



FEDERAL ELECTION COMMISSION

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

THIS IS THE END OF MUR # 907

Date Filmed 12/10/79 Camera No. --- 2

Cameraman SPC

70010170033



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 23, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

W. H. Hairell, Treasurer
Concerned Citizens PAC
9225 Katy Freeway, Suite 110
Houston, Texas 77024

Re: MUR 907

Dear Mr. Hairell:

On November 21, 1979, the Commission approved the conciliation agreements from the Concerned Citizens PAC, David Personette and Kenneth R. Cunningham. Accordingly, the file has been closed in this matter.

Should you have any questions, please call Susan Donaldson, the staff member assigned to this matter.

Sincerely,

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

Charles N. Steele
Acting General Counsel

77010170833

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

4/23/79

W. H. Hairell, Treasurer
Concerned Citizens PAC
9225 Katy Freeway, Suite 110
Houston, Texas 77024

Re: MUR 907

Dear Mr. Hairell:

On , 1979, the Commission approved the conciliation agreements from the Concerned Citizens PAC, David Personette and Kenneth R. Cunningham. Accordingly, the file has been closed in this matter.

Should you have any questions, please call Susan Donaldson, the staff member assigned to this matter.

Sincerely,

151

Charles N. Steele
Acting General Counsel

70010170834

40
11-21-79

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
FEDERAL ELECTION
COMMISSION

In the Matter of)
Concerned Citizens PAC)

MUR 907 NOV 9 AM 11:58

CONCILIATION AGREEMENT

This matter having been initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities, and after the Commission found reasonable cause to believe that the Concerned Citizens PAC ("Respondent") had violated 2 U.S.C. § 441a(f) by knowingly accepting a contribution in excess of the contribution limitations of 2 U.S.C. 441a.

NOW, THEREFORE, the Commission and respondent, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(5), do hereby agree as follows:

1. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding.
2. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter, and has presented the Commission with a written reply which asserts that no action should be taken.
3. Respondent enters voluntarily into this Agreement with the Commission.
4. The pertinent facts in this matter are as follows:
 - (a) Respondent is a political action committee which was established in September, 1975. Respondent is

70019170833

the separate segregated fund for Metropolitan Contract Services, Inc.

- (b) For value received, Respondent, through its officers, on June 23, 1978, executed a \$23,000 commercial promissory note payable in one hundred and eighty days to the Allied Bank of Texas, Houston, Texas.
- (c) The \$23,000 note was secured during the period June 23, 1978, through December 20, 1978, by the guarantees of Kenneth Cunningham and David Personette. The guarantee was not invoked and the loan was later renewed without any guarantees.
- (d) CCPAC received a \$9,000 commercial promissory note from the Allied Bank of Texas on May 9, 1977. The bank receipt for payment of that note lists Kenneth Cunningham as guarantor. The guarantee was not invoked and the loan was renewed by the loan under (c) above which was renewed without a guarantee.
- (e) CCPAC reported the transactions, described in (c) and (d) above, on appropriate FEC forms.
- (f) 11 C.F.R. § 100.4(a) states that any loan, including a guarantee, is a contribution to the extent that the obligation remains outstanding.
- (g) Kenneth Cunningham and David Personette are limited to a \$5,000 contribution to the Respondent by 2 U.S.C. § 441a(a)(1)(C).

70010170836

- (h) The guarantee of the notes by Kenneth Cunningham and David Personette exceeded their contribution limitation of \$5,000 each.
- (i) Respondent knowingly accepted contributions in excess of the contribution limitaiton set by 2 U.S.C. § 441a in violation of 2 U.S.C. § 441a(f). In this context the term "knowingly accepted" only implies that Respondent was aware of the facts of the situation and not that Respondent was aware that a violation of the Act had occurred.

5. Respondent will pay a civil penalty in the amount of three hundred dollars (\$300), pursuant to 2 U.S.C. § 437g(a)(6)(B).

6. Respondent at all times will comply with the requirements of the Federal Election Campaign Act of 1971, as amended.

7. Respondent agrees that he will voluntarily testify before any Commission proceeding in which the matters at issue herein are relevant.

8. This Agreement is entered into in accordance with 2 U.S.C. § 437g(a)(5)(A), and it shall constitute a complete bar to any further action by the Commission with regard to the matters set forth in this Agreement.

709070837

9. This Agreement shall become effective as of the date that both parties have executed same and the Commission has approved the entire Agreement.

FEDERAL ELECTION COMMISSION

Date: _____

William C. Oldaker
General Counsel

CONCERNED CITIZENS PAC

Date: 11-6-79

By: *W. H. H. H.*

Its: TREASURER

Date: 23 November 1979

Charles W. Steele
Charles W. Steele
Acting General Counsel

77010170839

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 907
Kenneth R. Cunningham)

CONCILIATION AGREEMENT

70010170839
This matter having been initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities, and after the Commission found reasonable cause to believe that Kenneth Cunningham ("Respondent") had violated 2 U.S.C. § 441a(a)(1)(C) by contributing over \$5,000 to the Concerned Citizens PAC ("CCPAC") via his guarantee of a \$23,000 loan to the CCPAC.

NOW, THEREFORE, the Commission and Respondent, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(5), do hereby agree as follows:

1. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding.
2. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter and has presented the Commission with a written reply which asserts that no action should be taken.
3. Respondent enters voluntarily into this Agreement with the Commission.
4. The pertinent facts in this matter are as follows:
 - (a) Respondent is the Chairman of Metropolitan Contract Services, Inc.

- (b) For value received, CCPAC, through its officers, on June 23, 1978, executed a \$23,000 commercial promissory note payable in one hundred and eighty days to the Allied Bank of Texas, Houston, Texas.
- (c) The \$23,000 note was secured by the guarantees of Respondent and David Personette. The guarantee was not invoked and the loan was renewed without any guarantees.
- (d) Respondent was also named, on a bank receipt for payment, as the guarantor of a \$9,000 note executed by CCPAC on May 9, 1977. The guarantee was not invoked and the loan was renewed by the loan under (c) above which was renewed without any guarantees.
- (e) 11 C.F.R. § 100.4(a) states that any loan, including a guarantee, is a contribution to the extent that the obligation remains outstanding.
- (f) The CCPAC has reported the transactions in (c) and (d) above on appropriate FEC forms.
- (g) Respondent is limited to a \$5,000 contribution to CCPAC by 2 U.S.C. § 441a(a)(1)(C).
- (h) Respondent's guarantee of CCPAC's commercial promissory notes exceeded his contribution limitation in violation of 2 U.S.C. § 441a(a)(1)(C).

5. Respondent will pay a civil penalty in the amount of one hundred and fifty dollars (\$150), pursuant to 2 U.S.C. § 437g(a)(6)(B).

70010170840

6. Respondent at all times will comply with the requirements of the Federal Election Campaign Act of 1971, as amended.

7. Respondent agrees that he will voluntarily testify before any Commission proceeding in which the matters at issue herein are relevant.

8. This Agreement is entered into in accordance with 2 U.S.C. § 437g(a)(5)(A), and it shall constitute a complete bar to any further action by the Commission with regard to the matters set forth in this Agreement.

9. This Agreement shall become effective as of the date that both parties have executed same and the Commission has approved the entire Agreement.

FEDERAL ELECTION COMMISSION

Date: _____

William C. Oldaker
General Counsel

Date: 11-6-79

Kenneth R. Cunningham

Date: 23 Nov. 1979

Charles N. Steele
Acting General Counsel

70010170841

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of
David Personette

)
)
)

MUR 907

CONCILIATION AGREEMENT

This matter having been initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities, and after the Commission found reasonable cause to believe that David Personette ("Respondent") had violated 2 U.S.C. § 441a(a)(1)(C) by contributing \$11,500 to the Concerned Citizens PAC ("CCPAC") via his guarantee of a \$23,000 loan to the CCPAC.

NOW, THEREFORE, the Commission and Respondent, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(5), do hereby agree as follows:

1. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding.
2. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter and has presented the Commission with a written reply which asserts that no action should be taken.
3. Respondent enters voluntarily into this Agreement with the Commission.

70010170842

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

- (a) Respondent is the Treasurer of CCPAC and is Executive Vice-President of Metropolitan Contract Services, Inc.
- (b) For value received, CCPAC through its officers executed, on June 23, 1978, a \$23,000 commercial promissory note payable in one hundred and eighty days to the Allied Bank of Texas, Houston, Texas.
- (c) The \$23,000 note was secured by the guarantees of Respondent and Kenneth R. Cunningham. The guarantee was not invoked and the loan was renewed without any guarantees.
- (d) 11 C.F.R. § 100.4(a) states that any loan, including a guarantee, is a contribution to the extent that the obligation remains outstanding.
- (e) The CCPAC has reported the transaction in (c) above on appropriate FEC forms.
- (f) Respondent is limited to a \$5,000 contribution to CCPAC by 2 U.S.C. § 441a(a)(1)(C).
- (g) Respondent's guarantee of one half of the \$23,000 note exceeded his contribution limitation to CCPAC in violation of 2 U.S.C. § 441a(a)(1)(C).

5. Respondent will pay a civil penalty in the amount of one hundred and fifty dollars (\$150), pursuant to 2 U.S.C. § 437g(a)(6)(B).

70010170843

6. Respondent at all times will comply with the requirements of the Federal Election Campaign Act of 1971, as amended.

7. Respondent agrees that he will voluntarily testify before any Commission proceeding in which the matters at issue herein are relevant.

8. This Agreement is entered into in accordance with 2 U.S.C. § 437g(a)(5)(A), and it shall constitute a complete bar to any further action by the Commission with regard to the matters set forth in this Agreement.

9. This Agreement shall become effective as of the date that both parties have executed same and the Commission has approved the entire Agreement.

FEDERAL ELECTION COMMISSION

Date: _____

William C. Oldaker
General Counsel

Date: 11/6/79

David Personette

Date: 23 Nov. 1979

Charles O. Steinf
Acting General Counsel

70010170844

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

Concerned Citizens PAC)

Kenneth R. Cunningham)

David Personette)

MUR 907

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on November 21, 1979, the Commission gave final approval by a vote of 6-0 to the conciliation agreements signed by the above-named respondents (Attachments to the Acting General Counsel's Memorandum dated November 16, 1979) thereby closing the file on this matter.

Voting for this determination were Commissioners Aikens, Friedersdorf, Harris, McGarry, Reiche, and Tiernan.

Attest:

11/21/79

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

Received in Office of the Commission Secretary: 11-16-79, 4:05
Circulated on 48 hour vote basis: 11-19-79, 11:00

70010170845

November 16, 1999

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 907

Please have the attached Memo distributed to the
Commission on a 48 hour tally basis.

Thank you.

70040170846



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RECEIVED
FEDERAL ELECTION COMMISSION
CLERK OF THE COMMISSION

19 NOV 16 P 4: 05

November 16, 1979

MEMORANDUM TO: The Commission

FROM: Charles N. Steele
Acting General Counsel *CS*

SUBJECT: Conciliation Agreements - MUR 907

Attached for approval by the Commission are conciliation agreements signed by the three respondents in MUR 907. The Commission has now received the full civil penalty from each respondent. These agreements were approved by the Commission on October 18, 1979.

Upon approval of these agreements by the Commission, MUR 907 will be closed.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of
Concerned Citizens PAC

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MUR 907

CONCILIATION AGREEMENT

This matter having been initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities, and after the Commission found reasonable cause to believe that the Concerned Citizens PAC ("Respondent") had violated 2 U.S.C. § 441a(f) by knowingly accepting a contribution in excess of the contribution limitations of 2 U.S.C. 441a.

NOW, THEREFORE, the Commission and respondent, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(5), do hereby agree as follows:

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

2. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter, and has presented the Commission with a written reply which asserts that no action should be taken.

3. Respondent enters voluntarily into this Agreement with the Commission.

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

(a) Respondent is a political action committee which was established in September, 1975. Respondent is

70000170343

the separate segregated fund for Metropolitan Contract Services, Inc.

- (b) For value received, Respondent, through its officers, on June 23, 1978, executed a \$23,000 commercial promissory note payable in one hundred and eighty days to the Allied Bank of Texas, Houston, Texas.
- (c) The \$23,000 note was secured during the period June 23, 1978, through December 20, 1978, by the guarantees of Kenneth Cunningham and David Personette. The guarantee was not invoked and the loan was later renewed without any guarantees.
- (d) CCPAC received a \$9,000 commercial promissory note from the Allied Bank of Texas on May 9, 1977. The bank receipt for payment of that note lists Kenneth Cunningham as guarantor. The guarantee was not invoked and the loan was renewed by the loan under (c) above which was renewed without a guarantee.
- (e) CCPAC reported the transactions, described in (c) and (d) above, on appropriate FEC forms.
- (f) 11 C.F.R. § 100.4(a) states that any loan, including a guarantee, is a contribution to the extent that the obligation remains outstanding.
- (g) Kenneth Cunningham and David Personette are limited to a \$5,000 contribution to the Respondent by 2 U.S.C. § 441a(a)(1)(C).

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- (h) The guarantee of the notes by Kenneth Cunningham and David Personette exceeded their contribution limitation of \$5,000 each.
- (i) Respondent knowingly accepted contributions in excess of the contribution limitaiton set by 2 U.S.C. § 441a in violation of 2 U.S.C. § 441a(f). In this context the term "knowingly accepted" only implies that Respondent was aware of the facts of the situation and not that Respondent was aware that a violation of the Act had occurred.

5. Respondent will pay a civil penalty in the amount of three hundred dollars (\$300), pursuant to 2 U.S.C. § 437g(a)(6)(B).

6. Respondent at all times will comply with the requirements of the Federal Election Campaign Act of 1971, as amended.

7. Respondent agrees that he will voluntarily testify before any Commission proceeding in which the matters at issue herein are relevant.

8. This Agreement is entered into in accordance with 2 U.S.C. § 437g(a)(5)(A), and it shall constitute a complete bar to any further action by the Commission with regard to the matters set forth in this Agreement.

70010170850

9. This Agreement shall become effective as of the date that both parties have executed same and the Commission has approved the entire Agreement.

FEDERAL ELECTION COMMISSION

Date: _____

William C. Oldaker
General Counsel

CONCERNED CITIZENS PAC

Date: 11-6-79

By: *W. H. Namer*

Its: TREASURER

70040170851

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of
Kenneth R. Cunningham

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MUR 907

CONCILIATION AGREEMENT

7 0 0 1 0 1 7 0 8 5 2
This matter having been initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities, and after the Commission found reasonable cause to believe that Kenneth Cunningham ("Respondent") had violated 2 U.S.C. § 441a(a)(1)(C) by contributing over \$5,000 to the Concerned Citizens PAC ("CCPAC") via his guarantee of a \$23,000 loan to the CCPAC.

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2. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter and has presented the Commission with a written reply which asserts that no action should be taken.

3. Respondent enters voluntarily into this Agreement with the Commission.

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

(a) Respondent is the Chairman of Metropolitan Contract Services, Inc.

- 77700853
- (b) For value received, CCPAC, through its officers, on June 23, 1978, executed a \$23,000 commercial promissory note payable in one hundred and eighty days to the Allied Bank of Texas, Houston, Texas.
 - (c) The \$23,000 note was secured by the guarantees of Respondent and David Personette. The guarantee was not invoked and the loan was renewed without any guarantees.
 - (d) Respondent was also named, on a bank receipt for payment, as the guarantor of a \$9,000 note executed by CCPAC on May 9, 1977. The guarantee was not invoked and the loan was renewed by the loan under (c) above which was renewed without any guarantees.
 - (e) 11 C.F.R. § 100.4(a) states that any loan, including a guarantee, is a contribution to the extent that the obligation remains outstanding.
 - (f) The CCPAC has reported the transactions in (c) and (d) above on appropriate FEC forms.
 - (g) Respondent is limited to a \$5,000 contribution to CCPAC by 2 U.S.C. § 441a(a)(1)(C).
 - (h) Respondent's guarantee of CCPAC's commercial promissory notes exceeded his contribution limitation in violation of 2 U.S.C. § 441a(a)(1)(C).

5. Respondent will pay a civil penalty in the amount of one hundred and fifty dollars (\$150), pursuant to 2 U.S.C. § 437g(a)(6)(B).

6. Respondent at all times will comply with the requirements of the Federal Election Campaign Act of 1971, as amended.

7. Respondent agrees that he will voluntarily testify before any Commission proceeding in which the matters at issue herein are relevant.

8. This Agreement is entered into in accordance with 2 U.S.C. § 437g(a)(5)(A), and it shall constitute a complete bar to any further action by the Commission with regard to the matters set forth in this Agreement.

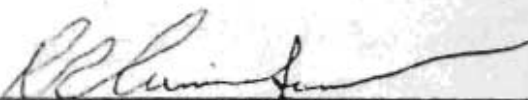
9. This Agreement shall become effective as of the date that both parties have executed same and the Commission has approved the entire Agreement.

FEDERAL ELECTION COMMISSION

Date: _____

William C. Oldaker
General Counsel

Date: 11-6-79



Kenneth R. Cunningham

79010170834

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of
David Personette

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)
)

MUR 907

CONCILIATION AGREEMENT

This matter having been initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities, and after the Commission found reasonable cause to believe that David Personette ("Respondent") had violated 2 U.S.C. § 441a(a)(1)(C) by contributing \$11,500 to the Concerned Citizens PAC ("CCPAC") via his guarantee of a \$23,000 loan to the CCPAC.

NOW, THEREFORE, the Commission and Respondent, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(5), do hereby agree as follows:

1. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding.
2. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter and has presented the Commission with a written reply which asserts that no action should be taken.
3. Respondent enters voluntarily into this Agreement with the Commission.

70000170855

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

- (a) Respondent is the Treasurer of CCPAC and is Executive Vice-President of Metropolitan Contract Services, Inc.
- (b) For value received, CCPAC through its officers executed, on June 23, 1978, a \$23,000 commercial promissory note payable in one hundred and eighty days to the Allied Bank of Texas, Houston, Texas.
- (c) The \$23,000 note was secured by the guarantees of Respondent and Kenneth R. Cunningham. The guarantee was not invoked and the loan was renewed without any guarantees.
- (d) 11 C.F.R. § 100.4(a) states that any loan, including a guarantee, is a contribution to the extent that the obligation remains outstanding.
- (e) The CCPAC has reported the transaction in (c) above on appropriate FEC forms.
- (f) Respondent is limited to a \$5,000 contribution to CCPAC by 2 U.S.C. § 441a(a)(1)(C).
- (g) Respondent's guarantee of one half of the \$23,000 note exceeded his contribution limitation to CCPAC in violation of 2 U.S.C. § 441a(a)(1)(C).

5. Respondent will pay a civil penalty in the amount of one hundred and fifty dollars (\$150), pursuant to 2 U.S.C. § 437g(a)(6)(B).

70010170856

6. Respondent at all times will comply with the requirements of the Federal Election Campaign Act of 1971, as amended.

7. Respondent agrees that he will voluntarily testify before any Commission proceeding in which the matters at issue herein are relevant.

8. This Agreement is entered into in accordance with 2 U.S.C. § 437g(a)(5)(A), and it shall constitute a complete bar to any further action by the Commission with regard to the matters set forth in this Agreement.

9. This Agreement shall become effective as of the date that both parties have executed same and the Commission has approved the entire Agreement.

FEDERAL ELECTION COMMISSION

Date: _____

William C. Oldaker
General Counsel

Date: 11/6/79

David Personette

79010170857

EXC# 11584

RECEIVED
FEDERAL ELECTION
COMMISSION
CONCERNED CITIZENS POLITICAL ACTION COMMITTEE

9225 Katy Freeway, Suite 110
Houston, Texas 77024
(713) 461-9585

79 NOV 9 AM 11:58

11-6-79

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

004913

Dear Ms. Donaldson:

In reference to MUR 907, enclosed are the three signed conciliation agreements reflecting the change in the amount of the fine

Sincerely,

W. H. Hairell
W. H. Hairell, Treasurer

79 NOV 9 11:21 AM

RECEIVED
OFFICE OF THE
GENERAL COUNSEL

70857

CONCERNED CITIZENS POLITICAL ACTION COMMITTEE

9225 KATY FREEWAY, SUITE 110
HOUSTON, TEXAS 77024

161

25-108
1130

November 6, 1979

PAY TO THE ORDER OF The Federal Election Commission \$ 300.00

Three hundred and 00/100 DOLLARS

Allied Bank of Texas

P.O. Box 3326 Houston, Texas 77001

W. H. Hairel

⑆ 1130001061⑆ 005 965 91⑆

**CONCERNED CITIZENS
POLITICAL ACTION COMMITTEE**

9225 Katy Freeway, Suite 110
Houston, Texas 77024

FEDERAL ELECTION COMMISSION
ATTN. SUSAN DONALDSON
1325 K STREET N.W.
WASHINGTON, D.C. 20463



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

October 25, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Wilford H. Hairell, Treasurer
Concerned Citizens Political Action Committee
9225 Katy Freeway, Suite 110
Houston, Texas 77024

Re: MUR 907

Dear Mr. Hairell:

On October 18, 1979, the Commission reviewed the signed conciliation agreements from the three respondents in MUR 907. The Commission decided that the reduction of civil penalties to \$100 for each respondent was unacceptable; however, the Commission did agree to reduce the civil penalty for CCPAC to \$300, and to reduce the civil penalties for David Personette and Kenneth Cunningham to \$150 each.

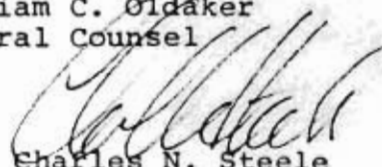
Attached for the respondents' signatures are conciliation agreements with the revised civil penalty requirements. We are presently holding the \$300 check previously received from CCPAC. If the respondents agree to the revised agreements, CCPAC may send the balance of the civil penalties to the Commission.

We would like to settle this matter through a conciliation agreement, and you will note that the Commission has included many of the respondents' changes in the conciliation agreements. If the respondents agree with the revised provisions of these agreements, please have them signed and returned to the Commission within ten days of your receipt of this letter.

Should you have any questions, please call Susan Donaldson at (202) 523-4529.

Sincerely,

William C. Oldaker
General Counsel

BY: 
Charles N. Steele
Associate General Counsel

Enclosures

70010170861

29806.0000

PS Form 3811, Apr. 1977

MIIR 907

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

1. The following service is requested for this mail:
☐ Show to whom and date delivered
☐ Show to whom, date, and address of delivery
☐ RESTRICTED DELIVERY
Show to whom and date delivered
☐ RESTRICTED DELIVERY
Show to whom, date, and address of delivery
(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Mr. Wilford H. Hairell, Tre

3. ARTICLE DESCRIPTION:
REGISTERED NO. CERTIFIED NO. INSURED NO.
943164

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent

DATE OF DELIVERY
10/29/79

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE

RECEIVED
FEDERAL BUREAU OF INVESTIGATION
OCT 29 1979
U.S. DEPARTMENT OF JUSTICE
WASHINGTON, D.C.

☆ GPO 1977-0-249-586

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of
Concerned Citizens PAC

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)
)

MUR 907

CONCILIATION AGREEMENT

This matter having been initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities, and after the Commission found reasonable cause to believe that the Concerned Citizens PAC ("Respondent") had violated 2 U.S.C. § 441a(f) by knowingly accepting a contribution in excess of the contribution limitations of 2 U.S.C. 441a.

NOW, THEREFORE, the Commission and respondent, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(5), do hereby agree as follows:

1. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding.
2. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter, and has presented the Commission with a written reply which asserts that no action should be taken.
3. Respondent enters voluntarily into this Agreement with the Commission.
4. The pertinent facts in this matter are as follows:
 - (a) Respondent is a political action committee which was established in September, 1975. Respondent is

79010170863

the separate segregated fund for Metropolitan Contract Services, Inc.

- (b) For value received, Respondent, through its officers, on June 23, 1978, executed a \$23,000 commercial promissory note payable in one hundred and eighty days to the Allied Bank of Texas, Houston, Texas.
- (c) The \$23,000 note was secured during the period June 23, 1978, through December 20, 1978, by the guarantees of Kenneth Cunningham and David Personette. The guarantee was not invoked and the loan was later renewed without any guarantees.
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- (e) CCPAC reported the transactions, described in (c) and (d) above, on appropriate FEC forms.
- (f) 11 C.F.R. § 100.4(a) states that any loan, including a guarantee, is a contribution to the extent that the obligation remains outstanding.
- (g) Kenneth Cunningham and David Personette are limited to a \$5,000 contribution to the Respondent by 2 U.S.C. § 441a(a)(1)(C).

72010170864

- (h) The guarantee of the notes by Kenneth Cunningham and David Personette exceeded their contribution limitation of \$5,000 each.
- (i) Respondent knowingly accepted contributions in excess of the contribution limitaiton set by 2 U.S.C. § 441a in violation of 2 U.S.C. § 441a(f). In this context the term "knowingly accepted" only implies that Respondent was aware of the facts of the situation and not that Respondent was aware that a violation of the Act had occurred.

5. Respondent will pay a civil penalty in the amount of three hundred dollars (\$300), pursuant to 2 U.S.C. § 437g(a)(6)(B).

6. Respondent at all times will comply with the requirements of the Federal Election Campaign Act of 1971, as amended.

7. Respondent agrees that he will voluntarily testify before any Commission proceeding in which the matters at issue herein are relevant.

8. This Agreement is entered into in accordance with 2 U.S.C. § 437g(a)(5)(A), and it shall constitute a complete bar to any further action by the Commission with regard to the matters set forth in this Agreement.

9. This Agreement shall become effective as of the date that both parties have executed same and the Commission has approved the entire Agreement.

FEDERAL ELECTION COMMISSION

Date: _____

William C. Oldaker
General Counsel

CONCERNED CITIZENS PAC

Date: _____

By: _____

Its: _____

70010170865

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of
David Personette

)
)
)

MUR 907

CONCILIATION AGREEMENT

70010170857
This matter having been initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities, and after the Commission found reasonable cause to believe that David Personette ("Respondent") had violated 2 U.S.C. § 441a(a)(1)(C) by contributing \$11,500 to the Concerned Citizens PAC ("CCPAC") via his guarantee of a \$23,000 loan to the CCPAC.

NOW, THEREFORE, the Commission and Respondent, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(5), do hereby agree as follows:

1. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding.
2. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter and has presented the Commission with a written reply which asserts that no action should be taken.
3. Respondent enters voluntarily into this Agreement with the Commission.

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

- (a) Respondent is the Treasurer of CCPAC and is Executive Vice-President of Metropolitan Contract Services, Inc.
- (b) For value received, CCPAC through its officers executed, on June 23, 1978, a \$23,000 commercial promissory note payable in one hundred and eighty days to the Allied Bank of Texas, Houston, Texas.
- (c) The \$23,000 note was secured by the guarantees of Respondent and Kenneth R. Cunningham. The guarantee was not invoked and the loan was renewed without any guarantees.
- (d) 11 C.F.R. § 100.4(a) states that any loan, including a guarantee, is a contribution to the extent that the obligation remains outstanding.
- (e) The CCPAC has reported the transaction in (c) above on appropriate FEC forms.
- (f) Respondent is limited to a \$5,000 contribution to CCPAC by 2 U.S.C. § 441a(a)(1)(C).
- (g) Respondent's guarantee of one half of the \$23,000 note exceeded his contribution limitation to CCPAC in violation of 2 U.S.C. § 441a(a)(1)(C).

5. Respondent will pay a civil penalty in the amount of one hundred and fifty dollars (\$150), pursuant to 2 U.S.C. § 437g(a)(6)(B).

70010170959

7. Respondent agrees that he will voluntarily testify before any Commission proceeding in which the matters at issue herein are relevant.

9. This Agreement shall become effective as of the date that both parties have executed same and the Commission has approved the entire Agreement.

Date: _____

Date: _____

David Personette

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of
Kenneth R. Cunningham

)
)
)

MUR 907

CONCILIATION AGREEMENT

79010170870

This matter having been initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities, and after the Commission found reasonable cause to believe that Kenneth Cunningham ("Respondent") had violated 2 U.S.C. § 441a(a)(1)(C) by contributing over \$5,000 to the Concerned Citizens PAC ("CCPAC") via his guarantee of a \$23,000 loan to the CCPAC.

NOW, THEREFORE, the Commission and Respondent, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(5), do hereby agree as follows:

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3. Respondent enters voluntarily into this Agreement with the Commission.
4. The pertinent facts in this matter are as follows:
 - (a) Respondent is the Chairman of Metropolitan Contract Services, Inc.

- (b) For value received, CCPAC, through its officers, on June 23, 1978, executed a \$23,000 commercial promissory note payable in one hundred and eighty days to the Allied Bank of Texas, Houston, Texas.
- (c) The \$23,000 note was secured by the guarantees of Respondent and David Personette. The guarantee was not invoked and the loan was renewed without any guarantees.
- (d) Respondent was also named, on a bank receipt for payment, as the guarantor of a \$9,000 note executed by CCPAC on May 9, 1977. The guarantee was not invoked and the loan was renewed by the loan under (c) above which was renewed without any guarantees.
- (e) 11 C.F.R. § 100.4(a) states that any loan, including a guarantee, is a contribution to the extent that the obligation remains outstanding.
- (f) The CCPAC has reported the transactions in (c) and (d) above on appropriate FEC forms.
- (g) Respondent is limited to a \$5,000 contribution to CCPAC by 2 U.S.C. § 441a(a)(1)(C).
- (h) Respondent's guarantee of CCPAC's commercial promissory notes exceeded his contribution limitation in violation of 2 U.S.C. § 441a(a)(1)(C).

5. Respondent will pay a civil penalty in the amount of one hundred and fifty dollars (\$150), pursuant to 2 U.S.C. § 437g(a)(6)(B).

70971

6. Respondent at all times will comply with the requirements of the Federal Election Campaign Act of 1971, as amended.

7. Respondent agrees that he will voluntarily testify before any Commission proceeding in which the matters at issue herein are relevant.

8. This Agreement is entered into in accordance with 2 U.S.C. § 437g(a)(5)(A), and it shall constitute a complete bar to any further action by the Commission with regard to the matters set forth in this Agreement.

9. This Agreement shall become effective as of the date that both parties have executed same and the Commission has approved the entire Agreement.

FEDERAL ELECTION COMMISSION

Date: _____

William C. Oldaker
General Counsel

Date: _____

Kenneth R. Cunningham

70010170372



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

*Awaiting letter
10-17*

MEMORANDUM TO: CHARLES STEELE *mwe*
FROM: MARJORIE W. EMMONS/MARGARET CHANEY *mc*
DATE: OCTOBER 19, 1979
SUBJECT: WITHDRAWAL OF OBJECTION TO MUR 907, Memorandum
to the Commission dated 10-15-79 with
Conciliation Agreements

Your office was notified at 11:20, October 18, 1979
that Commissioner Aikens had submitted an objection to MUR 907.

At 4:21, October 18, 1979, Commissioner Aikens
withdrew her objection and cast an affirmative vote on MUR 907.

The certification of approval is attached.

ATTACHMENT:
Certification

70010170973

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
David Personette)
Kenneth R. Cunningham)
Concerned Citizens PAC)

MUR 907

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on October 18, 1979, the Commission decided by a vote of 6-0 to request a \$300 civil penalty from the CCPAC and a \$150 civil penalty from both David Personette and Kenneth Cunningham.

Voting for this determination were Commissioners Aikens, Friedersdorf, Harris, McGarry, Reiche, and Tiernan.

Attest:

10/19/79

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

Memorandum from the General Counsel dated: 10-15-79
Received in Office of the Commission Secretary: 10-15-79, 12:18
Circulated on 48 hour vote basis: 10-15-79, 4:00

70010170874



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE *mwe*
FROM: MARJORIE W. EMMONS/MARGARET CHANEY *mc*
DATE: OCTOBER 18, 1979
SUBJECT: MUR 907 - Memorandum to the Commission dated
October 15, 1979; Received in OCS 10-15-79,
12:18

The above-named document was circulated on a 48 hour
vote basis at 4:00, October 15, 1979.

Commissioner Aikens submitted an objection at close
of business on October 17, 1979, thereby placing MUR 907
on the Executive Session Agenda for October 23, 1979.

A copy of Commissioner Aikens' vote sheet is attached
with comments.

ATTACHMENT:
Copy of Vote Sheet

70000170973



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463Date and Time Transmitted: 4:00 PM

had
 In MAR 541 OGC recommended
 accept 20% of proposed fees
 In then have respondents offer
 30% of OGC recommended fee
 out for 50%. The only diff
 for 15% to be taken off
 4:00 PM

Commissioner FRIEDERSDORF, AIKENS, TIERNAN, MCGARRY, REICHE, HARRISRETURN TO OFFICE OF COMMISSION SECRETARY BY: 10-17-79

4:00

MUR No. 907 Memo From OGC with Conciliation Agreements dated 10-15-79☒ I approve the recommendation☒ I object to the recommendationCOMMENTS: Statement of facts in error?Date: 10-17Signature: J. Aikens

THE OFFICE OF GENERAL COUNSEL WILL TAKE NO ACTION IN THIS MATTER
 UNTIL THE APPROVAL OF FOUR COMMISSIONERS IS RECEIVED. PLEASE
 RETURN ALL PAPERS NO LATER THAN THE DATE AND TIME SHOWN ABOVE TO
 THE OFFICE OF COMMISSION SECRETARY. ONE OBJECTION PLACES THE ITEM
 ON THE EXECUTIVE SESSION AGENDA.

44c
43c

October 15, 1979

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 907

Please have the attached Memo distributed to the
Commission on a 48 hour tally basis.

Thank you.

70010170877



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

OCT 15 12:18

October 15, 1979

MEMORANDUM TO: The Commission

FROM: William C. Oldaker
General Counsel

SUBJECT: Conciliation Agreements - MUR 907

On August 14, 1979, the Commission approved conciliation agreements for the Concerned Citizens PAC ("CCPAC"), David Personette and Kenneth R. Cunningham. The Commission assessed a civil penalty of \$500 to CCPAC in settlement of a violation of 2 U.S.C. § 441a(f); and civil penalties of \$250 to Personette and Cunningham in settlement of violations of 2 U.S.C. § 441a (a) (1) (C).

On October 9, 1979, this Office received signed agreements from the three Respondents; however, the Respondents have requested civil penalties of \$100 each. W. H. Hairell, Treasurer of CCPAC, has stated that the CCPAC receives contributions of \$780 each month which covers the monthly principal and interest on a loan. Hairell states that a large penalty would endanger the CCPAC's ability to pay the loan. According to Hairell, CCPAC intends to pay all three civil penalties.

Based on CCPAC's minimal activity, and their reporting of the loans which constituted violations of the Act, it appears that some reduction of the penalties is acceptable.

RECOMMENDATION:

This Office recommends that the Commission request a \$300 civil penalty from the CCPAC, and a \$150 civil penalty from both David Personette and Kenneth Cunningham.

Attachments

1. Letter from Hairell
2. Signed conciliation agreements



metropolitan
contract
services, inc.

Donation

ACC-W

11195

RECEIVED
FEDERAL ELECTION
COMMISSION

'79 SEP 24 AM 11:15

September 17, 1979

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

C-4254

Re: MUR 907

Dear Mr. Oldaker:

We have been informed that it has been the Commission's policy to pay civil penalties which are assessed to individuals. However, we still are of the opinion that the \$500 penalties are excessive in view of the nature of the alleged violation.

As related to you in our previous correspondence, the CCPAC has acted in good faith and has fully reported all transactions on the appropriate FEC forms. The CCPAC over the past two years has dwindled down to the point where it now only has sixteen contributors who contribute about \$780 each month, which is just enough to cover the monthly principal and interest payment. A \$1500 fine would seriously endanger the CCPAC's ability to repay the lender on a current basis and might result in the lender calling the loan. We respectfully request that the fines be reduced to \$100 each (a total of \$300) and if the fines are so reduced the CCPAC will pay them immediately and sign the conciliation agreements.

Sincerely,

Wilford H. Hairell
Executive Vice President

WHH:dkh

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RECEIVED
ELECTION
COMMISSION
CONCERNED CITIZENS POLITICAL ACTION COMMITTEE

9225 Katy Freeway, Suite 110
Houston, Texas 77024
(713) 461-9585

'79 OCT 9 AM 9:26

Donaldson

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

Dear Ms. Donaldson:

In reference to MUR 907, enclosed are the three signed conciliation agreements reflecting the change in the amount of the fine to \$100 each for a total of \$300.

Sincerely ,

W. H. Hairell
W. H. Hairell, Treasurer

79 OCT 9 PM 12:21

RECEIVED
OFFICE OF THE
GENERAL COUNSEL

79 OCT 9 PM 12:21

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of
David Personette

)
)
)

MUR 907

CONCILIATION AGREEMENT

70010170891
This matter having been initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities, and after the Commission found reasonable cause to believe that David Personette ("Respondent") had violated 2 U.S.C. § 441a(a)(1)(C) by contributing \$11,500 to the Concerned Citizens PAC ("CCPAC") via his guarantee of a \$23,000 loan to the CCPAC.

NOW, THEREFORE, the Commission and Respondent, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(5), do hereby agree as follows:

1. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding.
2. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter and has presented the Commission with a written reply which asserts that no action should be taken.
3. Respondent enters voluntarily into this Agreement with the Commission.

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

- (a) Respondent is the Treasurer of CCPAC and is Executive Vice-President of Metropolitan Contract Services, Inc.
- (b) For value received, CCPAC through its officers executed, on June 23, 1978, a \$23,000 commercial promissory note payable in one hundred and eighty days to the Allied Bank of Texas, Houston, Texas.
- (c) The \$23,000 note was secured by the guarantees of Respondent and Kenneth R. Cunningham. The guarantee was not invoked and the loan was renewed without any guarantees.
- (d) 11 C.F.R. § 100.4(a) states that any loan, including a guarantee, is a contribution to the extent that the obligation remains outstanding.
- (e) The CCPAC has reported the transaction in (c) above on appropriate FEC forms.
- (f) Respondent is limited to a \$5,000 contribution to CCPAC by 2 U.S.C. § 441a(a)(1)(C).
- (g) Respondent's guarantee of one half of the \$23,000 note exceeded his contribution limitation by \$6,500.
- (h) Respondent exceeded his contribution limitation to CCPAC in violation of 2 U.S.C. § 441a(a)(1)(C).

5. Respondent will pay a civil penalty in the amount of ~~two~~^{ONE} hundred and ~~fifty~~^{no} dollars (~~\$250~~¹⁰⁰), pursuant to 2 U.S.C. § 437g(a)(6)(B).

79040170882

6. Respondent at all times will comply with the requirements of the Federal Election Campaign Act of 1971, as amended.

7. Respondent agrees that he will voluntarily testify before any Commission proceeding in which the matters at issue herein are relevant.

8. This Agreement is entered into in accordance with 2 U.S.C. § 437g(a)(5)(A), and it shall constitute a complete bar to any further action by the Commission with regard to the matters set forth in this Agreement.

9. This Agreement shall become effective as of the date that both parties have executed same and the Commission has approved the entire Agreement.

Date: _____

William C. Oldaker
General Counsel

Date: 10/5/79



David Personette

79010170893

In the Matter of)
) MUR 907
Concerned Citizens PAC)

This matter having been initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities, and after the Commission found reasonable cause to believe that the Concerned Citizens PAC ("Respondent") had violated 2 U.S.C. § 441a(f) by knowingly accepting a contribution in excess of the contribution limitations of 2 U.S.C. 441a.

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

3. Respondent enters voluntarily into this Agreement with the Commission.

(a) Respondent is a political action committee which was established in September, 1975. Respondent is

the separate segregated fund for Metropolitan Contract Services, Inc.

- (b) For value received, Respondent, through its officers, on June 23, 1978, executed a \$23,000 commercial promissory note payable in one hundred and eighty days to the Allied Bank of Texas, Houston, Texas.
- (c) The \$23,000 note was secured during the period June 23, 1978, through December 20, 1978, by the guarantees of Kenneth Cunningham and David Personette. The guarantee was not invoked and the loan was later renewed without any guarantees.
- (d) CCPAC received a \$9,000 commercial promissory note from the Allied Bank of Texas on May 9, 1977. The bank receipt for payment of that note lists Kenneth Cunningham as guarantor. The guarantee was not invoked and the loan was renewed by the loan under (c) above which was renewed without a guarantee.
- (e) CCPAC reported the transactions, described in (c) and (d) above, on appropriate FEC forms.
- (f) 11 C.F.R. § 100.4(a) states that any loan, including a guarantee, is a contribution to the extent that the obligation remains outstanding.
- (g) Kenneth Cunningham and David Personette are limited to a \$5,000 contribution to the Respondent by 2 U.S.C. § 441a(a)(1)(C).

70010170895

- (h) The guarantee of the notes by Kenneth Cunningham and David Personette exceeded their contribution limitation of \$5,000 each.
- (i) Respondent knowingly accepted contributions in excess of the contribution limitation set by 2 U.S.C. § 441a in violation of 2 U.S.C. § 441a(f). In this context the term "knowingly accepted" only implies that Respondent was aware of the facts of the situation and not that Respondent was aware that a violation of the Act had occurred.

5. Respondent will pay a civil penalty in the amount of ~~five~~^{ONE} hundred dollars (~~\$500~~¹⁰⁰), pursuant to 2 U.S.C. § 437g(a)(6)(B).

6. Respondent at all times will comply with the requirements of the Federal Election Campaign Act of 1971, as amended.

7. Respondent agrees that he will voluntarily testify before any Commission proceeding in which the matters at issue herein are relevant.

8. This Agreement is entered into in accordance with 2 U.S.C. § 437g(a)(5)(A), and it shall constitute a complete bar to any further action by the Commission with regard to the matters set forth in this Agreement.

7 7 0 1 0 1 7 0 8 8 5

9. This Agreement shall become effective as of the date that both parties have executed same and the Commission has approved the entire Agreement.

FEDERAL ELECTION COMMISSION

Date: _____

William C. Oldaker
General Counsel

CONCERNED CITIZENS PAC

Date: 10/5/79

By: _____

W. H. Harell

Its: _____

TREASURER

70040170987

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of
Kenneth R. Cunningham

)
)
)

MUR 907

CONCILIATION AGREEMENT

This matter having been initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities, and after the Commission found reasonable cause to believe that Kenneth Cunningham ("Respondent") had violated 2 U.S.C. § 441a(a)(1)(C) by contributing over \$5,000 to the Concerned Citizens PAC ("CCPAC") via his guarantee of a \$23,000 loan to the CCPAC.

