



FEDERAL ELECTION COMMISSION

1125 K STREET NW.
WASHINGTON, D.C. 20463

THIS IS THE END OF TMR # 236

Date Filmed 4/27/79 Camera No. --- 2

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∴ Note, see merged files 236, 260, 266
Parts I, II + Depositions

cc 570



FEDERAL ELECTION COMMISSION

77 MAY 31 PM 4:12

Edward J. Carlough
General President

SHEET
METAL
WORKERS'
INTERNATIONAL
ASSOCIATION

HAND DELIVERED

1750 New York Avenue, N.W.
Washington, D.C.
20006
202/296-5880

771671

May 31 • 1977

CERTIFIED RETURN RECEIPT REQUESTED

Mr. William C. Oldaker
General Counsel
Federal Election Commission
1385 K Street, N.W.
Washington, D. C. 20463

Re: MUR 236 (76)

Dear Mr. Oldaker:

In response to your letter to the undersigned dated April 29, 1977, the following response is being submitted. The undersigned wishes to make clear, however, that although he was Treasurer of Labor for Jackson, and is General President of Sheet Metal Workers' International Association, AFL-CIO, he does not have a personal knowledge of the activities of the sixteen (16) individuals and three (3) Local Unions about which you inquired in your "Request for Information".

Accordingly, the undersigned has had members of his staff communicate with the individuals in a position to have the requested information, and based upon their reports to him, he submits the following:

A. Identify the place of business and positions of the following listed persons, reported by you as receiving payments on the dates cited.

1. Ernie Miller - International Organizer
8411 Spruce Hill Drive, Laurel, Maryland 20810
(301) 953-3962
2. & 17. Jimmy A. Hinkle - International Organizer - 2998 Boring Ridge Drive, Decatur, Georgia 30334 - (404) 284-7409

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May 31, 1977

3. Richard Peck - Business Manager
Local Union #156, Fort Wayne, Indiana
P. O. Box 2472, Fort Wayne, Indiana 46808
4. Earle Harris - International Representative
1177 College Avenue, Elmira, New York 14901
(607) 734-9271
5. Lawrence McLaughlin - International Organizer
160 Green Street, Weymouth, Massachusetts 02191
(617) 335-2771
6. John Girolamo - International Organizer
25444 Larkins, Southfield, Michigan 48075
(313) 352-3221
7. James Ferrarie - International Regional
Director of Organization - 1140 Bloomfield Avenue,
West Caldwell, New Jersey 07006 - (201) 575-0060
8. George Schmitt - International Organizer
1315 North Sixth Street, Blue Springs, Missouri
64051
9. Chester Nowak - International Organizer
2 Ridge Drive, Dune Acres, Chesterton, Indiana
46304 - (219) 787-8705
10. Ralph Willham - Business Manager, Local
Union #7, Terre Haute, Indiana -- Labor Temple,
201 South 5th Street, Terre Haute, Indiana 47807
11. Paul Craig - Business Agent, Local Union
#224, Dayton, Ohio -- 4949 Northcutt Place,
Dayton, Ohio 45414
12. Ivan Cage - Business Agent (Retired) Local
Union #503, Indianapolis, Indiana -- 1701 N.
Purdum, Kokomo, Indiana 46901
13. Roy Stringer - International Organizer
642 Walbridge Drive, Indianapolis, Indiana 46241
14. Raymond Messer - International Regional
Director of Organization - 4242 Airport Road
Cincinnati, Ohio 45226 - (513) 321-4193

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May 31, 1977

15. Frank Walsh - International Organizer
925 N. Columbian, Oak Park, Illinois 60302
(312) 383-5058

16. Al Kyde - Business Manager, Local Union #141,
Cincinnati, Ohio -- 1015 Vine Street, Room 303,
Cincinnati, Ohio 45202

B. Describe in detail the nature of the above-listed expenditures and those listed below. This should include a more precise discussion of the manner in which the expenditure was calculated to influence the election or defeat of a particular candidate. Include copies of any communications used in connection with these expenditures.

1. Ernie Miller - The expenditure of \$266.95 was incurred for rental of a station wagon from National Car Rental System, Inc., P. O. Box 12413, Greater Pittsburgh International Airport, Pittsburgh, Pennsylvania. The station wagon was leased on Mr. Miller's credit card. He paid these expenses and was later reimbursed by Labor for Jackson. The station wagon was used in the Greater Pittsburgh area by volunteer workers recruited mainly from Local Union sources. Miller and some volunteer workers used the station wagon to deliver literature to various places where volunteers were working, such as, shopping centers, factory sites, Local Union offices, and other places. It was also used on primary election day in Pennsylvania to carry voters to and from polling places.

This expenditure was calculated to influence the selection of Senator Jackson as the Democratic nominee for the office of President of the United States by: (1) influencing prospective voters to view his candidacy with favor, and (2) providing transportation for potential Jackson voters on election day.

Copies of communications with respect to this expenditure are attached hereto and marked for identification as "Exhibit A".

2. & 17. Jimmy Hinkle - The reimbursement of \$233.85 was to pay room and board expenses of approximately five (5) volunteer workers for Labor for Jackson, who were recruited and travelled from the jurisdiction of Local Union #55 (Long Island, New York) and came to Philadelphia to work on behalf of Senator Jackson's candidacy. The men stayed for several days at the Treadway Roosevelt Hotel in Philadelphia. To the best of Hinkle's knowledge, these men contributed their services over the weekend of April 24-25, 1976. While in Philadelphia, these volunteers distributed literature on behalf of Senator Jackson's candidacy, drove trucks on occasion to make deliveries of campaign materials to fellow workers, and performed related activities as directed by Mr. Hinkle and other volunteer Labor for Jackson workers.

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May 31, 1977

Copies of communications with respect to this expenditure are attached hereto and marked for identification as "Exhibit B".

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With respect to the expenditure of \$170.00 in unreimbursed Exxon bills, Hinkle advises that these expenditures were incurred in connection with the Pennsylvania primary in the Greater Philadelphia area. They include expenses for gasoline and oil for about ten (10) trucks and two (2) station wagons, which were used for over one hundred (100) volunteer workers working in shifts of thirty (30) or forty (40) individuals per day. The volunteer workers visited shopping centers, railroad stations, factories and union offices. They distributed literature on behalf of Senator Jackson's candidacy, bumper stickers, and campaign buttons. On many of the trucks and vans which they drove, signs were attached reading "Labor for Jackson". On some of the vans and trucks, sound equipment was installed and recorded messages were broadcast to groups of people in various parts of the area. The above expenditure also includes expenses for meals for volunteer workers and the purchase of one dozen roses, which were sent by Labor for Jackson to Senator Jackson's wife on the occasion of one of her visits to the City of Philadelphia, and payment of shipping expenses for Jackson literature. The total of the expenses was approximately \$1,170.00 for which Hinkle was originally reimbursed only \$1,000.00. He made a claim for additional reimbursement and received the amount of \$170.00 in a letter dated June 7, 1976, from Labor for Jackson Chairman, Joseph D. Keenan.

The above described expenditures were undertaken to influence prospective voters to cast their vote on primary election day for Senator Jackson for the Democratic nominee for President. The volunteer workers also transported prospective voters to and from primary polling places on election day.

Copies of communications with respect to this expenditure are attached hereto and marked for identification as "Exhibit C".

3. Richard Peck - Mr. Peck rented a van from Roberts Truck Rental in Fort Wayne, Indiana and also paid expenses for receipt of Jackson literature mailed via Greyhound Bus. The van was rented for five (5) or six (6) days. Mr. Peck paid these expenses personally and requested reimbursement for them from Labor for Jackson. Volunteer workers had signs bearing the legend "Labor for Jackson" printed, which were pasted on the van. The van was driven around the Fort Wayne area on a precinct by precinct basis by volunteer workers. Factories, shopping centers and union offices were visited. Volunteer workers handed out Jackson literature, bumper stickers and campaign buttons. Peck himself did not do much of this work because he had to attend to

May 31, 1977

his duties as Business Manager of Local Union #156. He did work on the van during one night. He helped contact his membership and obtained a number of volunteer workers, however.

The expenditures totaling \$92.25 were calculated to influence the election of Senator Jackson in the Indiana primary by attempting to persuade members of the voting public that Senator Jackson was the ablest of the various candidates seeking nomination as Democratic nominee for the office of President of the United States.

Copies of communications with respect to this expenditure are attached hereto and marked for identification as "Exhibit D".

4. Earle Harris - Mr. Harris secured volunteer workers from Local Union #112 to drive a truck with thousands of copies of Labor for Jackson campaign literature around the northern tier of the State of New York. The truck travelled from Elmira to Mineola, New York to pick up printed campaign literature and to distribute same to volunteer workers in Westchester County, Albany, Syracuse, Rochester, Buffalo and Elmira. The expenses incurred on this travel amounted to \$377.67.

After the primary campaign in New York was concluded, the truck was used to pick up unused campaign literature and return the same to Labor for Jackson in Washington, D. C. The truck, on this occasion, travelled from Buffalo to Rochester to Elmira, and from there to Washington. The expenses of this trip were \$288.29.

The manner in which this expenditure was calculated to influence the election of Senator Jackson was by putting into the hands of volunteer Labor for Jackson workers campaign literature, which they were then able to distribute to prospective voters throughout the northern tier of the State of New York.

Copies of communications with respect to this expenditure are attached hereto and marked for identification as "Exhibit E".

5. Lawrence McLaughlin - Mr. McLaughlin rented a van from Hertz Rent-A-Car in Philadelphia, Pennsylvania on April 28, 1976, and kept the van for a period of about one (1) week. The van carried video equipment and recording equipment and was rigged with loudspeakers on the outside to broadcast tape recorded messages on behalf of Senator Jackson's candidacy. Volunteer workers who used the van distributed literature on behalf of Senator Jackson's candidacy, transported video

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May 31, 1977

equipment to various locations, such as union and building trades meetings, shopping centers, etc. Messages from the van were broadcast over the loudspeakers from prerecorded tape cassettes at shopping centers, downtown retail locations and other spots where large groups of people gathered throughout the Greater Philadelphia area.

For the most part, volunteer workers drove the van but on a few occasions McLaughlin drove it himself. The volunteer workers were recruited mainly from the building trades. The individuals who volunteered their services were mainly unemployed or retired building tradesmen, and their families.

This expenditure was calculated to influence the election of Senator Jackson by appealing to the electorate to support the candidacy of Senator Jackson on the ground that he was the ablest of the aspirants for the Democratic nomination for President.

Copies of communications with respect to this expenditure are attached hereto and marked for identification as "Exhibit F".

6. John Girolamo - Mr. Girolamo rented a station wagon from Label Truck Rental, Inc., Philadelphia, Pennsylvania, on April 19, 1976, and used the same for nine (9) days in the course of the Pennsylvania primary election campaign. The station wagon was driven by volunteer workers, and on some occasions by Mr. Girolamo, to carry volunteer workers to locations where they could engage in campaign activities and picked them up at the end of the day or evening. It was also used to carry film equipment to public meeting places. The volunteer workers distributed literature at locations such as unemployment offices, subway stations, union meeting halls and shopping centers. The handbilling was engaged in mainly by unemployed and retired union members and in some cases their children and spouses.

The expenditures were calculated to influence the election of Senator Jackson by appealing to members of the electorate to support the candidacy of Senator Jackson for nomination by the Democratic party for the office of President of the United States.

Copies of communications with respect to this expenditure are attached hereto and marked for identification as "Exhibit G".

7. James Ferrarie - Mr. Ferrarie, Regional Director of Organization, rented two (2) panel delivery vans from Fleetco, Inc., Kingston, Pennsylvania. These vans were used by volunteer workers for Labor for Jackson, principally unemployed and retired sheet metal workers and their families. They attached Labor for Jackson signs to the sides of the vans and drove them around the Scranton,

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May 31, 1977

Wilkes-Barre, Altoona, Pennsylvania areas. Volunteer workers were reimbursed for meals, coffee, and minor incidental expenses. Some working people, especially members of Sheet Metal Workers Unions, also volunteered their services, performing them in the evening, at the completion of their day's work. The workers distributed literature, bumper stickers and campaign buttons, and drove the panel delivery vans around areas where large numbers of people congregated. One of the vans was equipped with loudspeakers, over which volunteer workers were able to broadcast messages. The activities engaged in took place from approximately April 19th through April 24th.

The expenditures were calculated to influence the election of Senator Jackson by appealing to members of the electorate to support the candidacy of Senator Jackson for nomination by the Democratic party for the office of President of the United States.

Copies of communications with respect to this expenditure are attached hereto and marked for identification as "Exhibit H".

8. George Schmitt - Mr. Schmitt rented a panel delivery van from Ryder Truck Rental in Erie, Pennsylvania, on May 11, 1976. The truck was used to transport volunteer workers to locations in the Erie, Pennsylvania area where they would pass out literature, bumper stickers and campaign buttons supporting the candidacy of Senator Jackson. Jackson signs were affixed to the sides of the panel delivery van. All of this work was performed by the local volunteers, none of it by Mr. Schmitt himself. The billing in the amount of \$187.03 to Mr. Schmitt personally occurred through inadvertence or error. Actually, Mr. Schmitt assumed that the bill would be submitted directly to Labor for Jackson and he used his credit card simply for purposes of guaranteeing the payment. Through a mixup, it was billed directly to him on his Master Charge account. He paid the charges, thereafter sought reimbursement from Labor for Jackson, and was reimbursed.

This expenditure was calculated to influence the election of Senator Jackson in Erie, Pennsylvania, by furnishing transportation to volunteer workers who were appealing to members of the electorate to support the candidacy of Senator Jackson for nomination by the Democratic party for the office of President of the United States.

Copies of communications with respect to this expenditure are attached hereto and marked for identification as "Exhibit I".

9. Chester Nowak - Mr. Nowak rented a car to pick up and deliver literature in support of the candidacy of Senator Jackson for Democratic nomination for President of the United States. This rental was from John Coxon Ford Sales in Pittsburgh, Pennsylvania. He also

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May 31, 1977

rented trucks and vans in Indianapolis, Indiana, and Portage, Indiana. These vehicles were used by volunteer workers to pass out literature at automotive plants, shopping centers, local union offices and other places where groups of people congregated during the final weeks of the Indiana primary. The volunteer workers were recruited mainly from union ranks and consisted of unemployed and retired building tradesmen and their families. With respect to the trucks leased in Portage, Indiana, volunteer workers drove one of the vans from Portage to South Bend, from there to Fort Wayne, and from Fort Wayne to Lafayette to deliver campaign materials to voters in those cities.

These expenditures were calculated to influence the election of Senator Jackson by appealing to members of the electorate to vote for Senator Jackson on primary election day.

Copies of communications with respect to this expenditure are attached hereto and marked for identification as "Exhibit J".

10. Ralph Willham - Mr. Willham rented a van from the Hertz Corp. in Terre Haute, Indiana, retaining the same for one (1) week during the final week of the Indiana primary contest. A Jackson for President sign was affixed to the van and it was driven around the Terre Haute area by volunteer workers passing out Jackson literature. Willham personally did not drive the van but his wife and a number of her friends did, assisted by an unemployed sheet metal worker who volunteered his services to act as driver. The van travelled to various labor unions and shopping centers.

This expenditure was calculated to influence the election of Senator Jackson as the Democratic nominee for the office of President of the United States by appealing to members of the electorate to vote for him on primary election day.

Copies of communications with respect to this expenditure are attached hereto and marked for identification as "Exhibit K".

11. Paul Craig - Mr. Craig, as a volunteer worker on behalf of Labor for Jackson, rented a panel delivery van from an electrical contractor in Richmond, Indiana for the sum of \$5.00 per day. Craig, and other volunteer workers he enlisted, taped off the name of the electrical contractor and placed signs reading "Jackson for President" on the van. The van was driven around the Richmond, Indiana area passing out pro-Jackson literature, in particular, the various shopping centers, factories and Indiana State University. The van was driven by volunteer workers around the City of Richmond during lunch breaks and in the evenings.

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May 31, 1977

This expenditure (of \$15.00) was calculated to influence the election of Senator Jackson as Democratic nominee for the office of President of the United States by appealing to the electorate to vote for him on primary election day.

Copies of communications with respect to this expenditure are attached hereto and marked for identification as "Exhibit L".

12. Ivan Cage - Mr. Cage, as a volunteer on behalf of Labor for Jackson, rented a truck from private individuals, the Roland brothers, in Logansport, Indiana. The men from whom he rented the truck put Jackson signs on the sides of the truck and drove it around Logansport for the entire week preceding the primary election. The Roland brothers also passed out leaflets and buttons for Jackson. Cage personally did not do any of this work nor did he supervise the men but stated that they were very reliable people and he is confident that they performed the services. Cage was billed \$60.00 for these services, which he paid personally and was later reimbursed by Labor for Jackson.

This expenditure was calculated to influence the election of Senator Jackson as Democratic nominee for the office of President of the United States by appealing to the electorate to vote for him on primary election day.

Copies of communications with respect to this expenditure are attached hereto and marked for identification as "Exhibit M".

13. Roy Stringer - Mr. Stringer rented two (2) panel delivery vans from Able Rent-A-Car, Indianapolis, Indiana, for which he was billed \$304.56 for daily rental charge plus mileage. These vans were used to handbill plants, shopping centers, union offices and other places where groups of people congregate in the Greater Indianapolis area, including Greenfield and Columbus, Indiana. Volunteer workers on the van distributed leaflets, bumper stickers, campaign buttons and other materials.

Stringer also paid expenses for picking up Jackson campaign materials, including leaflets, bumper stickers and campaign buttons, which were mailed to him C.O.D. He also paid the expenses of sending this literature (prepaid) to volunteer Labor for Jackson workers in other areas. In addition, Stringer incurred a number of expenses such as gasoline, oil and parking lot charges. His expenses, for which he should have been reimbursed, were approximately \$578.15.

79040121809

May 31, 1977

Nevertheless, he received a check from Labor for Jackson for reimbursement in the amount of \$814.54, which was an overpayment. He reported this matter to Mr. Raymond Messer, his Regional Director of Organization, and Messer later advised him that the overpayment of \$236.39 should have been sent to International Organizer Chester Nowak. Stringer subsequently sent a personal check to Chester Nowak for \$236.39.

The above expenditures were calculated to influence the election of Senator Jackson as Democratic nominee for office of President of the United States by appealing to the electorate to vote for him on election day and by securing campaign materials, which were then used by volunteer workers on behalf of Senator Jackson's candidacy.

Copies of communications with respect to this expenditure are attached hereto and marked for identification as "Exhibit N".

14. Raymond Messer - Mr. Messer sent out substantial amounts of campaign materials prepaid via Greyhound Bus to Sheet Metal Workers Local Unions in Evansville, Terre Haute, Indianapolis, Gary, Fort Wayne and Richmond, Indiana. This material was distributed at the various local union offices to volunteer workers for Labor for Jackson, mainly unemployed and retired sheet metal workers and their families, who passed it out among members of the electorate throughout the State of Indiana.

These expenditures were calculated to influence the election of Senator Jackson as Democratic nominee for office of President of the United States by making available to volunteer workers necessary campaign material.

Copies of communications with respect to this expenditure are attached hereto and marked for identification as "Exhibit O".

15. Frank Walsh - Mr. Walsh rented a U-Haul truck in Milwaukee, Wisconsin, which he drove to South Bend, Indiana, from there to Lafayette, to Evansville, to Indianapolis, to Fort Wayne, to Louisville, Kentucky, to Detroit, Michigan and to Grand Rapids, Michigan. He distributed campaign material, which he had picked up in Milwaukee, at all of these other points. The trip took a period of three (3) days and this time was available to Walsh as a volunteer worker for Labor for Jackson due to the fact that he was between assignments at the time.

These expenditures were calculated to influence the election of Senator Jackson as Democratic nominee for the office of President of the United States by distributing campaign material which was to be used at various locations by volunteer Labor for Jackson workers.

79040121810

May 31, 1977

Copies of communications with respect to this expenditure are attached hereto and marked for identification as "Exhibit P".

