

FEDERAL ELECTION COMMISSION

1225 E STREET N.W.  
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR #

1449

Date Filmed

8/25/82

Camera No. ---

2

Cameraman

bpc

FEDERAL ELECTION COMMISSION

The above-described material was removed from this file pursuant to the following exemption provided in the Freedom of Information Act, 5 U.S.C. Section 552(b):

- |  |   |
|--|---|
| <input type="checkbox"/> (1) Classified Information                                | <input type="checkbox"/> (6) Personal privacy                             |
| <input type="checkbox"/> (2) Internal rules and practices                          | <input type="checkbox"/> (7) Investigatory files                          |
| <input type="checkbox"/> (3) Exempted by other statute                             | <input type="checkbox"/> (8) Banking Information                          |
| <input type="checkbox"/> (4) Trade secrets and commercial or financial information | <input type="checkbox"/> (9) Well Information (geographic or geophysical) |
| <input checked="" type="checkbox"/> (5) Internal Documents                         |   |

Signed

*William T. Donald*

date

*Aug. 9, 1982*

FEC 9-21-77



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20543

August 3, 1982

Utah State Democratic Committee  
Michael T. Miller, Chairman  
849 East 400 South  
Salt Lake City, Utah 84102

RE: MUR 1449

Dear Mr. Miller:

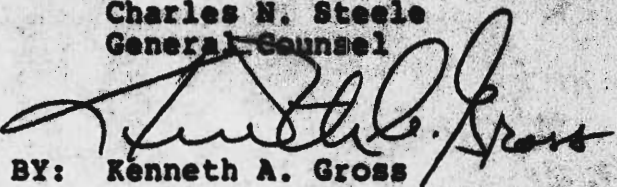
The Federal Election Commission has reviewed the allegations of your complaint dated May 27, 1982, and determined that on the basis of the information provided in your complaint, and information provided by the Respondent, there is no reason to believe that a violation of the Federal Election Campaign Act of 1971, as amended ("the Act") has been committed.

Accordingly, the Commission has decided to close the file in this matter. The Federal Election Campaign Act allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

Should additional information come to your attention which you believe establishes a violation of the Act, you may file a complaint pursuant to the requirements set forth in 2 U.S.C. § 437g(a)(1) and 11 C.F.R. § 111.4.

Sincerely,

Charles N. Steele  
General Counsel

  
BY: Kenneth A. Gross  
Associate General Counsel

82040343846



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

August 3, 1982

**CERTIFIED MAIL  
RETURN RECEIPT REQUESTED**

J. Curtis Herge, Esquire  
8300 Greensboro Drive, Suite 1100  
McLean, Virginia 22102

RE: MUR 1449

Dear Mr. Herge:

On June 2, 1982, the Commission notified you of a complaint alleging that your client, the Hatch Election Committee, Inc., had violated certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on August 2, 1982, determined that on the basis of the information in the complaint, and information provided by you, there is no reason to believe that a violation of any statute within its jurisdiction has been committed. Accordingly, the Commission closed its file in this matter. However, the Commission noted that the Committee's FEC reports have not been amended to reflect the repayment date on the principal of the loan as March 15, 1982 on Schedule C. Please have this matter clarified within ten days of this notice. This matter will become a part of the public record within thirty days.

Sincerely,

Charles N. Steele  
General Counsel

  
BY: Kenneth A. Gross  
Associate General Counsel

cc: Senator Orrin Hatch

62040343847





FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

Utah State Democratic Committee  
Michael T. Miller, Chairman  
849 East 400 South  
Salt Lake City, Utah 84102

RE: MUR 1449

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Sincerely,

Charles N. Steele  
General Counsel

BY: Kenneth A. Gross  
Associate General Counsel

82040343848  
82040343848

FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

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RETURN RECEIPT REQUESTED

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Sincerely,

Charles N. Steele  
General Counsel

BY: Kenneth A. Gross  
Associate General Counsel

cc: Senator Orrin Hatch

159  
8-2-82

62040343849



BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Hatch Election Committee, Inc.

MUR 1449

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on August 2, 1982, the Commission decided by a vote of 6-0 to take the following actions in MUR 1449:

1. Find no reason to believe that the Hatch Election Committee, Inc. violated 2 U.S.C. § 441b of the Federal Election Campaign Act of 1971, as amended.
2. Close the File.

Commissioners Aikens, Elliott, Harris, McDonald, McGarry and Reiche voted affirmatively in this matter.

Attest:

8/2/82

Date

Marjorie W. Emmons

Marjorie W. Emmons  
Secretary of the Commission

Received in Office of Commission Secretary:  
Circulated on 48 hour tally basis:

7-28-82, 3:39  
7-29-82, 11:00

02040343850





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

**COMMISSION SECRETARY**

82 JUL 28 P 3: 30

**FIRST GENERAL COUNSEL'S REPORT**

DATE AND TIME OF TRANSMITTAL BY  
OGC TO THE COMMISSION 7/28/82

MUR NO. 1449  
DATE COMPLAINT RECEIVED  
BY OGC May 27, 1982  
DATE OF NOTIFICATION TO  
RESPONDENT June 2, 1982  
STAFF MEMBER  
Susan Donaldson

COMPLAINANT'S NAME: Utah State Democratic Committee  
RESPONDENT'S NAME: Hatch Election Committee  
RELEVANT STATUTE: 2 U.S.C. § 441b  
INTERNAL REPORTS CHECKED: Hatch Election Committee  
FEDERAL AGENCIES CHECKED: None

**SUMMARY OF ALLEGATIONS**

The Utah State Democratic Committee alleged that the Hatch Election Committee, Inc. received an interest-free loan for \$40,000 on January 22, 1982, from the First Security Bank of Utah. 2 U.S.C. § 441b prohibits any national bank from making contributions in connection with any federal election, and prohibits any candidate or political committee from receiving such a contribution.

**FACTUAL AND LEGAL ANALYSIS**

A review of the Hatch Committee reports reveal that the Committee received \$40,000 from the First Security Bank of Utah on January 22, 1982. The Committee's FEC report states that the loan was repaid on February 17, 1982. No interest was reported.

62040343852

J. Curtis Herge, counsel for the Hatch Election Committee, responded to the complaint in a letter dated June 18, 1982. He enclosed a copy of the promissory note dated January 22, 1982, from the Hatch Election Committee to the First Security Bank of Utah, which called for repayment on or before March 15, 1982, together with interest at the rate of 14 1/2% per annum. Mr. Herge also sent a copy of the repayment check, dated March 15, 1982, for \$40,837.78 (\$837.78 was interest). The interest was not reflected on the Committee reports because the Committee has a savings certificate with the bank which was earning interest. The interest expense paid on the note was considered as a reduction to the interest income. The Committee's reports were amended on June 10, 1982 to reflect the interest paid on the note.

The Committee was further questioned about the discrepancy between the repayment date of the loan shown on the FEC report (February 17, 1982) and the repayment date shown on the repayment check (March 15, 1982). Stanley R. DeWaal, treasurer of the Hatch Election Committee, responded in a letter dated July 16, 1982, that the loan was repaid on March 15, 1982, and that the February 17, 1982 repayment date shown on the report was incorrect. Mr. DeWaal could not explain why the February 17, 1982 date was reported, although he stated that the Committee had kept track of 40,000 contributors and had hired a temporary employee to help with the FEC report. The June 10, 1982

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amendment correctly reported the repayment date of the interest as March 15, 1982; however, Schedule C was not completed and therefore the repayment date of the principal on the loan was not amended. It is requested that the Committee amend their reports accordingly in the attached letter to their counsel.

Based on these facts, it appears that there is no reason to believe a violation of 2 U.S.C. § 441b was committed in connection with this matter.

#### RECOMMENDATIONS

1. Find no reason to believe that the Hatch Election Committee, Inc. violated 2 U.S.C. § 441b of the Federal Election Campaign Act of 1971, as amended.
2. Close the file.

