



FEDERAL ELECTION COMMISSION

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

THIS IS THE END OF MUR # 1594

Date Filmed 9/20/85 Camera No. --- 2

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and Pre-Briefs

Supplement, 12-Day Reports, and Comments, correspondenceinternal memoranda, all documents concerning conciliationnegotiations, ~~present~~ check copies, routing cards..

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):

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

Signed

f. hogan

date

8-28-88

FEC 9-21-77

85040551691



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Pease

August 26, 1985

Steve Joachim
Steve Joachim for Congress Committee
213 Larchwood Road
Springfield, PA 19064

Re: MUR 1594 - Steve Joachim for
Congress Committee

Dear Mr. Joachim:

Enclosed please find a fully executed copy of the final conciliation agreement for your files. The Commission is in receipt of the first installment of the agreed upon civil penalty. The remaining balance of \$1,500 is, per the conciliation agreement, to be paid in equal monthly installments.

The file in this matter is closed and will be made public within thirty days. However, 2 U.S.C. § 437g(a)(4)(V) prohibits any information derived in connection with any conciliation attempt from becoming public without the written consent of the respondent and the Commission. Should you wish any such information to become part of the public record, please advise us in writing.

Sincerely,

Robert E. Pease
Attorney

Enclosure
Conciliation Agreement

35040551692

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED AT THE FEC
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In the Matter of)
Steve Joachim for Congress)
Committee and as treasurer,)
Murray A. Felzer)

MUR 1594

AUG 16

ALL: 9

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found probable cause to believe that the Steve Joachim for Congress Committee, and as treasurer, Muarry A. Felzer ("Respondent"), violated the Act as follows:

- a. 2 U.S.C. § 441a(f) for receipt of contributions in loan form in excess of contribution limitations;
- b. 2 U.S.C. § 432(h)(1) by failing to deposit all receipts in a depository and by failing to make certain committee disbursements by check drawn on the committee depository;
- c. 2 U.S.C. § 434(a)(2)(A)(ii) and (iii) for failure to file 1982 30 Day Post Election and Year End Reports;
- d. 2 U.S.C. § 434(b)(2) and (4) for failure to fully report receipts and disbursements;
- e. 2 U.S.C. § 434(b)(3)(A) and (B) for failure to identify contributors (individuals and political committees).

NOW, THEREFORE, the Commission and Resondent, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(4)(A)(i) do hereby agree as follows:

I. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding.

II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondent enters voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

- A. Respondent was the principal campaign committee of candidate Steve Joachim during the 1982 election for House of Representatives in Pennsylvania.
- B. 1. During the 1982 campaign, the candidate obtained two bank loans of \$15,000 each for use in his campaign.
2. The loans were endorsed with the candidate as follows:

<u>Contributor</u>	<u>Date of Loan</u>	<u>Total Amount of Bank Loan</u>	<u>Amount of Individual Loan Contribution</u>	<u>Amount in Excess of Limitations</u>
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Loan 1

Walter N. Norley, III	10/18/81	\$15,000	\$7,500	\$6,500
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Loan 2

Thomas A. Bruder, Jr.	1/13/82	\$15,000	\$7,500	\$6,500
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3. 2 U.S.C. § 441a(a)(1)(A) states that no person shall make contributions to any candidate and his authorized political committee with respect to any election for Federal office which, in the aggregate, exceed \$1,000. 2 U.S.C. § 441a(f) prohibits receipt of contributions violative of this section.
4. 2 U.S.C. § 431(8)(A)(i) states that the term "contribution" includes any gift, subscription, loan, advance, or deposit of money or anything of value made for the purpose of influencing an election for Federal office.
5. 2 U.S.C. § 431(8)(B)(vii)(I) adds that such loan shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers or guarantors.
6. These loan endorsements resulted in contributions in excess of limitations at 2 U.S.C. § 441a(a)(1)(A). Therefore, the Respondent received the excessive contributions in violation of 2 U.S.C. §441a(f).

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- C. 1. On October 26, 1982, the Committee treasurer, Murray Felzer, made a personal loan to the candidate of \$10,000.
2. The candidate deposited these funds into his personal bank account.
3. On October 27, 1982, the candidate made a wire transfer of \$10,000 directly to a Committee vendor.
4. The Committee disclosed a debt of \$9,000 owed to the treasurer.
5. 2 U.S.C. § 432(e)(2) states that any candidate who receives a contribution, or any loan for use in connection with the campaign of such candidate for election, or makes a disbursement in connection with such campaign, shall be considered, for purposes of this Act, as having received the contribution or loan, or as having made the disbursement, as an agent of the authorized committee of such candidate.
6. Because the candidate may be viewed as a Committee agent pursuant to 2 U.S.C. § 432(e)(2) by accepting a loan for use in connection with the campaign, the treasurer's loan constitutes a contribution of \$9,000 in excess of limitations at 2 U.S.C. § 441a(a)(1)(A). The Committee's receipt of the loan constitutes a violation of 2 U.S.C. § 441a(f).
7. 2 U.S.C. § 432(h)(1) states that all receipts received by a political committee shall be deposited into designated Committee depositories. No disbursements (except for petty cash) may be made except by check drawn on such accounts.
8. Acting as an agent of the Committee under 2 U.S.C. § 432(e)(2), Mr. Joachim received loan noted in B.1-4 and made the disbursement in connection with the campaign.
9. Pursuant to 2 U.S.C. § 432(h)(1), all Committee receipts are to be deposited into a designated Committee depository and all disbursements are to be drawn on such depository.
10. To the extent that Committee receipts and disbursements did not enter the depository or were not disbursed from such depository, the Committee is in violation of 2 U.S.C. § 432(h)(1).

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- D.
 - 1. For the period January 1, 1982, through November 2, 1982, the Committee understated the totals of receipts and expenditures, resulting in an overstatement of cash on hand totals.
 - 2. On September 6, 1983, the Committee filed an amendment covering October 14, 1982 through November 2, 1982 which contained the same financial information originally reported. The Committee failed to correct its disclosure reports even after the auditors provided the audited financial figures.
 - 3. 2 U.S.C. § 434(b)(2) and (4) require that reports shall disclose the total amount of receipts and the total amount of disbursements for the reporting period and for the calendar year.
 - 4. A violation of 2 U.S.C. § 434(b)(2) and (4) occurred in this matter.
 - E.
 - 1. The Committee failed to file 1982 30 Day Post General and Year End Reports.
 - 2. In response to audit recommendations, Respondent filed a report designated the July 31 (1983) Mid Year Report with coverage dates listed for the period November 3, 1982 through December 31, 1982. The reported financial activity does not adequately reflect the financial activity for the period covered by the report. Therefore, the Committee has yet to disclose total receipts and disbursements for the period in question.
 - 3. 2 U.S.C. § 434(a)(2)(A)(ii) and (iii) require that in an election year, the treasurer of a House candidate's principal campaign committee shall file a Post-election report 30 days after the general election and Year End report due by January 31 of the following year.
 - 4. The Committee violated 2 U.S.C. § 434(a)(2)(A)(ii) and (iii) for failure to timely file its 1982 30 Day Post General and Year End Reports.
 - F.
 - 1. The Committee failed to disclose the identities of 75 contributors whose contributions totaled \$53,075.00.
 - 2. After the Federal Election Commission auditors provided the Committee with a list of contributors requiring identification on disclosure reports,

the Committee obtained identifying information for 34 contributors (representing \$27,575) of the 75 contributors on the list.

3. The Committee has not amended its reports to disclose the identifying information, nor has the Committee provided evidence that it attempted to obtain the identification of the remaining 41 contributors representing contributions of \$25,500.
4. 2 U.S.C. § 434(b)(3)(A) requires that reports to the FEC contain the identification of persons making contributions in excess of \$200 within a calendar year, including the date and amount of contributions.
5. 2 U.S.C. § 431(13) defines "identification" as an individual's name, mailing address, occupation and employer or, if other than an individual, the full name and address of the contributor.
6. Because of Respondent's failure to disclose the contributor information, a violation of 2 U.S.C. § 434(b)(3)(A) and (B) occurred in this matter.

V. Respondent will pay a civil penalty to the Treasurer of the United States in the amount of two thousand five hundred dollars (\$2,500), pursuant to 2 U.S.C. § 437g(a)(5)(A). The Respondent agrees to pay \$1,000 upon the execution of the agreement by the parties and the remaining balance paid in equal monthly installments over the next 12 months.

VI. Respondent agrees that it shall not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. § 431, et seq.

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this

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agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

VIII. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

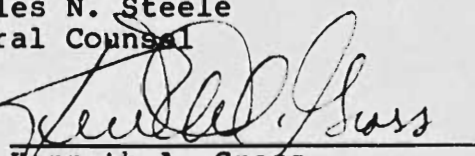
IX. Respondent shall have no more than thirty (30) days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be valid.

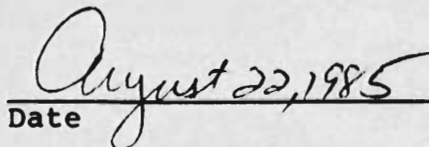
FOR THE COMMISSION:

Charles N. Steele
General Counsel

BY:

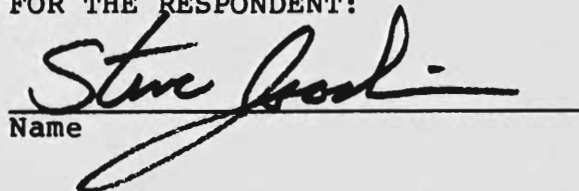

Kenneth A. Gross
Associate General Counsel

Date

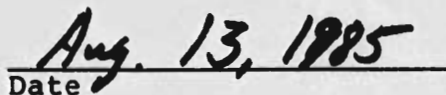

August 22, 1985

FOR THE RESPONDENT:

Name



Date


Aug. 13, 1985

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SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

FILED
OFFICE
COMM. SECRETARY

In the Matter of

Steve Joachim for Congress
Committee and as treasurer,
Murray Felzer

)
) 05 MAR 4 11:48
) MUR 1594
)
)

GENERAL COUNSEL'S REPORT

EXECUTIVE SESSION

MAR 12 1985

I. Background/Previous Commission Action

On January 23, 1985, the Commission decided to take the following actions in MUR 1594:

Found probable cause to believe that the Steve Joachim For Congress Committee ("the Committee") and as treasurer, Murray Felzer, violated the Act as follows:

- a. 2 U.S.C. § 441a(f) for receipt of contributions in loan form in excess of contribution limitations;
- b. 2 U.S.C. § 432(h)(1) by failing to deposit all receipts in a depository and by failing to make certain committee disbursements by check drawn on the committee depository;
- c. 2 U.S.C. § 434(a)(2)(A)(ii) and (iii) for failure to file 1982 30 Day Post Election and Year End Reports;
- d. 2 U.S.C. § 434(b)(2) and (4) for failure to fully report receipts and disbursements;
- e. 2 U.S.C. § 434(b)(3)(A) and (B) for failure to identify contributors (individuals and political committees).

This matter was initiated by complaint. Subsequently, the Commission authorized an audit pursuant to 2 U.S.C. § 438(b). The audit findings are part of this Matter Under Review.

In the initial stages of this case, the Office of General Counsel had contact with the Committee treasurer who twice asked for and received a list of bank documents and loan information necessary to evaluate the Committee's actions in connection with the findings. The treasury apparently sent the Commission's

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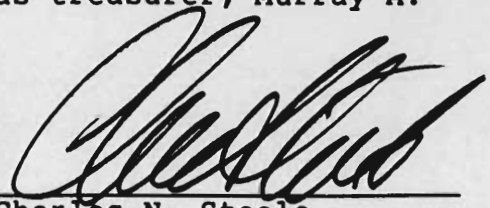
notifications and correspondence to the candidate for his response. Beyond this contact, there has been no substantive response to the findings on behalf of the Committee. (See the attached General Counsel's Brief dated August 8, 1984, for a detailed factual and legal analysis.)

The probable cause notification was sent January 25, 1985. The Committee has not answered the findings or the proposed conciliation agreement. Therefore, this Office is requesting that the Commission authorize civil suit in this matter.

II. Recommendation

Authorize the Office of General Counsel to file a civil suit for relief in the United States District Court against the Steve Joachim for Congress Committee and as treasurer, Murray A. Felzer.

1 March 1985
Date


Charles N. Steele
General Counsel

Attachments:

Commission's Proposed Conciliation Agreement
General Counsel's Brief
Letter to Respondent

85040551700



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

TO: Office of the Commission Secretary
FROM: Office of General Counsel *Cat*
DATE: August 8, 1984
SUBJECT: MUR 1594 - Memorandum and GC's Briefs

The attached is submitted as an Agenda document
for the Commission Meeting of _____

Open Session _____

Closed Session _____

CIRCULATIONS

48 Hour Tally Vote []
Sensitive []
Non-Sensitive []
24 Hour No Objection []
Sensitive []
Non-Sensitive []
Information [X]
Sensitive [X]
Non-Sensitive []
Other []

DISTRIBUTION

Compliance [k]
Audit Matters []
Litigation []
Closed MUR Letters []
Status Sheets []
Advisory Opinions []
Other (see distribution below) []

85040551701



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

SENSITIVE

MEMORANDUM TO: THE COMMISSION

FROM: MARJORIE W. EMMONS/SUSAN M. TEIR *gmt*

DATE: AUGUST 9, 1984

SUBJECT: MUR 1594 - GENERAL COUNSEL'S BRIEFS and
Memorandum to the Commission
dated August 8, 1984

The attached has been circulated for your
information.

Attachment

35040551702



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 19, 1984

POSTMASTER
Springfield, Pennsylvania 19064

RE: MUR 1594

Dear Sir or Madam:

977
Pursuant to 39 C.F.R. § 265.6(d)(1), we request that you provide us with the present address of Mr. Thomas A. Bruder, Jr. According to our records, his address as of August 1984 was Rolling Road, Springfield, Pennsylvania. His previous address was 192 Saxer Avenue, Springfield, Pennsylvania 19604.

Under 39 C.F.R. § 265.8e(8)(iii), we request a waiver of fees. In this connection, I hereby certify that the Federal Election Commission, an agency of the U.S. Government, requires the information requested above in the performance of its official duties, and that all other known sources for obtaining it have been exhausted.

A return envelope is enclosed. Should you have any questions or require any further information, please call Frances B. Hagan the staff member assigned to this matter, at 202-523-4000. (The FTS telephone number is identical).

Thank you very much for your assistance.

Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

17 N. Rolling Rd
SPRINGFIELD, PA 19064

RECEIVED AT THE FEC
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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

March 19, 1985

Murray A. Felzer, Treasurer
Steve Joachim for Congress Committee
1603 Ridgeway Road
Havertown, Pennsylvania 19083

RE: MUR 1594
Steve Joachim for Congress
Committee

Dear Mr. Felzer:


You were previously notified that on January 23, 1985, the Federal Election Commission found probable cause to believe that the Steve Joachim for Congress Committee and you, as treasurer, violated the Federal Election Campaign Act of 1971, as amended, as follows:

- a) 2 U.S.C. § 441a(f);
- b) 2 U.S.C. § 432(h)(1);
- c) 2 U.S.C. § 434(a)(2)(A)(ii) and (iii);
- d) 2 U.S.C. § 434(b)(2) and (4);
- e) 2 U.S.C. § 434(b)(3)(A) and (B).

As a result of our inability to settle this matter through conciliation within the allowable time period, the Commission has authorized the institution of a civil action for relief in the U.S. District Court.

Should you have any questions, or should you wish to settle this matter prior to suit, please contact Richard Bader, the attorney handling this case, at (202) 523-4143 within 10 days of receipt of this letter.

Sincerely,



Charles N. Steele
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 19, 1984

POSTMASTER
Springfield, Pennsylvania 19064

RE: MUR 1594

Dear Sir or Madam:

Pursuant to 39 C.F.R. § 265.6(d)(1), we request that you provide us with the present address of Mr. Thomas A. Bruder, Jr. According to our records, his address as of August 1984 was Rolling Road, Springfield, Pennsylvania. His previous address was 192 Saxer Avenue, Springfield, Pennsylvania 19604.

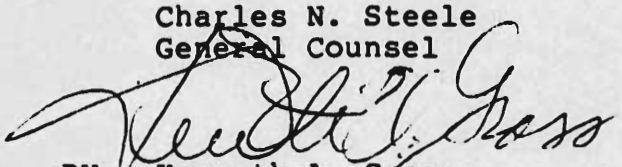
Under 39 C.F.R. § 265.8e(8)(iii), we request a waiver of fees. In this connection, I hereby certify that the Federal Election Commission, an agency of the U.S. Government, requires the information requested above in the performance of its official duties, and that all other known sources for obtaining it have been exhausted.

A return envelope is enclosed. Should you have any questions or require any further information, please call Frances B. Hagan the staff member assigned to this matter, at 202-523-4000. (The FTS telephone number is identical).

Thank you very much for your assistance.

Sincerely,

Charles N. Steele
General Counsel


BY: Kenneth A. Gross
Associate General Counsel

35040551705

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 1594
Walter N. Norley, III)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of January 8, 1985, do hereby certify that the Commission decided by a vote of 5-0 to take the following actions in MUR 1594:

1. Enter into conciliation with Walter N. Norley, III, prior to a finding of probable cause to believe.
3. Approve the proposed conciliation agreement attached to the General Counsel's report dated December 19, 1984, subject to amendment of Part IV-3 for clarification.
3. Approve and send the letter attached to the General Counsel's report dated December 19, 1984.

Commissioners Elliott, Harris, McDonald, McGarry, and Reiche voted affirmatively for the decision; Commissioner Aikens was not present at the time of the vote.

Attest:

1-9-85

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Steve Joachim for) MUR 1594
Congress Committee)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of January 23, 1985, do hereby certify that the Commission decided by a vote of 5-0 to take the following actions in MUR 1594:

1. Find probable cause to believe that the Steve Joachim for Congress Committee and Murray Felzer, as treasurer, violated 2 U.S.C. §§ 441a(f), 432(h)(1), 434(a)(2)(A)(ii) and (iii), 434(b)(2) and (4), and 434(b)(3)(A) and (B).
2. Approve and send the proposed conciliation agreement and letter attached to the FEC General Counsel's report dated January 8, 1985, subject to amendment of the conciliation agreement as recommended by the General Counsel during the meeting.

Commissioners Elliott, Harris, McDonald, McGarry, and Reiche voted affirmatively for the decision. Commissioner Aikens abstained in the vote.

Attest:

1-23-85

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

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STRADLEY, RONON, STEVENS & YOUNG
ATTORNEYS AND COUNSELLORS AT LAW
PHILADELPHIA, PA. 19102

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PAY

EXACTLY 400.00 DOLLARS

DOLLARS

CHECK NO.	TO THE ORDER OF	DATE	FILE NUMBER	CODE	CHECK AMOUNT
21126	FEDERAL Election Commission	6-19-85	BR00105-00	98	400.00

INDUSTRIAL VALLEY BANK & TRUST COMPANY

Stradley, Ronon, Stevens & Young

H. Michael Con
William (Bass)

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Law Offices

Stradley, Ronon, Stevens & Young

1100 One Franklin Plaza
Philadelphia, Pennsylvania 19102

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RECEIVED AT THE FEC

William R. SASSO
(215) 564-8045

March 4, 1985

Frances B. Hagan, Esquire
Office of General Counsel
Federal Election Commission
Washington, DC 20463


Re: MUR 1594

Dear Ms. Hagan:

Enclosed herewith is the Statement of Designation of Counsel which you forwarded to me. Upon your receipt, would you be kind enough to contact me by telephone in order that we might discuss this matter further. Given the fact that Mr. Bruder was never advised regarding this matter by the Joachim campaign, or any member thereof, any action which he may have taken which resulted in an election law violation, was strictly by inadvertence.

Thank you for your anticipated cooperation.

Very truly yours,


William R. Sasso

WRS
mkb

Enclosure

85040551700

STATEMENT OF DESIGNATION OF COUNSEL

MUR 1594

NAME OF COUNSEL: WILLIAM R. SASSO, ESQUIRE

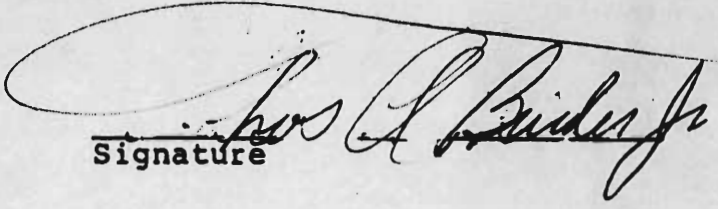
ADDRESS: 1100 One Franklin Plaza

Philadelphia, PA 19102

TELEPHONE: (215) 564-8045

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.

March 4, 1985
Date


Signature

RESPONDENT'S NAME: Thomas A. Bruder, Jr.

ADDRESS: 600 Reed Road

Broomall, PA 19008

HOME PHONE: _____

BUSINESS PHONE: (215) 353-5100

85040551710

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

MUR 1594

Thomas A. Bruder, Jr.

EXECUTIVE SESSION

GENERAL COUNSEL'S REPORT

I. Background

FEB 12 1985

On December 8, 1983, the Commission found reason to believe that Thomas A Bruder, Jr. violated 2 U.S.C. § 441a(a)(1)(A) by making a contribution in loan form in excess of limitations to the Steve Joachim for Congress Committee ("the Committee").

During the audit of the Committee, FEC auditors found that candidate Steve Joachim received a bank loan of \$15,000 for use in the campaign. Thomas A. Bruder, Jr. cosigned this note with the candidate. Both the candidate's and Mr. Bruder's names appear on the loan statement and on the face of the note.* /

II. LEGAL ANALYSIS

2 U.S.C. § 441a(a)(1)(A) states that no person shall make contributions to any candidate and his authorized political

* / These documents were obtained during the audit of the Committee.

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committees with respect to any election for Federal office which, in the aggregate, exceed \$1,000. 2 U.S.C. § 441a(f) prohibits receipt of contributions violative of this section.

2 U.S.C. § 431(8)(A)(i) states that the term "contribution" includes any gift, subscription, loan, advance, or deposit of money or anything of value made for the purpose of influencing an election for Federal office. [Emphasis added]

2 U.S.C. § 431(8)(B)(vii)(I) adds that such loan shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers or guarantors.

Pursuant to 2 U.S.C. § 431(8)(B)(vii)(I), Mr. Bruder's proportionate share of the loan signed with the candidate is one half the amount of the loan of \$15,000. Therefore, Mr. Bruder's loan endorsement resulted in a contribution in excess of limitations at 2 U.S.C. § 441a(a)(1)(A) as follows:

<u>Contributor</u>	<u>Date of Loan</u>	<u>Total Amount of Bank Loan</u>	<u>Amount of Individual Loan/Contribution</u>	<u>Amount in Excess of Limitations</u>
Thomas A. Bruder, Jr.	1/13/82	\$15,000	\$7,500	\$6,500

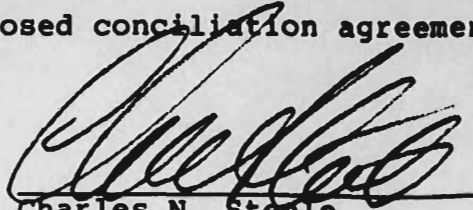
III. CIVIL PENALTY AND CONCILIATION

The attached proposed conciliation agreement sets forth the factual and legal elements of this case and includes a civil penalty of \$1,500. This penalty is proposed in view of the amount of the violation exacerbated by the absence of any attempt to affect a settlement.

IV. RECOMMENDATION

1. Find probable cause to believe that Thomas A. Bruder, Jr. violated 2 U.S.C. § 441a(a)(1)(A).
2. Send attached letter and proposed conciliation agreement.

28 Jan 1985
Date


Charles N. Steele
General Counsel

Attachments:
Proposed conciliation agreement
Letter to respondent

35040551715

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of
Thomas A. Bruder, Jr.

)
) MUR 1594
)

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found probable cause to believe that Thomas A. Bruder, Jr. ("Respondent") violated 2 U.S.C. § 441a(a)(1)(A) by making a contribution in loan form to the Steve Joachim for Congress Committee.

NOW, THEREFORE, the Commission and Respondent, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(4)(A)(i) do hereby agree as follows:

I. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding.

II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondent enters voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. Respondent, Thomas A. Bruder, Jr., is an individual contributor to the Steve Joachim for Congress Committee's 1982 Congressional campaign.

2. Respondent cosigned a note for a bank loan with Steve Joachim, 1982 candidate for the U.S. House of Representatives.

Attachment A (1)

35040551714

3. The loan of \$15,000 was obtained on January 13, 1982, from the Southeast National Bank of Pennsylvania for use in connection with the candidate's election campaign.

V. 2 U.S.C. § 441a(a)(1)(A) states that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$1,000. 2 U.S.C. § 441a(f) prohibits receipt of contributions violative of this action.

VI. 2 U.S.C. § 431(8)(A)(i) states that the term "contribution" includes any gift, subscription, loan, advance, or deposit of money or anything of value made for the purpose of influencing an election for Federal office. [Emphasis added]

VII. 2 U.S.C. § 431(8)(B)(vii)(I) adds that such loan shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers or guarantors.

VIII. Pursuant to 2 U.S.C. § 431(8)(B)(vii)(I), Respondent's co-signature on the loan with the candidate resulted in a proportionate share of one half the amount of the loan of \$15,000. Therefore, Respondent's loan endorsement resulted in a contribution of \$7,500, or \$6,500 in excess of limitations at 2 U.S.C. § 441a(a)(1)(A).

IX. Respondent will pay a civil penalty to the Treasurer of the United States in the amount of one thousand five hundred dollars (\$1,500), pursuant to 2 U.S.C. 437g(a)(5)(A).

X. Respondent agrees that he shall not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. § 431, et seq.

XI. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

XII. This agreement shall become effective as of the date that all parties thereto have executed same and the Commission has approved the entire agreement.

XIII. Respondent shall have no more than thirty (30) days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

XIV. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be valid.

FOR THE COMMISSION:

Charles N. Steele
General Counsel

BY:

Kenneth A. Gross
Associate General Counsel

Date

FOR THE RESPONDENT

Date

85040551717

A (4)



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

Mr. Thomas A. Bruder, Jr.
777 N. Rolling Road
Springfield, Pennsylvania 19064

RE: MUR 1594
Thomas A. Bruder, Jr.

Dear Mr. Bruder:

On , 1985, the Commission determined that there is probable cause to believe you committed a violation of 2 U.S.C. §441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended, in connection with a contribution in loan form to the Joachim for Congress Committee.

The Commission has a duty to attempt to correct such violations for a period of thirty to ninety days by informal methods of conference, conciliation and persuasion, and by entering into a conciliation agreement. If we are unable to reach an agreement during that period, the Commission may institute civil suit in United States District Court and seek payment of a civil penalty.

We enclose a conciliation agreement that this office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of the enclosed agreement, please sign and return it along with the civil penalty to the Commission within ten days. I will then recommend that the Commission approve the agreement. Please make your check for the civil penalty payable to the U.S. Treasurer.

If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Frances B. Hagan, the staff member assigned to this matter, at (202) 523-4000.

Sincerely,

Charles N. Steele
General Counsel

Enclosure
Conciliation Agreement

Attachment B

85040551718

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1492

WALTER N. NORLEY, III
67 MILITIA HILL ROAD
WARRINGTON, PA. 18978

March 19, 1985 9-11731

PAY TO THE ORDER OF Treasurer of United States \$ 400.00

Four hundred and no/100 DOLLARS

 **CONTINENTAL BANK**
HOBBSTOWN, PENNSYLVANIA

Walter N. Norley III

MEMO _____

⑆03⑆00⑆⑆75⑆ ⑈24⑈⑈7⑈973⑈⑈⑈ ⑆⑆92

MEMORANDUM

TO: CHERYL THOMAS - OGC TO: JOAN HARRIS

FROM: JOAN HARRIS FROM: CHERYL THOMAS

CHECK NO. 1492 (a copy of which is attached) RELATING

TO MUR 1594 AND NAME Walter N. Norley, III

WAS RECEIVED ON March 26, 1985. PLEASE INDICATE THE ACCOUNT INTO

WHICH IT SHOULD BE DEPOSITED:

/ / BUDGET CLEARING ACCOUNT (#95F3875.16)

1 CIVIL PENALTIES ACCOUNT (#95-1099.160)

SIGNATURE Cheyl R. Thomas OTHER _____ DATE 3/26/85



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

August 8, 1984

MEMORANDUM

TO : The Commission

FROM : Charles N. Steele *CNS*
General Counsel

SUBJECT: MUR 1594 - Steve Joachim
for Congress et al.

Attached for the Commission's review are three briefs stating the position of the General Counsel on the legal and factual issues of the above-captioned matters. Copies of these briefs and letters notifying the respondents of the General Counsel's intent to recommend to the Commission findings of probable cause to believe were mailed on August 8, 1984. Following receipt of the respondents' replies to these notices, this Office will make a further report to the Commission.

Attachments

1. Briefs
2. Letters to Respondents

85040561720



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 8, 1984

Murray A. Felzer, Treasurer
Steve Joachim for Congress
Committee
1603 Ridgeway Road
Havertown, Pennsylvania 19083

RE: MUR 1594
Steve Joachim for Congress
Committee
Murray Felzer, Treasurer

Dear Mr. Felzer:

Based on complaints filed with the Commission and on information obtained through an audit of your Committee, the Commission determined on December 8, 1983, that there was reason to believe that the Steve Joachim for Congress Committee and you, as treasurer, violated the following provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"):

- a) 2 U.S.C. § 441a(f);
- b) 2 U.S.C. § 432(h)(1);
- c) 2 U.S.C. § 434(a)(2)(A)(ii) and (iii);
- d) 2 U.S.C. § 434(b)(2) and (4);
- e) 2 U.S.C. § 434(b)(3)(A) and (B).