16. Al Kyde - Mr. Kyde arranged to have two (2) 52" by 15' oil cloth banners bearing the legend "Jackson for Jobs" printed by Gus Holthouse Signs, Cincinnati, Ohio. These signs were put up by volunteer workers for Labor for Jackson at the Netherland Hilton Hotel.

Kyde originally paid this money as a voluntary contribution on his own part but was advised by other volunteer workers to seek reimbursement from Labor for Jackson. He did put a claim in for his out of pocket expenses and was reimbursed.

The above expenditure was calculated to influence the election of Senator Jackson as Democratic nominee for the office of President of the United States by securing banners to assist in persuading members of the electorate to vote for Senator Jackson on primary election day.

Copies of communications with respect to this expenditure are attached hereto and marked for identification as "Exhibit Q".

17. Local Union #12 (Pittsburgh, Pennsylvania), as such, never received any reimbursement of funds from Labor for Jackson for the reason that none of the treasury funds of Local 12 were expended in connection with the Jackson campaign. Sometime in the latter part of April, Local 12, as an accommodation to International Organizer Ernie Miller, accepted a check drawn on the Labor for Jackson account in the amount of \$1,000.00 made out to the local PAL account (entitled Sheet Metal Workers Local Union #12 PAL) maintained by Local 11, in which voluntary contributions for political purposes were deposited, and thereafter, as directed by Miller, wrote checks on that account totaling \$1,288.14. Mr. Frank Savage, Secretary-Treasurer of Local 12, asked for reimbursement of \$288.14 and a check was subsequently mailed to Frank Savage. Mr. Savage deposited this check in the PAL voluntary contributions account.

Copies of communications with respect to this expenditure are attached hereto and marked for identification as "Exhibit R".

19. Local Union #19 (Philadelphia, Pennsylvania) is reported as receiving reimbursement from Labor for Jackson for \$1,000.00. In fact, Local 19 was never reimbursed by Labor for Jackson for any money nor did it spend any money from its treasury funds in connection with the Jackson political campaign.

79040121811

May 31, 1977

Sometime in the latter part of April, Mr. Albert Witt, Financial Secretary of Local 19, co-endorsed a check drawn on the Labor for Jackson account and made out to International Organizer James Hinkle. Witt did this so that Hinkle would be able to have the check cashed, inasmuch as Hinkle was not from Philadelphia and had established no line of credit at any Philadelphia bank. Witt went with Hinkle to the bank where the check was cashed.

Copies of communications with respect to this expenditure are attached hereto and marked for identification as "Exhibit S".

20. Local Union 141 did not receive reimbursement from Labor for Jackson in the amount of \$65.00 because the said Local Union spent no money from its treasury funds in connection with the Jackson campaign. The amount of \$65.00 apparently was an expenditure for paper signs prepared by The Matthews Sign Company in Indianapolis, Indiana, which expenditure was incurred by some volunteer worker for Jackson. After advising Labor for Jackson of the error, Mr. Kyde was instructed to send the money to International Director of Organization, Raymond Messer's office and that Messer would see to it that the money was forwarded to International Organizer Chester Nowak. In order to accomplish this, the check for \$65.00 was deposited in Local Union 141's checking account and a check in that amount was thereupon made to Donna Jennings, Secretary to International Director of Organization Messer.

Copies of communications with respect to this expenditure are attached hereto and marked for identification as "Exhibit T".

I trust that the above information provides a full and complete answer to your request. I should add that the greater share, by far, of the reimbursed expenditures was incurred by individuals who were employed as International Organizers and International Representatives. International Organizers and International Representatives are salaried employees of Sheet Metal Workers' International Association, who are assigned various duties by their supervisors, the Regional Directors of Organization and the Director of Organization, in the case of Organizers, and the Chief International Representative, in the case of International Representatives. These individuals, the International Organizers and International Representatives, have, on occasion, periods of time which they are free to devote to outside activities; and the policy of the International Association is to permit them to engage in outside activities

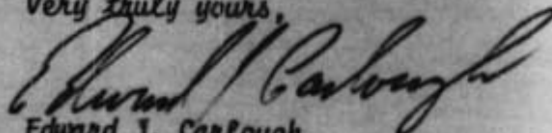
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Mr. William C. Oldaker
Page Thirteen

May 31, 1977

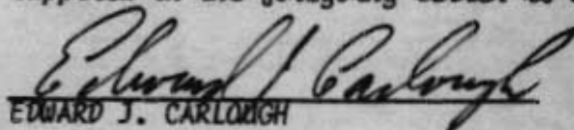
so long as the performance of such activities does not interfere with the discharge of the assigned duties in their official positions. In accordance with such policy, the International Association did not, and does not, raise any objection when it's staff employees wish to donate time and services to a political candidate in the course of an election campaign, provided, of course, the individual is still able to fulfill his normal or regular obligations during the week or month in which the voluntary activities are undertaken.

Very truly yours,



Edward J. Carlough
Treasurer, Labor
for Jackson (dissolved)

I hereby certify, upon information and belief, that the information supplied in the foregoing letter is correct.

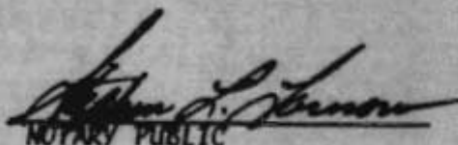

EDWARD J. CARLOUGH

May 31, 1977
DATE

Subscribed and sworn to before me this 31st day of May, 1977

My Commission Expires

My Commission Expires June 14, 1981


NOTARY PUBLIC

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HAND DELIVERED

FROM
**Sheet Metal Workers'
International Association**
1750 New York Avenue Northwest
Washington, D.C. 20006

To

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



44-527
NRN

MULHOLLAND, HICKEY, LYMAN, MCCORMICK, FISHER & HICKEY

CLARENCE W. MULHOLLAND
RICHARD R. LYMAN
EDWARD J. MCCORMICK, JR.
DONALD W. FISHER
R. JEFFREY BULLER
RAYMOND J. SWEENEY

SUITE 741 NATIONAL BANK BUILDING

TOLEDO, OHIO 43604

AREA CODE 419

TELEPHONE 243-8251

May 23, 1977

WASHINGTON OFFICE
1125 FIFTEENTH ST., N.W.
WASHINGTON, D. C. 20005

EDWARD J. HICKEY, JR.
WILLIAM J. HICKEY
MICHAEL E. WOLLY
THOMAS A. WOOLEY

771620

Mr. David Spiegel
Deputy Assistant General Counsel
Federal Election Commission
1325 K Street
Washington, D.C. 20463

Re: MUR 236 (76)

Dear Mr. Spiegel:

I contacted you by long distance telephone this morning to inform you that the information requested by the Commission in its letter dated April 29, 1977, is in the process of being compiled but, due to the broadness of the request, more time will be required in order to make a response that will be factual and complete.

Pursuant to our conversation, you agreed that Mr. Carlough could have until Tuesday, May 31, to submit its response.

I appreciate the courtesy of the extension and with best wishes, I am

Very truly yours,

Donald W. Fisher

Donald W. Fisher
For the Firm

DWF:ai

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LAW OFFICES

MULHOLLAND, HICKEY, LYMAN, McCORMICK, FISHER & HICKEY

SUITE 741 NATIONAL BANK BUILDING

TOLEDO, OHIO 43604

77 MAY 25 AM 10:10



Mr. David Spiegel
Deputy Assistant General Counsel
Federal Election Commission
1325 K Street
Washington, D.C. 20463

ACC# 433
NRN

LAW OFFICES

MULHOLLAND, HICKEY, LYMAN, MCCORMICK, FISHER & HICKEY

SUITE 741 NATIONAL BANK BUILDING

TOLEDO, OHIO 48604

AREA CODE 419

TELEPHONE 243-8881

May 11, 1977

CLARENCE H. MULHOLLAND
RICHARD R. LYMAN
EDWARD J. MCCORMICK, JR.
DONALD W. FISHER
R. JEFFREY HILGER
RAYMOND J. HESSEY

RECEIVED
FEDERAL ELECTION
COMMISSION

77 MAY 13 AM 10:12

WASHINGTON OFFICE
1125 FIFTEENTH ST. N. W.
WASHINGTON D. C. 20005

EDWARD J. HICKEY, JR.
WILLIAM J. HICKEY
MICHAEL S. WOOLY
THOMAS A. WOOLLEY

Mr. David Spiegel
Deputy Assistant General Counsel
Federal Election Commission
1325 K Street
Washington, D. C. 20463

771490

Re: MUR 236 (76)

Dear Mr. Spiegel:

I have been advised by Mr. Edward J. Carlough, Treasurer of Labor for Jackson, that the Federal Election Commission sent a letter addressed to him dated April 29, 1977, in which certain additional information was sought with respect to a number of individuals who are members of Sheet Metal Workers' International Association, AFL-CIO.

Mr. Carlough advised that, due to confusion as to his proper mailing address, the letter was missent to two (2) different locations before it finally arrived at his office at the General Headquarters of Sheet Metal Workers' International Association, AFL-CIO, on May 6th.

It is my position that the fifteen (15) day period to respond to the letter should run from the date of it's receipt in Mr. Carlough's office, i.e., May 6th, and that the answer should be due no later than May 23rd. For purposes of making this computation, I have excluded the day on which the letter was received, May 6th.

I discussed this matter with you on the telephone this afternoon and am of the opinion that the request made is reasonable and will be acted upon favorably by the Commission.

Very truly yours,

Donald W. Fisher

Donald W. Fisher
For the Firm

DWF/bd

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790401218
LAW OFFICES
MULHOLLAND, HICKEY, LYMAN, MCCORMICK, FISHER & HICKEY

SUITE 741 NATIONAL BANK BUILDING

TOLEDO, OHIO 43604

FEDERAL ELECTION COMMISSION
77 MAY 13 AM 10:07

Mr. David Spiegel
Deputy Assistant General Counsel
Federal Election Commission
1325 K Street
Washington, D. C. 20463



file



FEDERAL ELECTION COMMISSION

1125 K STREET N.W.
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

29 APR 1977

Mr. Edward J. Carlough
Labor for Jackson
2727 29th St., N.W. #505
Washington, D.C. 20008

Re: MUR 236(76)

Dear Mr. Carlough:

The Commission has completed its review of the materials you supplied in conjunction with its investigation of the above-referenced MUR and is of the view that further information will be required in order to resolve the issue raised. Accordingly, pursuant to its powers under 2 U.S.C. 437d(a)(1), the Commission requests that you respond in writing to the enclosed request for information within fifteen days. (A copy of the Commission order issued under §437d(a)(1) is also appended.) The answers should be supplied whenever possible by persons with direct personal knowledge of the matters alleged.

This letter shall remain confidential in accordance with 2 U.S.C. §437g(a)(3) unless you state to the Commission in writing that you wish the investigation to be made public. The attorney assigned to this matter is Judy Browning (telephone number 202/523-4178).

Sincerely yours,

A handwritten signature in cursive script, appearing to read "W. C. Oldaker".

William C. Oldaker
General Counsel

Enclosure

79040121819



79040121820

PS Form 3811, Rev. 1978

● **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..... 15¢

☒ Show to whom, date, & address of delivery... 35¢

☐ **RESTRICTED DELIVERY.**
Show to whom and date delivered..... 65¢


☐ **RESTRICTED DELIVERY.**
Show to whom, date, and address of delivery 85¢

2. **ARTICLE ADDRESSED TO:**
Mr. Edward J Carlough
2727 29th St., N.W.
Washington, D.C. 20008

3. **ARTICLE DESCRIPTION:**
REGISTERED NO. CERTIFIED NO. INSURED NO.
438388

(Always obtain signature of addressee or agent)

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

DATE OF DELIVERY 

4. **ADDRESS** (Complete only if different from above)
2727 29th St. N.W.
Wash. DC. 20008

5. **UNABLE TO DELIVER BECAUSE:**

CLERK'S INITIALS

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of
Labor for Jackson

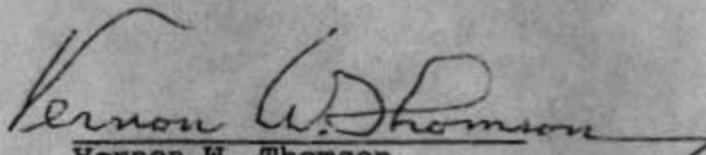
)
)
) MUR 236 (76)

TO: Mr. Edward J. Carlough
Labor for Jackson
2727 29th St., N.W. #505
Washington, D.C. 20008

ORDER

79040121821

The Federal Election Commission, pursuant to its powers set forth in 2 U.S.C. §437d(a)(1), requires that responses be submitted in writing to the attached request for information to its offices at 1325 K St., N.W., Washington, D.C. 20463, marked to the attention of the Enforcement Division, Office of General Counsel. The responses should be made under oath, by you or any other individuals having knowledge of and, where possible, supervisory responsibility for, the information required and should be submitted within fifteen days of your receipt of this Order.


Vernon W. Thomson
Chairman

236 (707)

REQUEST FOR INFORMATION

A. Identify the place of business and positions of the following listed persons, reported by you as receiving payments on the dates cited:

1. Ernie Miller	5/ 6/76	\$ 266.95	Car rental
2. Jimmy A. Hinkle	5/ 6/76	233.85	Lodging
3. Richard Peck	5/20/76	92.25	Rental of vans and bus . . .
4. Earle Harris	6/11/76	665.96	Rental of trucks
5. Lawrence McLaughlin	6/11/76	257.71	Van rental
6. John Giralamo	6/11/76	202.99	Truck rental
7. James Ferrarie	6/11/76	689.91	Truck rental
8. George Schmitt	6/11/76	187.03	Truck rental
9. Chester Nowak	6/11/76	1,170.77	Printing of signs to be affixed to vans . . .
10. Ralph Wilham	6/11/76	100.03	Rental of van
11. Paul Craig	6/11/76	15.00	Rental of van
12. Ivan Cage	6/11/76	60.00	Printing & signs
13. Roy Stringer	6/11/76	814.54	Van rentals . . .
14. Raymond Messer	6/11/76	289.35	Rental of van
15. Frank Walsh	6/11/76	467.64	Van rentals
16. Al Kyde	6/11/76	120.18	Paper signs
17. Jimmy Hinkle	5/27/76	170.00	Un-reimbursed EXXON bills

B. Describe in detail the nature of the above-listed expenditures and those listed below. This should include a more precise discussion of the manner in which the expenditure was calculated to influence the election or defeat of a particular candidate. Include copies of any communications used in connection with these expenditures.

1. Sheet Metal Workers L.U. #12	4/19/76	\$1,000.00	Travel expense, rentals
2. Sheet Metal Workers L.U. #19	4/19/76	1,000.00	Travel expense, rentals
3. Sheet Metal Workers L.U. #141	6/11/76	65.00	Paper signs
4. Sheet Metal Workers Local 12	6/11/76	288.14	Rental of truck

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Labor for Jackson)

MUR 236 (76)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on April 21, 1977, the Commission determined by a vote of 6-0 to issue an Order, pursuant to its powers set forth in 2 U.S.C. §437d(a)(1), to require that responses be submitted in writing to requests for information addressed to Mr. Edward J. Carlough in the above-captioned matter.

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

79040121823

BOR FOR JACKSON
274 29th Street, N. W.
Washington, D. C. 20008



John D. Murphy, Jr.
General Counsel
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of }
Labor for Jackson }

MUR 236 (76)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on April 21, 1977, the Commission determined by a vote of 6-0 to issue an Order, pursuant to its powers set forth in 2 U.S.C. §437d(a)(1), to require that responses be submitted in writing to requests for information addressed to Mr. Edward J. Carlough in the above-captioned matter.

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission



79040121825

79040121826

In the Matter of)
) MUR 236 (76)
Labor for Jackson)

I. Status

On October 14, 1976, the Commission determined by a vote of 6-0 that there was reason to believe violations of 2 U.S.C §§434(b)(5) and 433(b)(2) had been committed in the above-captioned matter. By letter of November 2, 1976, the Commission notified respondent of this action, and consistent with my report to the Commission the respondent was requested to supply certain specific information. Respondent answered the Commission request by letter of December 17, 1976.

(Attached)

II. Allegations

There are two allegations central to this matter. The first is that Labor for Jackson failed to report the receipt of \$37,595.30 in loans from Sheet Metal Workers' International Association Political Action League (SMWIA-PAL), a violation of 2 U.S.C. §434(b)(5).

The second allegation is that Labor for Jackson is affiliated with SMWIA-PAL and Marine Engineers Beneficial Association Political Action Fund (MEBA-PAF), but has not reported such affiliation, a violation of 2 U.S.C. §433(b)(2).

III. Evidence

A. Failure to Report Certain Loans (2 U.S.C. §434(b)(5))

According to reports filed with the Commission by SMWIA-PAL, loans were made to Labor for Jackson on April 15, 19, and 27, 1976, in the sum of \$32,924.81. According to these same reports, "advances" in the amount of \$4,670.49 were made to Labor for Jackson on May 26, 1976. Labor for Jackson did not report the receipt of any of these amounts.

Information supplied by respondent in response to Commission inquiry alleges that the loans and advances were not contributions from SMWIA-PAL to respondent. Respondent offered no further information regarding these payments.

The Commission also made an inquiry of SMWIA-PAL regarding most of these loans and advances. SMWIA-PAL responded by claiming they had erred in reporting the sums as advancements; instead, according to the committee, the disbursements were independent expenditures made "in connection with campaigns in various states in support of Senator Jackson's candidacy."

Legal analysis: SMWIA-PAL's reports clearly describe the purposes of the \$32,924.81 expenditures as loans or advances to Labor for Jackson. SMWIA-PAL now maintains that these reports were in error "due to ...confusion." SMWIA-PAL's claim that they were confused when reporting

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certain transactions may be supported by the fact that they gave the wrong address for Labor for Jackson when reporting several of the loans. (The address given was in fact that of Jackson for President Committee.)

Recommendation: Whether SMWIA-PAL actually made certain expenditures as loans or advances to Labor for Jackson might be determined by looking at the cancelled checks and bookkeeping entries of SMWIA-PAL. Since the loan issue as it relates to SMWIA-PAL is addressed in MUR 266 (76), it is recommended that this part of the case be left open pending the further investigation of SMWIA-PAL.

B. Affiliation Issue (2 U.S.C. §433 (b) (2))

1. Sheet Metal Workers' International Association - PAL

Labor for Jackson's total reported receipts were \$32,500. \$7,500 of that total was a transfer from Sheet Metal Workers' International Association-PAL on April 14, 1976. (If it is found that respondent received the \$32,924.81 of unreported loans and advances discussed in Part A, respondent would have received \$40,424.81 from SMWIA-PAL out of receipts of \$65,424.81.)

Moreover, Edward J. Carlough, respondent's Treasurer and one of the persons who respondent admits is responsible for making or planning its expenditures, is also involved in making and planning SMWIA-PAL's expenditures as its chairman, according to information provided by SMWIA-PAL.

An examination of Labor for Jackson's reports shows expenditures made to certain Sheet Metal Workers' International Association

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locals and to Jimmy Hinkle of Decatur, Ga. and Lawrence McLaughlin of Weymouth, Mass. Mr. McLaughlin and Mr. Hinkle are international organizers for SMWIA and made independent expenditures for SMWIA-PAL in support of Jackson's candidacy. In addition, Mr. Hinkle and Mr. McLaughlin were paid for "Expenses/Labor" and "Advance/Reimbursement" by the Jackson for President Committee. These payments are being investigated in conjunction with MUR 266(76).

Respondent's reports also show that many of the expenditures reported as independent were for transportation-related costs (about \$12,000), and often the disbursements were made to what appear to be persons who are not vendors (e.g., Mr. Hinkle, Mr. McLaughlin, and SMWIA local unions (about \$8,000)).

2. Marine Engineers Beneficial Association - PAF

The only evidence of affiliation between MEBA-PAF and respondent is a \$20,000 transfer to Labor for Jackson from MEBA-PAF. This \$20,000 is a sizable portion of respondent's reported total operating budget of \$32,500.

Legal analysis:

1. 2 U.S.C. §433(b)(2) - failure to report affiliation.

The evidence that Labor for Jackson received a substantial portion of its funds from SMWIA-PAL and MEBA-PAF and that Mr. Carlough held decision-making positions with both Labor for Jackson and SMWIA-PAL is indicia of affiliation (see proposed regulation, part 110.3(a)(1)(iii)(E), Advisory Opinion 1975-45, and 2 U.S.C. §441a(a)(5)).