Charles N. Steele  
General Counsel

July 28, 1982  
Date

BY:

Kenneth A. Gross  
Associate General Counsel

#### Attachments

- (1) Complaint
- (2) Response from Herge
- (3) Amended FEC Report
- (4) Response from Stanley R. DeWaal
- (5) Proposed letters (2)

02040343854

FEDERAL ELECTION COMMISSION

32 MAY 27 11:43

UTAH STATE DEMOCRATIC COMMITTEE  
Michael T. Miller, Complainant

COMPLAINANT

HATCH ELECTION COMMITTEE  
Respondent

STATE OF UTAH  
COUNTY OF SALT LAKE

SS

Michael T. Miller, upon being first duly sworn, deposes and says,

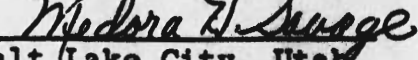
1. That he is Chairman of the Utah State Democratic Committee.
2. That he has examined the April 15, 1982, Federal Election Committee, Inc. report filed by U.S. Senator Orrin Hatch, covering the reporting period January 1, 1982, to March 31, 1982.
3. That the following violations of the Federal Election laws appears:
  - a). Hatch Election Committee received \$40,000 on January 22, 1982, and repaid the \$40,000 loan on February 17, 1982. The loan appears to have been made interest-free in violation of 2 USC 441 b.
4. These statements are not made upon personal knowledge, but are apparent from the face of the report itself.

Dated this 21st day of May, 1982.

UTAH STATE DEMOCRATIC COMMITTEE

  
Michael T. Miller, Chairman

Subscribed and sworn to before me this 21st day of May, 1982.

NOTARY PUBLIC   
Residing at Salt Lake City, Utah

My Commission Expires: Nov. 1, 1982

Address of Complainant: 849 East 400 South  
Salt Lake City, UT 84102  
801/329-0239

62040343855

RECEIVED  
GENERAL COUNSEL  
MAY 27 1982  
10:05



664-7983  
32 JUN 22 P 2: 02

Shirley S. Edwards  
A PROFESSIONAL CORPORATION  
ATTORNEYS AT LAW  
SUITE 200  
2000 GREENSBORO DRIVE  
MURRAY, VIRGINIA 22080  
(703) 881-1000

GLENN J. SEDAM, JR.  
J. CURTIS HERGE  
ROBERT R. SPARKS, JR.  
A. MARK CHRISTOPHER

JANIS A. CHERRY  
KAREN LUSSEN BLAIR  
JOHN ROBERT CLARK III  
B. ERIC SIVERTSEN

SUITE 270  
1700 PENNSYLVANIA AVENUE, N.W.  
WASHINGTON, D. C. 20006  
(703) 881-1000  
TELE 710-821-0800  
CABLE SEDAMENGE

June 18, 1982

664-7983  
32 JUN 22 P 4: 56  
GENERAL COUNSEL

Kenneth A. Gross, Esq.  
Associate General Counsel  
Federal Election Commission  
1325 K Street, N.W.  
Washington, D. C. 20463

Attention of Susan Donaldson

Re: MUR 1449

Dear Mr. Gross:

We are writing in reply to your letter to Mr. Stanley R. DeWaal, Treasurer of the Hatch Election Committee, dated June 2, 1982, with which you enclosed a copy of a complaint filed by the Utah State Democratic Committee in which it was alleged that the Hatch Election Committee received an interest-free loan in apparent violation of 2 U.S.C. 441b. This matter has been numbered MUR 1449.

Enclosed herewith, for your records, is a Statement of Designation of Counsel, signed by Mr. DeWaal, designating the undersigned as counsel to the Hatch Election Committee in connection with this matter.

The loan, which appears to be of concern to the Utah State Democratic Committee, was a loan of \$40,000.00 to the Hatch Election Committee by the First Security Bank of Utah on January 22, 1982. Enclosed herewith is a copy of the promissory note from the Hatch Election Committee to the First Security Bank of Utah, which evidences the loan and which called for repayment of the principal sum on or before March 15, 1982, together with interest at the rate of 14-1/2% per annum. The loan met the requirements set forth in 2 U.S.C. 431(8) (B) (vii).

The foregoing loan was paid in full, in accordance with the terms of the promissory note, on March 15, 1982. Enclosed herewith is a copy of the check from the Hatch Election Committee to the First Security Bank of Utah, dated March 15, 1982 and in

02040343856

(3)

Kenneth A. Gross, Esq.  
Page Two  
June 18, 1982

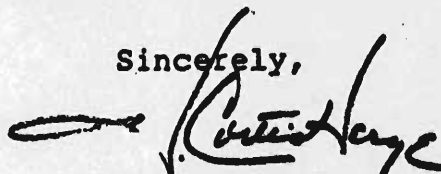
the amount of \$40,837.78. (The \$837.78 component of the check was interest calculated as follows:  $\$40,000.00 \times 14.5\% \div 360 \times 52 = \$837.78$ .) It will be noted that the enclosed copy of the promissory note bears the "Paid" stamp of the Bank.

On the basis of the foregoing, it is submitted that the complaint of the Utah State Democratic Committee is without merit and should be dismissed without further action.

We are advised that the first quarter report of the Hatch Election Committee did not reflect the full payment of \$40,837.78, because the due date of the promissory note was the same as the due date on a savings certificate the Hatch Election Committee had with the Bank. Thus, the Committee's accountants considered the interest expense paid on the note as a net reduction on the interest income received on the certificate. While perhaps satisfactory from an accounting standpoint, this technical reporting error has been called to the attention of the Treasurer of the Committee, who has amended, or is in the process of amending, the relevant portions of the Committee's report.

We would be pleased to be of assistance to you in the event you require any additional information or documentation in connection with this matter.

Sincerely,

  
J. Curtis Herge

enclosures

cc: Senator Orrin Hatch  
Mr. Stanley B. Parrish  
Mr. Stanley R. DeWaal

02040343857



(4)

STATEMENT OF DESIGNATION OF COUNSEL

NAME OF COUNSEL: J. Curtis Herge  
Sedam & Herge, P.C.  
ADDRESS: 8300 Greensboro Drive, Suite 1100  
McLean, Virginia 22102  
TELEPHONE: (703) 821-1000

RE: MUR 1449

The above-named individual is hereby designated as my  
counsel and is authorized to receive any notifications and  
other communications from the Commission and to act on my  
behalf before the Commission.

HATCH ELECTION COMMITTEE

June 14, 1982  
Date

BY:

  
Signature Treasurer

NAME: Stanley R. DeWaal  
ADDRESS: 405 South Main, Suite 711  
Salt Lake City, Utah 84111  
HOME PHONE: (801) 328-8173  
BUSINESS PHONE:

02040343858

HATCH ELECTION COMMITTEE

405 South Main, #711

SLC 84111

January 22, 1982

\$40,000.00\*\*

On or before 52 days

AFTER DATE, FOR VALUE RECEIVED, I, WE OR EITHER OF US, PROMISE

PAY TO THE ORDER OF

FIRST SECURITY BANK OF UTAH

NATIONAL ASSOCIATION

AT ITS OFFICE Fourth South

Salt Lake City, Utah

Forty-Thousand and no/100----- DOLLAR

IN LAWFUL MONEY OF THE UNITED STATES OF AMERICA, WITH INTEREST THEREON, IN LINE MONEY AT THE RATE OF 14.50 PER CENT

ANNUUM (INTEREST COMPUTED ON THE BASIS OF A 360 DAY YEAR AND ACTUAL DAYS ELAPSED), PAYABLE at maturity

date

FROM UNTIL MATURITY AND THEREAFTER AT THE RATE OF 14.50 PER CENT  
PER ANNUM UNTIL PAID, AND IF NOT PAID AT MATURITY AND THIS NOTE BE PLACED WITH AN ATTORNEY FOR COLLECTION OR IF  
INSTITUTED FOR ITS COLLECTION, I, WE OR EITHER OF US, AGREE TO PAY IN EITHER CASE REASONABLE ATTORNEY'S FEES. THE MAKERS  
SUNITIES, GUARANTORS AND ENDORSERS HEREOF SEVERALLY WAIVE PRESENTMENT FOR PAYMENT, PROTEST NOTICE OF PROTEST AND IN  
PAYMENT OF THIS NOTE. IF THE INTEREST ON THIS NOTE IS NOT PAID AT THE TIME IT BECOMES DUE, THE HOLDER OF THIS NOTE AT  
OPTION MAY DECLARE THE WHOLE DUE AND PAYABLE.

