle their bookkeeping and accounting responsibilities.
3. That I am fully aware of the oral buy-out agreement existing between Dr. Robert R. Whittaker and Dr. J. David Crum which existed throughout the year 1978.
4. That under the terms of said buy-out agreement, Dr. Crum was to pay to Dr. Whittaker the sum of \$1,000 per month throughout the year 1978 with said sums being credited against the final purchase price of Dr. Whittaker's share of the practice; said final purchase price to be arrived at at a later date according to the terms of the partnership agreement and finalized in a written partnership dissolution and buy-out agreement.
5. That I was fully aware that said monthly payments were not to be considered a loan nor were they salary but rather said sums were to go toward reducing Dr. Whittaker's ownership in the practice.
6. That in the event that Dr. Whittaker did not go through with the dissolution and buy-out agreement, said sums paid to Dr. Whittaker would reduce his share of the practice and his ability to share profits of the partnership by a percent which the sums paid represented when compared to the value of the partnership, until such time as Dr. Whittaker, at his option, elected to repurchase the portion of the practice reflected by the sums paid and once again become a full partner in the practice.
7. That I have never knowingly or intentionally violated any law, nor advised anyone to violate any law, but have at all times, and do still, believe that the arrangement between Dr. Crum and Dr. Whittaker is a legitimate business transaction.

Further affiant saith not.

Joseph F. Shupe
Joseph F. Shupe

V E R I F I C A T I O N

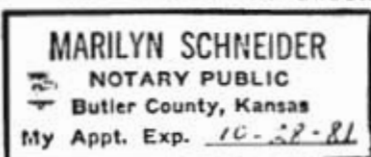
State of Kansas)
County of Butler) ss.

Joseph F. Shupe, of lawful age, being first duly sworn on his oath, deposes and says:

That he is the affiant above named, that he has read the foregoing Affidavit, knows the contents thereof, and that the statements therein contained are true.

Joseph F. Shupe
Joseph F. Shupe

Subscribed and Sworn to before me this 9th day of December, 1978.



Marilyn Schneider
Notary Public

AFFADAVIT

OF

Dr. Robert R. Whittaker

Augusta, Kansas

I, Dr. Robert R. Whittaker, do hereby make this affadavit freely and of my own accord and under oath, deposing and saying:

1. That I am a partner to Dr. J. David Crum in the optometric practice known as Whittaker & Crum located in the Augusta Plaza, Augusta, Kansas.

2. That during the year 1978, I did not engage in the practice of optometry except for a brief period from November 13th to 17th and November 20th to 24th. That during 1978 I was a candidate for the U.S. House of Representatives from the 5th Congressional District of Kansas.

3. That during the period of time I was a candidate for federal office I received no salary from my optometric practice nor did I receive any loans from said practice.

4. That my partner, Dr. Crum, and myself entered into an oral agreement by which Dr. Crum was to purchase my share of the optometric practice. That pursuant to said agreement Dr. Crum was to pay me the sum of \$1,000 per month, said sums to be credited against the purchase price of my share of the practice; said purchase price was to be arrived at at a later date according to the terms of the partnership agreement existing between Dr. Crum and myself, and after arriving at the figure to be finalized in a written dissolution and purchase agreement to be prepared by an attorney.

5. That the final dissolution and purchase agreement is currently under preparation by Dana W. Haas, Attorney at Law, 423 State, Augusta, Kansas.

6. That the sums I received from my optometric partner were never reported on my F.E.C. reports nor were they ever used by or deposited with my campaign committee, because I did not believe them to be a contribution or loan, as defined in the Federal Election Campaign Act, nor were they received or given to influence the outcome of the election, but rather constituted a private business transaction between Dr. Crum and myself.

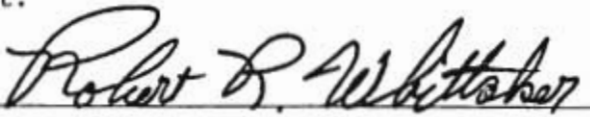
7. That it was understood between Dr. Crum and myself and by Joseph F. Shupe, our accountant, that the sums of money I received during 1978 were a reduction of my ownership in the optometric practice, and in the event I was to return to practice following the election, I would do so as less than a full partner, until such time as I might elect to purchase back the partnership share which I had sold to Dr. Crum.

8. That this agreement was not reduced to writing because of the very close relationship of trust which exists between Dr. Crum and myself, and that it was not at all uncommon for Dr. Crum and myself to enter into agreements which were not put in writing.

Page 2
Affadavit of
Dr. Robert R. Whittaker

9. That I have never knowingly or intentionally violated or attempted to evade any law. That I have always believed, and do still, that the arrangement between Dr. Crum and myself is legal and proper.

Further affiant saith not.


Dr. Robert R. Whittaker

V E R I F I C A T I O N

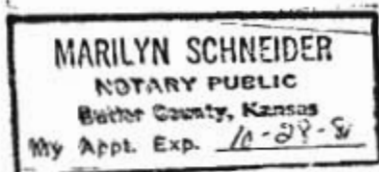
State of Kansas)
County of Butler) ss.

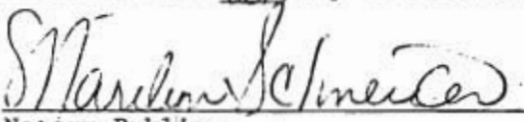
Dr. Robert R. Whittaker, of lawful age, being first duly sworn on his oath, deposes and says:

That he is the affiant above named, that he has read the foregoing affadavit, knows the contents thereof, and that the statements therein contained are true.


Dr. Robert R. Whittaker

Subscribed and Sworn to before me this 9th day of December, 1978.




Notary Public

4. CONTRIBUTION:

The capital of the partnership shall be contributed equally by the partners in the following manner. Whittaker who has engaged in the optometric profession in Augusta and surrounding area for many years, has on hand the equipment which will be necessary for the conduct of the partnership business. He also has established considerable good will in his practice. Whittaker therefore agrees to sell to Crum and Crum agrees to purchase from Whittaker an undivided one-half interest in and to said optometric practice belonging to Whittaker at Augusta, Kansas and Valley Center, Kansas. It is understood and agreed that said practice includes equipment and good will but excludes the cash on hand and accounts receivable as of the date of the signing of this Agreement. The value of the practice is agreed to be an amount equal to the gross receipts for the calendar year 1969 and Crum shall purchase the said undivided one-half interest of Whittaker for an amount equal to one-half of the gross receipts for the calendar year 1969.

Upon a determination of the sale price as aforesaid, Crum will pay for the same by paying to Whittaker the sum of Five Thousand and No/100 Dollars (\$5,000.00) on or before January 1, 1970 and the unpaid balance in monthly installments together with interest on the unpaid balance at a rate of interest per annum adjusted annually on January 1 of each year to a rate of interest one and one-half percent (1-1/2%) above the prime rate in the Kansas City Federal Reserve District then in effect. The amount of the monthly installment payments will vary from month to month and shall be determined in the following manner:

By the 15th of April, 1970 and quarterly thereafter, the net profits for that quarter shall be determined and credited to a partnership drawing account. Each partner shall be entitled to withdraw the sum of One Thousand and No/100 Dollars (\$1,000.00) and the sum of One Thousand and No/100 Dollars (\$1,000.00) as aforesaid, shall then be debited to said drawing account of each partner monthly. After the debit of said One Thousand and No/100 Dollars (\$1,000.00)

monthly to the drawing account of each partner, the quarterly balance remaining shall then be available for further distribution to the partners.

One-half of the said quarterly balance shall be subject to the withdrawal of Whittaker and the remaining one-half shall further be subject to the withdrawal of Crum with the provision that the one-half of the remaining of the quarterly balance of the partnership belonging to Crum be credited to the installment payments for the purchase by Crum of the undivided one-half interest in the partnership assets as aforesaid. Said payment shall first be credited to interest due and the balance to payment on principal. It is expressly agreed that the remaining one-half of the quarterly balance subject to the withdrawal of Crum be applied in the manner aforesaid until the full amount of indebtedness of Crum to Whittaker, including principal and interest, is fully paid.

The practice as heretofore described shall be contributed by the partners and shall constitute the capital of the partnership. In addition each party will contribute on January 1, 1970 the sum of One Thousand and No/100 Dollars (\$1,000.00) to be used as working capital.

After the effective date of this agreement, all equipment, supplies, materials, furnishings and all other products of every kind and nature, used or purchased by the partnership, shall become the property of the partnership and shall be purchased with partnership funds. It is further agreed that no partnership expenditures, except the normal operating expenses, shall be expended, without the joint consent of both of the parties to this agreement.

An inventory shall be prepared of all equipment belonging to the partnership, with the exception of that which is leased. All leases shall be changed to the name of the partnership upon obtaining the consent of lessor or lessors.

5. SHARE IN PROFITS AND LOSSES:

Subject to paragraph 4 of this agreement, the profits and losses of the practice are to be divided equally between the two partners.

3 9 0 4 0 1 1 3 6 8 3
SECOND SUPPLEMENT TO PARTNERSHIP AGREEMENT OF ROBERT
R. WHITTAKER, O.D. and J. DAVID CRUM, O.D.

WHEREAS, the undersigned, do desire to alter, change and amend their original Partnership Agreement under the date of January 1, 1970 and as amended under the First Supplement thereto dated January 6, 1970, and

WHEREAS, Robert R. Whittaker has been elected to the legislature of the State of Kansas which will necessitate his being absent from the practice carried on by the partnership, and

WHEREAS, under the terms and provisions of the original partnership the parties to the same were required to devote certain working time to the business of the partnership and were entitled to certain compensation therefor, the provisions of which need to be altered, changed and amended as hereinafter more specifically set forth, and

WHEREAS, as a part of the basic Partnership Agreement J. David Crum agreed to purchase, upon the formula established in said agreement, a portion of the partnership all as contained in the original Agreement and that through the period of years such payments have been made leaving a certain amount due to complete such payment and the parties do desire to realize such payment, confirm the amount due and to cause the basic agreement to be changed thereby, and

NOW THEREFORE, the parties hereto do stipulate and agree as follows, to wit:

1. That Robert R. Whittaker shall be relieved of the obligation of devoting his full business time, skill and energy to the practice of optometry and to the partnership to the extent that he shall necessarily be absent for his legislative duties but shall nonetheless devote all other time, skill and energy to the partnership affairs as

contained in the basic Agreement.

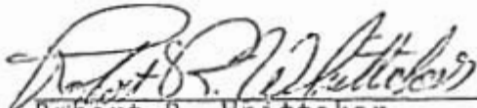
2. During the period that Robert R. Whittaker shall be absent due to his legislative duties from the normal working hours of the partnership he shall be entitled to 1/10 of the net profit realized from business during such absence and 90% thereof shall be credited to the account of J. David Crum. It is stipulated and recognized that other than for the periods of time when the adjustment shall be made for legislative absence, the partners shall share equally in the net profit from such partnership. Necessary ledgers or records will be kept to ascertain the adjustments for legislative absences.

3. It is further stipulated by and between the parties hereto that the parties hereto shall each withdraw, from time to time, as may be mutually agreed to compensate the partners for their divisions of net profits upon the formula set forth above and that all withdrawals shall be simultaneously and equal as between the partners except to the extent that an adjustment shall be made for legislative absences as aforesaid. Withdrawals from capital accounts of the partners shall be adjusted on a quarterly basis and at such other times as the partnership may mutually agree to take care of any discrepancies of the partners withdrawals. Provided however, that the partners may, leave certain amounts in their capital accounts and not withdraw the same for the purpose of maintaining cash balances or operating capital.

4. It is further stipulated and agreed by and between the parties hereto that J. David Crum has paid all sums necessary to purchase his portion of the partnership business as set forth in the basic partnership Agreement with the exception of the sum of \$6,500.00. Said sum shall be paid as expeditiously as possible after the 13th day of January, 1975 together with interest at the rate of nine percent per annum from the first day of May, 1974 until paid.

5. This agreement shall constitute an alteration of the basic Agreement, as amended by First Supplement, and all of the terms and provisions of the basic Agreement and Supplement thereto shall be and remain the same except as the provisions thereof shall be altered, changed or amended hereby.

Dated this 31st day of December, 1974.


Robert R. Whittaker


J. David Crum

ROBERT R. WHITTAKER, O. D. 2671

12 1953 53-422 1011

Pay to the order of *Whittaker*

To the *Exchange State Bank*

THE EXCHANGE STATE BANK
DOUGLASS, KANSAS

For Deposit Only, Campaign Loan

4000 00000000

This check was drawn on my personal account with the Exchange State Bank of Douglass, Kansas. It was then deposited directly in the Whittaker for Congress Account. The memo line reads "For Deposit Only, Campaign Loan".

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American

Savings Association of Kansas

203 West Seventh Augusta, Kansas 67010
Area Code 316, 775-2264



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July 17, 1978

AMERICAN SAVINGS \$5000.00

PAY TO THE ORDER OF

Marlene F. Whittaker

VOID AFTER 90 DAYS

Deanne Dickerson
American Savings Association of Kansas

⑈0259314⑈ ⑆1011⑈0194⑈ 10⑈383⑈7⑈ ⑆0000500000⑈

FEDERAL HOME LOAN BANK OF TOPEKA — TOPEKA, KANSAS

This check was drawn on a joint savings account owned by my wife, Marlene, and I and endorsed directly over to my campaign account. Title to this savings account was in both my wife and my name and we both had access to this account and rights of beneficial enjoyment to the funds in the account.

For Deposit Only
 To Whittaker For
 Congress
 Charles Whittaker

0001 09768

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83-1021 83-1021 1021-1021
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 PAYMENT TO ORDER OF
 STATE BANK OF KANSAS
 KANSAS CITY, MO.
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 KANSAS CITY, MO.
 83-1021 83-1021 AND 1021-1021
 KANSAS CITY, MO.

6811189

DEBIT CORBIN, ASS'T TREAS.
P. O. BOX 68
ROSE HILL, KANSAS 67133

7-26 1978

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1011

PAY TO THE ORDER OF Robert R. Whittaker

one thousand and no/100

\$1,000.00

DOLLARS

PAID

THE ROSE HILL STATE BANK
ROSE HILL, KANSAS 67133

R. G. Maddy

30 854 4 03

0000100000

WHITTAKER FOR CONGRESS COMMITTEE
R. G. MADDY, TREAS.
BETTY CORBIN, ASS'T TREAS.
P. O. BOX 68
ROSE HILL, KANSAS 67133

8-8 1978

83-1021
1011

PAY TO THE ORDER OF Robert W. Whittaker

two thousand dollars

\$2000.00

DOLLARS

PAID

THE ROSE HILL STATE BANK
ROSE HILL, KANSAS 67133

Personal loan repayment.

R. G. Maddy

30 854 4 03

0000200000

WHITTAKER FOR CONGRESS COMMITTEE
R. G. MADDY, TREAS.
BETTY CORBIN, ASS'T TREAS.
P. O. BOX 68
ROSE HILL, KANSAS 67133

8-29 1978

83-1021
1011

PAY TO THE ORDER OF Bob Whittaker

six thousand dollars

\$6000.00

DOLLARS

PAID

THE ROSE HILL STATE BANK
ROSE HILL, KANSAS 67133

R. G. Maddy

30 854 4 03

0000600000

WHITTAKER FOR CONGRESS COMMITTEE
R. G. MADDY, TREAS.
BETTY CORBIN, ASS'T TREAS.
P. O. BOX 68
ROSE HILL, KANSAS 67133

9-20 1978

83-1021
1011

PAY TO THE ORDER OF Bob Whittaker

five thousand dollars

\$5000.00

DOLLARS

PAID

THE ROSE HILL STATE BANK
ROSE HILL, KANSAS 67133

R. G. Maddy

30 854 4 03

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Deposit Only into
at R. Whitaker
in Account
age State Bank
loss 048 68484

Robert B. Whitaker

EXCHANGE
STATE BANK
KANSAS
83-493

JUL 28 78

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1811-0002-9 PAY TO THE ORDER OF
FIRST NATIONAL BANK OF WICHITA, KANSAS
WICHITA, KANSAS 1011-0002-9

For Deposit Only into
Exchange State Bank

Robert B. Whitaker

0000 79607

PAY TO THE ORDER OF
EXCHANGE
STATE BANK
KANSAS
83-493

AUG 31 78

1811-0002-9 PAY TO THE ORDER OF
FIRST NATIONAL BANK OF WICHITA, KANSAS
WICHITA, KANSAS 1011-0002-9

1811-0002-9 PAY TO THE ORDER OF
FIRST NATIONAL BANK OF WICHITA, KANSAS
WICHITA, KANSAS 1011-0002-9

For Deposit Only into
Exchange State Bank
Douglas MO.

Robert B. Whitaker

0000 19693

PAY TO THE ORDER OF
EXCHANGE
STATE BANK
KANSAS
83-493

AUG 31 78

1811-0002-9 PAY TO THE ORDER OF
FIRST NATIONAL BANK OF WICHITA, KANSAS
WICHITA, KANSAS 1011-0002-9

6 1 1

For Deposit Only

Robert B. Whitaker

0001 43438

PAY TO THE ORDER OF
ROOSEVELT
STATE BANK
DOUGLAS, MISSOURI
83-1021 83-1021

SEP 22 78



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Gordon Garrett
Campaign Director
Don Allegrucci for Congress
Committee
P.O. Box 1536
Pittsburg, Kansas 66762

RE: MUR 806

Dear Mr. Garrett:

On January , 1979, the Commission voted to find no reasonable cause to believe that a violation of 2 U.S.C. §§434(b)(5); 441a(a)(1)(A); or 441g has occurred and to terminate its investigation in MUR 806. A copy of the Commission's determination and the General Counsel's Report is enclosed for your information. Accordingly, the Commission intends to close its files in this matter.

Sincerely,

William C. Oldaker
General Counsel

Enclosures

1. Commission certification
2. General Counsel's Report





FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Dana W. Haas
516 Cannon House Office Building
Washington, D.C. 20515

RE: MUR 806

Dear Mr. Haas:

On January , 1979, the Commission voted to find no reasonable cause to believe that a violation of 2 U.S.C. §§434(b)(5); 441a(a)(1)(A); or 441a has occurred and to terminate its investigation in MUR 806. A copy of the Commission's determination and the General Counsel's Report is enclosed for your information. Accordingly, the Commission intends to close its files in this matter.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

1. Commission certification
2. General Counsel's Report



BOB WHITTAKER
9TH DISTRICT, KANSAS

COUNTIES

ALLEN	LABETTE
ANDERSON	LEARN
BOURBON	LYON
BUTLER	MAHAR
CHASE	MONTGOMERY
CHAUTAUQUE	MORRIS
CHESTER	NEEDHAM
COFFEY	OSAGE
COWLEY	SENECA
CRAWFORD	SUMNER
ELK	WILSON
GREENWOOD	WOODSON
HARPER	

Congress of the United States
House of Representatives

Washington, D.C. 20515 JAN 10 AM 11:38



WASHINGTON OFFICE:
515 CANNON HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515
(202) 225-3811

January 9, 1979

Mr. Scott Rinn
Federal Election Commission
1325 K. Street N. W.
Washington, D. C. 20463

900148

In Re: MUR 806

Dear Mr. Rinn:

Here is a copy of the partnership dissolution agreement entered into between Congressman Whittaker and Dr. Crum.