Labor for Jackson's payments to certain Sheet Metal Workers local unions and personnel are additional evidence of a possible connection between those two organizations.

If affiliation were found to exist, the result under the Act would amount to a reporting violation by all three committees. (2 U.S.C. §433(b) (2)).

2. 2 U.S.C. §441a(a) (2) (C) - contribution limits

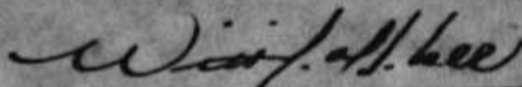
The amounts transferred from SMWIA-PAL and MEBA-PAF to Labor for Jackson in April and May, 1976, are in violation of 2 U.S.C. §441a(a) (2) (C). However, limits on contributions made from one political committee to another were not clear under the 1974 Act. Moreover, it was not clear that contributions to a single-candidate committee counted as contributions to the candidate until the Commission adopted regulation §110.1(h) on July 30, 1976. Further interpretation of this matter was made public on October 6, 1976, when the Commission published in the Federal Register a notice stating that contributions to a committee making independent expenditures were restricted by the Act's contribution limits.

Recommendation:

Respondent's payments to SMWIA-PAL employees Hinkle and McLaughlin and to certain Sheet Metal Workers' International Association local unions for travel-related purposes and preparation of signs add to the evidence of affiliation between SMWIA-PAL and respondent. Moreover, in light of the number of disbursements for travel rather than communication costs,

79040121830

Labor for Jackson's alleged "independent expenditures" should be further examined. Therefore, the attached letter including a request for information should be sent. In addition, depositions of Hinkle and McLaughlin, among others, may be necessary after a response to our inquiry is received.



William C. Oldaker
General Counsel

Dated: 4/12/77

79040121831

CC 1153
MUR 236
LABOR FOR JACKSON

2727 29th STREET, N.W. / WASHINGTON, D.C. 20008

(202) 667-9388

JOSEPH D. KEENAN, Chairman
EDWARD J. CARLOUGH, Treasurer

70 HAND DELIVERED 2:20

CERTIFIED RETURN RECEIPT REQUESTED

December 17, 1976

Mr. John G. Murphy, Jr.
Federal Election Commission
1325 K. Street, N.W.
Washington, D.C. 20463

764223

RE: MUR 236 (76)

Dear Mr. Murphy:

In response to your letter of November 2, 1976, we submit the following:

- I. You state that the fact that the transfer of a substantial portion of the funds of SMWIA-PAL and MEBA Political Action Fund to Labor for Jackson may indicate an affiliation with those Committees. Labor for Jackson denies that there is any affiliation between it and MEBA Political Action Fund. It further denies any affiliation between it and SMWIA-PAL. Admittedly, a contribution in the amount of \$7,500.00 was made by SMWIA-PAL to Labor for Jackson. Moreover, Edward J. Carlough, General President of the Sheet Metal Workers' International Association and Chairman of the SMWIA-PAL agreed to act as Treasurer of the Labor for Jackson Committee, and in such capacity was one of the persons responsible for the making or planning of expenditures from its fund.

Notwithstanding the above, Labor for Jackson takes the position that it is not affiliated with SMWIA-PAL or MEBA Political Action Fund. The Labor for Jackson Committee, while it was in existence, was an independent segregated fund existing for the purpose of making contributions and/or independent expenditures on behalf of the candidacy of Senator Jackson for President of the United States, based upon the independent judgement of its responsible officers.

Evaluated under proper and pertinent criteria, the Labor for Jackson Committee submits that it is not an affiliated committee within the purview of 2 U.S.C., Sec. 433 (b) (2).

- II. You state that according to reports of the Sheet Metal Workers' International Association, the following transactions took place:

- (a) April 15, 1976 - \$22,101.35 for printing of folders and bumper stickers for Senator Jackson's campaign. Loan to the Labor for Jackson Committee. (Payment to Edigan Press, Hicksville, New York.)

790401218332

- 79040121833
- (b) April 19, 1976 - \$7,736.26 for production and cost of air time for Jackson Campaign. Loan to the Labor for Jackson Committee. (Payment to Maurer, Fleisher, Zon & Anderson, Inc., Washington, D.C.)
 - (c) April 19, 1976 - \$75.00 for air time for Jackson campaign. Loan to Labor for Jackson Committee. (Payment to Manhattan Cable Television.)
 - (d) April 27, 1976 - \$518.95 for political signs for Jackson Campaign. Loan to the Labor for Jackson Committee. (Payment to True-Art Process Co., Inc., Deer Park, New York.)
 - (e) April 27, 1976 - \$2,307.84 for filming of a rally for Jackson campaign. Loan to the Labor for Jackson Committee. (Payment to Hearst Metrotone News Division, New York.)
 - (f) April 27, 1976 - \$185.41 for video taping of cassettes for Jackson campaign. Loan to Labor for Jackson Committee. (Payment to Hearst Metrotone News Division, New York.)
 - (g) May 26, 1976 - \$212.23 for equipment rental in conjunction with Senator Jackson's campaign. Advance to Labor for Jackson Committee. (Payment to MCPS Communications, Inc., New York.)
 - (h) May 26, 1976 - \$4,458.26 for filming of a rally for the Jackson campaign. Advance to the Labor for Jackson Committee. (Payment to Hearst Metro-tone News Division, New York.)

With regard to the above-mentioned transactions, please provide the following information:

- A. Whether the transactions were contributions or independent expenditures:

Answer: None of the above-mentioned transactions were contributions from SMWIA-PAL to Labor for Jackson or an independent expenditure by or on the part of Labor for Jackson.

- B. Whether the transactions were contributions or independent expenditures:

Answer: Not applicable

- C. Identification of those persons who arranged for such loans to take place and a description of the role of each person played with respect to the transactions.

Answer: Not applicable

Mr. John G. Murphy, Jr.
Page Three

- D. A detailed description of the nature of each expenditure including copies of any printed material or transcripts of media broadcasts.

Answer: Not applicable.

- III. Identify any persons who are or were responsible for the making or planning of expenditures from Labor for Jackson funds.

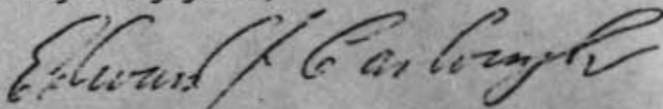
Answer: The persons responsible for the making of planning of expenditures from Labor for Jackson funds were:

Joseph D. Keenan, Chairman
Edward J. Carlough, Treasurer

- IV. Enclosed herewith you will find a copy of FEC Schedule E listing independent expenditures made after May 11, 1976 by Labor For Jackson accompanied by a certificate.

I trust that the above information complies in full with your request and with best wishes I am

Very truly yours,



Edward J. Carlough
Treasurer

79040121834

REQUEST FOR INFORMATION

A. Identify the place of business and positions of the following listed persons, reported by you as receiving payments on the dates cited:

1. Ernie Miller	5/ 6/76	\$ 266.95	Car rental
2. Jimmy A. Hinkle	5/ 6/76	233.85	Lodging
3. Richard Peck	5/20/76	92.25	Rental of vans and bus . . .
4. Earle Harris	6/11/76	665.96	Rental of trucks
5. Lawrence McLaughlin	6/11/76	257.71	Van rental
6. John Giralamo	6/11/76	202.99	Truck rental
7. James Ferrarie	6/11/76	689.91	Truck rental
8. George Schmitt	6/11/76	187.03	Truck rental
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12. Ivan Cage	6/11/76	60.00	Printing & signs
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14. Raymond Messer	6/11/76	289.35	Rental of van
15. Frank Walsh	6/11/76	467.64	Van rentals
16. Al Kyde	6/11/76	120.18	Paper signs
17. Jimmy Hinkle	5/27/76	170.00	Un-reimbursed EXXON bills

B. Describe in detail the nature of the above-listed expenditures and those listed below. This should include a more precise discussion of the manner in which the expenditure was calculated to influence the election or defeat of a particular candidate. Include copies of any communications used in connection with these expenditures.

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3. Sheet Metal Workers L.U. #141	6/11/76	65.00	Paper signs
4. Sheet Metal Workers Local 12	6/11/76	288.14	Rental of truck

CC 1153
MUR 236
LABOR FOR JACKSON
RECEIVED
FEDERAL ELECTION
COMMISSION
Drawing

2727 29th STREET, N.W. / WASHINGTON, D.C. 20008

(202) 667-9388

JOSEPH D. KEENAN, Chairman
EDWARD J. CARLOUGH, Treasurer

764223
DEC 17 2:20

CERTIFIED RETURN RECEIPT REQUESTED

December 17, 1976

Mr. John G. Murphy, Jr.
Federal Election Commission
1325 K. Street, N.W.
Washington, D.C. 20463

764223

RE: MUR 236 (76)

Dear Mr. Murphy:

In response to your letter of November 2, 1976, we submit the following:

- 79040121836
- I. You state that the fact that the transfer of a substantial portion of the funds of SMWIA-PAL and MEBA Political Action Fund to Labor for Jackson may indicate an affiliation with those Committees. Labor for Jackson denies that there is any affiliation between it and MEBA Political Action Fund. It further denies any affiliation between it and SMWIA-PAL. Admittedly, a contribution in the amount of \$7,500.00 was made by SMWIA-PAL to Labor for Jackson. Moreover, Edward J. Carlough, General President of the Sheet Metal Workers' International Association and Chairman of the SMWIA-PAL agreed to act as Treasurer of the Labor for Jackson Committee, and in such capacity was one of the persons responsible for the making or planning of expenditures from its fund.

Notwithstanding the above, Labor for Jackson takes the position that it is not affiliated with SMWIA-PAL or MEBA Political Action Fund. The Labor for Jackson Committee, while it was in existence, was an independent segregated fund existing for the purpose of making contributions and/or independent expenditures on behalf of the candidacy of Senator Jackson for President of the United States, based upon the independent judgement of its responsible officers.

Evaluated under proper and pertinent criteria, the Labor for Jackson Committee submits that it is not an affiliated committee within the purview of 2 U.S.C., Sec. 433 (b) (2).

- II. You state that according to reports of the Sheet Metal Workers' International Association, the following transactions took place:
 - (a) April 15, 1976 - \$22,101.35 for printing of folders and bumper stickers for Senator Jackson's campaign. Loan to the Labor for Jackson Committee. (Payment to Edigan Press, Hicksville, New York.)

- 79040121837
- (b) April 19, 1976 - \$7,736.26 for production and cost of air time for Jackson Campaign. Loan to the Labor for Jackson Committee. (Payment to Maurer, Fleisher, Zon & Anderson, Inc., Washington, D.C.)
 - (c) April 19, 1976 - \$75.00 for air time for Jackson campaign. Loan to Labor for Jackson Committee. (Payment to Manhattan Cable Television.)
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 - (f) April 27, 1976 - \$185.41 for video taping of cassettes for Jackson campaign. Loan to Labor for Jackson Committee. (Payment to Hearst Metrotone News Division, New York.)
 - (g) May 26, 1976 - \$212.23 for equipment rental in conjunction with Senator Jackson's campaign. Advance to Labor for Jackson Committee. (Payment to MCPS Communications, Inc., New York.)
 - (h) May 26, 1976 - \$4,458.26 for filming of a rally for the Jackson campaign. Advance to the Labor for Jackson Committee. (Payment to Hearst Metrotone News Division, New York.)

With regard to the above-mentioned transactions, please provide the following information:

- A. Whether the transactions were contributions or independent expenditures:

Answer: None of the above-mentioned transactions were contributions from SMWIA-PAL to Labor for Jackson or an independent expenditure by or on the part of Labor for Jackson.

- B. Whether the transactions were contributions or independent expenditures:

Answer: Not applicable

- C. Identification of those persons who arranged for such loans to take place and a description of the role of each person played with respect to the transactions.

Answer: Not applicable

Mr. John G. Murphy, Jr.
Page Three

- D. A detailed description of the nature of each expenditure including copies of any printed material or transcripts of media broadcasts.

Answer: Not applicable.

- III. Identify any persons who are or were responsible for the making or planning of expenditures from Labor for Jackson funds.

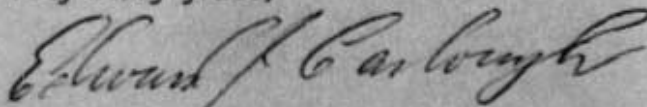
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Joseph D. Keenan, Chairman
Edward J. Carlough, Treasurer

- IV. Enclosed herewith you will find a copy of FEC Schedule E listing independent expenditures made after May 11, 1976 by Labor For Jackson accompanied by a certificate.

I trust that the above information complies in full with your request and with best wishes I am

Very truly yours,



Edward J. Carlough
Treasurer

79040121833

Schedule E

July 1976
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Itemized Independent Expenditures for Line 21 F.E.C. Form 3

Page 1 of 5 Pages

(See reverse side for instructions)

Name of Candidate or Committee in full

LABOR FOR JACKSON COMMITTEE

Id. No.

C00032268

Full Name, mailing address and ZIP code

2727 29th Street, N.W. Washington, D.C. 20008

Is This a Separate Report by a Committee Filing
on FEC Form 3A? _____

Itemize expenditures which exceed, in the aggregate, \$100 within a calendar year

Full Name, mailing address & ZIP Code of Each Payee	Purpose of Expenditure	Date (month, day, year)	Amount	Name of Federal Candidate supported or opposed by the expenditure & office sought
Ryder Truck Rental 15 Ingram Avenue Pittsburgh, Pa. 15205	rental of vehicles to show films and other material supporting Senator Jackson	5/20/76	785.42	Supporting Senator Henry M. Jackson, candidacy President - United States
Richard Peck P.O. Box 8142 Fort Wayne, Indiana	rental of vans and bus to show films and other material supporting Senator Jackson	5/20/76	\$92.25	"
Herbick & Held 1117 Wolfendale Street Pittsburgh, Pa. 15233	printing of pamphlets in support of Senator Jackson's candidacy	5/ 20/76	\$390.00	"
A. G. Trimble 3006 Jenkins Arcade Pittsburgh, Pa. 15222	buttons in support of Senator Jackson's candidacy	5/20/76	\$921.79	"
Hearst Metrotone News Div. 235 E. 45th Street New York, New York 10017	cost of video cassettes used in support of Senator Jackson's candidacy	5/27/76	\$1,197.90	"

(a) Subtotal of Itemized Independent Expenditures \$ _____
 (b) Subtotal of Unitemized Independent Expenditures \$ _____
 (c) Total Independent Expenditures \$ _____

Under penalty of perjury I certify that the independent expenditures reported herein were not made in cooperation, consultation, concert with, or at the request or suggestion of any candidate or any authorized committee or agent of such candidate or authorized committee. Furthermore, these expenditures did not involve the financing of dissemination, distribution, or republication in whole or in part of any campaign materials prepared by the candidate, his campaign committee, or their agent.

Subscribed and sworn to before me this _____ day of

_____, 19 ____.

My Commission Expires _____

NOTARY PUBLIC

Signature

Date

790401218339

Schedule E

July 1976

Federal Election Commission

1325 K Street, N.W.

Washington, D.C. 20463

Itemized Independent Expenditures

for Line 21 F.E.C. Form 3

Page 2 of 5 Pages

(See reverse side for instructions)

Name of Candidate or Committee in full

LABOR FOR JACKSON COMMITTEE

Id. No.

C00032268

Full Name, mailing address and ZIP code

2727 19th Street, N.W. Washington, D.C. 20008

Is This a Separate Report by a Committee Filing
on FEC Form 3A? _____

Itemize expenditures which exceed, in the aggregate, \$100 within a calendar year

Full Name, mailing address & ZIP Code of Each Payee	Purpose of Expenditure	Date (month, day, year)	Amount	Name of Federal Candidate supported or opposed by the expenditure & office sought
RCA Service Company 1690 Walden Avenue Buffalo, New York 14225	installation of desk phones with register counters	5/27/76	\$62.74	supporting Senator Henry M. Jackson, candidacy President - United States
Jimmy Hinkle 2993 Boring Ridge Drive Decatur, Georgia 30034	un-reimbursed EXXON bills	5/27/76	\$170.00	"
Communications Televideo Ltd. 6912 - 4th Street, N.W. Washington, D.C. 20012	rental of video cassette players in connection with support of Senator Jackson's candidacy	5/27/76	\$5,200.00	"
Earle Harris 1177 College Avenue Elmira, New York 14901	rental of trucks to transport materials for distribution in connec- tion with Senator Jackson's candidacy	6/11/76	\$665.96	"
Sheet Metal Workers Local 12 6016 Broad Street Mall Pittsburgh, Pa. 15206	rental of truck used to transport equip. and materials in support of Senator Jackson's candidacy	6/11/76	\$288.14	"

(a) Subtotal of Itemized Independent Expenditures

\$

(b) Subtotal of Unitemized Independent Expenditures

\$

(c) Total Independent Expenditures

\$

Under penalty of perjury I certify that the independent expenditures reported herein were not made in cooperation, consultation, concert with, or at the request or suggestion of any candidate or any authorized committee or agent of such candidate or authorized committee. Furthermore, these expenditures did not involve the financing of dissemination, distribution, or republication in whole or in part of any campaign materials prepared by the candidate, his campaign committee, or their agent.

Subscribed and sworn to before me this _____ day of

19

My Commission Expires _____

NOTARY PUBLIC

Signature

Date

79040121840

Schedule E

July 1976

Federal Election Commission
1385 K Street, N.W.
Washington, D.C. 20463Itemized Independent Expenditures
for Line 21 F.E.C. Form 3

Page 3 of 5 Pages

(See reverse side for instructions)

Name of Candidate or Committee in full

LABOR FOR JACKSON COMMITTEE

Id. No.

C00012241

Full Name, mailing address and ZIP code

2727 29th Street, N.W. Washington, D.C. 20002

Is This a Separate Report by a Committee Filing
on FBC Form 3A? _____

Itemize expenditures which exceed, in the aggregate, \$100 within a calendar year

Full Name, mailing address & ZIP Code of Each Payee	Purpose of Expenditure	Date (month, day, year)	Amount	Name of Federal Candidate supported or opposed by the expenditure & office sought
Lawrence D. McLaughlin 160 Green Street Weymouth, Massachusetts 02191	Van rental in Philadelphia, Pa. to transport materials and equipment in support of Sen. Jackson's candidacy	6/11/76	257.71	Supporting Senator Henry M. Jackson, candidacy President- United States
John Giralamo 25444 Larkins Southfield, Michigan 48075	Truck rental in Philadelphia, Pennsylvania in support of Senator Jackson's candidacy	6/11/76	202.99	"
James Ferrarie 33 Stiles Lane Pine Brook, New Jersey 07058	Truck rental, gasoline, and related expenses in support of Senator Jackson's candidacy	6/11/76	689.91	"
George Schmitt 1315 N. 6th Street Blue Springs, Missouri 64015	Truck rental in Erie, Pennsylvania in support of Sen. Jackson's candidacy	6/11/76	187.03	"
Chester Nowak 2 Ridge Drive Dune Acres Chesterton, Indiana 43604	Printing of signs to be affixed to vans, rental of vans and automobiles in Pittsburgh Pa., Indianapolis, Ind., Portage, Ind. in support of Sen. Jackson's candidacy	6/11/76	1,170.77	"

(a) Subtotal of Itemized Independent Expenditures \$ _____

(b) Subtotal of Unitemized Independent Expenditures \$ _____

(c) Total Independent Expenditures \$ _____

Under penalty of perjury I certify that the independent expenditures reported herein were not made in cooperation, consultation, concert with, or at the request or suggestion of any candidate or any authorized committee or agent of such candidate or authorized committee. Furthermore, these expenditures did not involve the financing of dissemination, distribution, or republication in whole or in part of any campaign materials prepared by the candidate, his campaign committee, or their agent.

Subscribed and sworn to before me this _____ day of

_____, 19 ____

My Commission Expires _____

NOTARY PUBLIC

Signature

Date

79040121841

Schedule E

July 1976

Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20443

Itemized Independent Expenditures

for Line 21 F.E.C. Form 3

Page 4 of 5 Pages

(See reverse side for instructions)

Name of Candidate or Committee in full

Id. No.