HATCH ELECTION COMMITTEE

NKC

DUE March 15, 1982

By: *[Signature]*

REV 6/73



HATCH ELECTION COMMITTEE  
405 SOUTH MAIN STREET SUITE 711 328-0173  
SALT LAKE CITY, UTAH 84111

No 1098

FOURTH SOUTH OFFICE  
FIRST SECURITY BANK OF UTAH  
NATIONAL ASSOCIATION  
405 SOUTH MAIN  
SALT LAKE CITY, UTAH 84111  
31-1/1245

PAYEE: First Security Bank DATE: 3/15/82 AMOUNT: \$ 40,837.78

NOT NEGOTIABLE

405 SOUTH MAIN STREET SUITE 711 328-0173  
SALT LAKE CITY, UTAH 84111

PAYEE DETACH THIS STATEMENT BEFORE DEPOSITING

HATCH ELECTION COMMITTEE

DATE	ACCOUNT OR INVOICE NO.	DESCRIPTION	AMOUNT	DISCOUNT OR DEDUCTION	NET AMOUNT
3/15/82		Loan No. 6100502126-30643	40,837.78		40,837.78

EMPLOYEE'S NAME

HATCH ELECTION COMMITTEE, SALT LAKE CITY, UTAH

PAY PERIOD ENDING	HOURS	RATE	GROSS EARNINGS	FICA	FED WITH TAX	STATE WITH TAX	NET EARNINGS PAID		
	REG. T O.T.								

EMPLOYEE: THIS IS A STATEMENT OF YOUR EARNINGS AND DEDUCTIONS FOR PERIOD INDICATED. KEEP THIS FOR YOUR PERMANENT RECORD.

60721

1. Name of Committee (in Full) <b>Match Election Committee, Inc.</b>		2. FEC Registration Number <b>C00044677</b>	
Address (Number and Street) <b>405 South Main Street, # 711</b>		3. Is this Report an Amendment? <input type="checkbox"/> YES <input type="checkbox"/> NO	
City, State and ZIP Code <b>Salt Lake City, UT 84111</b>		<input type="checkbox"/> Check if address is different than previously reported.	

TYPE OF REPORT

- ☒ April 15 Quarterly Report
- ☐ July 15 Quarterly Report
- ☐ October 15 Quarterly Report
- ☐ January 31 Year End Report
- ☐ July 31 Mid Year Report (Non-election Year Only)
- ☐ Twelfth day report preceding \_\_\_\_\_ (Type of Election)  
election on \_\_\_\_\_ in the State of \_\_\_\_\_
- ☐ Thirtieth day report following the General Election  
on \_\_\_\_\_ in the State of \_\_\_\_\_
- ☐ Termination Report

This report contains activity for — ☒ Primary Election ☐ General Election ☐ Special Election ☐ Runoff Election

SUMMARY

6. Covering Period 1/1/82 Through 3/31/82

6. Net Contributions (other than loans):

- (a) Total Contributions (other than loans) (from Line 11e) .....
- (b) Total Contribution Refunds (from Line 20d) .....
- (c) Net Contributions (other than loans) (Subtract Line 6b from 6a) .....

7. Net Operating Expenditures:

- (a) Total Operating Expenditures (from Line 17) .....
- (b) Total Offsets to Operating Expenditures (from Line 14) .....
- (c) Net Operating Expenditures (Subtract Line 7b from 7a) .....

8. Cash on Hand at Close of Reporting Period (from Line 27) .....

9. Debts and Obligations Owed TO the Committee  
(Itemize all on Schedule C or Schedule D) .....

10. Debts and Obligations Owed BY the Committee  
(Itemize all on Schedule C or Schedule D) .....

Column A This Period	Column B Calendar Year-to-Date
\$ 158,733	\$ 158,733
\$ 500	\$ 500
\$ 158,233	\$ 158,233
\$ 159,858	\$ 159,858
\$	\$
\$ 159,858	\$ 159,858
\$ 435,378	
\$ 4,000	
\$ 530	

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

For further information, contact:

Federal Election Commission  
Toll Free 800-424-9530  
Local 202-523-4088

Stanley DeWaal  
Type or Print Name of Treasurer

Stanley DeWaal  
SIGNATURE OF TREASURER

6/10/1982  
Date

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. §437j

All previous versions of FEC FORM 3 and FEC FORM 3a are obsolete and should no longer be used.

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**Natch Election Committee, Inc.**

Period Covering the Period:

From: 1/1/82

To: 3/31/82

**I. RECEIPTS**

**11. CONTRIBUTIONS (other than loans) FROM:**

(a) Individuals/Persons Other Than Political Committees

(Memo Entry Unitized \$ \_\_\_\_\_)

(b) Political Party Committees

(c) Other Political Committees

(d) The Candidates

(e) TOTAL CONTRIBUTIONS (other than loans) (add 11a, 11b, 11c and 11d)

**12. TRANSFERS FROM OTHER AUTHORIZED COMMITTEES**

**13. LOANS:**

(a) Made or Guaranteed by the Candidate

(b) All Other Loans

(c) TOTAL LOANS (add 13a and 13b)

**14. OFFSETS TO OPERATING EXPENDITURES (Refunds, Rebates, etc.)**

**15. OTHER RECEIPTS (Dividends, Interest, etc.)**

**16. TOTAL RECEIPTS (Add 11e, 12, 13c, 14 and 15)**

**II. DISBURSEMENTS**

**17. OPERATING EXPENDITURES**

**18. TRANSFERS TO OTHER AUTHORIZED COMMITTEES**

**19. LOAN REPAYMENTS:**

(a) Of Loans Made or Guaranteed by the Candidate

(b) Of All Other Loans

(c) TOTAL LOAN REPAYMENTS (add 19a and 19b)

**20. REFUNDS OF CONTRIBUTIONS TO:**

(a) Individuals/Persons Other Than Political Committees

(b) Political Party Committees

(c) Other Political Committees

(d) TOTAL CONTRIBUTION REFUNDS (add 20a, 20b and 20c)

**21. OTHER DISBURSEMENTS**

**22. TOTAL DISBURSEMENTS (Add 17, 18, 19c, 20d and 21)**

**III. CASH SUMMARY**

**23. CASH ON HAND AT BEGINNING OF THE REPORTING PERIOD**

**24. TOTAL RECEIPTS THIS PERIOD (From Line 16)**

**25. SUBTOTAL (Add Line 23 and Line 24)**

**26. TOTAL DISBURSEMENTS THIS PERIOD (From Line 22)**

**27. CASH ON HAND AT CLOSE OF THE REPORTING PERIOD (Subtract Line 26 from 25)**

COLUMN A  
Total This Period

COLUMN B  
Calendar Year-to-Date

117,312

117,312

41,421

41,421

158,733

158,733

40,000

40,000

40,000

40,000

12,150

12,150

210,883

210,883

159,858

159,858

79,426

79,426

40,000

40,000

500

500

500

500

279,784

279,784

504,279

210,883

715,162

279,784

435,378

02042003243964039

82042032103074040

Full Name, Mailing Address and ZIP Code of Loan Source		Original Amount of Loan	Cumulative Payments To Date	Balance Outstanding at Close of This Period
<b>First Security Bank of Utah</b> <b>403 South Main Street</b> <b>Salt Lake City, UT 84111</b> Election: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		40,000		40,000
Terms: Date Incurred <u>1/22/82</u> Date Due <u>3/15/82</u> Interest Rate <u>14.50</u> (per) <input type="checkbox"/> Secured				
List All Endorsers or Guarantors (if any) to Item A				
1. Full Name, Mailing Address and ZIP Code		Name of Employer		
		Occupation		
		Amount Guaranteed Outstanding: \$		
2. Full Name, Mailing Address and ZIP Code		Name of Employer		
		Occupation		
		Amount Guaranteed Outstanding: \$		
3. Full Name, Mailing Address and ZIP Code		Name of Employer		
		Occupation		
		Amount Guaranteed Outstanding: \$		
B. Full Name, Mailing Address and ZIP Code of Loan Source		Original Amount of Loan	Cumulative Payments To Date	Balance Outstanding at Close of This Period
Election: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):				
Terms: Date Incurred _____ Date Due _____ Interest Rate _____ (per) <input type="checkbox"/> Secured				
List All Endorsers or Guarantors (if any) to Item B				
1. Full Name, Mailing Address and ZIP Code		Name of Employer		
		Occupation		
		Amount Guaranteed Outstanding: \$		
2. Full Name, Mailing Address and ZIP Code		Name of Employer		
		Occupation		
		Amount Guaranteed Outstanding: \$		
3. Full Name, Mailing Address and ZIP Code		Name of Employer		
		Occupation		
		Amount Guaranteed Outstanding: \$		
SUBTOTALS This Period This Page (optional) .....				
TOTALS This Period (last page in this line only) .....				40,000
Carry outstanding balance only to LINE 3, Schedule D, for this line. If no Schedule D, carry forward to appropriate line of Summary.				



0 2 0 6 4 2 0 0 3 2 1 0 3 0 8 7 6 4 0 4 1

Any information supplied under oath and sworn statements may not be used in court by any person for the purpose of obtaining compensation or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such companies.