Paragraph '2' of the agreement acknowledges the receipt of \$12,000 received in 1978 and adjusts the purchase price accordingly.

I hope that this additional information is sufficient to resolve this matter. As we discussed on the phone, although the money was paid through a joint account, all the money in that account for 1978 was Dr. Crum's income.

If there is anything else we can provide you with, please contact me and I will do all that I can to satisfy your requests.

Sincerely,

Dan Haas

Dan Haas
Attorney at Law

PARTNERSHIP DISSOLUTION AND PURCHASE AGREEMENT

Whittaker and Crum, Optometrists

Whereas, an agreement of partnership was entered into on the 1st day of January, 1970, between Dr. Robert R. Whittaker, O.D. and Dr. J. David Crum, O.D. for carrying on the business of optometry under the name of Whittaker and Crum; and

Whereas, Dr. Whittaker and Dr. Crum have agreed to dissolve the partnership by mutual consent;

It is agreed as follows:

1. Transfer of Interest. Dr. Robert Whittaker hereby assigns and transfers to Dr. J. David Crum all of his right, title, and interest as a partner in the firm of Whittaker and Crum, and in its assets, good will and firm name, and all of his rights under the partnership agreement for the sum and in the manner set out herein.

2. Payments. Dr. J. David Crum agrees to pay to Dr. Robert Whittaker for his share of the partnership the sum of \$74,151.25; \$12,000 of which sum has already been paid pursuant to an oral agreement between the parties and the receipt of which is hereby acknowledged by Dr. Whittaker. The remaining \$62,151.25 is to be paid off in monthly installments ranging between \$700 and \$1,300, at Dr. Crum's option, commencing the 20th day of January, 1979, and payable on the 20th day of each succeeding month until paid in full. The purchase price must be fully paid off within 10 years; the final payment being due no later than December 20, 1988, in an amount equal to the outstanding balance plus interest.

Interest on the above sum shall be figured by applying a rate equal to 1% less than the average interest rate charged by Augusta Bank & Trust and Prairie State Bank to its preferred customers, to the outstanding balance each month. Monthly payments are to be applied first to interest then to reduction of principle. The interest rate is to be adjusted at the first of each year to reflect any changes in the rate and the rate at the first of the year shall apply for that full year.

3. Firm Liabilities. Dr. Crum shall promptly pay when due all of the liabilities of the partnership and will indemnify and hold harmless Dr. Whittaker from all such liabilities.

4. Insurance on Parties. Each party shall keep in full force and effect the \$60,000 whole life policy which each owns on the others life, until such time as this contract is paid in full or Dr. Crum acquires a new partner. At this time each party shall be allowed to purchase the policy on his own life from the other.

5. Death of Whittaker. Should Dr. Whittaker die prior to Dr. Crum paying off this agreement, Dr. Crum shall continue making the monthly payments to Dr. Whittaker's spouse or surviving heirs in a manner which Dr. Whittaker may designate in his will or codicil thereto, which is consistent with the terms of this agreement. Dr. Crum

is obligated to continue making the payments as set out in Clause 2 of this agreement, and shall not accelerate the payments beyond the maximum payment allowed in Clause 2.

6. Death of Crum. Should Dr. Crum die prior to taking in a new partner, Dr. Whittaker agrees to transfer the proceeds of the \$60,000 whole life policy set out in Clause 4 to Dr. Crum's surviving spouse or heirs in return for which the ownership of the entire practice, including all records and accounts, will revert to Dr. Whittaker to be disposed of as Dr. Whittaker sees fit, with all proceeds of any disposition being the property of Dr. Whittaker; any outstanding debt owed by Dr. Crum under this agreement being canceled.

Except for the contingency set out in the first paragraph of this clause, Dr. Crum binds his estate to fully pay off the outstanding balance owed under this agreement in the event Dr. Crum should die prior to making full payment under this agreement.

7. Covenant Not to Compete. Dr. Whittaker agrees that he shall not for a period of ten years from the date of this dissolution, either alone, or jointly with, or as agent for any person, directly or indirectly, set up, exercise or carry on the trade or business of optometry within the counties of Butler, Cowley, Greenwood, Marion, and Sedgwick, all in Kansas; and shall not set up, make or encourage any opposition to the said trade or business hereafter to be carried on by Dr. Crum, his representatives or assigns. Should Dr. Whittaker violate this covenant, he agrees to repay to Dr. Crum 100% of the purchase price under this agreement to be deemed liquidated damages and not a penalty; plus any other additional damages, real and provable.

In addition to the above provision, Dr. Whittaker further agrees not to return to Butler County in competition with Dr. Crum or assigns for an additional five years after this purchase contract is paid in full. For any violation of this provision, Dr. Whittaker binds himself to Dr. Crum for a sum equal to 50% of the purchase price under this agreement, to be deemed liquidated damages and not a penalty; plus any additional damages real and provable.

8. Insurance on Crum. Dr. Whittaker agrees to maintain a term-life insurance policy on Dr. Crum's life, payable to Dr. Crum's wife in the amount of \$100,000 for a period of two years from the date of this agreement, or until Dr. Crum brings in a new partner, whichever occurs first.

9. Additional Documents. Dr. Whittaker shall execute and deliver any additional documents that may reasonably be required to assure Dr. Crum of all the assets of the partnership, together with the exclusive right to its good will, trade name, customer lists, books of account, contracts, files, and all similar items used in connection with the operation of the partnership business.

10. Arbitration. The parties to this agreement agree with

one another that should any dispute arise under this agreement they shall first submit the dispute to a third party agreeable to both for negotiation and only upon such negotiation proving unsuccessful, shall either party take legal action against the other.

This Agreement to be effective the 31st day of December, 1978.

Robert F. Whittaker
Dr. Robert F. Whittaker

J. David Crum
Dr. J. David Crum

Subscribed and Sworn to before me this 26th day of December, 19 78.

MARILYN SCHNEIDER
NOTARY PUBLIC
Butler County, Kansas
My Appt. Exp. 10-28-81

Marilyn Schneider
Notary Public

Congress of the United States
House of Representatives
Washington, D.C. 20515



M.C.

JAN 10 1968

FEDERAL ELECTION COMMISSION

1325 K. Street, N. W.

Washington, D. C. 20463

ATTN: Scott Rinn, MUR 806



FEDERAL ELECTION COMMISSION

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

MEMORANDUM TO

CHARLES STEELE

FROM:

MARJORIE W. EMMONS *mwe*

DATE:

JANUARY 8, 1979

SUBJECT:

MUR 806 - Interim Investigation Report
dated 1-2-79; Received in Office of
Commission Secretary 1-5-79; 11:04

The above-named document was circulated on a 24
hour no-objection basis at 3:00, January 5, 1979.

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

79010113704

January 5, 1979

MEMORANDUM TO: Marge Emmons
FROM: Eliasa T. Barr
SUBJECT: MUR 806

Please have the attached Interim Investigation Report on MUR 806 distributed to the Commission on a 24 hour no-objection basis.

Thank you.

79040113705

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

BEFORE THE FEDERAL ELECTION COMMISSION

79 JAN 5 All: 04

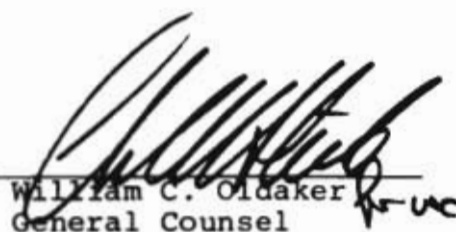
In the Matter of)
)
Dr. Robert Whittaker) MUR 806
The Whittaker for Congress)
Committee (Kansas))

INTERIM INVESTIGATION REPORT

On November 28, 1978, the Commission found reason to believe that respondents violated 2 U.S.C. §§434(b)(5); 441a(a)(1)(A) and 441g, and approved the questions to be sent to respondents from the Commission.

The Commission received the respondents' answers on December 14, 1978. The General Counsel's Report is currently being prepared.

2 January 1979
Date


William C. Oldaker
General Counsel

79040113706

COONROD & HAAS

attorneys at law

BRETT COONROD

P. O. BOX 87
422 STATE STREET

December 11, 1978

AUGUSTA, KANSAS 67010
(316) 776-2274

DANA W. HAAS

78 DEC 14 PM 1:16

Federal Election Commission
1325 K. Street N.W.
Washington, D.C. 20463

RE: MUR 806

008449

Dear Commissioners:

This is to inform you that I will be representing Congressman-Elect Robert Whittaker in this matter before the Commission.

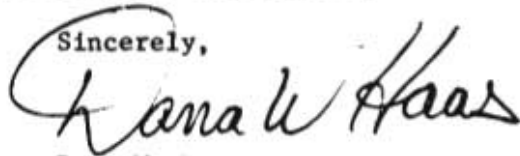
I have enclosed the answer to your requested questions, along with affidavits and exhibits. Please be informed, however, that we never received a copy of the complaint filed with your Commission. The cover letter you sent with your questions refers to a copy of the complaint being enclosed. Neither the letter sent to Dr. Whittaker nor the copy sent to R. G. Maddy, campaign treasurer, included the complaint itself. We, therefore, must respectfully submit that our prepared answer is contingent upon receiving a copy of the actual complaint; and we reserve the right to amend our answer after receiving the complaint, should it be necessary, prior to any formal action by the Commission.

Please send a copy of the complaint immediately, so that I can determine if an amendment to our answer is necessary. It will expedite matters greatly, if a copy is sent directly to me.

We are anxious to bring this matter to a speedy conclusion and are willing to cooperate with the Commission in any way which will facilitate matters. If you need any further information prior to taking action, please do not hesitate to call on me. I will assist you in anyway I can.

Thank you for your prompt attention to this matter.

Sincerely,



Dana W. Haas
Attorney at Law

Enclosures

mss

7904011797



BOB WHITTAKER

Congress • Fifth District

**BOB WHITTAKER CAN WORK FOR YOU
... BECAUSE HE'S WORKED WITH YOU.**

December 9, 1978

Federal Election Commission
1325 K. Street N.W.
Washington, D.C. 20463

Dear Commissioners:

Enclosed please find the answer I have prepared with the assistance of my legal counsel. I believe we have provided you with all the information you have asked for in your questions.

I have great hopes that this matter will be resolved in the very near future. I have the utmost respect for this commission and the law over which you must regulate. Be assured that you will have my fullest cooperation in bringing this matter to a speedy conclusion. If there is any further information that I can provide you with before you take any final action on this complaint, please do not hesitate to call me or my legal counsel. We will assist you in anyway we can.

I hasten to add that I feel that I have violated no law in this matter. Never would I intentionally or knowingly set out to do anything illegal or attempt to circumvent the law in anyway. It is my sincerest hope that the information I have provided will dispose of this matter so that I may get on with the business of representing my district in the United States Congress.

Respectfully,

Robert R. Whittaker

Enclosures

mss

2330 N. OHIO ST. • AUGUSTA, KANSAS 67010 • (316) 775-5471

Pol. Adv. pt. for R. Whittaker for Congress Comm. Ronald G. Maddy, Treasurer
A copy of our report is filed with The Federal Election Commission and is
available for purchase from: Federal Election Commission, Washington, D.C.

TO: THE FEDERAL ELECTION COMMISSION
RE: MUR 806 ANSWERS TO REQUESTED QUESTIONS
FROM: CONGRESSMAN-ELECT DR. ROBERT R. WHITTAKER

1. Did you receive any payments from an optometric partnership of which you are or were a partner, while you were a candidate for federal office in 1978?

ANSWER: YES

2. If the answer to question number (1) is yes, please provide the following information:

a. the name and address of the partnership

ANSWER: Whittaker and Crum
Augusta Plaza
Augusta, Kansas 67010

b. the members of the partnership

ANSWER: Dr. Robert R. Whittaker, O.D.
Dr. J. David Crum, O.D.

c. the manner of payment, (i.e. check or other)

ANSWER: Check

d. the number of payments you received in 1978

ANSWER: Twelve (12)

e. the date of each payment

ANSWER: January 6, February 2, February 17, (February payment was made in two installments equalling \$1,000), March 3, April 7, May 5, June 9, July 14, August 18, Sept. 8, Oct. 13, Nov. 10, December owed but not yet paid.

f. the amount of each payment

ANSWER: \$1,000

g. a photostatic copy of each payment

ANSWER: See Exhibit No. 1, attached hereto.

3. Did you or your Committee report the receipt of each payment referred to in question number one to the Federal Election Commission?

ANSWER: NO

4. If the answer to question number three (3) is yes, please provide the following information: a photostatic copy of each page of any report filed in 1978 indicating the itemized receipt by you or your committee of each payment referred to in question number one (1).

ANSWER: NOT APPLICABLE

5. Explain how each and every payment referred to in question number one (1) was received and treated by you and the Whittaker for Congress Committee, (i.e. loans, salary, installments in conjunction with a buy-sell agreement between you and the partnership of which you were a partner.)

ANSWER: The payments received were under an oral buy-out agreement between

7 9 0 4 0 1 1 3 7 0

Dr. J. David Crum and myself, whereby Dr. Crum was purchasing my share of the practice. The payments were to be applied toward the ultimate purchase price to be arrived at, at a later date pursuant to the terms of the partnership agreement, a copy of the relevant portions of the agreement are attached hereto as Exhibit No. 2.

The payments were never received, deposited, nor dealt with in any way by the Whittaker for Congress Committee, since it was not believed that they were a contribution or loan made to influence the outcome of the election, as defined in the Federal Election Campaign Act.

I treated these payments as a personal, private business transaction to be recorded in my personal records as capital gains from my past investment in the optometric practice, and they were so recorded on my Financial Disclosure Statement which I have filed pursuant to the Ethics in Government Act of 1978.

6. If there was a buy-sell agreement between you and the optometric partnership of which you were a partner, please provide a photostatic copy of that agreement if it was a written document, or affidavits by the principals if it was an oral agreement, concerning the terms of the agreement.

ANSWER: There was no written buy-out agreement during the time I received these \$1,000 payments. An Augusta, Kansas attorney Dana W. Haas, is currently preparing a combination dissolution and purchase agreement to be signed by Dr. Crum and myself prior to my moving to Washington.

Attached hereto are the following affidavits of the principals involved:

Affadavit of Dr. J. David Crum--Exhibit No. 3a

Affadavit of Joseph F. Shupe--Exhibit No. 3b

Affadavit of Dr. Robert R. Whittaker--Exhibit No. 3c

7. Provide a photostatic copy of your partnership's agreement used to allocate partnership profits. Include the name and current address of the person in charge of its administration.

ANSWER: See Exhibit No. 4--Original Agreement

See Exhibit No. 4a--Supplement to cover the period I served in the State Legislature

Person in charge of administration: Joseph F. Shupe
Public Accountant
522 State
Augusta, Kansas 67010

8. Provide a photostatic copy of any ancillary agreement made by the partnership to provide compensation to you while you campaigned for election to Congress.

ANSWER: No written agreement was ever made. I was to receive no salary while a candidate, except for services I actually performed in the practice. I performed no services nor collected any salary while a candidate for the Kansas 5th District House of Representatives. I did return to work after the election from November 13th to 17th and 20th to 24th for which services I will be compensated.

9. For the two personal loans you made to the Whittaker for Congress Committee, one for \$10,000 on July 1, 1978, and the other for \$5,000 on July 18, 1978 state whether they were made in cash, by check or in some other way. Provide a photostatic copy of the cancelled check or the receipt evidencing these transactions.

ANSWER: See Exhibit No. 5

10. For each of the following loan repayments from the Whittaker for Congress Committee to you, state the disposition of the funds, i.e. placed in your personal bank account; given back to your optometric partnership, etc.

ANSWERS:

- a. \$1,000 on July 7, 1978

ANSWER: Check #274, dated July 26, 1978, deposited in my personal farm account with the Exchange State Bank, Douglass, Kansas.

b. \$2,000 on August 8, 1978

ANSWER: Check #289, dated August 8, 1978, deposited in my personal account with the Exchange State Bank, Douglass, Kansas.

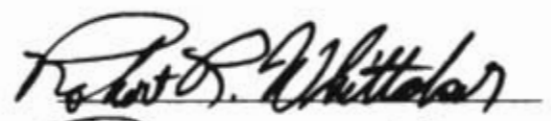
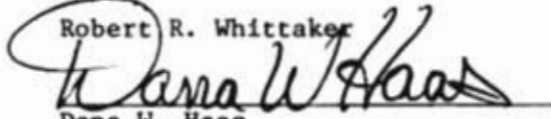
c. \$6,000 on August 28, 1978

ANSWER: Check #346, dated August 29, 1978, deposited in my personal account with the Exchange State Bank, Douglass, Kansas.

d. \$5,000 on September 20, 1978

ANSWER: Check #426, dated September 29, 1978, deposited in my personal account with the Rose Hill State Bank, Rose Hill, Kansas.

SEE EXHIBIT NO. 6

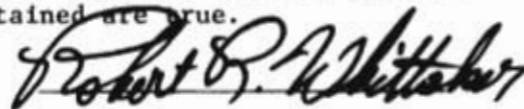

Robert R. Whittaker

Dana W. Haas
Legal Counsel

V E R I F I C A T I O N

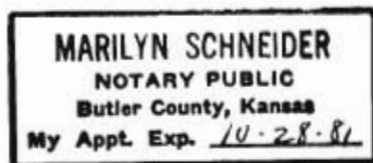
State of Kansas)
County of Butler) ss.

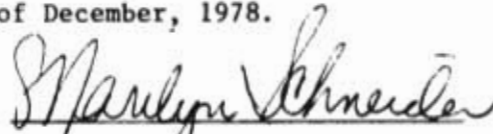
Dr. Robert R. Whittaker, of lawful age, being first duly sworn on his oath, deposes and says:

That he has answered the above questions from the Federal Election Commission, that he has read the foregoing answers, knows the contents thereof, and that the answers and attachments therein contained are true.


Robert R. Whittaker

SUBSCRIBED AND SWORN to before me this 9th day of December, 1978.