LABOR FOR JACKSON COMMITTEE

C00032348

Full Name, mailing address and ZIP code

Is This a Separate Report by a Committee Filing
on FEC Form 3A? _____

6727 6th Street, N.W., Washington, D.C. 20008

Itemize expenditures which exceed, in the aggregate, \$100 within a calendar year

Full Name, mailing address & ZIP Code of Each Payee	Purpose of Expenditure	Date (month, day, year)	Amount	Name of Federal Candidate supported or opposed by the expenditure & office sought
Ralph Wilham 201 S. 5th Street Terre Haute, Indiana 47807	rental of van in Terre Haute, Indiana in support of Senator Jackson's candidacy	6/11/76	\$100.03	supporting Henry M. Jackson, can- didacy - President - United States
Paul Craig Sheet Metal Workers Local 224 4949 Northcutt Place Dayton, Ohio 45414	rental of van in Rich. Indiana in support of Senator Jackson's candidacy	6/11/76	\$15.00	"
Ivan Cage 1701 N. Purdum Kokomo, Indiana	for printing and signs, Kokomo, Ind., in support of Senator Jackson's candidacy	6/11/76	\$60.00	"
Roy Stringer 642 Wallbridge Drive Indianapolis, Indiana 46241	van rentals, gas, misc. expenses in Indianapolis, Franklin and misc. locations in Indiana, in support of Senator Jackson's candidacy	6/11/76	\$814.54	"
Raymond Messer 3639 Hopper Hill Rod. Cincinnati, Ohio 45230	rental of van in same area as stated for Stringer for same purpose	6/11/76	\$289.35	"

(a) Subtotal of Itemized Independent Expenditures \$ _____

(b) Subtotal of Unitemized Independent Expenditures \$ _____

(c) Total Independent Expenditures \$ _____

Under penalty of perjury I certify that the independent expenditures reported herein were not made in cooperation, consultation, concert with, or at the request or suggestion of any candidate or any authorized committee or agent of such candidate or authorized committee. Furthermore, these expenditures did not involve the financing of dissemination, distribution, or republication in whole or in part of any campaign materials prepared by the candidate, his campaign committee, or their agent.

Subscribed and sworn to before me this _____ day of

19 _____

My Commission Expires _____

NOTARY PUBLIC

Signature

Date

79040121842

July 1976
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Page 5 of 5 Pages

(See reverse side for instructions)

Name of Candidate or Committee in full	Id. No.
LABOR FOR PACIFIC COMMITTEE	C00032244
Full Name, Mailing Address and ZIP Code	Is This a Separate Report by a Committee Filing on FEC Form 3A? <input type="checkbox"/>

[illegible]

Full Name, mailing address & ZIP Code of Each Payee	Purpose of Expenditure	Date (month, day, year)	Amount	Name of Federal Candidate supported or opposed by the expenditure & office sought
Frank Walsh 312 N. Columbian Oak Park, Illinois 60302	van rentals, gasoline in various locations in Indiana & Wisc. in support of Senator Jackson's candidacy	6/11/76	\$467.64	Supporting Senator Henry M. Jackson, candidacy President United States
Al Kyde 6529 Branch Hill Miamiaville Loveland, Ohio	for oil cloth banners with grommets in support of Senator Jackson's candidacy	6/11/76	\$120.18	"
Sheet Metal Workers L.U. 141 6529 Branch Hill Miamiaville Loveland, Ohio	preparation of paper signs in support of Senator Jackson's candidacy	6/11/76	\$ 65.00	"

(a) Subtotal of Itemized Independent Expenditures	\$	
(b) Subtotal of Unitemized Independent Expenditures	\$	
(c) Total Independent Expenditures	\$	14,214.35

Under penalty of perjury I certify that the independent expenditures reported herein were not made in cooperation, consultation, concert with, or at the request or suggestion of any candidate or any authorized committee or agent of such candidate or authorized committee. Furthermore, these expenditures did not involve the financing of dissemination, distribution, or republication in whole or in part of any campaign materials prepared by the candidate, his campaign committee, or their agent.

Subscribed and sworn to before me this 17th day of

December 19 76

My Commission Expires _____

7-14-80

V. Michelle Hamm
NOTARY PUBLIC

upon information and belief

79040121844

'76 DEC 17 PM 2:40

HAND DELIVERED

FROM
Sheet Metal Workers'
International Association
1750 New York Avenue Northwest
Washington, D.C. 20006

To

HAND DELIVERED CERTIFIED RETURN RECEIPT
REQUESTED

Mr. John G. Murphy, Jr.
Federal Election Commission
1325 K. Street, N.W.
Washington, D.C. 20463

December 2, 1976

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Leo S. Woolls
Labor for Jackson
2727 29th Street, N. W.
Washington, D. C. 20008

Re: MUR 236 (76)

Dear Mr. Woolls:

This is in response to your letter of November 17, 1976.

As we indicated to you in our communication of November 2, 1976, the Federal Election Commission, pursuant to its investigation of this matter, required certain factual or legal materials within 10 days of receipt of our letter. That time period has now lapsed by over two weeks.

While we can appreciate the fact that collecting the relevant materials will be a more difficult task with the Committee's Treasurer out of the country, the Commission is statutorily mandated to proceed expeditiously. We further note that the basis of the Commission's reason to believe determination was indicated in the notification letter and it is our understanding that the materials mentioned therein are all available to you.

Needless to say, should you choose to respond before the Commission concludes its investigation in this matter, your response will be given every consideration.

Sincerely yours,

John G. Murphy, Jr.
General Counsel

79040121845

79040121846

6C

PS Form 3811, Mar. 1978

● 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..... 15¢

☒ Show to whom, date, & address of delivery.. 35¢

☐ RESTRICTED DELIVERY.
Show to whom and date delivered..... 65¢

☐ RESTRICTED DELIVERY.
Show to whom, date, and address of delivery 85¢

2. ARTICLE ADDRESSED TO:

Leo Woolls

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	<i>438916</i>	

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE ☐ Addressee ☐ Authorized agent

L. Harrison

4. DATE OF DELIVERY

DEC 4 - 1971

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

POSTMARK

DEC 4 1971

CLEARANCE

☆ 800-100-0-222-400

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

LABOR FOR JACKSON

2727 29th STREET, N.W. / WASHINGTON, D.C. 20008

(202) 867-8388

JOSEPH D. KEENAN, Chairman
EDWARD J. CARLOUGH, Treasurer

18 All: 29

November 17, 1976

John D. Murphy, Jr.
General Counsel
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

763709

Re: MUR 236 (76)

Dear Mr. Murphy:

The undersigned is Ex Officio Comptroller for Labor for Jackson.

You wrote to Edward J. Carlough, Treasurer for Labor for Jackson, on November 2, 1976 with respect to an investigation of its expenditures by the Federal Election Commission, and asked for specific detailed information about certain alleged loans from Sheet Metal Workers International Association Political Action League, and about other matters.

Labor for Jackson is an independent political committee and voluntary segregated fund which was established for the purpose of making independent political expenditures. Contributions to Labor for Jackson were received from certain bona fide, multi-candidate political committees.

Labor for Jackson wishes to make a presentation of factual and legal materials to the Commission in connection with its investigation. Unfortunately, Edward J. Carlough, General President of Sheet Metal Workers International Association and Treasurer of Labor for Jackson, is out of the country and will not be back in Washington until after December 4, 1976. He advises that he was away from Washington when your letter dated November 2, 1976 arrived at his Washington office.

Mr. Carlough wants an opportunity to discuss the matters raised by your letter with his legal counsel, which he has not had an opportunity to do, except in a most cursory fashion, to date.

Therefore, on behalf of Mr. Carlough I am responding to your letter of November 2, 1976 in this fashion, with the request that Labor for Jackson be given a reasonable opportunity pursuant to Section 437 (g) (a) (4) to demonstrate that no action should be taken against Labor for Jackson by the Commission by making a more detailed response within thirty (30) days, not later than December 17, 1976.

Very truly yours,

Leo S. Woolls

Leo S. Woolls
Ex Officio Comptroller

LSW:mm
CC: E.J. Carlough
J.D. Keenan

79040121847

cc 1026
MUR 236
Rud

79040121848

NOV 2 1976

Mr. Edward J. Carlough
Labor for Jackson
2727 29th Street, N. W., #505
Washington, D. C. 20008

Re: NR 236 (76)

Dear Mr. Carlough:

This letter is to notify you that, on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has determined that it has reason to believe that a violation of 2 U.S.C. §434(b)(5) has occurred in that reports signed by you and filed on behalf of Labor for Jackson fail to mention certain loans from Sheet Metal Workers' International Association Political Action League. A summary of the evidence is as follows:

According to reports of the Sheet Metal Workers' International Association Political Action League, \$32,924.81 in loans were made to Labor for Jackson on April 13, 19, 27, 1976. On May 26, 1976, "advances" totalling \$4,670.49 were made to Labor for Jackson, according to these same reports. Labor for Jackson does not list receipt of these loans in its reports.

In addition, the Commission has determined that the transfer of a substantial portion of Labor for Jackson's funds from Sheet Metal Workers' International Political Action League and MEBA Political Action Fund may indicate an affiliation with those Committees. Failure to report such affiliation constitutes a violation of 2 U.S.C. §434(b)(2).

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, including a response to the enclosed questions, within 10 days of receipt of this letter.

This letter of notification shall remain confidential in accordance with 2 U.S.C. §437g(a)(3) unless you state to the Commission in writing that you wish the investigation to be made public. The attorney assigned to this matter is Carolyn Reed (telephone number 202-382-4055).

Sincerely yours,

121

John G. Murphy, Jr.
General Counsel

Enclosure

JBrowning:jl:10/29/76
cc: File Designation: (MUR 236 (76))
JB
CR

1. The following service is requested (check one). <input type="checkbox"/> Show to whom and date delivered..... 15¢ <input checked="" type="checkbox"/> Show to whom, date, & address of delivery.. 35¢ <input type="checkbox"/> RESTRICTED DELIVERY. Show to whom and date delivered..... 65¢ <input type="checkbox"/> RESTRICTED DELIVERY. Show to whom, date, and address of delivery 85¢		2. ARTICLE ADDRESSED TO: Edward J. Conboy		3. ARTICLE DESCRIPTION: REGISTERED NO. 438119 CERTIFIED NO. INSURED NO.		4. DATE OF DELIVERY 10/29/76		5. ADDRESS (Complete only if registered)		6. UNABLE TO DELIVER BECAUSE: REASON'S INITIALS	
<p>SENDER: Complete items 1, 2, and 3. Add post address in the "RETURN TO" space on envelope.</p> <p>(Always obtain signature of addressee or agent)</p> <p>I have received the article described above. SIGNATURE: <input type="checkbox"/> Addressee <input type="checkbox"/> Authorized agent</p> <p>DATE OF DELIVERY: 10/29/76</p> <p>ADDRESS (Complete only if registered):</p>											

FEDERAL ELECTION COMMISSION

Questions to be Answered by Labor for Jackson

1. According to reports of the Sheet Metal Workers' International Association Political Action League, the following transactions took place:
 - (a) April 15, 1976 - \$22,101.35 for printing of folders and bumper stickers for Senator Jackson's campaign. Loan to the Labor for Jackson Committee. (Payment to Edgian Press, Hicksville, New York.)
 - (b) April 19, 1976 - \$7,736.26 for production and cost of air time for Jackson Campaign. Loan to the Labor for Jackson Committee. (Payment to Maurer, Fleisher, Zon & Anderson, Inc., Washington, D. C.)
 - (c) April 19, 1976 - \$75.00 for air time for Jackson campaign. Loan to the Labor for Jackson Committee. (Payment to Manhattan Cable Television.)
 - (d) April 27, 1976 - \$518.95 for political signs for Jackson Campaign. Loan to the Labor for Jackson Committee. (Payment to True-Art Process Co., Inc., Deer Park, New York.)
 - (e) April 27, 1976 - \$2,307.84 for filming of a rally for Jackson campaign. Loan to the Labor for Jackson Committee. (Payment to Hearst Metrotone News Division, New York.)
 - (f) April 27, 1976 - \$185.41 for video taping of cassettes for Jackson campaign. Loan to Labor for Jackson Committee. (Payment to Hearst Metrotone News Division, New York.)
 - (g) May 26, 1976 - \$212.23 for equipment rental in conjunction with Senator Jackson's campaign. Advance to Labor for Jackson Committee. (Payment to MCPS Communications, Inc., New York.)
 - (h) May 26, 1976 - \$4,458.26 for filming of a rally for the Jackson campaign. Advance to the Labor for Jackson Committee. (Payment to Hearst Metrotone News Division, New York.)

With regard to the above-mentioned transactions, please provide the following information:

79040121850

- Whether the transactions were contributions or independent expenditures;
 - Identification of those persons who arranged for such loans to take place and a description of the role of each person played with respect to the transactions;
 - A detailed description of the nature of each expenditure including copies of any printed material or transcripts of media broadcasts.
2. Identify any persons who are or were responsible for the making or planning of expenditures from Labor for Jackson funds.
 3. If any expenditures made after May 11, 1976, were "independent expenditures," please comply with 2 U.S.C. §434(b)(13) by certifying as to the independence of those expenditures. A copy of the form for reporting independent expenditures and an explanation of the procedure followed for reporting such expenditures is enclosed.

Enclosure

79040121851

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of
Labor for Jackson

}
MUR 236 (76)
}

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on October 14, 1976, the Commission determined by a vote of 6-0, that there was reason to believe that violations of the Federal Election Campaign Act of 1971, as amended, had been committed in the above-captioned matter.

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

79040121852

DATE AND TIME OF TRANSMITTAL: _____

NO. MUR 236 (76)

REC'D: 9/17/76

FEDERAL ELECTION COMMISSION
Washington, D. C.

Complainant's Name: Internally generated by Disclosure & Compliance

Respondent's Name: Labor for Jackson

Relevant Statute: 2 U.S.C. §433(b)(2); 2 U.S.C. §434(b)(5); 18 U.S.C. §608(h)

Internal Reports Checked: [1974 amendments were in effect during part of time]
Labor for Jackson reports; Sheet Metal Workers'

Federal Agencies Checked: International; MEBA Political Action Fund
None

SUMMARY OF ALLEGATION

I. Allegation #1 - Labor for Jackson failed to report certain loans made to it by Sheet Metal Workers' International Association Political Action League, as required by 2 U.S.C. §434(b)(5). II. Allegation #2 - By accepting transfers in excess of the contribution limitations of 18 U.S.C. §608(b)(2) from Sheet Metal Workers' International PAL and MEBA Political Action Fund in April and May, 1976, Labor for Jackson violated

(continued on next page)

PRELIMINARY LEGAL ANALYSIS

I. Allegation #1 - According to reports of the Sheet Metal Workers, \$32,924.81 in loans were made to Labor for Jackson on April 15, 19, 27, 1976. On May 26, 1976 "advances" totalling \$4,670.49 were made to Labor for Jackson. Labor for Jackson does not list receipt of these loans, which amount to \$37,595.30. (Attachment no. 1) Labor for Jackson, by failing to report the receipts of the loans, violated 2 U.S.C. §434(b)(5). Reason to believe a violation has occurred seems apparent on the face of the Labor for Jackson report. (see continuation) RECOMMENDATION

Reason to believe a violation has occurred with respect to Allegations #1&4.

Send the attached letter to Labor for Jackson, including specific questions pertaining to the reports. (Attachment #3)

Date of Next Commission Review: _____

SUMMARY OF ALLEGATION

CONTINUATION

18 U.S.C. §608(h) of the 1974 amendments. III. Allegation #3 - Labor for Jackson is affiliated with Jackson's principal campaign committee, Jackson for President Committee, but is registered as a nonaffiliated committee, a violation of 2 U.S.C. §433(b)(2). IV. Allegation #4 - Labor for Jackson is affiliated with Sheet Metal Workers' International Association Political Action League and MEBA Political Action Fund (multi-candidate committees), but is registered as a nonaffiliated committee, a violation of 2 U.S.C. §433(b)(2).

PRELIMINARY LEGAL ANALYSIS CONTINUED

II. Allegation #2 - Although Labor for Jackson received a transfer of \$7,500 on April 14, 1976, and another of \$20,000 on May 5, 1976, the Commission had not issued its interpretative policy statement at this time. 18 U.S.C. §608(b)(2) limited contributions from a political committee to a candidate, but did not limit transfers from committee to committee.

The Commission issued its policy statement which is based on the regulations (Part 110.1(h)), approved July 30, 1976. While it is now clearly the Commission's

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opinion that contributions to a single-candidate committee count as contributions to a candidate, it is recommended that this interpretation be accorded prospective application in this case. The transfers in question would go to showing affiliation of Labor for Jackson with Sheet Metal Workers, and MEBA.

III. Allegation #3 - The evidence which supports the allegation that Labor for Jackson is affiliated with Jackson for President is presently limited to the fact that on three different occasions, Sheet Metal Workers' International Association PAL reported giving money to Labor for Jackson and gave the address of Jackson for President Committee as the address of Labor for Jackson. Additional indications of coordination between Labor for Jackson and Jackson for President may later be inferred from the nature of expenses made by Labor for Jackson. However, as stated in Allegation 1, Labor for Jackson does not appear to have reported all expenditures which it may have made for Jackson. (See Attachment 2). Further action may be warranted once these expenditures or advances are properly reported by Labor for Jackson,

IV. Allegation #4 - The allegation that Labor for Jackson is affiliated with Sheet Metal Workers' International Association PAL and MEBA is based on the fact that these organizations were the primary source of funding of Labor for Jackson. Labor for Jackson's total receipts were reported as \$32,500. \$20,000 of this total represents a transfer from MEBA Political Action Fund. Although only \$7,500 of the total is a transfer from Sheet Metal Workers PAL, Sheet Metal Workers reported over \$32,000 in advances or loans to Labor for Jackson, which Labor for Jackson has not reported (see

7904012181513

Allegation #1). The Commission, in its proposed regulations Part 100.2(c), has indicated that the transfer of funds between committees which represent a substantial portion of the funds of either the transferor or transferee committee is one of the indicia which establishes affiliation of committees. (Attachment No. 2).

79040121856

ATTACHMENT NUMBER 1

Loans and advances to Labor for Jackson
from Sheet Metal Workers' International
Association Political Action League

79040121857

Campaign Raising, Loans, and Transfers
for Lines 20, 21, 22, and/or 23 of FEC Form 3
 (See Instructions on back)

LINE NUMBER 21(a)
 (Use separate schedule for each numbered block)

Name of Candidate or Committee in full

Sheet Metal Workers' International Association, Political Action League (PAL)

Full Name, mailing address and ZIP code

Americana of Bal Harbour
 Miami Beach, Florida 33154

Purpose of Expenditure

Independent expenditure
 for a reception in honor
 of Sen. Jackson. Expenses to
 be shared by several committees.
 Reception planned without "cooperation,
 consultation, or concert
 with the candidate, or any authorized
 committee or agent of such candidate."

Date (month,
 day, year)
 5/1/76

Amount of each ex-
 penditure (this period)
 \$ 11,567.16

Full Name, mailing address and ZIP code

Purpose of Expenditure

Independent expenditure
 for photography at the above mentioned reception.
 Expenses to be shared by several committees.

Date (month,
 day, year)
 5/1/76

Amount of each ex-
 penditure (this period)
 \$ 3,736.97

Full Name, mailing address and ZIP code

World Wide Studios
 Americana Hotel
 5701 Collins Avenue
 Bal Harbour, Florida 33154

Purpose of Expenditure

Independent expenditure
 for photography at the above mentioned reception.
 Expenses to be shared by several committees.

Date (month,
 day, year)
 5/1/76

Amount of each ex-
 penditure (this period)
 \$ 210.23

Full Name, mailing address and ZIP code

WOPS Communications, Inc.
 WOPS Building, 424 West 49th Street
 New York, New York 10019

Purpose of Expenditure

Equipment rental in
 conjunction with Senator
 Jackson's campaign.
 Advance to Labor for Jackson
 Committee, 511 Second Street, N.E., Wash., D.C.