Name of Committee (in Full) **Hatch Election Committee, Inc.**

<b>A. Full Name, Mailing Address and ZIP Code</b> Tracy Collins 200 South Main Street Salt Lake City, UT 84111	Name of Employer  Occupation	Date (month, day, year) 3/31/82	Amount of Each Receipt This Period 6,242
Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Aggregate Year-to-Date-\$		
<b>B. Full Name, Mailing Address and ZIP Code</b> Commercial Security Bank Salt Lake City, UT 84111	Name of Employer  Occupation	Date (month, day, year) 3/31/82	Amount of Each Receipt This Period 3,282
Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Aggregate Year-to-Date-\$		
<b>C. Full Name, Mailing Address and ZIP Code</b> First Security Bank of Utah 405 So. Main Street SALT LAKE CITY, UT 84111	Name of Employer  Occupation	Date (month, day, year)	Amount of Each Receipt This Period 2,626
Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Aggregate Year-to-Date-\$		
<b>D. Full Name, Mailing Address and ZIP Code</b>	Name of Employer  Occupation	Date (month, day, year)	Amount of Each Receipt This Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Aggregate Year-to-Date-\$		
<b>E. Full Name, Mailing Address and ZIP Code</b>	Name of Employer  Occupation	Date (month, day, year)	Amount of Each Receipt This Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Aggregate Year-to-Date-\$		
<b>F. Full Name, Mailing Address and ZIP Code</b>	Name of Employer  Occupation	Date (month, day, year)	Amount of Each Receipt This Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Aggregate Year-to-Date-\$		
<b>G. Full Name, Mailing Address and ZIP Code</b>	Name of Employer  Occupation	Date (month, day, year)	Amount of Each Receipt This Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Aggregate Year-to-Date-\$		
SUBTOTAL of Receipts This Page (optional) . . . . .			
TOTAL This Period (last page this line number only) . . . . .			12,150

Any information printed from such reports and statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, either directly or indirectly, or for the purpose of soliciting contributions from such committees.

Name of Committee (in Full)

Natch Election Committee, Inc.

A. Full Name, Mailing Address and ZIP Code  Per Original Report	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period  157,432
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		
B. Full Name, Mailing Address and ZIP Code  First Security Bank of Utah 405 South Main Street Salt Lake City, UT 84111	Purpose of Disbursement Interest on \$40,000 loan at 14.50% for 52 days	3/15/82	Amount of Each Disbursement This Period  838
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		
C. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		
D. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		
E. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		
F. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		
G. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		
H. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		
I. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		
SUBTOTAL of Disbursements This Page (optional) .....			
TOTAL This Period (last page this line number only) .....			158,370

020933298242



DE WAAL AND KEELER  
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS  
OF THE AMERICAN INSTITUTE  
OF CERTIFIED PUBLIC ACCOUNTANTS  
STANLEY R. DE WAAL  
KEN KEELER

12  
100 WEST 200 SOUTH 200 EAST  
SALT LAKE CITY, UTAH 84111

July 16, 1982

Federal Election Commission

Washington, D.C. 20463

Gentlemen:

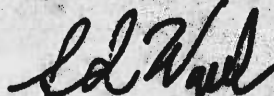
On January 22, 1982, the Hatch Election Committee borrowed \$40,000 from First Security Bank. The collateral used was a Money Market Certificate with a due date of March 15, 1982. The Committee repaid the loan on March 15, 1982.

On our report filed with the FEC, disclosing the repayment of the loan, the payment date is shown as February 17, 1982. I cannot explain why that particular date was typed in, except for the fact that due to the pressures of preparing the report by the due date, and the fact that we are keeping track of some 40,000 individual contributors, we had hired a temporary employee to help us with the report and in reviewing the report, the wrong date was not discovered.

In the reports filed, we account for approximately 95% of all expenditures which the committee has incurred and in addition to keeping track of every contribution, it is our intention to fully comply with the FEC requirements. The Committee has absolutely nothing to gain by using a wrong date. If there are any mistakes made, they are unintentional in nature.

Please give this your consideration.

Very truly yours,



Stanley R. De Waal  
Treasurer  
Hatch Election Committee

SRD:cma

GLENN J. SEDAM, JR.  
J. CURTIS HERGE  
ROBERT R. SPARKS, JR.  
A. MARK CHRISTOPHER

JANIS A. CHERRY  
KAREN LUSSEN BLAIR  
JOHN ROBERT CLARK III  
B. ERIC SIVERTSEN

1700 PENNINGTON AVENUE  
WASHINGTON, D.C. 20546  
FEDERAL ELECTION COMMISSION

TEL: 202-456-6000

July 19, 1982

DATE: 7/20/82  
1700 PENNINGTON AVENUE  
WASHINGTON, D.C. 20546  
FEDERAL ELECTION COMMISSION  
TEL: 202-456-6000  
CABLE: DEFELECT

RECEIVED  
JUL 21 1982  
FEDERAL ELECTION COMMISSION  
GENERAL COUNSEL

3:02

Kenneth A. Gross, Esquire  
Associate General Counsel  
Federal Election Commission  
1325 K Street, N.W.  
Washington, D.C. 20463

Attention: Susan Donaldson

Re: MUR 1449

Dear Mr. Gross:

Enclosed herewith is a letter from Stanley R. DeWaal, Treasurer, Hatch Election Committee, in which he discusses the two different dates reported to the Commission in connection with the payment in full of a loan in the sum of \$40,000.00 borrowed by the Committee.

Please feel free to contact me should you require any additional documentation or assistance in this matter.

Sincerely,

*J. Curtis Herge*  
J. Curtis Herge

*DS*

enclosure

62040343867





FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

J. Curtis Herge, Esquire  
8300 Greensboro Drive, Suite 1100  
McLean, Virginia 22102

RE: MUR 1449

Dear Mr. Herge:

On June 2, 1982, the Commission notified you of a complaint alleging that your client, the Hatch Election Committee, Inc., had violated certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on , 1982, determined that on the basis of the information in the complaint, and information provided by you, there is no reason to believe that a violation of any statute within its jurisdiction has been committed. Accordingly, the Commission closed its file in this matter. However, the Commission noted that the Committee's FEC reports have not been amended to reflect the repayment date on the principal of the loan as March 15, 1982 on Schedule C. Please have this matter clarified within ten days of this notice. This matter will become a part of the public record within thirty days.

Sincerely,

Charles N. Steele  
General Counsel

BY: Kenneth A. Gross  
Associate General Counsel

cc: Senator Orrin Hatch

62040343868



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

15

Utah State Democratic Committee  
Michael T. Miller, Chairman  
849 East 400 South  
Salt Lake City, Utah 84102

RE: MUR 1449

Dear Mr. Miller:

The Federal Election Commission has reviewed the allegations of your complaint dated May 27, 1982, and determined that on the basis of the information provided in your complaint, and information provided by the Respondent, there is no reason to believe that a violation of the Federal Election Campaign Act of 1971, as amended ("the Act") has been committed.

Accordingly, the Commission has decided to close the file in this matter. The Federal Election Campaign Act allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

Should additional information come to your attention which you believe establishes a violation of the Act, you may file a complaint pursuant to the requirements set forth in 2 U.S.C. § 437g(a)(1) and 11 C.F.R. § 111.4.

Sincerely,

Charles N. Steele  
General Counsel

BY: Kenneth A. Gross  
Associate General Counsel

82040343869

15



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20543

RECEIVED  
JUL 19 1982

July 19, 1982

MEMORANDUM

TO: The Commission

FROM: Charles N. Steele  
General Counsel

BY: Kenneth A. Gross  
Associate General Counsel *KAG*

SUBJECT: MUR 1449 - Utah State Democratic Committee  
Withdrawal of First General Counsel's Report

The First General Counsel's Report on MUR 1449 was circulated to the Commission on July 8, 1982, on a 48 hour tally basis. The Office of General Counsel requests withdrawal of this report for further examination of an apparent factual discrepancy in the Committee's reports. Commissioner McDonald, who objected to this matter, agrees to its withdrawal.