NOW, THEREFORE, the Commission and Respondent, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(5), do hereby agree as follows:

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

2. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter and has presented the Commission with a written reply which asserts that no action should be taken.

3. Respondent enters voluntarily into this Agreement with the Commission.

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

(a) Respondent is the Chairman of Metropolitan Contract Services, Inc.

70010170883

- (b) For value received, CCPAC, through its officers, on June 23, 1978, executed a \$23,000 commercial promissory note payable in one hundred and eighty days to the Allied Bank of Texas, Houston, Texas.
- (c) The \$23,000 note was secured by the guarantees of Respondent and David Personette. The guarantee was not invoked and the loan was renewed without any guarantees.
- (d) Respondent was also named, on a bank receipt for payment, as the guarantor of a \$9,000 note executed by CCPAC on May 9, 1977. The guarantee was not invoked and the loan was renewed by the loan under (c) above which was renewed without any guarantees.
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- (h) Respondent's guarantee of CCPAC's commercial promissory notes exceeded his contribution limitations in violation of 2 U.S.C. § 441a(a)(1)(C).

5. Respondent will pay a civil penalty in the amount of ~~two~~^{ONE} hundred and ~~fifty~~^{NO} dollars (~~\$250~~¹⁰⁰), pursuant to 2 U.S.C. § 437g(a)(6)(B).

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FEDERAL ELECTION COMMISSION

Date: _____

William C. Oldaker
General Counsel

Date: 10/5/79



Kenneth R. Cunningham

70040170890

CONCERNED CITIZENS POLITICAL ACTION COMMITTEE

9225 Katy Freeway, Suite 110
Houston, Texas 77024
(713) 461-9585

RECEIVED
SECTION
COMMISSION

6CC#
904432
11301

199 OCT 9 AM 9:26

Donaldson

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

Dear Ms. Donaldson:

In reference to MUR 907, enclosed are the three signed conciliation agreements reflecting the change in the amount of the fine to \$100 each for a total of \$300.

Sincerely ,

W. H. Hairell
W. H. Hairell, Treasurer

12:21 9 OCT 9

RECEIVED
OFFICE OF THE
GENERAL COUNSEL

1686210170891

In the Matter of
David Personette

MUR 907

CONCILIATION AGREEMENT

This matter having been initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities, and after the Commission found reasonable cause to believe that David Personette ("Respondent") had violated 2 U.S.C. § 441a(a)(1)(C) by contributing \$11,500 to the Concerned Citizens PAC ("CCPAC") via his guarantee of a \$23,000 loan to the CCPAC.

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- (g) Respondent's guarantee of one half of the \$23,000 note exceeded his contribution limitation by \$6,500.
- (h) Respondent exceeded his contribution limitation to CCPAC in violation of 2 U.S.C. § 441a(a)(1)(C).

5. Respondent will pay a civil penalty in the amount of ~~ONE~~
hundred and ~~fifty~~^{no} dollars (~~\$250~~¹⁰⁰), pursuant to 2 U.S.C. § 437g(a)(6)(B).

70010170893

6. Respondent at all times will comply with the requirements of the Federal Election Campaign Act of 1971, as amended.

7. Respondent agrees that he will voluntarily testify before any Commission proceeding in which the matters at issue herein are relevant.

8. This Agreement is entered into in accordance with 2 U.S.C. § 437g(a)(5)(A), and it shall constitute a complete bar to any further action by the Commission with regard to the matters set forth in this Agreement.

9. This Agreement shall become effective as of the date that both parties have executed same and the Commission has approved the entire Agreement.

Date: _____

William C. Oldaker
General Counsel

Date: 10/5/79



David Personette

70010170894

- (b) For value received, Respondent, through its officers, on June 23, 1978, executed a \$23,000 commercial promissory note payable in one hundred and eighty days to the Allied Bank of Texas, Houston, Texas.
- (c) The \$23,000 note was secured during the period June 23, 1978, through December 20, 1978, by the guarantees of Kenneth Cunningham and David Personette. The guarantee was not invoked and the loan was later renewed without any guarantees.
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- (g) Kenneth Cunningham and David Personette are limited to a \$5,000 contribution to the Respondent by 2 U.S.C. § 441a(a)(1)(C).

- (h) The guarantee of the notes by Kenneth Cunningham and David Personette exceeded their contribution limitation of \$5,000 each.
- (i) Respondent knowingly accepted contributions in excess of the contribution limitation set by 2 U.S.C. § 441a in violation of 2 U.S.C. § 441a(f). In this context the term "knowingly accepted" only implies that Respondent was aware of the facts of the situation and not that Respondent was aware that a violation of the Act had occurred.

5. Respondent will pay a civil penalty in the amount of ^{ONE} ~~five~~ hundred dollars (¹⁰⁰ ~~\$500~~), pursuant to 2 U.S.C. § 437g(a)(6)(B).

6. Respondent at all times will comply with the requirements of the Federal Election Campaign Act of 1971, as amended.

7. Respondent agrees that he will voluntarily testify before any Commission proceeding in which the matters at issue herein are relevant.

8. This Agreement is entered into in accordance with 2 U.S.C. § 437g(a)(5)(A), and it shall constitute a complete bar to any further action by the Commission with regard to the matters set forth in this Agreement.

70040170897

9. This Agreement shall become effective as of the date that both parties have executed same and the Commission has approved the entire Agreement.

FEDERAL ELECTION COMMISSION

Date: _____

William C. Oldaker
General Counsel

CONCERNED CITIZENS PAC

Date: 10/5/79

By: W. A. Harell

Its: TREASURER

70010170899

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of
Kenneth R. Cunningham

)
)
)

MUR 907

CONCILIATION AGREEMENT

70000170899
This matter having been initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities, and after the Commission found reasonable cause to believe that Kenneth Cunningham ("Respondent") had violated 2 U.S.C. § 441a(a)(1)(C) by contributing over \$5,000 to the Concerned Citizens PAC ("CCPAC") via his guarantee of a \$23,000 loan to the CCPAC.

NOW, THEREFORE, the Commission and Respondent, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(5), do hereby agree as follows:

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

2. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter and has presented the Commission with a written reply which asserts that no action should be taken.

3. Respondent enters voluntarily into this Agreement with the Commission.

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

- (a) Respondent is the Chairman of Metropolitan Contract Services, Inc.

- (b) For value received, CCPAC, through its officers, on June 23, 1978, executed a \$23,000 commercial promissory note payable in one hundred and eighty days to the Allied Bank of Texas, Houston, Texas.
- (c) The \$23,000 note was secured by the guarantees of Respondent and David Personette. The guarantee was not invoked and the loan was renewed without any guarantees.
- (d) Respondent was also named, on a bank receipt for payment, as the guarantor of a \$9,000 note executed by CCPAC on May 9, 1977. The guarantee was not invoked and the loan was renewed by the loan under (c) above which was renewed without any guarantees.
- (e) 11 C.F.R. § 100.4(a) states that any loan, including a guarantee, is a contribution to the extent that the obligation remains outstanding.
- (f) The CCPAC has reported the transactions in (c) and (d) above on appropriate FEC forms.
- (g) Respondent is limited to a \$5,000 contribution to CCPAC by 2 U.S.C. § 441a(a)(1)(C).
- (h) Respondent's guarantee of CCPAC's commercial promissory notes exceeded his contribution limitations in violation of 2 U.S.C. § 441a(a)(1)(C).

5. Respondent will pay a civil penalty in the amount of ^{ONE}~~two~~ hundred and ^{NO}~~fifty~~ ¹⁰⁰~~250~~ dollars (\$~~250~~), pursuant to 2 U.S.C. § 437g(a)(6)(B).

79010170900

6. Respondent at all times will comply with the requirements of the Federal Election Campaign Act of 1971, as amended.

7. Respondent agrees that he will voluntarily testify before any Commission proceeding in which the matters at issue herein are relevant.

8. This Agreement is entered into in accordance with 2 U.S.C. § 437g(a)(5)(A), and it shall constitute a complete bar to any further action by the Commission with regard to the matters set forth in this Agreement.

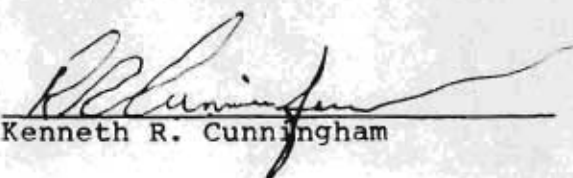
9. This Agreement shall become effective as of the date that both parties have executed same and the Commission has approved the entire Agreement.

FEDERAL ELECTION COMMISSION

Date: _____

William C. Oldaker
General Counsel

Date: 10/5/79



Kenneth R. Cunningham

79010170901

7 2 0 1 0 1 7 0 9 0 2

**CONCERNED CITIZENS
POLITICAL ACTION COMMITTEE**

9225 Katy Freeway, Suite 110
Houston, Texas 77024



'79 OCT 5 AM 9:26

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

80C 11083
904403

CONCERNED CITIZENS POLITICAL ACTION COMMITTEE

9225 Katy Freeway, Suite 110
Houston, Texas 77024
(713) 481-9585

October 1, 1979

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


Re: MUR 907

Dear Ms. Donaldson:

Please find enclosed check for \$300.00 to pay fines in connection with the above referenced matter as per our telephone conversation of September 28, 1979.

We hope that this payment will bring this matter to a close.

Sincerely,


Wilford H. Hairell
Treasurer

WHH:dkh

enclosure

70010170903

MUR 007 159

CONCERNED CITIZENS POLITICAL ACTION COMMITTEE

9225 KATY FREEWAY, SUITE 110
HOUSTON, TEXAS 77024

35-106
100

October 1 1977

PAY TO THE
ORDER OF

Federal Election Commission \$300

Three hundred and

00/100 DOLLARS

Allied Bank of Texas

P.O. Box 3326 Houston, Texas 77001

W. A. Haindl

⑆ 1: 1 30 0 1 0 6 1: 0 0 5 9 6 5 9 11 ⑈

7 2 0 4 0 1 7 0 9 0 3

**CONCERNED CITIZENS
POLITICAL ACTION COMMITTEE**

9225 Katy Freeway, Suite 110
Houston, Texas 77024

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

HOUSTON
OCT 11 1978
TEX

30



metropolitan
contract
services, inc.

RECEIVED
FEDERAL ELECTION
COMMISSION

'79 SEP 24 AM 11:15

September 17, 1979

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

8-4254

Re: MUR 907

Dear Mr. Oldaker:


We have been informed that it has been the Commission's policy to pay civil penalties which are assessed to individuals. However, we still are of the opinion that the \$500 penalties are excessive in view of the nature of the alleged violation.

As related to you in our previous correspondence, the CCPAC has acted in good faith and has fully reported all transactions on the appropriate FEC forms. The CCPAC over the past two years has dwindled down to the point where it now only has sixteen contributors who contribute about \$780 each month, which is just enough to cover the monthly principal and interest payment. A \$1500 fine would seriously endanger the CCPAC's ability to repay the lender on a current basis and might result in the lender calling the loan. We respectfully request that the fines be reduced to \$100 each (a total of \$300) and if the fines are so reduced the CCPAC will pay them immediately and sign the conciliation agreements.

Sincerely,

Wilford H. Hairell
Executive Vice President

WHH:dkh



metropolitan
contract
services, inc.

25 katy freeway suite 110 • houston, texas 77054

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE ✓
FROM: MARJORIE W. EMMONS/MARGARET CHANEY *me*
DATE: SEPTEMBER 18, 1979
SUBJECT: MUR 907 - Interim Conciliation Report
dated 9-14-79; Received in
OCS 9-17-79, 7:38

The above-named document was circulated to the Commission on a 24-hour no-objection basis at 11:00, September 17, 1979.

There were no objections to the Interim Conciliation Report at the time of the deadline.

70010170909

September 14, 1979

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 907

Please have the attached Intemim Concil Report on
MUR 907 distributed to the Commission.

Thankyou.

72040170909

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

BEFORE THE FEDERAL ELECTION COMMISSION

79 SEP 17 A7:30

In the Matter of
Metro Contract Services

)
)
)

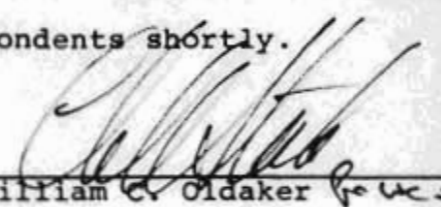
MUR 907

INTERIM CONCILIATION REPORT

On June 21, 1979, the Commission found reasonable cause to believe that the Concerned Citizens PAC ("CCPAC") violated 2 U.S.C. § 441a(f) for accepting excessive contributions from Kenneth R. Cunningham and David Personette; and reasonable cause to believe that Kenneth R. Cunningham and David Personette violated 2 U.S.C. § 441a(a)(1)(C) by guaranteeing a note for CCPAC in excess of their contribution limitations.

Counter conciliation agreements were received by the Respondents on August 20, 1979. On August 27, 1979, the Respondents requested a written response stating who was allowed to pay civil penalties. A letter was mailed from this Office on August 31, 1979. We expect to hear from the Respondents shortly.

14 Sept - 1979
Date



William C. Oldaker
General Counsel

79010170910



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

August 31, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

David Personette, Treasurer
Metropolitan Contract Services, Inc.
9225 Katy Freeway, Suite 110
Houston, Texas 77024

Re: MUR 907

Dear Mr. Personette:

At your request, this letter will confirm your conversation with Susan Donaldson of this office on August 29, 1979.

Regarding your question as to whether a fee may be paid to individuals who agree to guarantee a note for a political committee, that question would have to be considered by the Commission as an advisory opinion. You need to write the Commission and specifically request an advisory opinion and provide any pertinent information regarding the contemplated transaction.

In addition, this letter will confirm the fact that it has been the Commission's policy to allow a political committee to pay civil penalties which are assessed to individuals. If you have any further questions, please contact Ms. Donaldson at (202) 523-4529.

Sincerely,

A handwritten signature in dark ink, appearing to read "William C. Oldaker", is written over the typed name.

William C. Oldaker
General Counsel

70010170911

70010170912

PS Form 3811, Apr 1977 RETURN RECEIPT REGISTERED, INSURED AND CERTIFIED MAIL

ADJ 1114 15

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

1. The following service is requested (check one):
☐ Show to whom and date delivered.
☐ Show to whom, date, and address of delivery.
☒ RESTRICTED DELIVERY
 Show to whom and date delivered.
☐ RESTRICTED DELIVERY
 Show to whom, date, and address of delivery.
 (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
David Personette, Treasurer

3. ARTICLE DESCRIPTION:
 REGISTERED NO. CERTIFIED NO. INSURED NO.

(Always obtain signature of addressee or agent)

I have received the article described above.
 SIGNATURE ☐ Addressee ☒ Authorized agent

4. **Donna Hawkins**
 DATE OF DELIVERY
9/6/79

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE

RECEIVED SEP 6 1979 USPO
 CLERK'S INITIALS



metropolitan
contract
services, Inc.

GCC#
10940

902

RECEIVED
FEDERAL ELECTION
COMMISSION

'79 AUG 27 AM 9:50

August 21, 1979

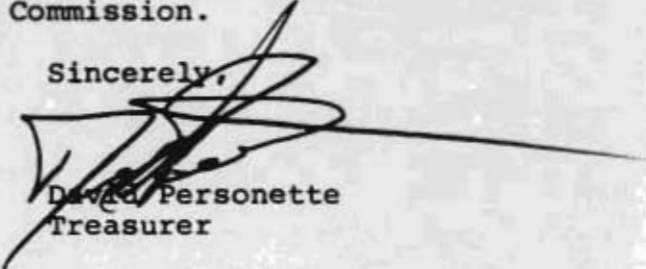
Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street N.W.
Washington, D. C. 20463

Dear Mr. Oldaker:

We received the revised conciliation agreements and still are of the opinion that the penalties are excessive in view of the nature of the alleged violation.

We have not yet finalized our position with respect to the revised agreements. We would like to inquire of the Commission as to whether or not a \$500 fee for services rendered (re: personal guaranties of the notes) could be paid out of the PAC to Mr. Cunningham and myself and not be in violation of any of the laws and regulations of the Commission.

Sincerely,


David Personette
Treasurer

DP:dkh

70040170913



metropolitan
contract
services, inc.

9225 katy freeway suite 110 • houston, texas 77024



79 AUG 27 AM 9:50



RECEIVED
FEDERAL ELECTION
COMMISSION

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463



FEDERAL ELECTION COMMISSION

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

August 16, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

David Personette, Treasurer
Concerned Citizens PAC
9225 Katy Freeway, Suite 110
Houston, Texas 77024

Re: MUR 907

Dear Mr. Personette:

This letter will confirm the Commission's receipt of your July 10, 1979, letter including the revised conciliation agreements for CCPAC, Kenneth Cunningham, and yourself. After reviewing the revised agreements, the Commission, on 1979, approved counter agreements which incorporate several of your changes.

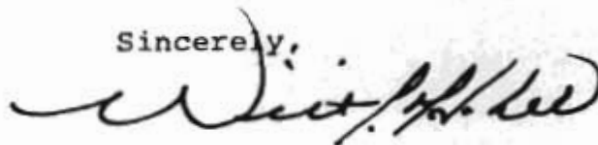
Although we cannot agree to delete civil penalties from the terms of the agreements, we may agree to a reduction of the penalties. The statement which you included regarding the "correct interpretation of 2 U.S.C. § 441(a)(1)(C)," as well as your statements that the Respondents "maintain a copy of the Act, but not a copy of the Regulations," and the Respondents "acted in good faith," were deemed unacceptable as language to be incorporated within these conciliation agreements.

In regard to your request that the word "knowingly" be deleted from the introductory statement and paragraph 4(h) of CCPAC's conciliation agreement, the Commission has inserted a more precise definition of the term "knowingly accepted." Paragraph 4(i) states that "knowingly accepted" only implies that the Respondent was aware of the facts of the situation and not that Respondent was aware that a violation of the Act had occurred.

The Commission would like to settle these matters through conciliation agreements. If the Respondents agree with the revised provisions of these agreements, please have them signed and returned to the Commission within ten days of your receipt of this letter.

Should you have any questions, please call Susan Donaldson at (202) 523-4529.

Sincerely,



William C. Oldaker
General Counsel

Enclosure

61602100112

Donelson MUR 907

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

1. The following service is requested (check one):
☐ Show to whom and date delivered
☐ Show to whom, date, and address of delivery
☐ RESTRICTED DELIVERY
Show to whom and date delivered
☐ RESTRICTED DELIVERY
Show to whom, date, and address of delivery
(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
David Personette

3. ARTICLE DESCRIPTION:
REGISTERED NO. CERTIFIED NO. INSURED NO.
943522

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent
DATE OF DELIVERY
8/20/79

4. ADDRESS (Complete only if requested)

5. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

★GPO 1977-0-249-586

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

David Personette, Treasurer
Concerned Citizens PAC
9225 Katy Freeway, Suite 110
Houston, Texas 77024

Re: MUR 907

Dear Mr. Personette:

This letter will confirm the Commission's receipt of your July 10, 1979, letter including the revised conciliation agreements for CCPAC, Kenneth Cunningham, and yourself. After reviewing the revised agreements, the Commission, on 1979, approved counter agreements which incorporate several of your changes.

Although we cannot agree to delete civil penalties from the terms of the agreements, we may agree to a reduction of the penalties. The statement which you included regarding the "correct interpretation of 2 U.S.C. § 441(a)(1)(C)," as well as your statements that the Respondents "maintain a copy of the Act, but not a copy of the Regulations," and the Respondents "acted in good faith," were deemed unacceptable as language to be incorporated within these conciliation agreements.

In regard to your request that the word "knowingly" be deleted from the introductory statement and paragraph 4(h) of CCPAC's conciliation agreement, the Commission has inserted a more precise definition of the term "knowingly accepted." Paragraph 4(i) states that "knowingly accepted" only implies that the Respondent was aware of the facts of the situation and not that Respondent was aware that a violation of the Act had occurred.

- 2 -

The Commission would like to settle these matters through conciliation agreements. If the Respondents agree with the revised provisions of these agreements, please have them signed and returned to the Commission within ten days of your receipt of this letter.

Should you have any questions, please call Susan Donaldson at (202) 523-4529.

Sincerely,

William C. Oldaker
General Counsel

Enclosures

70040170919

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of
Concerned Citizens PAC

)
)
)

MUR 907

CONCILIATION AGREEMENT

This matter having been initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities, and after the Commission found reasonable cause to believe that the Concerned Citizens PAC ("Respondent") had violated 2 U.S.C. § 441a(f) by knowingly accepting a contribution in excess of the contribution limitations of 2 U.S.C. 441a.

NOW, THEREFORE, the Commission and Respondent, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(5), do hereby agree as follows:

1. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding.
2. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter, and has presented the Commission with a written reply which asserts that no action should be taken.
3. Respondent enters voluntarily into this Agreement with the Commission.
4. The pertinent facts in this matter are as follows:
 - (a) Respondent is a political action committee which was established in September, 1975. Respondent is

77710170319

the separate segregated fund for Metropolitan Contract Services, Inc.

- (b) For value received, Respondent, through its officers, on June 23, 1978, executed a \$23,000 commercial promissory note payable in one hundred and eighty days to the Allied Bank of Texas, Houston, Texas.
- (c) The \$23,000 note was secured during the period June 23, 1978, through December 20, 1978, by the guarantees of Kenneth Cunningham and David Personette. The guarantee was not invoked and the loan was later renewed without any guarantees.
- (d) CCPAC received a \$9,000 commercial promissory note from the Allied Bank of Texas on May 9, 1977. The bank receipt for payment of that note lists Kenneth Cunningham as guarantor. The guarantee was not invoked and the loan was renewed by the loan under (c) above which was renewed without a guarantee.
- (e) CCPAC reported the transactions, described in (c) and (d) above, on appropriate FEC forms.
- (f) 11 C.F.R. § 100.4(a) states that any loan, including a guarantee, is a contribution to the extent that the obligation remains outstanding.
- (g) Kenneth Cunningham and David Personette are limited to a \$5,000 contribution to the Respondent by 2 U.S.C. § 441a(a)(1)(C).

- (h) The guarantee of the notes by Kenneth Cunningham and David Personette exceeded their contribution limitation of \$5,000 each.
- (i) Respondent knowingly accepted contributions in excess of the contribution limitation set by 2 U.S.C. § 441a in violation of 2 U.S.C. § 441a(f). In this context the term "knowingly accepted" only implies that Respondent was aware of the facts of the situation and not that Respondent was aware that a violation of the Act had occurred.

5. Respondent will pay a civil penalty in the amount of five hundred dollars (\$500), pursuant to 2 U.S.C. § 437g(a)(6)(B).

6. Respondent at all times will comply with the requirements of the Federal Election Campaign Act of 1971, as amended.

7. Respondent agrees that he will voluntarily testify before any Commission proceeding in which the matters at issue herein are relevant.

8. This Agreement is entered into in accordance with 2 U.S.C. § 437g(a)(5)(A), and it shall constitute a complete bar to any further action by the Commission with regard to the matters set forth in this Agreement.

70010170921

9. This Agreement shall become effective as of the date that both parties have executed same and the Commission has approved the entire Agreement.

FEDERAL ELECTION COMMISSION

Date: _____

William C. Oldaker
General Counsel

CONCERNED CITIZENS PAC

Date: _____

By: _____

Its: _____

70010170922

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of
David Personette

)
)
)

MUR 907

CONCILIATION AGREEMENT

7 7 0 1 0 1 7 0 9 2 3
This matter having been initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities, and after the Commission found reasonable cause to believe that David Personette ("Respondent") had violated 2 U.S.C. § 441a(a)(1)(C) by contributing \$11,500 to the Concerned Citizens PAC ("CCPAC") via his guarantee of a \$23,000 loan to the CCPAC.

NOW, THEREFORE, the Commission and Respondent, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(5), do hereby agree as follows:

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

2. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter and has presented the Commission with a written reply which asserts that no action should be taken.

3. Respondent enters voluntarily into this Agreement with the Commission.

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

- (a) Respondent is the Treasurer of CCPAC and is Executive Vice-President of Metropolitan Contract Services, Inc.
- (b) For value received, CCPAC through its officers executed, on June 23, 1978, a \$23,000 commercial promissory note payable in one hundred and eighty days to the Allied Bank of Texas, Houston, Texas.
- (c) The \$23,000 note was secured by the guarantees of Respondent and Kenneth R. Cunningham. The guarantee was not invoked and the loan was renewed without any guarantees.
- (d) 11 C.F.R. § 100.4(a) states that any loan, including a guarantee, is a contribution to the extent that the obligation remains outstanding.
- (e) The CCPAC has reported the transaction in (c) above on appropriate FEC forms.
- (f) Respondent is limited to a \$5,000 contribution to CCPAC by 2 U.S.C. § 441a(a)(1)(C).
- (g) Respondent's guarantee of one half of the \$23,000 note exceeded his contribution limitation by \$6,500.
- (h) Respondent exceeded his contribution limitation to CCPAC in violation of 2 U.S.C. § 441a(a)(1)(C).

5. Respondent will pay a civil penalty in the amount of two hundred and fifty dollars (\$250), pursuant to 2 U.S.C. § 437g(a)(6)(B).

72010170924

6. Respondent at all times will comply with the requirements of the Federal Election Campaign Act of 1971, as amended.

7. Respondent agrees that he will voluntarily testify before any Commission proceeding in which the matters at issue herein are relevant.

8. This Agreement is entered into in accordance with 2 U.S.C. § 437g(a)(5)(A), and it shall constitute a complete bar to any further action by the Commission with regard to the matters set forth in this Agreement.

9. This Agreement shall become effective as of the date that both parties have executed same and the Commission has approved the entire Agreement.

Date: _____

William C. Oldaker
General Counsel

Date: _____

David Personette

70010170925

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of
Kenneth R. Cunningham

)
)
)

MUR 907

CONCILIATION AGREEMENT

7 2 0 1 0 1 7 0 9 2 5
This matter having been initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities, and after the Commission found reasonable cause to believe that Kenneth Cunningham ("Respondent") had violated 2 U.S.C. § 441a(a)(1)(C) by contributing over \$5,000 to the Concerned Citizens PAC ("CCPAC") via his guarantee of a \$23,000 loan to the CCPAC.

NOW, THEREFORE, the Commission and Respondent, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(5), do hereby agree as follows:

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

2. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter and has presented the Commission with a written reply which asserts that no action should be taken.

3. Respondent enters voluntarily into this Agreement with the Commission.

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

(a) Respondent is the Chairman of Metropolitan Contract Services, Inc.

5. Respondent will pay a civil penalty in the amount of two hundred and fifty dollars (\$250), pursuant to 2 U.S.C. § 437g(a)(6)(B).

6. Respondent at all times will comply with the requirements of the Federal Election Campaign Act of 1971, as amended.

7. Respondent agrees that he will voluntarily testify before any Commission proceeding in which the matters at issue herein are relevant.

8. This Agreement is entered into in accordance with 2 U.S.C. § 437g(a)(5)(A), and it shall constitute a complete bar to any further action by the Commission with regard to the matters set forth in this Agreement.

9. This Agreement shall become effective as of the date that both parties have executed same and the Commission has approved the entire Agreement.

FEDERAL ELECTION COMMISSION

Date: _____

William C. Oldaker
General Counsel

Date: _____

Kenneth R. Cunningham

79010170928

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Concerned Citizens PAC)
David Personette)
Kenneth R. Cunningham)

MUR 907

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on August 14, 1979, the Commission adopted by a vote of 5-0 the recommendation, as set forth in the General Counsel's Memorandum dated August 9, 1979, to approve the letter to Personette and the counter agreements for CCPAC, David Personette, and Kenneth Cunningham which were attached to the memorandum.

Voting for this determination were Commissioners Friedersdorf, Harris, McGarry, Reiche, and Tiernan.

Attest:

8-14-79

Date

Margaret E. Chaney
for Marjorie W. Emmons
Secretary to the Commission

Received in Office of Commission Secretary: 8- 9-79, 4:05
Circulated on 48 hour vote basis: 8-10-79, 2:00

77040170929

August 9, 1979

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 907

Please have the attached Memo distributed to the
Commission on a 48 hour tally basis.

Thank you.

79040170930



FEDERAL ELECTION COMMISSION

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

RECEIVED
OFFICE OF THE
COMMISSIONER
AUG 9 1979

9 AUG 9 P 4: 05

August 9, 1979

MEMORANDUM TO: The Commission
FROM: William C. Oldaker
SUBJECT: MUR 907 - Revised Conciliation Agreements

On June 21, 1979, the Commission found reasonable cause to believe that the Concerned Citizens PAC ("CCPAC") violated 2 U.S.C. § 441a(f) for accepting excessive contributions; and reasonable cause to believe that Kenneth R. Cunningham and David Personette violated 2 U.S.C. § 441a(a)(1)(C) by guaranteeing a note for CCPAC in excess of their contribution limitations. Conciliation agreements were approved by the Commission and sent to the three respondents. On July 10, 1979, Mr. Personette returned the three conciliation agreements with the Respondents' proposed changes (Attachment I). The revised agreements are not acceptable and this Office has prepared a letter and counter agreements to be sent to Mr. Personette which are submitted for Commission approval (Attachments II, III, IV, V).

Mr. Personette proposes that paragraph #5 in each agreement -- the paragraph requiring a civil penalty -- be deleted. Mr. Personette argues that the civil penalties should not be required because CCPAC has minimal financial activity; CCPAC reported the loans from Personette and Cunningham on FEC forms; and the Respondents had no knowledge that the guarantees of the loan constituted contributions. We recommend that civil penalties be included in the agreements; however, the civil penalty for CCPAC be reduced from \$1000 to \$500; and the civil penalties for Cunningham and Personette be reduced from \$500 to \$250. These reductions are not out of line with previous Commission requirements in conciliation agreements in settlement of similar violations.

Additionally, Mr. Personette has added to each agreement a statement to the effect that in connection with Cunningham's and Personette's contributions to CCPAC, their \$5000 contribution limitation to CCPAC has been exceeded only "if 11 C.F.R. §100.4 (a) is a correct interpretation of 2 U.S.C. § 441(a)(1)(C)." This language is considered unacceptable for a conciliation agreement, as well as Personette's statements that the Respondents maintain a copy of the Act for reference, but not a copy of the Regulations; and that the Respondents acted in good faith.

70010170931

In connection with the proposed agreement for CCPAC in settlement of a violation of 2 U.S.C. § 441a(f), Mr. Personette states that the guarantees of the loan were not given knowing that they were a violation of the Act. He requests that the word "knowingly" be deleted from the introductory statement of the agreement and paragraph 4(h).

We recommend inserting language that the term "knowingly accepted" only implies that the Respondent was aware of the facts of the situation and not that Respondent was aware that a violation of the Act had occurred.

Personette has also suggested that the agreements include statements that the guarantees of the loan were never invoked; that the Respondents have replied to the Commission's allegations; and that the Respondents have reported their financial transactions on FEC forms. The statements appear acceptable and have been included in the counter agreements.

RECOMMENDATION

Approve the attached letter to Personette and the counter agreements for CCPAC, David Personette, and Kenneth Cunningham.

Attachments

1. Response from Personette with revised agreements
2. Proposed letter to Personette
3. Counter Agreement for CCPAC
4. Counter Agreement for Personette
5. Counter Agreement for Cunningham

70010170932

70010170933

Donation 10587

CONCERNED CITIZENS POLITICAL ACTION COMMITTEE

9225 Katy Freeway, Suite 110
Houston, Texas 77024
(713) 461-9585

ATTACHMENT I

July 10, 1979

903147

Mr. William C. Oldaker,
General Counsel
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

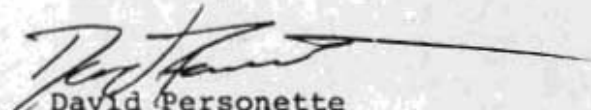
Re: MUR 907

Dear Mr. Oldaker:

Our suggestions for changes in the proposed conciliation agreements are noted on the enclosed copies of said agreements.

The Commission alleges that the guarantees were given knowing that they were a violation of the FEC Act. This is categorically incorrect. The loan was obtained in a normal business fashion and no one in the PAC had any knowledge whatsoever that the loan constituted a contribution because of the guarantees. The PAC has acted in good faith and has fully reported all transactions on the appropriate FEC forms. The PAC has only 16 contributors, who contribute about \$780 each month, which is just enough to cover the monthly principal and interest payment. We feel that any dollar amount of civil penalties are unjustified in this case and respectfully request that the proposed penalties be waived.

Sincerely,


David Personette
Treasurer

DP/gb

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of
Concerned Citizens PAC

)
)
)

MUR 907

CONCILIATION AGREEMENT

70010070934
This matter having been initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities, and after the Commission found reasonable cause to believe that the Concerned Citizens PAC ("Respondent") had violated 2 U.S.C. § 441a(f) by knowingly accepting a contribution in excess of the contribution limitations of 2 U.S.C. 441a.

NOW, THEREFORE, the Commission and Respondent, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(5), do hereby agree as follows:

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

2. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter, And has presented the Commission with a written reply which asserts that no action should be taken.

3. Respondent enters voluntarily into this Agreement with the Commission.

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

(a) Respondent is a political action committee which was established in September, 1975. Respondent is the separate segregated fund for Metropolitan Contract Services, Inc.

- (b) For value received, Respondent, through its officers, on June 23, 1978, executed a \$23,000 commercial promissory note payable in one hundred and eighty days to the Allied Bank of Texas, Houston, Texas.
- (c) The \$23,000 note was secured during the period June 23, 1978, through December 20, 1978, by the guarantees of Kenneth Cunningham and David Personette. However, the guarantee was never invoked and the loan was renewed without any
- (d) CCPAC received a \$9,000 commercial promissory note from the Allied Bank of Texas on May 9, 1977. The bank receipt for payment of that note lists Kenneth Cunningham as guarantor. Again the guarantee was never invoked as the loan was renewed by the bank under (c) above which was renewed without any guarantee.
- (e) 11 C.F.R. § 100.4(a) states that any loan, including a guarantee, is a contribution to the extent that the obligation remains outstanding. Respondent maintains a copy of the FEC Act of 1971 for reference, but does not have CFR. Respondent asserts that it acted in good faith and has
- (f) Kenneth Cunningham and David Personette are limited to fully a \$5000 contribution to the Respondent by 2 U.S.C. § 441a(a)(1)(C). reported on appropriate FEC forms.
- (g) The guarantee of the notes by Kenneth Cunningham and David Personette exceeded their contribution limitation of \$5000 each, if 11 C.F.R. § 100.4(a) is a correct interpretation of 2 U.S.C. § 441(a)(1)(C).
- (h) Respondent knowingly accepted contributions in excess of the contribution limitation set by 2 U.S.C. § 441a in violation of 2 U.S.C. § 441a(f), if 11 C.F.R. § 100.4(a) is a correct interpretation of 2 U.S.C. § 441(a)(1)(C).
- ~~5. Respondent will pay a civil penalty in the amount of one thousand dollars (\$1000), pursuant to 2 U.S.C. § 437g(a)(6)(B).~~

6. Respondent at all times will comply with the requirements of the Federal Election Campaign Act of 1971, as amended.

72010170935

7. Respondent agrees that he will voluntarily testify before any Commission proceeding in which the matters at issue herein are relevant.

8. This Agreement is entered into in accordance with 2 U.S.C. § 437g(a)(5)(A), and it shall constitute a complete bar to any further action by the Commission with regard to the matters set forth in this Agreement.

9. This Agreement shall become effective as of the date that both parties have executed same and the Commission has approved the entire Agreement.

FEDERAL ELECTION COMMISSION

Date: _____

William C. Oldaker
General Counsel

CONCERNED CITIZENS PAC

Date: _____

By: _____

Its: _____

70010170936

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of
David Personette

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)
)

MUR 907

CONCILIATION AGREEMENT

70010170937
This matter having been initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities, and after the Commission found reasonable cause to believe that David Personette ("Respondent") had violated 2 U.S.C. § 441a(a)(1)(C) by contributing \$11,500 to the Concerned Citizens PAC ("CCPAC") *VIA his guarantee of a \$11,500 loan to the CCPAC.*

NOW, THEREFORE, the Commission and Respondent, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(5), do hereby agree as follows:

1. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding.
2. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter, *and has presented The Commission with a written reply which asserts that no action should be taken*
3. Respondent enters voluntarily into this Agreement with the Commission.
4. The pertinent facts in this matter are as follows:
 - (a) Respondent is the Treasurer of CCPAC and is Executive Vice-President of Metropolitan Contract Services, Inc.

- (b) For value received, CCPAC through its officers executed, on June 23, 1978, a \$23,000 commercial promissory note payable in one hundred and eighty days to the Allied Bank of Texas, Houston, Texas.
- (c) The \$23,000 note was secured by the guarantees of Respondent and Kenneth R. Cunningham. *However, the guarantee was never invoked and the loan was renewed without any guarantees whatsoever.*
- (d) 11 C.F.R. § 100.4(a) states that any loan, including a guarantee, is a contribution to the extent that the obligation remains outstanding. *Respondent maintains a copy of the FEC Act of 1971 for reference but does not have CFR's. Respondent asserts that he acted in good faith and has fully reported all transactions as required by the FEC laws.*
- (e) Respondent is limited to a \$5000 contribution to CCPAC by 2 U.S.C. § 441a(a)(1)(C).
- (f) Respondent's guarantee of one half of the \$23,000 note exceeded his contribution limitation by \$6,500, *if 11 C.F.R. § 100.4(a) is a correct interpretation of 2 U.S.C. § 441a(a)(1)(C).*
- (g) Respondent exceeded his contribution limitation to CCPAC in violation of 2 U.S.C. § 441a(a)(1)(C), *if 11 C.F.R. § 100.4(a) is a correct interpretation of 2 U.S.C. § 441a(a)(1)(C).*

~~5. Respondent will pay a civil penalty in the amount of~~

~~five hundred dollars (\$500), pursuant to 2 U.S.C. § 437g(a)(6)(B).~~

6. Respondent at all times will comply with the requirements of the Federal Election Campaign Act of 1971, as amended.

7. Respondent agrees that he will voluntarily testify before any Commission proceeding in which the matters at issue herein are relevant.

8. This Agreement is entered into in accordance with 2 U.S.C. § 437g(a)(5)(A), and it shall constitute a complete bar to any further action by the Commission with regard to the matters set forth in this Agreement.

9. This Agreement shall become effective as of the date that both parties have executed same and the Commission has approved the entire Agreement.

Date: _____

William C. Oldaker
General Counsel

Date _____

David Personette

72040170939

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of
Kenneth R. Cunningham

)
)
)

MUR 907

CONCILIATION AGREEMENT

70010070940
This matter having been initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities, and after the Commission found reasonable cause to believe that Kenneth Cunningham ("Respondent") had violated 2 U.S.C. § 441a(a)(1)(C) by contributing over \$5000 to the Concerned Citizens PAC ("CCPAC") via his guarantor of a \$23,000 loan to the CCPAC

NOW, THEREFORE, the Commission and Respondent, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(5), do hereby agree as follows:

1. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding.
2. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter, and has presented The Commission with a written reply which asserts that no action should be taken.
3. Respondent enters voluntarily into this Agreement with the Commission.
4. The pertinent facts in this matter are as follows:
 - (a) Respondent is the Chairman of Metropolitan Contract Services, Inc.
 - (b) For value received, CCPAC, through its officers, on June 23, 1978, executed a \$23,000 commercial promissory note payable in one hundred and eighty days to the Allied Bank of Texas, Houston, Texas.

- (c) The \$23,000 note was secured by the guarantees of Respondent and David Personette. ^{However, The guarantee was merely invoked, and the loan was renewed without any guarantees whatsoever.}
- (d) Respondent was also named, on a bank receipt for

- payment, as the guarantor of a \$9,000 note executed by CCPAC on May 9, 1977. ^{Again, The guarantee was never invoked and the loan was renewed by the loan under (c) above which was renewed without any guarantees.}
- (e) 11 C.F.R. § 100.4(a) states that any loan, including a

- guarantee, is a contribution to the extent that the obligation remains outstanding. ^{Respondent maintains a copy of the FEC Act of 1971 for reference but does not have CFR's. Respondent asserts that he acted in good faith and has fully reported all transactions on appropriate FEC forms.}
- (f) Respondent is limited to a \$5,000 contribution to CCPAC by 2 U.S.C. § 441a(a)(1)(C).

- (g) Respondent's guarantee of CCPAC's commercial promissory notes exceeded his contribution limitations in violation of 2 U.S.C. § 441a(a)(1)(C), ^{if 11 C.F.R. § 100.4(a) is a correct interpretation of 2 U.S.C. § 441a(a)(1)(C).}

~~5. Respondent will pay a civil penalty in the amount of five hundred dollars (\$500), pursuant to 2 U.S.C. § 437g(a)(6)(B).~~

6. Respondent at all times will comply with the requirements of the Federal Election Campaign Act of 1971, as amended.

7. Respondent agrees that he will voluntarily testify before any Commission proceeding in which the matters at issue herein are relevant.

8. This Agreement is entered into in accordance with 2 U.S.C. § 437g(a)(5)(A), and it shall constitute a complete bar to any further action by the Commission with regard to the matters set forth in this Agreement.

9. This Agreement shall become effective as of the date that both parties have executed same and the Commission has approved the entire Agreement.

FEDERAL ELECTION COMMISSION

Date: _____

William C. Oldaker
General Counsel

Date: _____

Kenneth R. Cunningham

70040170942



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

David Personette, Treasurer
Concerned Citizens PAC
9225 Katy Freeway, Suite 110
Houston, Texas 77024

Re: MUR 907

Dear Mr. Personette:

This letter will confirm the Commission's receipt of your July 10, 1979, letter including the revised conciliation agreements for CCPAC, Kenneth Cunningham, and yourself. After reviewing the revised agreements, the Commission, on 1979, approved counter agreements which incorporate several of your changes.

Although we cannot agree to delete civil penalties from the terms of the agreements, we may agree to a reduction of the penalties. The statement which you included regarding the "correct interpretation of 2 U.S.C. § 441(a)(1)(C)," as well as your statements that the Respondents "maintain a copy of the Act, but not a copy of the Regulations," and the Respondents "acted in good faith," were deemed unacceptable as language to be incorporated within these conciliation agreements.