Date (month,
 day, year)
 5/26/76

Amount of each ex-
 penditure (this period)
 \$ 4,458.26

Full Name, mailing address and ZIP code

West Metrotone News Division
 The Hearst Corporation
 335 East 45th Street
 New York, New York 10017

Purpose of Expenditure

Filming of a rally for
 the Jackson campaign.
 Advance to the Labor for
 Jackson Committee

Date (month,
 day, year)
 5/26/76

Amount of each ex-
 penditure (this period)
 \$ 157.00

Full Name, mailing address and ZIP code

World Wide Studio
 5701 Collins Avenue
 Bal Harbour, Florida 33154

Purpose of Expenditure

Additional expenditure
 for photography for
 the above mentioned
 reception.

Date (month,
 day, year)
 5/26/76

Amount of each ex-
 penditure (this period)
 \$ 50.00

Full Name, mailing address and ZIP code

Printed check
 Fred E. Hall, 9507 Sayens Road
 Dallas, Texas 75227

Purpose of Expenditure

Date (month,
 day, year)

Amount of each ex-
 penditure (this period)

Itemized Expenditures

Campaign Fundraising, Loans, and Transfers

for Lines 20, 21, 22, and/or 23 of FEC Form 3

(see instructions on back)

Page 14 of 16

LINE NUMBER 21(n)

(Use separate schedule for each expenditure item)

of Candidate or Committee in full

Sheet Metal Workers' International Association, Political Action League (PAL)

Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
Edgman Press, Inc. 10 Bethpage Road Hicksville, New York 11801	printing of folders and bumper stickers for Senator Jackson's campaign. <u>Loan</u> to the Labor for Jackson Committee,	4/15/76	\$ 22,101.35
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
	511 2nd Street, S.E. Washington, D.C. 20002		
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
Haurer, Fleisher, Zon & Anderson, Inc. 1120 Connecticut Avenue, N.W. Washington, D.C. 20036	Production and cost of air time for Jackson Campaign. <u>Loan</u> to the Labor for Jackson Committee.	4/19/76	\$ 7,755.26
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
Manhattan Cable Television 120 East 23rd Street New York, New York 10010	Air time for Jackson campaign. <u>Loan</u> to the Labor for Jackson Committee	4/19/76	\$ 75.00
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
True-Art Process Co., Inc. 90 Brook Avenue Deer Park, New York 11729	Political signs for Jackson campaign. <u>Loan</u> to the labor for Jackson Committee	4/27/76	\$ 518.95
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
Hearst Metroland News Division The Hearst Corporation 235 East 45th Street New York, New York 10017	Filming of a rally for Jackson campaign. <u>Loan</u> to the labor for Jackson Committee.	4/27/76	\$ 2,357.50
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
Hearst Metroland News Division The Hearst Corporation 235 East 45th Street New York, New York 10017	Video taping of cassettes for Jackson campaign. <u>Loan</u> to labor for Jackson Committee.	4/27/76	\$ 185.45
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period

Subtotal of expenditures this page (optional)

Total this period (list page this line number only)

ATTACHMENT NUMBER 2

Transfer of funds from Sheet Metal Workers' International
Association Political Action League and MEBA Political
Action Fund.

79040121860

Itemized Expenditures
Campaign Fundraising, Loans, and Transfers
for Lines 20, 21, 22, and/or 23 of FEC Form 3
(See Instructions on back)

Page 14 of 16
 LINE NUMBER 21(a)

(If separate schedule is required, attach separate sheet.)

of Candidate or Committee in full

Sheet Metal Workers' International Association, Political Action League (PAL)

Full Name, mailing address and ZIP code Edgman Press, Inc. 10 Bethpage Road Hicksville, New York 11801	Purpose of Expenditure printing of folders and bumper stickers for Senator Jackson's campaign. <u>Loan</u> to the Labor for Jackson Committee.	Date (month, day, year) 4/15/76	Amount of each expenditure this period \$ 22,101.35
Full Name, mailing address and ZIP code	Purpose of Expenditure 511 2nd Street, S.E. Washington, D.C. 20002	Date (month, day, year)	Amount of each expenditure this period
Full Name, mailing address and ZIP code Maurer, Fletcher, Zon & Anderson, Inc. 1120 Connecticut Avenue, N.W. Washington, D.C. 20035	Purpose of Expenditure Production and cost of air time for Jackson Campaign. <u>Loan</u> to the Labor for Jackson Committee.	Date (month, day, year) 4/19/76	Amount of each expenditure this period \$ 7,771.25
Full Name, mailing address and ZIP code Manhattan Cable Television 120 East 23rd Street New York, New York 10010	Purpose of Expenditure Air time for Jackson campaign. <u>Loan</u> to the Labor for Jackson Committee	Date (month, day, year) 4/19/76	Amount of each expenditure this period \$ 5.00
Full Name, mailing address and ZIP code True-Art Process Co., Inc. 50 Brook Avenue Deer Park, New York 11729	Purpose of Expenditure Political signs for Jackson campaign. <u>Loan</u> to the Labor for Jackson Committee	Date (month, day, year) 4/27/76	Amount of each expenditure this period \$ 518.95
Full Name, mailing address and ZIP code Hearst Metrotone News Division The Hearst Corporation 235 East 45th Street New York, New York 10017	Purpose of Expenditure Filming of a rally for Jackson campaign. <u>Loan</u> to the Labor for Jackson Committee.	Date (month, day, year) 4/27/76	Amount of each expenditure this period \$ 2,347.50
Full Name, mailing address and ZIP code Hearst Metrotone News Division The Hearst Corporation 235 East 45th Street New York, New York 10017	Purpose of Expenditure Video taping of cassette for Jackson campaign. <u>Loan</u> to Labor for Jackson Committee.	Date (month, day, year) 4/27/76	Amount of each expenditure this period \$ 105.00
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period

Amount of each expenditure this period (dollars and cents)

Amount of each expenditure this period (dollars and cents)

Schedule A

January 1976

Federal Election Commission

1325 K Street, N.W.

Washington, D.C. 20463

Itemized Receipts, Contributions, Ticket Purchases, Loans, Rebates, and Transfers for Line Numbers 15, 16, 17 and/or 18 of FEC Form 3

(see instructions on back)

Page 1 of 1 for

LINE NUMBER 10b

(Use separate schedule(s) for each numbered line).

Name of Candidate or Committee in full

Labor for Jackson Committee

Full Name, mailing address and ZIP code

Sheet Metal Workers Political Action League Jackson Fund

1750 New York Avenue, N. W.

Washington, D. C. 20006

Principal place of business

1750 New York Avenue, N. W.

Washington, D. C. 20006

Occupation

Political Committee

☐ Check if Contributor is self-employed

Aggregate Year-to-date > \$

Date (month,
day, year)

4/14/76

Amount of each
receipt this period

\$ 7,500.00

Full Name, mailing address and ZIP code

NEBA Political Action Fund

17 Battery Place

New York, New York 10004

Principal place of business

17 Battery Place

New York, New York 10004

Occupation

Political Committee

☐ Check if Contributor is self-employed

Aggregate Year-to-date > \$

Date (month,
day, year)

5/5/76

Amount of each
receipt this period

\$20,000.00

Full Name, mailing address and ZIP code

Engineers Political Education Committee

1125 - 17th Street, N. W.

Washington, D. C. 20036

Principal place of business

1125 - 17th Street, N. W.

Washington, D. C. 20036

Occupation

Political Committee

☐ Check if Contributor is self-employed

Aggregate Year-to-date > \$

Date (month,
day, year)

6/30/76

Amount of each
receipt this period

\$ 5,000.00

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)Amount of each
receipt this period

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)Amount of each
receipt this period

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)Amount of each
receipt this period

Total of receipts this page (optional)

> \$

Total this period (last page this line number only)

> \$32,500.00

Campaign Fundraising, Loans, and Transfers
 for Lines 20, 21, 22, and/or 23 of FEC Form 3
 (See Instructions on back)

LINE NUMBER 21(a)

(Use separate schedule(s) for each numbered line.)

Name of Candidate or Committee in full
 Sheet Metal Workers' International Association, Political Action League (PAL)

Full Name, mailing address and ZIP code Americana of Bal Harbour Miami Beach, Florida 33154	Purpose of Expenditure Independent expenditure for a reception in honor of Sen. Jackson. Expenses to be shared by several committees. Reception planned without "cooperation"	Date (month, day, year) 5/7/76	Amount of each expenditure this period \$ 11,567.16
Full Name, mailing address and ZIP code	Purpose of Expenditure consultation, or concert with the candidate, or any authorized committee or agent of such candidate."	Date (month, day, year)	Amount of each expenditure this period
Full Name, mailing address and ZIP code World Wide Studios Americana Hotel 9701 Collins Avenue Bal Harbour, Florida 33154	Purpose of Expenditure "Independent expenditure for photography at the above mentioned reception. Expenses to be shared by several committees."	Date (month, day, year) 5/7/76	Amount of each expenditure this period \$ 3,736.92
Full Name, mailing address and ZIP code MCPS Communications, Inc. MCPS Building, 424 West 49th Street New York, New York 10019	Purpose of Expenditure Equipment rental in conjunction with Senator Jackson's campaign. <u>Advance to Labor for Jackson Committee, 511 Second Street, N.W. Wash. D.C. 20</u>	Date (month, day, year) 5/26/76	Amount of each expenditure this period \$ 212.23
Full Name, mailing address and ZIP code Hearst Metrotone News Division The Hearst Corporation 235 East 45th Street New York, New York 10017	Purpose of Expenditure Filming of a rally for the Jackson campaign. <u>Advance to the Labor for Jackson Committee</u>	Date (month, day, year) 5/26/76	Amount of each expenditure this period \$ 4,458.26
Full Name, mailing address and ZIP code World Wide Studio 9701 Collins Avenue Bal Harbour, Florida 33154	Purpose of Expenditure additional expenditure for photography for the above mentioned reception.	Date (month, day, year) 5/26/76	Amount of each expenditure this period \$ 157.00
Full Name, mailing address and ZIP code Protested check Fred K. Hall, 9007 Seyene Road Dallas, Texas 75227	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period \$ 50.00
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period

Subtotal of expenditures this page (optional)

Total this period (last page this line number only)

\$ 20,181.57

ATTACHMENT

ATTACHMENT NUMBER 3

Letter of notification to Labor for
Jackson, including specific questions
pertaining to reports.

79040121864



FEDERAL ELECTION COMMISSION

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

Mr. Edward J. Carlough
Labor for Jackson
2727 29th Street, N.W. #505
Washington, D.C. 20008

Re: MUR 236 (76)

Dear Mr. Carlough:

This letter is to notify you that, on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has determined that it has reason to believe that a violation of 2 U.S.C. §434(b) (5) has occurred in that reports signed by you and filed on behalf of Labor for Jackson fail to mention certain loans from Sheet Metal Workers' International Association Political Action League. A summary of the evidence is as follows:

According to reports of the Sheet Metal Workers' International Association Political Action League, \$32,924.81 in loans were made to Labor for Jackson on April 15, 19, 27, 1976. On May 26, 1976, "advances" totalling \$4,670.49 were made to Labor for Jackson, according to these same reports. Labor for Jackson does not list receipt of these loans in its reports.

In addition, the Commission has determined that the transfer of a substantial portion of Labor for Jackson's funds from Sheet Metal Workers' International Association Political Action League and MEBA Political Action Fund may indicate an affiliation with those Committees. Failure to report such affiliation constitutes a violation of 2 U.S.C. §434(b) (2).

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, including a response to the attached questions, within 10 days of receipt of this letter.

This letter of notification shall remain confidential in accordance with 2 U.S.C. §437g(a) (3) unless you state to the Commission in writing that you wish the investigation to be made public. The attorney assigned to this matter is / (telephone number 202/382-4055).

Sincerely yours,

John G. Murphy, Jr.
General Counsel



79040121865

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1) According to reports of the Sheet Metal Workers' International Association Political Action Funds, the following transactions took place:

- a) April 15, 1976 - \$22,101.35 for printing of folders and bumper stickers for Senator Jackson's campaign. Loan to the Labor for Jackson Committee. (Payment to Edgian Press, Hicksville, N.Y.)
- b) April 19, 1976 - \$7,736.26 for production and cost of air time for Jackson Campaign. Loan to the Labor for Jackson Committee. (Payment to Maurer, Fleisher, Zon & Anderson, Inc., Wash., D.C.)
- c) April 19, 1976 - \$75.00 for air time for Jackson campaign. Loan to the Labor for Jackson Committee. (Payment to Manhattan Cable Television)
- d) April 27, 1976 - \$518.95 for political signs for Jackson campaign. Loan to the Labor for Jackson Committee (Payment to True-Art Process Co., Inc., Deer Park, N.Y.)
- e) April 27, 1976 - \$2307.84 for filming of a rally for Jackson campaign. Loan to the Labor for Jackson Committee. (Payment to Hearst Metrotone News Division, New York)
- f) April 27, 1976 - \$185.41 for video taping of cassettes for Jackson campaign. Loan to Labor for Jackson Committee. (Payment to Hearst Metrotone News Division, New York)
- g) May 26, 1976 - \$212.23 for equipment rental in conjunction with Senator Jackson's campaign. Advance to Labor for Jackson Committee. (Payment to MCPS Communications, Inc., New York)
- h) May 26, 1976 - \$4,458.26 for filming of a rally for the Jackson campaign. Advance to the Labor for Jackson Committee. (Payment to Hearst Metrotone News Division, New York)

With regard to the above-mentioned transactions, please provide the following information:

- identification of those persons who arranged for such loans to take place and a description of the role each person played with respect to the transactions;
- a detailed description of the nature of each expenditure including copies of any printed material or transcripts of media broadcasts.

2) Identify any persons who are or were responsible for the making or planning for expenditures made from Labor for Jackson funds.

3) If any expenditures made after May 11, 1976, were "independent expenditures," please comply with 2 U.S.C. §434(b)(13) by certifying as to the independence of those expenditures. A copy of the form for reporting independent expenditures and an explanation of the procedure followed for reporting such expenditures is enclosed.

- Whether
the
transactions
were
Contributions
or
independent
expenditures

7904012

CC# 559
MUR 236



FEDERAL ELECTION COMMISSION

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

September 17, 1976

MEMORANDUM

TO: Bill Oldaker
THROUGH: Drew McKay *DM*
FROM: Michael Hershman *MH*
SUBJECT: LABOR FOR JACKSON

Attached please find a preliminary report on Labor for Jackson. On the basis of our report, it appears that there may be reporting and contribution limitation violations. We would like to meet with you at your earliest convenience to discuss the scope of this matter and to determine what additional information you may need.

Attachment: 1



79040121868



FEDERAL ELECTION COMMISSION

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

September 17, 1976

MEMORANDUM TO: Drew McKay *GM*
THRU: Michael Hershman *MMH*
FROM: Keith A. Vance *KAV*
SUBJECT: INVESTIGATIVE RESEARCH RE:
LABOR FOR JACKSON, ID# C00032268

At the request of Bill Loughrey, Executive Assistant to the Chairman, we initiated a routine review of records and reports within the Commission relative to expenditures made on behalf of the Honorable Henry Jackson, P60000429, by Labor for Jackson (LFJ), an unauthorized registered single candidate committee. In conjunction with this review, we are examining the Sheet Metal Workers' International Association, Political Action League (SMWIA-PAL) and several other multicandidate committees which have made expenditures on behalf of the Honorable Henry Jackson.

Reports show that LFJ's total receipts of \$32,500.00 were transfers in from Sheet Metal Workers' International Association, Political Action League (SMWIA-PAL), MEBA-PAF, and EPEC. (See Attachment #1.)

On April 14, 1976, SMWIA-PAL made a transfer into LFJ in the amount of \$7,500.00. (See Attachments #1 and #2.)

For the period April 15, 1976, thru April 27, 1976, SMWIA-PAL made expenditures to various vendors in the amount of \$32,924.81, designated as "Loan to the Labor for Jackson Committee, 511 2nd Street, S.E., Washington, D.C. 20003". (See Attachment #3.) Neither LFJ's nor JFPC's records and reports disclose the loans.

However, JFPC's May 10, 1976 Report disclose numerous loans made to the Committee from employees of SMWIA for the period March 26, 1976, thru April 13, 1976, totalling \$29,000.00.

On May 7, 1976, SMWIA-PAL made expenditures categorized as loans on Schedule B and designated as "independent expenditures for a reception in honor of Senator Jackson. Expenses to be shared by several committees. Reception planned without cooperation, consultation, or



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concert with the candidate, or any authorized committee or agent of such candidate." (See Attachment #4.) SMWIA-PAL failed to disclose the full names and mailing addresses (occupations and the principal places of business, if any) of the individuals and/or committees receiving the loans. Furthermore, the inference that the expenditures are not independent is based on the factor that receptions must be coordinated in some manner with the staff and/or candidates for office to allow appropriate campaign scheduling.

On March 8, 1976, the JFPC made expenditures in the amount of \$186.16 to Mr. Jim Hinkle, designated as "Expenses labor". (See Attachment #5.) On March 25, 1976, and April 6, 1976, SMWIA-PAL made expenditures to Mr. Hinkle designated as "For purposes of making independent expenditures on behalf of PAL in support of Senator Jackson's candidacy," in the amount of \$5,000 and \$3,000, respectively. (See Attachments #6 and #7.) These expenditures were categorized as transfers out to other committees.

If expenditures were made by SMWIA-PAL in cooperation, consultation, or concert with JFPC or its agents, those expenditures would not be considered independent under the standards codified in 2 U.S.C. Sections 431(p) and 441a(a)(7). Those expenditures, therefore, would have been misreported, in violation of 2 U.S.C. Section 434(b), by being labeled "independent expenditures" instead of "contributions," and if those expenditures were in fact contributions, they may exceed the legal limit on contributions under 2 U.S.C. Section 441a(a)(2).

On May 26, 1976, SMWIA-PAL made expenditures designated as "Advance to the Labor for Jackson Committee," in the amount of \$4,670.49. (See Attachment #4.)

The LFJ Committee failed to disclose the "advance" in its reports to the Commission.

On May 26, 1976, SMWIA-PAL made a \$212.23 expenditure to MCPS Communications, Inc., designated "Equipment rental in conjunction with Senator Jackson's campaign. Advance to Labor for Jackson Committee, 511 Second Street, N.W., Washington, D.C. 20002." (See Attachment #4.)

Although LFJ is unauthorized, the 511 2nd Street, S.E. address, which is noted in the SMWIA-PAL reports as that of LFJ, is the same as that of the Jackson for President Committee (JFPC), the Honorable Henry Jackson's principal campaign committee.

The LFJ committee lists its address as 2727 29th Street, N.W. #505.

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**Itemized Receipts,
Contributions, Ticket Purchases, Loans,
Rebates, and Transfers for Line
Numbers 15, 16, 17 and/or 18 of FEC Form 3**
(see instructions on back)

Page 1 of 1 for
LINE NUMBER 18b
(Use separate schedule(s) for each
numbered line).