82040343870





FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

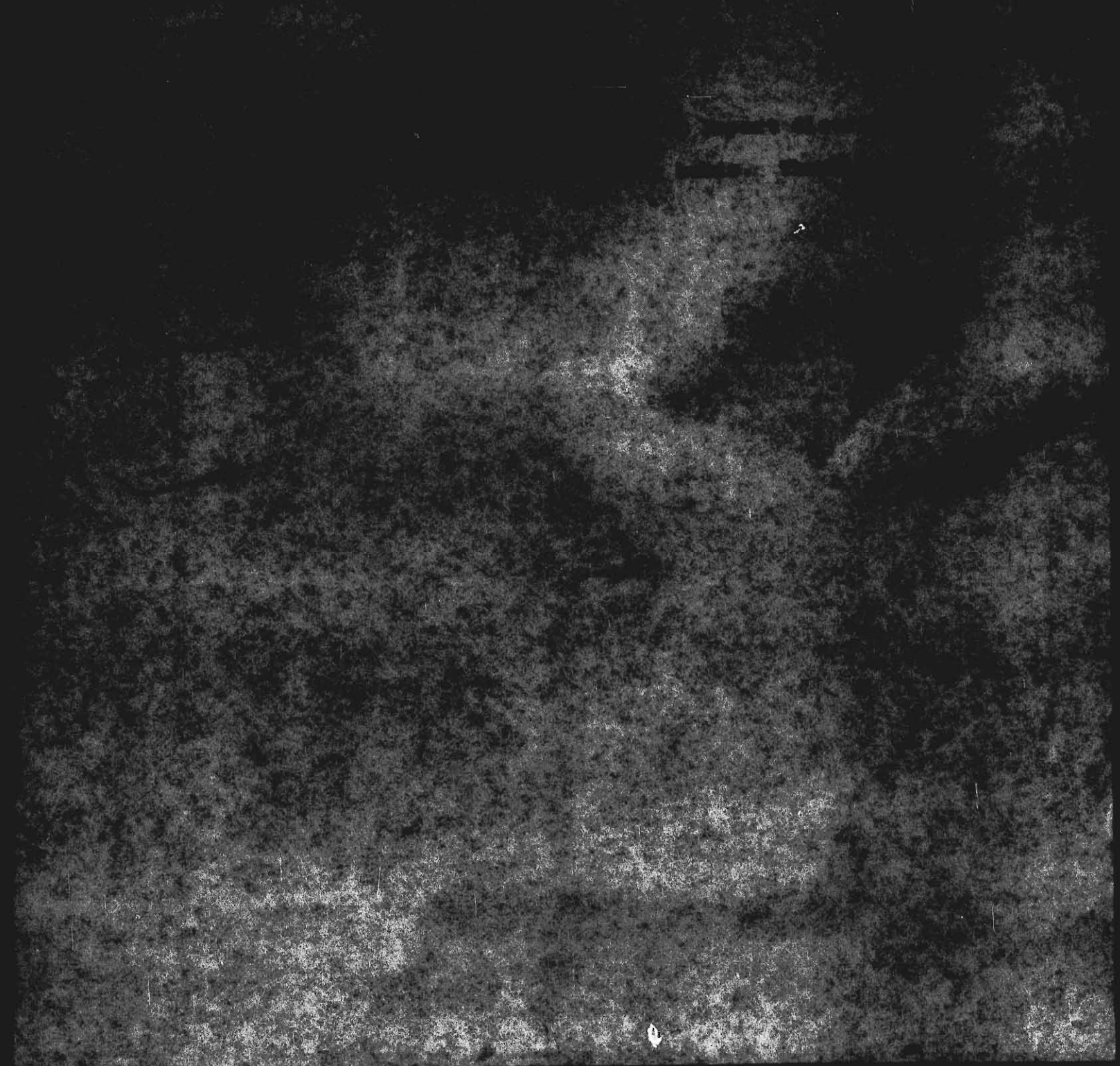
MEMORANDUM TO: CHARLES N. STEELE, GENERAL COUNSEL  
FROM: MARJORIE W. BROWN/JODY RABSON *JR*  
DATE: JULY 12, 1982  
SUBJECT: OBJECTION - MUR 1449 First General Counsel's  
Report dated July 8, 1982; Received in OCS,  
7-8-82, 9:35

The above-named document was circulated to the Commission on  
Thursday, July 8, 1982 at 4:00.

Commissioner McDonald submitted an objection at 10:44, July 12,  
1982.

This matter will be placed on the agenda for the Executive  
Session of Tuesday, July 20, 1982.

62040343872





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

RECEIVED  
OFFICE OF THE  
COMMISSION SECRETARY

82 JUL 8 4:35

**FIRST GENERAL COUNSEL'S REPORT**

DATE AND TIME OF TRANSMITTAL BY  
OGC TO THE COMMISSION 7-8-82

MUR NO. 1449  
DATE COMPLAINT RECEIVED  
BY OGC May 27, 1982  
DATE OF NOTIFICATION TO  
RESPONDENT June 2, 1982  
STAFF MEMBER  
Susan Donaldson

COMPLAINANT'S NAME: Utah State Democratic Committee  
RESPONDENT'S NAME: Hatch Election Committee  
RELEVANT STATUTE: 2 U.S.C. § 441b  
INTERNAL REPORTS CHECKED: Hatch Election Committee  
FEDERAL AGENCIES CHECKED: None

**SUMMARY OF ALLEGATIONS**

The Utah State Democratic Committee alleged that the Hatch Election Committee, Inc. received an interest-free loan for \$40,000 on January 22, 1982, from the First Security Bank of Utah. 2 U.S.C. § 441b prohibits any national bank from making contributions in connection with any federal election, and prohibits any candidate or political committee from receiving such a contribution.

**FACTUAL AND LEGAL ANALYSIS**

A review of the Hatch Committee reports reveal that the Committee received \$40,000 from the First Security Bank of Utah on January 22, 1982. The loan was repaid on February 17, 1982. No interest was reported.

82040343874

J. Curtis Herge, counsel for the Hatch Election Committee, responded to the complaint in a letter dated June 18, 1982. He enclosed a copy of the promissory note dated January 22, 1982, from the Hatch Election Committee to the First Security Bank of Utah, which called for repayment on or before March 15, 1982, together with interest at the rate of 14 1/2% per annum. Mr. Herge also sent a copy of the repayment check, dated March 15, 1982, for \$40,837.78 (\$837.78 was interest). The interest was not reflected on the Committee reports because the Committee has a savings certificate with the bank which was earning interest. The interest expense paid on the note was considered as a reduction to the interest income. The Committee's reports will be amended to reflect the interest paid on the note. Based on these facts, it appears that there is no reason to believe a violation of 2 U.S.C. § 441b was committed in connection with this matter.

#### RECOMMENDATIONS

1. Find no reason to believe that the Hatch Election Committee, Inc. violated 2 U.S.C. § 441b of the Federal Election Campaign Act of 1971, as amended.
2. Close the file.

Charles N. Steele  
General Counsel

July 7, 1982  
Date

BY:

Kenneth A. Gross  
Associate General Counsel

#### Attachments

- (1) Complaint
- (2) Response from Herge
- (3) Proposed letters (2)

82040343875



32 MAY 27 P1: 43

FEDERAL ELECTION COMMISSION

UTAH STATE DEMOCRATIC COMMITTEE )  
Michael T. Miller, Complainant )

COMPLAINT

HATCH ELECTION COMMITTEE )  
Respondent )

STATE OF UTAH )  
COUNTY OF SALT LAKE )

SS

Michael T. Miller, upon being first duly sworn, deposes and says,

1. That he is Chairman of the Utah State Democratic Committee.
2. That he has examined the April 15, 1982, Federal Election Committee, Inc. report filed by U.S. Senator Orrin Hatch, covering the reporting period January 1, 1982, to March 31, 1982.
3. That the following violations of the Federal Election laws appears:
  - a). Hatch Election Committee received \$40,000 on January 22, 1982, and repaid the \$40,000 loan on February 17, 1982. The loan appears to have been made interest-free in violation of 2 USC 441 b.
4. These statements are not made upon personal knowledge, but are apparent from the face of the report itself.

Dated this 21st day of May, 1982.

UTAH STATE DEMOCRATIC COMMITTEE

  
Michael T. Miller, Chairman

Subscribed and sworn to before me this 21st day of May, 1982.