Marilyn Schneider
Notary Public

DR. ROBERT R. WHITTAKER DR. J. DAVID CRUM AUGUSTA - VALLEY CENTER		10153
PAY TO THE ORDER OF <u>Dr. Robert R. Whittaker</u>		1-6 1978 ⁸³⁻¹²⁹³ ₁₀₁₁
<u>One thousand dollars and no/100</u>		\$1,000.00
THE PRAIRIE STATE BANK AUGUSTA, KANSAS 67002		ROBERT R. WHITTAKER, O. D. J. DAVID CRUM, O. D.
FOR		<i>[Signature]</i>
⑆1011⑆293⑆		⑆0000100000⑆

DR. ROBERT R. WHITTAKER DR. J. DAVID CRUM AUGUSTA - VALLEY CENTER		10256
PAY TO THE ORDER OF <u>Dr. Robert R. Whittaker</u>		2-10 1978 ⁸³⁻¹²⁹³ ₁₀₁₁
<u>Two hundred dollars and no/100</u>		\$200.00
THE PRAIRIE STATE BANK AUGUSTA, KANSAS 67002		ROBERT R. WHITTAKER, O. D. J. DAVID CRUM, O. D.
FOR		<i>[Signature]</i>
⑆1011⑆293⑆		⑆0000020000⑆

DR. ROBERT R. WHITTAKER DR. J. DAVID CRUM AUGUSTA - VALLEY CENTER		10279
PAY TO THE ORDER OF <u>Dr. Robert R. Whittaker</u>		2-17 1978 ⁸³⁻¹²⁹³ ₁₀₁₁
<u>Eight hundred dollars and no/100</u>		\$800.00
THE PRAIRIE STATE BANK AUGUSTA, KANSAS 67002		ROBERT R. WHITTAKER, O. D. J. DAVID CRUM, O. D.
FOR		<i>[Signature]</i>
⑆1011⑆293⑆		⑆0000080000⑆

DR. ROBERT R. WHITTAKER DR. J. DAVID CRUM AUGUSTA - VALLEY CENTER		10339
PAY TO THE ORDER OF <u>Dr. Robert R. Whittaker</u>		3-10 1978 ⁸³⁻¹²⁹³ ₁₀₁₁
<u>One thousand dollars and no/100</u>		\$1,000.00
THE PRAIRIE STATE BANK AUGUSTA, KANSAS 67002		ROBERT R. WHITTAKER, O. D. J. DAVID CRUM, O. D.
FOR		<i>[Signature]</i>
⑆1011⑆293⑆		⑆0000100000⑆

7904011371

For Deposits Only
Robert B. Whiteaker

0000 02471

EXCHANGE
STATE BANK
DOUGLASS, KANSAS
83-493 83-493

9-81

3A 70-10
DO NOT WRITE
P.R.S. OF K.C.
1010-0000-8

101-9781

For Deposits Only into
Exchange State Bank.

Robert B. Whiteaker

0000 30840

EXCHANGE
STATE BANK
DOUGLASS, KANSAS
83-493 83-493

FEB 14 78

For Deposits Only
into Exchange
State Bank, Douglass

Phone. 0000 7048895
account also

IN THE STATE OF KANSAS

EXCHANGE
STATE BANK
DOUGLASS, KANSAS

FEB 14 78

For Deposits Only into
Exchange State Bank
Douglass KS. in re
Robert M. Whiteaker

From Account
No. 0000 53488
Robert B. Whiteaker

EXCHANGE
STATE BANK
DOUGLASS, KANSAS
83-493

FEB 14 78

10411

DR. ROBERT R. WHITTAKER
DR. J. DAVID CRUM
AUGUSTA - VALLEY CENTER

4-7-1978 83-1293
1011

PAY TO THE ORDER OF Dr. Robert R. Whittaker \$7,000.00

Seven thousand dollars and no/100 DOLLARS

THE PRATHER STATE BANK
AUGUSTA, KANSAS 67001

ROBERT R. WHITTAKER, O. D.
J. DAVID CRUM, O. D.

For *[Signature]*

⑆1011⑆1293⑆ 2258 ⑆ ⑆0000100000⑆

10491

DR. ROBERT R. WHITTAKER
DR. J. DAVID CRUM
AUGUSTA - VALLEY CENTER

5-5-1978 83-1293
1011

PAY TO THE ORDER OF Dr. Robert R. Whittaker \$1.00.00

One thousand and no/100 DOLLARS

THE PRATHER STATE BANK
AUGUSTA, KANSAS 67001

ROBERT R. WHITTAKER, O. D.
J. DAVID CRUM, O. D.

For *[Signature]*

⑆1011⑆1293⑆ 2258 ⑆ ⑆0000100000⑆

10584

DR. ROBERT R. WHITTAKER
DR. J. DAVID CRUM
AUGUSTA - VALLEY CENTER

6-9-1978 83-1293
1011

PAY TO THE ORDER OF Dr. Robert R. Whittaker \$4,000.00

Four thousand and no/100 DOLLARS

THE PRATHER STATE BANK
AUGUSTA, KANSAS 67001

ROBERT R. WHITTAKER, O. D.
J. DAVID CRUM, O. D.

For *[Signature]*

⑆1011⑆1293⑆ 2258 ⑆ ⑆0000100000⑆

10673

DR. ROBERT R. WHITTAKER
DR. J. DAVID CRUM
AUGUSTA - VALLEY CENTER

7-14-1978 83-1293
1011

PAY TO THE ORDER OF Dr. Robert R. Whittaker \$1,000.00

One thousand and no/100 DOLLARS

THE PRATHER STATE BANK
AUGUSTA, KANSAS 67001

ROBERT R. WHITTAKER, O. D.
J. DAVID CRUM, O. D.

For *[Signature]*

⑆1011⑆1293⑆ 2258 ⑆ ⑆0000100000⑆

For Deposit only into
the Rose H. H. Store
Bank in no other
account or

Dr or Mrs Robert Whitte
Edward J. Whitte

APR 12 1942
63-1000000-1021
63-1000000-1021

To Deposit only into
Rose H. H. Store Bank
in account of

Dr or Mrs R. R. Whitte
Edward J. Whitte
0001 97400

APR 24 1942
PAY ANY BANK-P.E.O.
F.R.B. OF K.C.
1010-0004-8
1010-0004-8

For Deposit only into
Exchange Store Bank

Edward J. Whitte

PAY TO THE ORDER OF
EXCHANGE BANK
OF KANSAS
63-493

JUN 12 1941

To Deposit only
Ed. Hall & Whitte
RT #1, 13048A
Chicago, Ill. 60600

Edward J. Whitte
0001 97400

JUN 19 1941
PAY ANY BANK-P.E.O.
F.R.B. OF K.C.
1010-0004-8
1010-0004-8

10767

DR. ROBERT R. WHITTAKER
DR. J. DAVID CRUM
AUGUSTA - VALLEY CENTER

8-18-1978 83-1293
1011

PAY TO THE ORDER OF *Dr. Robert R. Whittaker* \$1,000⁰⁰

One thousand and ^{no}/₁₀₀ DOLLARS

THE PRAIRIE STATE BANK
ATLANTA, KANSAS 67001

FOR

ROBERT R. WHITTAKER, O. D.
J. DAVID CRUM, O. D.

⑆1011⑆1293⑆ ⑆2258 ⑆⑆ ⑆0000100000⑆

10829

DR. ROBERT R. WHITTAKER
DR. J. DAVID CRUM
AUGUSTA - VALLEY CENTER

9-8-1978 83-1293
1011

PAY TO THE ORDER OF *Dr. Robert R. Whittaker* \$1,000⁰⁰

One thousand and ^{no}/₁₀₀ DOLLARS

THE PRAIRIE STATE BANK
ATLANTA, KANSAS 67001

FOR

ROBERT R. WHITTAKER, O. D.
J. DAVID CRUM, O. D.

⑆1011⑆1293⑆ ⑆2258 ⑆⑆ ⑆0000100000⑆

10933

DR. ROBERT R. WHITTAKER
DR. J. DAVID CRUM
AUGUSTA - VALLEY CENTER

10/13-1978 83-1293
1011

PAY TO THE ORDER OF *Dr. Robert R. Whittaker* \$1,000⁰⁰

One thousand and ^{no}/₁₀₀ DOLLARS

THE PRAIRIE STATE BANK
ATLANTA, KANSAS 67001

FOR

ROBERT R. WHITTAKER, O. D.
J. DAVID CRUM, O. D.

⑆1011⑆1293⑆ ⑆2258 ⑆⑆ ⑆0000100000⑆

11015

DR. ROBERT R. WHITTAKER
DR. J. DAVID CRUM
AUGUSTA - VALLEY CENTER

11/10-1978 83-1293
1011

PAY TO THE ORDER OF *Dr. Robert R. Whittaker* \$1,000⁰⁰

One thousand and ^{no}/₁₀₀ DOLLARS

THE PRAIRIE STATE BANK
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FOR

ROBERT R. WHITTAKER, O. D.
J. DAVID CRUM, O. D.

⑆1011⑆1293⑆ ⑆2258 ⑆⑆ ⑆0000100000⑆

0001 82106

Dr. or Mrs. Robert
Wm. H. H. 36922

0001 27090

00001 67322

STATE BANK
MO. ST. LOUIS, MO.

STATE BANK
MO. ST. LOUIS, MO.

STATE BANK
MO. ST. LOUIS, MO.

STATE BANK
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STATE BANK
MO. ST. LOUIS, MO.

STATE BANK
MO. ST. LOUIS, MO.

For Depositor's Only
Mrs. Rose H. H. Smith
Bank in no amount

For Depositor's Only
Charles H. H. Smith
New Market

For Depositor's Only
Edwards H. H. Smith

Valuation of partnership clause in the Whittaker and Crum partnership agreement.

(b) Professional liability insurance premiums, overhead and cost of employees under HR10 plan shall be paid by the partnership. Mention of the foregoing specific costs shall not preclude payment of other partnership expense which will necessarily accrue.

12. VALUATION OF PARTNERSHIP FOR TERMINATION PURPOSES:

The valuation of the partnership for purposes of termination, necessitated either by death or by decision of one or both partners, shall be arrived at as follows:

(a) For the year 1970, the value would be an amount equal to the gross receipts for the year 1969.

(b) For the year 1971, the value would be an amount equal to the average of the gross receipts for the years 1969 and 1970.

(c) For the year 1972, the value would be an amount equal to the average of the gross receipts for the years 1969, 1970 and 1971.

(d) For all subsequent years, the value would be an amount equal to the average of the gross receipts for the last three years, immediately preceding the year for which the valuation was to be determined.

13. TERMINATION:

(a) It is agreed that in the event of the death of one of the partners hereto, the surviving partner shall be obligated to buy, and the estate of the deceased partner shall be obligated to sell the entire partnership interests of the deceased partner, in accordance with the following terms:

The estate of the deceased partner shall be paid a sum equal to the following:

(a) The deceased partner's share of accrued net profits for the month of his death together with any balance due him still in the drawing account.

(b) His undivided one-half share of the capital account, as based on the valuation method set out in Paragraph 12 herein.

It is further agreed that in the event of the death of one of the partners hereto, the surviving partner shall have the right to manage, operate and control said partnership business, without interruption,

AFFADAVIT

OF

Dr. J. David Crum

Augusta, Kansas

I, Dr. J. David Crum, do hereby make this affadavit freely and of my own accord and under oath, deposing and saying:

1. That I am a partner to Dr. Robert R. Whittaker in the optometric practice known as Whittaker & Crum located in the Augusta Plaza, Augusta, Kansas.

2. That I have been paying to Dr. Whittaker the sum of \$1,000 per month during 1978 out of the optometric partnership of which we are both partners.

3. That said sums of money were paid under an oral agreement between myself and Dr. Whittaker to purchase Dr. Whittaker's share of the optometric practice. That these sums were not to be considered salary nor were they a loan which Dr. Whittaker was to be compelled to repay, but rather these payments reduced the purchase price of the practice; and, in the event the sale did not go through, would serve to reduce Dr. Whittaker's share of partnership profits until such time as Dr. Whittaker, at his option, repurchased this share of the practice.

4. That the purchase agreement between myself and Dr. Whittaker is currently being prepared by Dana W. Haas, an Augusta attorney who is fully aware of the terms of this oral agreement and the effect it will have on the purchase contract.

5. That I have never knowingly or intentionally violated any law, but have at all times and do still feel that the arrangement between myself and Dr. Whittaker is a legitimate business transaction.

6. That this agreement was not put into writing at an earlier date because of the long-lasting relationship and climate of trust which exists between myself and Dr. Whittaker.

Further affiant saith not.

Dated:

J. David Crum
Dr. J. David Crum

V E R I F I C A T I O N

State of Kansas)
County of Butler) ss.

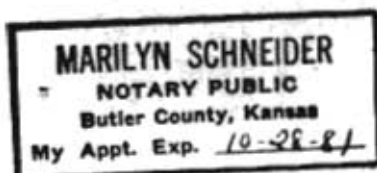
Dr. J. David Crum, of lawful age, being first duly sworn on his oath, deposes and says:

That he is the affiant above named, that he has read the foregoing Affadavit, knows the contents thereof, and that the statements therein contained are true.

J. David Crum
Dr. J. David Crum

Subscribed and Sworn to before me this 9th day of December, 1978.

Marilyn Schneider
Notary Public



AFFADAVIT

OF

Joseph F. Shupe

Augusta, Kansas

I, Joseph F. Shupe, do hereby make this affadavit freely and of my own accord and under oath, deposing and saying:

1. That I am a Public Accountant ~~located at 522 State, Augusta, Kansas.~~ ~~located at 522 State, Augusta, Kansas.~~ located at 522 State, Augusta, Kansas.
2. That I am employed by the Whittaker & Crum optometric practice to handle their bookkeeping and accounting responsibilities.
3. That I am fully aware of the oral buy-out agreement existing between Dr. Robert R. Whittaker and Dr. J. David Crum which existed throughout the year 1978.
4. That under the terms of said buy-out agreement, Dr. Crum was to pay to Dr. Whittaker the sum of \$1,000 per month throughout the year 1978 with said sums being credited against the final purchase price of Dr. Whittaker's share of the practice; said final purchase price to be arrived at at a later date according to the terms of the partnership agreement and finalized in a written partnership dissolution and buy-out agreement.
5. That I was fully aware that said monthly payments were not to be considered a loan nor were they salary but rather said sums were to go toward reducing Dr. Whittaker's ownership in the practice.
6. That in the event that Dr. Whittaker did not go through with the dissolution and buy-out agreement, said sums paid to Dr. Whittaker would reduce his share of the practice and his ability to share profits of the partnership by a percent which the sums paid represented when compared to the value of the partnership, until such time as Dr. Whittaker, at his option, elected to repurchase the portion of the practice reflected by the sums paid and once again become a full partner in the practice.
7. That I have never knowingly or intentionally violated any law, nor advised anyone to violate any law, but have at all times, and do still, believe that the arrangement between Dr. Crum and Dr. Whittaker is a legitimate business transaction.

Further affiant saith not.

Joseph F. Shupe
Joseph F. Shupe

V E R I F I C A T I O N

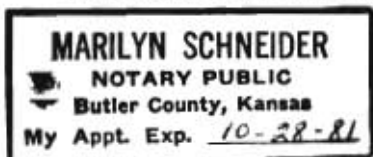
State of Kansas)
County of Butler) ss.

Joseph F. Shupe, of lawful age, being first duly sworn on his oath, deposes and says:

That he is the affiant above named, that he has read the foregoing Affadavit, knows the contents thereof, and that the statements therein contained are true.

Joseph F. Shupe
Joseph F. Shupe

Subscribed and Sworn to before me this 9th day of December, 1978.



Marilyn Schneider
Notary Public

AFFADAVIT

OF

Dr. Robert R. Whittaker

Augusta, Kansas

I, Dr. Robert R. Whittaker, do hereby make this affadavit freely and of my own accord and under oath, deposing and saying:

1. That I am a partner to Dr. J. David Crum in the optometric practice known as Whittaker & Crum located in the Augusta Plaza, Augusta, Kansas.

2. That during the year 1978, I did not engage in the practice of optometry except for a brief period from November 13th to 17th and November 20th to 24th. That during 1978 I was a candidate for the U.S. House of Representatives from the 5th Congressional District of Kansas.

3. That during the period of time I was a candidate for federal office I received no salary from my optometric practice nor did I receive any loans from said practice.

4. That my partner, Dr. Crum, and myself entered into an oral agreement by which Dr. Crum was to purchase my share of the optometric practice. That pursuant to said agreement Dr. Crum was to pay me the sum of \$1,000 per month, said sums to be credited against the purchase price of my share of the practice; said purchase price was to be arrived at at a later date according to the terms of the partnership agreement existing between Dr. Crum and myself, and after arriving at the figure to be finalized in a written dissolution and purchase agreement to be prepared by an attorney.

5. That the final dissolution and purchase agreement is currently under preparation by Dana W. Haas, Attorney at Law, 423 State, Augusta, Kansas.

6. That the sums I received from my optometric partner were never reported on my F.E.C. reports nor were they ever used by or deposited with my campaign committee, because I did not believe them to be a contribution or loan, as defined in the Federal Election Campaign Act, nor were they received or given to influence the outcome of the election, but rather constituted a private business transaction between Dr. Crum and myself.

7. That it was understood between Dr. Crum and myself and by Joseph F. Shupe, our accountant, that the sums of money I received during 1978 were a reduction of my ownership in the optometric practice, and in the event I was to return to practice following the election, I would do so as less than a full partner, until such time as I might elect to purchase back the partnership share which I had sold to Dr. Crum.

8. That this agreement was not reduced to writing because of the very close relationship of trust which exists between Dr. Crum and myself, and that it was not at all uncommon for Dr. Crum and myself to enter into agreements which were not put in writing.

Page 2
Affadavit of
Dr. Robert R. Whittaker

9. That I have never knowingly or intentionally violated or attempted to evade any law. That I have always believed, and do still, that the arrangement between Dr. Crum and myself is legal and proper.

Further affiant saileth not.

Robert R. Whittaker

Dr. Robert R. Whittaker

V E R I F I C A T I O N

State of Kansas)
County of Butler) ss.

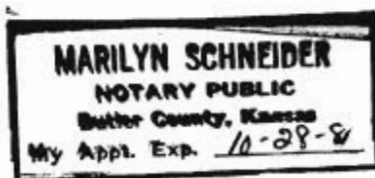
Dr. Robert R. Whittaker, of lawful age, being first duly sworn on his oath, deposes and says:

That he is the affiant above named, that he has read the foregoing affadavit, knows the contents thereof, and that the statements therein contained are true.

Robert R. Whittaker

Dr. Robert R. Whittaker

Subscribed and Sworn to before me this 9th day of December, 1978.



Marilyn Schneider

Notary Public

4. CONTRIBUTION:

The capital of the partnership shall be contributed equally by the partners in the following manner. Whittaker who has engaged in the optometric profession in Augusta and surrounding area for many years, has on hand the equipment which will be necessary for the conduct of the partnership business. He also has established considerable good will in his practice. Whittaker therefore agrees to sell to Crum and Crum agrees to purchase from Whittaker an undivided one-half interest in and to said optometric practice belonging to Whittaker at Augusta, Kansas and Valley Center, Kansas. It is understood and agreed that said practice includes equipment and good will but excludes the cash on hand and accounts receivable as of the date of the signing of this Agreement. The value of the practice is agreed to be an amount equal to the gross receipts for the calendar year 1969 and Crum shall purchase the said undivided onethalf interest of Whittaker for an amount equal to one-half of the gross receipts for the calendar year 1969.