After considering all the evidence available to the Commission, the Office of General Counsel is prepared to recommend that the Commission find probable cause to believe that a violation has occurred.

Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within fifteen days of your receipt of this notice, you may file with the Secretary of the Commission a brief (10 copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of General Counsel, if possible). The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of probable cause to believe a violation has occurred.

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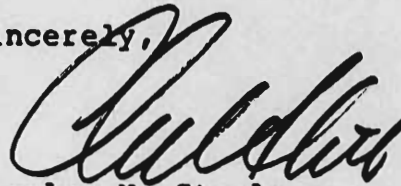
Murray A. Felzer, Treasurer
Page 2

If you are unable to file a responsive brief within 15 days, you may submit a written request to the Commission for an extension of time in which to file a brief. The Commission will not grant any extensions beyond 20 days.

A finding of probable cause to believe requires that the Office of General Counsel attempt for a period of not less than thirty, but not more than ninety, days to settle this matter through a conciliation agreement.

Should you have any questions, please contact Frances B. Hagan, the staff member assigned to handle this matter, at (202) 523-4000.

Sincerely,



Charles N. Steele
General Counsel

Enclosure
Brief

85040551722



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 8, 1984

Mr. Walter N. Norley, III
67 Militia Hill Road
Warrington, Pennsylvania 18976

RE: MUR 1594
Walter N. Norley, III

Dear Mr. Norley:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission, on December 8, 1983, found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), and instituted an investigation in this matter.

After considering all the evidence available to the Commission, the Office of General Counsel is prepared to recommend that the Commission find probable cause to believe that a violation has occurred.

Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within fifteen days of your receipt of this notice, you may file with the Secretary of the Commission a brief (10 copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of General Counsel, if possible). The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of probable cause to believe a violation has occurred.

If you are unable to file a responsive brief within 15 days, you may submit a written request to the Commission for an extension of time in which to file a brief. The Commission will not grant any extensions beyond 20 days.

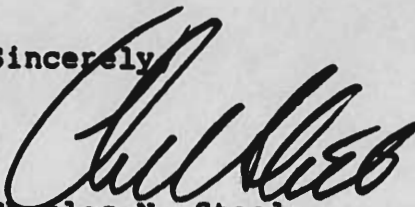
A finding of probable cause to believe requires that the Office of General Counsel attempt for a period of not less than thirty, but not more than ninety, days to settle this matter through a conciliation agreement.

85040551723

Mr. Walter N. Norley, III
Page 2

Should you have any questions, please contact Frances B. Hagan, the staff member assigned to handle this matter, at (202) 523-4000.

Sincerely,



Charles N. Steele
General Counsel

Enclosure
Brief

85040531724



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 8, 1984

Mr. Thomas A. Bruder, Jr.
Rolling Road
Springfield, Pennsylvania 19064

RE: MUR 1594
Thomas A. Bruder, Jr.

Dear Mr. Bruder:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission, on December 8, 1983, found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), and instituted an investigation in this matter.

After considering all the evidence available to the Commission, the Office of General Counsel is prepared to recommend that the Commission find probable cause to believe that a violation has occurred.

Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within fifteen days of your receipt of this notice, you may file with the Secretary of the Commission a brief (10 copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of General Counsel, if possible). The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of probable cause to believe a violation has occurred.

If you are unable to file a responsive brief within 15 days, you may submit a written request to the Commission for an extension of time in which to file a brief. The Commission will not grant any extensions beyond 20 days.

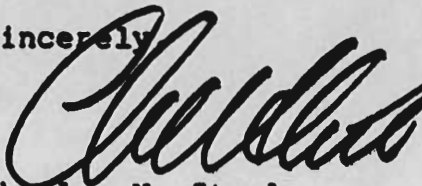
A finding of probable cause to believe requires that the Office of General Counsel attempt for a period of not less than thirty, but not more than ninety, days to settle this matter through a conciliation agreement.

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Mr. Thomas A. Bruder, Jr.
Page 2

Should you have any questions, please contact Frances B. Hagan, the staff member assigned to handle this matter, at (202) 523-4000.

Sincerely,



Charles N. Steele
General Counsel

Enclosure
Brief

85040551726

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

Steve Joachim for Congress)
Committee)

Walter N. Norley, III)

Thomas A. Bruder, Jr.)

Murray Felzer)

MUR 1594

SENSITIVE

COMPREHENSIVE INVESTIGATIVE REPORT #1

On December 8, 1983, the Commission decided to take the following actions in MUR 1594:

1. Found reason to believe that the Steve Joachim For Congress Committee ("the Committee") and as treasurer, Murray Felzer, violated the Act as follows:

- a. 2 U.S.C. § 441a(f) for receipt of contributions in loan form in excess of contribution limitations;
- b. 2 U.S.C. § 432(h)(1) by failing to deposit all receipts in a depository and by failing to make certain committee disbursements by check drawn on the committee depository;
- c. 2 U.S.C. § 434(a)(2)(A)(ii) and (iii) for failure to file 1982 30 Day Post Election and Year End Reports;
- d. 2 U.S.C. § 434(b)(2) and (4) for failure to fully report receipts and disbursements;
- e. 2 U.S.C. § 434(b)(3)(A) and (B) for failure to identify contributors (individuals and political committees).

2. Found reason to believe that the following three individuals violated 2 U.S.C. § 441a(a)(1)(A) by making contributions in loan form to the Committee in excess of contribution limitations:

- a) Murray Felzer, Committee treasurer
- b) Walter N. Norley, III
- c) Thomas A. Bruder, Jr.

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On December 13, 1983, this Office sent notice to the respondents concerning the Commission's findings. Shortly thereafter, the Committee treasurer stated by telephone that he would answer for the Committee if we would provide a list of bank account documents and loan information necessary to satisfy the questions raised by the audit in this investigation.

On January 16, 1984, after conferring with the auditors, this Office provided a complete list of the required documents. We have received no response on behalf of the Committee. Furthermore, we have received no response from one of the individual respondents and the reason to believe notice to the second individual was returned.

Charles N. Steele
General Counsel

3/21/84
Date

BY: Kenneth A. Gross (4/29/84)
Kenneth A. Gross
Associate General Counsel

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84 APR 10 AM 11:41

LEITZELL & APPLESTEIN

ATTORNEYS AT LAW
214 WEST FRONT STREET
MEDIA, PENNSYLVANIA 19063

DONALD APPLESTEIN
ROBERT J. LEITZELL*
*ALSO FLORIDA BAR

*MUR 1594
Hagan*

AREA CODE 215
800-6312

84 APR 10 PM 12:34

April 6, 1984

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

RE: Murray A. Felzer, Treasurer
Steve Joachim for Congress Committee
MUR 1514, MUR 1532, MUR 1594

Dear Ms. Hagan:

I previously wrote to you on March 5, 1984 on behalf of my client, Murray A. Felzer. I enclose a copy of that letter for your reference.

I have not, to date, heard from you and would appreciate a reply.

Very truly yours,

Robert J. Leitzell
Robert J. Leitzell

RJL:shk

Enclosure

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LEITZELL & APPLESTEIN

ATTORNEYS AT LAW
214 WEST FRONT STREET
MEDIA, PENNSYLVANIA 19063

DONALD APPLESTEIN
ROBERT J. LEITZELL*
*ALSO FLORIDA BAR

AREA CODE 215
565-6312

March 5, 1984

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

RE: Murray A. Felzer, Treasurer
Steve Joachim for Congress Committee
MUR 1514, MUR 1532, MUR 1594

Dear Ms. Hagan:

Please be advised that I represent Mr. Murray A. Felzer of 1603 Ridgeway Road, Havertown, PA 19083. He has recently come to me regarding your allegations against him related to his activities as treasurer of the congressional campaign of W. Steven Joachim. I enclose the "Statement of Designation of Counsel" which you previously supplied to Mr. Felzer.

Firstly, I must emphasize that I represent Murray A. Felzer, individually. I do not represent Mr. Joachim or the Steve Joachim for Congress Committee.

I have received your summaries of allegations and note that the only allegation that was pointed directly at the activities of Mr. Felzer relate to his loan of \$10,000.00 to Mr. Joachim.

For the record, let me state that Mr. Felzer and Mr. Joachim are lifelong friends who have known each other since boyhood. Although Mr. Felzer has done volunteer political work in the past, the Joachim campaign was the first time that he had ever assumed any official leadership capacity with any political organization or campaign committee. He did so only because of

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Frances B. Hagan
March 5, 1984
Page 2

his close personal relationship with Steve Joachim. Mr. Felzer does not intend to become active in any official capacity again in the foreseeable future.

When Mr. Joachim's campaign against an entrenched incumbent began to flounder both politically and financially, the \$10,000.00 loan was a helping hand to a long time personal friend in distress. The motivation behind the loan was certainly not to gain any political advantage or influence. It was certainly not the kind of activity that I presume the act was designed to dissuade.

In fact, Mr. Joachim has not paid a single penny of the loan back to date and may well never pay any of it back. This has created a severe financial hardship for Mr. Felzer. The possibility of the assertion of a civil fine or an even more severe sanction would in fact be a double penalty to a person who has already been "burned" as a result of his first venture into politics.

It is conceded that as a campaign official, Mr. Felzer was charged with having an adequate knowledge of the Federal Election Law and complying fully with that law. However, none of Mr. Felzer's actions were taken in a willful or purposeful manner so as to circumvent the provisions of the election law. As Mr. Felzer's counsel, I believe that perhaps he was just "in over his head" in terms of his compliance efforts.

Please contact me with your requirements for pursuing further a conciliation process.

Very truly yours,


Robert J. Leitzell

RJL:shk

cc. Murray A. Felzer

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STATEMENT OF DESIGNATION OF COUNSEL

NAME OF COUNSEL:

Robert J. Leitzell, Esquire

ADDRESS:

214 West Front Street
Media, PA 19063

TELEPHONE:

(215) 565 - 6312----

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.

12/16/83
Date

Murray A. Felzer
Signature

NAME: MURRAY A FELZER

ADDRESS: 1603 Ridgeway Rd.
Haverstown PA. 19053

HOME PHONE: 449 8534

BUSINESS PHONE: 667 8635

85040551732



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 16, 1984

Mr. Murray A. Felzer, Treasurer
Steve Joachim for Congress Committee
One Bala-Cynwyd Plaza
231 St. Asaphs Road
Suite 236
Bala Cynwyd, Pennsylvania 19004

RE: MUR 1594

Dear Mr. Felzer:

In response to your telephone request of December 16, 1983, we have delineated the following documents which have been requested as part of the investigation in this matter. These documents relate to finding one of the Commission's reason to believe notification dated December 13, 1983.

The required documents are listed below:

Loan 1: Steve Joachim \$15,000
 Walter N. Norley Continental Bank

Documents required:

- (1) A copy of the loan agreement;
- (2) All transaction statements showing the complete loan history from inception to the present or termination of the loan (even if paid off with another loan).

Loan 2: William S. Joachim, Sr. \$15,000 or \$30,000
 Thomas Bruder, Jr. Southeast National Bank

Documents required:

- (1) A copy of the loan agreement(s) at the time the loan was made;
- (2) All loan transaction statements showing the complete loan history from inception through October 25, 1982, and from December 28, 1982 to present or to termination of the loan (even if the loan was paid off by another loan);

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Murray A. Felzer, Treasurer
Page 2

- (3) Provide an explanation from the bank clarifying the loan transaction statement dated November 26, 1982, which shows two loans of \$15,000 (total indebtedness of \$30,000 plus interest) and the next transaction statement dated December 27, 1982, which omits the principal of one loan (\$15,000) without noting any payments on that loan.

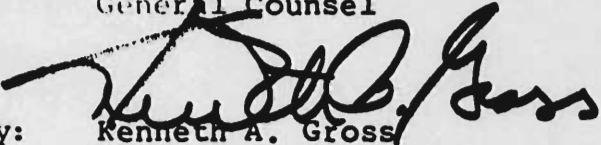
In addition, please provide the personal bank records of candidate Steve Joachim for the period February 5, 1981 through December 31, 1982 (except January 7, 1982 - February 4, 1982 and October 7, 1982 - November 4, 1982 which were obtained during the audit). Such records should include bank statements, checks, advices and deposit slips.

If you have any questions concerning this matter, please direct them to Frances B. Hagan at (202) 523-5071.

Sincerely,

Charles N. Steele
General Counsel

by:


Kenneth A. Gross
Associate General Counsel

85040551734

STATEMENT OF DESIGNATION OF COUNSEL

NAME OF COUNSEL: .

Robert J. Leitzell, Esquire

ADDRESS:

214 West Front Street
Media, PA 19063

TELEPHONE:

(215) 565 - 6312---

MUR 1594

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.

12/16/83
Date

Murray A Felzer
Signature

NAME: MURRAY A Felzer

ADDRESS: 1603 Ridgeway Rd.
Haverhill MA 01830

HOME PHONE: 449 8534

BUSINESS PHONE: 667 8635

85040551735



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

December 13, 1983

Mr. Murray A. Felzer, Treasurer
Steve Joachim for Congress Committee
One Bala-Cynwyd Plaza
231 St. Asaphs Road
Suite 236
Bala Cynwyd, Pennsylvania 19004

RE: MUR 1514, MUR 1532
and MUR 1594

Dear Mr. Felzer:

The Federal Election Commission notified you on January 4, 1983, and March 8, 1983, of complaints which allege that your committee had violated certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). Copies of the complaints were forwarded to you at the time.

Upon review of the allegations contained in the complaints, and based on the audit of your Committee conducted pursuant to 2 U.S.C. § 438(b), the Commission, on December 8, 1983, made the following determinations concerning your committee:

1. Found reason to believe that a violation of 2 U.S.C. § 441a(f) occurred for receipt of contributions in the form of loans in excess of contribution limitations from three individuals.
2. Found reason to believe that a violation of 2 U.S.C. § 432(h)(1) occurred for failure to deposit all receipts into a Committee depository and for failure to make certain Committee disbursements by check drawn on the Committee depository.
3. Found reason to believe that a violation of 2 U.S.C. § 434(a)(2)(A)(ii) and (iii) occurred for failure to file the 1982 October Quarterly and Year End Reports.

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4. Found reason to believe that a violation of 2 U.S.C. § 434(b)(2) and (4) occurred for failure to fully report receipts and expenditures.
5. Found reason to believe that a violation of 2 U.S.C. § 434(b)(3)(A) and (B) occurred for failure to adequately identify individual and political committee contributors.
6. Determined to merge MURs 1514 and 1532 and MUR 1594. These matters will now be incorporated into MUR 1594.