Name of Candidate or Committee in full			Date (month, day, year)	Amount of each receipt this period
Labor for Jackson Committee				
Full Name, mailing address and ZIP code Sheet Metal Workers Political Action League Jackson Fund 1750 New York Avenue, N. W. Washington, D. C. 20006			4/14/76	\$ 7,500.00
Principal place of business 1750 New York Avenue, N. W. Washington, D. C. 20006	Occupation Political Committee <input type="checkbox"/> Check if Contributor is self-employed Aggregate Year-to-Date ▶ \$			
Full Name, mailing address and ZIP code MEBA Political Action Fund 17 Battery Place New York, New York 10004			5/5/76	\$20,000.00
Principal place of business 17 Battery Place New York, New York 10004	Occupation Political Committee <input type="checkbox"/> Check if Contributor is self-employed Aggregate Year-to-date ▶ \$			
Full Name, mailing address and ZIP code Engineers Political Education Committee 1125 - 17th Street, N. W. Washington, D. C. 20036			6/30/76	\$ 5,000.00
Principal place of business 1125 - 17th Street, N. W. Washington, D. C. 20036	Occupation Political Committee <input type="checkbox"/> Check if Contributor is self-employed Aggregate Year-to-date ▶ \$			
Full Name, mailing address and ZIP code				
Principal place of business	Occupation <input type="checkbox"/> Check if Contributor is self-employed Aggregate Year-to-date ▶ \$			
Full Name, mailing address and ZIP code				
Principal place of business	Occupation <input type="checkbox"/> Check if Contributor is self-employed Aggregate Year-to-date ▶ \$			
Full Name, mailing address and ZIP code				
Principal place of business	Occupation <input type="checkbox"/> Check if Contributor is self-employed Aggregate Year-to-date ▶ \$			
Subtotal of receipts this page (optional)			▶	\$
Total this period (last page this line number only)			▶	\$32,500.00

Name of Candidate or Committee in full: Sheet Metal Workers' International Association, Political Action League (PAL)

Full Name, mailing address and ZIP code Cong. Paul S. Sarbanes, candidate, Senate Maryland, Check mailed to Clayton V. Russell, Business Manager, Sheet Metal Workers Local 122, 4705 Erdman Avenue, Baltimore, Maryland 21205	Purpose of Expenditure Senatorial Campaign	Date (month, day, year) 4/21/76	Amount of each contribution this period \$ 300.00
Full Name, mailing address and ZIP code Cong. Joseph P. Vigorito, 24th district, Pennsylvania, Check mailed to: Harry Crytzer, Business Manager, Sheet Metal Workers Local 12, 6016 Broad Street Hall Pittsburgh, Pennsylvania 15206	Purpose of Expenditure Congressional Campaign	Date (month, day, year) 4/26/76	Amount of each contribution this period \$ 400.00
Full Name, mailing address and ZIP code Labor for Jackson Committee 511 2nd Street, S.E. Washington, D.C. 20002	Purpose of Expenditure contribution	Date (month, day, year) 4/14/76	Amount of each contribution this period \$1,500.00
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each contribution this period
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each contribution this period
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each contribution this period
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each contribution this period
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each contribution this period
Subtotal of expenditures this page (optional)			\$
Total this period (list page this line number only)			\$ 13,800.00

79040121872

Contribution
No. 11
C. 20463

Itemized Expenditures
Campaign Fundraising, Loans, and Transfers
for Lines 20, 21, 22, and/or 23 of FEC Form 3
(see instructions on back)

Page 14 of 16 for
LINE NUMBER 21(a)
(Use separate schedule(s) for each
numbered line).

of Candidate or Committee in full **Sheet Metal Workers' International Association, Political
Action League (PAL)**

Full Name, mailing address and ZIP code Edgman Press, Inc. 10 Bethpage Road Hicksville, New York 11801	Purpose of Expenditure printing of folders and bumper stickers for Senator Jackson's campaign. Loan to the Labor for Jackson Committee,	Date (month, day, year) 4/15/76	Amount of each expend- ture this period \$ 22,101.35
Full Name, mailing address and ZIP code	Purpose of Expenditure 511 2nd Street, S.E. Washington, D.C. 20002	Date (month, day, year)	Amount of each expend- ture this period
Full Name, mailing address and ZIP code Maurer, Fleisher, Zon & Anderson, Inc. 1120 Connecticut Avenue, N.W. Washington, D.C. 20036	Purpose of Expenditure Production and cost of air time for Jackson Campaign. Loan to the Labor for Jackson Committee.	Date (month, day, year) 4/19/76	Amount of each expend- ture this period \$ 7,736.26
Full Name, mailing address and ZIP code Manhattan Cable Television 120 East 23rd Street New York, New York 10010	Purpose of Expenditure Air time for Jackson campaign. Loan to the Labor for Jackson Committee	Date (month, day, year) 4/19/76	Amount of each expend- ture this period \$ 75.00
Full Name, mailing address and ZIP code True-Art Process Co., Inc. 50 Brook Avenue Deer Park, New York 11729	Purpose of Expenditure Political signs for Jackson campaign. Loan to the Labor for Jackson Committee	Date (month, day, year) 4/27/76	Amount of each expend- ture this period \$ 518.95
Full Name, mailing address and ZIP code Hearst Metrotone News Division The Hearst Corporation 235 East 45th Street New York, New York 10017	Purpose of Expenditure Filming of a rally for Jackson campaign. Loan to the Labor for Jackson Committee.	Date (month, day, year) 4/27/76	Amount of each expend- ture this period \$ 2,307.84
Full Name, mailing address and ZIP code Hearst Metrotone News Division The Hearst Corporation 235 East 45th Street New York, New York 10017	Purpose of Expenditure Video taping of cassettes for Jackson campaign. Loan to Labor for Jackson Committee.	Date (month, day, year) 4/27/76	Amount of each expend- ture this period \$ 185.41
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expend- ture this period
Subtotal of expenditures this page (optional)			\$
Total this period (last page this line number only)			\$ 32,924.81

760300428B3

Schedule B

May 1976
 U.S. Election Commission
 1100 Street, N.W.
 Washington, D.C. 20543

Itemized Expenditures

Campaign Fundraising, Loans, and Transfers

for Lines 20, 21, 22, and/or 23 of FEC Form 3

(see instructions on back)

Page 6 of 8 for
 LINE NUMBER 21(n)

(Use separate schedule for each numbered line.)

Name of Candidate or Committee in full
 Sheet Metal Workers' International Association, Political Action League (PAL)

Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
Americana of Bal Harbour Miami Beach, Florida 33154	"independent expenditure" for a reception in honor of Sen. Jackson. Expenses to be shared by several committees. Reception planned without "cooperation"	5/7/76	\$ 11,567.16
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
World Wide Studios Americana Hotel 9701 Collins Avenue Bal Harbour, Florida 33154	"independent expenditure" for photography at the above mentioned reception. Expenses to be shared by several committees.	5/7/76	\$ 3,736.92
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
MCPS Communications, Inc. MCPS Building, 424 West 49th Street New York, New York 10019	Equipment rental in conjunction with Senator Jackson's campaign. Advance to Labor for Jackson Committee, 511 Second Street, N.W., Wash., D.C.	5/26/76	\$ 212.23
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
Hearst MetroTone News Division The Hearst Corporation 235 East 45th Street New York, New York 10017	Filming of a rally for the Jackson campaign. Advance to the Labor for Jackson Committee	5/26/76	\$ 4,458.26
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
World Wide Studio 9701 Collins Avenue Bal Harbour, Florida 33154	additional expenditure for photography for the above mentioned reception.	5/26/76	\$ 157.00
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
Protested check Fred K. Hall, 9007 Seyene Road Dallas, Texas 75227			\$ 50.00

Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period

Subtotal of expenditures this page (option 4)
 Total this period (last page this line number only) \$ 10,101.57

Itemized Expenditures
Campaign Fundraising, Loans, and Transfers
for Lines 20, 21, 22, and/or 23 of FEC Form 3
(see instructions on back)

Page 130 of 151 for
LINE NUMBER 20
(Use separate schedule(s) for each
numbered line).

Name of Candidate or Committee in full Jackson for President Committee			
Full Name, mailing address and ZIP code International Food Service 1551 Northwest 70th Street Ft. Lauderdale, FL 33309	Purpose of Expenditure Food Food	Date (month, day, year) 3-4-76 3-8-76	Amount of each expendi- ture this period 500.00 1,130.54
Full Name, mailing address and ZIP code Ronald Gonzales 1535 West 76th Street Hialeah, FL	Purpose of Expenditure Compensation Gas	Date (month, day, year) 3-8-76 3-10-76	Amount of each expendi- ture this period 122.39 10.00
Full Name, mailing address and ZIP code Gray Line Bus Co. 450 Sunny Isle Boulevard Miami, Florida	Purpose of Expenditure Charter bus	Date (month, day, year) 3-5-76	Amount of each expendi- ture this period 105.00
Full Name, mailing address and ZIP code Robert Graf, Inc. Post Office Box 22336 Ft. Lauderdale, FL 33315	Purpose of Expenditure Airline charter	Date (month, day, year) 3-5-76	Amount of each expendi- ture this period 1,500.00
Full Name, mailing address and ZIP code Andrew Hatcher 4834 - 16th Street, NW Washington, DC	Purpose of Expenditure Travel advance	Date (month, day, year) 3-9-76	Amount of each expendi- ture this period 200.00
Full Name, mailing address and ZIP code Ed Heffernan 1125 15th Street, NW Suite 595 Washington, DC 20005	Purpose of Expenditure Expenses & petty cash	Date (month, day, year) 3-9-76	Amount of each expendi- ture this period 294.00
Full Name, mailing address and ZIP code Jim Hinkle 2998 Boring Ridge Drive Decatur, GA 30034	Purpose of Expenditure Expenses labor	Date (month, day, year) 3-8-76	Amount of each expendi- ture this period 186.16
Full Name, mailing address and ZIP code John V. Hiott Post Office Box 1574 Jacksonville, FL 32201	Purpose of Expenditure Expense reimburse- ment	Date (month, day, year) 3-6-76	Amount of each expendi- ture this period 179.83
Subtotal of expenditures this page (optional)			\$
Total this period (last page this line number only)			\$

7.6 0300360875

Itemized Expenditures

Campaign Fundraising, Loans, and Transfer
for Lines 20, 21, 22, and/or 23 of FEC Form 3

(see instructions on back)

Page 7 of 7 for
LINE NUMBER 23(b)(Use separate schedule(s) for each
numbered line.)

Name of Candidate or Committee in full

Sheet Metal Workers' International Association, Political Action League PAL

Full Name, mailing address and ZIP code Jimmy A. Hinkle 2998 Boring Ridge Drive Decatur, Georgia 30034	Purpose of Expenditure For purposes of making independent expenditures on behalf of PAL in support of Senator Jackson's candidacy.	Date (month, day, year) 3/25/76	Amount of each expendi- ture this period \$ 5,000.00
Full Name, mailing address and ZIP code Lawrence D. McLaughlin 160 Green Street Weymouth, Massachusetts 02191	Purpose of Expenditure For purposes of making independent expenditures on behalf of PAL in support of Senator Jackson's candidacy	Date (month, day, year) 3/25/76	Amount of each expendi- ture this period \$ 5,000.00
Full Name, mailing address and ZIP code Cong. Robert J. Cornell, 8th district, Wisconsin, Check mailed to: Wilbert L. Karnopp, Business Manager, Sheet Metal Workers Local 33, 2828 No. Ballard Road, Appleton, Wisconsin 54911	Purpose of Expenditure Congressional campaign	Date (month, day, year) 3/30/76	Amount of each expendi- ture this period \$ 300.00
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expendi- ture this period
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expendi- ture this period
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expendi- ture this period
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expendi- ture this period
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expendi- ture this period
Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expendi- ture this period
Subtotal of expenditures this page (optional)			\$
Total this period (last page this line number only)			\$ 18,500.00

Itemized Expenditures
Campaign Fundraising, Loans, and Transfer
for Lines 20, 21, 22, and/or 23 of FEC Form 3
(see instructions on back)

Page 15 of 16 for

LINE NUMBER 23(b)

(Use separate schedule(s) for each numbered line).

Name of Candidate or Committee in full

**Sheet Metal Workers' International Association, Political
 Action League (PAL)**

Full Name, mailing address and ZIP code	Purpose of Expenditure	Date (month, day, year)	Amount of each expenditure this period
Jimmy A. Hinkle 2998 Boring Ridge Drive Decatur, Georgia 30034	For purposes of making independent expenditures on behalf of PAL in support of Senator Jackson's candidacy.	4/6/76	\$ 3,000.00
Full Name, mailing address and ZIP code Cong. William J. Green, candidate Senate, Pennsylvania, Check mailed to: Congressman Green, 2434 Rayburn House Office Building Washington, D.C. 20515	Purpose of Expenditure Senatorial campaign	Date (month, day, year) 4/26/76	Amount of each expenditure this period \$ 500.00
Full Name, mailing address and ZIP code Senator Vance Hartke, Indiana, Check mailed to Joseph E. O'Neill, Business Manager Sheet Metal Workers Local 41, 542 E. 11th Street, Indianapolis, Indiana 46202	Purpose of Expenditure Senatorial campaign	Date (month, day, year) 4/26/76	Amount of each expenditure this period \$ 500.00
Full Name, mailing address and ZIP code Cong. William Lehman, 13th district, Fla. Check mailed to: Wallace R. Strong, Business Manager, Sheet Metal Workers Local 223, 20401 N.E. 15th Court, North Miami Beach, Florida 33179	Purpose of Expenditure Congressional campaign	Date (month, day, year) 4/26/76	Amount of each expenditure this period \$ 400.00
Full Name, mailing address and ZIP code Candidate Dave Sweet, 15th district, Ohio. Check mailed to Malcolm Hamilton, Jr., Business Manager, Sheet Metal Workers Local 98, 3035 Lamb Road, Columbus, Ohio 42319	Purpose of Expenditure Congressional campaign	Date (month, day, year) 4/27/76	Amount of each expenditure this period \$ 300.00
Full Name, mailing address and ZIP code Cong. Edward Mezvinsky, 1st district, Iowa. Check mailed to: A. Sconyers, Business Manager, Sheet Metal Workers Local 263, 1211 Wiley Boulevard, S.W., Cedar Rapids, Iowa 52404	Purpose of Expenditure Congressional campaign	Date (month, day, year) 4/26/76	Amount of each expenditure this period \$ 300.00
Full Name, mailing address and ZIP code Cong. Michael T. Blouin, 2nd district, Iowa, Check mailed to: A. Sconyers, Business Manager, Sheet Metal Workers Local 263, 1211 Wiley Boulevard, S.W., Cedar Rapids, Iowa 52404	Purpose of Expenditure Congressional campaign	Date (month, day, year) 4/27/76	Amount of each expenditure this period \$ 300.00
Full Name, mailing address and ZIP code Candidate Admiral Bud Zumwalt, Senate, Virginia, Check mailed to: John J. Murray, Business Manager, Sheet Metal Workers Local 102, 2705 Bladensburg Rd., Washington, D.C. 20018	Purpose of Expenditure Senatorial Campaign	Date (month, day, year) 4/27/76	Amount of each expenditure this period \$ 300.00
Subtotal of expenditures this page (optional)			\$
Total this period (last page this line number only)			\$

760301421881747



FEDERAL ELECTION COMMISSION

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

THIS IS THE BEGINNING OF MUR # 236

Date Filmed 4/27/79 Camera No. --- 2

Cameraman JPC

7904021873



FEDERAL ELECTION COMMISSION

1125 K STREET N.W.
WASHINGTON, D.C. 20463

THIS IS THE END OF MURS# 236, 260, 266

Date Filmed 4/27/79 Camera No. --- 2

Camerman SPE

∴ Note, see Depositions

FEDERAL ELECTION COMMISSION

Telephone Memos

Corrected Certification

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

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

Signed

date

Kathleen Amy Patton
4/24/79



600#
9682
RECEIVED
FEDERAL ELECTION
COMMISSION

79 MAR 23 PM 12:57

1750 New York Avenue, N.W.

Washington, D.C.,

20006

202/296-5880

Edward J. Carlough
General President

SHEET
METAL
WORKERS'
INTERNATIONAL
ASSOCIATION
March 20, 1979

79040121801
Mr. William C. Oldaker
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: Murs 236 and 266

901698

Dear Mr. Oldaker:

With reference to the conciliation agreement between the Federal Election Commission and the Sheet Metal Workers' International Association Political Action League, I am enclosing check #1046 in the amount of \$7,000.

Sincerely yours,

Edward J. Carlough
General President

Enclosure

EJC/jal
OPEIU-2

SHEET METAL WORKERS'
INTERNATIONAL ASSOCIATION
POLITICAL ACTION LEAGUE
1750 NEW YORK AVENUE, N. W.
WASHINGTON, D. C. 20006

1046

March 20, 1979 ¹⁵⁻⁵²₅₄₀

PAY TO THE
ORDER OF

U.S. TREASURY

\$ 7,000.00

SEVEN-THOUSAND 00/100-----DOLLARS



NATIONAL SERVICE/TRUST COMPANY
WASHINGTON, D.C.

Edward J. Carlough CHAIRMAN
David S. Turner TREASURER

⑈001046⑈ ⑆0540⑈0052⑆ 057⑈1026954⑈

7 9 0 4 0 1 2 1 8 8

1 2 1 8 3 1
SHEET
METAL
WORKERS'
INTERNATIONAL
ASSOCIATION



1750 New York Avenue, N.W.
Washington, D.C.
20006

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



23071
CERTIFIED MAIL
RETURN RECEIPT REQUESTED



FEDERAL ELECTION COMMISSION

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

March 13, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Justin D. Simon, General Counsel
Marine Engineers Beneficial Association
2101 L Street, N.W.
Washington, D.C. 20037

RE: MUR 260

Dear Mr. Simon:

On March 8, 1979, the Commission considered the matter referenced above.

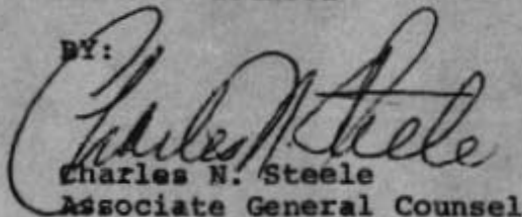
The Commission determined to take no further action concerning the alleged possible violations contained therein and to close the file.

Thank you for your cooperation in this matter.

Sincerely,

William C. Oldaker
General Counsel

BY:


Charles N. Steele
Associate General Counsel



7900121883

Milk 260 - Returns

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

● 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 c
☒ Show to whom, date, and address of delivery c
☐ RESTRICTED DELIVERY
Show to whom and date delivered c
☐ RESTRICTED DELIVERY
Show to whom, date, and address of delivery \$
(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO
Justin J. Simon,

3. ARTICLE DESCRIPTION:
REGISTERED NO. CERTIFIED NO. INSURED NO.
439288
(Always obtain signature of addressee or agent)

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

4. DATE OF DELIVERY
MAR 15 1970

5. ADDRESS (Complete only if registered)
MAR 15 1970

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

☆GPO 1977-0-249-986

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

KIP
3/12/79

Justin D. Simon, General Counsel
Marine Engineers Beneficial Association
2101 L Street, N.W.
Washington, D.C. 20037

RE: MUR 260

Dear Mr. Simon:

On March , 1979, the Commission considered the matter referenced above.

The Commission determined to take no further action concerning the alleged possible violations contained therein and to close the file.

Thank you for your cooperation in this matter.

Sincerely,

William C. Oldaker
General Counsel

BY:

¹²¹
Charles N. Steele
Associate General Counsel

79040121885

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 260
Marine Engineers Beneficial)
Association)
Marine Engineers Beneficial)
Association Political Action)
Fund)

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 5 to 1 adopt the following recommendations, as set forth in the General Counsel's Report dated February 27, 1979, regarding the above-captioned matter:

1. Find no reasonable cause to believe that MEBA-PAF's purchase of the receipt books was a violation of 18 U.S.C. §608(b)(2) and close the file on this matter.
2. Find no reasonable cause to believe that MEBA violated 18 U.S.C. §610 by paying the salaries of MEBA employees who voluntarily solicited contributions to the Jackson presidential campaign and close the file on this matter.
3. Take no further action concerning MEBA's possible violation of 18 U.S.C. §610 by paying for support services in connection with the Jackson solicitation procedure.

Continued

79040121887

MUR 260
General Counsel's Report
Dated February 27, 1979
CERTIFICATION

Page 2

4. Send the letter attached to the above-named report.

Commissioners Friedersdorf, Harris, McGarry, Thomson and Tiernan voted affirmatively for the above actions. Commissioner Aikens dissented.

Attest:

3/8/79
Date

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

Received in Office of Commission Secretary: 3-5-79, 9:56
Circulated on 48 hour vote basis: 3-5-79, 1:00
Objection filed 3-6-79, 4:36 p.m.
Placed on agenda for Executive Session of March 8, 1979

79040121833



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 260 - General Counsel's
Report dated 2-27-79; Received
in OCS 3-5-79, 9:56

The above-named document was circulated on a 48 hour
vote basis at 1:00, March 5, 1979.

Commissioner Aikens submitted an objection at 4:36,
March 6, 1979, thereby placing MUR 260 on the Amended Agenda
for March 8, 1979.