Upon a determination of the sale price as aforesaid, Crum will pay for the same by paying to Whittaker the sum of Five Thousand and No/100 Dollars (\$5,000.00) on or before January 1, 1970 and the unpaid balance in monthly installments together with interest on the unpaid balance at a rate of interest per annum adjusted annually on January 1 of each year to a rate of interest one and one-half percent (1-1/2%) above the prime rate in the Kansas City Federal Reserve District then in effect. The amount of the monthly installment payments will vary from month to month and shall be determined in the following manner:

By the 15th of April, 1970 and quarterly thereafter, the net profits for that quarter shall be determined and credited to a partnership drawing account. Each partner shall be entitled to withdraw the sum of One Thousand and No/100 Dollars (\$1,000.00) and the sum of One Thousand and No/100 Dollars (\$1,000.00) as aforesaid, shall then be debited to said drawing account of each partner monthly. After the debit of said One Thousand and No/100 Dollars (\$1,000.00)

monthly to the drawing account of each partner, the quarterly balance remaining shall then be available for further distribution to the partners.

One-half of the said quarterly balance shall be subject to the withdrawal of Whittaker and the remaining one-half shall further be subject to the withdrawal of Crum with the provision that the one-half of the remaining of the quarterly balance of the partnership belonging to Crum be credited to the installment payments for the purchase by Crum of the undivided one-half interest in the partnership assets as aforesaid. Said payment shall first be credited to interest due and the balance to payment on principal. It is expressly agreed that the remaining one-half of the quarterly balance subject to the withdrawal of Crum be applied in the manner aforesaid until the full amount of indebtedness of Crum to Whittaker, including principal and interest, is fully paid.

The practice as heretofore described shall be contributed by the partners and shall constitute the capital of the partnership. In addition each party will contribute on January 1, 1970 the sum of One Thousand and No/100 Dollars (\$1,000.00) to be used as working capital.

After the effective date of this agreement, all equipment, supplies, materials, furnishings and all other products of every kind and nature, used or purchased by the partnership, shall become the property of the partnership and shall be purchased with partnership funds. It is further agreed that no partnership expenditures, except the normal operating expenses, shall be expended, without the joint consent of both of the parties to this agreement.

An inventory shall be prepared of all equipment belonging to the partnership, with the exception of that which is leased. All leases shall be changed to the name of the partnership upon obtaining the consent of lessor or lessors.

5. SHARE IN PROFITS AND LOSSES:

Subject to paragraph 4 of this agreement, the profits and losses of the practice are to be divided equally between the two partners.

SECOND SUPPLEMENT TO PARTNERSHIP AGREEMENT OF ROBERT
R. WHITTAKER, O.D. and J. DAVID CRUM, O.D.

WHEREAS, the undersigned, do desire to alter, change and amend their original Partnership Agreement under the date of January 1, 1970 and as amended under the First Supplement thereto dated January 6, 1970, and

WHEREAS, Robert R. Whittaker has been elected to the legislature of the State of Kansas which will necessitate his being absent from the practice carried on by the partnership, and

WHEREAS, under the terms and provisions of the original partnership the parties to the same were required to devote certain working time to the business of the partnership and were entitled to certain compensation therefor, the provisions of which need to be altered, changed and amended as hereinafter more specifically set forth, and

WHEREAS, as a part of the basic Partnership Agreement J. David Crum agreed to purchase, upon the formula established in said agreement, a portion of the partnership all as contained in the original Agreement and that through the period of years such payments have been made leaving a certain amount due to complete such payment and the parties do desire to realize such payment, confirm the amount due and to cause the basic agreement to be changed thereby, and

NOW THEREFORE, the parties hereto do stipulate and agree as follows, to wit:

1. That Robert R. Whittaker shall be relieved of the obligation of devoting his full business time, skill and energy to the practice of optometry and to the partnership to the extent that he shall necessarily be absent for his legislative duties but shall nonetheless devote all other time, skill and energy to the partnership affairs as

contained in the basic Agreement.

2. During the period that Robert R. Whittaker shall be absent due to his legislative duties from the normal working hours of the partnership he shall be entitled to 1/10 of the net profit realized from business during such absence and 90% thereof shall be credited to the account of J. David Crum. It is stipulated and recognized that other than for the periods of time when the adjustment shall be made for legislative absence, the partners shall share equally in the net profit from such partnership. Necessary ledgers or records will be kept to ascertain the adjustments for legislative absences.

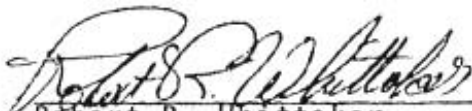
3. It is further stipulated by and between the parties hereto that the parties hereto shall each withdraw, from time to time, as may be mutually agreed to compensate the partners for their divisions of net profits upon the formula set forth above and that all withdrawals shall be simultaneously and equal as between the partners except to the extent that an adjustment shall be made for legislative absences as aforesaid. Withdrawals from capital accounts of the partners shall be adjusted on a quarterly basis and at such other times as the partnership may mutually agree to take care of any discrepancies of the partners withdrawals. Provided however, that the partners may, leave certain amounts in their capital accounts and not withdraw the same for the purpose of maintaining cash balances or operating capital.

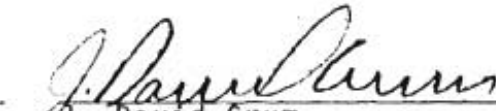
4. It is further stipulated and agreed by and between the parties hereto that J. David Crum has paid all sums necessary to purchase his portion of the partnership business as set forth in the basic partnership Agreement with the exception of the sum of \$6,500.00. Said sum shall be paid as expeditiously as possible after the 13th day of January, 1975 together with interest at the rate of nine percent per annum from the first day of May, 1974 until paid.

Page 3

5. This agreement shall constitute an alteration of the basic Agreement, as amended by First Supplement, and all of the terms and provisions of the basic Agreement and Supplement thereto shall be and remain the same except as the provisions thereof shall be altered, changed or amended hereby.

Dated this 31st day of December, 1974.


Robert R. Whittaker


J. David Crum

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American

Savings Association of Kansas

203 West Seventh Augusta, Kansas 67010
Area Code 316, 775-2264



259314

44-194
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July 17, 1978

PAY TO THE ORDER OF

Marlene F. Whittaker

VOID AFTER 90 DAYS

AMERICAN SAVINGS \$5000dol's00cts

DATE 7/17/78

1176

Deanne Dickerson
American Savings Association of Kansas

0259314

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FEDERAL HOME LOAN BANK OF TOPEKA - TOPEKA, KANSAS

This check was drawn on a joint savings account owned by my wife, Marlene, and I and endorsed directly over to my campaign account. Title to this savings account was in both my wife and my name and we both had access to this account and rights of beneficial enjoyment to the funds in the account.

12481101002

For Deposit Only into
Robert R. Whitaker
Farm Account
Exchange State Bank
Douglas, Mo. 68484

Robert R. Whitaker
EXCHANGE
STATE BANK
KANSAS
83-493

JUL 28 78

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0761

1011-0002-9 PAY TO THE ORDER OF FIRST NATL WICHITA, KAN 1011-0008-9

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For Deposit Only into
Exchange State Bank
Robert R. Whitaker

0000 79607

PAY TO THE ORDER OF THE CO. PER
EXCHANGE
STATE BANK
KANSAS
83-493

AUG 31 78

1011-0002-9 PAY TO THE ORDER OF FIRST NATL WICHITA, KAN 1011-0008-9

1011-0002-9 PAY TO THE ORDER OF FIRST NATL WICHITA, KAN 1011-0008-9

For Deposit Only into
Exchange State Bank
Douglas, Mo.

Robert R. Whitaker
0000 79607

PAY TO THE ORDER OF THE CO. PER
EXCHANGE
STATE BANK
KANSAS
83-493

AUG 31 78

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BANK OF

For Deposit Only
Robert R. Whitaker

0001 43438

PAY TO THE ORDER OF THE CO. PER
ROSE HILL
STATE BANK
ROSE HILL, KANSAS
83-1021 83-1021

SEP 22 78

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White House for Congress
1000 11th St, Legal Coun
423 State
P.O. Box 87
Augusta, Kansas 67010

ATTN: Scott Rinn MUR 806
FEDERAL ELECTION COMMISSION
1325 K. STREET, N. W.
WASHINGTON, D.C. 20463



JUN 14 PM 1:16

RECEIVED
FEDERAL ELECTION COMMISSION



FEDERAL ELECTION COMMISSION

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

December 1, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Dr. Robert Whittaker
RR 1
Augusta, KS 67010

Re: MUR 806

Dear Dr. Whittaker:

The Federal Election Commission has received a complaint which alleges you and your Committee committed certain violations of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 806. The Commission has reason to believe that the matters alleged therein state a violation of 2 U.S.C. §§434(b)(5); 441a(a)(1)(A); and 441g. Specifically, it appears that you received loans from your optometric partnership without having the Whittaker for Congress Committee report your receipt of such loans; that the loans exceed the contribution limitations of the Act; and that your personal cash loans to the Committee, exceed the cash contribution limitation of the Act.

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. Additionally, please submit answers to the enclosed questions. 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.

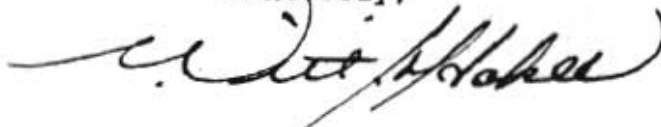
If you have any questions, please contact Scott Rinn, the attorney assigned to this matter, at 202-523-4000.

79040113735

This matter will remain confidential in accordance with 2 U.S.C. Section 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 have such counsel so notify us in writing.

Sincerely,



William C. Oldaker
General Counsel

cc: Whittaker for Congress Committee
P.O. Box 68
Rose Hill, KS 67133

PS Form 3811, Apr 1977

79040113737

King MUE-806

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:
Dr. Robert W. Haker

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
DATE OF DELIVERY 12-9-78

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE

U.S. POSTAL SERVICE
KANSAS
978

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

THE FEDERAL ELECTION COMMISSION

TO: DR. ROBERT WHITTAKER QUESTIONS

RE: MUR 806

1. Did you receive any payments from an optometric partnership of which you are or were a partner, while you were a candidate for federal office in 1978?
2. If the answer to question number one (1) is yes, please provide the following information:
 - a. the name and address of the partnership
 - b. the members of the partnership
 - c. the manner of payment, (i.e. check or other)
 - d. the number of payments you received in 1978
 - e. the date of each payment
 - f. the amount of each payment
 - g. a photostatic copy of each payment
3. Did you or your Committee report the receipt of each payment referred to in question number one to the Federal Election Commission?
4. If the answer to question number three (3) is yes, please provide the following information: a photostatic copy of each page of any report filed in 1978 indicating the itemized receipt by you or your committee of each payment referred to in question number one (1).
5. Explain how each and every payment referred to in question number one (1) was received and treated by you and the Whittaker for Congress Committee, (i.e. loans, salary, installments in conjunction with a buy-sell agreement between you and the partnership of which you were a partner.)

79040113733

- 7904011373
6. If there was a buy-sell agreement between you and the optometric partnership of which you were a partner, please provide a photostatic copy of that agreement if it was a written document, or affidavits by the principals if it was an oral agreement, concerning the terms of the agreement.
 7. Provide a photostatic copy of your partnership's agreement used to allocate partnership profits. Include the name and current address of the person in charge of its administration.
 8. Provide a photostatic copy of any ancillary agreement made by the partnership to provide compensation to you while you campaigned for election to Congress.
 9. For the two personal loans you made to the Whittaker for Congress Committee, one for \$10,000 on July 1, 1978, and the other for \$5,000 on July 18, 1978, state whether they were made in cash, by check or in some other way. Provide a photostatic copy of the cancelled check or the receipt evidencing these transactions.
 10. For each of the following loan repayments from the Whittaker for Congress Committee to you, state the disposition of the funds, i.e. placed in your personal bank account; given back to your optometric partnership, etc.
 - a. \$1,000 on July 7, 1978
 - b. \$2,000 on August 8, 1978
 - c. \$6,000 on August 28, 1978
 - d. \$5,000 on September 20, 1978

Also, provide evidence of the disposition of each of the above loan repayments from your Committee to you, i.e. receipt, cancelled check, etc.

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Dr. Robert Whittaker) MUR 806
The Whittaker for Congress)
Committee (Kansas))

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on November 28, the Commission determined by a vote of 4-0 to adopt the following recommendations, as set forth in the First General Counsel's Report dated November 22, 1978, regarding the above-captioned matter:

1. Find reason to believe a violation of 2 U.S.C. §§434(b)(5); 441a(a)(1)(A) and 441g may have been committed by respondents Dr. Robert Whittaker and the Whittaker for Congress Committee.
2. Send the letters attached to the above-named report.

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

Attest:

11/28/78

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

Received in Office of Commission Secretary: 11-22-78, 10:56
Circulated on 48 hour vote basis: 11-24-78, 12:00

79040113740

November 22, 1978

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Carr
SUBJECT: MUR 806

Please have the attached First General Counsel's
Report on MUR 805 distributed to the Commission on a
48 hour tally basis.

Thank you.

79040113741

FEDERAL ELECTION COMMISSION

1325 K Street, N.W.

Washington, D.C. 20463 78 NOV 22 A10: 56

FIRST GENERAL COUNSEL'S REPORT

DATE AND TIME OF TRANSMITTAL
BY OGC TO THE COMMISSION NOV 22 1978

MUR NO. 806
DATE COMPLAINT RECEIVED
BY OGC October 29, 1978
STAFF
MEMBER Rinn

SOURCE: Gordon Garrett, Campaign Director
Don Allegrucci for Congress Committee (Kansas)

RESPONDENT'S NAME: Dr. Robert Whittaker and the Whittaker for
Congress Committee (Kansas)

RELEVANT STATUTE: 2 U.S.C. §§434(b)(5); 441a(a)(1)(A);
and 441(g)

INTERNAL REPORTS CHECKED: Statement of candidacy and all 1978 reports
of the Whittaker for Congress Committee

FEDERAL AGENCIES CHECKED: None

BACKGROUND

On October 29, 1978, the Commission received a notarized complaint from Gordon Garrett, Campaign Director, Don Allegrucci for Congress Committee against the respondents, Dr. Robert Whittaker and the Whittaker for Congress Committee. The complaint made the following allegations:

1. Since at least January 1, 1978, Dr. Robert Whittaker has received \$1,000 a month from an optometric partnership of which he is a partner. The partnership is not incorporated.

2. Since January 1, 1978, Whittaker, by his own admissions, has not examined any patients in the course of business for the partnership.

3. To this date, approximately \$10,000 has been accepted by Dr. Whittaker for his personal use, none of which has been reported as provided for in the Act.

4. Personal conflicting statements by the candidate, Dr. Whittaker, have described the money received as:

- a. salary
- b. loan
- c. buy-sell agreement that would be applied to buying the partnership if the campaign is successful and a loan if the candidate is unsuccessful.

Based on this information, complainant claimed that the partnership made, and Dr. Whittaker accepted, contributions in excess of the \$441a (a) (1) (A) limitations of the Act.

REPORTING EVIDENCE

On FEC form 2, dated May 5, 1977, Dr. Whittaker waived his personal duty to file reports and keep records of receipts and expenditures pursuant to 11 CFR §101.3. A check of the reports of Dr. Whittaker's principal campaign committee, Whittaker for Congress Committee, shows that Dr. Whittaker made two loans in cash to the Whittaker for Congress Committee; one for \$10,000 on July 1, 1978 as reported in the 10 day pre-primary report, and the other for \$5,000 on July 18, 1978 as reported in the 30 day post-primary report, each coming from Dr. Whittaker's "personal funds."

The Committee also made various expenditures to repay out of pocket and in-kind expenses that Dr. Whittaker incurred on behalf of his campaign.

PRELIMINARY ANALYSIS

I. Candidate-received contributions vs. "personal funds" of a candidate.

The issue in Dr. Whittaker's case is whether the payments he allegedly received, (\$1,000 per month) from his optometric partnership are:

- (1) contributions from the partnership falling under 11 CFR §101.3 (a), which would have to have been reported by the Committee when received by the candidate, but were not, or,
- (2) salary and therefore the candidate's personal funds falling under 11 CFR §101.3(b) which do not have to be reported by the Committee when received by the candidate.

Under 11 CFR §101.3(a), candidates who have waived their personal reporting requirements and who personally receive contributions must surrender the entire amount to their principal campaign committee within five days and they may not commingle such contributions with their personal funds.

Under 11 CFR §101.3(b) a candidate may not make unreimbursed expenditures for his campaign, but he may make an expenditure from his personal funds to his principal campaign committee, which shall be reported by the Committee as a contribution from the candidate.

"Personal funds" are defined by 11 CFR §110.10(b) (1) and (2) as funds which the candidate has the legal and rightful title to, at the time he becomes a candidate. "Salaries and other earned income from bona fide employment" are included within this definition under subsection (b) (2).

"Contributions" are defined by 2 U.S.C. §431(e) (1) (A) to include loans made for the purpose of influencing the election of a candidate to Federal office.

II. "Personal funds" v. "Contribution" as applied to the complaint's allegations.

The complaint alleges that Dr. Whittaker has been receiving monthly payments of \$1,000 from an optometric partnership of which he is a partner. At various times, Dr. Whittaker has allegedly termed these payments as salary, loans and installments in conjunction with a buy-sell agreement whereby his partners would buy out his interest in the partnership if he was elected, or the payments would be treated as loans from the partnership if he were defeated.

For purposes of analysis, the three ways Dr. Whittaker has described these payments will be considered in only two ways: either as loans or as salary.^{1/}

The Commission dealt with a similar fact situation in AO 1978-6, where a lawyer was receiving his regular income from a general partnership while he campaigned for Federal office. The compensation scheme was based, in part, on the number of hours recorded as client work done by the firm. AO 1978-6 stated:

...to the extent your compensation from the firm is not reduced to reflect the lower number of hours you will work for the firm because of your candidacy, the amount of compensation attributable to that difference is a contribution to your campaign by the general partnership. This contribution is subject to the limitations and the reporting and disclosure requirements of the Act. See 2 U.S.C. §§434, 441(a); 11 CFR 104, 110, especially 110.1 (e): contributions by a partnership.

The complaint states that since January 1, 1978, Dr. Whittaker, by his own admissions, has not examined one patient in the course of the partnership's business. The importance of this allegation depends upon the terms of the compensation agreement used by Dr. Whittaker's partnership. If hours recorded as client work was a part of the partnership's compensation agreement, then the payments received by Dr. Whittaker have been, at least in part, contributions, unless they reflect a decrease in compensation for fewer hours worked. If hours worked was not part of the compensation agreement, then Dr. Whittaker would have been receiving his usual bona fide salary.^{2/} The complaint does not contain sufficient information to make a determination of this critical fact.

^{1/} This will be done because of the nature of the third possibility, the buy-sell agreement. Under the terms of the alleged buy-sell agreement, the condition precedent, Dr. Whittaker's successful election, created a situation where the agreement was void and unenforceable until the condition precedent would have been fulfilled. Until that time, the payments would have to have been considered a loan, and therefore this analysis will consider the payments only as a loan or as a salary.