In regard to your request that the word "knowingly" be deleted from the introductory statement and paragraph 4(h) of CCPAC's conciliation agreement, the Commission has inserted a more precise definition of the term "knowingly accepted." Paragraph 4(i) states that "knowingly accepted" only implies that the Respondent was aware of the facts of the situation and not that Respondent was aware that a violation of the Act had occurred.

- 2 -

The Commission would like to settle these matters through conciliation agreements. If the Respondents agree with the revised provisions of these agreements, please have them signed and returned to the Commission within ten days of your receipt of this letter.

Should you have any questions, please call Susan Donaldson at (202) 523-4529.

Sincerely,

William C. Oldaker
General Counsel

Enclosures

70944

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10587

CONCERNED CITIZENS POLITICAL ACTION COMMITTEE

9225 Katy Freeway, Suite 110
Houston, Texas 77024
(713) 461-9585

July 10, 1979

903147

Mr. William C. Oldaker,
General Counsel
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

Re: MUR 907

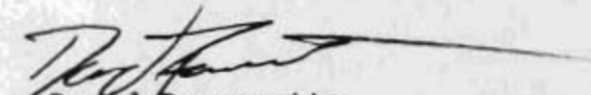
Dear Mr. Oldaker:

Our suggestions for changes in the proposed conciliation agreements are noted on the enclosed copies of said agreements.

79040170943

The Commission alleges that the guarantees were given knowing that they were a violation of the FEC Act. This is categorically incorrect. The loan was obtained in a normal business fashion and no one in the PAC had any knowledge whatsoever that the loan constituted a contribution because of the guarantees. The PAC has acted in good faith and has fully reported all transactions on the appropriate FEC forms. The PAC has only 16 contributors, who contribute about \$780 each month, which is just enough to cover the monthly principal and interest payment. We feel that any dollar amount of civil penalties are unjustified in this case and respectfully request that the proposed penalties be waived.

Sincerely,


David Personette
Treasurer

DP/gb

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of
Concerned Citizens PAC

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)
)

MUR 907

CONCILIATION AGREEMENT

70010170945
This matter having been initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities, and after the Commission found reasonable cause to believe that the Concerned Citizens PAC ("Respondent") had violated 2 U.S.C. § 441a(f) by ~~knowingly~~^e accepting a contribution in excess of the contribution limitations of 2 U.S.C. 441a.

NOW, THEREFORE, the Commission and Respondent, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(5), do hereby agree as follows:

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

2. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter, and has presented the Commission with a written reply which asserts that no action should be taken.

3. Respondent enters voluntarily into this Agreement with the Commission.

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

(a) Respondent is a political action committee which was established in September, 1975. Respondent is the separate segregated fund for Metropolitan Contract Services, Inc.

- (b) For value received, Respondent, through its officers, on June 23, 1978, executed a \$23,000 commercial promissory note payable in one hundred and eighty days to the Allied Bank of Texas, Houston, Texas.
- (c) The \$23,000 note was secured during the period June 23, 1978, through December 20, 1978, by the guarantees of Kenneth Cunningham and David Personette. However, the guarantee was never invoked and the loan was renewed without any guarantees whatsoever.
- (d) CCPAC received a \$9,000 commercial promissory note from the Allied Bank of Texas on May 9, 1977. The bank receipt for payment of that note lists Kenneth Cunningham as guarantor. Again the guarantee was never invoked and the loan was renewed by the bank under (c) above which was renewed without any guarantees whatsoever.
- (e) 11 C.F.R. § 100.4(a) states that any loan, including a guarantee, is a contribution to the extent that the obligation remains outstanding. Respondent maintains a copy of the FEC Act of 1971 for reference but does not have CFR's. Respondent asserts that it acted in good faith and has fully reported on appropriate FEC forms.
- (f) Kenneth Cunningham and David Personette are limited to a \$5000 contribution to the Respondent by 2 U.S.C. § 441a(a)(1)(C).
- (g) The guarantee of the notes by Kenneth Cunningham and David Personette exceeded their contribution limitation of \$5000 each, if 11 C.F.R. § 100.4(a) is a correct interpretation of 2 U.S.C. § 441(a)(1)(C).
- (h) Respondent knowingly accepted contributions in excess of the contribution limitation set by 2 U.S.C. § 441a in violation of 2 U.S.C. § 441a(f), if 11 C.F.R. § 100.4(a) is a correct interpretation of 2 U.S.C. § 441(a)(1)(C).

~~5. Respondent will pay a civil penalty in the amount of one thousand dollars (\$1000), pursuant to 2 U.S.C. § 437g(a)(6)(B).~~

6. Respondent at all times will comply with the requirements of the Federal Election Campaign Act of 1971, as amended.

73010170947

7. Respondent agrees that he will voluntarily testify before any Commission proceeding in which the matters at issue herein are relevant.

8. This Agreement is entered into in accordance with 2 U.S.C. § 437g(a)(5)(A), and it shall constitute a complete bar to any further action by the Commission with regard to the matters set forth in this Agreement.

9. This Agreement shall become effective as of the date that both parties have executed same and the Commission has approved the entire Agreement.

FEDERAL ELECTION COMMISSION

Date: _____

William C. Oldaker
General Counsel

CONCERNED CITIZENS PAC

Date: _____

By: _____

Its: _____

79040170949

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of
David Personette

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MUR 907

CONCILIATION AGREEMENT

7 9 9 1 9 1 7 0 9 4 9
This matter having been initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities, and after the Commission found reasonable cause to believe that David Personette ("Respondent") had violated 2 U.S.C. § 441a(a)(1)(C) by contributing \$11,500 to the Concerned Citizens PAC ("CCPAC") via his guarantee of a \$23,000 loan to the CCPAC.

NOW, THEREFORE, the Commission and Respondent, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(5), do hereby agree as follows:

1. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding.
2. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter, and has presented The Commission with a written reply which asserts that no action should be taken.
3. Respondent enters voluntarily into this Agreement with the Commission.
4. The pertinent facts in this matter are as follows:
 - (a) Respondent is the Treasurer of CCPAC and is Executive Vice-President of Metropolitan Contract Services, Inc.

- (b) For value received, CCPAC through its officers executed, on June 23, 1978, a \$23,000 commercial promissory note payable in one hundred and eighty days to the Allied Bank of Texas, Houston, Texas.
- (c) The \$23,000 note was secured by the guarantees of Respondent and Kenneth R. Cunningham. *However, the guarantee was NEVER invoked and the loan was renewed without any guarantees whatsoever.*
- (d) 11 C.F.R. § 100.4(a) states that any loan, including a guarantee, is a contribution to the extent that the obligation remains outstanding. *Respondent maintains a copy of the obligation remains outstanding. The Fed Act of 1971 for reference but does not have CFR's. Respondent asserts that he acted in good faith and*
- (e) Respondent is limited to a \$5000 contribution to CCPAC by 2 U.S.C. § 441a(a)(1)(C). *has fully reported all transactions and appropriate FEC forms*
- (f) Respondent's guarantee of one half of the \$23,000 note exceeded his contribution limitation by \$6,500, *if 11 C.F.R. § 100.4(a) is a correct interpretation of 2 USC § 441a(a)(1)(C)*
- (g) Respondent exceeded his contribution limitation to CCPAC in violation of 2 U.S.C. § 441a(a)(1)(C), *if 11 C.F.R. § 100.4(a) is a correct interpretation of 2 USC § 441a(a)(1)(C)*

~~5. Respondent will pay a civil penalty in the amount of~~

~~five hundred dollars (\$500), pursuant to 2 U.S.C. § 437g(a)(6)(B).~~

6. Respondent at all times will comply with the requirements of the Federal Election Campaign Act of 1971, as amended.

7. Respondent agrees that he will voluntarily testify before any Commission proceeding in which the matters at issue herein are relevant.

8. This Agreement is entered into in accordance with 2 U.S.C. § 437g(a)(5)(A), and it shall constitute a complete bar to any further action by the Commission with regard to the matters set forth in this Agreement.

9. This Agreement shall become effective as of the date that both parties have executed same and the Commission has approved the entire Agreement.

Date: _____

William C. Oldaker
General Counsel

Date _____

David Personette

70040170951

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of
Kenneth R. Cunningham

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)

MUR 907

CONCILIATION AGREEMENT

70010170952
This matter having been initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities, and after the Commission found reasonable cause to believe that Kenneth Cunningham ("Respondent") had violated 2 U.S.C. § 441a(a)(1)(C) by contributing over \$5000 to the Concerned Citizens PAC ("CCPAC") via his guarantor of a \$23,000 loan to the CCPAC

NOW, THEREFORE, the Commission and Respondent, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(5), do hereby agree as follows:

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

2. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter, and has presented The Commission with a written reply which asserts that no action should be taken.

3. Respondent enters voluntarily into this Agreement with the Commission.

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

(a) Respondent is the Chairman of Metropolitan Contract Services, Inc.

(b) For value received, CCPAC, through its officers, on June 23, 1978, executed a \$23,000 commercial promissory note payable in one hundred and eighty days to the Allied Bank of Texas, Houston, Texas.

- (c) The \$23,000 note was secured by the guarantees of Respondent and David Personette. ^{However, The guarantee was never invoked and the loan was renewed without any guarantees whatsoever.}
- (d) Respondent was also named, on a bank receipt for payment, as the guarantor of a \$9,000 note executed by CCPAC on May 9, 1977. ^{Again, The guarantee was never invoked and the loan was renewed by the loan under (c) above which was renewed without any guarantees.}
- (e) 11 C.F.R. § 100.4(a) states that any loan, including a guarantee, is a contribution to the extent that the obligation remains outstanding. ^{Respondent maintains a copy of the FEC Act of 1971 for reference but does not have CFR's. Respondent asserts that he acted in good faith and has fully reported all transactions in appropriate FEC forms.}
- (f) Respondent is limited to a \$5,000 contribution to CCPAC by 2 U.S.C. § 441a(a)(1)(C).
- (g) Respondent's guarantee of CCPAC's commercial promissory notes exceeded his contribution limitations in violation of 2 U.S.C. § 441a(a)(1)(C), ^{if 11 C.F.R. § 100.4(a) is a correct interpretation of 2 U.S.C. § 441a(a)(1)(C).}

~~5. Respondent will pay a civil penalty in the amount of five hundred dollars (\$500), pursuant to 2 U.S.C. § 437g(a)(6)(B).~~

6. Respondent at all times will comply with the requirements of the Federal Election Campaign Act of 1971, as amended.

7. Respondent agrees that he will voluntarily testify before any Commission proceeding in which the matters at issue herein are relevant.

8. This Agreement is entered into in accordance with 2 U.S.C. § 437g(a)(5)(A), and it shall constitute a complete bar to any further action by the Commission with regard to the matters set forth in this Agreement.

9. This Agreement shall become effective as of the date that both parties have executed same and the Commission has approved the entire Agreement.

FEDERAL ELECTION COMMISSION

Date: _____

William C. Oldaker
General Counsel

Date: _____

Kenneth R. Cunningham

70010170954

77040170933
**CONCERNED CITIZENS
POLITICAL ACTION COMMITTEE**

9225 Katy Freeway, Suite 110
Houston, Texas 77024



Mr. William C. Oldaker,
General Counsel
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463



FEDERAL ELECTION COMMISSION

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

70040170956

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS *mwe*

DATE: JULY 17, 1979

SUBJECT: MUR 907 - Interim Conciliation Report
dated 7-13-79: Received in OCS
7-13-79, 5:19

The above-named document was circulated to the Commission on a 24-hour no-objection basis at 11:00, July 16, 1979.

There were no objections to the Interim Conciliation Report at the time of the deadline.

July 13, 1979

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 907

Please have the attached Interim Concil Report on
MUR 907 distributed to the Commission.

Thank you.

72040170957

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

79 JUL 13 P 5: 10

MUR 907

In the Matter of)
)
Concerned Citizens PAC)
Kenneth R. Cunningham)
David Personette)

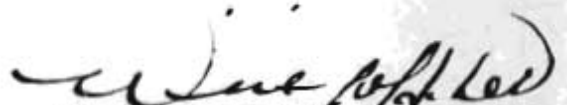
INTERIM CONCILIATION REPORT

On June 21, 1979, the Commission found reasonable cause to believe that the Concerned Citizens PAC ("CCPAC") violated 2 U.S.C. §441a(f) for accepting excessive contributions from Kenneth R. Cunningham and David Personette; and reasonable cause to believe that Kenneth R. Cunningham and David Personette violated 2 U.S.C. §441a(a)(1)(C) by guaranteeing a note for CCPAC in excess of their contribution limitations.

Proposed conciliation agreements were received by the Respondents on June 29, 1979. Mr. Personette telephoned the Commission on July 11, 1979, and stated that the Respondents would reply to the Commission by July 20, 1979. Upon receipt, a report will be submitted to the Commission.

Date

7/13/79


William C. Oldaker
General Counsel



FEDERAL ELECTION COMMISSION

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

June 25, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Ed Fritcher
Secretary/Treasurer
Metro Contract Services, Inc.
10120 Northwest Freeway, Suite 215
Houston, Texas 77092

Re: MUR 907

Dear Mr. Fritcher:

On June 20, 1979, the Commission found no reasonable cause to believe that Metro Contract Services, Inc. ("Metro") violated 2 U.S.C. § 441b; and the Commission determined to take no further action against Metro in connection with a violation of 11 C.F.R. § 114.12(d).

Accordingly, the file, as it pertains to Metro, has been closed in this matter. Should you have any questions, please call Susan Donaldson at (202) 523-4529.

Sincerely,

William C. Oldaker

1. The following service is requested (check one): <input type="checkbox"/> Show to whom and date delivered <input type="checkbox"/> Show to whom, date, and address of delivery <input type="checkbox"/> RESTRICTED DELIVERY Show to whom and date delivered <input type="checkbox"/> RESTRICTED DELIVERY Show to whom, date, and address of delivery _____ (CHECK ONLY POSTMASTER FOR FEES)		2. ARTICLE ADDRESSED TO: <i>Ed Fritcher</i> <i>10120 NW Freeway</i> <i>Suite 215</i> <i>Houston, TX 77092</i>	
3. ARTICLE DESCRIPTION: REGISTERED NO. _____ CERTIFIED NO. _____ INSURED NO. _____		4. I have received the article described above. SIGNATURE <input type="checkbox"/> Addressee <input type="checkbox"/> Authorized agent <i>Lawrence J. Fritcher</i>	
5. ADDRESS (Complete only if required by post office) <i>10120 NW Freeway</i> <i>Suite 215</i> <i>Houston, TX 77092</i>		6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS _____	
DATE OF DELIVERY <i>6-25-79</i>		7. POSTMARK <i>HOUSTON, TX</i> <i>JUN 25 1979</i>	

2-750 (Rev. 1-77) 0-24506



FEDERAL ELECTION COMMISSION

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

June 25, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. David Personette
Treasurer
Concerned Citizens PAC
9225 Katy Freeway, Suite 110
Houston, Texas 77024

Re: MUR 907

Dear Mr. Personette:

On June 20, 1979, the Commission found reasonable cause to believe that your committee, the Concerned Citizens PAC ("CCPAC") violated 2 U.S.C. § 441a(f) for accepting excessive contributions from you and Kenneth Cunningham; and reasonable cause to believe that you and Kenneth Cunningham violated 2 U.S.C. § 441a(a)(1)(C) by guaranteeing a note for CCPAC which is in excess of your contribution limitations.

The Commission has a duty to attempt to correct such violations for a period of 30 days by informal methods of conference, conciliation and persuasion, and by entering into a conciliation agreement. 2 U.S.C. § 437g(a)(5)(B). If we are unable to reach an agreement during that period, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute civil suit in United States District Court and seek payment of a civil penalty not in excess of \$5000.

We enclose three conciliation agreements that this office is prepared to recommend to the Commission in settlement of these matters with CCPAC, Kenneth Cunningham, and you. If each respondent agrees with the provisions of the enclosed conciliation agreements, please have them signed and return them, along with the civil penalties, to the Commission within ten days. I will then recommend that the Commission approve the agreements.



FEDERAL ELECTION COMMISSION

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

June 25, 1979

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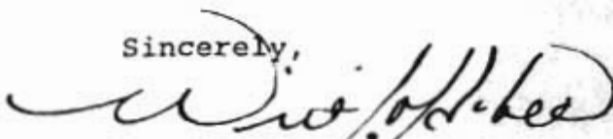
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- 2 -

If you have any questions or suggestions for changes in the enclosed conciliation agreements, please contact Susan Donaldson, the staff member assigned to this matter, at (202) 523-4529.

Sincerely,



William C. Oldaker
General Counsel

Enclosures

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NOV 907

RECEIVED BY MAIL

REGISTERED, REGISTERED, INSURED AND CERTIFIED MAIL

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

1. The following service is requested (check one):
☐ Show to whom and date delivered.
☐ Show to whom, date, and address of delivery.
☐ RESTRICTED DELIVERY
Show to whom and date delivered.
☐ RESTRICTED DELIVERY
Show to whom, date, and address of delivery.
(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
David Perseusette

3. ARTICLE DESCRIPTION:
REGISTERED NO. | CERTIFIED NO. | INSURED NO.
(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE: ☐ Addressee ☐ Authorized agent

4. DATE OF DELIVERY:
6/29/79

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

INITIALS

U.S. POSTAL SERVICE
JUN 25 1979
USPO

★UFC 1077-S-24-05

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. David Personette
Treasurer
Concerned Citizens PAC
9225 Katy Freeway, Suite 110
Houston, Texas 77024

Re: MUR 907

Dear Mr. Personette:

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The Commission has a duty to attempt to correct such violations for a period of 30 days by informal methods of conference, conciliation and persuasion, and by entering into a conciliation agreement. 2 U.S.C. § 437g(a)(5)(B). If we are unable to reach an agreement during that period, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute civil suit in United States District Court and seek payment of a civil penalty not in excess of \$5000.

We enclose three conciliation agreements that this office is prepared to recommend to the Commission in settlement of these matters with CCPAC, Kenneth Cunningham, and you. If each respondent agrees with the provisions of the enclosed conciliation agreements, please have them signed and return them, along with the civil penalties, to the Commission within ten days. I will then recommend that the Commission approve the agreements.

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622-7

- 2 -

If you have any questions or suggestions for changes in the enclosed conciliation agreements, please contact Susan Donaldson, the staff member assigned to this matter, at (202) 523-4529.

Sincerely,

William C. Oldaker
General Counsel

Enclosures

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of
Concerned Citizens PAC

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MUR 907

CONCILIATION AGREEMENT

This matter having been initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities, and after the Commission found reasonable cause to believe that the Concerned Citizens PAC ("Respondent") had violated 2 U.S.C. § 441a(f) by knowingly accepting a contribution in excess of the contribution limitations of 2 U.S.C. 441a.

NOW, THEREFORE, the Commission and Respondent, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(5), do hereby agree as follows:

1. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding.
2. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
3. Respondent enters voluntarily into this Agreement with the Commission.
4. The pertinent facts in this matter are as follows:
 - (a) Respondent is a political action committee which was established in September, 1975. Respondent is the separate segregated fund for Metropolitan Contract Services, Inc.

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- (b) For value received, Respondent, through its officers, on June 23, 1978, executed a \$23,000 commercial promissory note payable in one hundred and eighty days to the Allied Bank of Texas, Houston, Texas.
- (c) The \$23,000 note was secured during the period June 23, 1978, through December 20, 1978, by the guarantees of Kenneth Cunningham and David Personette.
- (d) CCPAC received a \$9,000 commercial promissory note from the Allied Bank of Texas on May 9, 1977. The bank receipt for payment of that note lists Kenneth Cunningham as guarantor.
- (e) 11 C.F.R. § 100.4(a) states that any loan, including a guarantee, is a contribution to the extent that the obligation remains outstanding.
- (f) Kenneth Cunningham and David Personette are limited to a \$5000 contribution to the Respondent by 2 U.S.C. § 441a(a)(1)(C).
- (g) The guarantee of the notes by Kenneth Cunningham and David Personette exceeded their contribution limitation of \$5000 each.
- (h) Respondent knowingly accepted contributions in excess of the contribution limitation set by 2 U.S.C. § 441a in violation of 2 U.S.C. § 441a(f).

5. Respondent will pay a civil penalty in the amount of one thousand dollars (\$1000), pursuant to 2 U.S.C. § 437g(a)(6)(B).

6. Respondent at all times will comply with the requirements of the Federal Election Campaign Act of 1971, as amended.

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7. Respondent agrees that he will voluntarily testify before any Commission proceeding in which the matters at issue herein are relevant.

8. This Agreement is entered into in accordance with 2 U.S.C. § 437g(a)(5)(A), and it shall constitute a complete bar to any further action by the Commission with regard to the matters set forth in this Agreement.

9. This Agreement shall become effective as of the date that both parties have executed same and the Commission has approved the entire Agreement.

FEDERAL ELECTION COMMISSION

Date: _____

William C. Oldaker
General Counsel

CONCERNED CITIZENS PAC

Date: _____

By: _____

Its: _____

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of
David Personette

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MUR 907

CONCILIATION AGREEMENT

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This matter having been initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities, and after the Commission found reasonable cause to believe that David Personette ("Respondent") had violated 2 U.S.C. § 441a(a)(1)(C) by contributing \$11,500 to the Concerned Citizens PAC ("CCPAC").

NOW, THEREFORE, the Commission and Respondent, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(5), do hereby agree as follows:

1. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding.
2. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
3. Respondent enters voluntarily into this Agreement with the Commission.
4. The pertinent facts in this matter are as follows:
 - (a) Respondent is the Treasurer of CCPAC and is Executive Vice-President of Metropolitan Contract Services, Inc.

- (b) For value received, CCPAC through its officers executed, on June 23, 1978, a \$23,000 commercial promissory note payable in one hundred and eighty days to the Allied Bank of Texas, Houston, Texas.
- (c) The \$23,000 note was secured by the guarantees of Respondent and Kenneth R. Cunningham.
- (d) 11 C.F.R. § 100.4(a) states that any loan, including a guarantee, is a contribution to the extent that the obligation remains outstanding.
- (e) Respondent is limited to a \$5000 contribution to CCPAC by 2 U.S.C. § 441a(a)(1)(C).
- (f) Respondent's guarantee of one half of the \$23,000 note exceeded his contribution limitation by \$6,500.
- (g) Respondent exceeded his contribution limitation to CCPAC in violation of 2 U.S.C. § 441a(a)(1)(C).

5. Respondent will pay a civil penalty in the amount of five hundred dollars (\$500), pursuant to 2 U.S.C. § 437g(a)(6)(B).

6. Respondent at all times will comply with the requirements of the Federal Election Campaign Act of 1971, as amended.

7. Respondent agrees that he will voluntarily testify before any Commission proceeding in which the matters at issue herein are relevant.

8. This Agreement is entered into in accordance with 2 U.S.C. § 437g(a)(5)(A), and it shall constitute a complete bar to any further action by the Commission with regard to the matters set forth in this Agreement.

9. This Agreement shall become effective as of the date that both parties have executed same and the Commission has approved the entire Agreement.

Date: _____

William C. Oldaker
General Counsel

Date _____

David Personette

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of
Kenneth R. Cunningham

)
)
)

MUR 907

CONCILIATION AGREEMENT

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This matter having been initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities, and after the Commission found reasonable cause to believe that Kenneth Cunningham ("Respondent") had violated 2 U.S.C. § 441a(a)(1)(C) by contributing over \$5000 to the Concerned Citizens PAC ("CCPAC").

NOW, THEREFORE, the Commission and Respondent, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(5), do hereby agree as follows:

1. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding.
2. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
3. Respondent enters voluntarily into this Agreement with the Commission.
4. The pertinent facts in this matter are as follows:
 - (a) Respondent is the Chairman of Metropolitan Contract Services, Inc.
 - (b) For value received, CCPAC, through its officers, on June 23, 1978, executed a \$23,000 commercial promissory note payable in one hundred and eighty days to the Allied Bank of Texas, Houston, Texas.

- (c) The \$23,000 note was secured by the guarantees of Respondent and David Personette.
- (d) Respondent was also named, on a bank receipt for payment, as the guarantor of a \$9,000 note executed by CCPAC on May 9, 1977.
- (e) 11 C.F.R. § 100.4(a) states that any loan, including a guarantee, is a contribution to the extent that the obligation remains outstanding.
- (f) Respondent is limited to a \$5,000 contribution to CCPAC by 2 U.S.C. § 441a(a)(1)(C).
- (g) Respondent's guarantee of CCPAC's commercial promissory notes exceeded his contribution limitations in violation of 2 U.S.C. § 441a(a)(1)(C).

5. Respondent will pay a civil penalty in the amount of five hundred dollars (\$500), pursuant to 2 U.S.C. § 437g(a)(6)(B).

6. Respondent at all times will comply with the requirements of the Federal Election Campaign Act of 1971, as amended.

7. Respondent agrees that he will voluntarily testify before any Commission proceeding in which the matters at issue herein are relevant.

8. This Agreement is entered into in accordance with 2 U.S.C. § 437g(a)(5)(A), and it shall constitute a complete bar to any further action by the Commission with regard to the matters set forth in this Agreement.

9. This Agreement shall become effective as of the date that both parties have executed same and the Commission has approved the entire Agreement.

FEDERAL ELECTION COMMISSION

Date: _____

William C. Oldaker
General Counsel

Date: _____

Kenneth R. Cunningham

72040170973

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Metro Contract Services, Inc.) MUR 907
Concerned Citizens PAC)
Kenneth R. Cunningham)
David Personette)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on June 21, 1979, the Commission determined by a vote 6-0 to adopt the following recommendations, as set forth in the General Counsel's Report dated June 8, 1979, regarding the above-captioned matter:

1. Find no reasonable cause to believe that Metro violated 2 U.S.C. §441b by illegally soliciting political contributions from its employees other than stockholders, executive or administrative personnel.
2. Take no further action against Metro in connection with a violation of 11 C.F.R. §114.12(d).
3. Send the letter to Metro attached to the above-named report.
4. Find reasonable cause to believe that CCPAC violated 2 U.S.C. §441a(f) for accepting excessive contributions from Kenneth R. Cunningham and David Personette. Send the letter and conciliation agreement to CCPAC attached to the above-named report.

Continued

MUR 907
General Counsel's Report
Dated June 8, 1979
CERTIFICATION

Page 2

5. Find reasonable cause to believe that David Personette and Kenneth Cunningham violated 2 U.S.C. §441a(a)(1)(C) by guaranteeing a note for CCPAC in excess of their contribution limitations. Send the letters and conciliation agreements to David Personette and Kenneth Cunningham.

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

Attest:

6/21/79
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary to the Commission

Received in Office of Commission Secretary: 6-18-79, 3:32
Circulated on 48 hour vote basis: 6-19-79, 11:00

70010170975

June 18, 1979

MEMORANDUM TO: Marge Emmons
FROM: Jane Colgrove
SUBJECT: MUR 907

Please have the attached General Counsel's
Report on MUR 907 distributed to the Commission on
a 48 hour tally basis.

Thank you.

70010170975



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: JANE COLGROVE
FROM: MARJORIE W. EMMONS *mwe*
DATE: JUNE 18, 1979
SUBJECT: REPORT SUBMITTED FOR CIRCULATION WITHOUT
GENERAL COUNSEL'S SIGNATURE

The attached report on MUR 907 was submitted to the Office of the Commission Secretary for circulation on a 48 hour tally vote basis without the signature of the General Counsel on the report.

ATTACHMENT:
General Counsel's Report on MUR 907

70040170977

BEFORE THE FEDERAL ELECTION COMMISSION

June 8, 1979

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

79 JUN 18 P12: 51

In the Matter of)

Metro Contract Services, Inc.)

Concerned Citizens PAC)

Kenneth R. Cunningham)

David Personette)

MUR 907

79 JUN 18 P3: 32

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

GENERAL COUNSEL'S REPORT

BACKGROUND

After receiving a complaint through the Justice Department and the FBI in Houston, Texas, the Commission, on March 8, 1979, found reason to believe that Metro Contract Services, Inc. ("Metro") may have violated 2 U.S.C. § 441b by illegally soliciting political contributions from its employees other than stockholders, executive or administrative personnel; that Metro may have violated 11 C.F.R. § 114.12(d) by continuing certain payroll deductions past December 31, 1976; that the Concerned Citizens PAC ("CCPAC") may have violated 2 U.S.C. § 441a(f) for accepting excessive contributions from Kenneth R. Cunningham and David Personette; and that Kenneth R. Cunningham and David Personette violated 2 U.S.C. § 441a(a)(1)(C) by guaranteeing promissory notes in excess of \$5000 for CCPAC,

The Commission, on March 8, 1979, found reason to believe that these violations may have occurred; and the various respondents were notified of the Commission's determinations in letters dated March 13, 1979. After the respondents replied to the allegations, the Commission, on May 8, 1979, determined to send additional letters to the respondents to obtain further information.

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EVIDENCE AND ANALYSIS

Metro Contract Services

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Ed Fritcher, Secretary-Treasurer of Metro Contract Services, responded to the Commission's allegations in a letter dated May 25, 1979, (Attachment I). Mr. Fritcher stated that solicitations for contributions to Metro's PAC, the CCPAC, were primarily done by Mr. Ollie Crawford from approximately December, 1975, until March, 1976. Fritcher attached a copy of a memo which Crawford wrote to all Metro managers on May 13, 1976, regarding PAC activity. The memo states that "Effective May 11, 1976, employees from Foreman down may only be contacted twice each year by mail (for political contributions to the PAC)..." Fritcher also sent a copy of a letter that Crawford subsequently prepared to be used for the bi-annual solicitations allowed by 2 U.S.C. § 441b(b)(4)(B). Mr. Crawford requested an advisory opinion from the Commission on June 24, 1976, regarding their payroll deduction plan. The Commission responded with AOR 1976-47 on August 10, 1976. This evidence indicates that Mr. Crawford was aware of the election laws and made serious attempts to understand and comply with the Act. There is no evidence to support the allegation that Crawford illegally solicited contributions after May 11, 1976, from Metro's employees other than stockholders, executive or administrative personnel.

In response to questions concerning which employees continued using Metro's payroll deduction plan past December 31, 1976, Mr. Fritcher, in his May 25, 1979, letter, lists the twenty-four Metro employees who were using the payroll deduction plan through December 31, 1976. It appears that five of the thirteen Metro employees (in Alabama) who

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were utilizing the payroll deduction plan were not executive or administrative personnel. Although Mr. Fritcher states that some of the thirteen employees continued using the payroll deduction plan until it ceased in August, 1977, he does not know which individuals continued on the plan because there were no deposit breakdowns of the payroll deductions after December, 1976. (The complaint alleges that payroll deductions were only continued through February, 1977.)

The five non-executive/supervisory employees who were using the payroll deduction plan in December, 1976, contributed a total of \$44 to the PAC that month. In view of the fact that the total monthly contributions from the five individuals were under \$50, and the lack of evidence that these five employees continued using the plan from December, 1976, through August, 1977, it appears that no further action should be taken in connection with an alleged violation of 11 C.F.R. § 114.12(d).

Concerned Citizens PAC

David Personette, Treasurer of CCPAC, responded to the Commission's allegations against CCPAC in a letter dated May 18, 1979 (Attachment II). In explanation of CCPAC's loan activity, Mr. Personette attached copies of CCPAC's original note to the Allied Bank of Texas and each subsequent renewal note. A review of the documents revealed that the notes appeared to have been made in the Bank's ordinary course of business.

It does appear, however, that two of these notes were guaranteed. Although the note of \$9,000 dated May 9, 1977, states

that it is unsecured; the bank receipt for payment on the note lists Kenneth Cunningham as guarantor. Additionally, David Personette and Kenneth Cunningham guaranteed a \$23,000 note for CCPAC from the period June 23, 1978, to December 20, 1978. On December 20, 1978, the note was renewed with no guarantors. It appears that CCPAC violated 2 U.S.C. § 441a(f) for accepting excessive contributions from Personette and Cunningham; and that Personette and Cunningham violated 2 U.S.C. § 441a(a)(1)(C) by guaranteeing a note for CCPAC which exceeds their contribution limitation.

It should be noted, however, that CCPAC corrected the situation before Commission notification. Further, Mr. Personette argued in his letter, dated March 21, 1979 (Attachment III) that since the guarantee of the June 23, 1978, note was never invoked by the Bank, and since the present note contains no guarantees, that no action should be taken against CCPAC or its members.

RECOMMENDATIONS

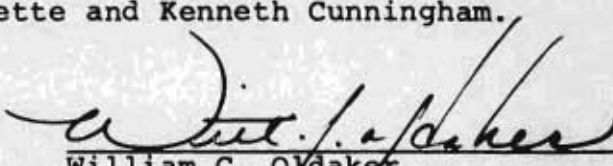
1. Find no reasonable cause to believe that Metro violated 2 U.S.C. § 441b by illegally soliciting political contributions from its employees other than stockholders, executive or administrative personnel.
2. Take no further action against Metro in connection with a violation of 11 C.F.R. § 114.12(d).
3. Send the attached letter to Metro.

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4. Find reasonable cause to believe that CCPAC violated 2 U.S.C. § 441a(f) for accepting excessive contributions from Kenneth R. Cunningham and David Personette. Send the attached letter and conciliation agreement to CCPAC.

5. Find reasonable cause to believe that David Personette and Kenneth Cunningham violated 2 U.S.C. § 441a(a)(1)(C) by guaranteeing a note for CCPAC in excess of their contribution limitations. Send the attached letters and conciliation agreements to David Personette and Kenneth Cunningham.

Date: 6/18/79


William C. Oydaker
General Counsel

Attachments

1. Letter from Fritcher
2. Letter from Personette
3. Letter from Personette
4. Proposed letter to Fritcher
5. Proposed letter and conciliation agreements to Personette

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ATTACHMENT I
10203-



metro contract services, inc.

10120 Northwest Freeway, Suite 215 • Houston, Texas 77062 • (713) 683-9524

79 MAY 29 AM 10.00

May 25, 1979

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D. C. 20463

902509

Re: MUR 907

Dear Mr. Oldaker:

As a foreword to our response to your questions presented in your May 9, 1979, letter, we feel that the correct procedures were followed in administering the referenced PAC. The activities of the PAC were carefully scrutinized by our corporate attorney, Mr. Mark Perrin, and we feel confident that the following explanations will clarify your questions.

1. Please explain in detail how funds were solicited for the PAC by Mr. Ollie Crawford as stated in your letter.

From the appearance of the PAC records, the first contributions were deposited into the account on December 3, 1975, in the amount of \$395.00 and included contributions from Kenneth Cunningham, Ollie Crawford, Ed Fritcher, and Sal Esparza, who were the basic organizers of the plan. These contributions started from oral discussions.

In Exhibit "A," dated January 21, 1976, Mr. Crawford solicited contributions by asking the referenced location managers to distribute his letter and Exhibit "B," payroll deduction card. The deposit records indicate that the contributions from locations in Denver, Colorado, Tampa, Florida, and Houston, Texas were received and deposited in February, 1976, by using this method.

On or about March 1, 1976, Metro Contract Services, Inc., started the Base Maintenance Contract in Huntsville, Alabama. As part of the employee pre hire orientation Mr. Crawford presented the PAC Program as discussed in Exhibit "C," and solicited support through the payroll deduction method, see Exhibit "B." The records indicate that these contributions were reflected in deposits to the account in April, 1976.

The solicitation by Mr. Crawford from this period forward appears to have been in writing per his research shown by Exhibit "D" and Exhibit "E," and finalized by using the letter format in Exhibit "F" for mailing purposes.

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Mr. Crawford's employment with Metro terminated in May, 1977, and he is not available to comment on the above statements; however, there is significant evidence in the attached exhibits that clearly indicates the law was followed to the letter in all of his efforts and activities.

The records also indicate that there was no further response to the written solicitations and the deposit lists to the account show a continuous decline in participation except for the officers, supervisors, and administrative personnel.

The next significant activity in the account occurred in May and June, 1977, when deposits reflected contributions from several supervisors and the project manager at the Johnson NASA location.

It is not altogether clear how these department heads began participating in the PAC; however, it is assumed it resulted from some form of discussion initiated at the location itself and not from any solicitation of the committee.

2. From whom did Mr. Crawford solicit funds?

- (a) Around November, 1975 - from officers and directors.
- (b) Around December, 1975-January, 1976 - from location managers who in turn solicited employees.
- (c) Around March, 1976 - Marshall Space Flight Center employees prior to start up.
- (d) Past March, 1976 - we cannot find any evidence that Exhibit "F" was ever actually used in mass mailing.

3. How were participants informed and enrolled in the payroll deduction plan?

It appears that they were orally informed as well as by letter in their orientation "Welcome to Metro" packet. This packet included Exhibit "B" which was returned to the location manager who in turn processed it to the payroll department.

4. During what time period did Mr. Crawford solicit contributions to the PAC?

The records indicate that solicitation activity began in November, 1975 and continued through March, 1976. The solicitation letter, Exhibit "F", was not dated and there was no indication if these were mailed in bulk mailing. If they were mailed, the deposits did not indicate any significant response. This apparently concluded Mr. Crawford's efforts for the PAC.

5. Where did he solicit the contributions?

- (a) Houston friends and corporate office.
- (b) Through location managers at (Exhibit "A"):
 - (1) Langley Research Center*
 - (2) Johnson NASA Center*
 - (3) Denver, Colorado
 - (4) Tampa, Florida
 - (5) Houston, Texas

* In reviewing deposit records, we did not note any participation from Langley or Johnson locations as a result of the January 21, 1976 letter.

6. Did Mr. Crawford or anyone else solicit any contributions after March, 1976?

As best that can be determined, Mr. Crawford was the only member of the committee that actively pursued solicitation to the PAC.

As a result of their apparent own efforts, the project manager at Johnson NASA began contributing in May, 1977, and was joined by his staff in June, 1977. These included Mark Scott, Manager L.P.&A Department; Charles Staigle, Manager Storage and Issue Department; Bill Hawkins, Receiving Manager; and Glenn Williams, Manager Transportation Department.

7. If yes, from whom did they solicit contributions?

Other than those discussed in #6 above, we do not have knowledge of further solicitation.

8. Who continued using the payroll deduction plan after December 31, 1976?

- (1) Kenneth Cunningham - Chairman of the Board
- (2) Ollie Crawford - Vice President
- (3) Ed Fritcher - Secretary, Treasurer
- (4) Sal Esparza - President
- (5) Neil Howard - Vice President
- (6) Tommy Smith - Assistant Manager
- (7) Rudy Trevino - Location Manager- effective May, 1977
- (8) Mark Scott - Department Manager - effective June, 1977
- (9) Charles Staigle - Department Manager - effective June, 1977
- (10) Bill Hawkins - Department Manager - effective June, 1977
- (11) Glenn Williams - Department Manager - effective June, 1977
- (12) Exhibit G - list of Alabama employees - This list was the last deposit breakout that we found; however, the amounts of deposits declined steadily until the cessation in August, 1977, which indicate several employees were dropped during this period.

79040170985

Mr. William C. Oldaker

Page 4

May 25, 1979

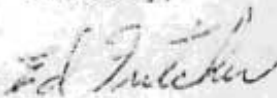
In conclusion, we are grateful that the current treasurer for the PAC, Mr. Tom Phipps; Metropolitan Contract Services, Inc.,; 9225 Katy Freeway, Suite 110; Houston, Texas 77024, allowed us to review these old records to respond to your questions. As a result of the change of ownership of Metro Contract Services, Inc., on July 1, 1977, the payroll deductions ceased for the Alabama employees in August, 1977, and the Texas employees in December, 1977.

Our records indicate that refunds were made to those employees continuing into December, 1977, as shown in Exhibit "H," and Metro is no longer involved in any PAC activity.

As indicated in your August 10, 1976, letter, attached Exhibit "D," Mr. Crawford and all committee members were very much aware of the new PAC regulations and we feel very confident that these regulations were carefully observed.

If you feel that it will be necessary, we will provide affidavits to any materials supplied in this correspondence. Please advise if you need any further clarification on any point.

Sincerely,



Ed Fritcher

Secretary-Treasurer

METRO CONTRACT SERVICES, INC.

mt

Enclosures

70010170985

January 21, 1976

TO MESSRS: NEIL HOWARD - *Location mps.*
BILL BOSWELL - ✓ ✓
WILFORD HAIRELL - ✓ ✓
MITCH ROBERTSON - ✓ ✓
TOM GRIFFIN - ✓ ✓
MARK PERRIN - ✓ ✓

FROM: O. R. CRAWFORD

As you know, all of us have been very concerned for some time with the direction our country seems to be heading. While we were still reeling from the Watergate episode, unfavorable publicity continues to hit the front page involving the CIA, FBI and other so-called institutions that we have considered very necessary to the preservation of our freedom.

When you get right down to it, the people who are responsible for most of our troubles - and happiness - are those whom we send to Washington.

A short time ago, Congress passed legislation which set up the Federal Election Commission. At the same time, they approved the mechanics for companies such as ours, to have a substantial and effective voice in who will go to Washington as our Representatives and Senators through the formation of a Political Action Committee in which employees contribute. You may participate on a "one shot" basis or a continuing one through the payroll deduction method.

Your company has formed the "Concerned Citizens Political Action Committee" and wish to give you and your employees the opportunity to participate in the program.

I am transmitting herewith a supply of cards which you may wish to distribute to your people. If you want someone from this office to drop by to explain in detail the program, please let me know and we will work out a schedule with you.

It is very important that we have at least 50 participants in the next six weeks.

Please do your part in getting the show on the road.

Sincerely,

O. R. Crawford,
Executive Vice President

EXHIBIT

A

ORC:PK

72010170987

	Date	Amount	
W/E	11/2/75	70.00	
	12/7/75	70.00	
	1/7/76	70.00	210.00
	2/7/76	70.00	
	3/7/76	70.00	350.00
	4/7/76	70.00	420.00
	5/7/76	70.00	490.00
	6/7/76		

MC - 102

CONCERNED CITIZENS POLITICAL ACTION COMMITTEE CONTRIBUTION FOR BETTER GOVERNMENT

I CARE about the kind of government America has and about who represents me. My contribution is to be used to help elect responsible officials that will represent my views and the interest of our company.

D.R. Crawford

EMPLOYEE NO.