In addition, the Commission found reason to believe that you (as an individual) violated 2 U.S.C. § 441a(a)(1)(A) by making a contribution to the Committee in loan form in excess of contribution limitations. The General Counsel's factual and legal analysis, which formed a basis for the Committee's findings, is attached for your information.

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 consideration of this matter.

In the absence of any additional information which demonstrates that no further action should be taken against you and your committee, the Commission may find probable cause to believe that the violations have occurred and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe if you so desire. See 11 C.F.R. § 111.18(d).

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form 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.

The investigation now being conducted will be 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 investigation to be made public.

35040551737

Letter to Mr. Murray A. Felzer, Treasurer
Page 3

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Frances B. Hagan, the staff member assigned to this matter, at (202) 523-5071.

Sincerely,

Danny L. McDonald
Danny L. McDonald,
Chairman

Enclosures

cc: W. Steven Joachim

85040551738

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

RESPONDENT Steve Joachim for
Congress Committee

MUR NO. 1594
STAFF MEMBER & TEL. NO.
Frances B. Hagan
(202) 523-5071

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

It is alleged that the Steve Joachim For Congress Committee ("the Committee") violated the Act as follows:

- a. 2 U.S.C. § 441a(f) for receipt of contributions in loan form in excess of contribution limitations;
- b. 2 U.S.C. § 432(h) (1) by failing to deposit all receipts in a depository and by failing to make certain committee disbursements by check drawn on the committee depository;
- c. 2 U.S.C. § 434(a) (2) (A) (ii) and (iii) for failure to file 1982 30 Day Post Election and Year End Reports;
- d. 2 U.S.C. § 434(b) (2) and (4) for failure to fully report receipts and disbursements;
- e. 2 U.S.C. § 434(b) (3) (A) and (B) for failure to identify contributors (individuals and political committees).

FACTUAL AND LEGAL ANALYSIS

I. MUR 1514

On December 27, 1982, John M. Gallagher, Jr., Chairman of the Edgar for Congress Committee (7/PA) filed a complaint alleging that the Committee failed to file its 30 Day Post-Election Report due 30 days after the November 2, 1982 general election. The complaint charged that respondents Steven Joachim, candidate, and Murray Felzer, Committee treasurer, failed to submit the Committee's 30 Day Post-General Election Report to the

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Commission as required by 2 U.S.C. § 434(a)(2)(A)(ii). The report was due on December 2, 1982.

In response to notification of the complaint, the Joachim Committee responded by telephone and letter, stating that Mr. Joachim lost the election and the Committee staff disbanded, increasing the difficulty of assembling the required report. The Committee treasurer pledged to submit the appropriate report.

On February 3, 1983, this Office received the 30 Day Post-General Election Report which was also placed on public record. Because the report was filed two months late, we recommended that the Commission find reason to believe that a violation of 2 U.S.C. § 434(a)(2)(ii) occurred.

II. MUR 1532

On March 7, 1983, John M. Gallagher, Jr., complainant in MUR 1514, filed a second complaint concerning the Committee, alleging that the Committee failed to file its "termination report."^{1/} The 1982 Year End Report was due by January 31, 1983. A report filed with the appropriate coverage dates for the period disclosed financial activity which occurred in previous periods. Therefore, the Committee's failure to file the required report constitutes a violation of 2 U.S.C. § 434(a)(2)(A)(iii).

In addition, the complaint charges that the Committee's 30 Day Post Election report, submitted late, is "deficient."

^{1/} The next Committee report due after the 30 Day Post General was the 1982 Year End report.

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Complainant alleges that the Committee failed "properly to identify 9 of 12 contributors by name, address and occupation." Complainant states that of these contributors, one is identified only as "PAC." this indicates a violation of 2 U.S.C. § 434(b)(3)(A) and (B).

III. MUR 1594

On March 22, 1983, the Commission approved an audit of the Committee pursuant to 2 U.S.C. § 438(b). The audit findings have been referred to this office and are the subject of MUR 1594.

A. Excessive Contributions in the Form of Loans

2 U.S.C. § 431(8)(A)(i) states that the term "contribution" includes any gift, subscription, loan, advance, or deposit of money or anything of value made for the purpose of influencing an election for Federal office. [Emphasis added] 2 U.S.C. § 431(8)(B)(vii)(I) adds that such loan shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers or guarantors.

2 U.S.C. § 441a(a)(1)(A) states that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$1,000. 2 U.S.C. § 441a(f) prohibits receipt of contributions violative of this section.

2 U.S.C. § 432(e)(2) states that any candidate who receives a contribution, or any loan for use in connection with the campaign of such candidate for election, or makes a disbursement

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in connection with such campaign, shall be considered, for purposes of this Act, as having received the contribution or loan, or as having made the disbursement, as an agent of the authorized committee of such candidate.

1. Bank Loans Cosigned by Individuals

During the audit of the Committee, FEC auditors found that the candidate received at least two bank loans of \$15,000 each for use in the campaign, each of which was cosigned by one of two individual endorsers. These loan endorsements resulted in contributions in excess of limitations as follows:

<u>Contributor/ Co-Maker</u>	<u>Date of Loan</u>	<u>Amount of Loan/ Contribution</u>	<u>Amount in Excess of Limitations</u>
Walter N. Norley, III	10/28/81	\$7,500	\$6,500
Thomas A. Bruder, Jr.	1/13/82	\$7,500	\$6,500

These loan endorsements resulted in contributions in excess of limitations at 2 U.S.C. § 441a(a)(1)(A). Concomitantly, the Committee received the excessive contributions in violation of 2 U.S.C. § 441a(f).

2. Committee Treasurer's Loan

In addition, on October 26, 1982, the Committee treasurer, Murray Felzer, made a personal loan to the candidate of \$10,000. The candidate deposited these funds into his personal bank account. On October 27, 1982, the candidate made a wire transfer of \$10,000 directly to a Committee vendor. Because the candidate may be viewed as a Committee agent pursuant to 2 U.S.C.

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§ 432(e)(2) by accepting a loan for use in connection with the campaign, the treasurer's loan constitutes a contribution of \$9,000 in excess of limitations at 2 U.S.C. § 441a(a)(1)(A). The Committee's receipt of the loan constitutes a violation of 2 U.S.C. § 441a(f).^{2/}

B. Disbursements Not Drawn on Committee Depository

2 U.S.C. § 432(h)(1) states that all receipts received by a political committee shall be deposited into designated Committee depositories. No disbursements (except for petty cash) may be made except by check drawn on such accounts.

As discussed above, the auditors found evidence that on October 26, 1982, Committee treasurer Murray Felzer made a loan/contributions of \$10,000 to the candidate, who in turn, accepted the loan and deposited it into his personal bank account. On October 27, 1982, candidate Steve Joachim made a wire transfer of \$10,000 directly to the Committee's advertising vendor. Acting as an agent of the Committee under 2 U.S.C. § 432(e)(2), Mr. Joachim received this loan and made the disbursement in connection with the campaign. Pursuant to 2 U.S.C. § 432(h)(1), all Committee receipts are to be deposited into a designated Committee depository and all disbursements are to be drawn on such depository. Therefore, to the extent that Committee receipts and disbursements did not enter the depository

^{2/} On a recent report, the Committee disclosed a debt of \$9,000 owed to the treasurer.

or were not disbursed from such depository, the Committee is in violation of 2 U.S.C. § 432(h)(1).

C. Misstatement of Financial Activity

2 U.S.C. § 434(b)(2) and (4) require that reports shall disclose the total amount of receipts and the total amount of disbursements for the reporting period and for the calendar year.

The auditors found that for the period January 1, 1982, through November 2, 1982, the Committee understated the totals of receipts and expenditures, resulting in an overstatement of cash on hand totals. During the audit fieldwork, the auditors recommended that the Committee amend its reports to accurately reflect the previously undisclosed financial activity; the auditors provided the Committee with schedules of the corrected receipts and disbursements figures.

On September 6, 1983, the Committee filed an amendment covering October 14, 1982 through November 2, 1982 which contained the same financial information originally reported. The Committee failed to correct its disclosure reports even after the auditors provided the audited financial figures. The Office of General Counsel recommends a finding of reason to believe for a violation of 2 U.S.C. § 434(b)(2) and (4).

D. Failure to File Reports

2 U.S.C. § 434(a)(2)(A) (iii) requires that in an election year, the treasurer of a House candidate's principal campaign committee shall file a Year End report due by January 31 of the following year.

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The auditors found that the Committee failed to file a 1982 Year End Report. [See also the discussion of MUR 1532 above.] At the auditors' recommendation, the Committee filed a report designated the July 31 (1983) Mid Year Report with coverage dates listed for the period November 2, 1982 through December 31, 1982. The auditors state that the reported financial activity does not relate to the period covered by the report. Therefore, the Committee has yet to disclose receipts and disbursements for the period in question. This office recommended a finding of reason to believe that the Committee violated 2 U.S.C. § 434(a)(2)(A)(iii) for failure to file its 1982 Year End Report.

E. Identification of Contributors

2 U.S.C. § 434(b)(3)(A) requires that reports to the FEC contain the identification of persons making contributions in excess of \$200 within a calendar year, including the date and amount of the contribution; and (B) requires identification of a political committee making a contribution to the Committee, including the date and amount of contributions.

2 U.S.C. § 431(13) defines "identification" as an individual's name, mailing address, occupation and employer or, if other than an individual, the full name and address of the contributor.

The auditors found that the Committee failed to disclose the identities of 75 contributors whose contributions totaled \$ 53,075.00. After the auditors provided the Committee with a list of contributors requiring identification on disclosure

reports, the Committee identified 34 contributors (representing \$27,575) of the 75 contributors on the list. However, the Committee has not amended its reports to disclose the identifying information, nor has the Committee provided evidence that it attempted to obtain the identification of the remaining 41 contributors representing contributions of \$25,500. Therefore, the Office of General Counsel recommended that the Commission find reason to believe for a violation of 2 U.S.C.

§ 434(b) (3) (A) and (B).

F. Recommendation to Merge Related Matters Under Review

The reporting issues raised by complainant in MURs 1514 and 1532 are also the subject of the Audit Division's referral in MUR 1594. Therefore, we recommended that these matters be merged. The resulting MUR is numbered MUR 1594.

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FEDERAL ELECTION COMMISSION
GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

RESPONDENT Murray Felzer

MUR NO. 1594
STAFF MEMBER & TEL. NO.
Frances B. Hagan
(202) 523-5071

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

It is alleged that Murray Felzer, treasurer of the Steve Joachim for Congress Committee (the Committee), violated 2 U.S.C. § 441a(a)(1)(A) by making a contribution in loan form to the Committee in excess of contribution limitations.

FACTUAL BASIS AND LEGAL ANALYSIS

Excessive Contributions in the Form of Loans

2 U.S.C. § 431(8)(A)(i) states that the term "contribution" includes any gift, subscription, loan, advance, or deposit of money of anything of value made for the purpose of influencing an election for Federal office. [Emphasis added.]

2 U.S.C. § 441a(a)(1)(A) states that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$1,000. 2 U.S.C. § 441a(f) prohibits receipt of contributions violative of this section.

2 U.S.C. § 432(e)(2) states that any candidate who receives a contribution, or any loan for use in connection with the campaign of such candidate for election, or makes a disbursement in connection with such campaign, shall be considered, for

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purposes of this Act, as having received the contribution or loan, or as having made the disbursement, as an agent of the authorized committee of such candidate.

Committee Treasurer's Loan

On October 26, 1982, the Committee treasurer, Murray Felzer, made a personal loan of \$10,000 to the candidate. The candidate deposited these funds into his personal bank account. On October 27, 1982, the candidate made a wire transfer of \$10,000 directly to a Committee vendor. Because the candidate may be viewed as a Committee agent pursuant to 2 U.S.C. § 432(e)(2) by accepting a loan for use in connection with the campaign, the treasurer's loan constitutes a contribution of \$9,000 in excess of limitations at 2 U.S.C. § 441a(a)(1)(A).

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

December 13, 1983

Mr. Walter N. Norley, III
67 Militia Hill Road
Warrington, Pennsylvania 18976

RE: MUR 1594

Dear Mr. Norley:

On December 8, 1983, the Federal Election Commission determined that there is reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by making a contribution in the form of a loan endorsement to the Steve Joachim for Congress Committee in excess of contribution limitations. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

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 consideration of this matter.

In the absence of any additional information which demonstrates that no further action should be taken against you, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe if you so desire. See 11 C.F.R. § 111.18(d).

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form 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.

The investigation now being conducted will be confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A),

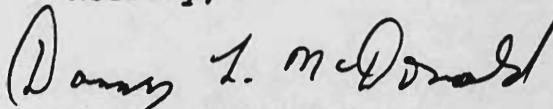
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Mr. Walter N. Norley, III
Page 2

unless you notify the Commission in writing that you wish the investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Frances B. Hagan, the staff member assigned to this matter, at (202) 523-5071.

Sincerely,


Danny L. McDonald,
Chairman

Enclosures

General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

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FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

RESPONDENT Walter N. Norley, III

MUR NO. 1594
STAFF MEMBER & TEL. NO.
Frances B. Hagan
(202) 523-5071

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

It is alleged that Walter N. Norley, III violated 2 U.S.C. § 441a(a)(1)(A) by making a contribution in loan form to the Steve Joachim for Congress Committee in excess of contribution limitations.

FACTUAL BASIS AND LEGAL ANALYSIS

Excessive Contributions in the Form of Loans

2 U.S.C. § 431(8)(A)(i) states that the term "contribution" includes any gift, subscription, loan, advance, or deposit of money or anything of value made for the purpose of influencing an election for Federal office. [Emphasis added] 2 U.S.C. § 431(8)(B)(vii)(I) adds that such loan shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers or guarantors.

2 U.S.C. § 441a(a)(1)(A) states that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$1,000.

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Bank Loan Cosigned by Individual

During the audit of the Committee, FEC auditors found that the candidate received a bank loan of \$15,000 for use in the campaign, which was cosigned by an individual endorser. This loan endorsement resulted in a contribution in excess of limitations as follows:

<u>Contributor/ Co-Maker</u>	<u>Date of Loan</u>	<u>Amount of Loan/ Contribution</u>	<u>Amount in Excess of Limitations</u>
Walter N. Norley, III	10/28/81	\$7,500	\$6,500

Therefore, Mr. Norley is in violation of 2 U.S.C.
§ 441a(a)(1)(A).

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

December 13, 1983

Mr. Thomas A. Bruder, Jr.
192 Saxer Avenue
Springfield, Pennsylvania 19064

RE: MUR 1594

Dear Mr. Bruder:

On December 8, 1983, the Federal Election Commission determined that there is reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by making a contribution in the form of a loan endorsement to the Steve Joachim for Congress Committee in excess of contribution limitations. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

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 consideration of this matter.

In the absence of any additional information which demonstrates that no further action should be taken against you, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe if you so desire. See 11 C.F.R. § 111.18(d).