^{2/} AO 1976-70 states: "If the candidate were receiving compensation in the form of earned or accrued leave, the Commission would not regard that as a contribution since, by analogy, no compensation is considered paid to an employee 'where the time is bona fide, although compensable, vacation time or other earned leave time.' See §100.4(a)(5)(iii)..."

Complainant further alleges that Dr. Whittaker had accepted partnership money for his "personal use." The reporting exemption for payments of routine living expenses from non-campaign funds (personal funds) under 11 CFR §100.7(b)(10) does not apply to respondents, unless the payments are treated as bona fide salary.

If the optometric partnership payments are campaign contributions in the form of loans, it is irrelevant whether those funds are used exclusively for personal living expenses. AO 1978-40 states:

The Commission has previously held that funds provided to a candidate to be used solely for personal living expenses and subsistence of the candidate and his family are contributions for purposes of the Act if the funds are not "personal funds" under Commission regulations, §110.10(b)... (See also AO 1976-84; 1976-70)

III. Conclusion

The Office of the General Counsel recommends that an investigation be opened to determine whether the payments received by Dr. Whittaker were:

- (1) salary, and therefore not in violation of the Act, provided that all other requirements of 11 CFR §101.3 are fulfilled, or
- (2) loans, and therefore in violation of
 - (a) 2 U.S.C. §434(b)(5) for the committee's failure to report the loans as contributions, and
 - (b) 2 U.S.C. §441a(a)(1)(A) for the Committee's receipt of contributions in excess of \$1,000 for the August 1, 1978 Kansas primary election.^{3/}

IV. Cash Contributions

Additionally, this office noted that the reports of the Whittaker for Congress Committee indicate that the loans made to the Committee from the candidate of \$10,000 on July 1, 1978 and of \$5,000 on July 18, 1978, were cash loans in violation of 2 U.S.C. §441g and 11 CFR 110.4(c)(1) and (2). Therefore, the office of the General Counsel recommends an investigation to determine whether or not these loans were in fact cash loans.

^{3/} A loan is a contribution as long as it is outstanding and unpaid by the candidate or committee to whom the loan was made. 11 CFR 100.4(a)(1)(i). As it is repaid, the individual lender is no longer charged with a contribution for limit purposes under 2 U.S.C. §441a (See AO 1978-40). The reports of the Committee show that \$14,000 of the \$15,000 in loans was repaid: \$1,000 was repaid on July 7, 1978; \$2,000 on August 8, 1978; \$6,000 on August 28, 1978; and \$5,000 was repaid to Dr. Whittaker on September 20, 1978. Although the Committee repaid Dr. Whittaker for all but \$1,000 of the personal loans, Dr. Whittaker must also repay the contributions to his partnership. Whether or not this was done is unknown.

RECOMMENDATIONS

1. Find reason to believe a violation of 2 U.S.C. §§434(b)(5); 441a (a)(1)(A) and 441g may have been committed by respondents Dr. Robert Whittaker and the Whittaker for Congress Committee.
2. Send the attached letters.

ATTACHMENTS

Complaint
Reports
Letters

79040113746

RECEIVED
FEDERAL ELECTION
COMMISSION

October 27 087829 AM 11:33

Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

807449

ATTN: Office of General Counsel

Dear Sirs:

As campaign director of the Don Allegrucci for Congress Committee, I am hereby filing a formal complaint charging the Whittaker for Congress Committee and Dr. Robert Whittaker with violating the Federal Election Campaign Act. The following facts are accurate to the best of my knowledge and in accordance with statements made by the Whittaker for Congress Committee and Robert Whittaker.

1. Since at least January 1, 1978, Dr. Robert Whittaker has received \$1,000.00 a month from an optometric partnership of which he is a partner. The partnership is not incorporated.
2. Since January 1, 1978, Whittaker, by his own admissions, has not examined one patient in the course of business for the partnership.
3. To this date, approximately \$10,000.00 has been accepted by Dr. Whittaker for his personal use, none of which has been reported as required by the disclosure provisions of the Act.
4. Personal conflicting statements by the candidate, Dr. Whittaker, have described the money received as:
 - a. salary
 - b. loan
 - c. buy-sell agreement that would be applied to buying the partnership if the campaign is successful and a loan if the candidate is unsuccessful.

If the money received is salary it is in fact unearned income and is therefore subject to the limitations and disclosure provisions governing contributions. (See attached AO 1978-6).

79010113747

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

Page 2
October 27, 1978

If the money received is a loan to be used for personal purposes such as living expenses, then as outlined in AO 1978-40 it is considered a contribution and is subject to the disclosure and contribution limitations of the Federal Election Campaign Act.

If the money received is a buy-sell agreement conditioned on the successful completion of the campaign and otherwise a loan, it is in fact not an outright buy-sell agreement but is a loan that may be applied to the purchase of the business and is still a contribution and subject to the disclosure and contribution limitation provisions of the Federal Election Campaign Act.

From the above facts it appears that Whittaker has accepted at least \$8,000.00 in contributions from the partnership that exceeds the \$1,000.00 limitation on contributions from a partnership or individual. Further, the \$2,000.00 that could legally be contributed (\$1000 - primary; \$1000 - general) has not been disclosed as provided by the Federal Election Campaign Act.

I respectfully request your immediate investigation and action in this matter seeking all remedies available. I urge you to expedite this matter due to the extreme seriousness of this situation.

Sincerely,

Gordon Garrett

Gordon Garrett
Campaign Director
P.O. Box 1536
Pittsburg, Kansas 66762
316-232-1474 or 913-233-5088



WAIVER

U.S. Election Commission
1200 F Street, N.W.
Washington, D.C. 20543

Form 700 (Rev. 11-80)
(Instructions on back of form)

FILE OF RECORDS

(Note: Candidates authorized to receive contributions and make expenditures in connection with more than one election must submit separate reports with respect to each election.)

1(a) Name of Candidate (in full) Dr. Robert "Bob" Wittaker	3 Identification Number (Candidates only) KS0514	Party Affiliation Republican
1(b) Address (number and street) Route #1, Box 48A	4 Office Sought U. S. Representative	
1(c) City, State and ZIP code Lawrence, Kansas 67010	5 District and State of Candidate Fifth Congressional Dist. - Kansas	

Designation of Principal Campaign Committee

6 I hereby designate the following named political committee as my Principal Campaign Committee for the 1978 election(s). Note: The principal campaign committee must register as a political committee on FEC Form 1.
(Year of election)

7(a) Name of Committee (in full) WITTAKER FOR CONGRESS
7(b) Address (number and street) Route #1, Box 48A
7(c) City, State and ZIP code Lawrence, Kansas 67010

7 I hereby designate the following national and/or State bank(s) as campaign depositories to be used by myself and the above political committee.

8(a) Name of Bank (in full) Prairio State Bank	8(c) Name of Bank (in full)
8(b) Address (number and street) 512 State	8(b) Address (number and street)
8(c) City, State and ZIP code Lawrence, Kansas 67010	8(c) City, State and ZIP code
8(a) Name of Bank (in full) Rose Hill State Bank	8(c) Name of Bank (in full)
8(b) Address (number and street)	8(b) Address (number and street)
8(c) City, State and ZIP code Rose Hill, Kansas 67133	8(c) City, State and ZIP code

Candidate Reporting Status

9 Check Reporting Status (a) or (b) (whichever is applicable)
☒ (a) I hereby certify that the above named committee and authorized agents thereof will receive and disburse ALL funds in support of my candidacy in the above election(s). Based upon this certification I hereby request a waiver of my reporting responsibility. If, after filing this form, I personally receive contributions or make expenditures, the waiver becomes void and I must file a separate report as required by 2 USC 434 on Federal Election Commission Form 3.
☐ (b) I intend to personally receive contributions and/or make expenditures in support of my candidacy and will file separate reports of such receipts and expenditures as required by 2 USC 434, on Federal Election Commission Form 3.

I certify that I have prepared this Statement and to the best of my knowledge and belief it is true, correct and complete.

Robert Bob Wittaker
(Signature of Candidate)

5/5/77
(Date)

Notes: Submission of false, erroneous, or incomplete information may subject the person signing this Statement to the penalties of 2 U.S.C. §437g or 18 U.S.C. (see reverse side of form)

79040113749
77011224403

APRIL 10 QUARTERLY REPORT, 1978

January, 1978
Federal Election Commission
1225 K Street, N.W.
Washington, D.C. 20463

DEBTS AND OBLIGATIONS

Supporting Line Numbers 12 and 13
of FEC FORM 3

(Indicate Primary or General Election for each Entry)

Page 2 of 2

Line Number 22

(Use Separate Schedules for each numbered line)

009512

Name of Candidate and Committee in Full Whittaker for Congress Committee				
Full Name, Mailing Address and ZIP Code of Debtor or Creditor	Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
Dr. Robert Whittaker RM 1 Augusta, Ga. 67010	1-31-70			
☒ Primary ☐ General ☐ Other		\$1052.07	\$ -0-	\$ 15057.00
NATURE OF OBLIGATION (Details of Debt): Expenses in kind incurred by the candidate. See the attached itemized list for a description of the expenses. Duration of the debt is till after the election. No interest to be charged, source, from candidate's own personal funds, unsecured. The outstanding balance includes the balance reported on line 27 of the 1977 year end report.				
Dr. Robert Whittaker RM 1 Augusta, Ga. 67010	2-23-70			
☒ Primary ☐ General ☐ Other		\$1220.61	\$ -0-	\$ 16077.61
NATURE OF OBLIGATION (Details of Debt): See Explanation above				
Dr. Robert Whittaker RM 1 Augusta, Ga. 67010	3-31-70			
☒ Primary ☐ General ☐ Other		\$ 951.75	\$ -0-	\$ 17029.36
NATURE OF OBLIGATION (Details of Debt): See Explanation above				
CUSTOTALS this period this page (optional)		\$ 3225.23	\$ -0-	\$ 17029.36
TOTAL this period (last page this line number only)		\$ 3225.23	\$ -0-	\$ 17029.36
Carry outstanding balance only to appropriate line of summary.				

7 70040113750
7 78011331146

10 DAY PRE-PRIMARY REPORT, 1978

January, 1978
Federal Election Commission
1225 K Street, N.W.
Washington, D.C. 20543

(Contributions, Transfers, Contributions in-kind,
Other Income, Loans, Refunds)

Supporting Lines 14a, 14b, 14c, 14d, 14e, 14f, 14g, and/or 14h
of FEC FORM 3

Page 2 of 2
Line Number 17A

(Use Separate Schedules for
each numbered line)

069582

Name of Contributor or Committee to Full Whittaker for Congress Committee

Full Name, Mailing Address and ZIP Code Mr. Robert Whittaker R. R. 1 Augusta, Ga. 67010 Loan from personal funds See Schedule C	Principal Place of Business Augusta Plaza Augusta, Ga. 67010 Occupation Optometrist	Date (month, day, year) 7-1-78	Amount of each Receipt this Period \$10,000.00
Receipt for: ☐ Primary ☐ General ☐ Other	☐ Check if Contributor is self-employed Amount Year-To-Date . . . \$		
Full Name, Mailing Address and ZIP Code	Principal Place of Business Occupation	Date (month, day, year)	Amount of each Receipt this Period
Receipt for: ☐ Primary ☐ General ☐ Other	☐ Check if Contributor is self-employed Amount Year-To-Date . . . \$		
Full Name, Mailing Address and ZIP Code	Principal Place of Business Occupation	Date (month, day, year)	Amount of each Receipt this Period
Receipt for: ☐ Primary ☐ General ☐ Other	☐ Check if Contributor is self-employed Amount Year-To-Date . . . \$		
Full Name, Mailing Address and ZIP Code	Principal Place of Business Occupation	Date (month, day, year)	Amount of each Receipt this Period
Receipt for: ☐ Primary ☐ General ☐ Other	☐ Check if Contributor is self-employed Amount Year-To-Date . . . \$		
Full Name, Mailing Address and ZIP Code	Principal Place of Business Occupation	Date (month, day, year)	Amount of each Receipt this Period
Receipt for: ☐ Primary ☐ General ☐ Other	☐ Check if Contributor is self-employed Amount Year-To-Date . . . \$		
Full Name, Mailing Address and ZIP Code	Principal Place of Business Occupation	Date (month, day, year)	Amount of each Receipt this Period
Receipt for: ☐ Primary ☐ General ☐ Other	☐ Check if Contributor is self-employed Amount Year-To-Date . . . \$		
Full Name, Mailing Address and ZIP Code	Principal Place of Business Occupation	Date (month, day, year)	Amount of each Receipt this Period
Receipt for: ☐ Primary ☐ General ☐ Other	☐ Check if Contributor is self-employed Amount Year-To-Date . . . \$		
Full Name, Mailing Address and ZIP Code	Principal Place of Business Occupation	Date (month, day, year)	Amount of each Receipt this Period
TOTAL of receipts this page (optional)			\$ 10,000.00
TOTAL of receipts this page (optional)			\$ 10,000.00

78011431607

10 DAY PRE-PRIMARY REPORT, 1978

Form 100
100-1077
and Election Commission
814 Street, N.W.
Washington, D.C. 20003

USDEPT OF COMMERCE

Supporting Lines Numbers 12 and 13
OF REG FORM 10

Line 12 of 12 for
Line Number 12

(Use Corporate Schedules for
each numbered line)

(Indicate Primary or General Election for each Entry)

Name of Candidate and Committee in Full

Whittaker for Congress Committee

Full Name, Mailing Address and ZIP Code of Debtor or Creditor
Dr. Robert Whittaker
R. R. 1
Augusta, Ga. 67010

Date (month,
day, year)

7-1-78

Amount of Original
Debt, Contract,
Agreement or
Promise

\$ 10,000.00

Cumulative
Payment
To Date

\$ -0-

Outstanding
Balance at
Close of
This Period

\$ 33,818.07

☒ Primary

☐ General

☐ Other

NATURE OF OBLIGATION (Details of Debt):

Cash loan loaned by the candidate to the committee. Duration of the debt is till after the election. No interest will be charged. Source of funds is from the candidates own personal funds. The loan is unsecured, the outstanding balance includes the balance reported on line 27 of the 1977 year end report for 1977.

Full Name, Mailing Address and ZIP Code of Debtor or Creditor

Date (month,
day, year)

Amount of Original
Debt, Contract,
Agreement or
Promise

\$

Cumulative
Payment
To Date

\$

Outstanding
Balance at
Close of
This Period

\$

☐ Primary

☐ General

☐ Other

NATURE OF OBLIGATION (Details of Debt):

Full Name, Mailing Address and ZIP Code of Debtor or Creditor

Date (month,
day, year)

Amount of Original
Debt, Contract,
Agreement or
Promise

\$

Cumulative
Payment
To Date

\$

Outstanding
Balance at
Close of
This Period

\$

☐ Primary

☐ General

☐ Other

NATURE OF OBLIGATION (Details of Debt):

TOTALS this period this page (optional)

\$ 10,000.00

\$ -0-

\$ 33,818.07

TOTAL this period (last page this line number only)

\$ 10,000.00

\$ -0-

\$ 33,818.07

30 DAY POST-PRIMARY REPORT, 1978

• ITEMIZED RECEIPTS

(Contributions, Transfers, Contribution In-Kind,
Other Income, Loans, Refunds)

Supporting Lines 14a, 15a, 15b, 15c, 16a, 17a, and 17b
of FEC Form 278

1 of 1 for
Line Number 17 A

See schedules for
extended time

FORM 278-A
7-78
July, 1978
Federal Election Commission
1300 K Street, N.W.
Washington, D.C. 20543

Name of Candidate or Committee in Full
Whittaker for Congress Committee

Full Name, Mailing Address and ZIP Code
Dr. Robert Whittaker
RR 1, Augusta, Ks. 67010
Loan from Personal funds
see Schedule C

Principal Place of Business
Augusta Plaza
Augusta, Ks. 67010

Occupation
Optometrist

Date (month,
day, year)

Amount of each Receipt
this Period

1-13-78

\$5000.00

Receipt for
☒ Primary ☐ General ☐ Other

Full Name, Mailing Address and ZIP Code

☒ Check if Contributor is self-employed
Aggregate Year-To-Date \$ 17000.00

Principal Place of Business

Date (month,
day, year)

Amount of each Receipt
this Period

Occupation

Receipt for
☐ Primary ☐ General ☐ Other

Full Name, Mailing Address and ZIP Code

☐ Check if Contributor is self-employed
Aggregate Year-To-Date \$

Principal Place of Business

Date (month,
day, year)

Amount of each Receipt
this Period

Occupation

Receipt for
☐ Primary ☐ General ☐ Other

Full Name, Mailing Address and ZIP Code

☐ Check if Contributor is self-employed
Aggregate Year-To-Date \$

Principal Place of Business

Date (month,
day, year)

Amount of each Receipt
this Period

Occupation

Receipt for
☐ Primary ☐ General ☐ Other

Full Name, Mailing Address and ZIP Code

☐ Check if Contributor is self-employed
Aggregate Year-To-Date \$

Principal Place of Business

Date (month,
day, year)

Amount of each Receipt
this Period

Occupation

Receipt for
☐ Primary ☐ General ☐ Other

Full Name, Mailing Address and ZIP Code

☐ Check if Contributor is self-employed
Aggregate Year-To-Date \$

Principal Place of Business

Date (month,
day, year)

Amount of each Receipt
this Period

Occupation

Receipt for
☐ Primary ☐ General ☐ Other

Full Name, Mailing Address and ZIP Code

☐ Check if Contributor is self-employed
Aggregate Year-To-Date \$

Principal Place of Business

Date (month,
day, year)

Amount of each Receipt
this Period

Occupation

Receipt for
☐ Primary ☐ General ☐ Other

Full Name, Mailing Address and ZIP Code

☐ Check if Contributor is self-employed
Aggregate Year-To-Date \$

Principal Place of Business

Date (month,
day, year)

Amount of each Receipt
this Period

SUBTOTAL of receipts this page (optional)

\$

TOTAL this period (list page this line number only)

\$ 5000.00

79740113755

30 DAY POST-PRIMARY REPORT, 1978

MODULE D

VISION

January, 1978

General Election Commission

25 K Street, N.W.

Washington, D.C. 20453

ITEMIZED EXPENDITURES

(Operating, Transfers Out, Contributions In-
Locals, Loan Repayments and Refunds for
Supporting Lines 20a, 21a, and 22a, 22b, and 22c
of FEC FORM 3)

Page 1 of 21 for
Line Number

(Use Separate Schedules for
each numbered line)

1/22/78

Name of Candidate or Committee in Full
Whittaker for Congress Committee

Full Name, Mailing Address and ZIP Code	Particulars of Expenditure	Date (month, day, year)	Amount of each expenditure this period
Dr. Robert Whittaker RR 1 Augusta, Ky. 67010	Partial repayment of Dr. Whittaker's loan to the committee Expenditure for: ☒ Primary ☐ General ☐ Other	7-17-78 8-8-78	\$1000.00 \$1000.00
Luthi Cattle Inc. Madison, Ks. 66860	Corporation check submitted in error. Our check sent back to Expenditure for: ☒ Primary ☐ General ☐ Other	7-11-78	\$ 10.00
Full Name, Mailing Address and ZIP Code	Particulars of Expenditure	Date (month, day, year)	Amount of each expenditure this period
	Expenditure for: ☐ Primary ☐ General ☐ Other		
Full Name, Mailing Address and ZIP Code	Particulars of Expenditure	Date (month, day, year)	Amount of each expenditure this period
	Expenditure for: ☐ Primary ☐ General ☐ Other		
Full Name, Mailing Address and ZIP Code	Particulars of Expenditure	Date (month, day, year)	Amount of each expenditure this period
	Expenditure for: ☐ Primary ☐ General ☐ Other		
Full Name, Mailing Address and ZIP Code	Particulars of Expenditure	Date (month, day, year)	Amount of each expenditure this period
	Expenditure for: ☐ Primary ☐ General ☐ Other		
Full Name, Mailing Address and ZIP Code	Particulars of Expenditure	Date (month, day, year)	Amount of each expenditure this period
	Expenditure for: ☐ Primary ☐ General ☐ Other		
Full Name, Mailing Address and ZIP Code	Particulars of Expenditure	Date (month, day, year)	Amount of each expenditure this period
	Expenditure for: ☐ Primary ☐ General ☐ Other		
Full Name, Mailing Address and ZIP Code	Particulars of Expenditure	Date (month, day, year)	Amount of each expenditure this period
	Expenditure for: ☐ Primary ☐ General ☐ Other		
EUDTOTAL of expenditures this page (optional)			\$
TOTAL this period (last page this line number only)			\$ 3010.00

7004011373

11/20/73
 Federal Election Commission
 25 K Street, N.W.
 Washington, D.C. 20543

30 DAY POST-PRIMARY REPORT, 1978

DEBTS AND OBLIGATIONS

Supporting Line Numbers 12 and 13
of FEC FORM 3

(Indicate Primary or General Election for each Entry)

Page 1 of 1 for

Line Number 12

(Use Separate Schedules for
each numbered line)

069582

Name of Candidate and Committee in Full

Whittaker for Congress Committee

Full Name, Mailing Address and ZIP Code of Debtor or Creditor	Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
Dr. Robert Whittaker RR 1 Augusta, Ks. 67010	7-18-78	\$ 5000.00	\$ --	\$ 3818.07
☒ Primary ☐ General ☐ Other				

NATURE OF OBLIGATION (Details of Debt)

Cash loan, loaned by the candidate to the committee. Duration of the debt is till after the election. No interest will be charged. Source of funds is from the candidate's own personal funds. The loan is unsecured, the outstanding balance includes the balance reported on line 27 of the 1977 year end report for 1977.