LOCATION

17

I wish to contribute by the following method:

(1) PAY ROLL DEDUCTION

AMOUNT \$ 70
per payday

I hereby authorize my employer to deduct from my pay, to be forwarded to the Concerned Citizens PAC

D.R. Crawford
signature

(2) BILL ME AS INDICATED:

☐ Quarterly

or

☐ as follows

signature

address

city

(3) CASH OR CHECK
HEREWITH

Amount paid now

\$ _____

Balance due (2)

\$ _____

Total

\$ _____

★ SEE CHART ON BACK ★

EXHIBIT

E

70010170989

TO: ALL METRO EMPLOYEES
Marshall Space Flight Center

FROM: O. R. Crawford
Executive Vice President

SUBJECT: Concerned Citizens Political Action Committee

DATE: 30 March 1976

I wish to take this opportunity to express my appreciation to you for your assistance in getting the Concerned Citizens Political Action Committee off of the ground here at the Marshall Space Flight Center. As of this date approximately 14% are participating in the program, but we need many more if we are to be effective. Please remember that the end result of our efforts will benefit you directly.

After several years of serious problems brought about by the Watergate affair, riots, unrest, degeneration of our defense capabilities, the energy crisis and a myriad of other problems - most of which were caused by incompetent politicians, I feel that now is the time to bring about responsible leadership in Washington, especially in Congress, by helping to elect candidates who are interested in: (1) a strong America, (2) the Space Program, (3) solving the energy crisis, (4) ending the world wide "Give Away" Program, (5) protection of our Social Security - as well as many other matters having to do with our livelihood and future health and happiness.

In order to make it possible for all of us to participate in a program such as ours, the Law now allows contributions up to \$100 - \$200 on a joint return - to be a deductible item in computing your Federal Income Tax.

As stated in a previous memorandum, "We should keep in mind that it is our elected representatives who determine the legislation that directly affects our Company and our own job opportunities. With your help, we can properly have an influence on the quality of Presidential and Congressional candidates nominated for and elected to Office."

If you wish to participate and have not signed a pledge card, see your supervisor today. Your help is needed.

EXHIBIT


O. R. Crawford

ORC/db



FEDERAL ELECTION COMMISSION
1100 STREET NW
WASHINGTON, DC 20543

MAY 11 KEY DATE - OUR MARSHALL EFFORTS
WERE 1245 WEEKS OF MARCH

10 AUG 1976

Re: AOR 1976-47

O. R. Crawford, Chairman
Metro Contract Services, Inc.
9225 Katy Freeway, Suite 110
Houston, Texas 77024

Dear Mr. Crawford:

This letter is in response to yours of June 24, 1976, concerning the twice yearly solicitation provision of the Federal Election Campaign Act of 1971, as amended. You ask for clarification of 2 U.S.C. §441b(b)(4)(B) as applicable to the contributor of \$50 or less who requests the contribution to be made through payroll deduction.

As you know, §441b(b)(4)(B) provides that a corporation, labor organization or their separate segregated fund may make two written solicitations for contributions per year from any stockholder, executive or administrative personnel, or employee of a corporation or the families of such persons. However, such a solicitation may be made only by mail addressed to such persons at their residence and "shall be so designed that the corporation, labor organization, or separate segregated fund conducting such solicitation cannot determine who makes a contribution of \$50 or less as a result of such solicitation and who does not make such a contribution."

The Commission has sought to implement this statutory provision regarding disclosure by giving final approval to the following proposed regulation:

A corporation or labor organization or the separate segregated fund of either may not use a payroll deduction plan, a checkoff system, or other plan which



EXHIBIT D

deducts contributions from an employee's paycheck as a method of facilitating the making of contributions under this section.*/ §114.6(e)(1)

This proposed regulation would make it clear that a corporation or labor union could not use an overall plan to provide a payroll deduction option to employees and others under the twice yearly solicitation. I note that §114.6(e)(1) does not specifically address the question of an isolated employee spontaneously asking that a deduction be made from his paycheck, and the Commission has not addressed it in the context of an advisory opinion request. The proposed regulations in §114.5(j) do permit a separate segregated fund to accept a contribution otherwise lawful.

You do not describe in any detail the conditions under which payroll deductions have been requested in your situation. Therefore, this letter should be regarded as informational only and not advisory since an advisory opinion must be in response to a "specific factual situation" calling for the application of a general rule of law stated in the Act or a regulation duly prescribed by the Commission. 2 U.S.C. §437f(a).

In any event, I wish to draw your attention to §114.12(d) of the Commission's proposed regulations which reads as follows:

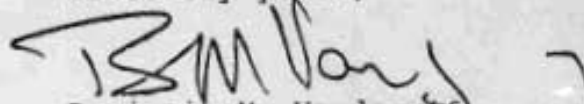
A corporation which, prior to May 11, 1976, had solicited employees other than stockholders or executive or administrative personnel for voluntary contributions to its separate segregated fund and had offered such employees the opportunity to enroll in a payroll deduction plan may, until

*/ Note that this rule applies only to twice yearly solicitations of employees and others. Methods such as payroll deductions are allowed when a corporation solicits only its stockholders or executive and administrative personnel, if the method is made available to the appropriate labor organizations. See §114.5(k) of the Commission's proposed regulations.

October 11, 1976, unless the employee withdraws before that date, continue to deduct contributions from the checks of employees who signed up prior to May 11, 1976. Any solicitation of such employees after May 11, 1976, is subject to the provisions of 2 U.S.C. §441b(b)(4)(B) and §114.6 when prescribed. [Emphasis added.]

The proposed regulations quoted above were submitted to Congress on August 3, 1976 and may be prescribed in final form by the Commission only if not disapproved either by the House or the Senate within thirty legislative days from the date received by each body. 2 U.S.C. §438(c). I hope this response is helpful for purposes of your inquiry.

Sincerely yours,



Benjamin M. Vandegrift
Assistant General Counsel (Acting)

72040170992

May 13, 1976

TO: ALL METRO/METROPOLITAN MANAGERS
FROM: O. R. CRAWFORD
RE: CONCERNED CITIZENS

We are in the process of trying to determine who, how and when an employee - or potential employee might be contacted by management - with reference to his joining and participating in the Concerned Citizens Political Action Committee. We are free to contact any employee above the position of Foreman at any time. However, a question remains regarding other employees.

I have asked the Federal Election Commission for an opinion based on the new legislation signed by the President the first of this week.

Effective May 11, employees from Foreman down may only be contacted twice each year by mail and at his home address. We may be allowed, however, to cover our Political Action Committee during pre-employment interviews.

You will be notified of the decision when received.

O. R. Crawford

ORC:kh

EXHIBIT E

72010170993

YOUR POLITICAL INVOLVEMENT - 1976
O. R. CRAWFORD - Executive Vice President

The year 1976 promises to be a great year for all Americans. First of all, it is the 200th birthday of our wonderful country, which will be celebrated near and far. A major part of the celebration will be the July 4 landing on Mars of the Viking I spacecraft, which some of you had a hand in, by handling parts and equipment which were later a part of the launch effort on August 20, 1975. In other words you - our company - participated in the first landing on Mars on the 200th anniversary of the birth of the United States.

1976 will also be a year of changes - most of all which should be of benefit to you and your family. Inflation is slowing and our standard of living is increasing. We are enjoying more and better things. Even the air we are breathing is getting better, but the battle is not completely won.

1976 is also an election year. We are not privileged, but obligated to cast your vote to help decide who will be overseeing your schools, cities, counties, states, and most importantly - country.

For many years the very wealthy and the very large have called the shots as to who will be our next President - or Senator - or Congressman - but no longer.

Although you have been hearing the past year or so about a number of large corporations who contributed hundreds of thousands of dollars to political candidates, corporations as such are strictly prohibited by law from making political contributions to candidates for federal elective office. Those who have violated the law are paying the penalty. You are no doubt asking yourself what this has to do with you. Plenty.

Last year Congress enacted into law an amendment to the Federal Election Campaign Act which permits companies such as ours to establish a separate segregated fund comprised of employee contributions - as well as outsiders - to be utilized for political purposes. Incentives have been enacted in the form of income tax deductions and credits to encourage individual political contributions.

Last Fall your company established the Concerned Citizens Political Action Committee for the purpose of building a fund to help elect people who support a constructive role for companies such as **ours** in business and commerce. I have been appointed Chairman. Serving with me on this Committee are fellow employees who are knowledgeable in the political process and who will know the background and position of Congressional candidates across the country.

EXHIBIT F

All employees and friends of our company are being given the opportunity to participate in Concerned Citizens Political Action Committee. By doing so, you are saying that you realize that our company's future is being adversely affected by legislation not in our best interest. By contributing to CCPAC we can combine our resources in meaningful support for responsible and qualified candidates which can make a difference in the outcome of an election.

Political contributions up to \$100 per contributor (\$200 on joint return) are deductible in computing your federal taxable income. Your participation in CCPAC is strictly on a voluntary basis, as it is required by law that contributions are not secured as a condition of employment, nor by force, job discrimination, financial reprisal, or threat thereof.

We should not take for granted the elective process, which is the cornerstone of American democracy. We must recognize our responsibilities as good citizens, and also should keep in mind that it is our elected representatives who determine the legislation that directly affects our company and our own job opportunities. With your help, we can properly have an influence on the quality of Presidential and Congressional candidates nominated for and elected to office.

Your contribution is needed today!

70010170993

PAC DEC 1966
Plants etc, also

RECEIVED
JAN 10 1967

	12/5	12/12	12/19	12/26	TOTALS
F.F. Wagner - Ant. exp. #	800	600	600	800	3200
K.H. Haffkins - Ant. exp. #	200	300	300	300	1100
M.D. Walgren - Ant. exp. #	100	100	100	100	400
W. Fiala - Ant. exp. #	50	50	50	50	200
T.E. Keilly - Ant. exp. #	400	400	400	400	1600
M.W. Dargatzis - Ant. exp. #	200	200	200	200	800
G.T. Hutter - Ant. exp. #	400	400	400	400	1600
R.N. Dikens - Ant. exp. #	200	200	200	200	800
R.J. Ryan - Ant. exp. #	2000	2000	2000	2000	8000
M.E. Muller - Ant. exp. #	200	200	200	200	800
M.E. Jurek - Ant. exp. #	-0-	-0-	-0-	-0-	-0-
J.H. Spelt - Ant. exp. #	1442	1442	1442	1442	5768
B. Schubert - Ant. exp. #	-0-	-0-	1000	-0-	1000
TOTALS	5992	5992	6992	5992	24968

EXHIBIT

5

79040170997

METRO CONTRACT SERVICES, INC.

No. 5212

9225 KATY FREEWAY - SUITE 110

HOUSTON, TEXAS 77024 0550 46 - PREC - O BY ABOT 03/29/77

PAY

176 DOLLARS

9225 KATY FREEWAY - SUITE 110

TO THE
ORDER OF

Col. R. L. Trevino

DATE	AMOUNT
Dec. 27, 1977	\$176.87

METRO CONTRACT SERVICES, INC.

ALLIED BANK OF TEXAS
HOUSTON, TEXAS

⑆1130⑉0106⑆ 003 672 34 ⑈0000037687

METRO CONTRACT SERVICES, INC.

No. 5214

9225 KATY FREEWAY - SUITE 110

HOUSTON, TEXAS 77024 0550 46 - PREC - O BY ABOT 03/29/77

PAY

34 DOLLARS

9225 KATY FREEWAY - SUITE 110

TO THE
ORDER OF

Charles Staigle

DATE	AMOUNT
12/27/77	\$34.50

METRO CONTRACT SERVICES, INC.

ALLIED BANK OF TEXAS
HOUSTON, TEXAS

⑆1130⑉0106⑆ 003 672 34 ⑈0000003450

METRO CONTRACT SERVICES, INC.

No. 5215

9225 KATY FREEWAY - SUITE 110

HOUSTON, TEXAS 77024 0550 46 - PREC - O BY ABOT 03/29/77

PAY

34 DOLLARS

9225 KATY FREEWAY - SUITE 110

TO THE
ORDER OF

W. L. Hawkins

DATE	AMOUNT
Dec. 27, 1977	\$34.50

METRO CONTRACT SERVICES, INC.

ALLIED BANK OF TEXAS
HOUSTON, TEXAS

⑆1130⑉0106⑆ 003 672 34 ⑈0000003450

EXHIBIT H

79040170998

METRO CONTRACT SERVICES, INC.

9225 KATY FREEWAY - SUITE 110

HOUSTON, TEXAS 77040-0106 PREC-D BY ABOIT 05/15/77

No. 5210

PAY

THE SUM 23 DOLS 00 CTS

TO THE
ORDER OF

G. Williams

DATE	AMOUNT
Dec. 27, 1977	\$23.00

METRO CONTRACT SERVICES, INC.

ALLIED BANK OF TEXAS
HOUSTON, TEXAS

⑈1120⑈0106⑈ 003 672 34

⑈0000000000⑈

METRO CONTRACT SERVICES, INC.

9225 KATY FREEWAY - SUITE 110

HOUSTON, TEXAS 77040-0106 PREC-D BY ABOIT 04/04/77

No. 5210

PAY

THE SUM 23 DOLS 00 CTS

TO THE
ORDER OF

Mark Scott

DATE	AMOUNT
Dec. 27, 1977	\$23.00

METRO CONTRACT SERVICES, INC.

ALLIED BANK OF TEXAS
HOUSTON, TEXAS

⑈1120⑈0106⑈ 003 672 34

⑈0000000000⑈

ATTACHMENT II

Don't know

10176

CONCERNED CITIZENS POLITICAL ACTION COMMITTEE

9225 Katy Freeway, Suite 110
Houston, Texas 77024
(713) 461-9585

COMMISSION

May 18, 1979

79 MAY 21 PM 2:31

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K. Street, N.W.
Washington, D. C. 20463

Re: MUR907

90245


Dear Mr. Oldaker:

In order to provide full details of the terms of the loan to the CCPAC, as requested by your letter of May 9, 1979, we feel the best way to provide such details is to give you a copy of the original note and copies of each subsequent renewal note. Please find such copies enclosed. We hope this satisfies your request for additional information concerning this matter.

With regard to solicitations for the CCPAC made by Mr. Ollie Crawford in 1976, I must refer you to Mr. Crawford himself as I was not involved with, and did not become Treasurer of, the CCPAC until July 1, 1978. I can tell you that when I became Treasurer, the payroll deduction plan had withered away to almost nothing. The only participants who were still using the payroll deduction plan were three salaried executives.

If I can be of further assistance to the Commission, please do not hesitate to contact me.

Sincerely,


David Personette, Treasurer,
Concerned Citizens Political
Action Committee

TCP:er

enclosure

79010170999

Houston, Texas
COMMERCIAL NOTE

Houston, Texas:

March 8,

1976 \$ 10,000.00

For value received, I, we, or either of us, promise to pay to the order of ALLIED BANK OF TEXAS

the sum of ---TEN THOUSAND and no/100-----

DOLLARS,

together with interest thereon from date hereof at the rate of - 9 - percent per annum, such principal and interest being payable at the offices of said Bank in Houston, Harris County, Texas as follows:

ON OR BEFORE MATURITY OF SIX (6) MONTHS

All past due principal and interest shall bear interest from maturity at the highest rate applicable to the undersigned borrower as permitted by applicable State law. At the option of the holder hereof, all unpaid amounts of principal and interest shall become immediately due and payable, without presentment or demand or notice to the undersigned or any other person obligated hereon, upon the occurrence of any of the following events: (i) default in the payment or performance of any liability, obligation or duty of the undersigned to the holder of this note, whether under this note or otherwise; (ii) the death, insolvency or bankruptcy of the undersigned or any proceedings in bankruptcy or for the relief of debtors or readjustment of debts is filed by or against any of the undersigned; or (iii) if the holder hereof in good faith believes the prospect of repayment of this note is impaired or otherwise deems itself insecure. In the event of any such acceleration, all other indebtedness and obligations owed by the undersigned to the holder hereof shall at the option of such holder also become at once due and payable.

If this note is placed in the hands of an attorney for collection or collected through probate, bankruptcy or any other judicial proceeding, then the undersigned agrees to pay, in addition to all other amounts owing hereunder, all expenses and costs of collection including reasonable attorneys' fees incurred by the holder hereof or, the holder hereof may elect to recover fifteen percent (15%) of the amount of principal and interest then unpaid on this note as attorneys' fees.

The undersigned and all sureties, endorsers and guarantors of this note waive demand, presentment for payment, notice of non-payment, protest, notice of protest, and all other notice, filing or suit and diligence in collecting this note or enforcing any security given therefor, and agree to any substitution, exchange or release of any security now or hereafter given for this note or the release of any party primarily or secondarily liable hereon. The undersigned and all sureties, endorsers and guarantors of this note further agree that it will not be necessary for the payee or any holder hereof, in order to enforce payment of this note, to first institute or exhaust its remedies against any maker or other party liable therefor or to enforce its rights against any security for this note and hereby consent to the renewal or extension from time to time of this note, and to any other indulgence with respect hereto, without notice of any such renewal, extension or indulgence.

Notwithstanding any provision hereof to the contrary, no provision hereof shall require or permit the collection of interest in excess of the maximum permitted by law. If any such excess is provided for or adjudicated to be so provided for, any such excess shall be, at holder's option, either applied as a credit against principal or refunded to Borrower and the effective rate of interest shall be the maximum lawful contract rate allowed under the usury laws of the State of Texas.

Each of the undersigned (except corporations and others signing in a stated representative capacity) acknowledge that his or her liability hereon shall be an obligation of his or her separate property and estate as well as an obligation of the community estate of the undersigned and the spouse of the undersigned.

☐ I desire credit life insurance in the amount of \$ _____
for a term of _____ days at a cost of \$ _____
☐ I do not desire credit life insurance.

This note is secured by:

unsecured

N GBH

Maturity date: November 8, 1976

CONCERNED CITIZENS POLITICAL ACTION

COMMITTEE

Address: 9225 Katy Freeway, Suite 110

Houston, Texas Zip 770

By:

O. R. Crawford, Chairman

Phone No.: _____ Social Security No. _____

00-10077 GBH/fd 005 965 9

Application of Payments

[illegible]

BORROWER NAME	CLASSIFICATION	BORROWER NO.	NOTE NO.
Concerned Citizens Political Action Committee	C1	0738922	4786 76

GBH/jc ..
D 7 0

Endorsements



NOV 11 1976
Houston, Texas

Houston, Texas
COMMERCIAL NOTE
November 8, 1976

10,000.00

For value received, I, we, or either of us, promise to pay to the order of ALLIED BANK of TEXAS

the sum of --TEN THOUSAND and no/100-----

DOLLARS,

together with interest thereon from date hereof at the rate of 9 percent per annum,
such principal and interest being payable at the offices of said Bank in Houston, Harris County, Texas as follows:

ON OR BEFORE MATURITY OF ONE HUNDRED EIGHTY TWO (182) DAYS

All past due principal and interest shall bear interest from maturity at the highest rate applicable to the undersigned borrower as permitted by applicable State law. At the option of the holder hereof, all unpaid amounts of principal and interest shall become immediately due and payable, without presentment or demand or notice to the undersigned or any other person obligated hereon, upon the occurrence of any of the following events: (i) default in the payment or performance of any liability, obligation or duty of the undersigned to the holder of this note, whether under this note or otherwise; (ii) the death, insolvency or bankruptcy of the undersigned or any proceedings in bankruptcy or for the relief of debtors or readjustment of debts is filed by or against any of the undersigned; or (iii) if the holder hereof in good faith believes the prospect of repayment of this note is impaired or otherwise deems itself insecure. In the event of any such acceleration, all other indebtedness and obligations owed by the undersigned to the holder hereof shall at the option of such holder also become at once due and payable.

If this note is placed in the hands of an attorney for collection or collected through probate, bankruptcy or any other judicial proceeding, then the undersigned agrees to pay, in addition to all other amounts owing hereunder, all expenses and costs of collection including reasonable attorneys' fees incurred by the holder hereof or, the holder hereof may elect to recover fifteen percent (15%) of the amount of principal and interest then unpaid on this note as attorneys' fees.

The undersigned and all sureties, endorsers and guarantors of this note waive demand, presentment for payment, notice of non-payment, protest, notice of protest, and all other notice, filing or suit and diligence in collecting this note or enforcing any security given therefor, and agree to any substitution, exchange or release of any security now or hereafter given for this note or the release of any party primarily or secondarily liable hereon. The undersigned and all sureties, endorsers and guarantors of this note further agree that it will not be necessary for the payee or any holder hereof, in order to enforce payment of this note, to first institute or exhaust its remedies against any maker or other party liable therefor or to enforce its rights against any security for this note and hereby consent to the renewal or extension from time to time of this note, and to any other indulgence with respect hereto, without notice of any such renewal, extension or indulgence.

Notwithstanding any provision hereof to the contrary, no provision hereof shall require or permit the collection of interest in excess of the maximum permitted by law. If any such excess is provided for or adjudicated to be so provided for, any such excess shall be, at holder's option, either applied as a credit against principal or refunded to Borrower and the effective rate of interest shall be the maximum lawful contract rate allowed under the usury laws of the State of Texas.

Each of the undersigned (except corporations and others signing in a stated representative capacity) acknowledge that his or her liability hereon shall be an obligation of his or her separate property and estate as well as an obligation of the community estate of the undersigned and the spouse of the undersigned.

☐ I desire credit life insurance in the amount of \$ _____
for a term of _____ days at a cost of \$ _____
☐ I do not desire credit life insurance.

This note is secured by: unsecured.
GBH

R 178079

Maturity date: May 9, 1977

CONCERNED CITIZENS POLITICAL ACTION
COMMITTEE

Address: 9225 Katy Freeway

By: *E. L. Fitcher*

Houston, Texas Zip 77024

Phone No.: _____ Social Security No. _____

10077

Application of Payments

Enforcements

[illegible]

BORROWER NAME	CLASSIFICATION	BORROWER NO.	NOTE NO.
Concerned Citizens Political Action Committee	C 1	07/9912	35-1001

D-2-55,000 GBH

HOUSTON, TEXAS
COMMERCIAL NOTE

May 9,

77,

9,000.00

Houston, Texas,

For value received, I, we, or either of us, promise to pay to the order of ALLIED BANK of TEXAS

the sum of --NINE THOUSAND and no/100-----

together with interest thereon from date hereof at the rate of 8

such principal and interest being payable at the offices of said Bank in Houston, Harris County, Texas as follows:

ONE HUNDRED EIGHTY TWO (182) DAYS

RECEIVED

NOV 11 1977

All past due principal and interest shall bear interest from maturity at the highest rate applicable to the undersigned borrower as permitted by applicable State law. At the option of the holder hereof, all unpaid amounts of principal and interest shall become immediately due and payable, without presentment or demand or notice to the undersigned or any other person obligated hereon, upon the occurrence of any of the following events: (i) default in the payment or performance of any liability, obligation or duty of the undersigned to the holder of this note, whether under this note or otherwise; (ii) the death, insolvency or bankruptcy of the undersigned or any proceedings in bankruptcy or for the relief of debtors or readjustment of debts is filed by or against any of the undersigned; or (iii) if the holder hereof in good faith believes the prospect of repayment of this note is impaired or otherwise deems itself insecure. In the event of any such acceleration, all other indebtedness and obligations owed by the undersigned to the holder hereof shall at the option of such holder also become at once due and payable.

If this note is placed in the hands of an attorney for collection or collected through probate, bankruptcy or any other judicial proceeding, then the undersigned agrees to pay, in addition to all other amounts owing hereunder, all expenses and costs of collection including reasonable attorneys' fees incurred by the holder hereof or, the holder hereof may elect to recover fifteen percent (15%) of the amount of principal and interest then unpaid on this note as attorneys' fees.

The undersigned and all sureties, endorser and guarantors of this note waive demand, presentment for payment, notice of non-payment, protest, notice of protest, and all other notice, filing or suit and diligence in collecting this note or enforcing any security given therefor, and agree to any substitution, exchange or release of any security now or hereafter given for this note or the release of any party primarily or secondarily liable hereon. The undersigned and all sureties, endorser and guarantors of this note further agree that it will not be necessary for the payee or any holder hereof, in order to enforce payment of this note, to first institute or exhaust its remedies against any maker or other party liable therefor or to enforce its rights against any security for this note and hereby consent to the renewal or extension from time to time of this note, and to any other indulgence with respect hereto, without notice of any such renewal, extension or indulgence.

Notwithstanding any provision hereof to the contrary, no provision hereof shall require or permit the collection of interest in excess of the maximum permitted by law. If any such excess is provided for or adjudicated to be so provided for, any such excess shall be, at holder's option, either applied as a credit against principal or refunded to Borrower and the effective rate of interest shall be the maximum lawful contract rate allowed under the usury laws of the State of Texas.

Each of the undersigned (except corporations and others signing in a stated representative capacity) acknowledge that his or her liability hereon shall be an obligation of his or her separate property and estate as well as an obligation of the community estate of the undersigned and the spouse of the undersigned.

☐ I desire credit life insurance in the amount of \$ _____
for a term of _____ days at a cost of \$ _____
☒ I do not desire credit life insurance.

This note is secured by: unsecured.

PR #188633 \$1,000 GBH

CONCERNED CITIZENS POLITICAL ACTION
COMMITTEE

By: *Ed Fritcher*
Ed Fritcher-Treasurer

Maturity date: November 7, 1977

c/o K. Cunningham
Address: 9225 Katy Freeway

Houston, Texas Zip 77024

Phone No.: 461 9585 Social Security No. _____

00-10077 GSH/fd

Endorsements

[illegible]

BORROWER NAME	CLASSIFICATION	BORROWER NO.	NOTE NO.
CONCERNED CITIZENS POLITICAL ACTION COMMITTEE	E 1	0738922	196432

D-7-0 G84

Gurantor: Kenneth Cunningham 0719120

APR 12 1971

COMMERCIAL NOTE
November 7,

Houston, Texas,

For value received, I, we, or either of us, promise to pay to the order of ALLIED BANK OF TEXAS

79 77 s 8,000.00

NOV 2 1977

the sum of EIGHT THOUSAND and no/100-----

DOLLARS,

together with interest thereon from date hereof at the rate of 9 percent per annum,
such principal and interest being payable at the offices of said Bank in Houston, Harris County, Texas as follows:

ON OR BEFORE MATURITY OF ONE HUNDRED EIGHTY TWO (182) DAYS

All past due principal and interest shall bear interest from maturity at the highest rate applicable to the undersigned borrower as permitted by applicable State law. At the option of the holder hereof, all unpaid amounts of principal and interest shall become immediately due and payable, without presentment or demand or notice to the undersigned or any other person obligated hereon, upon the occurrence of any of the following events: (i) default in the payment or performance of any liability, obligation or duty of the undersigned to the holder of this note, whether under this note or otherwise; (ii) the death, insolvency or bankruptcy of the undersigned or any proceedings in bankruptcy or for the relief of debtors or readjustment of debts is filed by or against any of the undersigned; or (iii) if the holder hereof in good faith believes the prospect of repayment of this note is impaired or otherwise deems itself insecure. In the event of any such acceleration, all other indebtedness and obligations owed by the undersigned to the holder hereof shall at the option of such holder also become at once due and payable.

If this note is placed in the hands of an attorney for collection or collected through probate, bankruptcy or any other judicial proceeding, then the undersigned agrees to pay, in addition to all other amounts owing hereunder, all expenses and costs of collection including reasonable attorneys' fees incurred by the holder hereof or, the holder hereof may elect to recover fifteen percent (15%) of the amount of principal and interest then unpaid on this note as attorneys' fees.

The undersigned and all sureties, endorsers and guarantors of this note waive demand, presentment for payment, notice of non-payment, protest, notice of protest, and all other notice, filing or suit and diligence in collecting this note or enforcing any security given therefor, and agree to any substitution, exchange or release of any security now or hereafter given for this note or the release of any party primarily or secondarily liable hereon. The undersigned and all sureties, endorsers and guarantors of this note further agree that it will not be necessary for the payee or any holder hereof, in order to enforce payment of this note, to first institute or exhaust its remedies against any maker or other party liable therefor or to enforce its rights against any security for this note and hereby consent to the renewal or extension from time to time of this note, and to any other indulgence with respect hereto, without notice of any such renewal, extension or indulgence.

Notwithstanding any provision hereof to the contrary, no provision hereof shall require or permit the collection of interest in excess of the maximum permitted by law. If any such excess is provided for or adjudicated to be so provided for, any such excess shall be, at holder's option, either applied as a credit against principal or refunded to Borrower and the effective rate of interest shall be the maximum lawful contract rate allowed under the usury laws of the State of Texas.

Each of the undersigned (except corporations and others signing in a stated representative capacity) acknowledge that his or her liability hereon shall be an obligation of his or her separate property and estate as well as an obligation of the community estate of the undersigned and the spouse of the undersigned.

☐ I desire credit life insurance in the amount of \$ _____
for a term of _____ days at a cost of \$ _____
☐ I do not desire credit life insurance.

This note is secured by: unsecured. R 196432 GBH

Maturity date: May 8, 1978

CONCERNED CITIZENS POLITICAL ACTION
COMMITTEE

Address: 9225 Katy Freeway, Suite 110

By: [Signature] TREASURER

Houston, Texas Zip 77024

Phone No.: 461 9585 Social Security No. _____
00-10077 GBH/fd

RECEIVED

Endorsements

BORROWER NAME	CLASSIFICATION	BORROWER NO.	NOTE NO.
CONCERNED CITIZENS POLITICAL ACTION COMMITTEE	E 1	0738922	5021 76

D-2 = \$1,000 GBH



Houston, Texas
COMMERCIAL NOTE

Houston, Texas,

June 23,

978

\$ 23,000.00

For value received, I, we, or either of us, promise to pay to the order of ALLIED BANK of TEXAS

the sum of --TWENTY THREE THOUSAND and no/100-----

DOLLARS,

together with interest thereon from date hereof at the rate of 9.86

percent per annum,

such principal and interest being payable at the offices of said Bank in Houston, Harris County, Texas as follows:

ONE HUNDRED EIGHTY (180) DAYS

All past due principal and interest shall bear interest from maturity at the highest rate applicable to the undersigned borrower as permitted by applicable State law. At the option of the holder hereof, all unpaid amounts of principal and interest shall become immediately due and payable, without presentment or demand or notice to the undersigned or any other person obligated hereon, upon the occurrence of any of the following events: (i) default in the payment or performance of any liability, obligation or duty of the undersigned to the holder of this note, whether under this note or otherwise; (ii) the death, insolvency or bankruptcy of the undersigned or any proceedings in bankruptcy or for the relief of debtors or readjustment of debts is filed by or against any of the undersigned; or (iii) if the holder hereof in good faith believes the prospect of repayment of this note is impaired or otherwise deems itself insecure. In the event of any such acceleration, all other indebtedness and obligations owed by the undersigned to the holder hereof shall at the option of such holder also become at once due and payable.

If this note is placed in the hands of an attorney for collection or collected through probate, bankruptcy or any other judicial proceeding, then the undersigned agrees to pay, in addition to all other amounts owing hereunder, all expenses and costs of collection including reasonable attorneys' fees incurred by the holder hereof or, the holder hereof may elect to recover fifteen percent (15%) of the amount of principal and interest then unpaid on this note as attorneys' fees.

The undersigned and all sureties, endorsers and guarantors of this note waive demand, presentment for payment, notice of non-payment, protest, notice of protest, and all other notice, filing or suit and diligence in collecting this note or enforcing any security given therefor, and agree to any substitution, exchange or release of any security now or hereafter given for this note or the release of any party primarily or secondarily liable hereon. The undersigned and all sureties, endorsers and guarantors of this note further agree that it will not be necessary for the payee or any holder hereof, in order to enforce payment of this note, to first institute or exhaust its remedies against any maker or other party liable therefor or to enforce its rights against any security for this note and hereby consent to the renewal or extension from time to time of this note, and to any other indulgence with respect hereto, without notice of any such renewal, extension or indulgence.

Notwithstanding any provision hereof to the contrary, no provision hereof shall require or permit the collection of interest in excess of the maximum permitted by law. If any such excess is provided for or adjudicated to be so provided for, any such excess shall be, at holder's option, either applied as a credit against principal or refunded to Borrower and the effective rate of interest shall be the maximum lawful contract rate allowed under the usury laws of the State of Texas.

Each of the undersigned (except corporations and others signing in a stated representative capacity) acknowledge that his or her liability hereon shall be an obligation of his or her separate property and estate as well as an obligation of the community estate of the undersigned and the spouse of the undersigned.

☐ I desire credit life insurance in the amount of \$ _____

This note is secured by:

guaranty.

GBH

for a term of _____ days at a cost of \$ _____

☐ I do not desire credit life insurance.

IR \$13,000 #202176

Maturity date: December 20, 1978

CONCERNED CITIZENS FOR POLITICAL ACTION

Address: 9225 Katy Freeway, #110

COMMITTEE

By: David PersonetteKenneth B. CunninghamHouston, Texas Zip 77024Phone No.: 461 9585 Social Security No. _____

00-10077

GBH/Ed W 005 965 9

Endorsements

[illegible]

BORROWER NAME	CLASSIFICATION	BORROWER NO.	NOTE NO.
Concerned Citizens for Political Action Committee	E 1	0738922	209009

GBH-FJ

D-7-0

Guarantors:

0719120 - Kenneth R. Cunningham

David Personette



FEDERAL ELECTION
COMMISSION

79 MAY 21 PM 2:31

COMMERCIAL NOTE
December 20, 1978 \$23,000.00

For value received, I, we, or either of us, promise to pay to the order of

ALLIED BANK OF TEXAS

the sum of -TWENTY THREE THOUSAND and no/100----- DOLLARS,
together with interest thereon from date hereof at the rate of 9.86 percent per annum,
such principal and interest being payable at the offices of said Bank in

Payable in three successive monthly payments of \$750.00 + interest to begin
January 20, 1979, with balloon due April 20, 1979.

All past due principal and interest shall bear interest from maturity at the highest rate applicable to the undersigned borrower as permitted by applicable State law. At the option of the holder hereof, all unpaid amounts of principal and interest shall become immediately due and payable, without presentment or demand or notice to the undersigned or any other person obligated hereon, upon the occurrence of any of the following events: (i) default in the payment or performance of any liability, obligation or duty of the undersigned to the holder of this note, whether under this note or otherwise; (ii) the death, insolvency or bankruptcy of the undersigned or any proceedings in bankruptcy or for the relief of debtors or readjustment of debts is filed by or against any of the undersigned, or (iii) if the holder hereof in good faith believes the prospect of repayment of this note is impaired or otherwise deems itself insecure. In the event of any such acceleration, all other indebtedness and obligations owed by the undersigned to the holder hereof shall at the option of such holder also become at once due and payable.

If this note is placed in the hands of an attorney for collection or collected through probate, bankruptcy or any other judicial proceeding, then the undersigned agrees to pay, in addition to all other amounts owing hereunder, all expenses and costs of collection including reasonable attorneys' fees incurred by the holder hereof or, the holder hereof may elect to recover fifteen percent (15%) of the amount of principal and interest then unpaid on this note as attorneys' fees.

The undersigned and all sureties, endorsers and guarantors of this note waive demand, presentment for payment, notice of non-payment, protest, notice of protest, and all other notice, filing or suit and diligence in collecting this note or enforcing any security given therefor, and agree to any substitution, exchange or release of any security now or hereafter given for this note or the release of any party primarily or secondarily liable hereon. The undersigned and all sureties, endorsers and guarantors of this note further agree that it will not be necessary for the payee or any holder hereof, in order to enforce payment of this note, to first institute or exhaust its remedies against any maker or other party liable therefor or to enforce its rights against any security for this note and hereby consent to the renewal or extension from time to time of this note, and to any other indulgence with respect hereto, without notice of any such renewal, extension or indulgence.

Notwithstanding any provision hereof to the contrary, no provision hereof shall require or permit the collection of interest in excess of the maximum permitted by law. If any such excess is provided for or adjudicated to be so provided for, any such excess shall be, at holder's option, either applied as a credit against principal or refunded to Borrower and the effective rate of interest shall be the maximum lawful contract rate allowed under the usury laws of the State of Texas.

Each of the undersigned (except corporations and others signing in a stated representative capacity) acknowledge that his or her liability hereon shall be an obligation of his or her separate property and estate as well as an obligation of the community estate of the undersigned and the spouse of the undersigned.

☐ I desire credit life insurance in the amount of \$ _____
for a term of _____ days at a cost of \$ _____
☒ I do not desire credit life insurance.

This note is secured by: unsecured. R 209009 GBH

Maturity date Monthly beginning 1-20-79
WITH BALLOON DUE 4-20-79

CONCERNED CITIZENS FOR POLITICAL ACTION
COMMITTEE

Address: 9225 Katy Freeway, #110

By: David Personette
David Personette

Houston, Texas Zip 77024

Phone No. 461 9585 Social Security No. _____
00-10077

CONCERNED CITIZENS POLITICAL ACTION COMMITTEE

9225 Katy Freeway, Suite 110
Houston, Texas 77024
(713) 461-9585

FEDERAL ELECTION
COMMISSION

'79 MAR 26 PM 1:05

March 21, 1979

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K. Street, N.W.
Washington, D. C. 20463

901743

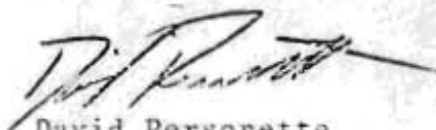
Re: MUR907

Dear Mr. Oldaker:

The \$15,000 loan of June 23, 1978 was guaranteed unknowing of any provisions of the Federal Election Campaign Act of 1971 or the Campaign Finance Regulations. From the period June 23, 1978 to December 20, 1978 no payments were made on the note. It was renewed without any guaranties whatsoever. A copy of the renewed note is enclosed.

Since December 20, 1978, three monthly payments have been made out of the general funds of the CCPAC. Therefore, since the guarantee of the June 23, 1978 note was never invoked by the bank and since the current note, which is simply a renewal of the June 23 note, does not contain any guaranties, we ask that no action should be taken against the CCPAC or any of its members.

Sincerely,



David Personette
Treasurer

DP:rh

70010171011



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Ed Fritcher
Secretary/Treasurer
Metro Contract Services, Inc.
10120 Northwest Freeway, Suite 215
Houston, Texas 77092

Re: MUR 907

Dear Mr. Fritcher:

On , 1979, the Commission found no reasonable cause to believe that Metro Contract Services, Inc. ("Metro") violated 2 U.S.C. § 441b; and the Commission determined to take no further action against Metro in connection with a violation of 11 C.F.R. § 114.12(d).

Accordingly, the file, as it pertains to Metro, has been closed in this matter. Should you have any questions, please call Susan Donaldson at (202) 523-4529.

Sincerely,

William C. Oldaker
General Counsel



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. David Personette
Treasurer
Concerned Citizens PAC
9225 Katy Freeway, Suite 110
Houston, Texas 77024

Re: MUR 907

Dear Mr. Personette:

On , 1979, the Commission found reasonable cause to believe that your committee, the Concerned Citizens PAC ("CCPAC") violated 2 U.S.C. § 441a(f) for accepting excessive contributions from you and Kenneth Cunningham; and reasonable cause to believe that you and Kenneth Cunningham violated 2 U.S.C. § 441a(a)(1)(C) by guaranteeing a note for CCPAC which is in excess of your contribution limitations.

The Commission has a duty to attempt to correct such violations for a period of 30 days by informal methods of conference, conciliation and persuasion, and by entering into a conciliation agreement. 2 U.S.C. § 437g(a)(5)(B). If we are unable to reach an agreement during that period, the Commission may, upon a finding of probable cause to believe a violation has occurred, institute civil suit in United States District Court and seek payment of a civil penalty not in excess of \$5000.

We enclose three conciliation agreements that this office is prepared to recommend to the Commission in settlement of these matters with CCPAC, Kenneth Cunningham, and you. If each respondent agrees with the provisions of the enclosed conciliation agreements, please have them signed and return them, along with the civil penalties, to the Commission within ten days. I will then recommend that the Commission approve the agreements.

- 2 -

If you have any questions or suggestions for changes in the enclosed conciliation agreements, please contact Susan Donaldson, the staff member assigned to this matter, at (202) 523-4529.

Sincerely,

William C. Oldaker
General Counsel

Enclosures

7 9 0 1 0 1 7 1 0 1 4



metro contract services, inc.

10120 Northwest Freeway, Suite 215 • Houston, Texas 77062 • (713) 863-8634

79 MAY 29 AM 10:00

May 25, 1979

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D. C. 20463

902509

Re: MJR 907

Dear Mr. Oldaker:

As a foreword to our response to your questions presented in your May 9, 1979, letter, we feel that the correct procedures were followed in administering the referenced PAC. The activities of the PAC were carefully scrutinized by our corporate attorney, Mr. Mark Perrin, and we feel confident that the following explanations will clarify your questions.

1. Please explain in detail how funds were solicited for the PAC by Mr. Ollie Crawford as stated in your letter.

From the appearance of the PAC records, the first contributions were deposited into the account on December 3, 1975, in the amount of \$395.00 and included contributions from Kenneth Cunningham, Ollie Crawford, Ed Fritcher, and Sal Esparza, who were the basic organizers of the plan. These contributions started from oral discussions.

In Exhibit "A," dated January 21, 1976, Mr. Crawford solicited contributions by asking the referenced location managers to distribute his letter and Exhibit "B," payroll deduction card. The deposit records indicate that the contributions from locations in Denver, Colorado, Tampa, Florida, and Houston, Texas were received and deposited in February, 1976, by using this method.

On or about March 1, 1976, Metro Contract Services, Inc., started the Base Maintenance Contract in Huntsville, Alabama. As part of the employee pre hire orientation Mr. Crawford presented the PAC Program as discussed in Exhibit "C," and solicited support through the payroll deduction method, see Exhibit "B." The records indicate that these contributions were reflected in deposits to the account in April, 1976.

The solicitation by Mr. Crawford from this period forward appears to have been in writing per his research shown by Exhibit "D" and Exhibit "E," and finalized by using the letter format in Exhibit "F" for mailing purposes.

72040171015

May 25, 1979

Mr. Crawford's employment with Metro terminated in May, 1977, and he is not available to comment on the above statements; however, there is significant evidence in the attached exhibits that clearly indicates the law was followed to the letter in all of his efforts and activities.

The records also indicate that there was no further response to the written solicitations and the deposit lists to the account show a continuous decline in participation except for the officers, supervisors, and administrative personnel.

The next significant activity in the account occurred in May and June, 1977, when deposits reflected contributions from several supervisors and the project manager at the Johnson NASA location.

It is not altogether clear how these department heads began participating in the PAC; however, it is assumed it resulted from some form of discussion initiated at the location itself and not from any solicitation of the committee.

2. From whom did Mr. Crawford solicit funds?

- (a) Around November, 1975 - from officers and directors.
- (b) Around December, 1975-January, 1976 - from location managers who in turn solicited employees.
- (c) Around March, 1976 - Marshall Space Flight Center employees prior to start up.
- (d) Past March, 1976 - we cannot find any evidence that Exhibit "F" was ever actually used in mass mailing.