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form 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.

The investigation now being conducted will be confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A),

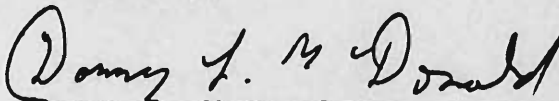
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Mr. Thomas A. Bruder, Jr.
Page 2

unless you notify the Commission in writing that you wish the investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Frances B. Hagan, the staff member assigned to this matter, at (202) 523-5071.

Sincerely,


Danny L. McDonald,
Chairman

Enclosures

General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

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FEDERAL ELECTION COMMISSION
GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

RESPONDENT Thomas A. Bruder, Jr.

MUR NO. 1594
STAFF MEMBER & TEL. NO.
Frances B. Hagan
(202) 523-5071

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

It is alleged that Thomas A. Bruder, Jr. violated 2 U.S.C. § 441a(a)(1)(A) by making a contribution in loan form to the Steve Joachim for Congress Committee in excess of contribution limitations.

FACTUAL BASIS AND LEGAL ANALYSIS

Excessive Contributions in the Form of Loans

2 U.S.C. § 431(8)(A)(i) states that the term "contribution" includes any gift, subscription, loan, advance, or deposit of money or anything of value made for the purpose of influencing an election for Federal office. [Emphasis added] 2 U.S.C. § 431(8)(B)(vii)(I) adds that such loan shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers or guarantors.

2 U.S.C. § 441a(a)(1)(A) states that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$1,000.

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Bank Loan Cosigned by Individual

During the audit of the Committee, FEC auditors found that the candidate received a bank loan of \$15,000 for use in the campaign, which was cosigned by an individual endorser. This loan endorsement resulted in a contribution in excess of limitations as follows:

<u>Contributor/ Co-Maker</u>	<u>Date of Loan</u>	<u>Amount of Loan/ Contribution</u>	<u>Amount in Excess of Limitations</u>
Thomas A. Bruder, Jr.	1/13/82	\$7,500	\$6,500

Therefore, Mr. Bruder is in violation of 2 U.S.C.
§ 441a(a)(1)(A).

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Mr. Murray A. Felzer, Treasurer
Steve Joachim for Congress Committee
One Bala-Cynwyd Plaza
231 St. Asaphs Road
Suite 236
Bala Cynwyd, Pennsylvania 19004

RE: MUR 1514, MUR 1532
and MUR 1594

Dear Mr. Felzer:

The Federal Election Commission notified you on January 4, 1983, and March 8, 1983, of complaints which allege that your committee had violated certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). Copies of the complaints were forwarded to you at the time.

Upon review of the allegations contained in the complaints, and based on the audit of your Committee conducted pursuant to 2 U.S.C. § 438(b), the Commission, on , 1983, made the following determinations concerning your committee:

1. Found reason to believe that a violation of 2 U.S.C. § 441a(f) occurred for receipt of contributions in the form of loans in excess of contribution limitations from three individuals.
2. Found reason to believe that a violation of 2 U.S.C. § 432(h)(1) occurred for failure to deposit all receipts into a Committee depository and for failure to make certain Committee disbursements by check drawn on the Committee depository.
3. Found reason to believe that a violation of 2 U.S.C. § 434(a)(2)(A)(ii) and (iii) occurred for failure to file the 1982 October Quarterly and Year End Reports.

Attachment A (1)

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(2)

Letter to Mr. Murray A. Felzer, Treasurer
Page 2

4. Found reason to believe that a violation of 2 U.S.C. § 434(b)(2) and (4) occurred for failure to fully report receipts and expenditures.
5. Found reason to believe that a violation of 2 U.S.C. § 434(b)(3)(A) and (B) occurred for failure to adequately identify individual contributors.
6. Determined to merge MURs 1514 and 1532 and MUR 1594. These matters will now be incorporated into MUR 1594.

In addition, the Commission found reason to believe that you (as an individual) violated 2 U.S.C. § 441a(a)(1)(A) by making a contribution to the Committee in loan form in excess of contribution limitations. The General Counsel's factual and legal analysis, which formed a basis for the Committee's findings, is attached for your information.

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 consideration of this matter.

In the absence of any additional information which demonstrates that no further action should be taken against you and your committee, the Commission may find probable cause to believe that the violations have occurred and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe if you so desire. See 11 C.F.R. § 111.18(d).

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form 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.

The investigation now being conducted will be 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 investigation to be made public.

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Letter to Mr. Murray A. Felzer, Treasurer
Page 3

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Frances B. Hagan, the staff member assigned to this matter, at (202) 523-5071.

Sincerely,

Enclosures

cc: W. Steven Joachim

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FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

RESPONDENT Steve Joachim for
Congress Committee

MUR NO. 1594
STAFF MEMBER & TEL. NO.
Frances B. Hagan
(202) 523-5071

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

It is alleged that the Steve Joachim For Congress Committee ("the Committee") violated the Act as follows:

- a. 2 U.S.C. § 441a(f) for receipt of contributions in loan form in excess of contribution limitations;
- b. 2 U.S.C. § 432(h)(1) by failing to deposit all receipts in a depository and by failing to make certain committee disbursements by check drawn on the committee depository;
- c. 2 U.S.C. § 434(a)(2)(A)(ii) and (iii) for failure to file 1982 30 Day Post Election and Year End Reports;
- d. 2 U.S.C. § 434(b)(2) and (4) for failure to fully report receipts and disbursements;
- e. 2 U.S.C. § 434(b)(3)(A) and (B) for failure to identify contributors (individuals and political committees).

FACTUAL AND LEGAL ANALYSIS

I. MUR 1514

On December 27, 1982, John M. Gallagher, Jr., Chairman of the Edgar for Congress Committee (7/PA) filed a complaint alleging that the Committee failed to file its 30 Day Post-Election Report due 30 days after the November 2, 1982 general election. The complaint charged that respondents Steven Joachim, candidate, and Murray Felzer, Committee treasurer, failed to submit the Committee's 30 Day Post-General Election Report to the

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Commission as required by 2 U.S.C. § 434(a)(2)(A)(ii). The report was due on December 2, 1982.

In response to notification of the complaint, the Joachim Committee responded by telephone and letter, stating that Mr. Joachim lost the election and the Committee staff disbanded, increasing the difficulty of assembling the required report. The Committee treasurer pledged to submit the appropriate report.

On February 3, 1983, this Office received the 30 Day Post-General Election Report which was also placed on public record. Because the report was filed two months late, we recommended that the Commission find reason to believe that a violation of 2 U.S.C. § 434(a)(2)(ii) occurred.

II. MUR 1532

On March 7, 1983, John M. Gallagher, Jr., complainant in MUR 1514, filed a second complaint concerning the Committee, alleging that the Committee failed to file its "termination report."^{1/} The 1982 Year End Report was due by January 31, 1983. A report filed with the appropriate coverage dates for the period disclosed financial activity which occurred in previous periods. Therefore, the Committee's failure to file the required report constitutes a violation of 2 U.S.C. § 434(a)(2)(A)(iii).

In addition, the complaint charges that the Committee's 30 Day Post Election report, submitted late, is "deficient."

^{1/} The next Committee report due after the 30 Day Post General was the 1982 Year End report.

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Complainant alleges that the Committee failed "properly to identify 9 of 12 contributors by name, address and occupation." Complainant states that of these contributors, one is identified only as "PAC." this indicates a violation of 2 U.S.C. § 434(b)(3)(A) and (B).

III. MUR 1594

On March 22, 1983, the Commission approved an audit of the Committee pursuant to 2 U.S.C. § 438(b). The audit findings have been referred to this office and are the subject of MUR 1594.

A. Excessive Contributions in the Form of Loans

2 U.S.C. § 431(8)(A)(i) states that the term "contribution" includes any gift, subscription, loan, advance, or deposit of money or anything of value made for the purpose of influencing an election for Federal office. [Emphasis added] 2 U.S.C. § 431(8)(B)(vii)(I) adds that such loan shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers or guarantors.

2 U.S.C. § 441a(a)(1)(A) states that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$1,000. 2 U.S.C. § 441a(f) prohibits receipt of contributions violative of this section.

2 U.S.C. § 432(e)(2) states that any candidate who receives a contribution, or any loan for use in connection with the campaign of such candidate for election, or makes a disbursement

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in connection with such campaign, shall be considered, for purposes of this Act, as having received the contribution or loan, or as having made the disbursement, as an agent of the authorized committee of such candidate.

1. Bank Loans Cosigned by Individuals

During the audit of the Committee, FEC auditors found that the candidate received at least two bank loans of \$15,000 each for use in the campaign, each of which was cosigned by one of two individual endorsers. These loan endorsements resulted in contributions in excess of limitations as follows:

<u>Contributor/ Co-Maker</u>	<u>Date of Loan</u>	<u>Amount of Loan/ Contribution</u>	<u>Amount in Excess of Limitations</u>
Walter N. Norley, III	10/28/81	\$7,500	\$6,500
Thomas A. Bruder, Jr.	1/13/82	\$7,500	\$6,500

These loan endorsements resulted in contributions in excess of limitations at 2 U.S.C. § 441a(a)(1)(A). Concomitantly, the Committee received the excessive contributions in violation of 2 U.S.C. § 441a(f).

2. Committee Treasurer's Loan

In addition, on October 26, 1982, the Committee treasurer, Murray Felzer, made a personal loan to the candidate of \$10,000. The candidate deposited these funds into his personal bank account. On October 27, 1982, the candidate made a wire transfer of \$10,000 directly to a Committee vendor. Because the candidate may be viewed as a Committee agent pursuant to 2 U.S.C.

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§ 432(e)(2) by accepting a loan for use in connection with the campaign, the treasurer's loan constitutes a contribution of \$9,000 in excess of limitations at 2 U.S.C. § 441a(a)(1)(A). The Committee's receipt of the loan constitutes a violation of 2 U.S.C. § 441a(f).^{2/}

B. Disbursements Not Drawn on Committee Depository

2 U.S.C. § 432(h)(1) states that all receipts received by a political committee shall be deposited into designated Committee depositories. No disbursements (except for petty cash) may be made except by check drawn on such accounts.

As discussed above, the auditors found evidence that on October 26, 1982, Committee treasurer Murray Felzer made a loan/contributions of \$10,000 to the candidate, who in turn, accepted the loan and deposited it into his personal bank account. On October 27, 1982, candidate Steve Joachim made a wire transfer of \$10,000 directly to the Committee's advertising vendor. Acting as an agent of the Committee under 2 U.S.C. § 432(e)(2), Mr. Joachim received this loan and made the disbursement in connection with the campaign. Pursuant to 2 U.S.C. § 432(h)(1), all Committee receipts are to be deposited into a designated Committee depository and all disbursements are to be drawn on such depository. Therefore, to the extent that Committee receipts and disbursements did not enter the depository

^{2/} On a recent report, the Committee disclosed a debt of \$9,000 owed to the treasurer.

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or were not disbursed from such depository, the Committee is in violation of 2 U.S.C. § 432(h)(1).

C. Misstatement of Financial Activity

2 U.S.C. § 434(b)(2) and (4) require that reports shall disclose the total amount of receipts and the total amount of disbursements for the reporting period and for the calendar year.

The auditors found that for the period January 1, 1982, through November 2, 1982, the Committee understated the totals of receipts and expenditures, resulting in an overstatement of cash on hand totals. During the audit fieldwork, the auditors recommended that the Committee amend its reports to accurately reflect the previously undisclosed financial activity; the auditors provided the Committee with schedules of the corrected receipts and disbursements figures.

On September 6, 1983, the Committee filed an amendment covering October 14, 1982 through November 2, 1982 which contained the same financial information originally reported. The Committee failed to correct its disclosure reports even after the auditors provided the audited financial figures. The Office of General Counsel recommends a finding of reason to believe for a violation of 2 U.S.C. § 434(b)(2) and (4).

D. Failure to File Reports

2 U.S.C. § 434(a)(2)(A) (iii) requires that in an election year, the treasurer of a House candidate's principal campaign committee shall file a Year End report due by January 31 of the following year.

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The auditors found that the Committee failed to file a 1982 Year End Report. [See also the discussion of MUR 1532 above.] At the auditors' recommendation, the Committee filed a report designated the July 31 (1983) Mid Year Report with coverage dates listed for the period November 2, 1982 through December 31, 1982. The auditors state that the reported financial activity does not relate to the period covered by the report. Therefore, the Committee has yet to disclose receipts and disbursements for the period in question. This office recommended a finding of reason to believe that the Committee violated 2 U.S.C. § 434(a)(2)(A)(iii) for failure to file its 1982 Year End Report.

E. Identification of Contributors

2 U.S.C. § 434(b)(3)(A) requires that reports to the FEC contain the identification of persons making contributions in excess of \$200 within a calendar year, including the date and amount of the contribution; and (B) requires identification of a political committee making a contribution to the Committee, including the date and amount of contributions.

2 U.S.C. § 431(13) defines "identification" as an individual's name, mailing address, occupation and employer or, if other than an individual, the full name and address of the contributor.

The auditors found that the Committee failed to disclose the identities of 75 contributors whose contributions totaled \$ 53,075.00. After the auditors provided the Committee with a list of contributors requiring identification on disclosure

A (10)

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(11)

reports, the Committee identified 34 contributors (representing \$27,575) of the 75 contributors on the list. However, the Committee has not amended its reports to disclose the identifying information, nor has the Committee provided evidence that it attempted to obtain the identification of the remaining 41 contributors representing contributions of \$25,500. Therefore, the Office of General Counsel recommended that the Commission find reason to believe for a violation of 2 U.S.C.

§ 434(b)(3)(A) and (B).

F. Recommendation to Merge Related Matters Under Review

The reporting issues raised by complainant in MURs 1514 and 1532 are also the subject of the Audit Division's referral in MUR 1594. Therefore, we recommended that these matters be merged. The resulting MUR is numbered MUR 1594.

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12

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

RESPONDENT Murray Felzer

MUR NO. 1594
STAFF MEMBER & TEL. NO.
Frances B. Hagan
(202) 523-5071

SOURCE OF MUR: INTERNALLY GENERATED

SUMMARY OF ALLEGATIONS

It is alleged that Murray Felzer, treasurer of the Steve Joachim for Congress Committee (the Committee), violated 2 U.S.C. § 441a(a)(1)(A) by making a contribution in loan form to the Committee in excess of contribution limitations.

FACTUAL BASIS AND LEGAL ANALYSIS

Excessive Contributions in the Form of Loans

2 U.S.C. § 431(8)(A)(i) states that the term "contribution" includes any gift, subscription, loan, advance, or deposit of money of anything of value made for the purpose of influencing an election for Federal office. [Emphasis added.]

2 U.S.C. § 441a(a)(1)(A) states that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$1,000. 2 U.S.C. § 441a(f) prohibits receipt of contributions violative of this section.