79040121830

March 5, 1979

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 260

Please have the attached General Counsel's Report on MUR 260 distributed to the Commission on a 48 hour tally basis.

Thank you.

79040121890

BEFORE THE FEDERAL ELECTION COMMISSION

79 FEB 27 P 2: 52

In the Matter of)
)
Marine Engineers Beneficial) MUR 260
Association)
Marine Engineers Beneficial)
Association Political Action)
Fund)

79 MAR 5 A 9: 56

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

GENERAL COUNSEL'S REPORT

This matter was last considered by the Commission on November 1, 1978. It involves certain expenditures made by MEBA-PAF in connection with solicitation of contributions for the presidential campaign of Senator Henry Jackson. There are three issues remaining for resolution:

- (1) Whether MEBA-PAF's purchase of receipt books for contributions to the Jackson for President campaign was a violation of 18 U.S.C. §608(b)(2) as a contribution to the Jackson campaign in excess of the limitations of that provision of the Act;
- (2) Whether MEBA's payment of the salaries of employees who participate in the effort to solicit contributions to the Jackson campaign was a violation of 18 U.S.C. §610;
- (3) Whether MEBA violated 18 U.S.C. §610 by permitting the use of MEBA offices, equipment and supplies to implement and facilitate solicitation of contributions to the Jackson for President campaign.

LEGAL ANALYSIS

A. Purchase of Receipt Books by MEBA-PAF

As outlined in the General Counsel report considered by the Commission on November 1, 1978, there appears no reasonable cause to believe that the actual expenditure for the receipt books was a contribution to the Jackson presidential campaign. There is nothing in the record which would indicate that the expenditure was "authorized or requested by the candidate, an authorized committee of the candidate,

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or an agent of the candidate." 18 U.S.C. §608(c)(2)(B). It does not appear that the "receipt books" expenditure was made in cooperation with the candidate's campaign organization or with the consent of the candidate, his agents, or committee.

The deposition of Mr. Calhoon indicates that the "receipt books" solicitation procedure was suggested by "some of our people in the northwest." And the Laurito deposition states that the decision to implement the procedure was made by the officers of MEBA's Political Action Fund. There is nothing in the record to support a contention that the Jackson campaign - Senator Jackson, the JFP Committee or a staff member - requested that MEBA-PAF purchase the receipt books or that they gave prior consent to their purchase. Thus, MEBA-PAF's purchase of the receipt books would not represent an expenditure "on behalf of" the Jackson presidential candidacy within the meaning of 18 U.S.C. §608(c)(2)(B).

Following its November consideration of this matter, the Commission determined to "take no further action at this time" with regard to this issue. Since further investigation has disclosed no additional facts which would indicate that MEBA-PAF's purchase of the receipt books represents a FECA violation, the Office of General Counsel recommends that the Commission find no reasonable cause to believe that MEBA-PAF's purchase of the receipt books was a violation of 18 U.S.C. §608(b)(2) and close the file on this matter.

B. Payment of Salaries of Solicitors by MEBA

The receipt books were distributed to MEBA district offices together with instructions for implementing the solicitation procedure.

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The solicitation procedure took place from March, 1976 - May 10, 1976 when the procedure was discontinued by direction of J. M. Calhoon, MEBA President. Solicitations took place during regular working hours either at the MEBA branch offices or when the MEBA employees boarded ships to conduct union business. See Laurito Deposition.

In response to the Commission's request, MEBA attorneys submitted job descriptions of employees who participated in the voluntary solicitation of contributions to the Jackson campaign. These employees - elected officials and appointed MEBA representatives all appear to work on a 24-hour on-call basis rather than a normal 8-hour day work week. As stated by the MEBA attorneys:

There were no persons employed by the MEBA for the purpose of collecting any fund for the Jackson for President Committee. Similarly, no MEBA personnel were compensated, directly or indirectly, for engaging in such a collection effort. This activity was conducted on a purely voluntary basis and was not done in lieu of the individual's regular responsibilities.

Simon January 3, 1979 Response at 2. (Attached)

These job descriptions appear to support MEBA's contention that employees participating in the solicitation effort are not required to keep regular, fixed working hours but instead are required to be available to conduct MEBA business at the convenience of the membership. There is no indication from the record or from additional investigation that the duties of these employees were not completed satisfactorily during the period when they were also participating in solicitation of contributions to the Jackson campaign. It seems that the effort by MEBA employees was a volunteer effort in addition to their MEBA duties.

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Therefore, the Office of General Counsel recommends that the Commission find no reasonable cause to believe that MEBA violated 18 U.S.C. §610 by paying the salaries of MEBA employees who solicited contributions to the Jackson presidential campaign and close the file on this matter.

C. Payment for Support Services by MEBA

In November, 1978, the Commission found reasonable cause to believe that MEBA violated 18 U.S.C. §610 by permitting the use of MEBA offices, equipment and supplies to implement and facilitate solicitation of contributions to the Jackson presidential campaign. MEBA attorneys have submitted additional information which indicates that MEBA absorbed a total of \$78.45 in administrative and support costs relative to the solicitation procedure as follows:

One clerical employee	
(Preparation of 7 weekly summaries)	
10 hours total -	\$ 51.86
One stockroom employee	5.59
Mailing	14.00
Xerox copies	7.00
	<hr/>
	\$ 78.45

MEBA states that these employees performed these functions in addition to their normal duties but without additional compensation, and that MEBA did not set aside special space or facilities for these functions. The solicitation effort lasted less than 7 weeks.

Therefore, the Office of General Counsel recommends that the Commission take no further action concerning MEBA's possible violation of 18 U.S.C. §610 since the amount of the violations appears to be de minimis.

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Finally, two related issues were of concern to the Commission during its November, 1978 consideration of this matter - whether AO 1976-51 or the analysis contained therein should be applied to the MEBA employee's solicitation effort and whether MEBA-PAF acted as a conduit for the receipt of earmarked contributions and thus had reporting obligations.

Advisory Opinion 1976-51, issued by the Commission in September, 1976, applied FECA's registration and reporting requirements to a group of individuals who met to discuss foreign policy and who agreed to make contributions to certain candidates. The AO decided that the group was a political committee subject to FECA.

Initially, it is important that AO 1976-51 was issued in September, 1976 and the activities under review herein took place in April - May, 1976. In addition, in the matter being investigated here, MEBA-PAF was already a political committee registered with the Commission and fulfilling its reporting responsibilities. It is not at all certain, however, that the activity engaged in by MEBA-PAF in connection with the Jackson contributions was such that reporting responsibilities would be triggered. That is, at the time of the activity - Pre-1976 Amendments and Pre-Regulations - it is not clear that FECA would consider the ministerial activity of a political committee transmitting checks to a candidate conduit activity. In addition, the Commission has, from time to time, considered the issue of "earmarking" and "conduit activity" without resolving the question of whether Labor Union or Corporate PACs (separate segregated funds) can accept earmarked contributions and if they can what contribution

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limitations should be applied. Therefore, it would not seem reasonable to attempt to resolve such an issue in the context of an enforcement action, especially an enforcement action pertaining to activities entered into before the 1976 amendments and before the prescription of FEC's regulations. It should also be noted that MEBA-PAF did provide the Jackson for President Committee with names, addresses and occupations of individual contributors so that JFP would be able to meet FECA reporting requirements.

RECOMMENDATIONS

1. Find no reasonable cause to believe that MEBA-PAF's purchase of the receipt books was a violation of 18 U.S.C. §608(b)(2) and close the file on this matter.
2. Find no reasonable cause to believe that MEBA violated 18 U.S.C. §610 by paying the salaries of MEBA employees who voluntarily solicited contributions to the Jackson presidential campaign and close the file on this matter.
3. Take no further action concerning MEBA's possible violation of 18 U.S.C. §610 by paying for support services in connection with the Jackson solicitation procedure.
4. Send the attached letter.

2/27/79
Date

William C. Oldaker
William C. Oldaker
General Counsel

by Larry P. Hansen

Attachments

1. MEBA submission dated January 3, 1979.
2. MEBA submission dated January 29, 1979.
3. Letter to respondent.

CHARLES H. MORIN
DAVID I. SHAPIRO
SIDNEY DICKSTEIN
ARTHUR J. GALLIGAN
JUDAH BEST
SEYMOUR GLANZER
HENRY C. CASHEN
JAMES W. SPRINGER
RICHARD LITTELL
THOMAS W. MACA
ARTHUR D. MASON
FREDERICK M. LOWTHER
ROBERT J. HIGGINS
M. J. HINTZ
JAMES C. TREADWAY, JR.
HOWARD E. O'LEARY, JR.
LEIGH S. RATNER
WMA H. POLON
KENNETH L. ADAMS
BARRY W. LEVINE
ANGELO V. ARCADIPANE
IRA R. HITZNER
RICHARD P. PERRIN
GEORGE T. BOGGS
JOEL S. KLEINMAN
JUSTIN D. SIMON
LESLIE J. RUBEN
ROSLYN A. MAZER
STEPHEN G. KOZEY
HELEN R. KANOVSKY
WALTER J. WALVICK
CHARLES J. LANDY
SCOTT M. DUBOFF
PETER HAFNER JOSE
KENNETH M. SIMON
NORTON CUTLER
WILLIAM E. OSBORNE, JR.

DICKSTEIN, SHAPIRO & MORIN

2101 L STREET, N.W.
WASHINGTON, D. C. 20037
202 785-9700

TELEX: 892608 DSM WSH

January 3, 1979

NEW YORK OFFICE
745 FIFTH AVENUE
NEW YORK, N. Y. 10022
212 838-1800

BOSTON OFFICE
THREE CENTER PLAZA
BOSTON, MASSACHUSETTS 02108
617 227-7700

800799

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

Dear Mr. Oldaker:

In accordance with my letter of December 20, 1978 to Hal Ponder, I am hereby responding to your letter of December 7, 1978. In your letter, you requested time records and job descriptions of Marine Engineer Beneficial Association ("MEBA") members/personnel who may have been involved in collecting funds for the Jackson For President Committee in 1976.

As I have previously explained to several members of your staff, the MEBA does not utilize traditional time records for its personnel. All of the elected officials and appointed MEBA representatives are on call on a 24-hour/day basis, seven days a week. The only records which are kept are attendance-type records which reflect only that an employee worked on a particular day. There are no records kept to our knowledge reflecting the number of hours actually worked, and there is really no need to do so as these individuals are salaried and not paid overtime. When I explained this to Mr. Ponder, who called on your behalf, he agreed that it was unnecessary to produce attendance records.

You have also requested that we provide "job descriptions" for the stated purpose of demonstrating that personnel who collected funds for the Jackson For President Committee

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William C. Oldaker, Esquire
January 3, 1979
Page Two

did so "outside and in addition to their responsibilities as MEBA employees." Since your request evidences what may be a misperception (which we have already addressed in our formal submission), permit me to make a few brief comments. There were no persons employed by the MEBA for the purpose of collecting any funds for the Jackson For President Committee. Similarly, no MEBA personnel were compensated, directly or indirectly, for engaging in such a collection effort. This activity was conducted on a purely voluntary basis and was not done in lieu of the individual's regular responsibilities. Consequently, as I have tried to explain repeatedly, knowledge of generic "job descriptions" requested is largely irrelevant since this voluntary activity was not part of anybody's "job."

In any event, in the interest of cooperation, the following list of the activities of MEBA officers and representatives is provided pursuant to your request. While their specific duties vary from port to port, I understand that the following list of activities is comprehensive:

BRANCH AGENTS:

1. The Branch Agent is in charge of the particular Branch he has been elected to. He is also responsible for the port area within the jurisdiction of the Branch on a 24-hour/day basis, seven days a week.
2. His responsibilities are such that he is responsible for implementing the policies of the District as set forth by the President, the District Executive Committee, and/or any rules or regulations that would be adopted by a majority vote of the membership.
3. He implements the By-Laws and Shipping Rules of the District.
4. He assigns duties to his Branch Patrolmen and/or Representatives, as required.
5. He is also called upon to negotiate and administer local area contracts (ferries, tow boats, tugs, etc.).

William C. Oldaker, Esquire
January 3, 1979
Page Three

6. He acts as Chairman at the regular monthly Membership Meetings and any special meetings that are called.

7. He may also become involved with efforts to organize entities in his area or jurisdiction.

8. The Branch Agent may also participate in State and County AFL-CIO bodies and may be called upon to also participate in area Port Councils, i.e., Maritime Trades Department - MTD.

9. The Branch Agent prepares a weekly financial report reflecting the weekly income of the District and accounts for same to the Secretary-Treasurer.

10. He approves and authorizes the expenses incurred in his port.

11. In certain branches where there is only a Branch Agent, the Branch Agent may in fact become an authorized dues collector.

12. In some ports, the Branch Agent also acts as the area Vice President. These Branch Agents and area Vice Presidents form the District Executive Committee together with the District President and the Secretary-Treasurer.

13. The Branch Agents also become involved in processing grievances from members and, when necessary (one-man ports), cover ships, collect dues and settle "beefs."

14. Branch Agents are also required to handle special assignments from the area Vice Presidents, the Secretary-Treasurer and, of course, the President or the District Executive Committee.

15. Branch Agents also become involved with supervising strike committees when required, attend licensed personnel board meetings and arbitrations, where required, and assist trial committee members in performance of their duties, when necessary.

79040121899

William C. Oldaker, Esquire
January 3, 1979
Page Four

16. They serve as Trustees, when so designated, to the Pension Fund, the Welfare Plan, the Vacation Plan, etc.

17. They deal with correspondence with contracted companies relating to contract grievances, issues, etc.

18. Branch Agents are on call and available to serve the Organization on a daily 24-hour basis, seven days a week.

19. They are responsible for the hiring of clerical employees at the Branch.

20. Branch Agents enforce or implement the Collective Bargaining Contracts of the District on behalf of the membership.

ELECTED PATROLMEN AND/OR ASSIGNED REPRESENTATIVES:

1. They perform whatever duties are assigned to them by the Branch Agent of the port to which they are assigned, or by the District President and/or the District Executive Committee.

I would point out at this juncture, that an assigned Representative in a small area port, would be the only MEBA Representative at such port and, for all practical purposes, would have pretty much the same duties as a Branch Agent.

2. Patrolmen are involved in ship coverage which would include grievance processing, again, settling of "beefs," dues collection, whenever ships enter their respective ports.

3. Patrolmen may also be asked to attend licensed personnel board hearings and arbitrations, where required.

4. Patrolmen and/or Representatives may also administer local contracts. They may also become involved in preparing correspondence with personnel of contracted companies related to contract issues.

79040121900

William C. Oldaker, Esquire
January 3, 1979
Page Five

5. Patrolmen and/or Representatives make visits to members in U.S. Public Health Service hospitals.

6. Patrolmen and/or Representatives become involved in organizing efforts assigned to them.

7. They are on call 24 hours a day, seven days a week.

8. Patrolmen and/or Representatives become involved with the processing of membership applications, group shipping applications, dues collections at the branch offices.

9. Some Patrolmen and Representatives become involved in the dispatching of engineers to various job assignments and become directly involved in the mechanics of the administration of shipping rules.

10. Patrolmen and/or Representatives may also become involved with preparation of the weekly transmittal of monies to District Headquarters.

11. In many cases, they attend the monthly membership meetings.

COLLECTORS:

Collectors are salaried employees who are authorized to collect dues and perform other ship coverage functions. They would be employed on a 24 hour/day basis (seven days a week) to meet vessels whenever they entered port.

Although there is no information to suggest that NEBA employees such as secretaries, bookkeepers, office clerks, etc. in any way solicited contributions, it is possible that contributions may on occasion have been left with such persons for transmittal. This accommodation by NEBA employees would clearly have been in addition to their regular functions, would have been sporadic, and involved an infinitesimal amount of time.

79040121901

William C. Oldaker, Esquire
January 3, 1979
Page Six

I hope this information has clarified matters for you.
I look forward to our meeting on January 9, 1979, with you,
Mr. Ponder and Ms. Perkins. Judd and I hope you had a pleasant
holiday season.

Sincerely,

DICKSTEIN, SHAPIRO & MORIN

By Justin D. Simon
Justin D. Simon

General Counsel, Marine
Engineers Beneficial
Association

tle

79040121902

CHARLES H. MORIN
DAVID I. SHAPIRO
SIDNEY DICKSTEIN
ARTHUR J. GALLAGHAN
JUDAH BEST
SEYMOUR BLAUZER
HENRY C. CASHEN II
JAMES W. SPRINGER
RICHARD LITTELL
THOMAS W. HACK
ARTHUR D. MARON
FREDERICK M. LOWTHER
ROBERT J. HIGGINS
M. J. MINTZ
JAMES C. TREADWAY, JR.
HOWARD E. O'LEARY, JR.
LEIGH S. RAYNER
IRA H. POLON
KENNETH L. ADAMS
BARRY W. LEVINE
ANGELA V. ARCADIPANE
IRA R. HETZER
RICHARD P. KERRIN
GEORGE T. BOGGS
JOEL B. KLEINMAN
JUSTIN D. SIMON
LESLIE J. RUBEN
ROSLYN A. MAZER
STEPHEN G. KOZEY
HELEN R. KANOVSKY
WALTER J. WALVICK
CHARLES J. LANDY
SCOTT M. DUBOFF
PETER HAFNER JOSE
KENNETH W. SIMON
NORTON CUTLER
WILLIAM W. OSBORNE, JR.

DICKSTEIN, SHAPIRO & MORIN

2101 L STREET, N. W.
WASHINGTON, D. C. 20037

202 788-8700

TELEX: 802606 DSM WSH

January 29, 1979

BY MESSENGER

NEW YORK OFFICE
745 FIFTH AVENUE
NEW YORK, N. Y. 10022

212 832-1900

BOSTON OFFICE
THREE CENTER PLAZA
BOSTON, MASSACHUSETTS 02108
617 287-7700

900523

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

Dear Bill:

Let me begin by thanking you for giving Judd Best and myself the opportunity to meet with you and your staff last Monday in an attempt to clarify the remaining issues in your investigation of the MEBA-Political Action Fund. It was reassuring to know that you concurred in our conclusion regarding the ambiguity of § 608(b)(6), at least in May 1975. Our discussion of the technical, if not also de minimis, nature of any possible § 610 violation I think also helped put this matter into a more reasonable perspective.

During our discussion we promised to provide you with data concerning any involvement of the MEBA in the solicitation effort, as well as to provide you with references to the legislative history of the 1974 Act which support our position that the reporting obligation of § 608(b)(6) do not apply to the type of ministerial functions engaged in by the MEBA-PAF to support the voluntary activity of its members. Permit me to address this second issue first.

79040121903

Perkins 6700 9170

William C. Oldaker, Esquire
January 29, 1979
Page Two

79040121904

Since the activity in question took place prior to the effective date of the 1976 amendments, the appropriate legislative history accompanies the 1974 amendments enacting § 608 (b)(6). A comprehensive review of Senate, House and Conference Reports and Floor Debate reveals that nowhere is there any suggestion that the terms "conduit" (or "intermediary") or "earmarking" were meant to apply to a situation where an organization merely performs the ministerial function of delivering checks to a campaign committee. What does emerge from that legislative history is that § 608(b)(6) was intended to avoid the undisclosed use of intermediaries who were then being used to circumvent the contribution-expenditure limitations imposed on individuals, political committees, etc. What discussion there is about "conduits" and "earmarking" relate to two types of activity far different from that involved here: (1) the Babcock-Hammer type arrangement where contributions were made in the name of another or directed by another; or (2) the use of political committees, especially Congressional Campaign Committees, to place earmarked or restricted funds with candidates designated by the original contributors. See Hearings before the Senate Subcommittee on Privileges and Elections, 93d Cong., 1st Sess (April 11-12 and June 6-7, 1973) at pp. 16-17 ("pass-through donations"), p. 25 ("laundering of donations"), p. 29 ("laundering"), p. 152 ("laundering"- "contributions . . . channelled through conduit committees thus separating the original contributors from direct association with the recipient candidates"), p. 188 ("earmarking" contributions to candidates via gifts to congressional campaign committees"), 198 ("'Earmarking' of gifts to Congressional Campaign Committees would be prohibited"), p. 200 ("Shielding of the identity of the original donor so that his relationship with the candidate is not made public"), p. 277 ("secretly earmark contributions through conduit committees"); see also Federal Elections Campaign Act of 1973, S.R. 93-310, 93d Cong., 1st Sess., p. 9 ("earmarked, encumbered or restricted contributions"). Indeed, Conference Report, Federal Election Campaign Act Amendments of 1974, H.R. 93-1438, 93d Cong., 1st Sess., p. 51, contains no hint that § 608(b)(6) would be applied to a case where a person or entity merely delivers voluntary contributions to a candidate, where all relevant information about the identity of the actual contributor is clearly revealed to the recipient.