Full Name, Mailing Address and ZIP Code of Debtor or Creditor	Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
Dr. Robert Whittaker RR 1 Augusta, Ks. 67010	7-31-78	\$ 3046.59	\$ 3000.00	\$ 38861.66
☒ Primary ☐ General ☐ Other				

NATURE OF OBLIGATION (Details of Debt)

Expenses in kind incurred by the candidate. See the attached itemized list for a description of the expenses. Duration of the debt is till such time as the committee feels they can repay all or a portion of the debts. No interest is to be charged, source, from candidate's own personal funds, unsecured. The outstanding balance includes the balance reported on line 27 of the 1977 year end report.

Full Name, Mailing Address and ZIP Code of Debtor or Creditor	Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
		\$	\$	\$
☐ Primary ☐ General ☐ Other				

NATURE OF OBLIGATION (Details of Debt)

EUDTOTALS this period (this page optional)	\$ 8046.59	\$ 3000.00	\$ 38861.66
TOTAL this period (last page this line number only)	\$ 8046.59	\$ 3000.00	\$ 38861.66

FBI
WFO
07, 1973
and Election Commission
B R Street, N.W.
Arlington, D.C. 22203

Page 2 of 2

Supporting Line Numbers 12 and 13
of FEC FORM 3Line Number 22

(Use Expense Schedules for each numbered line)

(Indicate Primary or General Election for each Entry)

069502

Names of Candidates and Committees in Full

Whittaker for Congress Committee

Full Name, Mailing Address and ZIP Code of Debtor or Creditor Dr. Robert Whittaker R R 1 Augusta, Ga 30901	Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
I Primary 1 General 1 Other	4/30/78	\$ 1478.36	\$ -0-	\$ 19307.78

NATURE OF OBLIGATION (Details of Debt)

Expenses in kind incurred by the candidate. See the attached itemized list for a description of the expenses. Duration of the debt is till after the election. No interest to be charged, source, from candidates own personal funds, unsecured. The outstanding balance includes the balance reported on Line 27 of the 1977 year end report.

Full Name, Mailing Address and ZIP Code of Debtor or Creditor			Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Promise	Cumulative Payments To Date	Outstanding Balance at Close of This Period
Dr. Robert Whittaker R R #1 Augusta, La 67010						
☒ Primary	☐ General	☐ Other	5/31/78	\$ 1896.14	\$ -0-	\$ 21203.92

NATURE OF OBLIGATION (Details of Debt)

See Item 1 for explanation

Full Name, Mailing Address and ZIP Code of Debtor or Creditor	Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
Dr. Robert Whittaker R R #1 Augusta, Ga 30601				
☒ Primary ☐ General ☐ Other	6/30/78	\$ 2463.94	\$ -0-	\$ 23667.06

	NATURE OF OBLIGATION (Details of Debt)
1.	Debt due to bank
2.	Debt due to other financial institutions
3.	Debt due to government
4.	Debt due to other entities
5.	Debt due to individuals
6.	Debt due to foreign entities
7.	Debt due to domestic entities
8.	Debt due to public sector
9.	Debt due to private sector
10.	Debt due to non-resident entities
11.	Debt due to resident entities
12.	Debt due to foreign currency
13.	Debt due to local currency
14.	Debt due to convertible currency
15.	Debt due to non-convertible currency
16.	Debt due to floating rate
17.	Debt due to fixed rate
18.	Debt due to variable rate
19.	Debt due to constant rate
20.	Debt due to zero coupon
21.	Debt due to par value
22.	Debt due to discount value
23.	Debt due to premium value
24.	Debt due to call option
25.	Debt due to put option
26.	Debt due to forward contract
27.	Debt due to swap contract
28.	Debt due to futures contract
29.	Debt due to options contract
30.	Debt due to derivatives contract
31.	Debt due to structured product
32.	Debt due to synthetic instrument
33.	Debt due to real estate investment
34.	Debt due to infrastructure investment
35.	Debt due to commodity investment
36.	Debt due to energy investment
37.	Debt due to technology investment
38.	Debt due to healthcare investment
39.	Debt due to education investment
40.	Debt due to social impact investment
41.	Debt due to environmental investment
42.	Debt due to gender equality investment
43.	Debt due to climate change investment
44.	Debt due to sustainable development investment
45.	Debt due to responsible investment
46.	Debt due to ethical investment
47.	Debt due to socially responsible investment
48.	Debt due to environmentally sound investment
49.	Debt due to socially beneficial investment
50.	Debt due to ethically sound investment
51.	Debt due to socially responsible investment
52.	Debt due to environmentally sound investment
53.	Debt due to socially beneficial investment
54.	Debt due to ethically sound investment
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77.	Debt due to socially beneficial investment
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91.	Debt due to socially responsible investment
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94.	Debt due to ethically sound investment
95.	Debt due to socially responsible investment
96.	Debt due to environmentally sound investment
97.	Debt due to socially beneficial investment
98.	Debt due to ethically sound investment
99.	Debt due to socially responsible investment
100.	Debt due to environmentally sound investment

See Item 1 for explanation.

CUMULATIVE this period this page (optional)	0 5038.44	0 -0-	0 23667.05
TOTAL this period (last page this line number only)	0 5038.44	0 -0-	0 23667.05

JULY 10 QUARTERLY REPORT, 1978

FORM 280
REVISED
January, 1973
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20543

ELECTIONS AND OBLIGATIONS

Supporting Line Numbers 12 and 13
of FEC FORM 3

(Indicate Primary or General Election for each Entry)

Page 2 of 2 for

Line Number 32

(Use Separate Schedules for
each numbered line)

059502

Name of Candidate and Committee in Full

Whittaker for Congress Committee

Full Name, Mailing Address and ZIP Code of Debtor or Creditor	Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
Dr. Robert Whittaker R R #1 Augusta, Ks 67010	5/30/78 6/30/78	69.05 81.16	-0- -0-	23818.07
☒ Primary ☐ General ☐ Other				

NATURE OF OBLIGATION (Details of Debt)

Office petty cash which has been paid by out of pocket expenses. Duration of the debt is till after the election, no interest is to be charged, source of funds is from Dr. Whittaker's own personal funds. This loan is unsecured. The outstanding balance includes the balance reported on Line 27 of the 1977 year end report.

Full Name, Mailing Address and ZIP Code of Debtor or Creditor	Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
		\$	\$	\$
☐ Primary ☐ General ☒ Other				

NATURE OF OBLIGATION (Details of Debt)

Full Name, Mailing Address and ZIP Code of Debtor or Creditor	Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
		\$	\$	\$
☐ Primary ☐ General ☒ Other				

NATURE OF OBLIGATION (Details of Debt)

ELECTIONS this period (the page optional)	\$ 150.21	\$ -0-	\$ 23818.07
TOTAL this period (for page this line number only)	\$ 150.21	\$ -0-	\$ 23818.07

7 79040113757
7 7901112441
7 790111084

OCTOBER 10 QUARTERLY REPORT, 1978

FEDERAL ELECTION COMMISSION
 1325 K Street, N.W.
 Washington, D.C. 20543

DEBTS AND OBLIGATIONS

Supporting Line Numbers 12 and 13
 of FEC FORM 3

Page 2 of 2 for
 Line number 12

(Use Separate Schedules for
 each numbered line)

(Indicate Primary or General Election for each Entry)

062482

Name of Candidate and Committee in Full

Whittaker for Congress Committee

Full Name, Mailing Address and ZIP Code of Debtor or Creditor

Dr. Robert Whittaker
 RR 1
 Augusta, Ga. 67010

Date (month, day, year)

8-30-78
 to
 9-30-78

Amount of Original Debt, Contract, Agreement or Promise

\$ 1441.64

Cumulative Payment To Date

\$ 14,000.00

Outstanding Balance at Close of This Period

\$ 29,306.30

Primary

☒ General

Other

NATURE OF OBLIGATION (Details of Debt)

Expenses in kind incurred by the candidate. See the attached itemized list for a description. Duration of the debt is till such time as the committee feels they can repay all or a portion of the debt. No interest is to be charged; source, from the candidates own personal funds, the loans are unsecured. The outstanding balance includes the balance reported on line 27 of the 1977 year end report.

Full Name, Mailing Address and ZIP Code of Debtor or Creditor

Date (month, day, year)

Amount of Original Debt, Contract, Agreement or Promise

\$

Cumulative Payment To Date

\$

Outstanding Balance at Close of This Period

\$

Primary

General

Other

NATURE OF OBLIGATION (Details of Debt)

Full Name, Mailing Address and ZIP Code of Debtor or Creditor

Date (month, day, year)

Amount of Original Debt, Contract, Agreement or Promise

\$

Cumulative Payment To Date

\$

Outstanding Balance at Close of This Period

\$

Primary

General

Other

NATURE OF OBLIGATION (Details of Debt)

SUBTOTALS this period this page (optional)

\$

\$

\$

TOTAL this period (last page this line number only)

\$ 1441.64

\$ 14,000.00

\$ 29,306.30

Only outstanding balance only to approximate line of summary

7 79043113758

OCTOBER 10 QUARTERLY REPORT, 1978

January, 1978
 Federal Election Commission
 1000 K Street, N.W.
 Washington, D.C. 20543

FEDERAL ELECTION COMMISSION
 REPORTING UNDER THE FEDERAL ELECTION CAMPAIGN ACT
 OF 1971
 OF PFC FORM 33

This report is to be filed with the Federal Election Commission by the person or persons who are responsible for the campaign's financial affairs.

060502

Name of Candidate or Committee in Full
 Whittaker For Congress Committee

Full Name, Mailing Address and ZIP Code	Particulars of Expenditure	Date (month, day, year)	Amount of each expenditure this period
Dr. Robert Whittaker Rt 1 Augusta, Ga. 67010	Partial repayment of Dr. Whittaker's loan to the Committee Expenditure for: ☒ Primary ☐ General ☐ Other	8-20-78 9-20-78	\$5000.00 \$5000.00
Full Name, Mailing Address and ZIP Code	Particulars of Expenditure Expenditure for: ☐ Primary ☐ General ☐ Other	Date (month, day, year)	Amount of each expenditure this period
Full Name, Mailing Address and ZIP Code	Particulars of Expenditure Expenditure for: ☐ Primary ☐ General ☐ Other	Date (month, day, year)	Amount of each expenditure this period
Full Name, Mailing Address and ZIP Code	Particulars of Expenditure Expenditure for: ☐ Primary ☐ General ☐ Other	Date (month, day, year)	Amount of each expenditure this period
Full Name, Mailing Address and ZIP Code	Particulars of Expenditure Expenditure for: ☐ Primary ☐ General ☐ Other	Date (month, day, year)	Amount of each expenditure this period
Full Name, Mailing Address and ZIP Code	Particulars of Expenditure Expenditure for: ☐ Primary ☐ General ☐ Other	Date (month, day, year)	Amount of each expenditure this period
Full Name, Mailing Address and ZIP Code	Particulars of Expenditure Expenditure for: ☐ Primary ☐ General ☐ Other	Date (month, day, year)	Amount of each expenditure this period
Full Name, Mailing Address and ZIP Code	Particulars of Expenditure Expenditure for: ☐ Primary ☐ General ☐ Other	Date (month, day, year)	Amount of each expenditure this period
Full Name, Mailing Address and ZIP Code	Particulars of Expenditure Expenditure for: ☐ Primary ☐ General ☐ Other	Date (month, day, year)	Amount of each expenditure this period
CUMULATIVE of expenditures this page (optional)			0
TOTAL this period (last page this line number only)			0 11,000.00

79040113750



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Dr. Robert Whittaker
RR 1
Augusta, KS 67010

Re: MUR 806

Dear Dr. Whittaker:

The Federal Election Commission has received a complaint which alleges you and your Committee committed certain violations of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 806. The Commission has reason to believe that the matters alleged therein state a violation of 2 U.S.C. §§434(b)(5); 441a(a)(1)(A); and 441g. Specifically, it appears that you received loans from your optometric partnership without having the Whittaker for Congress Committee report your receipt of such loans; that the loans exceed the contribution limitations of the Act; and that your personal cash loans to the Committee, exceed the cash contribution limitation of the Act.

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. Additionally, please submit answers to the enclosed questions. 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 Scott Rinn, the attorney assigned to this matter, at 202-523-4000.

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This matter will remain confidential in accordance with 2 U.S.C. Section 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 have such counsel so notify us in writing.

Sincerely,

William C. Oldaker
General Counsel

cc: Whittaker for Congress Committee
P.O. Box 68
Rose Hill, KS 67133

79040113761

THE FEDERAL ELECTION COMMISSION

TO: DR. ROBERT WHITTAKER QUESTIONS

RE: MUR 806

1. Did you receive any payments from an optometric partnership of which you are or were a partner, while you were a candidate for federal office in 1978?
2. If the answer to question number one (1) is yes, please provide the following information:
 - a. the name and address of the partnership
 - b. the members of the partnership
 - c. the manner of payment, (i.e. check or other)
 - d. the number of payments you received in 1978
 - e. the date of each payment
 - f. the amount of each payment
 - g. a photostatic copy of each payment
3. Did you or your Committee report the receipt of each payment referred to in question number one to the Federal Election Commission?
4. If the answer to question number three (3) is yes, please provide the following information: a photostatic copy of each page of any report filed in 1978 indicating the itemized receipt by you or your committee of each payment referred to in question number one (1).
5. Explain how each and every payment referred to in question number one (1) was received and treated by you and the Whittaker for Congress Committee, (i.e. loans, salary, installments in conjunction with a buy-sell agreement between you and the partnership of which you were a partner.)

79040113762

- 79040113763
6. If there was a buy-sell agreement between you and the optometric partnership of which you were a partner, please provide a photostatic copy of that agreement if it was a written document, or affidavits by the principals if it was an oral agreement, concerning the terms of the agreement.
 7. Provide a photostatic copy of your partnership's agreement used to allocate partnership profits. Include the name and current address of the person in charge of its administration.
 8. Provide a photostatic copy of any aucillary agreement made by the partnership to provide compensation to you while you campaigned for election to Congress.
 9. For the two personal loans you made to the Whittaker for Congress Committee, one for \$10,000 on July 1, 1978, and the other for \$5,000 on July 18, 1978, state whether they were made in cash, by check or in some other way. Provide a photostatic copy of the cancelled check or the receipt evidencing these transactions.
 10. For each of the following loan repayments from the Whittaker for Congress Committee to you, state the disposition of the funds, i.e. placed in your personal bank account; given back to your optometric partnership, etc.
 - a. \$1,000 on July 7, 1978
 - b. \$2,000 on August 8, 1978
 - c. \$6,000 on August 28, 1978
 - d. \$5,000 on September 20, 1978

Also, provide evidence of the disposition of each of the above loan repayments from your Committee to you, i.e. receipt, cancelled check, etc.

MUR 806

COMPLAINANT:

Gordon Garrett, Campaign
Director, Don Allegrucci for
Congress Committee

RESPONDENT:

Dr. Robert Whittaker, Whittaker
for Congress Committee

RELEVANT STATUTE:

2 U.S.C. §434; 11 CFR 104.1
et seq.; 11 CFR 110.10(b)(2);
11 CFR 110.1(e)

DATE RECEIVED BY COMMISSION:

October 29, 1978

DATE ASSIGNED TO STAFF:

November 1, 1978

SUBSTANCE OF COMPLAINT:

Complainant alleges that respondent has received \$1,000 a month since January 1, 1978, from an optometric partnership of which he is a partner. During this period, respondent by his own admissions, has not examined any patients in the course of the partnership's business. As of October 27, 1978, respondent has accepted approximately \$10,000.00 of these funds for his personal use, but has failed to report any portion of this amount as required by the disclosure provisions of the Act. Respondent has, at different times, described this money as a salary, a loan, and a buy-sell agreement that would be applied to buying the partnership if respondent wins the election, or a loan if he loses.

STATUS:

A full report will be presented to the Commission by November 3, 1978.

70040113764



FEDERAL ELECTION COMMISSION

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

November 1, 1978

Gordon Garrett
Campaign Director
Don Allegrucci for Congress
Committee
P.O. Box 1536
Pittsburg, Kansas 66762

Dear Mr. Garrett:

This is to acknowledge receipt of your complaint of October 27, 1978, alleging violations of the Federal Election Campaign laws. A staff member has been assigned to analyze your allegations. A recommendation to the Federal Election Commission as to how this matter should be handled will be made shortly. You will be notified as soon as the Commission determines what action should be taken. For your information, we have attached a brief description of the Commission's preliminary procedures for handling complaints.