2 U.S.C. § 432(e)(2) states that any candidate who receives a contribution, or any loan for use in connection with the campaign of such candidate for election, or makes a disbursement in connection with such campaign, shall be considered, for

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purposes of this Act, as having received the contribution or loan, or as having made the disbursement, as an agent of the authorized committee of such candidate.

Committee Treasurer's Loan

On October 26, 1982, the Committee treasurer, Murray Felzer, made a personal loan of \$10,000 to the candidate. The candidate deposited these funds into his personal bank account. On October 27, 1982, the candidate made a wire transfer of \$10,000 directly to a Committee vendor. Because the candidate may be viewed as a Committee agent pursuant to 2 U.S.C. § 432(e)(2) by accepting a loan for use in connection with the campaign, the treasurer's loan constitutes a contribution of \$9,000 in excess of limitations at 2 U.S.C. § 441a(a)(1)(A).

A (13)

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

14

Mr. Walter N. Norley, III
67 Militia Hill Road
Warrington, Pennsylvania 18976

RE: MUR 1594

Dear Mr. Norley:

On , 1983, the Federal Election Commission determined that there is reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by making a contribution in the form of a loan endorsement to the Steve Joachim for Congress Committee in excess of contribution limitations. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

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 consideration of this matter.

In the absence of any additional information which demonstrates that no further action should be taken against you, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe if you so desire. See 11 C.F.R. § 111.18(d).

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form 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.

The investigation now being conducted will be confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A),

Attachment B (1)

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15

Mr. Walter N. Norley, III
Page 2

unless you notify the Commission in writing that you wish the investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Frances B. Hagan, the staff member assigned to this matter, at (202) 523-5071.

Sincerely,

Enclosures

General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

85040551771

B (2)

FEDERAL ELECTION COMMISSION
GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

RESPONDENT Walter N. Norley, III

MUR NO. 1594
STAFF MEMBER & TEL. NO.
Frances B. Hagan
(202) 523-5071

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

It is alleged that Walter N. Norley, III violated 2 U.S.C. § 441a(a)(1)(A) by making a contribution in loan form to the Steve Joachim for Congress Committee in excess of contribution limitations.

FACTUAL BASIS AND LEGAL ANALYSIS

Excessive Contributions in the Form of Loans

2 U.S.C. § 431(8)(A)(i) states that the term "contribution" includes any gift, subscription, loan, advance, or deposit of money or anything of value made for the purpose of influencing an election for Federal office. [Emphasis added] 2 U.S.C. § 431(8)(B)(vii)(I) adds that such loan shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers or guarantors.

2 U.S.C. § 441a(a)(1)(A) states that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$1,000.

B (3)

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Bank Loan Cosigned by Individual

During the audit of the Committee, FEC auditors found that the candidate received a bank loan of \$15,000 for use in the campaign, which was cosigned by an individual endorser. This loan endorsement resulted in a contribution in excess of limitations as follows:

<u>Contributor/ Co-Maker</u>	<u>Date of Loan</u>	<u>Amount of Loan/ Contribution</u>	<u>Amount in Excess of Limitations</u>
Walter N. Norley, III	10/28/81	\$7,500	\$6,500

Therefore, Mr. Norley is in violation of 2 U.S.C.
§ 441a(a)(1)(A).

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B (4)



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

18

Mr. Thomas A. Bruder, Jr.
192 Saxer Avenue
Springfield, Pennsylvania 19064

RE: MUR 1594

Dear Mr. Bruder:

On , 1983, the Federal Election Commission determined that there is reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") by making a contribution in the form of a loan endorsement to the Steve Joachim for Congress Committee in excess of contribution limitations. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

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 consideration of this matter.

In the absence of any additional information which demonstrates that no further action should be taken against you, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe if you so desire. See 11 C.F.R. § 111.18(d).

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form 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.

The investigation now being conducted will be confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A),

Attachment C (1)

85040551774

(19)

Mr. Thomas A. Bruder, Jr.
Page 2

unless you notify the Commission in writing that you wish the investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Frances B. Hagan, the staff member assigned to this matter, at (202) 523-5071.

Sincerely,

Enclosures

General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

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C (2)

FEDERAL ELECTION COMMISSION
GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

RESPONDENT Thomas A. Bruder, Jr.

MUR NO. 1594
STAFF MEMBER & TEL. NO.
Frances B. Hagan
(202) 523-5071

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

It is alleged that Thomas A. Bruder, Jr. violated 2 U.S.C. § 441a(a)(1)(A) by making a contribution in loan form to the Steve Joachim for Congress Committee in excess of contribution limitations.

FACTUAL BASIS AND LEGAL ANALYSIS

Excessive Contributions in the Form of Loans

2 U.S.C. § 431(8)(A)(i) states that the term "contribution" includes any gift, subscription, loan, advance, or deposit of money or anything of value made for the purpose of influencing an election for Federal office. [Emphasis added] 2 U.S.C. § 431(8)(B)(vii)(I) adds that such loan shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers or guarantors.

2 U.S.C. § 441a(a)(1)(A) states that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$1,000.

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Bank Loan Cosigned by Individual

During the audit of the Committee, FEC auditors found that the candidate received a bank loan of \$15,000 for use in the campaign, which was cosigned by an individual endorser. This loan endorsement resulted in a contribution in excess of limitations as follows:

<u>Contributor/ Co-Maker</u>	<u>Date of Loan</u>	<u>Amount of Loan/ Contribution</u>	<u>Amount in Excess of Limitations</u>
Thomas A. Bruder, Jr.	1/13/82	\$7,500	\$6,500

Therefore, Mr. Bruder is in violation of 2 U.S.C.
§ 441a(a)(1)(A).

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

22

John M. Gallagher, Jr., Esquire
Richard, DiSanti, Hamilton,
Gallagher and Paul
110 West Front Street
Media, Pennsylvania 19063

RE: MUR 1514

Dear Mr. Gallagher:

This is in reference to the complaint you filed with the Commission on December 27, 1982, concerning the Steve Joachim for Congress Committee (the Committee).

After conducting an investigation in this matter, the Commission determined there was reason to believe but took no further action against the Committee for a violation of 2 U.S.C. § 434(a)(2)(A)(ii), a provision of the Federal Election Campaign Act of 1971, as amended. On , 1983, the file was closed in this matter. A copy of the final report in this matter is enclosed for your information. However, the issues raised in your complaint of March 7, 1983, are still under investigation.

The file number in this closed matter is MUR 1514. If you have any questions, please contact Frances B. Hagan, the staff member assigned to this matter, at (202) 523-5071.

Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

Enclosure
Report

Attachment D

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

AKA/AMU (23)
NRN
MUR 1594

A83-40

October 18, 1983

MEMORANDUM

TO: CHARLES N. STEELE
GENERAL COUNSEL

THROUGH: JOHN C. SURINA *151*
STAFF DIRECTOR *RK*

FROM: BOB COSTA

SUBJECT: STEVE JOACHIM FOR CONGRESS COMMITTEE (THE
COMMITTEE) APPARENT EXCESSIVE CONTRIBUTIONS/
INADEQUATE RESPONSE TO AUDIT RECOMMENDATIONS

On June 13, 1983, the Committee received the interim report of the Audit Division on the Steve Joachim for Congress Committee (see Attachment 1). The Committee's original response was due on July 13, 1983. The Committee requested and was granted two extensions, the new response date being August 31, 1983. The Committee's response was received at the Commission on September 6, 1983.

On October 18, 1983 the Commission approved the final audit report of the Audit Division on the Steve Joachim for Congress Committee. Attached are matters noted in the final audit report which pursuant to the Commission's vote of October 18, 1983 are being referred to your office for your review and consideration.

All supporting documentation (i.e., loan agreements, bank statements, etc.) mentioned in the referrals are available for inspection in the Audit Division.

Should you have any questions, please contact Steve Goldberg or Thomas Nurthen at 523-4155.

Attachment as stated

Attachment E (1)

35040551777

Excessive Contributions - Loans

Section 431(8)(A)(i) of Title 2 of the United States Code states, in part, that the term "contribution" includes any gift, subscription, loan, advance, or deposit of money or anything of value. See also 11 C.F.R. 100.7(a)(i)(A), (B) and (C).

Section 432(e)(2) of Title 2 of the United States Code states, in part, that any candidate who receives a contribution, or any loan for use in connection with the campaign of such candidate for election, or makes a disbursement in connection with such campaign, shall be considered, for purposes of this Act, as having received the contribution or loan, or as having made the disbursement, as an agent of the authorized committee of such candidate.

Section 434(b)(3)(E) of Title 2 of the United States Code states that each report shall disclose the identification of each person who makes a loan to the reporting committee during the reporting period, together with the identification of any endorser or guarantor of such loan, and date and amount of value of such loan.

In addition, Section 441a(a)(1)(A) of Title 2 of the United States Code states, in part, that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$1,000.

During the review of the Committee's loan activity, it was noted that the Committee reported the receipt of \$37,000 in loans from the Candidate. The Commission inquired about the original source of the loans through the RFAI process. The Committee did not respond to the RFAIs.

An examination of the loan documentation made available during the audit fieldwork and in response to the interim audit report indicates that the actual source of the loans were as follows:

Loan 1 \$15,000 - The Candidate received a \$15,000 loan from a bank. The Candidate, in turn, lent \$15,000 to the Committee. The Committee reported the receipt of this loan on October 28, 1981.

Loan agreements and certain related correspondence were provided during the audit fieldwork. Subsequent to the audit fieldwork, the Committee provided a demand loan memo which listed a second individual as a surety^{1/} for the loan. As of this date the loan remains outstanding.

^{1/} A person who assumes responsibilities or debts in the event of default.

E (2)

25

Exhibit A
Page 2 of 3

Based on the documentation submitted, the individual acting as the surety for this loan apparently has exceeded the contribution limitation by \$14,000.^{2/}

Loan 2 \$15,000 - The Candidate and another individual appeared to have jointly received a loan of at least \$15,000 from a second bank. The Candidate and the co-maker, in turn, lent the Committee \$12,000. The Committee reported the receipt of this loan on January 20, 1982.

During the audit fieldwork the Committee provided loan documentation which consisted of two consecutive (monthly) loan statements from the bank which detailed the amount of principal and interest owed. However, in one instance, the bank statement listed two \$15,000 loans for a total indebtedness of \$30,000 (plus interest), while on the subsequent statement only one \$15,000 loan was listed with no apparent evidence that a principal curtailment had occurred.

In response to the interim audit report the Committee provided a copy of a promissory note which the Candidate and another individual signed. The Committee also submitted a cancelled check drawn on the Candidate's personal bank account made payable to the Committee. The check was in the amount of \$12,000 and dated January 19, 1982.

It should be noted that the Committee did not provide the loan statements for the period of the audit, as requested. Therefore, the Audit staff was unable to confirm the history of this loan or if the loan(s) increased from \$15,000 to \$30,000.

It is our opinion that each individual who jointly signs for a loan assumes full responsibility or liability for the total amount of the loan, unless stated otherwise in the loan agreement.

Based on a review of the documentation made available it is our opinion that the individual (co-maker) who signed the note, at a minimum, exceeded the contribution limitation by \$11,000.^{3/}

-
- 2/ No additional contributions were noted as being received by the Committee from this individual.
- 3/ No additional contributions were noted as being received by the Committee from this individual.

E (3)

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Loan 3 \$10,000 - The Treasurer of the Committee made a \$10,000 loan to the Candidate. The Committee reported the receipt of this loan on October 26, 1982.

During the audit fieldwork, the Treasurer stated that this loan was to the Candidate and not the Committee.

It has been confirmed that the Treasurer lent \$10,000 to the Candidate, however, the Candidate disbursed the funds (\$10,000) from his personal bank account on October 27, 1982, on behalf of the Committee (see Exhibit B). The Committee has recently disclosed a \$9,000 debt to the Treasurer representing the excessive portion of this contribution.

It is our opinion that the Treasurer exceeded the contribution limitation by \$9,000. No other contributions were received from the Treasurer.

Recommendation

The Audit staff recommends this matter be referred to the Office of General Counsel for possible MUR action.

E (4)

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Agent of the Committee

Section 432(e)(2) of Title 2 of the United States Code states, in part, that any candidate who receives a contribution, or any loan for use in connection with the campaign of such candidate for election, or makes a disbursement in connection with such campaign, shall be considered, for purposes of this Act, as having received the contribution or loan, or as having made the disbursement, as an agent of the authorized committee of such candidate.

Section 432(h)(1) of Title 2 of the United States Code states, in part, that no disbursements (other than petty cash disbursements) may be made by such committee except by check drawn on such accounts in accordance with this section.

As noted at Exhibit A (Loan (3)), during the course of the audit fieldwork, it was noted that the Committee reported the receipt of a \$10,000 loan from the Candidate. However, a review of the supporting documentation made available indicated that the \$10,000 was lent to the Candidate by the Treasurer of the Committee.

In addition, the Candidate deposited the \$10,000 into his personal bank account and subsequently made a \$10,000 disbursement (by wire transfer) to a Committee vendor. This wire transfer was supported by documentation provided by the vendor. The proceeds from the \$10,000.00 loan did not pass through the Committee bank account.

Also noted during our review of Committee disbursement records, were indications that additional disbursements may have been made from other than the Committee's depository. These disbursements appeared to be in the form of interest payments on a loan received from a financial institution. The Committee made payments to the Candidate in amounts equal to the interest due on a loan. The Candidate, in turn, apparently made the interest payments to the bank from his personal account.

Therefore, in these instances, the Candidate was acting as an agent of his authorized committee. Although requested, the Audit staff was not provided with the Candidate's bank records during the fieldwork.

In the interim audit report, it was recommended that the Committee obtain and provide the Candidate's bank records covering the period of the audit for the Audit staff's review. These bank records were to include bank statements, deposit slips, cancelled checks, debit and credit memoranda for the subject account.

E (5)

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On September 6, 1983, the Committee provided the Audit staff with two bank statements and the related cancelled checks. The statements covered the period January 7 through February 4, 1982 and October 7 through November 4, 1982.

Based on the bank records examined, the Audit staff can state conclusively that the \$10,000.00 loan (Exhibit A-loan 3) was deposited into the Candidate's personal account and was transferred by wire directly to a Committee vendor. The Committee did not report the \$10,000 disbursement.

In conclusion, due to the Committee's inadequate response to our request for all bank records for the period of the audit, the Audit staff cannot determine whether or not there was any additional Federal activity transacted through the Candidate's personal account.

Recommendation

The Audit staff recommends this matter be referred to the Office of General Counsel for MUR consideration.

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E (6)

Exhibit C

Failure To File Reports

Section 434(a)(2)(A)(iii) of Title 2 of the United States Code states, in part, that if the political committee is the principal campaign committee of a candidate for the House of Representatives in any calendar year during which there is a scheduled election for which such candidate is seeking election, the treasurer shall file quarterly reports, which shall be filed no later than the 15 days after the last day of each calendar quarter: except that the report for the quarter ending December 31 shall be filed no later than January 31 of the following calendar year.

