



## FEDERAL ELECTION COMMISSION

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

October 8, 1975

Robert Hickey, Esq.  
Fraud Section  
Criminal Division  
U.S. Department of Justice  
Washington, D. C. 20530

Dear Mr. Hickey:

Enclosed please find material relevant to alleged violations of §612 of Title 18 of the United States Code by both Mobil and Texaco Oil Companies. As §612 does not lie within the jurisdiction of the Federal Election Commission, we are transmitting the matters to you for disposition by the Department of Justice.

The Commission is of the view that the two advertisements in question do not violate §612 and we have so notified the respective parties. In accordance with our conversations we will not notify the alleged violator of the Commission's view where we feel that a violation has not taken place or that compliance has been achieved, but, we will transmit the files to you with our recommendation.

If you have any further questions in this regard please contact me.

FEDERAL ELECTION COMMISSION  
**OFFICIAL FILE COPY**  
OFFICE OF GENERAL COUNSEL

Sincerely yours,

/s/

Stephen Schachman  
Assistant General Counsel

Enclosures



# TEXACO

INC.

RECEIVED  
FEDERAL ELECTION  
COMMISSION

135 EAST 42ND STREET

NEW YORK, N. Y. 10017

'75 SEP 10 PM 1:26

JOHN K. MCKINLEY  
PRESIDENT

September 5, 1975

Mr. John G. Murphy, Jr.  
General Counsel  
Federal Election Commission  
Washington, D.C. 20463

Dear Mr. Murphy:

Thank you for your letter of August 29, 1975.

Having received no notice that any complaint had been filed with the Federal Election Commission concerning our Company's July 18, 1975 advertisement, we were of course unaware of your proceedings. It was our judgment in releasing the advertisement that it represented an appropriate exercise of free speech and violated no laws, including the Federal Election Campaign Act. Needless to say, we are gratified to learn that your Commission's opinion is the same as our own with respect to §612 of Title 18, United States Code.

I appreciate the consideration you have given this matter and your advising me of its status.

Sincerely yours,



JKMcK/so

FEDERAL ELECTION COMMISSION  
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L. FIVE OF GENERAL COUNSEL

7734110000

J. K. McKinley  
ACO INC.  
142ND STREET  
BRK. N.Y. 10017

TRUST  
TEXACO  
PRODUCTS



15 SEP 1961 1:26

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OFFICE OF GENERAL COUNSEL

Mr. John G. Murphy, Jr.  
General Counsel  
Federal Election Commission  
Washington, D.C. 20463

29 AUG 1975

FEDERAL ELECTION COMMISSION  
**OFFICIAL FILE COPY**  
OFFICE OF GENERAL COUNSEL

Ms. Maureen Drummy  
1608 20th Street, N. W.  
Washington, D. C. 20009

Dear Ms. Drummy:

7704001365  
This is in regard to your letters of July 31, 1975 concerning the Mobil Oil and Texaco Corporations. In accordance with §437g of Title 2 of the United States Code the aforementioned corporations have been informed that a complaint has been received by the Federal Election Commission. Additionally, the corporations were informed that inasmuch as the complaint alleged a violation of §612 of Title 18 of the United States Code it was being transmitted to the Department of Justice as the Commission does not have jurisdiction over §612. The transmittal, however, will contain the notation that the Commission is of the view that neither ad involves any apparent violation of Federal election laws.

Any further questions you may have in regard to the two advertisements should be addressed to the Fraud Section, Criminal Division, U.S. Department of Justice, Washington, D. C. 20530.

Sincerely yours,

Signed: John G. Murphy, Jr.

John G. Murphy, Jr. S.S.  
General Counsel

SSchachman:mpc:8/27/75

cc: Lan Potter  
Drew McKay ✓  
Peter Roman  
Jack Murphy  
Stephen Schachman

re: CA 018-75 and CA 019-75

29 AUG 1975

CA 612-75

John E. McKinley, President  
Texaco, Inc.  
135 E. 42nd Street  
New York, N. Y. 10017

FEDERAL ELECTION COMMISSION  
**OFFICIAL FILE COPY**  
OFFICE OF GENERAL COUNSEL

Dear Mr. McKinley:

The Federal Election Commission, pursuant to the requirements of §679 of Title 2 of the United States Code, hereby notifies you that the Commission has received a complaint concerning your advertisement of July 18, 1975, which appeared in the Washington Post, the Washington Star, the Wall Street Journal, and the New York Times. The complaint alleges a violation of §612 of Title 18, United States Code in that the advertisement refers to a "person who has publicly declared his intention to seek the office of President" and it fails to contain the names of the officers of the sponsoring corporation.