Sincerely,

A handwritten signature in dark ink, appearing to read "Lester N. Scall", is written over the typed name.

Lester N. Scall
Assistant General Counsel

79040113765

RECEIVED
FEDERAL ELECTION
COMMISSION

GC 4
5364
mur 806

October 27 08:29 AM 11:33

Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

807449

ATTN: Office of General Counsel

Dear Sirs:

As campaign director of the Don Allegrucci for Congress Committee, I am hereby filing a formal complaint charging the Whittaker for Congress Committee and Dr. Robert Whittaker with violating the Federal Election Campaign Act. The following facts are accurate to the best of my knowledge and in accordance with statements made by the Whittaker for Congress Committee and Robert Whittaker.

1. Since at least January 1, 1978, Dr. Robert Whittaker has received \$1,000.00 a month from an optometric partnership of which he is a partner. The partnership is not incorporated.
2. Since January 1, 1978, Whittaker, by his own admissions, has not examined one patient in the course of business for the partnership.
3. To this date, approximately \$10,000.00 has been accepted by Dr. Whittaker for his personal use, none of which has been reported as required by the disclosure provisions of the Act.
4. Personal conflicting statements by the candidate, Dr. Whittaker, have described the money received as:
 - a. salary
 - b. loan
 - c. buy-sell agreement that would be applied to buying the partnership if the campaign is successful and a loan if the candidate is unsuccessful.

If the money received is salary it is in fact unearned income and is therefore subject to the limitations and disclosure provisions governing contributions. (See attached AO 1978-6).

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

Page 2
October 27, 1978

If the money received is a loan to be used for personal purposes such as living expenses, then as outlined in AO 1978-40 it is considered a contribution and is subject to the disclosure and contribution limitations of the Federal Election Campaign Act.

If the money received is a buy-sell agreement conditioned on the successful completion of the campaign and otherwise a loan, it is in fact not an outright buy-sell agreement but is a loan that may be applied to the purchase of the business and is still a contribution and subject to the disclosure and contribution limitation provisions of the Federal Election Campaign Act.

From the above facts it appears that Whittaker has accepted at least \$8,000.00 in contributions from the partnership that exceeds the \$1,000.00 limitation on contributions from a partnership or individual. Further, the \$2,000.00 that could legally be contributed (\$1000 - primary; \$1000 - general) has not been disclosed as provided by the Federal Election Campaign Act.

I respectfully request your immediate investigation and action in this matter seeking all remedies available. I urge you to expedite this matter due to the extreme seriousness of this situation.

Sincerely,

Gordon Garrett

Gordon Garrett

Campaign Director

P.O. Box 1536

Pittsburg, Kansas 66762

316-232-1474 or 913-233-5088



THE WELLINGTON (KAN.) DAILY NEWS

Whittaker aid makes allegation

Bob Whittaker accused of illegal fu

PITTSBURG, Kan. (AP) — Robert Whittaker, Republican nominee for Congress in the 5th District, was accused today by the campaign director of his Democratic opponent of apparently violating federal law by taking \$1,000 monthly from his partner in their Augusta optometric practice.

Whittaker was not available for fresh comment this morning because he was campaigning in Emporia. But he labeled the allegation absurd in discussing it with a reporter late last week.

Whittaker said he had checked on the \$1,000 he has been receiving from his partner and found it was legal because they have a private partnership, not a corporation or professional association.

Gordon Garrett, Allegrucci's campaign director, told a Pittsburg news conference today Whittaker's acceptance of the money was illegal no matter what the business relationship of him and his partner.

Garrett asked James Buchele, U.S. attorney for Kansas, to launch an immediate investigation into "what appears to be the acceptance of illegal campaign contributions by congressional candidate Robert Whittaker."

Buchele, a Democrat appointed by President Carter, and a former administrative assistant to 2nd District Rep. Martha Hays, said he had conferred with the head of the public integrity section of the Justice Department in Washington.

Buchele said that section

would move quickly to look into the allegations. "We'll make a thorough and expeditious handling of the matter. I don't know how soon we'll be able to get everything together," Buchele said.

The U.S. attorney said he would ship all information available to him to Tom Henderson, chief of the public integrity section, and would expect that information to be in Henderson's hands by Thursday.

"In the past few days, Mr. Whittaker has told reporters that he has been accepting \$1,000 per month in unearned income from an optometric partnership for living expenses, despite having seen no clients since Jan. 1, 1978," Garrett said.

"Many questions have arisen as to Mr. Whittaker's ability to maintain personal expenses and campaign fulltime for over 10 months. His recent statements to reporters indicate that he has done so by the use of apparently illegal campaign contributions in violation of federal campaign finance and reporting laws."

Whittaker said last week, "I'm surprised Allegrucci didn't do his homework better. I hope he brings that up. I just hope he's foolish enough to say something about it. I'll be waiting for him."

Whittaker had U.S. House Minority Leader John Rhodes in Emporia this morning for campaign appearances.

Whittaker had confirmed that he had been receiving \$1,000 a month from his partner.

"That's about the most he could draw from the income, but it applies to the purchase of the practice, which he'll buy from me if I'm elected," Whittaker said in the interview last week.

"He's paying me \$1,000 a month. If I don't win, I'll have to pay him back."

Asked if it was either a loan

or a down payment on his share of the optometric practice, depending upon whether he wins or loses, Whittaker said, "That's right."

Garrett cited a Federal Election Commission opinion given last March to Kansas Senate Majority Leader Norman Gaar, who had asked whether he could accept a salary from his law firm in Kansas City, Mo., while campaigning for the Republican nomination for the U.S. Senate last summer.

Garrett said that opinion concluded that "any unearned income accepted from a partnership is a contribution subject to the limitations and the reporting and disclosure requirements of the federal Election Campaign Act."

Reporters who called the FEC last week were told the federal agency would not offer an opinion on the Allegrucci allegations regarding Whittaker unless there was either a formal complaint filed or a request for an opinion. In either event, an FEC spokesman said no opinion would be likely ahead of the Nov. 7 election.

"The Federal Election Commission has ruled consistently that a loan to a federal candidate for personal expenses constitutes a contribution to the candidate's campaign and is subject to the same rules of reporting, disclosure and limitations as other contributions," Garrett said.

"Since federal law limits contributions to \$1,000 per individual, per election, Mr. Whittaker has accepted at least \$8,000 in apparently illegal contributions from the partnership to pay his personal expenses while campaigning."

"The incredible thing about this whole situation is that several other candidates for federal office, including Kansas Republican senatorial candidate Norman Gaar, took the time to research this matter thoroughly and the opinions rendered were

available to all federal candidates.

"Mr. Whittaker has apparently chosen to ignore the consistent findings of the Federal Election Commission."

Garrett said the penalty for conviction of a violation of the Election Campaign Act is a \$25,000 fine or a year in prison, or both.

"We understand the extreme gravity of this situation," Garrett said. "We regret it has not been brought to the public's attention before now, and by some other party."

"We believe the law is clear, and the people of the 5th District have a right to know the facts of this apparent abuse of

Whittaker aid makes rebuttal statement today

Editors note: The following is a statement made by David Matthews, campaign manager for Bob Whittaker, in a telephone call to the news office today in rebuttal to Allegrucci's

79040113769
\$1,000 monthly from partner

Allegrucci questions Whittaker funds

23 Oct 78 1 Udep. Report

PITTSBURG, Kan. (AP) — Robert Whittaker, Republican nominee for Congress in the 5th District, was accused today by the campaign director of his Democratic opponent of apparently violating federal law by taking \$1,000 monthly from his partner in their optometric practice.

Whittaker's campaign manager, David Matthews, denied the allegation, calling it a "partisan and unethical ploy by Don Allegrucci and his staff in trying to win an election."

"If they cannot win by their own merits and stands, they will stoop to meddling like this," Matthews said. "Bob Whittaker has done nothing wrong. A full statement to this effect will be issued this afternoon," he added. Gordon Garrett, Allegrucci's campaign director, told a Pittsburgh news conference today Whittaker's acceptance of the money was illegal no

matter what the business relationship of him and his partner.

Garrett asked James Buchele, U.S. attorney for Kansas, to launch an immediate investigation into "what appears to be the acceptance of illegal campaign contributions by congressional candidate Robert Whittaker."

Buchele, a Democrat appointed by President Carter, and a former administrative assistant to 2nd District Rep. Martha Keys, said he had conferred with the head of the public integrity section of the Justice Department in Washington.

Buchele said that section would move quickly to look into the allegations. "We'll make a thorough and expeditious handling of the matter. I don't know how soon we'll be able to get everything together," Buchele said.

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all information available to him to Tom Henderson, chief of the public integrity section, and would expect that information to be in Henderson's hands by Thursday.

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"Many questions have arisen as to Mr. Whittaker's ability to maintain personal expenses and campaign fulltime for over 10 months. His recent statements to reporters indicate that he has done so by the use of apparently illegal campaign contributions in violation of federal campaign finance and reporting laws."

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Asked if it was either a loan or a down payment on his share of the optometric practice, depending upon whether he wins or loses, Whittaker said, "That's right."

Allegrucci Vs. Whittaker

Campaign Funds Under Fire

By Stephen C. Fehr
Times Correspondent

TOPICKA—The campaign manager for state Sen. Don Allegrucci, D-Pittsburg, a candidate for U.S. representative from Kansas' 5th District, has called for an investigation into alleged illegal campaign contributions to the campaign of Bob Whittaker of Augusta, the Republican candidate.

Whittaker, who left his optometric practice in January to campaign, said two weeks ago that he was accepting \$1,000 a month from his partner, Gordon Garrett, Allegrucci's campaign manager, claimed such an arrangement was a violation of federal campaign laws. He said he would ask for investigations by the U.S. attorney for Kansas and the Federal Election Commission.

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Whittaker has not listed the income on campaign reports. He was not immediately available for comment today. He has said there is nothing wrong with accepting the salary because the money is a personal loan that he will repay if he loses the election.

When he ran for the Republican nomination for U.S. Senate, Sen. Norman Gaar, R-Westwood, asked the FEC for an opinion on whether he could receive money while seeking the nomination. The FEC said the money would have to be reported as a contribution.

But Whittaker has said that Gaar was a member of a professional association, which Whittaker is not. "I just hope he's foolish enough to say something about it," Whittaker told the Associated Press last week. "I'll be waiting for him."

Whittaker's money still prime target

Allegrucci charges Whittaker

5th District candidates snipe at each other over campaign financing procedures. Page 18B.

Kassabauer, Roy camps clash, 1A

Associated Press

Pittsburg, Kan.

Robert Whittaker, Republican nominee for Congress in the 5th District, was accused today by the campaign director of his Democratic opponent of apparently violating federal law by taking \$1,000 monthly from his partner in their Augusta optometric practice.

Whittaker was not available for comment this morning because he was campaigning in Emporia. But he labeled the allegation absurd in discussing it with a reporter late last week.

Whittaker said he had checked on the \$1,000 he has been receiving from his partner and found it was legal because they have a private partnership, not a corporation or professional association.

Gordon Garrett, Allegrucci's campaign director, told a Pittsburg news conference today Whittaker's acceptance of the money was illegal no matter what the business relationship of him and his partner.

Garrett asked James Buchele, U.S. attorney for Kansas, to launch an immediate investigation into "what appears to be the acceptance of illegal campaign contributions by congressional candidate Robert Whittaker."

Buchele, a Democrat appointed by President Carter, and a former administrative assistant to 2nd District Rep. Martha Keys, said he had conferred with the head of the public integrity section of the Justice Department in Washington.

Buchele said that section would move quickly to look into the allegations. "We'll make a thorough and expeditious handling of the matter. I don't know how soon we'll be able to get everything together," Buchele said.

The U.S. attorney said he would ship all information available to him to Tom Henderson, chief of the public integrity section, and would expect that information to be in Henderson's hands by Thursday.

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Topeka Correspondent

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Garrett said he checked with Paul Reyes, a public information officer of the Federal Election Commission in Washington, who said unearned income accepted from a partnership is a

contribution subject to reporting requirements of the federal Election Campaign Act.

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ICCS to

Whittaker
Critic of the
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DON ALLEGRUCCI
P.O. BOX 1536
PITTSBURG KS 66762

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The Fort Scott Tribune

74TH YEAR—NO. 273

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and the Fort Scott Monitor
FORT SCOTT, KANSAS 66701, MONDAY, OCTOBER 23, 1978

TEN PAGES

Allegrucci Charges Whittaker Violated Campaign Law

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"Bob Whittaker is an honest, Christian, hard-working man who could never do anything knowingly in violation of the law," Matthews added. Whittaker had called the allegation "hoax" in an interview late last week.

Whittaker said he had checked on the \$1,000 he has been receiving from his partner and found it was legal because they have a private partnership, not a corporation or professional association. Gordon Garrett, Allegrucci's campaign director, told a Pittsburg news conference today Whittaker's acceptance of the money was illegal no matter what the business relationship of him and his partner.

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Asked if it was either a loan or a down payment on his share of the optometric practice, depending upon whether he wins or loses, Whittaker said, "That's right."

Garrett cited a Federal Election Commission opinion given last March to Kansas Senate Majority Leader Norman Gaar, who had asked whether he could use a loan to pay for his law

firm in Kansas City, Mo., while campaigning for the Republican nomination for the U.S. Senate last summer.

Garrett said that opinion concluded that "any unearned income accepted from a partnership is a contribution subject to the limitations and the reporting and disclosure requirements of the federal Election Campaign Act."

Reporters who called the FEC last week were told the federal agency would not offer an opinion on the Allegrucci allegations regarding Whittaker unless there was either a formal complaint filed or a request for an opinion. In either event, an FEC spokesman said, no opinion would be likely ahead of the Nov. 7 election.

"The Federal Election Commission has ruled consistently that a loan to a federal candidate for personal expenses constitutes a contribution to the candidate's campaign and is subject to the same rules of reporting, disclosure and limitations as other contributions," Garrett said.

"Since federal law limits contributions to \$1,000 per individual, per election, Mr. Whittaker has accepted at least \$9,000 in apparently illegal contributions from the partnership to pay his personal expenses while campaigning."

"The incredible thing about this whole situation is that several other candidates for federal office, including Kansas Republican senatorial candidate Norman Gaar, took the time to research this matter thoroughly and the opinions rendered were available to all federal candidates."

"Mr. Whittaker has apparently chosen to ignore the consistent findings of the Federal Election Commission."

Garrett said the penalty for conviction of a violation of the Election Campaign Act is a \$25,000 fine or a year in prison, or both.

"We understand the extreme gravity of this situation," Garrett said. "We regret it has not been brought to the public's attention before now, and by so doing, it is a disservice."

NOV 15 DON ALLEGRUCCI FOR
78 CONGRESS COMMITTEE
BOX 1535
PITTSBURG KS 66780

Whittaker finances are questioned

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THE

Monday, October 23, 1978

Volume LVIII

Eight pages today

Number 280

El Dorado, Butler County, Kansas 67042

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DORADO



TIMES

Whittaker campaign manager rebuts statement by Allegrucci's manager

"The press release issued this morning by the Allegrucci campaign is a partisan, unethical swipe by Don Allegrucci and his staff in trying to win an election," commented David Matthews of El Dorado, campaign manager for the Whittaker for Congress committee.

"If they cannot win by their own merits and stands then they will stoop to something like this."

"The fact that the Kansas Democratic U. S. Attorney, a former aide to Martha Keys, was contacted shows it was a partisan tactic by the Allegrucci team."

"The attack by Don Allegrucci campaign manager Gordon Garrett is something exactly like the one reported from the Allegrucci campaign last week."

"Bob Whittaker has done nothing wrong. A full statement to this effect will be issued this afternoon. Bob Whittaker is an honest,

Christian, hard-working man who would never do anything knowingly in violation of the law."

"This is the second time in a week that an aide of Allegrucci's has demonstrated their belief that the people in this district are simple minded and can be led away from the real issues of the campaign."

"Bob Whittaker has continually had a very positive campaign dealing with the real issues of the 5th District—support of the right-to-work legislation, support of capital punishment, support of use-value appraisal and other farm issues, support of senior citizens and support of small business and small communities of the 5th District. His support of the people in the 5th District on state issues shows he will support them on national issues."

"Bob Whittaker will continue to conduct a positive and ethical campaign, a campaign desired by the people in the 5th District."

STATEMENT OF GORDON GARRETT, DIRECTOR
DON ALLEGRUCCI FOR CONGRESS COMMITTEE

316-232-1474

EMBARGOED FOR RELEASE UNTIL MONDAY, OCTOBER 23, 1978, 9:30 AM.

As director of the Don Allegrucci for Congress Committee, I have today sent a telegram to the United States District Attorney for Kansas requesting that he conduct an immediate investigation of what appears to be the acceptance of illegal campaign contributions by Congressional candidate Robert Whittaker.

In the past few days Mr. Whittaker has told reporters that he has been accepting \$1000. per month in unearned income from an optometric partnership for living expenses, despite having seen no clients since January 1, 1978. Many questions have arisen as to Mr. Whittaker's ability to maintain personal expenses and campaign full time for over ten months. His recent statements to reporters indicate that he has done so by the use of apparent illegal campaign contributions in violation of Federal campaign finance and reporting laws.

According to Advisory Opinion 1978-6 issued by the Federal Election Commission on March 23, 1978, to Norman Gaar, one of the Republican candidates for the United States Senate (copy of which is attached as #1), the Federal Election Commission has ruled that any unearned income accepted from a partnership is a contribution subject to the limitations and the reporting and disclosure requirements of the Federal Election Campaign Act. Paul Reyes, Public Information Officer of the Federal Election Commission in

Statement of Gordon Garrett, Page Two

Washington, D.C. has stated: "If the material facts are essentially the same as the Gaar opinion, and they appear to be, the same decision would be reached" (by the Commission).

Mr. Whittaker has admitted that the money is to be considered a personal loan to be repaid if he loses the election. The Federal Election Commission has ruled consistently that a loan to a federal candidate for personal expenses constitutes a contribution to the candidate's campaign and is subject to the same rules of reporting, disclosure and limitations as other contributions. (A copy of the regulations is attached as #2.) Mr. Whittaker has further admitted taking the money since January 1, 1978, but has not reported it. Since federal law limits contributions to \$1,000. per individual per election, Mr. Whittaker has accepted at least \$8000 in apparent illegal contributions from the partnership to pay his personal expenses while campaigning.

The incredible thing about this whole situation is that several other candidates for federal office, including Kansas Republican senatorial candidate Norman Gaar, took the time to research this matter thoroughly and the opinions rendered were available to all federal candidates. Mr. Whittaker has apparently chosen to ignore the consistent findings of the Federal Election Commission. His acceptance of this undisclosed and apparently illegal money allowed him to campaign full-time for several months for the Republican nomination for Congress to the disadvantage of his opponents, many of whom gave up full-time employment and

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compensation.

Federal law provides that any candidate who knowingly and willfully receives or fails to report a contribution of \$1000. or more in violation of the provisions of the Federal Election Campaign Act during any one calendar year shall be fined in an amount up to \$25,000. or imprisoned for one year or both. (A copy of the statute is attached as #3.)