During the audit, it was noted that the Committee failed to file its disclosure report for the period ending December 31, 1982. During the November 3, 1982 to December 31, 1982 period, the Committee's bank records showed \$16,746.31 in receipts and \$12,669.27 in disbursements, as adjusted. In addition, at the close of fieldwork no reports were filed for activity in 1983.

It was recommended that the Committee file a report that discloses the financial activity which occurred from November 3, 1982 through December 31, 1982.

On September 6, 1983, the Committee filed a report, which was designated as the July 31 (1983) Mid Year Report covering the period November 3, 1982 through December 31, 1982. The Committee reported total receipts for the period of \$6,921.40 and total disbursements of \$5,209.77.

As of this date, for the period November 3, 1982 through December 31, 1982, the Committee has yet to disclose receipts totaling \$9,824.91 and disbursements totaling \$7,459.50.

Recommendation

The Audit staff recommends this matter be referred to the Office of General Counsel for MUR consideration.

E (7)

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Misstatement of Financial Activity

Sections 434(b)(2) and (4) of Title 2 of the United States Code state, in part, that each report shall disclose the total amount of all receipts and the total amount of all disbursements for the period and the calendar year.

During the audit, it was noted that for the period January 1, 1982 through November 2, 1982, the Committee understated its receipts by \$7,154.67 (net); its expenditures by \$28,787.63 (net); and by understating its expenditures caused an overstatement in its ending cash of \$21,751.02. The understatement of financial activity was caused by the failure to report contributions and expenditures and by an erroneously reported expenditure made on behalf of the Committee.

It was recommended that the Committee amend its January 1, 1982 through November 3, 1982 report to accurately depict its financial activity.

The Committee filed a report on September 6, 1983 which covered the period October 14, 1982 through November 2, 1982 and disclosed total contributions of \$74,998.11 and itemized operating expenditures of \$75,797.60.

A detailed review of this report indicates that the Committee disclosed the same receipts and disbursements as originally reported. Therefore, for the period January 1, 1982 through November 2, 1982, reported receipts and disbursements remain understated by \$7,154.67 (net) and \$28,787.63 (net) respectively.

It should be noted that the Committee was provided schedules of the undisclosed receipts and disbursements during the audit fieldwork.

Recommendation

The Audit staff recommends this matter be referred to the Office of General Counsel for MUR consideration.

E (8)

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Exhibit E

Identification of Contributors

Section 434(b)(3)(A) of Title 2 of the United States Code states, in part, that each report shall disclose the identification of each person who makes a contribution to the reporting committee during the reporting period, whose contribution or contributions have an aggregate amount or value in excess of \$200 within the calendar year.

Section 431(l3)(A) of Title 2 of the United States Code states that the term identification means, in the case of any individual, the name, the mailing address, and the occupation of such individual, as well as the name of his or her employer.

During the course of the review of receipts, it was noted that the Committee failed to disclose the identification for 75 contributors whose 94 contributions totaled \$53,075.00.

At the close of the fieldwork the Audit staff provided the Committee with a list identifying those contributors whose contributions did not meet the disclosure requirement.

It was recommended that the Committee amend its reports to properly disclose the above mentioned contributions.

On September 6, 1983, the Committee provided the Audit staff with the very same list given to the Committee during the exit conference. The Committee annotated these lists with the identification of 34 contributors whose contributions totaled \$27,575. However, the Committee has not amended its original filings with this information.

In addition, the Committee has not provided the identification of the remaining 41 contributors whose contributions totaled \$25,500 nor has it provided evidence that an effort was made to obtain such information. 4/

Recommendation

The Audit staff recommends this matter be referred to the Office of General Counsel.

4/ It should be noted that the Committee's solicitation material was not designed to obtain the contributor information required by the Act.

E (9)

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

May 4, 1983

Mr. John M. Gallagher, Jr.
110 West Front Street
Media, Pennsylvania 19063

Dear Mr. Gallagher:

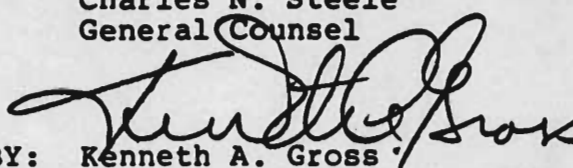
This is in response to your letter of April 26, 1983, in which you request information pertaining to the complaints you filed with the Commission.

The Federal Election Campaign Act prohibits any person from making public the fact of any notification or investigation by the Commission unless the party being investigated has agreed in writing that the matter be made public. (See 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(a)). Because there has been no written agreement that the matter be made public, we are not in a position at this time to release any information concerning the investigation.

As you were informed by letters of January 4, 1983, and March 8, 1983 (copies attached), we will notify you as soon as the Commission determines what action should be taken.

Sincerely,

Charles N. Steele
General Counsel


BY: Kenneth A. Gross
Associate General Counsel

Attachments (2)

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LAW OFFICES

RICHARD, DiSANTI, HAMILTON, GALLAGHER & PAUL

A PROFESSIONAL CORPORATION

HOWARD RICHARD
ALEXANDER A. DiSANTI
THOMAS P. HAMILTON, JR.
JOHN M. GALLAGHER, JR.
MICHAEL A. PAUL*
LYN B. SCHOENFELD
JEFFREY K. MARTIN
LEONARD V. TENAGLIA

PARA-LEGAL ASSOCIATES
RUTH DEVLIN
JAN BUCKLEY

April 26, 1983

JACK BRIAN
OF COUNSEL

110 WEST FRONT STREET
MEDIA, PENNSYLVANIA 19063

(215) 888-4600

REPLY TO R.O. BOX 900
MEDIA, PENNSYLVANIA 19063

*PA & DEL BAR

Mr. Kenneth A. Gross
Associate General Counsel
Federal Election Commission
Washington, D.C. 20463

Mr. Charles N. Steele
General Counsel
Federal Election Commission
Washington, D.C. 20463

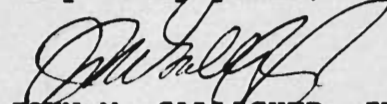
Gentlemen:

It has now been forty-nine days since you wrote to me on March 8, 1983 to advise me that, among other things, the Federal Election Commission would begin to take action on my complaints of December 21, 1982 and March 3, 1983, concerning the failure of Steven Joachim, the 1982 Republican candidate for Congress from the 7th Congressional District, to make certain required filings with your Commission.

Every ten days or so, I get calls from representatives of the local news media, inquiring as to why the Federal Election Commission has not taken action on these complaints.

Could you please advise me, at least, if there is any progress in the investigation of these complaints, and if the respondents, Mr. Joachim and his Treasurer, Mr. Murray Felzer, have even bothered to reply to the complaints?

Very truly yours,



JOHN M. GALLAGHER, JR.

JMG:tms

cc: The Honorable Robert W. Edgar
Mr. Hal Ellis
c/o Delaware County Daily Times
500 Mildred Avenue
Secane, PA

85040551789



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

Mr. Murray A. Felzer, Treasurer
Steve Joachim for Congress Committee
One Bala-Cynwyd Plaza
231 St. Asaphs Road
Suite 236
Bala Cynwyd, Pennsylvania 19004

RE: MUR 1514 and MUR 1532

Dear Mr. Felzer:

The Federal Election Commission notified you on January 4, 1983, and March 8, 1983, of complaints which allege that your committee had violated certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). Copies of the complaints were forwarded to you at the time.

Upon further review of the allegations contained in the complaints, and information available from the Reports Analysis Division, the Commission, on , 1983, made the following determinations concerning your committee:

1. Found reason to believe that a violation of 2 U.S.C. § 434(a)(2)(A)(ii) occurred for failure to timely file a 30 Day Post Election Report.
2. Found reason to believe that a violation of 2 U.S.C. § 434(a)(2)(A)(iii) occurred for failure to file the 1982 Year End Report.
3. Found reason to believe that a violation of 2 U.S.C. § 434(b)(3)(A) and (B) occurred for failure to adequately identify contributors.
4. Determined to merge MUR 1514 and MUR 1532. These matters will now be incorporated into MUR 1532.

Your response to the Commission's initial notification of the complaint, formerly numbered MUR 1514, did not provide complete information regarding the matters in question. As of this date, we have received no written response in connection with the second complaint (MUR 1532). You may submit any factual

85040551790

Letter to Murray A. Felzer
Page 2

or legal materials which you believe are relevant to the Commission's analysis of this matter. Please file any such response within ten days of your receipt of this notification. The Office of General Counsel would like to settle this matter through conciliation prior to a finding of probable cause. However, in the absence of any information which demonstrates that no further action should be taken against your committee, the Office of General Counsel must proceed to the next compliance stage as noted on page 2, paragraph 2 of the enclosed procedures.

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 have any questions, please contact Frances B. Hagan, the staff member assigned to this matter, at (202) 523-4529.

Sincerely,

Enclosure
Procedures

85040551791



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 8, 1983

John M. Gallagher, Jr.
Richard, DiSanti, Hamilton,
Gallagher & Paul
P.O. Box 900
Media, PA 19063

Dear Mr. Gallagher

This letter is to acknowledge receipt of your complaint which we received on March 7, 1983, against the Mr. Steven Joachim and Mr. Murry Felzer which alleges violations of the Federal Election Campaign laws. A staff member has been assigned to analyze your allegations. The respondents will be notified of this complaint within five days.

You will be notified as soon as the Commission takes final action on your complaint. Should you have or receive any additional information in this matter, please forward it to this office. We suggest that this information be sworn to in the same manner as your original complaint. For your information, we have attached a brief description of the Commission's procedure for handling complaints. If you have any questions, please contact Steven Barndollar at (202) 523-4073.

Sincerely,

Charles N. Steele
General Counsel

A handwritten signature in cursive script, appearing to read "Kenneth A. Gross", is written over the typed name.

By Kenneth A. Gross
Associate General Counsel

Enclosure

85040551792



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

March 8, 1983

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Steven Joachim
213 Larchwood Road
Springfield, PA 19064

Re: MUR 1532

Dear Mr. Joachim:

This letter is to notify you that on March 7, 1983, 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"). A copy of the complaint is enclosed. We have numbered this matter MUR 1532. 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, statements 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 completing the enclosed form 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.

85040551793

If you have any questions, please contact Frances Hagan, the staff member assigned to this matter at (202) 523-4529. For your information, we have attached a brief description of the Commission's procedure for handling complaints.

Sincerely,

Charles N. Steele
General Counsel



By Kenneth A. Gross
Associate General Counsel

85040551794

Enclosures

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

1532

7-100 (Rev. 10-1-80)

© SENDER: Complete items 1, 2, 3, and 4.
Add your address in the "RETURN TO" space on reverse.

(CONSULT POSTMASTER FOR FEES)

1. The following service is requested (check one).
☐ Show to whom and date delivered
☐ Show to whom, date, and address of delivery..

2. ☐ RESTRICTED DELIVERY
(The restricted delivery fee is charged in addition to the return receipt fee.)

TOTAL \$

3. ARTICLE ADDRESSED TO:
Steve Joachim
Dorchester, PA

4. TYPE OF SERVICE:
☐ REGISTERED ☐ INSURED
☐ CERTIFIED ☐ COD
☐ EXPRESS MAIL

ARTICLE NUMBER
943022

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

5. DATE OF DELIVERY
3/12/83

6. ADDRESSEE'S ADDRESS (Only if requested)

7. UNABLE TO DELIVER BECAUSE:

REGISTERED MAIL
3861
E-1
1983



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

March 8, 1983

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

**Mr. Murry Felzer, Treasurer
Steve Joachim for Congress Committee
1 Bala Plaza
Philadelphia, PA 19004**

Re: MUR 1532

Dear Mr. Felzer:

This letter is to notify you that on March 7, 1983, 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"). A copy of the complaint is enclosed. We have numbered this matter MUR 1532. 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, statements 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.

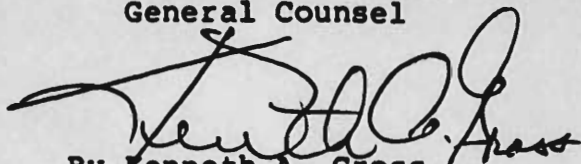
If you intend to be represented by counsel in this matter please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

85040551795

If you have any questions, please contact Frances Hagan, the staff member assigned to this matter at (202) 523-4529. For your information, we have attached a brief description of the Commission's procedure for handling complaints.

Sincerely,

Charles N. Steele
General Counsel



By Kenneth A. Gross
Associate General Counsel

Enclosures

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

85040551796

SENSITIVE

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

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

83 FEB 22 AM: 13

FIRST GENERAL COUNSEL'S REPORT

DATE AND TIME OF TRANSMITTAL BY
OGC TO THE COMMISSION 2-22-83

MUR NO. 1514
DATE COMPLAINT RECEIVED BY
OGC December 27, 1982
DATE OF NOTIFICATION TO
RESPONDENTS January 4, 1983
STAFF MEMBER Frances B. Hagan

COMPLAINANT'S NAME: John M. Gallagher, Jr., Chairman
Edgar for Congress Committee

RESPONDENTS' NAMES: Steven Joachim, Candidate (7/PA)
Murray Felzer, Treasurer, Steve
Joachim for Congress Committee

RELEVANT STATUTE: 2 U.S.C. § 434(a)(2)(A)(ii)

INTERNAL REPORTS CHECKED: Disclosure Reports

FEDERAL AGENCIES CHECKED: None

SUMMARY OF ALLEGATIONS

On December 27, 1982, John M. Gallagher, Jr., Chairman of the Edgar for Congress Committee (7/PA) filed a complaint alleging that the Steve Joachim for Congress Committee (the Committee) failed to file its 30 Day Post-Election Report due 30 days after the November 2, 1982 general election.

FACTUAL AND LEGAL ANALYSIS

The complaint charges that respondents Steven Joachim, Candidate, and Murray Felzer, Committee treasurer, failed to submit the Committee's 30 Day Post-General Election Report to the Commission as required by 2 U.S.C. § 434(a)(2)(A)(ii). The report was due on December 2, 1982.

85040551797

In response to notification of the complaint, the Joachim Committee responded by telephone and letter, stating that Mr. Joachim lost the election and the Committee staff disbanded, increasing the difficulty of assembling the required report. The Committee treasurer pledged to submit the appropriate report.

On February 3, 1983, this Office received the 30 Day Post-General Election Report which was also placed on public record. The Committee reported receipts through November 2, 1982, totaling more than \$295,000 and expenditures of more than \$270,000. An internal review of this report indicates several reporting problems which require correction for accurate disclosure. Furthermore, our consultation with the Reports Analysis Division reveals a history of reporting inaccuracies, which require additional attention. Because we are coordinating our enforcement efforts with RAD's analyses of Committee reports, we will offer recommendations regarding the Committee within two weeks.