3. How were participants informed and enrolled in the payroll deduction plan?

It appears that they were orally informed as well as by letter in their orientation "Welcome to Metro" packet. This packet included Exhibit "B" which was returned to the location manager who in turn processed it to the payroll department.

4. During what time period did Mr. Crawford solicit contributions to the PAC?

The records indicate that solicitation activity began in November, 1975 and continued through March, 1976. The solicitation letter, Exhibit "F", was not dated and there was no indication if these were mailed in bulk mailing. If they were mailed, the deposits did not indicate any significant response. This apparently concluded Mr. Crawford's efforts for the PAC.

5. Where did he solicit the contributions?

- (a) Houston friends and corporate office.
- (b) Through location managers at (Exhibit "A"):
 - (1) Langley Research Center*
 - (2) Johnson NASA Center*
 - (3) Denver, Colorado
 - (4) Tampa, Florida
 - (5) Houston, Texas

* In reviewing deposit records, we did not note any participation from Langley or Johnson locations as a result of the January 21, 1976 letter.

6. Did Mr. Crawford or anyone else solicit any contributions after March, 1976?

As best that can be determined, Mr. Crawford was the only member of the committee that actively pursued solicitation to the PAC.

As a result of their apparent own efforts, the project manager at Johnson NASA began contributing in May, 1977, and was joined by his staff in June, 1977. These included Mark Scott, Manager L.P.&A Department; Charles Staigle, Manager Storage and Issue Department; Bill Hawkins, Receiving Manager; and Glenn Williams, Manager Transportation Department.

7. If yes, from whom did they solicit contributions?

Other than those discussed in #6 above, we do not have knowledge of further solicitation.

8. Who continued using the payroll deduction plan after December 31, 1976?

- (1) Kenneth Cunningham - Chairman of the Board
- (2) Ollie Crawford - Vice President
- (3) Ed Fritcher - Secretary, Treasurer
- (4) Sal Esparza - President
- (5) Neil Howard - Vice President
- (6) Tommy Smith - Assistant Manager
- (7) Rudy Trevino - Location Manager- effective May, 1977
- (8) Mark Scott - Department Manager - effective June, 1977
- (9) Charles Staigle - Department Manager - effective June, 1977
- (10) Bill Hawkins - Department Manager - effective June, 1977
- (11) Glenn Williams - Department Manager - effective June, 1977
- (12) Exhibit G - list of Alabama employees - This list was the last deposit breakout that we found; however, the amounts of deposits declined steadily until the cessation in August, 1977, which indicate several employees were dropped during this period.

79010171017

Mr. William C. Oldaker
Page 4
May 25, 1979

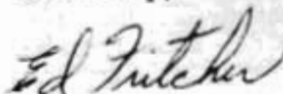
In conclusion, we are grateful that the current treasurer for the PAC, Mr. Tom Phipps; Metropolitan Contract Services, Inc.,; 9225 Katy Freeway, Suite 110; Houston, Texas 77024, allowed us to review these old records to respond to your questions. As a result of the change of ownership of Metro Contract Services, Inc., on July 1, 1977, the payroll deductions ceased for the Alabama employees in August, 1977, and the Texas employees in December, 1977.

Our records indicate that refunds were made to those employees continuing into December, 1977, as shown in Exhibit "H," and Metro is no longer involved in any PAC activity.

As indicated in your August 10, 1976, letter, attached Exhibit "D," Mr. Crawford and all committee members were very much aware of the new PAC regulations and we feel very confident that these regulations were carefully observed.

If you feel that it will be necessary, we will provide affidavits to any materials supplied in this correspondence. Please advise if you need any further clarification on any point.

Sincerely,



Ed Fritcher
Secretary-Treasurer
METRO CONTRACT SERVICES, INC.

mt

Enclosures

January 21, 1976

TO MESSRS: NEIL HOWARD - *Location mgr.*
 BILL BOSWELL - ✓ ✓
 WILFORD HAIRELL - ✓ ✓
 MITCH ROBERTSON - ✓ ✓
 TOM GRIFFIN - ✓ ✓
 MARK PERRIN - ✓ ✓

FROM: O. R. CRAWFORD

As you know, all of us have been very concerned for some time with the direction our country seems to be heading. While we were still reeling from the Watergate episode, unfavorable publicity continues to hit the front page involving the CIA, FBI and other so-called institutions that we have considered very necessary to the preservation of our freedom.

When you get right down to it, the people who are responsible for most of our troubles - and happiness - are those whom we send to Washington.

A short time ago, Congress passed legislation which set up the Federal Election Commission. At the same time, they approved the mechanics for companies such as ours, to have a substantial and effective voice in who will go to Washington as our Representatives and Senators through the formation of a Political Action Committee in which employees contribute. You may participate on a "one shot" basis or a continuing one through the payroll deduction method.

Your company has formed the "Concerned Citizens Political Action Committee" and wish to give you and your employees the opportunity to participate in the program.

I am transmitting herewith a supply of cards which you may wish to distribute to your people. If you want someone from this office to drop by to explain in detail the program, please let me know and we will work out a schedule with you.

It is very important that we have at least 50 participants in the next six weeks.

Please do your part in getting the show on the road.

Sincerely,

O. R. Crawford,
 Executive Vice President

EXHIBIT

A

ORC:kh

72010171019

	Date	Amount	
W/E	11/12/75	70.00	
1	12/75	70.00	
	1/76	70.00	210.00
	2/76	70.00	
	3/76	70.00	350.00
	4/76	70.00	420.00
	5/76	70.00	490.00
	6/76		

MC - 102

CONCERNED CITIZENS POLITICAL ACTION COMMITTEE CONTRIBUTION FOR BETTER GOVERNMENT

I CARE about the kind of government America has and about who represents me. My contribution is to be used to help elect responsible officials that will represent my views and the interest of our company.

NAME <i>D.R. Crawford</i>	EMPLOYEE NO.	LOCATION <i>17</i>
------------------------------	--------------	-----------------------

I wish to contribute by the following method:

<p>(1) PAY ROLL DEDUCTION</p> <p>AMOUNT \$ <u>70</u> per payday</p> <p>I hereby authorize my employer to deduct from my pay to be forwarded to the Concerned Citizens PAC</p> <p><i>[Signature]</i> signature</p>	<p>(2) BILL ME AS INDICATED:</p> <p><input type="checkbox"/> Quarterly or</p> <p><input type="checkbox"/> as follows</p> <p>_____ signature</p> <p>_____ address</p> <p>_____ city zip</p>	<p>(3) CASH OR CHECK HEREWITH</p> <p>Amount paid now \$ _____</p> <p>Balance see (2) \$ _____</p> <p>Total \$ _____</p>
---	--	---

★ SEE CHART ON BACK ★

EXHIBIT *B*

70010171020

TO: ALL METRO EMPLOYEES
Marshall Space Flight Center

FROM: O. R. Crawford
Executive Vice President

SUBJECT: Concerned Citizens Political Action Committee

DATE: 30 March 1976

I wish to take this opportunity to express my appreciation to you for your assistance in getting the Concerned Citizens Political Action Committee off of the ground here at the Marshall Space Flight Center. As of this date approximately 14% are participating in the program, but we need many more if we are to be effective. Please remember that the end result of our efforts will benefit you directly.

After several years of serious problems brought about by the Watergate affair, riots, unrest, degeneration of our defense capabilities, the energy crisis and a myriad of other problems - most of which were caused by incompetent politicians, I feel that now is the time to bring about responsible leadership in Washington, especially in Congress, by helping to elect candidates who are interested in: (1) a strong America, (2) the Space Program, (3) solving the energy crisis, (4) ending the world wide "Give Away" Program, (5) protection of our Social Security - as well as many other matters having to do with our livelihood and future health and happiness.

In order to make it possible for all of us to participate in a program such as ours, the Law now allows contributions up to \$100 - \$200 on a joint return - to be a deductible item in computing your Federal Income Tax.

As stated in a previous memorandum, "We should keep in mind that it is our elected representatives who determine the legislation that directly affects our Company and our own job opportunities. With your help, we can properly have an influence on the quality of Presidential and Congressional candidates nominated for and elected to Office."

If you wish to participate and have not signed a pledge card, see your supervisor today. Your help is needed.

EXHIBIT

C


O. R. Crawford

ORC/db



FEDERAL ELECTION COMMISSION
112 K STREET N.W.
WASHINGTON, D.C. 20463

MAY 11 KEY DATE - OUR ANNUAL REPORTS
WILL BE IN WEEKS OF MAY 4 - 2

10 AUG 1976

Re: AOR 1976-47

O. R. Crawford, Chairman
Metro Contract Services, Inc.
9225 Katy Freeway, Suite 110
Houston, Texas 77024

Dear Mr. Crawford:

This letter is in response to yours of June 24, 1976, concerning the twice yearly solicitation provision of the Federal Election Campaign Act of 1971, as amended. You ask for clarification of 2 U.S.C. §441b(b)(4)(B) as applicable to the contributor of \$50 or less who requests the contribution to be made through payroll deduction.

As you know, §441b(b)(4)(B) provides that a corporation, labor organization or their separate segregated fund may make two written solicitations for contributions per year from any stockholder, executive or administrative personnel, or employee of a corporation or the families of such persons. However, such a solicitation may be made only by mail addressed to such persons at their residence and "shall be so designed that the corporation, labor organization, or separate segregated fund conducting such solicitation cannot determine who makes a contribution of \$50 or less as a result of such solicitation and who does not make such a contribution."

The Commission has sought to implement this statutory provision regarding disclosure by giving final approval to the following proposed regulation:

A corporation or labor organization or the separate segregated fund of either may not use a payroll deduction plan, a checkoff system, or other plan which



EXHIBIT D

deducts contributions from an employee's paycheck as a method of facilitating the making of contributions under this section.*/ §114.6(e)(1)

This proposed regulation would make it clear that a corporation or labor union could not use an overall plan to provide a payroll deduction option to employees and others under the twice yearly solicitation. I note that §114.6(e)(1) does not specifically address the question of an isolated employee spontaneously asking that a deduction be made from his paycheck, and the Commission has not addressed it in the context of an advisory opinion request. The proposed regulations in §114.5(j) do permit a separate segregated fund to accept a contribution otherwise lawful.

You do not describe in any detail the conditions under which payroll deductions have been requested in your situation. Therefore, this letter should be regarded as informational only and not advisory since an advisory opinion must be in response to a "specific factual situation" calling for the application of a general rule of law stated in the Act or a regulation duly prescribed by the Commission. 2 U.S.C. §437f(a).

In any event, I wish to draw your attention to §114.12(d) of the Commission's proposed regulations which reads as follows:

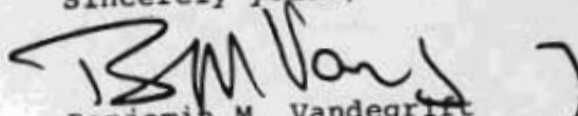
A corporation which, prior to May 11, 1976, had solicited employees other than stockholders or executive or administrative personnel for voluntary contributions to its separate segregated fund and had offered such employees the opportunity to enroll in a payroll deduction plan may, until

*/ Note that this rule applies only to twice yearly solicitations of employees and others. Methods such as payroll deductions are allowed when a corporation solicits only its stockholders or executive and administrative personnel, if the method is made available to the appropriate labor organizations. See §114.5(k) of the Commission's proposed regulations.

December 31, 1976, unless the employee withdraws before that date, continue to deduct contributions from the checks of employees who signed up prior to May 11, 1976. Any solicitation of such employees after May 11, 1976, is subject to the provisions of 2 U.S.C. §441b(b)(4)(B) and §114.6 when prescribed. [Emphasis added.]

The proposed regulations quoted above were submitted to Congress on August 3, 1976 and may be prescribed in final form by the Commission only if not disapproved either by the House or the Senate within thirty legislative days from the date received by each body. 2 U.S.C. §438(c). I hope this response is helpful for purposes of your inquiry.

Sincerely yours,



Benjamin M. Vandegrift
Assistant General Counsel (Acting)

7 9 0 4 0 1 7 1 0 2 4

May 13, 1976

TO: ALL METRO/METROPOLITAN MANAGERS
FROM: O. R. CRAWFORD
RE: CONCERNED CITIZENS

We are in the process of trying to determine who, how and when an employee - or potential employee might be contacted by management - with reference to his joining and participating in the Concerned Citizens Political Action Committee. We are free to contact any employee above the position of Foreman at any time. However, a question remains regarding other employees.

I have asked the Federal Election Commission for an opinion based on the new legislation signed by the President the first of this week.

Effective May 11, employees from Foreman down may only be contacted twice each year by mail and at his home address. We may be allowed, however, to cover our Political Action Committee during pre-employment interviews.

You will be notified of the decision when received.

O. R. Crawford

ORC:kh

EXHIBIT E

YOUR POLITICAL INVOLVEMENT - 1976
O. R. CRAWFORD - Executive Vice President

The year 1976 promises to be a great year for all Americans. First of all, it is the 200th birthday of our wonderful country, which will be celebrated near and far. A major part of the celebration will be the July 4 landing on Mars of the Viking I spacecraft, which some of you had a hand in, by handling parts and equipment which were later a part of the launch effort on August 20, 1975. In other words you - our company - participated in the first landing on Mars on the 200th anniversary of the birth of the United States.

1976 will also be a year of changes - most of all which should be of benefit to you and your family. Inflation is slowing and our standard of living is increasing. We are enjoying more and better things. Even the air we are breathing is getting better, but the battle is not completely won.

1976 is also an election year. We are not privileged, but obligated to cast your vote to help decide who will be overseeing your schools, cities, counties, states, and most importantly - country.

For many years the very wealthy and the very large have called the shots as to who will be our next President - or Senator - or Congressman - but no longer.

Although you have been hearing the past year or so about a number of large corporations who contributed hundreds of thousands of dollars to political candidates, corporations as such are strictly prohibited by law from making political contributions to candidates for federal elective office. Those who have violated the law are paying the penalty. You are no doubt asking yourself what this has to do with you. Plenty.

Last year Congress enacted into law an amendment to the Federal Election Campaign Act which permits companies such as ours to establish a separate segregated fund comprised of employee contributions - as well as outsiders - to be utilized for political purposes. Incentives have been enacted in the form of income tax deductions and credits to encourage individual political contributions.

Last Fall your company established the Concerned Citizens Political Action Committee for the purpose of building a fund to help elect people who support a constructive role for companies such as ours in business and commerce. I have been appointed Chairman. Serving with me on the Committee are fellow employees who are knowledgeable in the political process and who will know the background and position of Congressional candidates across the country.

EXHIBIT F

All employees and friends of our company are being given the opportunity to participate in Concerned Citizens Political Action Committee. By doing so, you are saying that you realize that our company's future is being adversely affected by legislation not in our best interest. By contributing to CCPAC we can combine our resources in meaningful support for responsible and qualified candidates which can make a difference in the outcome of an election.

Political contributions up to \$100 per contributor (\$200 on joint return) are deductible in computing your federal taxable income. Your participation in CCPAC is strictly on a voluntary basis, as it is required by law that contributions are not secured as a condition of employment, nor by force, job discrimination, financial reprisal, or threat thereof.

We should not take for granted the elective process, which is the cornerstone of American democracy. We must recognize our responsibilities as good citizens, and also should keep in mind that it is our elected representatives who determine the legislation that directly affects our company and our own job opportunities. With your help, we can properly have an influence on the quality of Presidential and Congressional candidates nominated for and elected to office.

Your contribution is needed today!

72010171027

PAC DEC 26 1976
 Huntsville, Ala

RECEIVED
 JAN 10 1977

	12/5	12/12	12/19	12/26	TOTALS
E. F. Vinyard - Capt. 990	800	800	800	800	3200
R. H. Haskins - Mech. Helper	200	200	200	200	800
M. D. Walston - adm.	100	100	100	100	400
W. F. Frazier - Mech. Helper	50	50	50	50	200
T. E. Kirby - Pulling	400	400	400	400	1600
M. W. Dargatzis -	200	200	200	200	800
G. T. Jackson -	400	400	400	400	1600
R. M. Dixon - Capt.	200	200	200	200	800
R. J. Ripard - Sgt. mpy	2000	2000	2000	2000	8000
M. E. McQuinn - adm.	200	200	200	200	800
M. E. Funder - adm.	-0-	-0-	-0-	-0-	-
J. H. Spott -	1442	1442	1442	1442	5768
B. B. Shedd -	-0-	-0-	1000	-0-	1000
TOTALS	5992	5992	6992	5992	24968

EXHIBIT

9

METRO CONTRACT SERVICES, INC.

No. 5212

9225 KATY FREEWAY — SUITE 110

HOUSTON, TEXAS 77024 055096 PROC-D BY ABOT 03/29/78

PAY

THE SUM 176 DOLS 87 CTS

TO THE
ORDER OF

Col. R. L. Trevino

DATE	AMOUNT
Dec. 27, 1977	\$176.87

METRO CONTRACT SERVICES, INC.

Patsy McDaniel
Ed Fitcher

ALLIED BANK OF TEXAS
HOUSTON, TEXAS

⑆1130⑆0106⑆ 003 672 3⑆

⑈0000017687⑈

METRO CONTRACT SERVICES, INC.

No. 5214

9225 KATY FREEWAY — SUITE 110

HOUSTON, TEXAS 77024 0170992 PROC-D BY ABOT 03/31/78

PAY

THE SUM 34 DOLS 50 CTS

TO THE
ORDER OF

Charles Staigle

DATE	AMOUNT
12/27/77	\$34.50

METRO CONTRACT SERVICES, INC.

Patsy McDaniel
Ed Fitcher

ALLIED BANK OF TEXAS
HOUSTON, TEXAS

⑆1130⑆0106⑆ 003 672 3⑆

⑈0000003450⑈

METRO CONTRACT SERVICES, INC.

No. 5215

9225 KATY FREEWAY — SUITE 110

HOUSTON, TEXAS 77024 055094 PROC-D BY ABOT 03/29/78

PAY

THE SUM 34 DOLS 50 CTS

TO THE
ORDER OF

W. L. Hawkins

DATE	AMOUNT
Dec. 27, 1977	\$34.50

METRO CONTRACT SERVICES, INC.

Patsy McDaniel
Ed Fitcher

ALLIED BANK OF TEXAS
HOUSTON, TEXAS

⑆1130⑆0106⑆ 003 672 3⑆

⑈0000003450⑈

EXHIBIT H

79040171030

METRO CONTRACT SERVICES, INC.

No. 5216

9225 KATY FREEWAY - SUITE 110

HOUSTON, TEXAS 77024-087742 PROC-D BY ABOT 05/15/78

PAY

THE SUM 23 DOLS 00 CTS

TO THE
ORDER OF

G. Williams

DATE	AMOUNT
Dec. 27, 1977	\$23.00

METRO CONTRACT SERVICES, INC.

Patricia M. Daniel
Ed Fitcher
ALLIED BANK OF TEXAS
HOUSTON, TEXAS

⑆1130⑉0106⑆ 003 672 3⑈

⑈0000002300⑈

METRO CONTRACT SERVICES, INC.

No. 5213

9225 KATY FREEWAY - SUITE 110

HOUSTON, TEXAS 77024-087742 PROC-D BY ABOT 04/04/78

PAY

THE SUM 23 DOLS 00 CTS

TO THE
ORDER OF

Mark Scott

DATE	AMOUNT
Dec. 27, 1977	\$23.00

METRO CONTRACT SERVICES, INC.

Patricia M. Daniel
Ed Fitcher
ALLIED BANK OF TEXAS
HOUSTON, TEXAS

⑆1130⑉0106⑆ 003 672 3⑈

⑈0000002300⑈

ETRO CONTRACT SERVICES, INC.
20 NORTHWEST FRWY., SUITE 216
HOUSTON, TEXAS 77092

MAY 25
1979



MAY
1979

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

79 MAY 29 AM 10:00

FEDERAL ELECTION
COMMISSION

79010171032

CONCERNED CITIZENS POLITICAL ACTION COMMITTEE

9225 Katy Freeway, Suite 110
Houston, Texas 77024
(713) 461-9585

RECEIVED
COMMISSION

GC 10176

May 18, 1979

79 MAY 21 PM 2:31

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K. Street, N.W.
Washington, D. C. 20463

Re: MUR907

52
902446


Dear Mr. Oldaker:

In order to provide full details of the terms of the loan to the CCPAC, as requested by your letter of May 9, 1979, we feel the best way to provide such details is to give you a copy of the original note and copies of each subsequent renewal note. Please find such copies enclosed. We hope this satisfies your request for additional information concerning this matter.

With regard to solicitations for the CCPAC made by Mr. Ollie Crawford in 1976, I must refer you to Mr. Crawford himself as I was not involved with, and did not become Treasurer of, the CCPAC until July 1, 1978. I can tell you that when I became Treasurer, the payroll deduction plan had withered away to almost nothing. The only participants who were still using the payroll deduction plan were three salaried executives.

If I can be of further assistance to the Commission, please do not hesitate to contact me.

Sincerely,


David Personette, Treasurer,
Concerned Citizens Political
Action Committee

TCP:er

enclosure

ALLIED BANK of TEXAS

Houston, Texas

COMMERCIAL NOTE

March 8,

1976 \$ 10,000.00

Houston, Texas;

For value received, I, we, or either of us, promise to pay to the order of ALLIED BANK of TEXAS

the sum of ---TEN THOUSAND and no/100-----

DOLLARS,

together with interest thereon from date hereof at the rate of - 9 - percent per annum, such principal and interest being payable at the offices of said Bank in Houston, Harris County, Texas as follows:

ON OR BEFORE MATURITY OF SIX (6) MONTHS

All past due principal and interest shall bear interest from maturity at the highest rate applicable to the undersigned borrower as permitted by applicable State law. At the option of the holder hereof, all unpaid amounts of principal and interest shall become immediately due and payable, without presentment or demand or notice to the undersigned or any other person obligated hereon, upon the occurrence of any of the following events: (i) default in the payment or performance of any liability, obligation or duty of the undersigned to the holder of this note, whether under this note or otherwise; (ii) the death, insolvency or bankruptcy of the undersigned or any proceedings in bankruptcy or for the relief of debtors or readjustment of debts is filed by or against any of the undersigned; or (iii) if the holder hereof in good faith believes the prospect of repayment of this note is impaired or otherwise deems itself insecure. In the event of any such acceleration, all other indebtedness and obligations owed by the undersigned to the holder hereof shall at the option of such holder also become at once due and payable.

If this note is placed in the hands of an attorney for collection or collected through probate, bankruptcy or any other judicial proceeding, then the undersigned agrees to pay, in addition to all other amounts owing hereunder, all expenses and costs of collection including reasonable attorneys' fees incurred by the holder hereof or, the holder hereof may elect to recover fifteen percent (15%) of the amount of principal and interest then unpaid on this note as attorneys' fees.

The undersigned and all sureties, endorsers and guarantors of this note waive demand, presentment for payment, notice of non-payment, protest, notice of protest, and all other notice, filing or suit and diligence in collecting this note or enforcing any security given therefor, and agree to any substitution, exchange or release of any security now or hereafter given for this note or the release of any party primarily or secondarily liable hereon. The undersigned and all sureties, endorsers and guarantors of this note further agree that it will not be necessary for the payee or any holder hereof, in order to enforce payment of this note, to first institute or exhaust its remedies against any maker or other party liable therefor or to enforce its rights against any security for this note and hereby consent to the renewal or extension from time to time of this note, and to any other indulgence with respect hereto, without notice of any such renewal, extension or indulgence.

Notwithstanding any provision hereof to the contrary, no provision hereof shall require or permit the collection of interest in excess of the maximum permitted by law. If any such excess is provided for or adjudicated to be so provided for, any such excess shall be, at holder's option, either applied as a credit against principal or refunded to Borrower and the effective rate of interest shall be the maximum lawful contract rate allowed under the usury laws of the State of Texas.

Each of the undersigned (except corporations and others signing in a stated representative capacity) acknowledge that his or her liability hereon shall be an obligation of his or her separate property and estate as well as an obligation of the community estate of the undersigned and the spouse of the undersigned.

- ☐ I desire credit life insurance in the amount of \$ _____
for a term of _____ days at a cost of \$ _____
- ☐ I do not desire credit life insurance.

This note is secured by

unsecured

N GBH

Maturity date: November 8, 1976

CONCERNED CITIZENS POLITICAL ACTION

COMMITTEE

Address: 9225 Katy Freeway, Suite 110

Houston, Texas Zip 770

By:

O. R. Crawford, Chairman

Phone No.: _____ Social Security No. _____

00-10077 GBH/fd 005 965 9

7 9 0 4 0 1 7 1 0 3 4

Application of Payments

Endorsements

[illegible]

BORROWER NAME	CLASSIFICATION	BORROWER NO.	NOTE NO.
Concerned Citizens Political Action Committee	C1	0728922	1701 50

GBH/jc
D 7 0



REC-1
NOV 14 1976
Houston, Texas

ALLIED BANK of TEXAS
Houston, Texas
COMMERCIAL NOTE
November 8,

1976 \$ 10,000.00

For value received, I, we, or either of us, promise to pay to the order of ALLIED BANK of TEXAS

the sum of --TEN THOUSAND and no/100-----

together with interest thereon from date hereof at the rate of 9

21 DOLLARS,
percent per annum,

such principal and interest being payable at the offices of said Bank in Houston, Harris County, Texas as follows:

ON OR BEFORE MATURITY OF ONE HUNDRED EIGHTY TWO (182) DAYS

All past due principal and interest shall bear interest from maturity at the highest rate applicable to the undersigned borrower as permitted by applicable State law. At the option of the holder hereof, all unpaid amounts of principal and interest shall become immediately due and payable, without presentment or demand or notice to the undersigned or any other person obligated hereon, upon the occurrence of any of the following events: (i) default in the payment or performance of any liability, obligation or duty of the undersigned to the holder of this note, whether under this note or otherwise; (ii) the death, insolvency or bankruptcy of the undersigned or any proceedings in bankruptcy or for the relief of debtors or readjustment of debts is filed by or against any of the undersigned; or (iii) if the holder hereof in good faith believes the prospect of repayment of this note is impaired or otherwise deems itself insecure. In the event of any such acceleration, all other indebtedness and obligations owed by the undersigned to the holder hereof shall at the option of such holder also become at once due and payable.

If this note is placed in the hands of an attorney for collection or collected through probate, bankruptcy or any other judicial proceeding, then the undersigned agrees to pay, in addition to all other amounts owing hereunder, all expenses and costs of collection including reasonable attorneys' fees incurred by the holder hereof or, the holder hereof may elect to recover fifteen percent (15%) of the amount of principal and interest then unpaid on this note as attorneys' fees.

The undersigned and all sureties, endorsers and guarantors of this note waive demand, presentment for payment, notice of non-payment, protest, notice of protest, and all other notice, filing or suit and diligence in collecting this note or enforcing any security given therefor, and agree to any substitution, exchange or release of any security now or hereafter given for this note or the release of any party primarily or secondarily liable hereon. The undersigned and all sureties, endorsers and guarantors of this note further agree that it will not be necessary for the payee or any holder hereof, in order to enforce payment of this note, to first institute or exhaust its remedies against any maker or other party liable therefor or to enforce its rights against any security for this note and hereby consent to the renewal or extension from time to time of this note, and to any other indulgence with respect hereto, without notice of any such renewal, extension or indulgence.

Notwithstanding any provision hereof to the contrary, no provision hereof shall require or permit the collection of interest in excess of the maximum permitted by law. If any such excess is provided for or adjudicated to be so provided for, any such excess shall be, at holder's option, either applied as a credit against principal or refunded to Borrower and the effective rate of interest shall be the maximum lawful contract rate allowed under the usury laws of the State of Texas.

Each of the undersigned (except corporations and others signing in a stated representative capacity) acknowledge that his or her liability hereon shall be an obligation of his or her separate property and estate as well as an obligation of the community estate of the undersigned and the spouse of the undersigned.

- ☐ I desire credit life insurance in the amount of \$ _____
for a term of _____ days at a cost of \$ _____
☐ I do not desire credit life insurance.

This note is secured by: unsecured.
GBH

R 178079

Maturity date: May 9, 1977

CONCERNED CITIZENS POLITICAL ACTION
COMMITTEE

Address: 9225 Katy Freeway

By: Ed Fitch

Houston, Texas Zip 77024

Phone No.: _____ Social Security No. _____

10077

Application of Payments

Endorsements

[Signature]

ALLIED BANK of TEXAS

Houston, Texas
COMMERCIAL NOTE

Houston, Texas, May 9, 1977, \$ 9,000.00

For value received, I, we, or either of us, promise to pay to the order of ALLIED BANK of TEXAS

the sum of --NINE THOUSAND and no/100----- DOLLARS,
together with interest thereon from date hereof at the rate of 8 percent per annum,
such principal and interest being payable at the offices of said Bank in Houston, Harris County, Texas as follows:

ONE HUNDRED EIGHTY TWO (182) DAYS

RECEIVED

NOV 11 1977

All past due principal and interest shall bear interest from maturity at the highest rate applicable to the undersigned borrower as permitted by applicable State law. At the option of the holder hereof, all unpaid amounts of principal and interest shall become immediately due and payable, without presentment or demand or notice to the undersigned or any other person obligated hereon, upon the occurrence of any of the following events: (i) default in the payment or performance of any liability, obligation or duty of the undersigned to the holder of this note, whether under this note or otherwise; (ii) the death, insolvency or bankruptcy of the undersigned or any proceedings in bankruptcy or for the relief of debtors or readjustment of debts is filed by or against any of the undersigned; or (iii) if the holder hereof in good faith believes the prospect of repayment of this note is impaired or otherwise deems itself insecure. In the event of any such acceleration, all other indebtedness and obligations owed by the undersigned to the holder hereof shall at the option of such holder also become at once due and payable.

If this note is placed in the hands of an attorney for collection or collected through probate, bankruptcy or any other judicial proceeding, then the undersigned agrees to pay, in addition to all other amounts owing hereunder, all expenses and costs of collection including reasonable attorneys' fees incurred by the holder hereof or, the holder hereof may elect to recover fifteen percent (15%) of the amount of principal and interest then unpaid on this note as attorneys' fees.

The undersigned and all sureties, endorsers and guarantors of this note waive demand, presentment for payment, notice of non-payment, protest, notice of protest, and all other notice, filing or suit and diligence in collecting this note or enforcing any security given therefor, and agree to any substitution, exchange or release of any security now or hereafter given for this note or the release of any party primarily or secondarily liable hereon. The undersigned and all sureties, endorsers and guarantors of this note further agree that it will not be necessary for the payee or any holder hereof, in order to enforce payment of this note, to first institute or exhaust its remedies against any maker or other party liable therefor or to enforce its rights against any security for this note and hereby consent to the renewal or extension from time to time of this note, and to any other indulgence with respect hereto, without notice of any such renewal, extension or indulgence.

Notwithstanding any provision hereof to the contrary, no provision hereof shall require or permit the collection of interest in excess of the maximum permitted by law. If any such excess is provided for or adjudicated to be so provided for, any such excess shall be, at holder's option, either applied as a credit against principal or refunded to Borrower and the effective rate of interest shall be the maximum lawful contract rate allowed under the usury laws of the State of Texas.

Each of the undersigned (except corporations and others signing in a stated representative capacity) acknowledge that his or her liability hereon shall be an obligation of his or her separate property and estate as well as an obligation of the community estate of the undersigned and the spouse of the undersigned.

☐ I desire credit life insurance in the amount of \$ _____
for a term of _____ days at a cost of \$ _____
☒ I do not desire credit life insurance.

This note is secured by: unsecured.

PR #188633 \$1,000 GBH

CONCERNED CITIZENS POLITICAL ACTION
COMMITTEEBy: *Ed Fritcher*

Ed Fritcher-Treasurer

Maturity date: November 7, 1977

c/o K. Cunningham
Address: 9225 Katy Freeway

Houston, Texas Zip 77024

Phone No.: 461 9585 Social Security No. _____
00-10077 GBH/fd

Application of Payments

[illegible]

BORROWER NAME	CLASSIFICATION	BORROWER NO.	NOTE NO.
CONCERNED CITIZENS POLITICAL ACTION COMMITTEE	E 1	0738922	196432

D-7-0 GBH

Gurantor: Kenneth Cunningham 0719120

Endorsements



ALLIED BANK OF TEXAS

Houston, Texas
COMMERCIAL NOTE
November 7,

JUL 10 1978

Houston, Texas,

1977 \$ 8,000.00
RECEIVED

For value received, I, we, or either of us, promise to pay to the order of ALLIED BANK OF TEXAS

NOV 2 1977

the sum of -EIGHT THOUSAND and no/100----- DOLLARS,
together with interest thereon from date hereof at the rate of 9 percent per annum,
such principal and interest being payable at the offices of said Bank in Houston, Harris County, Texas as follows:

ON OR BEFORE MATURITY OF ONE HUNDRED EIGHTY TWO (182) DAYS

All past due principal and interest shall bear interest from maturity at the highest rate applicable to the undersigned borrower as permitted by applicable State law. At the option of the holder hereof, all unpaid amounts of principal and interest shall become immediately due and payable, without presentment or demand or notice to the undersigned or any other person obligated hereon, upon the occurrence of any of the following events: (i) default in the payment or performance of any liability, obligation or duty of the undersigned to the holder of this note, whether under this note or otherwise; (ii) the death, insolvency or bankruptcy of the undersigned or any proceedings in bankruptcy or for the relief of debtors or readjustment of debts is filed by or against any of the undersigned; or (iii) if the holder hereof in good faith believes the prospect of repayment of this note is impaired or otherwise deems itself insecure. In the event of any such acceleration, all other indebtedness and obligations owed by the undersigned to the holder hereof shall at the option of such holder also become at once due and payable.

If this note is placed in the hands of an attorney for collection or collected through probate, bankruptcy or any other judicial proceeding, then the undersigned agrees to pay, in addition to all other amounts owing hereunder, all expenses and costs of collection including reasonable attorneys' fees incurred by the holder hereof or, the holder hereof may elect to recover fifteen percent (15%) of the amount of principal and interest then unpaid on this note as attorneys' fees.

The undersigned and all sureties, endorsers and guarantors of this note waive demand, presentment for payment, notice of non-payment, protest, notice of protest, and all other notice, filing or suit and diligence in collecting this note or enforcing any security given therefor, and agree to any substitution, exchange or release of any security now or hereafter given for this note or the release of any party primarily or secondarily liable hereon. The undersigned and all sureties, endorsers and guarantors of this note further agree that it will not be necessary for the payee or any holder hereof, in order to enforce payment of this note, to first institute or exhaust its remedies against any maker or other party liable therefor or to enforce its rights against any security for this note and hereby consent to the renewal or extension from time to time of this note, and to any other indulgence with respect hereto, without notice of any such renewal, extension or indulgence.

Notwithstanding any provision hereof to the contrary, no provision hereof shall require or permit the collection of interest in excess of the maximum permitted by law. If any such excess is provided for or adjudicated to be so provided for, any such excess shall be, at holder's option, either applied as a credit against principal or refunded to Borrower and the effective rate of interest shall be the maximum lawful contract rate allowed under the usury laws of the State of Texas.

Each of the undersigned (except corporations and others signing in a stated representative capacity) acknowledge that his or her liability hereon shall be an obligation of his or her separate property and estate as well as an obligation of the community estate of the undersigned and the spouse of the undersigned.

☐ I desire credit life insurance in the amount of \$ _____
for a term of _____ days at a cost of \$ _____
☐ I do not desire credit life insurance.

This note is secured by: unsecured. R 196432 GBH

Maturity date: May 8, 1978

CONCERNED CITIZENS POLITICAL ACTION
COMMITTEE

Address: 9225 Katy Freeway, Suite 110

By: *[Signature]* TREASURER

Houston, Texas Zip 77024

Phone No.: 461 9585 Social Security No. _____

00-10077

GBH/fd

L. J. CARTER, TREASURER
RECEIVED

Endorsements

BORROWER NAME	CLASSIFICATION	BORROWER NO.	NOTE NO.
CONCERNED CITIZENS POLITICAL ACTION COMMITTEE	E 1	0738922	2021 76

1791 Jan 11-15-17



ALLIED BANK OF TEXAS

Houston, Texas
COMMERCIAL NOTE

Houston, Texas, June 23, 1978, \$ 23,000.00

For value received, I, we, or either of us, promise to pay to the order of ALLIED BANK OF TEXAS

the sum of --TWENTY THREE THOUSAND and no/100----- DOLLARS,
together with interest thereon from date hereof at the rate of 9.86 percent per annum,
such principal and interest being payable at the offices of said Bank in Houston, Harris County, Texas as follows:

ONE HUNDRED EIGHTY (180) DAYS

All past due principal and interest shall bear interest from maturity at the highest rate applicable to the undersigned borrower as permitted by applicable State law. At the option of the holder hereof, all unpaid amounts of principal and interest shall become immediately due and payable, without presentment or demand or notice to the undersigned or any other person obligated hereon, upon the occurrence of any of the following events: (i) default in the payment or performance of any liability, obligation or duty of the undersigned to the holder of this note, whether under this note or otherwise; (ii) the death, insolvency or bankruptcy of the undersigned or any proceedings in bankruptcy or for the relief of debtors or readjustment of debts is filed by or against any of the undersigned; or (iii) if the holder hereof in good faith believes the prospect of repayment of this note is impaired or otherwise deems itself insecure. In the event of any such acceleration, all other indebtedness and obligations owed by the undersigned to the holder hereof shall at the option of such holder also become at once due and payable.

If this note is placed in the hands of an attorney for collection or collected through probate, bankruptcy or any other judicial proceeding, then the undersigned agrees to pay, in addition to all other amounts owing hereunder, all expenses and costs of collection including reasonable attorneys' fees incurred by the holder hereof or, the holder hereof may elect to recover fifteen percent (15%) of the amount of principal and interest then unpaid on this note as attorneys' fees.

The undersigned and all sureties, endorsers and guarantors of this note waive demand, presentment for payment, notice of non-payment, protest, notice of protest, and all other notice, filing or suit and diligence in collecting this note or enforcing any security given therefor, and agree to any substitution, exchange or release of any security now or hereafter given for this note or the release of any party primarily or secondarily liable hereon. The undersigned and all sureties, endorsers and guarantors of this note further agree that it will not be necessary for the payee or any holder hereof, in order to enforce payment of this note, to first institute or exhaust its remedies against any maker or other party liable therefor or to enforce its rights against any security for this note and hereby consent to the renewal or extension from time to time of this note, and to any other indulgence with respect hereto, without notice of any such renewal, extension or indulgence.

Notwithstanding any provision hereof to the contrary, no provision hereof shall require or permit the collection of interest in excess of the maximum permitted by law. If any such excess is provided for or adjudicated to be so provided for, any such excess shall be, at holder's option, either applied as a credit against principal or refunded to Borrower and the effective rate of interest shall be the maximum lawful contract rate allowed under the usury laws of the State of Texas.

Each of the undersigned (except corporations and others signing in a stated representative capacity) acknowledge that his or her liability hereon shall be an obligation of his or her separate property and estate as well as an obligation of the community estate of the undersigned and the spouse of the undersigned.

☐ I desire credit life insurance in the amount of \$ _____
for a term of _____ days at a cost of \$ _____
☐ I do not desire credit life insurance.

This note is secured by: guaranty. GBH

IR \$13,000 #202176

Maturity date: December 20, 1978

CONCERNED CITIZENS FOR POLITICAL ACTION
COMMITTEE

Address: 9225 Katy Freeway, #110

By: David Personette
Kenneth E. Cunningham

Houston, Texas Zip 77024

Phone No.: 461 9585 Social Security No. _____

00-10077

GBH/fd 005 965 9

Application of Payments

[illegible]

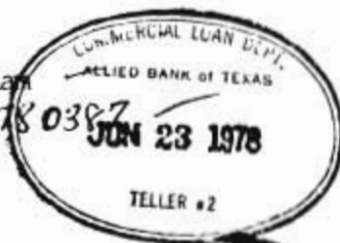
BORROWER NAME	CLASSIFICATION	BORROWER NO.	NOTE NO.
Concerned Citizens for Political Action Committee	E 1	0738922	209009

GBH-FJ

D-7-0

Guarantors:

0719120 - Kenneth R. Cunningham
David Personette 078



Endorsements

RECEIVED
FEDERAL ELECTION
COMMISSION

'79 MAY 21 PM 2:31

COMMERCIAL NOTE

December 20, 1978 \$23,000.00

For value received, I, we, or either of us, promise to pay to the order of

ALLIED BANK OF TEXAS

the sum of -TWENTY THREE THOUSAND and no/100----- DOLLARS,
together with interest thereon from date hereof at the rate of 9.86 percent per annum,
such principal and interest being payable at the offices of said Bank in

Payable in three successive monthly payments of \$750.00 + interest to begin
January 20, 1979, with balloon due April 20, 1979.

All past due principal and interest shall bear interest from maturity at the highest rate applicable to the undersigned borrower as permitted by applicable State law. At the option of the holder hereof, all unpaid amounts of principal and interest shall become immediately due and payable, without presentment or demand or notice to the undersigned or any other person obligated hereon, upon the occurrence of any of the following events: (i) default in the payment or performance of any liability, obligation or duty of the undersigned to the holder of this note, whether under this note or otherwise; (ii) the death, insolvency or bankruptcy of the undersigned or any proceedings in bankruptcy or for the relief of debtors or readjustment of debts is filed by or against any of the undersigned; or (iii) if the holder hereof in good faith believes the prospect of repayment of this note is impaired or otherwise deems itself insecure. In the event of any such acceleration, all other indebtedness and obligations owed by the undersigned to the holder hereof shall at the option of such holder also become at once due and payable.

If this note is placed in the hands of an attorney for collection or collected through probate, bankruptcy or any other judicial proceeding, then the undersigned agrees to pay, in addition to all other amounts owing hereunder, all expenses and costs of collection including reasonable attorneys' fees incurred by the holder hereof or, the holder hereof may elect to recover fifteen percent (15%) of the amount of principal and interest then unpaid on this note as attorneys' fees.