NOTARY PUBLIC

  
Residing at Salt Lake City, Utah

My Commission Expires: Nov. 1, 1982

Address of Complainant: 849 East 400 South  
Salt Lake City, UT 84102  
801/329-0239

62040343876

**Sedat & Herge**  
A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

SUITE 200

4500 OVERSHOPE DRIVE

IRVING, VIRGINIA 22082

(703) 681-1000

6887 7983  
02 JUN 22 P2:02

GLENN J. SEDAT, JR.  
J. CURTIS HERGE  
ROBERT R. SPARKS, JR.  
A. MARK CHRISTOPHER

JANIS A. CHERRY  
KAREN LUSSEN BLAIR  
JOHN ROBERT CLARK III  
B. ERIC BIVERTSEN

SUITE 200  
1700 PENNSYLVANIA AVENUE, N.W.  
WASHINGTON, D.C. 20006  
(703) 681-1000  
TELE 710-11-0000  
CARLO SEDAT/HERGE

June 18, 1982

06 JUN 22 P4:56  
GENERAL COUNSEL

Kenneth A. Gross, Esq.  
Associate General Counsel  
Federal Election Commission  
1325 K Street, N.W.  
Washington, D. C. 20463

Attention of Susan Donaldson

Re: MUR 1449

Dear Mr. Gross:

We are writing in reply to your letter to Mr. Stanley R. DeWaal, Treasurer of the Hatch Election Committee, dated June 2, 1982, with which you enclosed a copy of a complaint filed by the Utah State Democratic Committee in which it was alleged that the Hatch Election Committee received an interest free loan in apparent violation of 2 U.S.C. 441b. This matter has been numbered MUR 1449.

Enclosed herewith, for your records, is a Statement of Designation of Counsel, signed by Mr. DeWaal, designating the undersigned as counsel to the Hatch Election Committee in connection with this matter.

The loan, which appears to be of concern to the Utah State Democratic Committee, was a loan of \$40,000.00 to the Hatch Election Committee by the First Security Bank of Utah on January 22, 1982. Enclosed herewith is a copy of the promissory note from the Hatch Election Committee to the First Security Bank of Utah, which evidences the loan and which called for repayment of the principal sum on or before March 15, 1982, together with interest at the rate of 14-1/2% per annum. The loan met the requirements set forth in 2 U.S.C. 431(8) (B) (vii).

The foregoing loan was paid in full, in accordance with the terms of the promissory note, on March 15, 1982. Enclosed herewith is a copy of the check from the Hatch Election Committee to the First Security Bank of Utah, dated March 15, 1982 and in

02040343877



Kenneth A. Gross, Esq.  
Page Two  
June 18, 1982

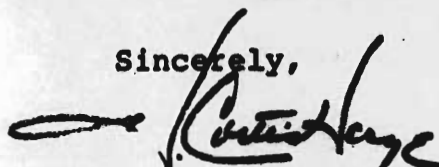
the amount of \$40,837.78. (The \$837.78 component of the check was interest calculated as follows:  $\$40,000.00 \times 14.5\% \div 360 \times 52 = \$837.78$ .) It will be noted that the enclosed copy of the promissory note bears the "Paid" stamp of the Bank.

On the basis of the foregoing, it is submitted that the complaint of the Utah State Democratic Committee is without merit and should be dismissed without further action.

We are advised that the first quarter report of the Hatch Election Committee did not reflect the full payment of \$40,837.78, because the due date of the promissory note was the same as the due date on a savings certificate the Hatch Election Committee had with the Bank. Thus, the Committee's accountants considered the interest expense paid on the note as a net reduction on the interest income received on the certificate. While perhaps satisfactory from an accounting standpoint, this technical reporting error has been called to the attention of the Treasurer of the Committee, who has amended, or is in the process of amending, the relevant portions of the Committee's report.

We would be pleased to be of assistance to you in the event you require any additional information or documentation in connection with this matter.

Sincerely,



J. Curtis Herge

enclosures

cc: Senator Orrin Hatch  
Mr. Stanley B. Parrish  
Mr. Stanley R. DeWaal

62040343878

STATEMENT OF DESIGNATION OF COUNSEL

NAME OF COUNSEL: J. Curtis Herge  
Sedam & Herge, P.C.  
ADDRESS: 8300 Greensboro Drive, Suite 1100  
McLean, Virginia 22102  
TELEPHONE: (703) 821-1000

RE: MUR 1449

The above-named individual is hereby designated as my  
counsel and is authorized to receive any notifications and  
other communications from the Commission and to act on my  
behalf before the Commission.

HATCH ELECTION COMMITTEE

June 14, 1982

Date

BY:

Signature

Treasurer

NAME:

Stanley R. DeWaal

ADDRESS:

405 South Main, Suite 711  
Salt Lake City, Utah 84111

HOME PHONE:

(801) 328-8173

BUSINESS PHONE:

62040343879



HATCH ELECTION COMMITTEE

405 South Main, #711

SLC 84111

January 22, 1982

40,000.00\*\*

On or before 52 days

AFTER DATE FOR VALUE RECEIVED. I, WE OR EITHER OF US, PROMISE

PAY TO THE ORDER OF

FIRST SECURITY BANK OF UTAH

NATIONAL ASSOCIATION

AT ITS OFFICE Fourth South

Salt Lake City, Utah

Forty-Thousand and no/100----- DOLLAR

IN LAWFUL MONEY OF THE UNITED STATES OF AMERICA, WITH INTEREST THEREON, IN LIKE MONEY AT THE RATE OF 14.50 PER CENT

ANNUUM (INTEREST COMPUTED ON THE BASIS OF A 360 DAY YEAR AND ACTUAL DAYS ELAPSED). PAYABLE at maturity

date

FROM UNTIL MATURITY AND THEREAFTER AT THE RATE OF 14.50 PER CENT PER ANNUM UNTIL PAID, AND IF NOT PAID AT MATURITY AND THIS NOTE BE PLACED WITH AN ATTORNEY FOR COLLECTION OR IF SUIT INSTITUTED FOR ITS COLLECTION, I, WE OR EITHER OF US, AGREE TO PAY IN EITHER CASE REASONABLE ATTORNEY'S FEES. THE MAKERS, GUARANTORS AND ENDORSERS HEREOF SEVERALLY WAIVE PRESENTMENT FOR PAYMENT, PROTEST, NOTICE OF PROTEST AND OF NON-PAYMENT OF THIS NOTE. IF THE INTEREST ON THIS NOTE IS NOT PAID AT THE TIME IT BECOMES DUE, THE HOLDER OF THIS NOTE AT OPTION MAY DECLARE THE WHOLE DUE AND PAYABLE.

HATCH ELECTION COMMITTEE

NKC

DUE March 15, 1982

XBy:

*Ed. White*

# HATCH ELECTION COMMITTEE

405 SOUTH MAIN STREET SUITE 711 328-8173  
SALT LAKE CITY, UTAH 84111

No 1098

FOURTH SOUTH OFFICE  
FIRST SECURITY BANK OF UTAH  
NATIONAL ASSOCIATION  
405 SOUTH MAIN  
SALT LAKE CITY, UTAH 84111  
31-1/12/82

PAY

First Security Bank

DATE

3/15/82

AMOUNT

\$ 40,857.78

ORDER  
OF

NOT NEGOTIABLE

⑆00012⑆ ⑆1240000120061 01764 22⑆

PAYEE DETACH THIS STATEMENT BEFORE DEPOSITING

HATCH ELECTION COMMITTEE

DATE	ACCOUNT OR INVOICE NO.	DESCRIPTION	AMOUNT	DISCOUNT OR DEDUCTION	NET AMOUNT
3/15/82		Loan No. 6100502126-30643	40,857.78		40,857.78

EMPLOYEE'S NAME

HATCH ELECTION COMMITTEE, SALT LAKE CITY, UTAH

PAY PERIOD ENDING	HOURS	RATE	GROSS EARNINGS							NET EARNINGS PAID
				FICA	FED WITH TAX	STATE WITH TAX				
REG. T. O.T.										

EMPLOYEE: THIS IS A STATEMENT OF YOUR EARNINGS AND DEDUCTIONS FOR PERIOD INDICATED. KEEP THIS FOR YOUR PERMANENT RECORD.





FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20543

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

J. Curtis Herge, Esquire  
8300 Greensboro Drive, Suite 1100  
McLean, Virginia 22102

RE: MUR 1449

Dear Mr. Herge:

On June 2, 1982, the Commission notified you of a complaint alleging that your client, the Hatch Election Committee, Inc., had violated certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on , 1982, determined that on the basis of the information in the complaint, and information provided by you, there is no reason to believe that a violation of any statute within its jurisdiction has been committed. Accordingly, the Commission closed its file in this matter. This matter will become a part of the public record within thirty days.

Sincerely,

Charles N. Steele  
General Counsel

BY: Kenneth A. Gross  
Associate General Counsel

cc: Senator Orrin Hatch

62040313882



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

Utah State Democratic Committee  
Michael T. Miller, Chairman  
849 East 400 South  
Salt Lake City, Utah 84102

RE: MUR 1449

Dear Mr. Miller:

The Federal Election Commission has reviewed the allegations of your complaint dated May 27, 1982, and determined that on the basis of the information provided in your complaint, and information provided by the Respondent, there is no reason to believe that a violation of the Federal Election Campaign Act of 1971, as amended ("the Act") has been committed.