Charles N. Steele
General Counsel

Feb. 22, 1983
Date

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

85040551798



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

January 4, 1983

Mr. John M. Gallagher, Jr., Chairman
Edgar for Congress Committee
Richard, DiSanti, Hamilton, Gallagher & Paul
P.O. Box 900
Media, PA 19063

Dear Mr. Gallagher:

This letter is to acknowledge receipt of your complaint of December 21, 1982, against Mr. Steven Joachim and Mr. Murray Felzer which alleges violations of the Federal Election Campaign laws. A staff member has been assigned to analyze your allegations. The respondents will be notified of this complaint within five days and a recommendation to the Federal Election Commission as to how this matter should be initially handled will be made 15 days after the respondents' notification.

You will be notified as soon as the Commission takes final action on your complaint. Should you have or receive any additional information in this matter, please forward it to this office. We suggest that this information be sworn to in the same manner as your original complaint. For your information, we have attached a brief description of the Commission's procedure for handling complaints. If you have any questions, please contact Steven Barndollar at (202) 523-4073.

Sincerely,

Charles N. Steele
General Counsel

Kenneth A. Gross - by JET

By Kenneth A. Gross
Associate General Counsel

Enclosure

85040551799

MAF/ds



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 4, 1983

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Steven Joachim
213 Larchwood Road
Springfield, PA 19064

Re: MUR 1514

Dear Mr. Joachim:

This letter is to notify you that on December 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"). A copy of the complaint is enclosed. We have numbered this matter MUR 1514. 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, statements 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 completing the enclosed form 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.

If you have any questions, please contact Frances B. Hagan, the staff member assigned to this matter at (202) 523-4529. For your information, we have attached a brief description of the Commission's procedure for handling complaints.

Sincerely,

Charles N. Steele
General Counsel

Kenneth A. Gross - by RT

By Kenneth A. Gross
Associate General Counsel

85040551802

Enclosures

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

1514 1/4

PS Form 3811, Dec. 1980

● **SENDER:** Complete items 1, 2, 3, and 4.
Add your address in the "RETURN TO" space on reverse.

(CONSULT POSTMASTER FOR FEES)

1. The following service is requested (check one).

☐ Show to whom and date delivered

☐ Show to whom, date, and address of delivery..

2. ☐ **RESTRICTED DELIVERY**
(The restricted delivery fee is charged in addition to the return receipt fee.)

TOTAL \$

3. **ARTICLE ADDRESSED TO:**
Steven Joachim
Springfield, PA 17064

4. **TYPE OF SERVICE:**

☐ REGISTERED ☐ INSURED

☒ CERTIFIED ☐ COD

☐ EXPRESS MAIL

ARTICLE NUMBER
17064

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE ☐ Addressee ☐ Authorized agent

DATE OF DELIVERY
1/15/83

POSTMARK

6. **ADDRESSEE'S ADDRESS** (Only if restricted)

7. **UNABLE TO DELIVER BECAUSE:**

7a. **EMPLOYEE'S INITIALS**

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 4, 1983

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Murray Felzer, Treasurer
Steve Joachiam for Congress Committee
1 Bala Plaza
Philadelphia, PA 19004

Re: MUR 1514

Dear Mr. Felzer:

This letter is to notify you that on December 27, 1982, the Federal Election Commission received a complaint which alleges that your committee may have violated certain sections 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 1514. 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 your committee 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, statements 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 completing the enclosed form 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.

850405518003

- 2 -

If you have any questions, please contact Frances B. Hagan, the staff member assigned to this matter at (202) 523-4529. For your information, we have attached a brief description of the Commission's procedure for handling complaints.

Sincerely,

Charles N. Steele
General Counsel

Kenneth A. Gross - by KAG

By Kenneth A. Gross
Associate General Counsel

85040551804

Enclosures

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

15M 114

PS Form 3811, Dec. 1980

● **SENDER:** Complete Items 1, 2, 3, and 4.
Add your address in the "RETURN TO" space on reverse.

(CONSULT POSTMASTER FOR FEES)

1. The following service is requested (check one).

☐ Show to whom and date delivered.....

☐ Show to whom, date, and address of delivery..

2. ☐ **RESTRICTED DELIVERY**
(The restricted delivery fee is charged in addition to the return receipt fee.)

TOTAL 1

3. **ARTICLE ADDRESSED TO:**
Murry Felger
Philadelphia, PA

4. **TYPE OF SERVICE:**

☐ REGISTERED ☐ INSURED
☒ CERTIFIED ☐ COD
☐ EXPRESS MAIL

ARTICLE NUMBER
438707

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE ☐ Addressee ☒ Authorized agent
D. Scowby

5. **DATE OF DELIVERY**
1-7-88

6. **ADDRESSEE'S ADDRESS** (Only if requested)

7. **UNABLE TO DELIVER BECAUSE:**

7b. **REASON FOR RETURN**

BALACRYD. 114
JAN 7 1983
BOSTON, MA

85040551805



FEDERAL ELECTION COMMISSION

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

THIS IS THE BEGINNING OF MUR #

1594

Date Filmed 9/20/85 Camera No. --- 2

Cameraman A.S



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THE FOLLOWING MATERIAL IS BEING ADDED TO THE
PUBLIC FILE OF CLOSED MUR 1594 .

86040563090

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
FEC v. Felzer)

formerly MUR 1594

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on April 8, 1985, the Commission accepted by a vote of 5-0 the payment of the civil penalty as full satisfaction and against the filing of a civil suit against Mr. Felzer.

Commissioners Aikens, Elliott, Harris, McDonald and McGarry voted affirmatively in this matter; Commissioner Reiche did not cast a vote.

Attest:

4-9-85

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

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

4-4-85, 10:14
4-4-85, 4:00

86040583091

JACK H. FELZER & CO. P.C.

CERTIFIED PUBLIC ACCOUNTANTS

7 BALA AVENUE

SUITE 105

BALA CYNWYD, PA. 19004

(215) 667-8635

35 MAR 1 1985 9:25

MEMBER
AMERICAN INSTITUTE OF ACCOUNTANTS
PENNSYLVANIA INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

March 27, 1985

Mr. Robert Pease
Federal Election Commission
Washington, D.C. 20463

Re: MUR 1594
Steve Joachim for Congress Committee

Dear Mr. Pease:

Enclosed please find a check in the amount of \$ 500 to relieve my personal liability via the conciliation agreement in the Steve Joachim for Congress Committee matter.

Very truly yours,

Murray A. Felzer
Murray A. Felzer

MAF/ds
enc.

N HARRIS

RYL THOMAS

ed) RELATING

express

E ACCOUNT INTO

5F3875.16)

5-1099.160)

2/85

86040383092

86040583093

MURRAY A. FELZER ARLENE L. FELZER		3/26 1985	442
PAY TO THE ORDER OF <u>Federal Election Comm</u>		\$ <u>500.00</u>	60-109 319
<u>Five Hundred and 00/100</u>		DOLLARS	
ROYAL BANK OF PENNSYLVANIA KING OF PRUSSIA, PA. 19406			
MEMO _____		<u>Murray A. Felzer</u>	
⑆03⑆90⑆097⑆ ⑈16 3 568 6⑈ 0442			

MEMORANDUM

TO:	CHERYL THOMAS	TO:	JOAN HARRIS
FROM:	JOAN HARRIS	FROM:	CHERYL THOMAS

CHECK NO. 442 (a copy of which is attached) RELATING
TO MUR 1594 AND NAME Murray Felzer
Steve Goacher for Congress
WAS RECEIVED ON April 2, 1985. PLEASE INDICATE THE ACCOUNT INTO
WHICH IT SHOULD BE DEPOSITED:

/ /	BUDGET CLEARING ACCOUNT	(#95F3875.16)
/ /	CIVIL PENALTIES ACCOUNT	(#95-1099.160)

SIGNATURE Cheryl R. Thomas OTHER _____ DATE 4/2/85

SENSITIVE



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

REC'D
FEC
COMM. SECRETARY

05 APR 4 AIO: 14

April 4, 1985

MEMORANDUM

TO: The Commission

FROM: Charles N. Steele
General Counsel

SUBJECT: FEC v. Felzer (pre-litigation, formerly MUR 1594)

The Commission previously authorized a civil suit against Murray A. Felzer, treasurer for the Steve Joachim for Congress Committee, for failure to pay the civil penalty agreed upon in a conciliation agreement. On April 2, 1985, the Commission received a \$500.00 check from Mr. Felzer, the amount he had previously agreed to pay as part of the conciliation agreement with the Commission. In light of this payment, the Office of the General Counsel recommends the acceptance of the payment as full satisfaction and against the filing of a civil suit against Mr. Felzer.

Attachment

8604053094

FEDERAL EDUCATION COMMISSION
D.R.C. Litigation Section Routing Slip

Case Felger Documents: Memo to Com
Staff Plan Filing/Due Date ASAP

To ___ On ___ From ___ for review of draft by case supervisor

To ___ On ___ From ___ for reworking

To ___ On ___ From ___ for approval of draft by case supervisor

To ___ On ___ From ___ for approval of final draft by AGC for litigation

To 5 On ___ From ___ for approval of draft by GC

To 0 On ___ From ___ for preparation and approval of final by author and signature

To 3 On ___ From ___ for approval of final by supervisor and signature

To ER On 4/4 From RP for approval of final by AGC for litigation and signature

To 4 On ___ From ___ for transmittal to GC

To CWS On 4/4 From RP for approval to final by GC and signature

To 6 On ___ From ___ for filing

To ___ On ___ From ___ for notification of filing

COMMENTS This should go on 48 hour tally
(This is the suit that fell through cracks)

(☒) Sensitive

() Non-Sensitive

FEDERAL ELECTION COMMISSION
D.C.C. Litigation Section - Routing Slip

Case Burden - m. 154 conclude
Staff Pea Filing/Due Date _____

To _____ On _____ From _____ for review of draft by case supervisor

To _____ On _____ From _____ for reworking

To _____ On _____ From _____ for approval of draft by case supervisor

To _____ On _____ From _____ for approval of final draft by AGC for Litigation

To 6 On _____ From _____ for approval of draft by GC

To 6 On _____ From _____ for preparation and approval of final by author and signature

To 3 On _____ From _____ for approval of final by supervisor and signature

To 12 On 6/27 From RL for approval of final by AGC for Litigation and signature

To 0 On _____ From _____ for transmittal to GC

To 0 On 6/27 From RL for approval to final by GC and signature

To 0 On 6/27 From _____

To 0 On _____ From _____

REMARKS 48 hour

see if this
should go
in MUR
file

(✓) Sensitive

Yes - see from
48 hour



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

MEMORANDUM

TO: The Commission

FROM: Charles N. Steele *CNS/AM*
General Counsel

SUBJECT: MUR 1594-Thomas Bruder, Jr.

On February 12, 1985, The Commission determined that there was probable cause to believe that Thomas Bruder, Jr., violated 2 U.S.C. § 441a(a)(1)(A) of the Act by co-signing a \$15,000 bank loan with Steve Joachim, a 1982 candidate for the U.S. House of Representatives, for use in connection with Joachim's election campaign.^{1/} Mr. Bruder was one of two individuals who each co-signed a \$15,000 loan with candidate Joachim.^{2/} On April 16, 1985, the Commission authorized the Office of the General Counsel to file a civil suit for relief in the United States District Court against Mr. Bruder.

In an attempt to resolve this matter prior to filing suit, counsel for the Commission contacted William Sasso, counsel for Mr. Bruder. Mr. Sasso indicated that Mr. Bruder was willing to settle. Mr. Sasso stated that Mr. Bruder was unaware that he had violated the Act, that he had merely signed the bank loan as a favor to Mr. Joachim, and that he wanted to resolve the matter short of litigation. After negotiations, counsel for the Commission sent to Mr. Sasso a proposed conciliation agreement, which, except for the civil penalty, was identical to the one previously approved by the Commission and sent to Mr. Bruder during the MUR proceedings. This proposed agreement calls for a \$400 civil penalty.^{3/}

^{1/} Mr. Joachim has assumed full responsibility for repayment of the loan and Mr. Bruder has not made any payments on the loan.

^{2/} The Commission has previously conciliated with the other contributor. As part of the agreement, the respondent paid a \$400 civil penalty.

^{3/} The original conciliation agreement called for a \$1,500 civil penalty. This amount was based, at least in part, on Mr. Bruder's lack of response at the RTB stage.

36040583097

The Office of the General Counsel recommends that the Commission accept the proposed conciliation agreement. The proposed civil penalty treats Mr. Bruder and a previous respondent in MUR 1594 in the same manner. The proposal includes an admission by Mr. Bruder and an agreement that he will not undertake any other activities in violation of the Act.

Recommendations

1. Approve the attached conciliation agreement with Thomas Bruder, Jr.
2. Close the file in this matter.

Attachments

86040583098

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of
Thomas A. Bruder, Jr.

)
) MUR 1594
)

JUN 21 P 4: 20

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found probable cause to believe that Thomas A. Bruder, Jr. ("Respondent") violated 2 U.S.C. § 441a(a)(1)(A) by making a contribution in loan form to the Steve Joachim for Congress Committee.

NOW, THEREFORE, the Commission and Respondent, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(4)(A)(i) do hereby agree as follows:

I. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding.

II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondent enters voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. Respondent, Thomas A. Bruder, Jr., is an individual contributor to the Steve Joachim for Congress Committee's 1982 Congressional campaign.

2. Respondent cosigned a note for a bank loan with Steve Joachim, 1982 candidate for the U.S. House of Representatives.

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3. The loan of \$15,000 was obtained on January 13, 1982, from the Southeast National Bank of Pennsylvania for use in connection with the candidate's election campaign.

V. 2 U.S.C. § 441a(a)(1)(A) states that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$1,000. 2 U.S.C. § 441a(f) prohibits receipt of contributions violative of this action.

VI. 2 U.S.C. § 431(8)(A)(i) states that the term "contribution" includes any gift, subscription, loan, advance, or deposit of money or anything of value made for the purpose of influencing an election for Federal office. [Emphasis added]

VII. 2 U.S.C. § 431(8)(B)(vii)(I) adds that such loan shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers or guarantors.

VIII. Pursuant to 2 U.S.C. § 431(8)(B)(vii)(I), Respondent's co-signature on the loan with the candidate resulted in a proportionate share of one half the amount of the loan of \$15,000. Therefore, Respondent's loan endorsement resulted in a contribution of \$7,500, or \$6,500 in excess of limitations at 2 U.S.C. § 441a(a)(1)(A).

IX. Respondent will pay a civil penalty to the Treasurer of the United States in the amount of four hundred dollars (\$400), pursuant to 2 U.S.C. 437g(a)(5)(A).

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X. Respondent agrees that he shall not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. § 431, et seq.

XI. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

XII. This agreement shall become effective as of the date that all parties thereto have executed same and the Commission has approved the entire agreement.

XIII. Respondent shall have no more than thirty (30) days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

XIV. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be valid.

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BY:

Date

FOR THE RESPONDENT

Date

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