The undersigned and all sureties, endorsers and guarantors of this note waive demand, presentment for payment, notice of non-payment, protest, notice of protest, and all other notice, filing or suit and diligence in collecting this note or enforcing any security given therefor, and agree to any substitution, exchange or release of any security now or hereafter given for this note or the release of any party primarily or secondarily liable hereon. The undersigned and all sureties, endorsers and guarantors of this note further agree that it will not be necessary for the payee or any holder hereof, in order to enforce payment of this note, to first institute or exhaust its remedies against any maker or other party liable therefor or to enforce its rights against any security for this note and hereby consent to the renewal or extension from time to time of this note, and to any other indulgence with respect hereto, without notice of any such renewal, extension or indulgence.

Notwithstanding any provision hereof to the contrary, no provision hereof shall require or permit the collection of interest in excess of the maximum permitted by law. If any such excess is provided for or adjudicated to be so provided for, any such excess shall be, at holder's option, either applied as a credit against principal or refunded to Borrower and the effective rate of interest shall be the maximum lawful contract rate allowed under the usury laws of the State of Texas.

Each of the undersigned (except corporations and others signing in a stated representative capacity) acknowledge that his or her liability hereon shall be an obligation of his or her separate property and estate as well as an obligation of the community estate of the undersigned and the spouse of the undersigned.

☐ I desire credit life insurance in the amount of \$ _____
for a term of _____ days at a cost of \$ _____
☐ I do not desire credit life insurance.

This note is secured by: unsecured. R 209009 GBH

Maturity date Monthly beginning 1-20-79
WITH BALLOON DUE 4-20-79

Address 9225 Katy Freeway, #110

Houston, Texas Zip 77024

Phone No. 461 9585

Social Security No. _____

CONCERNED CITIZENS FOR POLITICAL ACTION
COMMITTEE

By: David Personette
David Personette

7 0 0 1 0 1 7 1 0 9 4
CONCERNED CITIZENS
POLITICAL ACTION COMMITTEE

9225 Katy Freeway, Suite 110
Houston, Texas 77024



TO: FIELD
FEDERAL ELECTION
COMMISSION

13 MAY 21 PM 2:31

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K. Street, N.W.
Washington, D. C. 20463



FEDERAL ELECTION COMMISSION

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

May 9, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. David Personette, Treasurer
Concerned Citizens Political Action
Committee
9225 Katy Freeway, Suite 110
Houston, Texas 77024

Re: MUR 907

Dear Mr. Personette:

This letter will confirm our receipt of your letter dated March 21, 1979, in connection with the above-captioned matter. Before a further determination can be made in this matter, it is necessary to obtain further information regarding CCPAC's activities.

Specifically, a review of the debts incurred by the CCPAC revealed the following facts:

CCPAC took a \$10,000 loan from the Allied Bank of Texas on March 15, 1976. No principal or interest payments were made for over 13 months. From March 15, 1976, until December 31, 1978, the only payments on the \$10,000 loan were as follows:

May 9, 1977	\$1,000	Principal Payment
May 9, 1977	455	Interest Payment
November 2, 1977	1,000	Principal Payment
November 2, 1977	366	Interest Payment

(No payments were made in 1978.) Payments at these intervals and the interest rate charged do not appear to be in the normal course of business.

The Commission, on February 12, 1979, found reason to believe that CCPAC violated 2 U.S.C. § 434 for failing to provide information regarding this loan. The Commission requires that you provide full details of the terms of this loan.

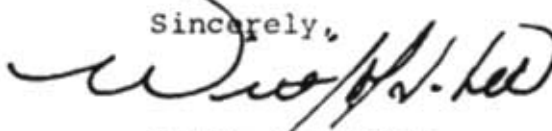


In addition, the Commission requests further information regarding solicitations for CCPAC made by Mr. Ollie Crawford. Please explain in detail how funds were solicited for the PAC by Mr. Crawford. Where did he solicit funds? When did he solicit funds? From whom did Mr. Crawford solicit funds? How were participants informed and enrolled in the payroll deduction plan? Did Mr. Crawford or anyone else solicit contributions to the PAC after May, 1976? If yes, from whom did they solicit contributions after that date? Who continued using the payroll deduction plan after December 31, 1976? Please provide specific names and job positions.

Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. These materials should include copies of the loan agreements which would reveal the terms, interest rate and guarantor(s) of the loan. Your response should be submitted within ten days after your receipt of this notification.

If you have any questions, please contact Susan Donaldson at (202) 523-4529.

Sincerely,



William C. Oldaker
General Counsel

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

1. The following service is requested (check one):
☐ Show to whom and date delivered
☒ RESTRICTED DELIVERY
☐ Show to whom and date delivered
☐ RESTRICTED DELIVERY
☐ Show to whom, date, and address of delivery
☐ POSTMASTER FOR FEES

2. ARTICLE ADDRESSED TO:
David Personette

3. ARTICLE DESCRIPTION:
REGISTERED NO. 94365 CERTIFIED NO. INSURED NO.

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

4. DATE OF DELIVERY
5/14/79

5. ADDRESS (Complete only if required)
925 14th St NW
WASHINGTON DC 20005

6. UNABLE TO DELIVER BECAUSE:
CERK'S INITIALS

MAIL 907

POSTMARK
MAY 14 1979

4-750 1977-0-249 556

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. David Personette, Treasurer
Concerned Citizens Political Action
Committee
9225 Katy Freeway, Suite 110
Houston, Texas 77024

Re: MUR 907

Dear Mr. Personette:

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May 9, 1977	455	Interest Payment
November 2, 1977	1,000	Principal Payment
November 2, 1977	366	Interest Payment

(No payments were made in 1978.) Payments at these intervals and the interest rate charged do not appear to be in the normal course of business.

The Commission, on February 12, 1979, found reason to believe that CC PAC violated 2 U.S.C. § 434 for failing to provide information regarding this loan. The Commission requires that you provide full details of the terms of this loan.

77010171047

SD
5-16-79

In addition, the Commission requests further information regarding solicitations for CCPAC made by Mr. Ollie Crawford. Please explain in detail how funds were solicited for the PAC by Mr. Crawford. Where did he solicit funds? When did he solicit funds? From whom did Mr. Crawford solicit funds? How were participants informed and enrolled in the payroll deduction plan? Did Mr. Crawford or anyone else solicit contributions to the PAC after May, 1976? If yes, from whom did they solicit contributions after that date? Who continued using the payroll deduction plan after December 31, 1976? Please provide specific names and job positions.

Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. These materials should include copies of the loan agreements which would reveal the term, interest rate and guarantor(s) of the loan. Your response should be submitted within ten days after your receipt of this notification.

If you have any questions, please contact Susan Donaldson at (202)523-4529.

Sincerely,

William C. Oldaker
General Counsel

SD/cah
4/20/79

79040171048



FEDERAL ELECTION COMMISSION

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

May 9, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Ed Fritcher, Secretary-Treasurer
Metro Contract Services, Inc.
10120 Northwest Freeway, Suite 215
Houston, Texas 77092

Re: MUR 907

Dear Mr. Fritcher:

This letter will confirm our receipt of your letter dated March 26, 1979, in connection with the above-captioned matter. After reviewing your letter, the Commission has determined that further information is required before this matter can be resolved.

Specifically, it is necessary that you explain further several aspects of CCPAC's activity. Please explain in detail how funds were solicited for the PAC by Mr. Ollie Crawford as stated in your letter. From whom did Mr. Crawford solicit funds? How were participants informed and enrolled in the payroll deduction plan? During what time period did Mr. Crawford solicit contributions to the PAC? Where did he solicit the contributions? Did Mr. Crawford or anyone else solicit any contributions after May, 1976. If yes, from whom did they solicit contributions? Who continued using the payroll deduction plan after December 31, 1976? Please provide specific names and job positions.

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.

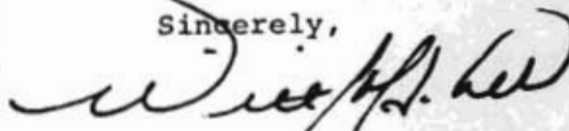
In order that the Commission may investigate this matter expeditiously, you should respond within ten days after your receipt of this notification.



- 2 -

If you have any further questions, please call Susan Donaldson at (202) 523-4529.

Sincerely,



William C. Oldaker
General Counsel

050171050

44-907-Don

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

1. The following service is requested (check one):
☐ Show to whom and date delivered.
☒ Show to whom, date, and address of delivery.
☐ RESTRICTED DELIVERY
Show to whom and date delivered.
79 ☐ RESTRICTED DELIVERY
Show to whom, date, and address of delivery. &
(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Ed Fitcher

3. ARTICLE DESCRIPTION:
REGISTERED NO. | CERTIFIED NO. | INSURED NO.
| 98646 |
(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☒ Authorized agent
Alma Harris

DATE OF DELIVERY L.B.
5/14/79 92001

5. ADDRESS (Complete only if requested)
10120 N.W. Frumy

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

☆CPD 1977-0-2466

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CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Ed Fritcher, Secretary-Treasurer
Metro Contract Services, Inc.
10120 Northwest Freeway, Suite 215
Houston, Texas 77092

Re: MUR 907

Dear Mr. Fritcher:

This letter will confirm our receipt of your letter dated March 26, 1979, in connection with the above-captioned matter. After reviewing your letter, the Commission has determined that further information is required before this matter can be resolved.

Specifically, it is necessary that you explain further several aspects of CCPAC's activity. Please explain in detail how funds were solicited for the PAC by Mr. Ollie Crawford as stated in your letter. From whom did Mr. Crawford solicit funds? How were participants informed and enrolled in the payroll deduction plan? During what time period did Mr. Crawford solicit contributions to the PAC? Where did he solicit the contributions? Did Mr. Crawford or anyone else solicit any contributions after May, 1976. If yes, from whom did they solicit contributions? Who continued using the payroll deduction plan after December 31, 1976? Please provide specific names and job positions.

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.

In order that the Commission may investigate this matter expeditiously, you should respond within ten days after your receipt of this notification.

ED
8-16-79

- 2 -

If you have any further questions, please call Susan Donaldson at (202) 523-4529.

Sincerely,

William C. Oldaker
General Counsel

79010171052

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Metro Contract Services, Inc.
Concerned Citizens PAC
Kenneth R. Cunningham
David Personette

)
)
)
)
)

MUR 907

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on May 8, 1979, the Commission determined by a vote of 6-0 to adopt the following recommendations, as set forth in the General Counsel's Report dated April 20, 1979, regarding the above-captioned matter:

1. Send the letter, Attachment #3 to the above-named report, to Mr. Ed Fritcher, Secretary-Treasurer of Metro, requesting further information on CCPAC solicitations and CCPAC's payroll deduction plan.
2. Send the letter, Attachment #4 to the above-named report, to Mr. David Personette, Treasurer of CCPAC, requesting further information on CCPAC's loan activity, solicitations, and payroll deduction plan.
3. Defer action against CCPAC, David Personette, and Kenneth Cunningham until further information is received on CCPAC's activity.

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

Attest:

5-9-79

Date

Margaret E. Chaney
for Marjorie W. Emmons
Secretary to the Commission

Signed by General Counsel:

Received in Office of Commission Secretary:

Circulated on 48 hour vote basis:

5-4-79

Friday, 5-4-79, 2:50

Monday, 5-7-79, 12:00

79010171053

May 4, 1979

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 907

Please have the attached General Counsel's Report on MUR 907 distributed to the Commission on a 48 hour tally basis.

Thank you.

70010171054

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

BEFORE THE FEDERAL ELECTION COMMISSION

April 20, 1979

79 MAY 4 A2:50

In the Matter of)
)
)
Metro Contract Services, Inc.) MUR 907
Concerned Citizens PAC)
Kenneth R. Cunningham)
David Personette)

GENERAL COUNSEL'S REPORT

Background

After receiving a complaint through the Justice Department and the FBI in Houston, Texas, the Commission, on March 8, 1979, found reason to believe that Metro Contract Services, Inc. ("Metro") may have violated 2 U.S.C. § 441b by soliciting political contributions from its employees other than stockholders, executive or administrative personnel; that Metro may have violated 11 C.F.R. § 114.12(d) by continuing certain payroll deductions past December 31, 1976; that the Concerned Citizens PAC ("CCPAC") may have violated 2 U.S.C. § 441a(f) for accepting excessive contributions from Kenneth R. Cunningham and David Personette; and that Kenneth R. Cunningham and David Personette violated 2 U.S.C. § 441a(a)(1)(C) by guaranteeing a \$15,000 promissory note for CCPAC. The various respondents were notified of the Commission's findings in letters dated March 13, 1979.

Evidence and Analysis

Ed Fritcher, Secretary-Treasurer of Metro Contract Services responded to the Commission's allegations in a letter dated March 26, 1979 (Attachment I). Mr. Fritcher stated that solicitations for Metro's PAC, the CCPAC were primarily done by Mr. Ollie Crawford,

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Vice President. The payroll deduction plan was offered to Metro employees at three NASA installations "through the early part of 1976." Mr. Fritcher also stated that most of the employees participating in the payroll deduction plan had withdrawn by the end of December, 1976, although there were several managers who continued to use the payroll deduction plan until July 1, 1977. After Metro Contract Services, Inc. ("Metro") and Metropolitan Contract Services, Inc., ("Metropolitan") split in July, 1977, Metro has not been connected to CCPAC or any of its activities, and Mr. Fritcher states that he does not have the CCPAC records in his office. CCPAC is the separate segregated fund for Metropolitan.

2 U.S.C. § 441b(b)(4)(i) which restricts a corporation or its separate segregated fund from soliciting contributions to such a fund from any person other than its stockholders and their families and its executive or administrative personnel and their families, did not become effective until May 11, 1976. It is not clear whether Mr. Crawford continued soliciting contributions from all Metro employees after "the early part of 1976." It is also not definite that only managers at Metro continued to use the payroll deduction plan for CCPAC after December 31, 1976. In his March 26, 1979, letter, Mr. Fritcher "estimated that most of the employees in the plan had withdrawn by the end of December, 1976," but he also stated that he did not have the records in his office.

It appears that further questions should be asked of Mr. Fritcher and Metropolitan Contract Services in order to determine whether there is reasonable cause to believe that there were violations of 2 U.S.C. § 441b and/or 11 C.F.R. § 114.12(d).

David Personette, Treasurer of CCPAC, responded to the Commission's allegations against himself, CCPAC and Kenneth Cunningham in a letter dated March 21, 1979 (Attachment II). Mr. Personette confirmed the Commission's allegation that a CCPAC loan for \$15,000 was guaranteed by him and Kenneth Cunningham from June 23, 1978, until December 20, 1978, in violation of 2 U.S.C. § 441a(f) and 2 U.S.C. § 441a(a)(1)(C). It appears that the Commission should proceed further against CCPAC, David Personette, and Kenneth Cunningham and attempt conciliation; however, this action should be deferred until we obtain further information on CCPAC's loan activity prior to June 23, 1978, which has not been fully explained.

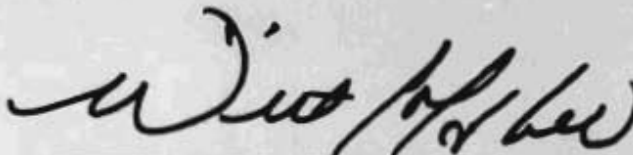
Recommendations

1. Send the attached letter to Mr. Ed Fritcher, Secretary-Treasurer of Metro, requesting further information on CCPAC solicitations and CCPAC's payroll deduction plan.
2. Send the attached letter to Mr. David Personette, Treasurer of CCPAC, requesting further information on CCPAC's loan activity, solicitations, and payroll deduction plan.

79010171057

3. Defer action against CCPAC, David Personette, and Kenneth Cunningham until further information is received on CCPAC's activity.

5/4/79
Date



William C. Oldaker
General Counsel

Attachments

1. Letter from Ed Fritcher dated 3/26/79
2. Letter from David Personette dated 3/21/79
3. Proposed letter to Fritcher
4. Proposed letter to Personette

79040171058



metro contract services, Inc.

10120 Northwest Freeway, Suite 215 • Houston, Texas 77092 • (713) 683-8624

March 26, 1979

'79 MAR 28 PM 1:40

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

Re: MUR 907

901765

Dear Ms. Donaldson:

As per our telephone conversation on Friday, March 23, 1979, we will outline Metro's involvement in the concerned citizens Political Action Committee.

The committee was set up on September 15, 1975, by the following members: O.R. Crawford, Chairman; Sal Esparza, Assistant Chairman; Ed Fritcher, Treasurer; Doris Christopher, Assistant Treasurer; and Kay Hall, Secretary, for the purpose of allowing employees of Metropolitan Contract Services, Inc. (commercial company) and Metro Contract Services, inc. (government support services) to participate in this better government program.

The solicitations for the (PAC) were done primarily by Mr. Ollie Crawford, Vice President, for both companies. In order to make participation simpler, the payroll deduction plan was adopted as per the Federal Election Commission guidelines at the time. The program (PAC) was extended to the Metro employees at the NASA installation at Langley, Marshall, and Johnson up through the early part of 1976. There was considerable opposition for the program at the Marshall Space Flight Center because NASA did not feel this program should be part of our employee orientation procedure.

We do not have the records in our office; however, we estimate that most of the employees participating in the payroll deduction plan had withdrawn by the end of December, 1976. There were several managers that wanted to continue using the deduction plan up through early 1977.

Metro changed ownership on July 1, 1977, and those managers showing deductions on our records received refunds and Metro no longer participated in the program after July 1, 1977.

The procedure for transmitting the deductions to the PAC account was done monthly by company check itemizing those employees who had contributed.

If for any reason this explanation is not sufficient, we will be prepared to provide whatever information we have in our files.

Sincerely,

Ed Fritcher
Secretary-Treasurer

mt

79040171059

79010171060

CONCERNED CITIZENS POLITICAL ACTION COMMITTEE

9225 Katy Freeway, Suite 110
Houston, Texas 77024
(713) 461-9585

9720
RECEIVED
FEDERAL ELECTION
COMMISSION

'79 MAR 26 PM 1:05

March 21, 1979

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K. Street, N.W.
Washington, D. C. 20463

901743

Re: MUR907

Dear Mr. Oldaker:

The \$15,000 loan of June 23, 1978 was guaranteed unknowing of any provisions of the Federal Election Campaign Act of 1971 or the Campaign Finance Regulations. From the period June 23, 1978 to December 20, 1978 no payments were made on the note. It was renewed without any guaranties whatsoever. A copy of the renewed note is enclosed.

Since December 20, 1978, three monthly payments have been made out of the general funds of the CCPAC. Therefore, since the guarantee of the June 23, 1978 note was never invoked by the bank and since the current note, which is simply a renewal of the June 23 note, does not contain any guaranties, we ask that no action should be taken against the CCPAC or any of its members.

Sincerely,



David Personette
Treasurer

DP:rh

Done, per your request JD

§441j. Penalty for violations

(a) Any person, following the date of the enactment of this section, who knowingly and willfully commits a violation of any provision or provisions of this Act which involves the making, receiving, or reporting of any contribution or expenditure having a value in the aggregate of \$1,000 or more during a calendar year shall be fined in an amount which does not exceed the greater of \$25,000 or 300 percent of the amount of any contribution or expenditure involved in such violation, imprisoned for not more than one year, or both.

In the case of a knowing and willful violation of section 441b(b)(3), including such a violation of the provisions of such section as applicable through section 441c(b), of section 441f, or of section 441g, the penalties set forth in this section shall apply to a violation involving an amount having a value in the aggregate of \$250 or more during a calendar year.

In the case of a knowing and willful violation of section 441h, the penalties set forth in this section shall apply without regard to whether the making, receiving, or reporting of a contribution or expenditure of \$1,000 or more is involved.

(b) A defendant in any criminal action brought for the violation of a provision of this Act, or of a provision of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, may introduce as evidence of his lack of knowledge of or intent to commit the offense for which the action was brought a conciliation agreement entered into between the defendant and the Commission under section 437g which specifically deals with the Act or failure to act constituting such offense and which is still in effect.

(c) In any criminal action brought for a violation of a provision of this Act, or of a provision of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, the court before which such action is brought shall take into account, in weighing the seriousness of the offense and in considering the appropriateness of the penalty to be imposed if the defendant is found guilty, whether -

- (1) the specific act or failure to act which constitutes the offense for which the action was brought is the subject of a conciliation agreement entered into between the defendant and the Commission under section 437g;
- (2) the conciliation agreement is in effect; and
- (3) the defendant is, with respect to the violation involved in compliance with the conciliation agreement.

Editorial Note: Savings Provision: Section 114 of the "Federal Election Campaign Act Amendments of 1976," P.L. 94-283,

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FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. David Personette, Treasurer
Concerned Citizens Political Action
Committee
9225 Katy Freeway, Suite 110
Houston, Texas 77024

Re: MUR 907

Dear Mr. Personette:

This letter will confirm our receipt of your letter dated March 21, 1979, in connection with the above-captioned matter. Before a further determination can be made in this matter, it is necessary to obtain further information regarding CCPAC's activities.

Specifically, a review of the debts incurred by the CCPAC revealed the following facts:

CCPAC took a \$10,000 loan from the Allied Bank of Texas on March 15, 1976. No principal or interest payments were made for over 13 months. From March 15, 1976, until December 31, 1978, the only payments on the \$10,000 loan were as follows:

May 9, 1977	\$1,000	Principal Payment
May 9, 1977	455	Interest Payment
November 2, 1977	1,000	Principal Payment
November 2, 1977	366	Interest Payment

(No payments were made in 1978.) Payments at these intervals and the interest rate charged do not appear to be in the normal course of business.

The Commission, on February 12, 1979, found reason to believe that CCPAC violated 2 U.S.C. § 434 for failing to provide information regarding this loan. The Commission requires that you provide full details of the terms of this loan.



In addition, the Commission requests further information regarding solicitations for CCPAC made by Mr. Ollie Crawford. Please explain in detail how funds were solicited for the PAC by Mr. Crawford. Where did he solicit funds? When did he solicit funds? From whom did Mr. Crawford solicit funds? How were participants informed and enrolled in the payroll deduction plan? Did Mr. Crawford or anyone else solicit contributions to the PAC after May, 1976? If yes, from whom did they solicit contributions after that date? Who continued using the payroll deduction plan after December 31, 1976? Please provide specific names and job positions.

Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. These materials should include copies of the loan agreements which would reveal the term, interest rate and guarantor(s) of the loan. Your response should be submitted within ten days after your receipt of this notification.

If you have any questions, please contact Susan Donaldson at (202) 523-4529.

Sincerely,

William C. Oldaker
General Counsel



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Ed Fritcher, Secretary-Treasurer
Metro Contract Services, Inc.
10120 Northwest Freeway, Suite 215
Houston, Texas 77092

Re: MUR 907

Dear Mr. Fritcher:

This letter will confirm our receipt of your letter dated March 26, 1979, in connection with the above-captioned matter. After reviewing your letter, the Commission has determined that further information is required before this matter can be resolved.

Specifically, it is necessary that you explain further several aspects of CCPAC's activity. Please explain in detail how funds were solicited for the PAC by Mr. Ollie Crawford as stated in your letter. From whom did Mr. Crawford solicit funds? How were participants informed and enrolled in the payroll deduction plan? During what time period did Mr. Crawford solicit contributions to the PAC? Where did he solicit the contributions? Did Mr. Crawford or anyone else solicit any contributions after May, 1976. If yes, from whom did they solicit contributions? Who continued using the payroll deduction plan after December 31, 1976? Please provide specific names and job positions.

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.

In order that the Commission may investigate this matter expeditiously, you should respond within ten days after your receipt of this notification.



- 2 -

In order that the Commission may investigate this matter expeditiously, you should respond within ten days after your receipt of this notification.

If you have any further questions, please call Susan Donaldson at (202) 523-4529.

Sincerely,

William C. Oldaker
General Counsel



FEDERAL ELECTION COMMISSION

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

April 26, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

CONFIDENTIAL

Robert S. Blevens, Inspector
Office of Inspector General
National Aeronautics and Space
Administration
Washington, D.C. 20546

Re: MUR 907

Dear Mr. Blevens:

This letter will confirm our receipt of your March 13, 1979, letter concerning an investigation of Metro Contract Services, Inc. ("Metro"). Under the provisions of 2 U.S.C. 437g(a)(3)(B), the Commission or any other person is prohibited from making public any investigation without the written consent of the person with respect to whom such investigation is made.

The Commission is presently conducting an investigation of Metro's political activity; however, the findings of that investigation will not be released until the investigation is completed. At that time, a copy of the Commission's analysis of the matter will be forwarded to you upon request.

If you have any questions, please contact Susan Donaldson, the staff member assigned to this matter, at 524-4529.

Sincerely,

William C. Oldaker
General Counsel





PS Form 3811, Apr 1977 RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

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Add your address in the "RETURN TO" space on reverse.

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2. ARTICLE ADDRESSED TO:
Robert S. Stevens

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(Always obtain signature of addressee or agent)

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Clarena Proctor

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CERTIFIED MAIL
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CONFIDENTIAL

Robert S. Blevens, Inspector
Office of Inspector General
National Aeronautics and Space
Administration
Washington, D.C. 20546

Re: MUR 907

Dear Mr. Blevens:

This letter will confirm our receipt of your March 13, 1979, letter concerning an investigation of Metro Contract Services, Inc. ("Metro"). Under the provisions of 2 U.S.C. 437g(a)(3)(B), the Commission or any other person is prohibited from making public any investigation without the written consent of the person with respect to whom such investigation is made.

The Commission is presently conducting an investigation of Metro's political activity; however, the findings of that investigation will not be released until the investigation is completed. At that time, a copy of the Commission's analysis of the matter will be forwarded to you upon request.

If you have any questions, please contact Susan Donaldson, the staff member assigned to this matter, at 524-4529.

Sincerely,

William C. Oldaker
General Counsel

Enclosure

SD
7-25-79



FEDERAL ELECTION COMMISSION

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

MEMORANDUM TO CHARLES STEELE
FROM: MARJORIE W. EMMONS *mwe*
DATE: APRIL 24, 1979
SUBJECT: MUR 907 - Metro Contract Services, Inc.
Letter to NASA in Connection With Our
Investigation - Memorandum from OGC
undated: Received in OCS 4-23-79, 11:20

The above-named document was circulated on a 24
hour no-objection basis at 2:30, April 23, 1979.

The Commission Secretary's Office has received
no objections to the redrafted letter to Robert S. Blevins
as of 3:30 this date.

79010171069

April 23, 1979

MEMORANDUM TO: Marge Emmons
FROM: Jane Colgrove
SUBJECT: MUR 907

Please have the attached Memo to the Commission
on MUR 907 distributed to the Commission on a 24 hour
no-objection
no-objection basis.

Thank you.

70040171070



FEDERAL ELECTION COMMISSION

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

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

79 APR 23 All: 20

MEMORANDUM

To: The Commission

From: William C. Oldaker *W.C. Oldaker*

Subject: MUR 907 - Metro Contract Services, Inc.
Letter to NASA in Connection With Our Investigation

Attached for approval by the Commission is a redrafted letter addressed to Robert S. Blevins at NASA which was requested by the Commission in Executive Session on April 11, 1979.

79010171071



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

CONFIDENTIAL

Robert S. Blevens, Inspector
Office of Inspector General
National Aeronautics and Space
Administration
Washington, D.C. 20546

Re: MUR 907

Dear Mr. Blevens:

This letter will confirm our receipt of your March 13, 1979, letter concerning an investigation of Metro Contract Services, Inc. ("Metro"). Under the provisions of 2 U.S.C. 437g(a)(3)(B), the Commission or any other person is prohibited from making public any investigation without the written consent of the person with respect to whom such investigation is made.

The Commission is presently conducting an investigation of Metro's political activity; however, the findings of that investigation will not be released until the investigation is completed. At that time, a copy of the Commission's analysis of the matter will be forwarded to you upon request.

If you have any questions, please contact Susan Donaldson, the staff member assigned to this matter, at 524-4529.

Sincerely,

William C. Oldaker
General Counsel

Enclosure





FEDERAL ELECTION COMMISSION

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

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS *mwe*

DATE: APRIL 3, 1979

SUBJECT: OBJECTION - Memorandum from OGC dated
March 30, 1979; Received in OCS
3-30-79, 12:32

} MUR 907

The above-named document was circulated on a
48 hour vote basis at 4:30 p.m., March 30, 1979.

Commissioner McGarry submitted an objection at
1:03, April 3, 1979.

Commissioner McGarry's office was contacted as
to the agenda placement of this matter and is agreeable
to the inclusion of the matter on the Executive Session
Agenda for April 11, 1979.

withdrawn

cc: Commissioner McGarry

79040171073

March 30, 1979

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 907

Please have the attached Memo distributed to the
Commission on a 48 hour tally basis.

Thank you.

72040171074



FEDERAL ELECTION COMMISSION

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

RECEIVED
OFFICE OF THE
COMMISSIONARY

79 MAR 30 P12: 32

March 30, 1979

MEMORANDUM TO: The Commission

FROM: William C. Oldaker
General Counsel *W.C. Oldaker*

SUBJECT: Letter to NASA Regarding MUR 907 -
Metro Contract Services, Inc.

79040171073

Attached for approval by the Commission is a letter to Robert Blevens of the Inspector General's Office at NASA regarding the Commission's investigation of MUR 907. Apparently, Mr. Blevens became aware of the Commission's investigation of Metro Contract Services, Inc. ("Metro") through the complainant. After several calls to the Office of General Counsel requesting information on the investigation of Metro, Mr. Blevens was told to submit a written request for the Commission's consideration. Mr. Blevens has requested this information because NASA is considering Metro for contract renewals (Attachment I). The Office of General Counsel has prepared the attached letter for Blevens which discloses the Commission's current analysis of the matter; however, the letter emphasizes that this information must remain confidential in accordance with 2 U.S.C. § 437g(a)(3)(B).





National Aeronautics and
Space Administration

Washington, D.C.
20546

ATTACHMENT I

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RECEIVED
FEDERAL ELECTION
COMMISSION

'79 MAR 15 PM 12:22

March 13, 1979

Reply to Attn of WSI-1

Federal Election Commission
Office of General Counsel
1325 K Street, NW
Washington, DC

901674

Attn: Ms. Susan Donaldson

Dear Ms. Donaldson:

Because the Metro Contract Services, Inc., FED File #MUR907 is being considered for a contract renewal with NASA, it is necessary for NASA to know the results of your investigation and any action taken by your agency. Therefore, it would be appreciated if you would send me any information you have in this regard.

Sincerely,

Robert S. Blevens

Robert S. Blevens
Inspector
Office of Inspector General

0171076



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

CONFIDENTIAL

Robert S. Blevens, Inspector
Office of Inspector General
National Aeronautics and Space
Administration
Washington, D.C. 20546

Re: MUR 907

Dear Mr. Blevens:

This letter will confirm our receipt of your March 13, 1979, letter concerning an investigation of Metro Contract Services, Inc. ("Metro"). Under the provisions of 2 U.S.C. 437g(a)(3)(B), the Commission or any other person is prohibited from making public any investigation without the written consent of the person with respect to whom such investigation is made. However, because your agency's contract renewal dealings with Metro Contract Services, Inc., assertedly require that you receive information concerning the above referenced investigation, the Commission has agreed to furnish you with the following information which must remain confidential in accordance with 2 U.S.C. 437g(a)(3)(B).

On March 2, 1979, the Commission found reason to believe:

- (1) That Metro may have violated 2 U.S.C. § 441b by soliciting political contributions from its employees other than stockholders, executive or administrative personnel;
- (2) That Metro may have violated 11 C.F.R. § 114.12(d) by continuing its payroll deduction plan past December 31, 1976, for its employees other than stockholders or executive or administrative personnel;



(3) That Metro should be questioned in connection with its payroll deduction plan which was used to collect political contributions from its employees;

(4) That Metro's political action committee, the Concerned Citizens PAC may have violated 2 U.S.C. § 441a(f) for accepting excessive contributions from Kenneth R. Cunningham, Chairman of Metro, and David Personette, Executive Vice President of Metro;

(5) That Kenneth R. Cunningham and David Personette may have violated 2 U.S.C. § 441a(a)(1)(C) by guaranteeing a \$15,000 promissory note for the Concerned Citizens PAC which exceeds their \$5,000 contribution limitation.

We have enclosed a copy of the Commission's analysis of this matter for your information.

At this stage of investigation, the Respondents are given a reasonable opportunity to demonstrate that no action should be taken against them. Upon receipt and analysis of their explanation, the Commission then determines whether to proceed further against them or whether no further action should be taken. The Commission mailed notifications of their findings to the Respondents on March 13, 1979, and a response is expected March 31, 1979.

If you have any questions, please contact Susan Donaldson, the staff member assigned to this matter, at 523-4529.

Sincerely,

William C. Oldaker
General Counsel

Enclosure



metro contract services, inc.

10120 Northwest Freeway, Suite 215 • Houston, Texas 77062 • (713) 883-8534

March 26, 1979

'79 MAR 28 PM 1:40

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

Re: MUR 907

901785

Dear Ms. Donaldson:

As per our telephone conversation on Friday, March 23, 1979, we will outline Metro's involvement in the concerned citizens Political Action Committee.

The committee was set up on September 15, 1975, by the following members: O.R. Crawford, Chairman; Sal Esparza, Assistant Chairman; Ed Fritcher, Treasurer; Doris Christopher, Assistant Treasurer; and Kay Hall, Secretary, for the purpose of allowing employees of Metropolitan Contract Services, Inc. (commercial company) and Metro Contract Services, Inc. (government support services) to participate in this better government program.

The solicitations for the (PAC) were done primarily by Mr. Ollie Crawford, Vice President, for both companies. In order to make participation simpler, the payroll deduction plan was adopted as per the Federal Election Commission guidelines at the time. The program (PAC) was extended to the Metro employees at the NASA installation at Langley, Marshall, and Johnson up through the early part of 1976. There was considerable opposition for the program at the Marshall Space Flight Center because NASA did not feel this program should be part of our employee orientation procedure.

We do not have the records in our office; however, we estimate that most of the employees participating in the payroll deduction plan had withdrawn by the end of December, 1976. There were several managers that wanted to continue using the deduction plan up through early 1977.

Metro changed ownership on July 1, 1977, and those managers showing deductions on our records received refunds and Metro no longer participated in the program after July 1, 1977.

The procedure for transmitting the deductions to the PAC account was done monthly by company check itemizing those employees who had contributed.

If for any reason this explanation is not sufficient, we will be prepared to provide whatever information we have in our files.

Sincerely,

Ed Fritcher
Secretary-Treasurer

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McGraw-Hill Book Co., Inc.

10120 Northwest Freeway, Suite 215 • Houston, Texas 77092



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

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CONCERNED CITIZENS POLITICAL ACTION COMMITTEE

9225 Katy Freeway, Suite 110
Houston, Texas 77024
(713) 461-9585

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79 MAR 26 PM 1:05

March 21, 1979

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K. Street, N.W.
Washington, D. C. 20463

901743


Re: MUR907

Dear Mr. Oldaker:

The \$15,000 loan of June 23, 1978 was guaranteed unknowing of any provisions of the Federal Election Campaign Act of 1971 or the Campaign Finance Regulations. From the period June 23, 1978 to December 20, 1978 no payments were made on the note. It was renewed without any guaranties whatsoever. A copy of the renewed note is enclosed.

Since December 20, 1978, three monthly payments have been made out of the general funds of the CCPAC. Therefore, since the guarantee of the June 23, 1978 note was never invoked by the bank and since the current note, which is simply a renewal of the June 23 note, does not contain any guaranties, we ask that no action should be taken against the CCPAC or any of its members.

Sincerely,



David Personette
Treasurer

DP:rh

Done, as per your request. JD

48

§441j. Penalty for violations

(a) Any person, following the date of the enactment of this section, who knowingly and willfully commits a violation of any provision or provisions of this Act which involves the making, receiving, or reporting of any contribution or expenditure having a value in the aggregate of \$1,000 or more during a calendar year shall be fined in an amount which does not exceed the greater of \$25,000 or 300 percent of the amount of any contribution or expenditure involved in such violation, imprisoned for not more than one year, or both.

In the case of a knowing and willful violation of section 441b(b)(3), including such a violation of the provisions of such section as applicable through section 441c(b), of section 441f, or of section 441g, the penalties set forth in this section shall apply to a violation involving an amount having a value in the aggregate of \$250 or more during a calendar year.

In the case of a knowing and willful violation of section 441h, the penalties set forth in this section shall apply without regard to whether the making, receiving, or reporting of a contribution or expenditure of \$1,000 or more is involved.

(b) A defendant in any criminal action brought for the violation of a provision of this Act, or of a provision of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, may introduce as evidence of his lack of knowledge of or intent to commit the offense for which the action was brought a conciliation agreement entered into between the defendant and the Commission under section 437g which specifically deals with the Act or failure to act constituting such offense and which is still in effect.

(c) In any criminal action brought for a violation of a provision of this Act, or of a provision of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, the court before which such action is brought shall take into account, in weighing the seriousness of the offense and in considering the appropriateness of the penalty to be imposed if the defendant is found guilty, whether —

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

(2) the conciliation agreement is in effect; and

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

Editorial Note: Savings Provision: Section 114 of the "Federal Election Campaign Act Amendments of 1976," P.L. 94-283,

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**CONCERNED CITIZENS
POLITICAL ACTION COMMITTEE**

9225 Katy Freeway, Suite 110
Houston, Texas 77024

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K. Street, N.W.
Washington, D. C. 20463

79 MAR 20 PM 1:05

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National Aeronautics and
Space Administration

Washington, D.C.
20546

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FEDERAL ELECTION
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'79 MAR 15 PM 12:22

Reply to Attn of WSI-1

March 13, 1979

Federal Election Commission
Office of General Counsel
1325 K Street, NW
Washington, DC

001514

Attn: Ms. Susan Donaldson

Dear Ms. Donaldson:

70040171094
Because the Metro Contract Services, Inc., FED File #MUR907 is being considered for a contract renewal with NASA, it is necessary for NASA to know the results of your investigation and any action taken by your agency. Therefore, it would be appreciated if you would send me any information you have in this regard.

Sincerely,

Robert S. Blevens

Robert S. Blevens
Inspector
Office of Inspector General

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Washington, D.C.
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WSI-1

RECEIVED
FEDERAL ELECTION
COMMISSION

79 MAR 15 PM 12:22

Federal Election Commission
Office of General Counsel
1325 K Street, NW
Washington, DC 20550

Attn: Ms. Susan Donaldson

7
NASA



FEDERAL ELECTION COMMISSION

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

March 13, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. David Personette
9225 Katy Freeway, Suite 110
Houston, Texas 77024

Re: MUR 907

Dear Mr. Personette:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found that you may have violated certain provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). On March 8, 1979, the Commission determined that there was reason to believe that you may have violated 2 U.S.C. § 441a(a)(1)(C) by guaranteeing a \$15,000 loan for the Concerned Citizens Political Action Committee ("CCPAC") which exceeds your contribution limitation.

2 U.S.C. § 441a(a)(1)(C) places a \$5000 contribution limitation on individual contributions to a political action committee. 11 C.F.R. § 100.4(a) states that any loan, including a guarantee, is a contribution to the extent that the obligation remains outstanding. CCPAC reported to the Commission that it received a \$15,000 loan on June 23, 1978, which was guaranteed by you and Kenneth R. Cunningham (Attachment I). Therefore, it appears that you violated 2 U.S.C. § 441a(a)(1)(C) by exceeding your contribution limitation. This matter has been numbered MUR 907.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

If you have any questions, please contact Susan Donaldson, the staff member assigned to this matter at (202) 523-4529.



If you intend to be represented by counsel in this matter, please have such counsel so notify us in writing.

Sincerely,

Attachment

MAIL 907 Donaldson

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

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David Personette

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(Always obtain signature of addressee or agent)

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23

ITEMIZED RECEIPTS

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

Supporting Lines 14a, 15a, 15b, 15c, 16a, 17a, and/or 18a
of FEC FORM 3

ATTACHMENT I to
letter to Personette

Page 1 of 1 for

Line Number 16a

(Use Separate Schedules for
each numbered line)

Name of Candidate or Committee in Full

Concerned Citizens Political Action Committee

Full Name, Mailing Address and ZIP Code

Allied Bank of Texas
P. O. Box 3326
Houston, TX 77001

Principal Place of Business

Houston, Texas

Occupation

Lending Institution

Date (month,
day, year)

6/23/78

Amount of each Receipt
this Period

\$15,000.00

Receipt for:

☐ Primary ☒ General ☐ Other

☐ Check if Contributor is self-employed

Aggregate Year-To-Date \$ 15,000.00

Full Name, Mailing Address and ZIP Code

Kenneth R. Cunningham
9225 Katy Fwy., Suite 110
Houston, TX 77024

Principal Place of Business

Metropolitan Contract Services

Occupation

Chairman

Date (month,
day, year)

Guarantor

Amount of each Receipt
this Period

of above loan

Receipt for:

☐ Primary ☐ General ☐ Other

☐ Check if Contributor is self-employed

Aggregate Year-To-Date \$ -0-

Full Name, Mailing Address and ZIP Code

David Personette
9225 Katy Fwy., Suite 110
Houston, TX 77024

Principal Place of Business

Metropolitan Contract Services

Occupation

Executive Vice President

Date (month,
day, year)

Guarantor

Amount of each Receipt
this Period

of above loan

Receipt for:

☐ Primary ☐ General ☐ Other

☐ Check if Contributor is self-employed

Aggregate Year-To-Date \$ -0-

Full Name, Mailing Address and ZIP Code

Principal Place of Business

Date (month,
day, year)

Amount of each Receipt
this Period

Occupation

☐ Check if Contributor is self-employed

Aggregate Year-To-Date \$

Full Name, Mailing Address and ZIP Code

Principal Place of Business

Date (month,
day, year)

Amount of each Receipt
this Period

Occupation

☐ Check if Contributor is self-employed

Aggregate Year-To-Date \$

Full Name, Mailing Address and ZIP Code

Principal Place of Business

Date (month,
day, year)

Amount of each Receipt
this Period

Occupation

☐ Check if Contributor is self-employed

Aggregate Year-To-Date \$

Full Name, Mailing Address and ZIP Code

Principal Place of Business

Date (month,
day, year)

Amount of each Receipt
this Period

Occupation

☐ Check if Contributor is self-employed

Aggregate Year-To-Date \$

Full Name, Mailing Address and ZIP Code

Principal Place of Business

Date (month,
day, year)

Amount of each Receipt
this Period

TOTAL of receipts (this is not final)

\$ 15,000.00

(This period is not final; this is for informational use only)

\$ 15,000.00

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. David Personette
9225 Katy Freeway, Suite 110
Houston, Texas 77024

Re: MUR 907

Dear Mr. Personette:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found that you may have violated certain provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). On 1979, the Commission determined that there was reason to believe that you may have violated 2 U.S.C. § 441a(a)(1)(C) by guaranteeing a \$15,000 loan for the Concerned Citizens Political Action Committee ("CCPAC") which exceeds your contribution limitation.