Please be advised that the Commission is of the opinion that the advertisement does not violate the Federal Election Campaign Act of 1971, as amended. While the specific section referred to in the complaint, 18 U.S.C. §612, is not within the jurisdiction of the Commission, the Commission will in the normal course transmit the matter to the U.S. Department of Justice. The transmittal will contain the Commission's recommendation that the matter not be prosecuted.

Sincerely yours,

Signed: John G. Murphy, Jr.

John G. Murphy, Jr.  
General Counsel

SSchachman:npc:8/28/75

cc: Ian Potter  
Jack Murphy  
Drew McKay  
Peter Roman  
S. Schachman

77040052367

FEDERAL ELECTION COMMISSION

WASHINGTON, DC 20463

August 13, 1975


Ms. Maureen Drummy  
1608 20th Street, N.W.  
Washington, D.C. 20009

Dear Ms. Drummy:

This will acknowledge receipt of your complaints filed under the Federal Election Campaign Act, as amended, alleging violations of Section 612 of Title 18 of the United States Code by the Mobil Oil Corporation and Texaco, Inc.

The Commission is presently reviewing this matter, and you will be advised of any further action taken. Thank you for bringing this matter to our attention.

Sincerely,

  
Peter Roman  
Chief, Audit and  
Investigation Division

PR:vlf

FEDERAL ELECTION COMMISSION  
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OFFICE OF GENERAL COUNSEL

77040012363

1608 - 20th St., N.W.  
Washington, D.C. 20009

July 31, 1975

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

Chairman Curtis, and Commissioners:

In accord with the Commission's interim complaint procedures, I am writing to call to your attention the enclosed advertisement. It appeared on Friday, July 18, in at least four major daily newspapers: The Washington Post, The Washington Star, The Wall Street Journal, and The New York Times.

I believe this ad (sponsored by the Texaco corporation) violates Section 612 of Title 18 of the U.S. Code; it is an advertisement which refers to, by name, a "person who has publicly declared his intention to seek the office of President" and it fails to contain the names of the officers of the sponsoring corporation. (A similar ad sponsored by the Mobil Oil Corporation also appeared in the same newspapers that day.)

According to recent public documents, the chief officers of the Texaco corporation are:

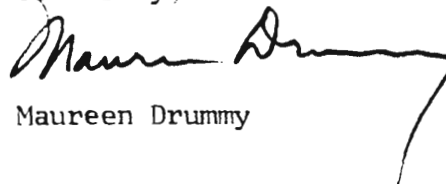
Maurice F. Granville, Chairman  
and  
John K. McKinley, President

Texaco, Inc.  
135 E. 42nd Street  
New York, N.Y. 10017

FEDERAL ELECTION COMMISSION  
OFFICIAL FILE COPY  
LOCAL COUNSEL

Their telephone number is (212) 953-6000. Mine is (202) 462-4289.

Sincerely,

  
Maureen Drummy

*Handwritten notes:*  
Letting [unclear] [unclear]  
Mary [unclear] [unclear]  
[unclear] [unclear]  
[unclear] [unclear]

Enclosures (4)



# Texaco responds to Senators Jackson and Stevenson.

On July 16th, hearings concerning the present gasoline supply situation were commenced by Senators Jackson and Stevenson. At that time, allegations and opinions were expressed which made it clear that a prejudgment had been made before the facts were in.

## Where Texaco stands:

**First**, Texaco has not manipulated its refinery output in order to raise retail gasoline prices.

**Second**, Texaco has not forced its retailers to stay open 24 hours a day to stimulate greater gasoline sales.

**Third**, Texaco has not managed its gasoline production in such a way as to turn an oil surplus into a shortage and drive prices up.

**Fourth**, Texaco has not worked together with the FEA or in any manner with anyone in an effort to create a gasoline shortage.

We have put evidence on the record showing that:

- Far from squeezing the American consumer, Texaco has done its utmost to maintain reasonable prices.
- Far from contriving a gasoline shortage, Texaco has done its utmost to provide adequate supplies of gasoline and other petroleum products.
- Far from violating complex and difficult government rules and regulations, Texaco has done its utmost to live up not only to their letter but also to their spirit—even though many of these regulations are unrealistic and unfair.

Clearly, the American consumer is the innocent bystander who ultimately may not be able to obtain needed petroleum supplies at reasonable, competitive prices. Thus, in the final analysis, when irresponsible charges are made against the petroleum industry—when we cannot carry out our functions efficiently and profitably because of a counter-productive mass of government regulations and controls—it is, in reality, the American consumer who will be hurt.



We're working to keep your trust.



FEDERAL ELECTION COMMISSION

1. Memo to Schachman from Janney - 8/20/76
2. Memo to the Commissioners from Potter-
3. Memo to McKay from Costa - 8/8/76

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

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

Signed Kurt Bunkhart  
date 9/28/77