



FEDERAL ELECTION COMMISSION

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

adopted

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1/22/75

MyH

January 22, 1976

TERMINATION REPORT

COMPLIANCE ACTION

CA-035-7577

Allegation: News reports indicated that the Civil Aeronautics Board was investigating illegal corporate contributions by various airlines.

Report: On January 16, 1976, Commission staff met with Thomas McBride, Director, Bureau of Enforcement, CAB*. Mr. McBride indicated that investigations of prior illegal political contributions by corporations, including airlines, would not be fruitful. He did state that the CAB would extend full cooperation to the Commission regarding matters of mutual concern.

Recommendation: AID recommends that the case be closed.

* Mr. McBride is former Chief of the Campaign Financing Division of the Watergate Special Prosecutor's office.

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OFFICE OF GENERAL COUNSEL



Bob C.
CA #? why not?
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March 27, 1975

MEMORANDUM FOR: Mr. Potter

SUBJECT: Airline Contributions to Political Campaigns

1. Recent newspaper articles have described some tragic events concerning airline contributions to political candidates. These activities appear to have led to the failure to reappoint the Chairman of the CAB, Mr. Timm, and have caused the CAB's chief investigator, Mr. Gingery to take his own life.

2. It has been reported that some \$10 million dollars in illegal corporate contributions may be involved in this investigation, including some \$600,000 reportedly raised and expended by Braniff under circumstances which have led the CAB enforcement department to recommend to the board that Braniff have its operating license suspended.

3. While the CAB now appears to be conducting a somewhat belated investigation, there is a question as to whether the Federal Election Commission, when constituted, will have a civil responsibility in this case.

4. Section 310(b) of the 1974 amendments ~~XXXXX~~ states that "The Commission ~~XXXXXXXXXX~~ has primary jurisdiction with respect to the civil enforcement of such provisions." Those provisions include all portions of the Act and Secs. 608, 610, 611, 613-617 of Title 18.

5. Section 314(a)(1)(B) of the Act states "(2) The Commission... if it has any reason to believe that any person has committed a violation of any such provision, shall notify the person involved of such apparent violation and shall

(A) Report such apparent violation to the Attorney General or

(B) make an investigation of such apparent violation.

5. Section 314(a)(5) of the Act continues "If the Commission determines, after investigation, that any such person has engaged, or is about to engage in any acts or practices which constitute or will constitute a violation... it may institute a civil action for relief including a permanent injunction....

6. If the apparent violation involves an apparent Title 18 violation, then the Commission can direct the Attorney General to take the same action.

7. In either case, it may be appropriate to bring the matter to the attention of the Commission in due course. One reasonable reading of the law would suggest that some sort of action is required by it. Certainly the board can be assumed to have knowledge of the matter, since it's been screaming out of newspaper headlines for a month, although it should be assumed that some persons at the Justice Department also read the Post.

7. As a matter of historical interest, it was a Washington Post article which first made GAO decide that the \$25,000 exchange of contributions on a Florida golf course made the Watergate business relevant to the FECA.

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1. Memo from Spiegel to Schachman, 11/21/76

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):

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| <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 Beulchaut

date

10/4/77

FEC 9-21-77

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