2 U.S.C. § 441a(a)(1)(C) places a \$5000 contribution limitation on individual contributions to a political action committee. 11 C.F.R. § 100.4(a) states that any loan, including a guarantee, is a contribution to the extent that the obligation remains outstanding. CCPAC reported to the Commission that it received a \$15,000 loan on June 23, 1978, which was guaranteed by you and Kenneth R. Cunningham (Attachment I). Therefore, it appears that you violated 2 U.S.C. § 441a(a)(1)(C) by exceeding your contribution limitation. This matter has been numbered MUR 907.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

If you have any questions, please contact Susan Donaldson, the staff member assigned to this matter at (202) 523-4520.

AD
3/9/79

- 2 -

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public.

If you intend to be represented by counsel in this matter, please have such counsel so notify us in writing.

Sincerely,

William C. Oldaker
General Counsel

Attachment

79010171090



FEDERAL ELECTION COMMISSION

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

March 13, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Kenneth R. Cunningham
9225 Katy Freeway, Suite 110
Houston, Texas 77023

Re: MUR 907

Dear Mr. Cunningham:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found that you may have violated certain provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). On March 8, 1979, the Commission determined that there was reason to believe that you may have violated 2 U.S.C. § 441a(a)(1)(C) by guaranteeing a \$15,000 loan for the Concerned Citizens Political Action Committee ("CCPAC") which exceeds your contribution limitation.

2 U.S.C. § 441a(a)(1)(C) places a \$5000 contribution limitation on individual contributions to a political action committee. 11 C.F.R. § 100.4(a) states that any loan, including a guarantee, is a contribution to the extent that the obligation remains outstanding. CCPAC reported to the Commission that it received a \$15,000 loan on June 23, 1978, which was guaranteed by you and David Personette (Attachment I). Therefore, it appears that you violated 2 U.S.C. § 441a(a)(1)(C) by exceeding your contribution limitation. This matter has been numbered MUR 907.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

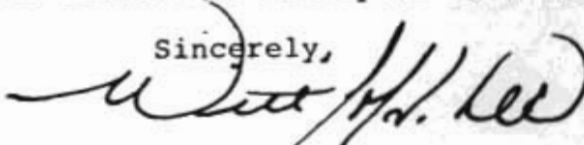
If you have any questions, please contact Susan Donaldson, the staff member assigned to this matter at (202) 523-4529.



This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public.

If you intend to be represented by counsel in this matter, please have such counsel so notify us in writing.

Sincerely,



William C. Oldaker
General Counsel

Attachment

MUR 902 Donaldson

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

1. The following service is requested (check one):
☐ Show to whom and date delivered.
☒ Show to whom, date, and address of delivery.
☐ RESTRICTED DELIVERY
Show to whom and date delivered.
☐ RESTRICTED DELIVERY
Show to whom, date, and address of delivery.
(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Kenneth Cunningham

3. ARTICLE DESCRIPTION:
REGISTERED NO. CERTIFIED NO. INSURED NO.
438282

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent

4. DATE OF DELIVERY
3/16/79

5. ADDRESS (Complete only if requested)
9225 KATV #110

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

RECEIVED BY MEMPHIS
MAR 16 1979
USPO

POSTAL RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

★U.S. 1977-5-24-55

ITEMIZED RECEIPTS

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

Supporting Lines 14a, 15a, 15b, 15c, 16a, 17a, and/or 18a
of FEC FORM 3

ATTACHMENT 1 to
Letter to Cunningham

Page 1 of 1 for

Line Number 16a

(Use Separate Schedules for
each numbered line)

Name of Candidate or Committee in Full

Concerned Citizens Political Action Committee

Full Name, Mailing Address and ZIP Code

Allied Bank of Texas
P. O. Box 3326
Houston, TX 77001

Principal Place of Business

Houston, Texas

Occupation

Lending Institution

☐ Check if Contributor is self-employed

Aggregate Year-To-Date \$ 15,000.00

Date (month,
day, year)

6/23/78

Amount of each Receipt
this Period

\$15,000.00

Receipt for:

☐ Primary ☒ General ☐ Other

Full Name, Mailing Address and ZIP Code

Kenneth R. Cunningham
9225 Katy Fwy., Suite 110
Houston, TX 77024

Principal Place of Business

Metropolitan Contract Services

Occupation

Chairman

☐ Check if Contributor is self-employed

Aggregate Year-To-Date \$ -0-

Date (month,
day, year)

Guarantor

Amount of each Receipt
this Period

of above loan

Receipt for:

☐ Primary ☐ General ☐ Other

Full Name, Mailing Address and ZIP Code

David Personette
9225 Katy Fwy., Suite 110
Houston, TX 77024

Principal Place of Business

Metropolitan Contract Services

Occupation

Executive Vice President

☐ Check if Contributor is self-employed

Aggregate Year-To-Date \$ -0-

Date (month,
day, year)

Guarantor

Amount of each Receipt
this Period

of above loan

Receipt for:

☐ Primary ☐ General ☐ Other

Full Name, Mailing Address and ZIP Code

Principal Place of Business

Occupation

☐ Check if Contributor is self-employed

Aggregate Year-To-Date \$

Date (month,
day, year)

Date (month,
day, year)

Amount of each Receipt
this Period

Amount of each Receipt
this Period

Receipt for:

☐ Primary ☐ General ☐ Other

Full Name, Mailing Address and ZIP Code

Principal Place of Business

Occupation

☐ Check if Contributor is self-employed

Aggregate Year-To-Date \$

Date (month,
day, year)

Date (month,
day, year)

Amount of each Receipt
this Period

Amount of each Receipt
this Period

Receipt for:

☐ Primary ☐ General ☐ Other

Full Name, Mailing Address and ZIP Code

Principal Place of Business

Occupation

☐ Check if Contributor is self-employed

Aggregate Year-To-Date \$

Date (month,
day, year)

Date (month,
day, year)

Amount of each Receipt
this Period

Amount of each Receipt
this Period

Receipt for:

☐ Primary ☐ General ☐ Other

Full Name, Mailing Address and ZIP Code

Principal Place of Business

Occupation

☐ Check if Contributor is self-employed

Aggregate Year-To-Date \$

TOTAL of receipts this page (optional)

\$ 15,000.00

of this period (not page this line number only)

\$ 15,000.00

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Kenneth R. Cunningham
9225 Katy Freeway, Suite 110
Houston, Texas 77023

Re: MUR 907

Dear Mr. Cunningham:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found that you may have violated certain provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). On 1979, the Commission determined that there was reason to believe that you may have violated 2 U.S.C. § 441a(a)(1)(C) by guaranteeing a \$15,000 loan for the Concerned Citizens Political Action Committee ("CCPAC") which exceeds your contribution limitation.

2 U.S.C. § 441a(a)(1)(C) places a \$5000 contribution limitation on individual contributions to a political action committee. 11 C.F.R. § 100.4(a) states that any loan, including a guarantee, is a contribution to the extent that the obligation remains outstanding. CCPAC reported to the Commission that it received a \$15,000 loan on June 23, 1978, which was guaranteed by you and David Personette (Attachment I). Therefore, it appears that you violated 2 U.S.C. § 441a(a)(1)(C) by exceeding your contribution limitation. This matter has been numbered MUR 907.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

If you have any questions, please contact Susan Donaldson, the staff member assigned to this matter at (202) 523-4529.

120
3/29/79

- 2 -

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public.

If you intend to be represented by counsel in this matter, please have such counsel so notify us in writing.

Sincerely,

William C. Oldaker
General Counsel

Attachment

79040171095



FEDERAL ELECTION COMMISSION

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

March 13, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. T. C. Phipps, Treasurer
Concerned Citizens Political Action Committee
c/o Metropolitan Contract Services, Inc.
9225 Katy Freeway, Suite 110
Houston, Texas 77024

Re: MUR 907

Dear Mr. Phipps:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found that your committee, the Concerned Citizens Political Action Committee ("CCPAC"), may have violated certain provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). On March 8, 1979, the Commission determined there was reason to believe that CCPAC may have violated 2 U.S.C. § 441a(f) for accepting excessive contributions from Kenneth R. Cunningham and David Personette.

2 U.S.C. § 441a(a)(1)(C) places a \$5000 contribution limitation on individual contributions to a political action committee. 11 C.F.R. § 100.4(a) states that any loan, including a guarantee, is a contribution to the extent that the obligation remains outstanding. CCPAC reported to the Commission that it received a \$15,000 loan on June 23, 1978, which was guaranteed by Kenneth R. Cunningham and David Personette (Attachment I). Therefore, it appears that CCPAC violated 2 U.S.C. § 441a(f) for accepting a contribution prohibited by 2 U.S.C. § 441a(a)(1)(C). This matter has been numbered MUR 907. The allegation that CCPAC may have violated 2 U.S.C. § 434 (addressed in a letter to CCPAC dated February 12, 1979) has been made a part of MUR 907.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

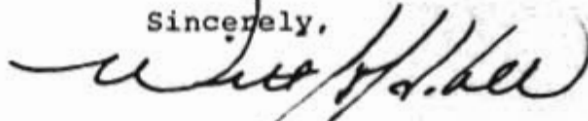


If you have any questions, please contact Susan Donaldson, the staff member assigned to this matter at (202) 523-4529.

This matter will remain confidential in accordance with 2 U.S.C. § 437g)a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public.

If you intend to be represented by counsel in this matter, please have such counsel so notify us in writing.

Sincerely,



William C. Oldaker
General Counsel

Attachment

7 2040171997

907 Donaldson

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

1. The following service is requested (check one):
☐ Show to whom and date delivered.
☒ Show to whom, date, and address of delivery.
☐ RESTRICTED DELIVERY
Show to whom and date delivered.
☐ RESTRICTED DELIVERY
Show to whom, date, and address of delivery. 5
(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
T.C. Phipps, Texas

3. ARTICLE DESCRIPTION:
REGISTERED NO. 438485 CERTIFIED NO. INSURED NO.

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

DATE OF DELIVERY 3/16/79

ADDRESS (Complete only if registered)
9205 Katyik

6. UNABLE TO DELIVER BECAUSE

INITIALS

78 Feb 2811, Apr 1977 RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

Supporting Lines 14a, 15a, 15b, 15c, 16a, 17a, and/or 18a
of FEC FORM 3

\$ 15,000.00

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. T. C. Phipps, Treasurer
Concerned Citizens Political Action Committee
c/o Metropolitan Contract Services, Inc.
9225 Katy Freeway, Suite 110
Houston, Texas 77024

Re: MUR 907

Dear Mr. Phipps:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found that your committee, the Concerned Citizens Political Action Committee ("CCPAC"), may have violated certain provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). On 1979, the Commission determined there was reason to believe that CCPAC may have violated 2 U.S.C. § 441a(f) for accepting excessive contributions from Kenneth R. Cunningham and David Personette.

2 U.S.C. § 441a(a)(1)(C) places a \$5000 contribution limitation on individual contributions to a political action committee. 11 C.F.R. § 100.4(a) states that any loan, including a guarantee, is a contribution to the extent that the obligation remains outstanding. CCPAC reported to the Commission that it received a \$15,000 loan on June 23, 1978, which was guaranteed by Kenneth R. Cunningham and David Personette (Attachment I). Therefore, it appears that CCPAC violated 2 U.S.C. § 441a(f) for accepting a contribution prohibited by 2 U.S.C. § 441a(a)(1)(C). This matter has been numbered MUR 907. The allegation that CCPAC may have violated 2 U.S.C. § 434 (addressed in a letter to CCPAC dated February 12, 1979) has been made a part of MUR 907.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

7904071099

3/1/79

If you have any questions, please contact Susan Donaldson, the staff member assigned to this matter at (202) 523-4529.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public.

If you intend to be represented by counsel in this matter, please have such counsel so notify us in writing.

Sincerely,

William C. Oldaker
General Counsel

Attachment

72040171100



FEDERAL ELECTION COMMISSION

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

March 13, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Metro Contract Services, Inc.
9225 Katy Freeway
Houston, Texas 77024

Re: MUR 907

Dear Sir or Madame:

The Federal Election Commission has received a complaint which alleges that Metro Contract Services, Inc. ("Metro") has committed certain violations of the Federal Election Campaign Act of 1971, as amended ("the Act").

On March 8, 1979, the Commission determined there was reason to believe that Metro may have violated 2 U.S.C. § 441b and 11 C.F.R. §114.12(d). In addition, the Commission requests that Metro provide information regarding the payroll deduction plan which Metro used to collect political contributions from its employees.

Specifically, 2 U.S.C. § 441b allows a corporation or its separate segregated fund to make two written solicitations for contributions during the calendar year from any stockholder, executive or administrative personnel or employee of a corporation or the families of such persons. Such a solicitation may be made only by mail addressed to these persons at their residence. These twice yearly solicitations are the only time in which a corporation may solicit contributions from their employees who are not stockholders, executive or administrative personnel. Based on allegations made by the complainant that a Metro official solicited contributions from Metro employees at three NASA space centers, and a statement from a NASA attorney that non-salaried employees were solicited (for political contributions); it appears that Metro may have violated 2 U.S.C. § 441b by soliciting political contributions from its employees other than stockholders, executive or administrative personnel.

11 C.F.R. § 114.12(d) states that a corporation which, prior to May 11, 1976, had solicited employees other than stockholders or executive or administrative personnel for voluntary contributions to its separate segregated fund and had offered such employees the opportunity to enroll in a payroll deduction plan may, until December 31, 1976..., continue to deduct contributions from the checks of employees who signed up prior to May 11, 1976. (A payroll deduction plan may not be used as a method of facilitating contributions from the corporation's twice yearly solicitations.) It appears that Metro may have violated 11 C.F.R. § 114.12(d) by continuing its payroll deduction plan past December 31, 1976, for employees other than stockholders or executive or administrative personnel.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. These materials should include a complete description of the payroll deduction plan used by Metro to collect political contributions from its employees and how funds were transferred from the corporation to the Concerned Citizens Political Action Committee.

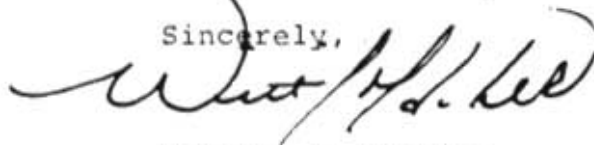
The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten days after your receipt of this notification.

If you have any questions, please contact Susan Donaldson, the staff member assigned to this matter, at (202) 523-4529.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public.

If you intend to be represented by counsel in this matter, please have such counsel so notify us in writing.

Sincerely,



William C. Oldaker
General Counsel

712010171102

7 2 0 1 0 1 7 1 1 0 3

907 Donaldson

PS Form 3811, Apr 1977

RETURN RECEIPT REGISTERED, INSURED AND CERTIFIED MAIL

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

1. The following service is requested (check one).
☐ Show to whom and date delivered.
☒ Show to whom, date, and address of delivery.
☐ RESTRICTED DELIVERY
 Show to whom and date delivered.
☐ RESTRICTED DELIVERY
 Show to whom, date, and address of delivery.
 (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Metro Contract Services, Inc.

3. ARTICLE DESCRIPTION:
 REGISTERED NO. CERTIFIED NO. INSURED NO.
 438289

(Always obtain signature of addressee or agent)

I have received the article described above.
 SIGNATURE ☐ Addressee ☐ Authorized agent

4. DATE OF DELIVERY
 3/16/79

5. ADDRESS (Complete only if requested)
 9225 Katy #10

6. UNABLE TO DELIVER BECAUSE: USPO CLERK'S INITIALS

☆GPO 1977-0-57

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Metro Contract Services, Inc.
9225 Katy Freeway
Houston, Texas 77024

Re: MUR 907

Dear Sir or Madame:

The Federal Election Commission has received a complaint which alleges that Metro Contract Services, Inc. ("Metro") has committed certain violations of the Federal Election Campaign Act of 1971, as amended ("the Act").

On , 1979, the Commission determined there was reason to believe that Metro may have violated 2 U.S.C. § 441b and 11 C.F.R. §114.12(d). In addition, the Commission requests that Metro provide information regarding the payroll deduction plan which Metro used to collect political contributions from its employees.

Specifically, 2 U.S.C. § 441b allows a corporation or its separate segregated fund to make two written solicitations for contributions during the calendar year from any stockholder, executive or administrative personnel or employee of a corporation or the families of such persons. Such a solicitation may be made only by mail addressed to these persons at their residence. These twice yearly solicitations are the only time in which a corporation may solicit contributions from their employees who are not stockholders, executive or administrative personnel. Based on allegations made by the complainant that a Metro official solicited contributions from Metro employees at three NASA space centers, and a statement from a NASA attorney that non-salaried employees were solicited (for political contributions) it appears that Metro may have violated 2 U.S.C. § 441b by soliciting political contributions from its employees other than stockholders, executive or administrative personnel.

70010171104

11 C.F.R. § 114.12(d) states that a corporation which, prior to May 11, 1976, had solicited employees other than stockholders or executive or administrative personnel for voluntary contributions to its separate segregated fund and had offered such employees the opportunity to enroll in a payroll deduction plan may, until December 31, 1976..., continue to deduct contributions from the checks of employees who signed up prior to May 11, 1976. (A payroll deduction plan may not be used as a method of facilitating contributions from the corporation's twice yearly solicitations.) It appears that Metro may have violated 11 C.F.R. § 114.12(d) by continuing its payroll deduction plan past December 31, 1976, for employees other than stockholders or executive or administrative personnel.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. These materials should include a complete description of the payroll deduction plan used by Metro to collect political contributions from its employees and how funds were transferred from the corporation to the Concerned Citizens Political Action Committee.

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten days after your receipt of this notification.

If you have any questions, please contact Susan Donaldson, the staff member assigned to this matter, at (202) 523-4529.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public.

If you intend to be represented by counsel in this matter, please have such counsel so notify us in writing.

Sincerely,

William C. Oldaker
General Counsel

79010171105

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Metro Contract Services, Inc.) MUR 907
Concerned Citizens PAC)
Kenneth R. Cunningham)
David Personette)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on March 8, 1979, the Commission determined by a vote of 6 to 0 to adopt the following recommendations, as set forth in the First General Counsel's Report dated March 2, 1979, regarding the above-captioned matter:

1. Find reason to believe that Metro Contract Services, Inc. may have violated 2 U.S.C. §441b by soliciting political contributions from its employees other than stockholders, executive or administrative personnel.
2. Find reason to believe that Metro Contract Services, Inc. may have violated 11 C.F.R. 114.12(d) by continuing its payroll deduction plan past December 31, 1976 for its employees other than stockholders or executive or administrative personnel.
3. Question Metro Contract Services, Inc. in connection with its payroll deduction plan which was used to collect political contributions from its employees.
4. Find reason to believe that CC PAC may have violated 2 U.S.C. §441a(f) for accepting excessive contributions from Kenneth R. Cunningham and David Personette.

Continued

72040171106

MUR 907

Page 2

First General Counsel's Report

Dated March 2, 1979

CERTIFICATION

5. Find reason to believe that Kenneth R. Cunningham and David Personette violated 2 U.S.C. §441a(a)(1)(C) by guaranteeing a \$15,000 promissory note for CC PAC which exceeds their \$5,000 contribution limitation.
6. Send the letters attached to the above-named report.

Attest:

3/9/79

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

Received in Office of Commission Secretary: Friday, 3-2-79, 4:16
Circulated on 48 hour vote basis: Monday, 3-5-79, 1:00
Objection filed at 4:42 p.m. on March 6. Placed on March 8, 1979 agenda.

79040171107



FEDERAL ELECTION COMMISSION

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

MEMORANDUM TO: CHARLES STEELE
FROM: MARJORIE W. EMMONS *mwe*
DATE: MARCH 7, 1979
SUBJECT: OBJECTION - MUR 907 - First General Counsel's
Report dated 3-2-79; Received
in OCS 3-2-79, 4:16

The above-named document was circulated on a 48
hour vote basis on Monday, March 5, 1979, at 1:00.

Commissioner Aikens submitted an objection at 4:36,
March 6, 1979, thereby placing MUR 907 on the Amended Agenda
for March 8, 1979.

72010171109

March 2, 1979

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 907

Please have the attached First General Counsel's
Report on MUR 907 distributed to the Commission on a
48 hour tally basis.

Thank you.

72040171102

DRAFT

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

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

FIRST GENERAL COUNSEL'S REPORT

79 MAR 2 P4: 16

DATE AND TIME OF TRANSMITTAL
BY OGC TO THE COMMISSION MAR 2 1979

MUR NO. 907
DATE COMPLAINT RECEIVED
BY OGC 11-28-78
STAFF
MEMBER Donaldson

COMPLAINANT'S NAME: Mr. Miles Miniter (Referred from Justice Department)

RESPONDENT'S NAME: Metro Contract Services, Inc.
Concerned Citizens PAC
Kenneth R. Cunningham, David Personette

RELEVANT STATUTE: 2 U.S.C. §441c, 2 U.S.C. §434, 2 U.S.C. §441b,
11 C.F.R. §114.6(e), 11 C.F.R. §114.12(d)
2 U.S.C. §434(b)(12), 2 U.S.C. §441a(a)(1)(c),
2 U.S.C. §441a(f)

INTERNAL REPORTS CHECKED: Concerned Citizens PAC

FEDERAL AGENCIES CHECKED: Department of Justice
FBI, Houston, Texas

SUMMARY OF ALLEGATIONS

Mr. Miles Miniter, the Regional Inspector at the Johnson Space Center in Houston, Texas, spoke with the FBI in Houston, Texas, and made allegations that Metro Contracting Services, Inc. ("Metro"), a corporation which has been awarded several government contracts with NASA, made political contributions in violation of 2 U.S.C. §441c; that Metro kept no records of funds collected for political contributions; and that Metro officials collected funds through payroll deductions from April 1976 through February 1977, in violation of 11 C.F.R. §114.12(d). This matter was referred to the Commission by the Department of Justice on November 28, 1978 (Attachment I).

Upon receipt of the complaint, a review of the reports filed by Metro's political action committee, the Concerned Citizens PAC ("CC PAC")^{1/} was undertaken. This review revealed that the CC PAC has not provided complete information regarding a \$10,000 loan as required by 2 U.S.C. §434(b)(12); and that a \$15,000 promissory note was reported to have been guaranteed by two individuals which appears to be in excess of their \$5000 contribution limitation set by 2 U.S.C. §441a(a)(1)(C).

^{1/} The CC PAC was established in 1975; its registration form was executed on September 15, 1975, and received by the Commission on September 26, 1975. CC PAC has continued to file reports with the Commission throughout 1978.

EVIDENCE

The referral from the Justice Department mentioned that Mr. Miniter provided the FBI with documents supporting his allegations; however the documents were not forwarded at that time to the Commission. The FBI in Houston, Texas, subsequently sent these documents which were received on January 22, 1979.

Payroll Deduction Plan

One of the documents (Attachment II) describes a May 3, 1978, interview with Clyde Pennington, a former project manager at Metro; and Ken Scott, a former financial officer at Metro. It was revealed in the interview by both Pennington and Scott that Metro withheld funds from April, 1976 to February, 1977 from the paychecks of 15-20 employees to support the CC PAC. Neither Pennington nor Scott thought there was any accounting of the withheld funds.

There are also two documents (Attachments III and IV) from D.L. Ryan (of Metro) expressing his concern about the use of payroll deductions at Metro. It should be noted that the CC PAC wrote to the Commission on June 24, 1976 (AOR 1976-47) in connection with payroll deductions that the PAC wished to continue. The August 10, 1976, FEC response stated that payroll deductions for political contributions which came from employees other than stockholders or executive or administrative personnel were not allowed to continue past December 31, 1976. The CC PAC wrote the Commission again on January 4, 1977, to clarify who could be enrolled in payroll deduction plans.

Another document supplied by the FBI (Attachment V) appears to be an internal NASA document which discusses CC PAC and the payroll deduction plan. It states that Metro used payroll deductions from April, 1976, until February, 1977; however it does not specify which employees had deductions taken from their checks. L.F. Watson, the attorney who wrote the document, states in his conclusion that:

The activity you have described may involve several violations of the Federal Election Campaign Act. The manner in which non-salaried employees were solicited may provide the clearest violations. However, the amounts contributed to federal candidates might also constitute violations.

*The complainant has alleged that Ollie Crawford, former Executive Vice-President of Metro, solicited contributions from Metro employees at three NASA space centers. He does not specify which employees were solicited or how often the employees were solicited.

CC PAC Loans

Ken Scott, a former financial officer at Metro, stated in his May 3, 1978 interview (Attachment II) that he had overheard that the payroll deduction plan at Metro was needed to pay off a CC PAC loan. Scott said this was verified by some further conversation when the deductions were doubled to make up for payments on the note that had been missed.

A review of the debts incurred by the CC PAC revealed the following facts:

- (1) CC PAC took a \$10,000 loan from the Allied Bank of Texas on March 15, 1976. No principal or interest payments were made for over 13 months. To date, the only payments on the \$10,000 loan are as follows:

May 9, 1977	\$1000	Principal Payment
May 9, 1977	455	Interest Payment
November 2, 1977	1000	Principal Payment
November 2, 1977	366	Interest Payment

(No payments were made in 1978.) Payments at these intervals and the interest rate charged do not appear to be in the normal course of business. CC PAC has not indicated the terms of this loan although the Reports Analysis Division has requested the information. The Commission on February 12, 1979, found reason to believe that CC PAC violated 2 U.S.C. §434 for failing to provide information regarding this loan. (Attachment VI)

- (2) The CC PAC received a \$15,000 promissory note from the Allied Bank of Texas on June 23, 1978. The report states that the interest rate is 9.86% and the note was guaranteed by Kenneth R. Cunningham and David Personette.

LEGAL ANALYSIS

(1) The complainant has alleged that Metro violated 2 U.S.C. §441c which prohibits any government contractor from making or soliciting any political contributions. Reports on file at the Commission reveal that Metro established a separate segregated fund, the CC PAC, on September 15, 1975. The evidence indicates that CC PAC handled all the political contributions instead of Metro itself. It does not appear that Metro violated 2 U.S.C. §441c.

(2) The complainant has alleged that Metro never accounted for contributions which came from payroll deductions. 2 U.S.C. §434 requires that each political committee report its receipts and expenditures. In order for Metro's PAC to comply with 2 U.S.C. §434, Metro would have to be able to account for the payroll deductions. It appears that Metro and CC PAC should be questioned in connection with their accounting for payroll deductions, and the method in which Metro transferred the withheld funds to the CC PAC.

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(3) 2 U.S.C. §441b allows a corporation or its separate segregated fund to make two written solicitations for contributions during the calendar year from any stockholder, executive or administrative personnel or employee of a corporation or the families of such persons. Such a solicitation may be made only by mail addressed to these persons at their residence. These twice yearly solicitations are the only time in which a corporation may solicit contributions from their employees who are not stockholders, executive or administrative personnel. Based on allegations made by the complainant that a Metro official solicited contributions from Metro employees at three NASA space centers, and a statement from a NASA attorney that non-salaried employees were solicited (for political contributions); it appears that Metro may have violated 2 U.S.C. §441b by soliciting political contributions from its employees other than stockholders, executive or administrative personnel.

(4) 11 C.F.R. §114.12(d) states that a corporation which, prior to May 11, 1976, had solicited employees other than stockholders or executive or administrative personnel for voluntary contributions to its separate segregated fund and had offered such employees the opportunity to enroll in a payroll deduction plan may, until December 31, 1976..., continue to deduct contributions from the checks of employees who signed up prior to May 11, 1976. (A payroll deduction plan may not be used as a method of facilitating contributions from the corporation's twice yearly solicitations.) It appears that Metro may have violated 11 C.F.R. §114.12(d) by continuing its payroll deduction plan past December 31, 1976, for employees other than stockholders or executive or administrative personnel.

(5) 2 U.S.C. §434(b)(12) requires that a political committee disclose the amount and nature of its debts and obligations owed by the committee. It appears that CC PAC may have violated 2 U.S.C. §434(b)(12) by failing to disclose details of a \$10,000 loan which CC PAC obtained through the Allied Bank of Texas on March 15, 1976. It is necessary to obtain the terms of this loan in order to determine whether the bank made the loan in the ordinary course of business, or whether it represents a corporate contribution prohibited by 2 U.S.C. §441b. A response to the Commission's reason to believe notification, dated February 12, 1979, should be received shortly.

(6) 2 U.S.C. §441a(a)(1)(C) places a \$5000 contribution limitation on individual contributions to a political action committee. 11 C.F.R. §100.4(a) states that any loan, including a guarantee, is a contribution to the extent that the obligation remains outstanding. It appears that Kenneth R. Cunningham and David Personette violated 2 U.S.C. §441a(a)(1)(C) by guaranteeing a \$15,000 promissory note for CC PAC which exceeds their \$5,000 contribution limitation; and that CC PAC violated 2 U.S.C. §441a(f) for accepting the excessive contribution.

RECOMMENDATION

(1) Find reason to believe that Metro Contract Services, Inc. may have violated 2 U.S.C. §441b by soliciting political contributions from its employees other than stockholders, executive or administrative personnel.

(2) Find reason to believe that Metro Contract Services, Inc. may have violated 11 C.F.R. §114.12(d) by continuing its payroll deduction plan past December 31, 1976 for its employees other than stockholders or executive or administrative personnel.

(3) Question Metro Contract Services, Inc. in connection with its payroll deduction plan which was used to collect political contributions from its employees.

(4) Find reason to believe that CC PAC may have violated 2 U.S.C. §441a(f) for accepting excessive contributions from Kenneth R. Cunningham and David Personette.

(5) Find reason to believe that Kenneth R. Cunningham and David Personette violated 2 U.S.C. §441a(a)(1)(C) by guaranteeing a \$15,000 promissory note for CC PAC which exceeds their \$5,000 contribution limitation.

(6) Send attached letters.

Attachments

1. Referral from the Justice Department
2. Document describing interview of Pennington and Scott
3. Memo from Ryan to Crawford
4. Memo from Ryan to Esparza/Fritcher
5. Memo from Watson to Olsen
6. Reason to believe notification sent to CC PAC
7. Proposed letter to Metro
8. Proposed letter to CC PAC
9. Proposed letter to Cunningham
10. Proposed letter to Personette

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UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to
File No.

H Houston, Texas
October 24, 1978

METRO CONTRACT SERVICES, INCORPORATED,
9225 KATY FREEWAY,
HOUSTON, TEXAS,
FEDERAL ELECTION LAWS VIOLATION

On September 11, 1978, Mr. Miles Minitier, Regional Inspector, Johnson Space Center, Houston, Texas, advised he has received information to the effect that present and former officials of Metro Contract Services, Incorporated, have through obtaining withholdings from employees pay checks for political reasons, been violating Federal Election Laws. This allegation was for a possible violation of Title 2, U.S. Code, Section 441(c) concerning contributions of government contractors. Minitier further advised that Ollie R. Crawford, Former Executive Vice-President of Metro Contract Services, Incorporated, who is now in Austin, Texas, where he is employed as the Director of Technical Contract Management, Incorporated, solicited for these contributions from all three space centers, including Langley, Langley Research Center, Langley, Virginia, and Johnson Space Center, Houston, Texas. Mr. Minitier advised that apparently there was no accounting for the funds withheld.

Mr. Minitier furnished Xerox copies of documents in support of these allegations which reflected that a Political Action Committee was established by an executive vice-president of Metro for which payroll deductions were made for 25 to 30 employee participants. Amounts were deducted from April, 1976, until February, 1977. Metro borrowed \$10,000.00 for political campaign contributions and used the Political Action Committee (PAC) to recoup that amount.

This document contains neither
recommendations nor conclusions of
the FBI. It is the property of
the FBI and is loaned to your agency;
it and its contents are not to be
distributed outside your agency.

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Re: METRO CONTRACT SERVICES,
INCORPORATED, ET. AL.

The documents further reflected interviews of Clyde S. Pennington, Former Project Manager, Metro Contract Services, Incorporated, National Aeronautics Space Administration (NASA) - Marshall Space Flight Center (MSFC) Contract NAS-8-31028, and Ken Scott, Former Financial Officer, Metro Contract Services, Incorporated, NASA - MSFC, at the Marshall Space Flight Center, Alabama, on May 3, 1978. The interviewer reflected the following information:

Mr. Pennington and Mr. Scott both verified the practice of withholding from the pay of certain employees to support a PAC. Mr. Scott said this procedure was audited by the Defense Contract Audit Administration (DCAA) and should have some record in the contracting officer's file on the matter. This was not a continuing policy. When the thing developed a lot of problems, Metro dropped the entire matter.

Mr. Scott said there were 15 to 20 employees contributing to payroll deduction to the PAC. He said it was usually \$2.00 or \$3.00 per check; but, it may have been as much as \$5.00 by Ryan. Mr. Scott also said there had been occasions when some people had not allowed the money to be deducted for a few weeks, then when it was authorized to be deducted again, they would be instructed to withhold double the authorized rate until the total amount was made up. Mr. Scott thought the total came to approximately \$30.00 per week that was being withheld for political action.

Both Scott and Pennington stated there was never any kind of an accounting for this money. Mr. Scott said he did not think top Metro management ever did anything which was required by the "By-Laws" of the PAC. He felt they were in clear violation of the regulations of the Federal Election Commission (FEC). Mr. Scott told Metro management of his opinion.

They were asked whether or not the PAC had borrowed a large sum for political contributions and other political activity and was using these payroll deductions to pay off the debt. Mr. Scott stated that was probably correct. He recalled he had overheard some conversation to that effect. They needed the payroll deductions to pay off some sort of

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Re: METRO CONTRACT SERVICES,
INCORPORATED, ET. AL.

note which PAC had borrowed. This was verified by some further conversation when the deductions were doubled to make up for payments which were missed. This was verified by Mr. Pennington who stated it was continuing when he took over as Project Manager, but he had it halted.

Mr. Minter also provided a memorandum to Ollie Crawford from Metro Contract Services, Incorporated, dated December 10, 1976, which reflected that according to a letter from the FEC, dated August 10, 1976, Metro could not continue payroll deductions on the PAC program after December 31, 1976, and therefore, such deductions would have to be discontinued.

Minter requested this matter be handled in an expeditious manner, as the results of the investigation will have an effect when it comes time to consider renewal of the contract of Metro Contract Services, Incorporated, which provides logistics and transportation services at the Johnson Space Center, at Marshall Space Center, Huntsville, Alabama, and also provides engineering services.

On September 25, 1978, this matter was discussed with Assistant United States Attorney Wendell Albert Odom, Jr., Southern District of Texas, Houston, Texas, who advised he would decline prosecution in this matter in view of the relatively small amount of money involved and suggested this matter be referred to the FEC, Washington, D.C., as they would appear to have primary jurisdiction in this matter.

RECEIVED

MAY 4 1978

NASA INSPECTIONS



Clyde S. Pennington
Former Project Manager
Metro Contract Services Incorporated
NASA-MSFC Contract NAS 8-31028

Ken Scott
Former Financial Officer
Metro Contract Services Incorporated
NASA-MSFC

Mr. Pennington and Mr. Scott were re-interviewed in the South Central Regional Inspections Office at the Marshall Space Flight Center. The interview was conducted on May 3, 1978.

Mr. Pennington and Mr. Scott were told that Mr. Ryan stated that he had spent considerable time reviewing the Commerce Business Daily. Mr. Scott verified that he knew Mr. Ryan received the Commerce Business Daily. Mr. Pennington verified it was coming to the office when he took over as Project Manager but was halted shortly after Mr. Ryan left.

Mr. Scott could not recall or verify the time Ryan spent on a project involving a search for qualified engineers being made by the Corps of Engineers for a prospective job in Saudi Arabia. Mr. Scott stated that he overheard numerous phone conversations between Mr. Ryan and Mr. Esparaza. During these conversations, Mr. Ryan would always complain that Esparaza was using him too much for extra-curricular activity for Metro Contract Services when he should be working on the government contract. Mr. Scott said this was a very frequent occurrence.

Mr. Scott verified that a proposal for a motor pool contract at Columbus Air Force Base was worked on by Mr. Ryan, Mr. Floyd Croy (Vehicle Equipment Maintenance Manager), and a Mr. Morgan Campbell who is the motor pool supervisor. Mr. Scott also verified he did some work on this proposal but it was done on his own time. However, Mr. Scott said that in addition to the time which Ryan acknowledges that he worked on that proposal, Mr. Ryan, Mr. Croy, and Mr. Campbell -- all three -- actually made a trip to Columbus, Mississippi on this proposal for the proposal conference. Mr. Scott said that he could possibly find some record with the specific time when this was done.

Mr. Scott verified that Mr. Ryan was always at odds with Metro top management because Ryan did not feel he should spend government time working on Metro business.

Both Mr. Scott and Mr. Pennington verified it was Metro policy not to pay vendors until specifically authorized by Metro top management in Houston. Mr. Scott verified this has always been Metro's policy. Mr. Pennington verified this policy continued after he took over as the Project Manager. They also verified that they delayed, at times, as long as six weeks

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before the vendors were paid.

Both Mr. Scott and Mr. Pennington felt there was a possibility that the top management of Metro here were involved in some sort of a scheme concerning check writing on the cash flow from the NASA contract. Mr. Scott said that usual business policy is to transfer funds through the Federal Reserve System to pay the payrolls and other things; however, the office at MSFC would get a call from someone in Houston saying that they were unable to do this. Then they would receive a check on a Houston bank which they were supposed to deposit in a local bank to cover the payroll or vendor payments, instead of the usual transfer through the Federal Reserve. Mr. Scott felt this was some sort of a scheme to cover insufficient fund checks by the company. PAC

Mr. Pennington and Mr. Scott both verified the practice of withholding from the pay of certain employees to support a Political Action Committee. Mr. Scott said that this procedure was audited by the Defense Contract Audit Administration (DCAA) and should have some record in the contracting officer's file on the matter. This was not a continuing policy. When the thing developed a lot of problems, Metro dropped the entire matter.

Mr. Scott said there were 15 to 20 employees contributing to payroll deduction to the Political Action Committee (PAC). He said it was usually \$2 or \$3 per check; but, it may have been as much as \$5 by Ryan. Mr. Scott also said there had been occasions when some people had not allowed the money to be deducted for a few weeks, then when it was authorized to be deducted again, they would be instructed to withhold double the authorized rate until the total amount was made up. Mr. Scott thought the total came to approximately \$30 per week that was being withheld for political action.

Both Scott and Pennington stated there was never any kind of an accounting for this money. Mr. Scott said he did not think top Metro management ever did anything which was required by the "By-Laws" of the Political Action Committee. He felt they were in clear violation of the regulations of the Federal Election Commission. Mr. Scott told Metro management of his opinion.

They were asked whether or not the Political Action Committee had borrowed a large sum for political contributions and other political activity and was using these payroll deductions to pay off the debt. Mr. Scott stated that was probably correct. He recalled he had overheard some conversation to that effect. They needed the payroll deductions to pay off some sort of note that PAC had borrowed. This was verified by some further conversation when the deductions were doubled to make up for payments that were missed. This was verified by Mr. Pennington who stated it was continuing when he took over as Project Manager but he had it halted.

MOBILE, ALABAMA 35004

MOBILE, ALABAMA 35004

HOME OFFICE:
5225 Katy Freeway Suite
Houston, Texas 77024

MEMORANDUM

GRC# 9089

TO: Ollie Crawford


SUBJECT: PAC Criteria

DATE: 10 December 1976

10 DEC 22 1976

According to the letter from the Federal Election Committee to you dated 10 August 1976, we cannot continue payroll deductions on the PAC program after 31 December 1976. Unless a revision to that ruling has been made, we apparently are required to discontinue the deductions. Please advise.

Ollie, as we have discussed several times, it is necessary to inform the contributors what is happening on the PAC program and to organize committees in accordance with Public Law 94-283 and other portions of the Federal Election Campaign Act. I understood your reasoning prior to the elections, but if Metro wants to continue the program, it is imperative to get the contributors involved and to keep them informed. Please let me know the Company's position on this matter.


D. L. Ryan

DLR/db

79040171120

METRO CONTRACT SERVICES, INC.
P. O. Box 5
Huntsville, Alabama 35804

29 June 1976

Metro Contract Services, Inc.
9225 Katy Freeway, Suite 110
Houston, Texas 77024

Attention: Mr. Sal Esparza/Mr. Ed Fritcher

Subject: PAC

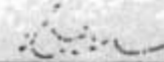
During the past several days we have been reviewing our situation at Huntsville regarding the Political Action Committee in light of PL 94-283, Section 321.4(B). Also, we have carefully considered customer comments and other possible exposures related to this activity.

Specifically, the MSFC Procurement Office has advised that this type of activity is allowable so long as there is strict adherence to the legal requirements. Further, we have been advised that this activity will surely be audited to insure compliance.

It is our opinion that to begin deductions at this time would be a clear violation of Section 321.4(B) in that Metro could determine who makes a contribution of \$50 or less and can determine who is not contributing at all. It is also our opinion that payroll deductions should not be made until the Federal Election Commission rules on the payroll deduction method of contributing to this activity.

CLANFORD
The letter written by Ollie to the Federal Election Committee neither clarifies or authorizes payroll deductions of the system to which we are going to use. I feel that you should carefully consider all these facts before we begin deducting PAC contributions through the payroll system.

If after careful consideration of this matter, Corporate Headquarters desires us to proceed with the payroll deduction plan, we will begin. However, it is suggested that the program be started when we receive our new checks and start our payroll banking in Huntsville.


D. L. Ryan

National Aeronautics and
Space Administration

George C. Marshall Space Flight Center
Marshall Space Flight Center, Alabama
35812

ATTACHMENT V

NASA

by 10 Aft of

0001

May 23, 1978

TO: M-DI/Ron Olsen

FROM: 0001/L. F. Watson

SUBJECT: Metro Contract Services - Political Action
Committee

You have indicated that a Political Action Committee was established by an executive vice president of Metro for which payroll deductions were made for 25 to 30 employee participants. Amounts were deducted from April 1976 until February 1977. Metro borrowed \$10,000 for political campaign contributions and used the PAC to repay that amount.

By Public Law 94-283, Section 112, signed May 11, 1976, the former provision of 18 U.S.C. 611 concerning contributions by Government contractors was transferred as new section 322 of the Federal Election Campaign Act and codified as 2 U.S.C. 441c. The penalty provisions were replaced by the penalty and enforcement provisions under new sections 313 and 328. The statute essentially prohibits Government contractors from soliciting for, and/or contributing to, any candidate, political party or committee while a Government contractor, from the time negotiations commence until the status as Government contractor has ceased.