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We understand the extreme gravity of this situation. We regret it has not been brought to the public's attention before now and by some other party. We learned of this matter less than ten days ago. Since then, we have spent considerable time and effort confirming the reports and studying the matter thoroughly in an effort to avoid irresponsible and unsubstantiated allegations. We believe the law is clear and the people of the 5th District have a right to know the facts of this apparent abuse of the electoral process.

In addition to asking the United States District Attorney to investigate this matter, we will file the necessary papers for a formal complaint with the Federal Election Commission.

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FEDERAL ELECTION COMMISSION

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

March 23, 1978

AO 1978-6

Norman G. Gaar
2340 West 51st Street
Westwood, Kansas 66205

Dear Mr. Gaar:

This responds to your request dated January 24, 1978, for an advisory opinion concerning the application of the Federal Election Campaign Act of 1971, as amended ("the Act"), and Commission regulations to your law firms' payment to you of compensation during a period in which you are campaigning for the United States Senate.

Your letter indicates that you are a bond attorney, presently an active partner in a large law firm, and a member and Majority Leader of the Kansas Senate. You are compensated by the firm, a general partnership, on the basis of an annually set percentage of its net earnings. Your compensation agreement with the firm allows for your fulfillment of your obligations in the State senate, which is in session annually from approximately January to April. Senate duties require your absence from the law office an average maximum of one day weekly during the remainder of the year.

While campaigning for the U.S. Senate, you expect to attend to your law practice' activities and duties (e.g., assisting present clients, accepting and conferring with new clients, performing office work during and after business hours, and assigning work to and conferring with junior attorneys) as you have done in the past "during each regular Senate session." You anticipate assigning to other lawyers work which you, except for



your campaign, would have undertaken yourself, and thus you expect less of your attorney time to be recorded as client work done by the firm. Finally, you state that your firm proposes no change in the amount of your compensation during the fiscal year or years of your Senate campaign. You inquire whether any part of such compensation constitutes a contribution within the meaning of the Act.

Commission regulations define as personal funds "salary and other earned income from bona fide employment." 11 CFR 110.10(b)(2). A candidate's use of such funds for campaign purposes is unlimited, though it must be reported. 11 CFR 104.1 et seq. The Commission has taken the position that such personal funds do not qualify as a contribution to the candidate by his employer to the extent that the requisite bona fide employment relation exists between the candidate and his employer, for purposes genuinely independent of his candidacy, and provided that any compensation paid to the candidate is exclusively in consideration of employment services performed by him. See Advisory Opinion 1977-68, copy enclosed.

Accordingly, compensation paid to you by your firm is not a contribution within the meaning of the Act insofar as it is paid according to the same compensation scheme followed by you and the firm prior to the onset of your candidate status. Your letter indicates that your compensation from the firm is based at least partially on the number of hours you record as client work done by the firm. You have also stated, however, that your compensation from the firm will not decrease this year despite a decrease (due to your campaign) in the number of hours "recorded on client work in the office." Thus it is the opinion of the Commission that to the extent your compensation from the firm is not reduced to reflect the lower number of hours you will work for the firm because of your candidacy, the amount of compensation attributable to that difference is a contribution to your campaign by the general partnership. This contribution is subject to the limitations and the reporting and disclosure requirements of the Act. See 2 U.S.C. §§434, 441(a); 11 CFR 104, 110, especially 110.1(e): contributions by a partnership. The partnership contribution includes, of course, any increase in the firm's overhead or operating costs which are attributable to your campaign. See 11 CFR 100.4(a)(1)(iii).

#1

- 3 -

This response constitutes an advisory opinion concerning the application of a general rule of law stated in the Act, or prescribed as a Commission regulation, to the specific factual situation set forth in your request. See 2 U.S.C. §437f.

Sincerely yours,

Thomas E. Harris

Thomas E. Harris
Chairman for the
Federal Election Commission

Enclosure

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expenditures, with a view toward bringing about his or her election; or

(c) If after written notification by the Commission that any other person is receiving contributions or making expenditures on the individual's behalf, the individual fails to disavow this activity by letter to the Commission within 30 days of receipt of the notification.

§ 100.3 Commission.

"Commission" means the Federal Election Commission, 1325 K Street, NW., Washington, D.C. 20463.

§ 100.4 Contribution.

(a) "Contribution" means—

(1) A gift, subscription, loan, advance, or deposit of money or anything of value, made for the purpose of influencing the nomination for election, or election, of any person to Federal office; or for the purpose of influencing the results of a primary election, caucus, or convention held for the selection of delegates to a national nominating convention of a political party or for the expression of a preference for the nomination of persons for election to the office of President. For purposes of paragraph (a),

(i) The term "loan" includes a guarantee, endorsement, and any other form of security where the risk of non-payment rests with the surety, guarantor, or endorser as well as with a political committee, candidate, or other primary obligor. A loan is a contribution to the extent that the obligation remains outstanding.

(ii) The term "money" includes currency of the United States or of any foreign nation, checks, money orders, or any other negotiable instrument payable on demand.

(iii) (A) The term "anything of value" includes securities, goods, facilities, equipment, supplies, personnel, advertising, services, membership lists commonly offered or used commercially, or other in-kind contributions provided without charge (other than volunteer services under § 100.4(b)(2)) or at a charge which is below the usual and normal charge for the items. The amount of a contribution of a thing of value is the difference between the usual and normal charge for the goods or services at the time of the contribution and the amount charged the candidate or political committee.

(B) For purposes of this section,

(1) "Usual and normal charge" for goods means the price of those goods in the market from which they ordinarily would have been purchased at the time of their contribution.

(2) "Usual and normal charge" for any services, other than those provided by an unpaid volunteer, means the hourly or piecework rate charge for the services prevailing at the time the services were rendered.

(2) The donation of all or a portion of the costs of fundraising, such as the cost of a meal as part of a fundraising dinner.

(3) A written contract, promise, or agreement such as a signed pledge card,

whether or not legally enforceable, to make a contribution. The contract, promise, or agreement shall be reported as a debt owed to the candidate or committee until it is honored.

(4) A transfer of funds to a political committee or candidate from another political committee, other political organization, or other similar source whether or not such organization is a political committee. The transfer occurs whenever the treasurer or other designated agent of the transferee committee or the candidate obtains control over the funds.

(5) The payment by any person other than a candidate or political committee of compensation for the personal services of another person which are rendered to a candidate or political committee without charge. No compensation is considered paid to any employee—

(i) (A) Who is paid on an hourly or salaried basis;

(B) Who is expected to perform duties for an employer for a particular number of hours per period; and

(C) Who engages in political activity during what would otherwise be a regular work period;

if the taken or released time is made up or completed by that employee within a reasonable period; or

(ii) Who is paid on a commission or piecework basis, or is paid only for work actually performed, whose time is considered the employee's own to use as he or she sees fit and who engages in political activity during what would otherwise be normal working hours; or

(iii) Where the time used by the employee to engage in political activity is bona fide, although compensable, vacation time or other earned leave time.

(6) The extension of credit for a length of time beyond normal business or trade practice, unless the creditor has made a commercially reasonable attempt to collect the debt (see § 114.10).

(b) The term "contribution" does not include—

(1) Payments made for the purpose of determining whether an individual should become a candidate, such as those incurred in conducting a poll, if the individual does not otherwise become a candidate. If the individual otherwise subsequently becomes a candidate, the payments are contributions, and must be reported with the first report filed by the candidate or the principal campaign committee of the candidate, as appropriate, regardless of the date the payments were made.

(2) The value of services provided without compensation by individuals who volunteer a portion or all of their time on behalf of a candidate or political committee.

(3) The rental value of an individual's residence used for campaign-related activity.

(4) The use of real or personal property and the cost of invitations, food, and beverages, voluntarily provided without charge by an individual, in rendering voluntary personal services to a candidate on the individual's residential premises,

to the extent that the cumulative value of those activities by the individual or behalf of the candidate do not exceed \$500 with respect to an election. For purposes of this paragraph a contribution by a married individual shall not be attributed to a spouse.

(5) The sale of any food or beverage by a vendor (whether incorporated or not) for use in a candidate's campaign at a charge less than the normal or comparable commercial charge, if the charge for use in a candidate's campaign is at least equal to the cost of food or beverage to the vendor, and the cumulative value of the discounts given by the vendor does not exceed \$500 for an election.

(6) Any unreimbursed payments for transportation expenses made by an individual in volunteering services to a candidate, to the extent that the cumulative value of the payments does not exceed \$500 for an election. Additionally, any unreimbursed payment from a volunteer's personal funds for usual and normal living expenses incident to volunteer activity are not contributions.

(7) The payment of the costs of preparation, display, or mailing or other distribution incurred by a State or local committee of a political party with respect to a printed slate card, sample ballot, palm card, or other printed listing of three or more candidates for any public office for which an election is held in the State in which the committee is organized. This paragraph shall not apply in the case of costs incurred by the committee with respect to the preparation and display of listings made on broad casting stations, or in newspapers, magazines, and similar types of general public political advertising such as billboards, posters, and signs.

(8) Any news story, commentary, or editorial of any broadcasting station, newspaper, magazine, or other periodical publication unless the facility is owned or controlled by any political party, political committee, or candidate, in which case a news story which (1) represents a bona fide news account communicated in a publication of general circulation or on a licensed broadcasting facility, and (2) is part of a general pattern of campaign-related news accounts which give reasonably equal coverage to all opposing candidates in the circulation or listening area, shall not be a contribution.

(9) Any payment made or obligation incurred by a corporation or a labor organization which, under the provisions of Part 114, would not constitute an expenditure by the corporation or labor organization.

(10) An honorarium, and related expenses, within the meaning of § 110.12.

(11) Legal or accounting services rendered to or on behalf of the national committee of a political party (unless the person paying for the services is not the regular employer of the individual rendering the services), other than services attributable to activities which directly further the election of a designated candidate or candidates for Federal office. For purposes of this paragraph and paragraph 12, a partnership shall be

paid or incurred for any agents' fees or compensation for any appearance, speech, or article; or

(2) honorariums (not prohibited by paragraph (1) of this section) aggregating more than \$25,000 in any calendar year.

Pub.L. 92-225, Title III, § 328, as added Pub.L. 94-283, Title I, § 112 (2), May 11, 1976, 90 Stat. 494.

Legislative History. For legislative history and purpose of Pub.L. 94-283, see 929.

§ 411. Penalties

(a) Any person, following May 11, 1976, who knowingly and willfully commits a violation of any provision or provisions of this Act which involves the making, receiving, or reporting of any contribution or expenditure having a value in the aggregate of \$1,000 or more during a calendar year shall be fined in an amount which does not exceed the greater of \$25,000 or 300 percent of the amount of any contribution or expenditure involved in such violation, imprisoned for not more than 1 year, or both. In the case of a knowing and willful violation of section 411(b)(3) of this title, including such a violation of the provisions of such section as applicable through section 411(c) of this title, of section 411f of this title, or of section 411g of this title, the penalties set forth in this section shall apply to a violation involving an amount having a value in the aggregate of \$250 or more during a calendar year. In the case of a knowing and willful violation of section 411h of this title, the penalties set forth in this section shall apply without regard to whether the making, receiving, or reporting of a contribution or expenditure of \$1,000 or more is involved.

(b) A defendant in any criminal action brought for the violation of a provision of this Act, or of a provision of chapter 95 or chapter 96 of Title 26, may introduce as evidence of his lack of knowledge of or intent to commit the offense for which the action was brought a conciliation agreement entered into between the defendant and the Commission under section 437g of this title which specifically deals with the act or failure to act constituting such offense and which is still in effect.

(c) In any criminal action brought for a violation of a provision of this Act, or of a provision of chapter 95 or chapter 96 of Title 26, the court before which such action is brought shall take into account, in weighing the seriousness of the offense and in considering the appropriateness of the penalty to be imposed if the defendant is found guilty, whether—

(1) the specific act or failure to act which constitutes the offense for which the action was brought is the subject of a conciliation agreement entered into between the defendant and the Commission under section 437g of this title;

(2) the conciliation agreement is in effect; and

(3) the defendant is, with respect to the violation involved, in compliance with the conciliation agreement.

Pub.L. 92-225, Title III, § 329, as added Pub.L. 94-283, Title I, § 112 (2), May 11, 1976, 90 Stat. 494.

References in Text. This Act, referred to in text, means the Federal Election Campaign Act of 1971, Pub.L. 92-225, 1974 U.S. Code Cong. and Adm. News, p. 929. For classification of the Act in the Code, see Short Title notes under section 431 of this title.

§ 412. Authority to procure technical support and other services and incur travel expenses; payment of such expenses

For the purpose of carrying out his duties under the Federal Election Campaign Act of 1971, the Secretary of the Senate is authorized, from and after July 1, 1972, (1) to procure technical support services, (2) to procure the temporary or intermittent services of individual technicians, experts, or consultants, or organizations thereof, in the same manner and on the same conditions, to the extent applicable, as is standing

deemed to be the regular employer of a partner.

(12) Legal or accounting services rendered to or on behalf of a candidate or political committee solely for the purpose of ensuring compliance with this Act or chapter 95 or 96 of the Internal Revenue Code of 1954 (unless the person paying for the services is not the candidate, committee, or other regular employer of the individual rendering the services), but amounts paid or incurred for these services shall be reported in accordance with Part 104.

(13) A loan of money by a national or State bank made in accordance with applicable banking laws and regulations, and in the ordinary course of business, but these loans (i) shall be reported in accordance with Part 104; and (ii) shall be considered a loan by each endorser or guarantor, in that proportion to the unpaid balance that each endorser or guarantor bears to the total number of endorsers or guarantors.

(14) A gift, subscription, loan, advance, or deposit of money or anything of value made to a national committee of a political party or a State committee of a political party which is specifically designated for the purpose of defraying any cost incurred with respect to the construction or purchase of any office facility and which is not for the purpose of influencing the election of any candidate in any particular election for Federal office, except that such a transaction shall be reported in accordance with Part 104.

(15) A gift, subscription, loan, advance, or deposit of money or anything of value made with respect to the recount of the results of a Federal election, or an election contest concerning a Federal election, except when made by an organization subject to the prohibitions of § 114.2.

§ 100.5 Support.

The term "support" means to make a contribution of any amount or value to, or to make an expenditure of any amount or value on behalf of, a candidate or political committee, but see § 102.11(c).

§ 100.6 Election.

"Election" means the process by which individuals, whether opposed or unopposed, seek nomination for election, or election, to Federal office. Specific types of elections, defined below, are included in this definition.

(a) *General election.* "General election" means—

(1) An election held in even numbered years on the Tuesday next after the first Monday in November, or

(2) An election which is held to fill a vacancy in a Federal office (special election) and which is intended to result in the final selection of a single individual to the office at stake.

(b) *Primary election.* (1) "Primary election" means an election—

(i) Which is held prior to a general election, as a direct result of which candidates are nominated, in accordance with applicable State law, for election to

Federal office in a subsequent election, or

(ii) Which is held for the expression of a preference for the nomination of persons for election to the office of President of the United States, or

(iii) Which is held to elect delegates to a national nominating convention.

(2) With respect to individuals seeking Federal office as independent candidates, or without nomination by a major party (as defined in 26 U.S.C. § 9002(6)), the primary election is considered to occur, at the choice of the candidate—

(i) The day prescribed by applicable State law as the last day to qualify for a position on the general election ballot, or

(ii) The date of the last major party primary election, caucus or convention in that State, or

(iii) In the case of non-major parties, the date of the nomination by that party.

(c) *Runoff election.* "Runoff election" means the election held after a

(1) Primary election, and prescribed by applicable State law as the means for deciding which candidate(s) should be certified as a nominee for the Federal office sought, or

(2) General election, and prescribed by applicable State law as the means for deciding which candidate should be certified as an officeholder elect.

(d) *Caucus or Convention.* A caucus or convention of a political party which has authority to select a nominee is an election.

(e) *Special election.* "Special election" means an election which is held to fill a vacancy in a Federal office, and which may be a primary, general, or runoff election.

§ 100.7 Expenditure.

(a) "Expenditure" means—

(1) A purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made for the purpose of influencing the nomination for election, or election, of any person to Federal office, or to the office of Presidential or Vice Presidential elector; or for the purpose of influencing the result of a primary election, caucus or convention held for the selection of delegates for a national nominating convention of a political party or for the expression of a preference for the nomination of persons for election to the office of President. For purposes of paragraph (1)—

(i) The term "payment"—

(A) Includes payment of any interest on an obligation; and

(B) Includes a guarantee or endorsement by a candidate or a political committee of a loan;

(C) Does not include the repayment of the principal of an outstanding obligation, the proceeds of which constituted a contribution under these regulations, except that the repayment shall be reported.

(ii) The term "money" includes currency of the United States or of any foreign nation, checks, money orders, or any other negotiable instrument payable on demand.

(iii) The term "anything of value" in-

cludes securities, goods, facilities, equipment, supplies, personnel, advertising, services, membership lists commonly offered or used commercially, or other in-kind contributions provided without charge (other than volunteer services under § 100.4(b)(2)) or at a charge which is below the usual and normal charge for the items. The amount of the expenditure of a thing of value is the difference between the usual and normal charge for the goods or services at the time of the expenditure and the amount charged for the candidate or committee. For purposes of this paragraph,

(A) "Usual and normal charge" for goods means the price of those goods in the market from which they ordinarily would have been purchased at the time of their contribution.

(B) "Usual and normal charge" for services, other than those provided by an unpaid volunteer, means the hourly or piecework rate charge for the services prevailing at the time the services were rendered.

(2) A written contract, promise, or agreement, whether or not legally enforceable, to make any expenditure.

(3) A transfer of funds by a political committee to another political committee or candidate. A transfer occurs whenever the treasurer or other designated agent of the transferee committee or the candidate obtains control over the funds.

(4) An independent expenditure, which meets the requirements of Part 109, except that such independent expenditure is to be reported by the person making the expenditure as set forth in Part 109.

(b) The term "expenditure" does not include—

(1) Contributions by an individual from personal funds to a political committee or candidate.

(2) Payments made for the purpose of determining whether an individual should become a candidate, such as those incurred in conducting a poll, if the individual does not otherwise subsequently become a candidate. If the individual becomes a candidate, the payments are expenditures, and must be reported with the first report filed by the candidate or the principal campaign committee of the candidate, as appropriate, regardless of the date the payments were made.

(3) Any news story, commentary, or editorial of any broadcasting station, newspaper, magazine, or other publication, unless the facility is owned or controlled by any political party, political committee or candidate, in which case a news story which (i) represents a bona fide news account communicated in a publication of general circulation or on a licensed broadcasting facility, and (ii) is part of a general pattern of campaign-related news accounts which give reasonably equal coverage to all opposing candidates in the circulation or listening area, shall not be an expenditure.

(4) Nonpartisan activity designed to encourage individuals to register to vote or to vote. For purposes of this section, nonpartisan activity means that no ef-

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Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

ATTN: Office of General Counsel



FEDERAL ELECTION COMMISSION

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

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