Accordingly, the Commission has decided to close the file in this matter. The Federal Election Campaign Act allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

Should additional information come to your attention which you believe establishes a violation of the Act, you may file a complaint pursuant to the requirements set forth in 2 U.S.C. § 437g(a)(1) and 11 C.F.R. § 111.4.

Sincerely,

Charles N. Steele  
General Counsel

BY: Kenneth A. Gross  
Associate General Counsel

62040343883



GLENN J. SEDAN, JR.  
J. CURTIS HERGE  
ROBERT S. SPARKS, JR.  
A. MARK CHRISTOPHER

JANIS A. CHERRY  
KAREN LUSSEN BLAIR  
JOHN ROBERT CLARK III  
B. ERIC SIVERTSEN

WASHINGTON, VIRGINIA 22004

July 19, 1982

RECEIVED  
OFFICE OF THE  
GENERAL COUNSEL  
JUL 20 1982  
3:02  
100 PENNSYLVANIA AVENUE, N.E.  
WASHINGTON, D.C. 20543  
TELEPHONE 202-541-6000  
CABLE SEDAN HERGE

Kenneth A. Gross, Esquire  
Associate General Counsel  
Federal Election Commission  
1325 K Street, N.W.  
Washington, D.C. 20463

Attention: Susan Donaldson

Re: MUR 1449

Dear Mr. Gross:

Enclosed herewith is a letter from Stanley R. DeWaal, Treasurer, Hatch Election Committee, in which he discusses the two different dates reported to the Commission in connection with the payment in full of a loan in the sum of \$40,000.00 borrowed by the Committee.

Please feel free to contact me should you require any additional documentation or assistance in this matter.

Sincerely,

*J. Curtis Herge*  
J. Curtis Herge

enclosure

62040343884

DE WAAL AND KEELER  
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS  
OF THE AMERICAN INSTITUTE  
OF CERTIFIED PUBLIC ACCOUNTANTS  
STANLEY R. DE WAAL  
DEX KEELER

775 FIRST SECURITY BANK BUILDING  
100 SOUTH MAIN  
SALT LAKE CITY, UTAH 84111

July 16, 1982

Federal Election Commission

Washington, D.C. 20463

Gentlemen:

On January 22, 1982, the Hatch Election Committee borrowed \$40,000 from First Security Bank. The collateral used was a Money Market Certificate with a due date of March 15, 1982. The Committee repaid the loan on March 15, 1982.

On our report filed with the FEC, disclosing the repayment of the loan, the payment date is shown as February 17, 1982. I cannot explain why that particular date was typed in, except for the fact that due to the pressures of preparing the report by the due date, and the fact that we are keeping track of some 40,000 individual contributors, we had hired a temporary employee to help us with the report and in reviewing the report, the wrong date was not discovered.

In the reports filed, we account for approximately 95% of all expenditures which the committee has incurred and in addition to keeping track of every contribution, it is our intention to fully comply with the FEC requirements. The Committee has absolutely nothing to gain by using a wrong date. If there are any mistakes made, they are unintentional in nature.

Please give this your consideration.

Very truly yours,



Stanley R. De Waal  
Treasurer  
Hatch Election Committee

SRD:cma

82040343883



**SEDAM & HERGE**

**ATTORNEYS AT LAW**

**SUITE 1100**

**8300 GREENSBORO DRIVE**

**MCLEAN, VIRGINIA 22102**

***To***

Kenneth A. Gross, Esquire  
Associate General Counsel  
Federal Election Commission  
1325 K Street, N.W.  
Washington, D.C. 20463

**FIRST CLASS MAIL**

RECEIVED  
JUN 22 1982  
12:02

GLENN J. SEDAM, JR.  
J. CURTIS HERGE  
ROBERT R. SPARKS, JR.  
A. MARK CHRISTOPHER

JANIS A. CHERRY  
KAREN LUSSEN BLAIR  
JOHN ROBERT CLARK III  
B. ERIC SIVERTSEN

MILWAUKEE, WISCONSIN 53103

June 18, 1982

SUITE 270  
1000 PENNSYLVANIA AVENUE, N.W.  
WASHINGTON, D.C. 20006  
(703) 621-1000  
TELETYPE 710-62-0886  
CARLO SEDAM HERGE

JUN 22 1982  
14:56

GENERAL COUNSEL

Kenneth A. Gross, Esq.  
Associate General Counsel  
Federal Election Commission  
1325 K Street, N.W.  
Washington, D. C. 20463

Attention of Susan Donaldson

Re: MUR 1449

Dear Mr. Gross:

We are writing in reply to your letter to Mr. Stanley R. DeWaal, Treasurer of the Hatch Election Committee, dated June 2, 1982, with which you enclosed a copy of a complaint filed by the Utah State Democratic Committee in which it was alleged that the Hatch Election Committee received an interest free loan in apparent violation of 2 U.S.C. 441b. This matter has been numbered MUR 1449.

Enclosed herewith, for your records, is a Statement of Designation of Counsel, signed by Mr. DeWaal, designating the undersigned as counsel to the Hatch Election Committee in connection with this matter.

The loan, which appears to be of concern to the Utah State Democratic Committee, was a loan of \$40,000.00 to the Hatch Election Committee by the First Security Bank of Utah on January 22, 1982. Enclosed herewith is a copy of the promissory note from the Hatch Election Committee to the First Security Bank of Utah, which evidences the loan and which called for repayment of the principal sum on or before March 15, 1982, together with interest at the rate of 14-1/2% per annum. The loan met the requirements set forth in 2 U.S.C. 431(b)(3)(vii).

The foregoing loan was paid in full, in accordance with the terms of the promissory note, on March 15, 1982. Enclosed herewith is a copy of the check from the Hatch Election Committee to the First Security Bank of Utah, dated March 15, 1982 and in

02040343887



Kenneth A. Gross, Esq.  
Page Two  
June 18, 1982

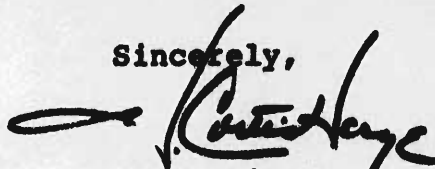
the amount of \$40,837.78. (The \$837.78 component of the check was interest calculated as follows:  $\$40,000.00 \times 14.5\% \div 360 \times 52 = \$837.78$ .) It will be noted that the enclosed copy of the promissory note bears the "Paid" stamp of the Bank.

On the basis of the foregoing, it is submitted that the complaint of the Utah State Democratic Committee is without merit and should be dismissed without further action.

We are advised that the first quarter report of the Hatch Election Committee did not reflect the full payment of \$40,837.78, because the due date of the promissory note was the same as the due date on a savings certificate the Hatch Election Committee had with the Bank. Thus, the Committee's accountants considered the interest expense paid on the note as a net reduction on the interest income received on the certificate. While perhaps satisfactory from an accounting standpoint, this technical reporting error has been called to the attention of the Treasurer of the Committee, who has amended, or is in the process of amending, the relevant portions of the Committee's report.

We would be pleased to be of assistance to you in the event you require any additional information or documentation in connection with this matter.

Sincerely,

  
J. Curtis Herge

enclosures

cc: Senator Orrin Hatch  
Mr. Stanley B. Parrish  
Mr. Stanley R. DeWaal

62040343888

STATEMENT OF DESIGNATION OF COUNSEL

NAME OF COUNSEL: J. Curtis Herge  
Sedam & Herge, P.C.  
ADDRESS: 8300 Greensboro Drive, Suite 1100  
McLean, Virginia 22102  
TELEPHONE: (703) 821-1000

RE: MUR 1449

The above-named individual is hereby designated as my  
counsel and is authorized to receive any notifications and  
other communications from the Commission and to act on my  
behalf before the Commission.