However, the statute states that any prohibition contained therein does not include the establishment or administration, or solicitation for, a separate segregated fund for the purpose of influencing nominations or selections of persons for Federal office. But, the limitations set forth in 2 U.S.C. 441 (Section 321 of P. L. 94-283) are applicable to any such fund.

2 U.S.C. 441b-(b) (4) (A) provides that a separate segregated fund may not solicit contributions from other than stockholders and their families and executive or administrative personnel (salaried with policymaking, managerial, professional, or supervisory responsibilities - U. S. Code Cong. & Ad. News 977 (1976)) and their families. 2 U.S.C. 441b-(b) (4) (B), in addition to subsection (A), permits generally 2 written solicitations for contributions during the calendar year from any stockholder, executive or administrative personnel, or member of the corporation, and families of such persons. (U. S. Code Cong. & Ad. News 975 (1976)).

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However, solicitations under subsection (B) may be made only by mail addressed to the individual at his residence and "shall be so designed that the corporation ... or segregated fund conducting such solicitation can not determine who makes a contribution of \$50 or less as a result of such solicitation and who does not make such a contribution." As stated at U. S. Code Cong. & Ad. News 978 (1976),

It is the conferees' intent that in order to assure the anonymity (sic) of those who do not wish to respond or who wish to respond with a small contribution the mail solicitations shall be conducted so that an independent third person, who acts as fiduciary for the separate segregated fund, receives the return envelopes, keeps the necessary records, and provides the fund only with information as to the identity of individuals who make a single contribution of over \$50 or multiple contributions that aggregate more than \$100.

As concerns payroll deductions, it is stated at U. S. Code Cong. & Ad. News 977 (1976) that "[t]he House amendment was intended to acknowledge the use by corporations of various methods, such as check-off systems, to solicit voluntary contributions or to facilitate the making of such contributions to separate segregated political funds." The conference substitute Section 321 is generally the same as the House bill.

Any solicitation must also "inform the employee of the political purpose of the fund and of his right to refuse to contribute without any reprisal. (2 U.S.C. 441b-(b) (3)).

Complaints concerning possible violations of the Act may be filed with the Federal Election Commission which has enforcement authority under Section 313 of the Act.

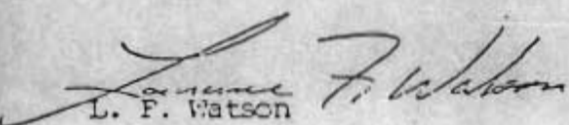
Limitations on campaign contributions may also be important for your consideration. 2 U.S.C. 441a-(a), Section 112 of the Act, limits contributions from any "person" to any federal candidate to an aggregate amount of \$1,000; to \$20,000 to political committees of national political parties which are not the authorized political committees of any candidate, in any calendar year; and to a total of \$5,000 in any calendar year to any other political committees. Multicandidate political committees may contribute to any candidate and his authorized political committees an aggregate of \$5,000; to national political party committees, not official candidate committees, an aggregate of \$15,000 in any calendar year; and to other political committees, an aggregate of \$5,000 in any calendar year. The Act defines multicandidate political committees as those which have been registered for not less than 6 months, have received contributions from more than 50 persons, and, except for a state political party organization, made contributions to 5 or more candidates for Federal office. (2 U.S.C. 441a-(a) (4)). The term "person" includes political committees which do not qualify as multicandidate political committees. (U.S. Code Cong. & Ad. News 968 (1976)).

79010171123

The conferees state at U. S. Code Cong. & Ad. News 973 (1976) that both Senate and House bills consider "that segregated funds established or controlled by a corporation and its subsidiaries ..." constitute one segregated fund. "All of the political committees set up by a single corporation and its subsidiaries are treated as a single political committee."

Conclusion

The activity you have described may involve several violations of the Federal Election Campaign Act. The manner in which non-salaried employees were solicited may provide the clearest violations. However, the amounts contributed to federal candidates might also constitute violations.


L. F. Watson
Attorney

79040171124

In reply please refer to 2RQ2/79-1



FEDERAL ELECTION COMMISSION

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

February 12, 1979

Mr. T.C. Phipps, Treasurer
Concerned Citizens Political Action Committee
c/o Metropolitan Contract Services, Inc.
9225 Katy Freeway, Suite 110
Houston, Texas 77024

Dear Mr. Phipps:

On December 11, 1978, you were notified that the July 10 Report of Receipts and Expenditures filed by your committee omitted certain required information.

We received a response from you on December 18, 1978, however, we found your response to be inadequate. Your failure to provide an adequate response gives the Commission reason to believe that you may have committed a violation of 2 U.S.C. 434.

The Commission will take no action against you until you have had reasonable opportunity to respond to this letter. This response should be mailed to the Commission within fifteen (15) days from the date of this letter.

If you have responded to the above or you require additional information, please contact Robert Snow, our Reports Analyst assigned to you on our toll free number (800) 424-9530. Our local number is 523-4048.

Sincerely,

John W. McElaney
Commissioner

Certified Mail:
Return Receipt Requested



FEDERAL ELECTION COMMISSION

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

December 11, 1978

Go RTB if
no/or inadequate
response

R.S

1/11

Mr. T.C. Phipps, Treasurer
c/o Metropolitan Contract Services, Inc.
Concerned Citizens Political Action Committee
9225 Katy Freeway, Suite 110
Houston, Texas 77024

Dear Mr. Phipps:

This letter is prompted by our interest in assisting committees who wish to comply with the Federal Election Campaign Act.

During review of the July 10, 1978 Quarterly Report of Receipts and Expenditures, we noted that you omitted certain information or made apparent mathematical errors in certain entries. Attached is an itemization of the information requested.

While we recognize the difficulties you may have experienced in filling out the reporting forms, we must ask that you supply the Commission with the missing information within fifteen (15) days from the date of this letter. If you have any questions, please do not hesitate to contact Robert Snow in our Reports Analysis Division on the toll free number (800)424-9530. Our local number is (202)523-4048.

Sincerely,

Orlando B. Potter

Orlando B. Potter
Staff Director

Attachment
FEC Form 12



79010171126

FEDERAL ELECTION COMMISSION

1325 K Street, N.W.
Washington, D.C. 20463TO: Mr. T.C. Phipps, TreasurerDATE: 12/11/78Concerned Citizens Political Action CommitteeI.D. NO.: C00030486REQUEST FOR ADDITIONAL INFORMATION FOR THE July 10, 1978 Quarterly REPORT OF RECEIPTS
AND EXPENDITURES COVERING THE PERIOD 4/1/78 THROUGH 6/30/78
PURSUANT TO THE FEDERAL ELECTION CAMPAIGN ACT OF 1971, AS AMENDED.

A review of the report indicates that additional information is needed in order to be considered complete. Please return a copy of this form with your amended submission(s).

Please provide the required data, as indicated (x):

☐ Coverage Dates ☐ omitted or ☐ incorrect☒ Signature ☐ omitted or ☒ incorrect☐ Summary Page Line(s) ☐ Column(s) ☐ Totals ☐ omitted or ☐ incorrect☒ Detailed Summary (Page 2) Line(s) ☐ Column(s) ☐ Totals ☐ omitted or ☐ incorrect☒ Schedule Totals ☐ disagree with Detailed Summary (Page 2) or ☐ omitted☐ Date(s) ☐ omitted or ☐ inadequate for Schedule(s) ☐ Line(s) ☐☐ Full Name(s) Omitted for Schedule(s) ☐ Line(s) ☐☐ Mailing Address(es) ☐ omitted or ☐ inadequate for Schedule(s) ☐ Line(s) ☐☐ Occupational Descriptions ☐ omitted or ☐ inadequate for Schedule(s) ☐ Line(s) ☐☐ Principal Place(s) of Business ☐ omitted or ☐ inadequate for Schedule(s) ☐ Line(s) ☐☐ Aggregate Year-to-date Totals ☐ omitted or ☐ inadequate for Schedule(s) ☐ Line(s) ☐☐ Nature or Purpose of Expenditure ☐ omitted or ☐ inadequate for Schedule(s) ☐ Line(s) ☐☒ Nature or Purpose of Receipt ☐ omitted or ☒ inadequate for Schedule(s) M&C Line(s) 16 & 27☐ Inadequate Description of ☐ proceeds ☐ dates ☐ events ☐ location of Schedule ☐☒ Other: 1. 11 CFR 104.12 requires that the treasurer or his/her designated agent must
sign all reports required to be filed. The designation of an assistant treasureror agent must be reflected on a Statement of Organization or amendment thereto.

Your initial submission(s), together with this request for additional information, has been made available for public inspection. The Commission urges you to file the additional submission(s) promptly to the above address. If you have any questions regarding this request, please call the Disclosure Division toll free at (800) 424-9530. The local Washington, D.C. telephone number is (202) 523-4048.

Senate filers should file their submission(s) with the Secretary of the Senate, Office of Public Records, 119 D St., N.E., Washington, D.C. 20510. House filers should file their submission(s) with the Clerk of the House, Office of Records and Registration, 1036 Longworth House Office Building, Washington, D.C. 20515.

REQUEST FOR ADDITIONAL INFORMATION

PAGE TWO December 11, 1978

Concerned Citizens Political Action Committee
Mr. T.C. Phipps, Treasurer

- 79010171123
2. With reference to the \$15,000 Loan made to your committee on 6/23/78, through the Allied Bank of Texas, Schedule A must be submitted to reflect the itemized receipt of this money. Please be further advised that Schedule A must contain the name(s), mailing address, occupation, and principal place of business of each lender or endorser of a loan received. You are further advised of the \$5000 annual limitation for each individual making contributions to your committee. This limitation applies as well to endorsers of loans, for a loan is considered a contribution while outstanding. (11 CFR 100.4)
 3. With reference to the above, your attention is now directed to Schedule C of FEC Form 3 of your July 10, 1978 filing. Schedule C reflects, in addition to the 6/23/78 loan of \$15,000, an outstanding balance of \$8,000 of a \$10,000 loan made to your committee through the Allied Bank of Texas, dated 5/8/77. Please submit the required information regarding the identification of endorsers or guarantors of this loan. In addition, Schedule C must contain; a) the duration of the debt, b) interest rate, c) whether or not secured, d) terms of repayment, and e) terms of extension. With respect to (e) please clarify if the 5/8/77 loan is the re-negotiated loan originally obtained on 11/8/76 and reported on your committee's April 10, 1977 Quarterly Report.

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

Line Number 16a

(Use Separate Schedules for
each numbered line)

Supporting Lines 14a, 15a, 15b, 15c, 16a, 17a, and/or 18a
of FEC FORM 3

Concerned Citizens Political Action Committee

Full Name, Mailing Address and ZIP Code		Principal Place of Business	Date (month, day, year)	Amount of each Receipt this Period
Allied Bank of Texas P. O. Box 3326 Houston, TX 77001	Houston, Texas	Lending Institution	6/23/78	\$15,000.00
Receipt for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other		<input type="checkbox"/> Check if Contributor is self-employed Aggregate Year-To-Date . . \$ 15,000.00		
Kenneth R. Cunningham 9225 Katy Fwy., Suite 110 Houston, TX 77024	Metropolitan Contract Services	Chairman		Guarantor of above loan
Receipt for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other		<input type="checkbox"/> Check if Contributor is self-employed Aggregate Year-To-Date . . \$ -0-		
-David Personette 9225 Katy Fwy., Suite 110 Houston, TX 77024	Metropolitan Contract Services	Executive Vice President		Guarantor of above loan
Receipt for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other		<input type="checkbox"/> Check if Contributor is self-employed Aggregate Year-To-Date . . \$ -0-		
Receipt for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other		<input type="checkbox"/> Check if Contributor is self-employed Aggregate Year-To-Date . . \$		
Receipt for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other		<input type="checkbox"/> Check if Contributor is self-employed Aggregate Year To Date \$		
Receipt for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other		<input type="checkbox"/> Check if Contributor is self-employed Aggregate Year To Date . . \$		
(TOTAL of receipts this page (optional))				\$ 15,000.00
AL this period (last page this time number only)				\$ 15,000.00

DEBTS AND OBLIGATIONS

Amended Statement
Supporting Line Numbers 12 and 13
of FEC FORM 3

Page 1 of 1 for

Line Number 27

(Use Separate Schedules for
each numbered line)

(Indicate Primary or General Election for each Entry)

Name of Candidate and Committee in Full

Concerned Citizens Political Action Committee

Full Name, Mailing Address and ZIP Code of Debtor or Creditor	Date (month, day, year)	Amount of Original Debt, Contract, Agreement or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
Allied Bank of Texas P. O. Box 3326 Houston, TX 77001	6/23/78	-		
<input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other		\$ 23,000	\$ -0-	\$ 23,000

NATURE OF OBLIGATION (Details of Debt):

Promissory Note, due 6/23/79, interest at 9.86%, guaranteed by Kenneth R. Cunningham and David Personette

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

NATURE OF OBLIGATION (Details of Debt):

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

NATURE OF OBLIGATION (Details of Debt):

SUBTOTALS this period this page (optional)	\$	\$	\$
TOTAL this period (last page this line number only)	\$	\$	\$

Carry outstanding balance only to appropriate line of summary

79010171130



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Metro Contract Services, Inc.
9225 Katy Freeway
Houston, Texas 77024

Re: MUR 907

Dear Sir or Madame:

The Federal Election Commission has received a complaint which alleges that Metro Contract Services, Inc. ("Metro") has committed certain violations of the Federal Election Campaign Act of 1971, as amended ("the Act").

On , 1979, the Commission determined there was reason to believe that Metro may have violated 2 U.S.C. § 441b and 11 C.F.R. §114.12(d). In addition, the Commission requests that Metro provide information regarding the payroll deduction plan which Metro used to collect political contributions from its employees.

Specifically, 2 U.S.C. § 441b allows a corporation or its separate segregated fund to make two written solicitations for contributions during the calendar year from any stockholder, executive or administrative personnel or employee of a corporation or the families of such persons. Such a solicitation may be made only by mail addressed to these persons at their residence. These twice yearly solicitations are the only time in which a corporation may solicit contributions from their employees who are not stockholders, executive or administrative personnel. Based on allegations made by the complainant that a Metro official solicited contributions from Metro employees at three NASA space centers, and a statement from a NASA attorney that non-salaried employees were solicited (for political contributions); it appears that Metro may have violated 2 U.S.C. § 441b by soliciting political contributions from its employees other than stockholders, executive or administrative personnel.

11 C.F.R. § 114.12(d) states that a corporation which, prior to May 11, 1976, had solicited employees other than stockholders or executive or administrative personnel for voluntary contributions to its separate segregated fund and had offered such employees the opportunity to enroll in a payroll deduction plan may, until December 31, 1976..., continue to deduct contributions from the checks of employees who signed up prior to May 11, 1976. (A payroll deduction plan may not be used as a method of facilitating contributions from the corporation's twice yearly solicitations.) It appears that Metro may have violated 11 C.F.R. § 114.12(d) by continuing its payroll deduction plan past December 31, 1976, for employees other than stockholders or executive or administrative personnel.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. These materials should include a complete description of the payroll deduction plan used by Metro to collect political contributions from its employees and how funds were transferred from the corporation to the Concerned Citizens Political Action Committee.

The Commission is under a duty to investigate this matter expeditiously. Therefore, your response should be submitted within ten days after your receipt of this notification.

If you have any questions, please contact Susan Donaldson, the staff member assigned to this matter, at (202) 523-4529.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public.

If you intend to be represented by counsel in this matter, please have such counsel so notify us in writing.

Sincerely,

William C. Oldaker
General Counsel



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. T. C. Phipps, Treasurer
Concerned Citizens Political Action Committee
c/o Metropolitan Contract Services, Inc.
9225 Katy Freeway, Suite 110
Houston, Texas 77024

Re: MUR 907

Dear Mr. Phipps:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found that your committee, the Concerned Citizens Political Action Committee ("CCPAC"), may have violated certain provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). On 1979, the Commission determined there was reason to believe that CCPAC may have violated 2 U.S.C. § 441a(f) for accepting excessive contributions from Kenneth R. Cunningham and David Personette.

2 U.S.C. § 441a(a)(1)(C) places a \$5000 contribution limitation on individual contributions to a political action committee. 11 C.F.R. § 100.4(a) states that any loan, including a guarantee, is a contribution to the extent that the obligation remains outstanding. CCPAC reported to the Commission that it received a \$15,000 loan on June 23, 1978, which was guaranteed by Kenneth R. Cunningham and David Personette (Attachment I). Therefore, it appears that CCPAC violated 2 U.S.C. § 441a(f) for accepting a contribution prohibited by 2 U.S.C. § 441a(a)(1)(C). This matter has been numbered MUR 907. The allegation that CCPAC may have violated 2 U.S.C. § 434 (addressed in a letter to CCPAC dated February 12, 1979) has been made a part of MUR 907.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.



- 2 -

If you have any questions, please contact Susan Donaldson, the staff member assigned to this matter at (202) 523-4529.

This matter will remain confidential in accordance with 2 U.S.C. § 437g)a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public.

If you intend to be represented by counsel in this matter, please have such counsel so notify us in writing.

Sincerely,

William C. Oldaker
General Counsel

Attachment

7100171134



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Kenneth R. Cunningham
9225 Katy Freeway, Suite 110
Houston, Texas 77023

Re: MUR 907

Dear Mr. Cunningham:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found that you may have violated certain provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). On 1979, the Commission determined that there was reason to believe that you may have violated 2 U.S.C. § 441a(a)(1)(C) by guaranteeing a \$15,000 loan for the Concerned Citizens Political Action Committee ("CCPAC") which exceeds your contribution limitation.

2 U.S.C. § 441a(a)(1)(C) places a \$5000 contribution limitation on individual contributions to a political action committee. 11 C.F.R. § 100.4(a) states that any loan, including a guarantee, is a contribution to the extent that the obligation remains outstanding. CCPAC reported to the Commission that it received a \$15,000 loan on June 23, 1978, which was guaranteed by you and David Personette (Attachment I). Therefore, it appears that you violated 2 U.S.C. § 441a(a)(1)(C) by exceeding your contribution limitation. This matter has been numbered MUR 907.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

If you have any questions, please contact Susan Donaldson, the staff member assigned to this matter at (202) 523-4529.



- 2 -

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public.

If you intend to be represented by counsel in this matter, please have such counsel so notify us in writing.

Sincerely,

William C. Oldaker
General Counsel

Attachment

770010171136



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. David Personette
9225 Katy Freeway, Suite 110
Houston, Texas 77024

Re: MUR 907

Dear Mr. Personette:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found that you may have violated certain provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). On 1979, the Commission determined that there was reason to believe that you may have violated 2 U.S.C. § 441a(a)(1)(C) by guaranteeing a \$15,000 loan for the Concerned Citizens Political Action Committee ("CCPAC") which exceeds your contribution limitation.

2 U.S.C. § 441a(a)(1)(C) places a \$5000 contribution limitation on individual contributions to a political action committee. 11 C.F.R. § 100.4(a) states that any loan, including a guarantee, is a contribution to the extent that the obligation remains outstanding. CCPAC reported to the Commission that it received a \$15,000 loan on June 23, 1978, which was guaranteed by you and Kenneth R. Cunningham (Attachment I). Therefore, it appears that you violated 2 U.S.C. § 441a(a)(1)(C) by exceeding your contribution limitation. This matter has been numbered MUR 907.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

If you have any questions, please contact Susan Donaldson, the staff member assigned to this matter at (202) 523-4529.



- 2 -

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(3)(B) unless you notify the Commission in writing that you wish the investigation to be made public.

If you intend to be represented by counsel in this matter, please have such counsel so notify us in writing.

Sincerely,

William C. Oldaker
General Counsel

Attachment

7 0 1 0 1 7 1 1 3 8



FEDERAL ELECTION COMMISSION

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

MEMORANDUM TO CHARLES STEELE
FROM: MARJORIE W. EMMONS *mwe*
DATE: JANUARY 29, 1979
SUBJECT: MUR 907 - Interim Investigative
Report dated 1-25-79; Received in
OCS 1-25-79, 4:15

The above-named document was circulated on a 24
hour no-objection basis at 11:00, January 26, 1979.

The Commission Secretary's Office has received
no objections to the Interim Investigative Report as
of 12:00, this date.

72010171139

January 25, 1979

MEMORANDUM TO: Marge Elmons
FROM: Elissa T. Garr
SUBJECT: MUR 907

Please have the attached Interim Invest Report
on MUR 907 distributed to the Commission.

Thank you.

79040171140

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

In the Matter of)
)
Metro Contract Services, Inc.)

MUR 90779 JAN 25 P 4: 15

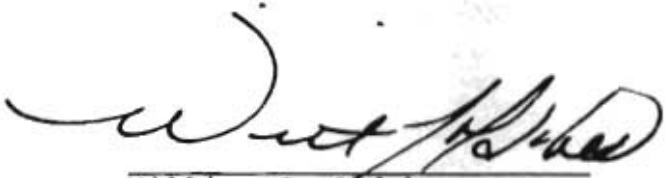
INTERIM INVESTIGATIVE REPORT

The allegations in MUR 907 are that Metro Contract Services, Inc. ("Metro") made political contributions in violation of 2 U.S.C. §441c; Metro kept no records for funds collected for political contributions in violation of 2 U.S.C. §434; and Metro officials collected funds through payroll deductions in violation of 11 C.F.R. §114.6(e).

This matter was referred to the Commission from the Department of Justice on November 28, 1978; however documents mentioned in the referral were not forwarded to the Commission. The Office of General Counsel requested the relevant documents and they were received by the Commission on January 22, 1979. These documents are currently under review and a report will be made to the Commission shortly.

Date

1/25/79


William C. Oldaker
General Counsel

72010171141

HCC 9087

METRO CONTRACT SERVICES, INC.
P. O. Box 5
Huntsville, Alabama 35804

29 June 1976

Metro Contract Services, Inc.
9225 Katy Freeway, Suite 110
Houston, Texas 77024

Attention: Mr. Sal Esparza/Mr. Ed Fritcher

Subject: PAC

3

During the past several days we have been reviewing our situation at Huntsville regarding the Political Action Committee in light of PL 94.283, Section 321.4(B). Also, we have carefully considered customer comments and other possible exposures related to this activity.

7

Specifically, the MSFC Procurement Office has advised that this type of activity is allowable so long as there is strict adherence to the legal requirements. Further, we have been advised that this activity will surely be audited to insure compliance.

0

It is our opinion that to begin deductions at this time would be a clear violation of Section 321.4(B) in that Metro could determine who makes a contribution of \$50 or less and can determine who is not contributing at all. It is also our opinion that payroll deductions should not be made until the Federal Election Commission rules on the payroll deduction method of contributing to this activity.

7

CRAWFORD

The letter written by Ollie to the Federal Election Committee neither clarifies or authorizes payroll deductions of the system to which we are going to use. I feel that you should carefully consider all these facts before we begin deducting PAC contributions through the payroll system.

If after careful consideration of this matter, Corporate Headquarters desires us to proceed with the payroll deduction plan, we will begin. However, it is suggested that the program be started when we receive our new checks and start our payroll banking in Huntsville.

[Signature]
D. L. Ryan



Clyde S. Pennington
Former Project Manager
Metro Contract Services Incorporated
NASA-MSFC Contract NAS 8-31028

MAY 22 1978

NASA INSPECTIONS

Ken Scott
Former Financial Officer
Metro Contract Services Incorporated
NASA-MSFC

Mr. Pennington and Mr. Scott were re-interviewed in the South Central Regional Inspections Office at the Marshall Space Flight Center. The interview was conducted on May 3, 1978.

Mr. Pennington and Mr. Scott were told that Mr. Ryan stated that he had spent considerable time reviewing the Commerce Business Daily. Mr. Scott verified that he knew Mr. Ryan received the Commerce Business Daily. Mr. Pennington verified it was coming to the office when he took over as Project Manager but was halted shortly after Mr. Ryan left.

Mr. Scott could not recall or verify the time Ryan spent on a project involving a search for qualified engineers being made by the Corps of Engineers for a prospective job in Saudi Arabia. Mr. Scott stated that he overheard numerous phone conversations between Mr. Ryan and Mr. Esparaza. During these conversations, Mr. Ryan would always complain that Esparaza was using him too much for extra-curricular activity for Metro Contract Services when he should be working on the government contract. Mr. Scott said this was a very frequent occurrence.

Mr. Scott verified that a proposal for a motor pool contract at Columbus Air Force Base was submitted on by Mr. Ryan, Mr. Floyd Croy (Vehicle Equipment Maintenance Supervisor) and Mr. Morgan Campbell who is the motor pool supervisor. Mr. Scott verified he did some work on this proposal but it was done on his own time. However, Mr. Scott said that in addition to the time which Ryan acknowledges that he worked on that proposal, Mr. Ryan, Mr. Croy, and Mr. Campbell -- all three -- actually made a trip to Columbus, Mississippi on this proposal for the proposal conference. Mr. Scott said that he could possibly find some record with the specific time when this was done.

Mr. Scott verified that Mr. Ryan was always at odds with Metro top management because Ryan did not feel he should spend government time working on Metro business.

Both Mr. Scott and Mr. Pennington verified it was Metro policy not to pay vendor until specifically authorized by Metro top management in Houston. Mr. Scott verified this has always been Metro's policy. Mr. Pennington verified this policy continued after he took over as the Project Manager. They also verified that they paid, at times, as long as six weeks

79040171143

before the vendors were paid.

Both Mr. Scott and Mr. Pennington felt there was a possibility that the top management of Metro here were involved in some sort of a scheme concerning check writing on the cash flow from the NASA contract. Mr. Scott said that usual business policy is to transfer funds through the Federal Reserve System to pay the payrolls and other things; however, the office at MSFC would get a call from someone in Houston saying that they were unable to do this. Then they would receive a check on a Houston bank which they were supposed to deposit in a local bank to cover the payroll or vendor payments, instead of the usual transfer through the Federal Reserve. Mr. Scott felt this was some sort of a scheme to cover insufficient fund checks by the company.

7901017114A
Mr. Pennington and Mr. Scott both verified the practice of withholding from the pay of certain employees to support a Political Action Committee. Mr. Scott said that this procedure was audited by the Defense Contract Audit Administration (DCAA) and should have some record in the contracting officer's file on the matter. This was not a continuing policy. When the thing developed a lot of problems, Metro dropped the entire matter.

Mr. Scott said there were 15 to 20 employees contributing to payroll deduction to the Political Action Committee (PAC). He said it was usually \$2 or \$3 per check; but, it may have been as much as \$5 by Ryan. Mr. Scott also said there had been occasions when some people had not allowed the money to be deducted for a few weeks, then when it was authorized to be deducted again, they would be instructed to withhold double the authorized rate until the total amount was made up. Mr. Scott thought the total came to approximately \$30 per week that was being withheld for political action.

Both Scott and Pennington stated there was never any kind of an accounting for this money. Mr. Scott said he did not think top Metro management ever did anything which was required by the "By-Laws" of the Political Action Committee. He felt they were in clear violation of the regulations of the Federal Election Commission. Mr. Scott told Metro management of his opinion.

They were asked whether or not the Political Action Committee had borrowed a large sum for political contributions and other political activity and was using these payroll deductions to pay off the debt. Mr. Scott stated that was probably correct. He recalled he had overheard some conversation to that effect. They needed the payroll deductions to pay off some sort of note that PAC had borrowed. This was verified by some further conversation when the deductions were doubled to make up for payments that were missed. This was verified by Mr. Pennington who stated it was continuing when he took over as Project Manager but he had it halted.

George C. Marshall Space Flight Center
Marshall Space Flight Center, Alabama
35812

ALMA

COOL

May 23, 1978

TO: M-DI/Ron Olsen

FROM: COOL/L. F. Watson

SUBJECT: Metro Contract Services - Political Action
Committee

You have indicated that a Political Action Committee was established by an executive vice president of Metro for which payroll deductions were made for 25 to 30 employee participants. Amounts were deducted from April 1976 until February 1977. Metro borrowed \$10,000 for political campaign contributions and used the PAC to disburse that amount.

By Public Law 94-283, Section 112, signed May 11, 1976, the former provision of 18 U.S.C. 611 concerning contributions by Government contractors was transferred as new section 322 of the Federal Election Campaign Act and codified as 2 U.S.C. 441c. The penalty provisions were replaced by the penalty and enforcement provisions under new sections 313 and 328. The statute essentially prohibits Government contractors from soliciting for, and/or contributing to, any candidate, political party or committee while a Government contractor, from the time negotiations commence until the status as Government contractor has ceased.

However, the statute states that any prohibition contained therein does not include the establishment or administration, or solicitation for, a separate segregated fund for the purpose of influencing nominations or selections of persons for Federal office. But, the limitations set forth in 2 U.S.C. 441 (Section 321 of P. L. 94-283) are applicable to any such fund.

2 U.S.C. 441b-(b) (4) (A) provides that a separate segregated fund may not solicit contributions from other than stockholders and their families and executive or administrative personnel (salaried with policymaking, managerial, professional, or supervisory responsibilities - U. S. Code Cong. & Ad. News 977 (1976)) and their families. 2 U.S.C. 441b-(b) (4) (B), in addition to subsection (A), permits generally 2 written solicitations for contributions during the calendar year from any stockholder, executive or administrative personnel, or family of the contractor, or family of such persons. (U. S. Code Cong. & Ad. News 978 (1976)).

However, solicitations under subsection (B) may be made only by mail addressed to the individual at his residence and "shall be so designed that the corporation ... or segregated fund conducting such solicitation can not determine who makes a contribution of \$50 or less as a result of such solicitation and who does not make such a contribution." As stated at U. S. Code Cong. & Ad. News 978 (1976),

It is the conferees' intent that in order to assure the anonymity (sic) of those who do not wish to respond or who wish to respond with a small contribution the mail solicitations shall be conducted so that an independent third person, who acts as fiduciary for the separate segregated fund, receives the return envelopes, keeps the necessary records, and provides the fund only with information as to the identity of individuals who make a single contribution of over \$50 or multiple contributions that aggregate more than \$100.

As concerns payroll deductions, it is stated at U. S. Code Cong. & Ad. News 977 (1976) that "[t]he House amendment was intended to acknowledge the use by corporations of various methods, such as check-off systems, to solicit voluntary contributions or to facilitate the making of such contributions to separate segregated political funds." The conference substitute Section 321 is generally the same as the House bill.

Any solicitation must also inform the employee of the political purpose of the fund and of his right to refuse to contribute without any reprisal. (2 U.S.C. 441b-(b)(3)).

Complaints concerning possible violations of the Act may be filed with the Federal Election Commission which has enforcement authority under Section 313 of the Act.

Limitations on campaign contributions may also be important for your consideration. 2 U.S.C. 441a-(a), Section 112 of the Act, limits contributions from any "person" to any federal candidate to an aggregate amount of \$1,000; to \$20,000 to political committees of national political parties which are not the authorized political committees of any candidate, in any calendar year; and to a total of \$5,000 in any calendar year to any other political committees. Multicandidate political committees may contribute to any candidate and his authorized political committees an aggregate of \$5,000; to national political party committees, not official candidate committees, an aggregate of \$15,000 in any calendar year; and to other political committees, an aggregate of \$5,000 in any calendar year. The Act defines multicandidate political committees as those which have been registered for not less than 6 months, have received contributions from more than 50 persons, and, except for a state political party organization, made contributions to 5 or more candidates for Federal office. (2 U.S.C. 441a-(a)(4)). The term "person" includes political committees which do not qualify as political party committees. (U.S. Code Cong. & Ad. News 978 (1976)).

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9089

MEMORANDUM

TO: Ollie Crawford


SUBJECT: PAC Criteria

DATE: 10 December 1976

79 JUN 22 1977

According to the letter from the Federal Election Committee to you dated 10 August 1976, we cannot continue payroll deductions on the PAC program after 31 December 1976. Unless a revision to that ruling has been made, we apparently are required to discontinue the deductions. Please advise.

Ollie, as we have discussed several times, it is necessary to inform the contributors what is happening on the PAC program and to organize committees in accordance with Public Law 94-283 and other portions of the Federal Election Campaign Act. I understood your reasoning prior to the elections, but if Metro wants to continue the program, it is imperative to get the contributors involved and to keep them informed. Please let me know the Company's position on this matter.


D. L. Ryan

DLR/db

79040171147

The conferees state at U. S. Code Cong. & Ad. News 973 (1976) that both Senate and House bills consider "that segregated funds established or controlled by a corporation and its subsidiaries ..." constitute one segregated fund. "All of the political committees set up by a single corporation and its subsidiaries are treated as a single political committee."

Conclusion

The activity you have described may involve several violations of the Federal Election Campaign Act. The manner in which non-salaried employees were solicited may provide the clearest violations. However, the amounts contributed to federal candidates might also constitute violations.

L. F. Watson
L. F. Watson
Attorney

F. V. Watson

79040171148

CL SMITH
FBI
RISK
HOUSTON, TEXAS

OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE, \$300

POSTAGE AND FEE PAID

JAN 22 1979



SUSAN DONALDSON
FEDERAL ELECTION COMMISSION
1325 "K" ST NW
WASHINGTON DC #20463

79 JAN 22 AM 10:47

FEDERAL ELECTION
COMMISSION

79040171149

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Metro Contracting Services) Pre-MUR 17

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on January 10, 1979, the Commission approved by a vote of 5-0 the recommendation, as set forth in the General Counsel's Memorandum, undated, to open a MUR in connection with allegations that Metro Contract Services, Inc. violated 2 U.S.C. §441c and 2 U.S.C. §434.

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

Attest:

1/10/79

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

Received in Office of Commission Secretary: 1-5-79, 1:26
Circulated on 48 hour vote basis: 1-8-79, 12:00

79010171150

January 5, 1979

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: Pre-MUR 17

Please have the attached Memo to the Commission distributed on a 48 hour tally basis.

Thank you.

79040171151



FEDERAL ELECTION COMMISSION

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

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

79 JAN 5 P 1: 26

MEMORANDUM

TO: The Commission

FROM: William C. Oldaker *WCO*

SUBJECT: Pre-MUR 17: Metro Contracting Services

On November 28, 1978, the Commission received a referral from the Department of Justice alleging that Metro Contract Services, Incorporated ("Metro") had committed certain violations of the Federal Election Campaign Act of 1971, as amended (Attachment I). This information was given to the FBI by Mr. Miles Miniter, Regional Inspector at the Johnson Space Center in Houston, Texas. Metro has government contracts with the Johnson Space Center and the Marshall Space Center in Huntsville, Alabama.

Specifically, Mr. Miniter alleges that Metro made political contributions in violation of 2 U.S.C. §441c; Metro kept no records of funds collected for political contributions in violation of 2 U.S.C. §434; and Metro officials collected funds through payroll deductions from April 1976 through February 1977.

The complainant stated that the Commission sent Metro a letter dated August 10, 1976, stating that Metro could not continue payroll deductions on the PAC program after December 31, 1976. The FEC letter, dated August 10, 1976, was the response to the June 24, 1976 letter from Metro's PAC (AOR 1976-47) concerning payroll deductions that the PAC wished to continue. 1/ The response refers to payroll

1/ A review of FEC reports revealed that Metro established the Concerned Citizens PAC on September 15, 1975.

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deductions from employees other than stockholders or executive or administrative personnel which could be made until December 31, 1976. 11 C.F.R. §114.12(d). The complainant did not specify what type of payroll deductions were continued after December 31, 1976.

The Concerned Citizens PAC wrote the Commission again on January 4, 1977, to clarify who could be enrolled in such plans and, on January 10, 1977, the General Counsel's office responded.

The referral from Justice mentions that Mr. Minter provided the FBI with documents relating to his allegations; however these documents were not forwarded to the Commission. The Department of Justice was contacted on December 14, 1978, and Mr. Craig Donsanto of the Public Integrity Section, assured the Office of General Counsel that he would contact the Houston office and the documents would be forwarded to the Commission.

We think a MUR should be opened in this matter; however a further recommendation would be based on the supporting documentation to be received.

Recommendation

1. Open a MUR in connection with allegations that Metro Contract Services, Inc. violated 2 U.S.C. §441c and 2 U.S.C. §434.

Attachment

1. Referral from Justice Department

79010171153



UNITED STATES DEPARTMENT OF JUSTICE

PRE-MUL 17

WASHINGTON, D.C. 20530

Address Reply to the
Division Indicated

and Refer to Initials and Number

PBH:THH:CCD:ph
186-74-66

28 NOV 1978

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: Metro Contract Services, Inc.

Dear Mr. Oldaker:

Attached hereto for whatever attention the Commission considers appropriate under 2 U.S.C. 441c and 437g, is a copy of a Letterhead Memorandum prepared by the Federal Bureau of Investigation concerning an apparent political action committee operated by the referenced government contractor.

The matter has been reviewed by this Department, and we do not anticipate taking further action in it.

Sincerely,

PHILIP B. HEYMANN
Assistant Attorney General
Criminal Division

By:

Thomas H. Henderson, Jr.
THOMAS H. HENDERSON, JR.
Chief, Public Integrity Section

Attachment



UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to
File No.

H Houston, Texas
October 24, 1978

METRO CONTRACT SERVICES, INCORPORATED,
9225 KATY FREEWAY,
HOUSTON, TEXAS,
FEDERAL ELECTION LAWS VIOLATION

On September 11, 1978, Mr. Miles Minter, Regional Inspector, Johnson Space Center, Houston, Texas, advised he has received information to the effect that present and former officials of Metro Contract Services, Incorporated, have through obtaining withholdings from employees pay checks for political reasons, been violating Federal Election Laws. This allegation was for a possible violation of Title 2, U.S. Code, Section 441(c) concerning contributions of government contractors. Minter further advised that Ollie R. Crawford, Former Executive Vice-President of Metro Contract Services, Incorporated, who is now in Austin, Texas, where he is employed as the Director of Technical Contract Management, Incorporated, solicited for these contributions from all three space centers, including Langley, Langley Research Center, Langley, Virginia, and Johnson Space Center, Houston, Texas. Mr. Minter advised that apparently there was no accounting for the funds withheld.

Mr. Minter furnished Xerox copies of documents in support of these allegations which reflected that a Political Action Committee was established by an executive vice-president of Metro for which payroll deductions were made for 25 to 30 employee participants. Amounts were deducted from April, 1976, until February, 1977. Metro borrowed \$10,000.00 for political campaign contributions and used the Political Action Committee (PAC) to recoup that amount.

This document contains neither
recommendations nor conclusions of
the FBI. It is the property of
the FBI and is loaned to your agency;
it and its contents are not to be
distributed outside your agency.

7 2 0 1 0 1 7 1 1 5 6

Re: METRO CONTRACT SERVICES,
INCORPORATED, ET. AL.

The documents further reflected interviews of Clyde S. Pennington, Former Project Manager, Metro Contract Services, Incorporated, National Aeronautics Space Administration (NASA) - Marshall Space Flight Center (MSFC) Contract NAS-8-31028, and Ken Scott, Former Financial Officer, Metro Contract Services, Incorporated, NASA - MSFC, at the Marshall Space Flight Center, Alabama, on May 3, 1978. The interviewer reflected the following information:

Mr. Pennington and Mr. Scott both verified the practice of withholding from the pay of certain employees to support a PAC. Mr. Scott said this procedure was audited by the Defense Contract Audit Administration (DCAA) and should have some record in the contracting officer's file on the matter. This was not a continuing policy. When the thing developed a lot of problems, Metro dropped the entire matter.

Mr. Scott said there were 15 to 20 employees contributing to payroll deduction to the PAC. He said it was usually \$2.00 or \$3.00 per check; but, it may have been as much as \$5.00 by Ryan. Mr. Scott also said there had been occasions when some people had not allowed the money to be deducted for a few weeks, then when it was authorized to be deducted again, they would be instructed to withhold double the authorized rate until the total amount was made up. Mr. Scott thought the total came to approximately \$30.00 per week that was being withheld for political action.

Both Scott and Pennington stated there was never any kind of an accounting for this money. Mr. Scott said he did not think top Metro management ever did anything which was required by the "By-Laws" of the PAC. He felt they were in clear violation of the regulations of the Federal Election Commission (FEC). Mr. Scott told Metro management of his opinion.

They were asked whether or not the PAC had borrowed a large sum for political contributions and other political activity and was using these payroll deductions to pay off the debt. Mr. Scott stated that was probably correct. He recalled he had overheard some conversation to that effect. They needed the payroll deductions to pay off some sort of

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Re: METRO CONTRACT SERVICES,
INCORPORATED, ET. AL.

note which PAC had borrowed. This was verified by some further conversation when the deductions were doubled to make up for payments which were missed. This was verified by Mr. Pennington who stated it was continuing when he took over as Project Manager, but he had it halted.

Mr. Minter also provided a memorandum to Ollie Crawford from Metro Contract Services, Incorporated, dated December 10, 1976, which reflected that according to a letter from the FEC, dated August 10, 1976, Metro could not continue payroll deductions on the PAC program after December 31, 1976, and therefore, such deductions would have to be discontinued.

Minter requested this matter be handled in an expeditious manner, as the results of the investigation will have an effect when it comes time to consider renewal of the contract of Metro Contract Services, Incorporated, which provides logistics and transportation services at the Johnson Space Center, at Marshall Space Center, Huntsville, Alabama, and also provides engineering services.

On September 25, 1978, this matter was discussed with Assistant United States Attorney Wendell Albert Odom, Jr., Southern District of Texas, Houston, Texas, who advised he would decline prosecution in this matter in view of the relatively small amount of money involved and suggested this matter be referred to the FEC, Washington, D.C., as they would appear to have primary jurisdiction in this matter.



UNITED STATES DEPARTMENT OF JUSTICE

6004 #834
575-
PRE-MUL 17

WASHINGTON, D.C. 20530

Address Reply to the
Division Indicated

and Refer to Initials and Number

PBH:THH:CCD:ph
186-74-66

28 NOV 1978

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

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By:

Thomas H. Henderson, Jr.
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Chief, Public Integrity Section

Attachment

79040171153



UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to
File No.

H Houston, Texas
October 24, 1978

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7904017116
U. S. DEPARTMENT OF JUSTICE
WASHINGTON, D. C. 20530

OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE, \$300

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Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

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U. S. DEPARTMENT OF JUSTICE
JUS-421





FEDERAL ELECTION COMMISSION

1125 K STREET NW.
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 907

Date Filmed 12/10/79 Camera No. --- 2

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