HATCH ELECTION COMMITTEE

June 14, 1982  
Date

BY:

  
Signature Treasurer

NAME: Stanley R. DeWaal  
ADDRESS: 405 South Main, Suite 711  
Salt Lake City, Utah 84111  
HOME PHONE: (801) 328-8173  
BUSINESS PHONE:

02040343889



HATCH ELECTION COMMITTEE

405 South Main, #711

SLC

84111

January 22, 1982

\$40,000.00\*\*

On or before 52 days

AFTER DATE FOR VALUE RECEIVED I WE OR EITHER OF US PROMISE

PAY TO THE ORDER OF

FIRST SECURITY BANK OF UTAH

NATIONAL ASSOCIATION

AT ITS OFFICE Fourth South

Salt Lake City, Utah

Forty-Thousand and no/100----- DOLLAR

IN LAWFUL MONEY OF THE UNITED STATES OF AMERICA, WITH INTEREST THEREON, IN LIKE MONEY AT THE RATE OF 14.50 PER CENT

ANNUM (INTEREST COMPUTED ON THE BASIS OF A 360 DAY YEAR AND ACTUAL DAYS ELAPSED), PAYABLE at maturity

FROM date UNTIL MATURITY AND THEREAFTER AT THE RATE OF 14.50 PER CENT PER ANNUM UNTIL PAID AND IF NOT PAID AT MATURITY AND THIS NOTE BE PLACED WITH AN ATTORNEY FOR COLLECTION OR IF SUIT INSTITUTED FOR ITS COLLECTION, I WE OR EITHER OF US, AGREE TO PAY IN EITHER CASE REASONABLE ATTORNEY'S FEES. THE MATURITIES, GUARANTORS AND ENDORSERS HEREOF SEVERALLY WAIVE PRESENTMENT FOR PAYMENT, PROTEST, NOTICE OF PROTEST AND OF NON-PAYMENT OF THIS NOTE. IF THE INTEREST ON THIS NOTE IS NOT PAID AT THE TIME IT BECOMES DUE, THE HOLDER OF THIS NOTE AT OPTION MAY DECLARE THE WHOLE DUE AND PAYABLE.

HATCH ELECTION COMMITTEE

NKC

DUE March 15, 1982

By: *John M. Ward*

**HATCH ELECTION COMMITTEE**  
 405 SOUTH MAIN STREET SUITE 711 328-8173  
 SALT LAKE CITY, UTAH 84111

**No 1098**

FRONT SOUTH OFFICE  
 FIRST SECURITY BANK OF UTAH  
 NATIONAL ASSOCIATION  
 400 SOUTH MAIN  
 SALT LAKE CITY, UTAH 84111  
 31-1/1240

**PAY** 40,837.78 **DATE** 3/15/82 **AMOUNT** 40,837.78

**First Security Bank**

**ORDER**

**NOT NEGOTIABLE**

⑈0001070⑈ ⑆1240000120061 01764 22⑈

**NOTE: DETACH THIS STATEMENT BEFORE DEPOSITING**

**HATCH ELECTION COMMITTEE**

DATE	ACCOUNT OR INVOICE NO.	DESCRIPTION	AMOUNT	DISCOUNT OR DEDUCTION	NET AMOUNT
3/15/82		Loan No. 6100502126-30643	40,837.78		40,837.78

**EMPLOYEE'S NAME**

**HATCH ELECTION COMMITTEE, SALT LAKE CITY, UTAH**

PAY PERIOD ENDING	HOURS	RATE	GROSS EARNINGS	F.I.C.A.	FED. WITH TAX	STATE WITH TAX				NET EARNINGS PAID
REG. T.										
O.T.										

**EMPLOYEE: THIS IS A STATEMENT OF YOUR EARNINGS AND DEDUCTIONS FOR PERIOD INDICATED. KEEP THIS FOR YOUR PERMANENT RECORD.**



62040313892

**SEDAM & HERGE**

A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

SUITE 1100

8300 GREENSBORO DRIVE

MCLEAN, VIRGINIA 22102

Kenneth A. Gross, Esq.  
Associate General Counsel  
Federal Election Commission  
1325 K Street, N.W.  
Washington, D. C. 20463

Attention of Susan Donaldson



82 JUN 22 P 2:02  
JUN 18 '82

RECEIVED

1449

ROUTING SLIP

\_\_\_ Improper Complaint ltr.

\_\_\_ No Jurisdiction ltr.

☒ Respondent Notification ltr (1)

\_\_\_ Complainant Notification ltr.

\_\_\_ Other:

9  
To HAC from SB on 4/1/82 for signature

3  
To Docket from KAS on 6/2 for mailing

4  
204034



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20543

June 2, 1982

**REGISTERED MAIL**  
**YOUR COPY IS REQUIRED**

Mr. Stanley R. de Waal, Treasurer  
Hatch Election Committee  
405 South Main Street, #711  
Salt Lake City, Utah 84111

Re: MUR 1449

Dear Mr. de Waal:

This letter is to notify you that on May 27, 1982 the Federal Election Commission received a complaint which alleges that you may have violated certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act") or Chapters 95 and 96 of Title 26, U.S. Code. A copy of this complaint is enclosed. We have numbered this matter MUR 1449. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate, in writing, that no action should be taken against you in connection with this matter. Your response must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statement should be submitted under oath.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public.

If you intend to be represented by counsel in this matter, please advise the Commission by sending a letter of representation stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

62040343894



**Sincerely,**

General Counsel

*W. H. B. Spess*

## Enclosures

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

cc: Honorable Orrin Hatch

[illegible]

MUR # 1449  
DATE 5/20/82

PLEASE PROVIDE THE NAMES AND ADDRESSES OF ALL RESPONDENTS WHICH ARE TO BE SENT A COPY OF THE COMPLAINT. IF A PRINCIPAL CAMPAIGN COMMITTEE IS A RESPONDENT, A CARBON COPY IS TO BE SENT TO THE CANDIDATE. PLEASE PROVIDE THE NAME AND ADDRESS OF THE CANDIDATE AND PUT A "CC" BESIDE THE CANDIDATE'S NAME. IF A CANDIDATE IS A RESPONDENT, A CARBON COPY IS TO BE SENT TO THE CANDIDATE'S PRINCIPAL CAMPAIGN COMMITTEE. PLEASE PROVIDE THE NAME AND ADDRESS OF THE PRINCIPAL CAMPAIGN COMMITTEE AND PUT A "CC" BESIDE THE COMMITTEE'S NAME. PLEASE PROVIDE THIS INFORMATION, ON THIS SHEET, WITHIN 24 HOURS OF RECEIPT OF THIS NOTICE. THANK YOU.

MR. STANLEY E. de Waal, Treasurer  
HATCH ELECTION COMMITTEE  
405 South Main Street, #711  
Salt Lake City, UT 84111

cc: SENATOR ORRIN HATCH  
125 Russell Senate Office Bldg  
Washington, DC  
20510

62040343896



02040343897

RECEIVED  
OFFICE OF THE  
CLERK OF THE  
JUDICIAL COUNCIL

UTAH STATE DEMOCRATIC COMMITTEE  
Michael T. Miller, Complainant

HATCH ELECTION COMMITTEE  
Respondent

STATE OF UTAH  
COUNTY OF SALT LAKE

) SS

Michael T. Miller, upon being first duly sworn, deposes and says,

1. That he is Chairman of the Utah State Democratic Committee.
2. That he has examined the April 15, 1982, Federal Election Committee, Inc. report filed by U.S. Senator Orrin Hatch, covering the reporting period January 1, 1982, to March 31, 1982.
3. That the following violations of the Federal Election laws appears:
  - a). Hatch Election Committee received \$40,000 on January 22, 1982, and repaid the \$40,000 loan on February 17, 1982. The loan appears to have been made interest-free in violation of 2 USC 441 b.
4. These statements are not made upon personal knowledge, but are apparent from the face of the report itself.

Dated this 21st day of May, 1982.

UTAH STATE DEMOCRATIC COMMITTEE

  
Michael T. Miller, Chairman

Subscribed and sworn to before me this 21st day of May, 1982.

NOTARY PUBLIC

  
Residing at Salt Lake City, Utah

My Commission Expires: Nov. 1, 1982

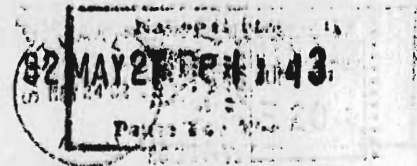
Address of Complainant: 849 East 400 South  
Salt Lake City, UT 84102  
801/329-0239



8 9 4 6 2 1 0 4 0 4 2 0



**Utah State  
Democratic  
Committee**



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

**849 East 400 South  
Salt Lake City, Utah 84102**



FEDERAL ELECTION COMMISSION

1125 K STREET N.W.  
WASHINGTON, D.C. 20543

THIS IS THE BEGINNING OF MUR #

1449

Date Filmed 8/25/82 Camera No. --- 2

Cameraman

RPC

6-2040343899