79040121905

William C. Oldaker, Esquire
January 29, 1979
Page Three

It must be remembered that in the legislative context of § 608(b)(6)'s enactment, the terms "conduit" and "earmarking" were terms of art, and while the use of such colloquial terminology may admit to a more expansive construction of their meaning years later, it cannot be seriously maintained that Congress intended to paint so broadly as to cover the conduct addressed by your investigation. The term "intermediary," while more neutral, is used in context merely as a synonym for the term "conduit" and, as such, clarifies the reach of the statute to persons whose interposition between the contributor and the candidate is designed to obscure the relationship between the donor and the recipient. There is simply no evidence of such an intent herein, and since the purpose of § 608(b)(6) was to enforce the contribution limitations and to avoid the use of conduits in "circumventing such limitations," we are unable to understand the need to impose a more expansive construction. Simply stated, this is not the type of situation where a conduit was used to conceal the identity of the original contributor, either in intent or result. Full reporting and adherence to contribution limitation requirements were ensured by the independent expenditures for receipt books. There was no commingling of funds, nor did anyone but the individual contributors have any direction or control over the delivery of the funds. What we have is nothing more than a procedure which provided a more convenient substitute for scores of individual mailings by persons who might not otherwise have had the opportunity to do. There is nothing in this which subjects the MEBA-PAF to any reporting requirements under § 608(b)(6).*/

Turning now to the first issue, as we discussed with you it now appears that a single MEBA clerical employee may have rendered some assistance in the handling of the checks

*/ While the regulations and at least one advisory opinion suggest that the FEC has interpreted § 608(b)(6) more expansively, no such administrative gloss was available at the time of this activity.

79040121906

William C. Oldaker, Esquire
January 29, 1979
Page Four

received from MEBA members. It appears that this employee prepared seven (7) weekly summaries of contributions listing the date, name, receipt number and amount of each contribution received during that week. It is our understanding that this was done to ensure that the amounts being forwarded matched the receipts fully identifying the actual contributor. Based upon a realistic assessment of the amount of time required to assemble such a list, it was determined that a total of 9.8 (or 10) hours were devoted by this employee over the course of the entire seven weeks during which such summaries were prepared. While there is no way of establishing that this work was done in lieu of this employee's other responsibilities, we have nonetheless attempted to quantify the cost as measured by this employee's weekly salary (paid on a 35-hour week basis). Our total for this 10 hours is \$51.86. We also factored in the cost of a stockroom employee who may have assisted in posting these summaries, and that cost equals an approximate \$5.59. We have an additional \$14.00 as an approximation of the mailing costs involved. As best as can be established a total of 157 xerox copies were made relating to this matter, at a cost (based on today's rates) of \$7.00. Hence, the total of the quantifiable costs amount to \$78.45.

While such a de minimis cost scarcely requires further comment, it should be reiterated that there is no indication that any clerical staff involvement would have been in lieu of other job responsibilities or that any overtime was incurred. Second, the MEBA did not hire anyone to perform these functions. A regular clerical employee was used. Third, no special space, desk or other facilities were made available to or utilized by the employee, nor was any such space or facilities required. It would be virtually impossible to quantify miniscule relationship between this activity and MEBA "overhead" during the 10 hours involved.

In short, we are dealing with an insignificant use of MEBA resources which were drawn upon, in part, to ensure proper accountability of member's funds. It is far from clear that these "paper" expenses could even be viewed as a "contribution" under § 610, as the legislative history of the FECA suggests that they are too far removed to be viewed as such.

William C. Oldaker, Esquire
January 29, 1979
Page Five

Statement of Senator Howard W. Cannon, Congressional Record,
October 8, 1974 at S 18538-S 18539.

If there was ever a case where de minimis non curat lex
we suggest this is it.

Again, thank you for your cooperation and insights in
this matter and I would like to hear from you when this matter
is or can be or has been put to rest.

Sincerely,

Justin D. Simon
Justin D. Simon

tle

79040121907



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Justin D. Simon, General Counsel
Marine Engineers Beneficial Association
2101 L Street, N.W.
Washington, D.C. 20037

RE: MUR 260

Dear Mr. Simon:

On March , 1979, the Commission considered the matter referenced above.

The Commission determined to take no further action concerning the alleged possible violations contained therein and to close the file.

Thank you for your cooperation in this matter.

Sincerely,

William C. Oldaker
General Counsel

BY:

Charles N. Steele
Associate General Counsel





FEDERAL ELECTION COMMISSION

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

March 13, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. A. Raymond Randolph
Sharp, Randolph & Janis
Suite 501
1800 Massachusetts Ave., N.W.
Washington, D.C. 20036

Re: MURs 236 and 266

Dear Mr. Randolph:

On March 8, 1979, the Federal Election Commission considered the proposed conciliation agreement in MURs 236 and 266. The Commission determined to accept the Agreement and to conclude its investigation of matters contained therein.

A copy of the signed Conciliation Agreement is enclosed. The Commission's file on these matters will remain open pending receipt of the \$7,000 civil penalty which is due within 30 days of the date of the Agreement. Thereafter, the file will be closed and put on the public record.

Thank you for your consideration of these matters.

Sincerely,

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

William C. Oldaker
General Counsel

Enclosures

79040121910

PER KINS **MUR: 236/266**

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
A. RAYMOND RANDOLPH
1800 MASS AVE NW, Suite 501
WASH, D.C. 20036

3. ARTICLE DESCRIPTION:
 REGISTERED NO. **438293** CERTIFIED NO. INSURED NO.

(Always obtain signature of addressee or agent)

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

DATE OF DELIVERY POSTMARK
MAY 15 1978

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE CLERK'S INITIALS

☆GPO 1977-0-249-000

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Sheet Metal Workers) MUR 236, 266 (76)
International Association)
Political Action League)
and Labor for Jackson)

CONCILIATION AGREEMENT

79040121911
This matter having been initiated on the basis of information ascertained by the Commission in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that respondent, Sheet Metal Workers International Association Political Action League (SMWIA-PAL), violated 2 U.S.C. §434(b) & 18 U.S.C. 608(b)(2) and that respondent Labor for Jackson violated 2 U.S.C. § 434(b) & 18 U.S.C. §608(b)(1).

Now, therefore, the respective parties herein, the Federal Election Commission and respondents Sheet Metal Workers International Association Political Action League and Labor for Jackson, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(5), do hereby agree as follows:

- I. That the Federal Election Commission has jurisdiction over respondent Sheet Metal

Workers International Association Political
Action League and Labor for Jackson and the
subject matter of this proceeding;

- II. That respondents SMWIA-PAL and Labor for Jackson have had a reasonable opportunity to demonstrate that no action should be taken in this matter;
- III. That respondents have promptly and fully co-operated with the Commission in its investigation.
- IV. That SMWIA President Edward Carlough served simultaneously as Chairman of SMWIA-PAL and Treasurer of Labor for Jackson. During its existence, Labor for Jackson made expenditures in support of the presidential candidacy of Senator Jackson which were reported to the Commission as independent expenditures. SMWIA-PAL also made similar expenditures including expenses in connection with a reception held in Bal Harbour, Florida for Senator Jackson.
- V. That the Commission contends that these expenditures were in-kind contributions in behalf of Senator Jackson rather than independent expenditures.
- VI. As a result of SMWIA-PAL's and Labor for Jackson's desire to resolve this matter promptly and avoid

79040121913

protracted and costly litigation, SMWIA-PAL and Labor for Jackson agree for the purposes of this conciliation agreement with the contentions of the Commission set forth above.

VII. SMWIA-PAL will pay a civil penalty in the amount of \$7,000 pursuant to 2 U.S.C. § 437g(a)(6)(B).

VIII. Respondents will not undertake any activity which is in violation of the Federal Election Campaign Act, 2 U.S.C. § 431 et seq.

GENERAL CONDITIONS

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

II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has

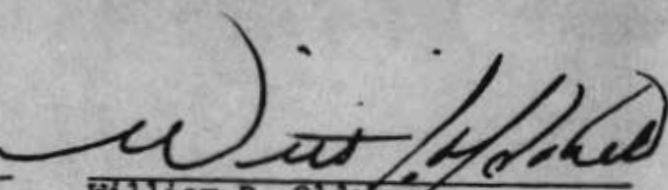
approved the entire agreement.

III. It is agreed that respondents Sheet Metal Workers International Association Political Action League, shall have 30 days from the date of this agreement to implement and comply with the requirements contained herein, or to so notify the Commission.

IV. It is agreed that Labor for Jackson is no longer in existence.

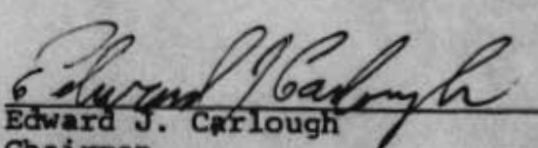
79040121914
Date:

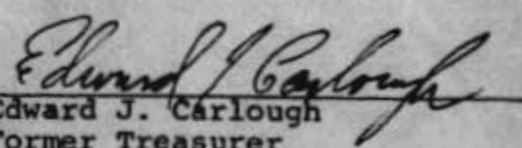
March 13,
Feb 12 1979

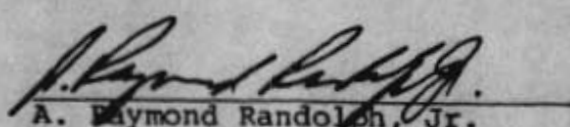

William D. Oldaker
General Counsel
Federal Election Commission

Date:

Feb. 12 1979


Edward J. Carlough
Chairman
Sheet Metal Workers International
Association Political Action
League


Edward J. Carlough
Former Treasurer
Labor for Jackson


A. Raymond Randolph, Jr.
Attorney for Respondents.

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Sheet Metal Workers) MURs 236/266 (76)
International Association)
Political Action League)
and Labor for Jackson)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on March 8, 1979, the Commission approved by a vote of 5-1 the recommendation, as set forth in the General Counsel's Memorandum dated March 2, 1979, that the Commission accept the signed Conciliation Agreement attached to the above-named memorandum and close the files on MUR 236 (76) and MUR 266 (76).

Commissioners Harris, Friedersdorf, McGarry, Thomson, and Tiernan voted affirmatively for the above action. Commissioner Aikens dissented.

Attest:

3/8/79
Date

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

Received in Office of Commission Secretary: 3-5-79, 9:55
Circulated on 48 hour vote basis: 3-5-79, 1:00
Objection filed 3-6-79, 4:35 p.m.
Placed on Agenda for Executive Session of March 8, 1979.

79040121915



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 - MURS 236/266 - Memorandum
dated 3-2-79 With Conciliation
Agreement; Received in OCS
3-5-79, 9:55

The above-named document was circulated on a 48 hour
vote basis at 1:00, March 5, 1979.

Commissioner Aikens submitted an objection at 4:35,
March 6, 1979, thereby placing MURS 236/266 on the
Amended Agenda for March 8, 1979.

79040121916

March 5, 1979

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MURs 236 and 266

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

Thank you.

79040121917



FEDERAL ELECTION COMMISSION

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

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

79 MAR 5 49:55

March 2, 1979

MEMORANDUM

TO: THE COMMISSION

FROM: WILLIAM C. OLDAKER *WCO*

SUBJECT: Attached Conciliation Agreement
MURs 236/266 (76)

Attached is a Conciliation Agreement signed by Edward J. Carlough, Chairman of the Sheet Metal Workers (SMWIA-PAL) International Association Political Action League/and Former Treasurer of Labor for Jackson, and by A. Raymond Randolph, Jr., Attorney for Respondents.

The Office of General Counsel recommends that the Commission accept the attached Conciliation Agreement as a resolution of matters considered in MURs 236/266 (76).

The attached Conciliation Agreement is the result of extensive negotiations with attorneys for the respondents. By signing the Agreement, respondents admit that expenditures made by Labor for Jackson in support of the presidential candidacy of Senator Jackson were in-kind contributions to the Jackson campaign rather than independent expenditures as reported; that expenditures made by SMWIA-PAL in support of the Jackson presidential candidacy were also in-kind contributions. These were the findings of the Commission in MURs 236/266 (76). The Agreement requires payment of a civil penalty in the amount of \$7,000.

The Office of General Counsel recommends that the Commission accept the attached Conciliation Agreement and close the file on MUR 236 (76) and on MUR 266 (76).

Attachment

Conciliation Agreement



79040121913

79040121919
LAW OFFICES
SHARP, RANDOLPH & GREEN
SUITE 801
1900 MASSACHUSETTS AVENUE, N.W.
WASHINGTON, D. C. 20036
FEB 22 PM 3:30

JAMES E. SHARP
A. RAYMOND RANDOLPH, JR.
THOMAS C. GREEN
V. THOMAS LANKFORD, JR.

COO# 9398
900971

TELEPHONE
(202) 658-2400

February 21, 1979

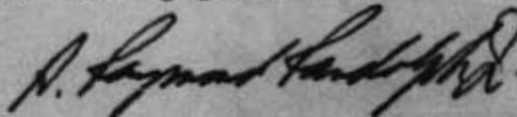
Hal Ponder, Esq.
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: MUR 236, 266 (76)

Dear Hal:

Enclosed is a signed copy of the Concilia-
tion Agreement. When the Commission approves it,
please send me a copy bearing Mr. Oldaker's signature.

Sincerely yours,



A. Raymond Randolph, Jr.

cnb
Enclosure

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Sheet Metal Workers) MUR 236, 266 (76)
International Association)
Political Action League)
and Labor for Jackson)

CONCILIATION AGREEMENT

79040121920
This matter having been initiated on the basis of information ascertained by the Commission in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that respondent, Sheet Metal Workers International Association Political Action League (SMWIA-PAL), violated 2 U.S.C. §434(b) & 18 U.S.C. 608(b)(2) and that respondent Labor for Jackson violated 2 U.S.C. § 434(b) & 18 U.S.C. §608(b)(1).

Now, therefore, the respective parties herein, the Federal Election Commission and respondents Sheet Metal Workers International Association Political Action League and Labor for Jackson, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(5), do hereby agree as follows:

- I. That the Federal Election Commission has jurisdiction over respondent Sheet Metal

Workers International Association Political
Action League and Labor for Jackson and the
subject matter of this proceeding;

- II. That respondents SMWIA-PAL and Labor for Jackson have had a reasonable opportunity to demonstrate that no action should be taken in this matter;
- III. That respondents have promptly and fully co-operated with the Commission in its investigation.
- IV. That SMWIA President Edward Carlough served simultaneously as Chairman of SMWIA-PAL and Treasurer of Labor for Jackson. During its existence, Labor for Jackson made expenditures in support of the presidential candidacy of Senator Jackson which were reported to the Commission as independent expenditures. SMWIA-PAL also made similar expenditures including expenses in connection with a reception held in Bal Harbour, Florida for Senator Jackson.
- V. That the Commission contends that these expenditures were in-kind contributions in behalf of Senator Jackson rather than independent expenditures.
- VI. As a result of SMWIA-PAL's and Labor for Jackson's desire to resolve this matter promptly and avoid

79040121922

protracted and costly litigation, SMWIA-PAL and Labor for Jackson agree for the purposes of this conciliation agreement with the contentions of the Commission set forth above.

VII. SMWIA-PAL will pay a civil penalty in the amount of \$7,000 pursuant to 2 U.S.C. § 437g(a)(6)(B).

VIII. Respondents will not undertake any activity which is in violation of the Federal Election Campaign Act, 2 U.S.C. § 431 et seq.

GENERAL CONDITIONS

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

II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has

approved the entire agreement.

III. It is agreed that respondents Sheet Metal Workers International Association Political Action League, shall have 30 days from the date of this agreement to implement and comply with the requirements contained herein, or to so notify the Commission.

IV. It is agreed that Labor for Jackson is no longer in existence.

Date: Feb 12 1979

William D. Oldaker
General Counsel
Federal Election Commission

Date: Feb. 12 1979

Edward J. Carlough
Edward J. Carlough
Chairman
Sheet Metal Workers International
Association Political Action
League

Edward J. Carlough
Edward J. Carlough
Former Treasurer
Labor for Jackson

A. Raymond Randolph, Jr.
A. Raymond Randolph, Jr.
Attorney for Respondents.

79040121923

LAW OFFICES
SHARP, RANDOLPH & GREEN
SUITE 801
1800 MASSACHUSETTS AVENUE, N.W.
WASHINGTON, D. C. 20036

JAMES E. SHARP
A. RAYMOND RANDOLPH, JR.
THOMAS C. GREEN
V. THOMAS LANFORD, JR.

600# 9394
900971

TELEPHONE
(202) 698-2400

February 21, 1979

Hal Ponder, Esq.
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: MUR 236, 266 (76)

Dear Hal:

Enclosed is a signed copy of the Concilia-
tion Agreement. When the Commission approves it,
please send me a copy bearing Mr. Oldaker's signature.

Sincerely yours,

A. Raymond Randolph, Jr.

A. Raymond Randolph, Jr.

omb
Enclosure

79040121924

LAW OFFICES

SHARP, RANDOLPH & GREEN

SUITE 501

1800 MASSACHUSETTS AVENUE, N.W.

WASHINGTON, D. C. 20036



Hal Ponder, Esq.
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

7904012192



FEDERAL ELECTION COMMISSION

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

7 9 0 4 0 1 2 1 9 2 6

MEMORANDUM TO CHARLES STEELE

FROM: MARJORIE W. EMMONS *MWE*

DATE: FEBRUARY 5, 1979

SUBJECT: MUR 260 (76) - Interim Investigative Report
dated 1-3-79; Signed by GC 2-1-79;
Received in OCS 2-1-79, 3:52

The above-named document was circulated on a 24
hour no-objection basis at 3:00, February 2, 1979.

The Commission Secretary's Office has received
no objections to the Interim Investigative Report as of
4:00 this date.

February 1, 1979

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 260

Please have the attached Interim Invest Report on
MUR 260 distributed to the Commission.

Thank you.

79040121927

BEFORE THE FEDERAL ELECTION COMMISSION
January 30, 1979

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

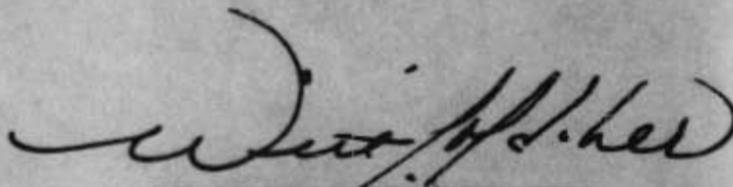
79 FEB 1 P3: 52

In the Matter of)
)
Marine Engineers Beneficial) MUR 260 (76)
Association Political Action)
Fund)

INTERIM INVESTIGATIVE REPORT

Staff of the Office of General Counsel met with respondent's attorney on January 22, 1979. A final submission is due from respondent this week. A full report will then be prepared for the Commission's consideration.

2/1/79
Date


William C. Oldaker
General Counsel

79040121928



FEDERAL ELECTION COMMISSION

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

MEMORANDUM TO

CHARLES STEELE

FROM:

MARJORIE W. EMMONS *MWE*

DATE:

FEBRUARY 5, 1979

SUBJECT:

MUR 236 (76) & 266 (76) - Interim
Conciliation Report dated 1-30-79;
Signed by the GC 2-1-79
Received in OCS 2-1-79, 3:53

The above-named document was circulated on a 24
hour no-objection basis at 3:00, February 2, 1979.

The Commission Secretary's Office has received
no objections to the Interim Conciliation Report as of
4:00, this date.

79040121929

February 1, 1979

MEMORANDUM TO: Marge Emons
FROM: Elissa T. Garr
SUBJECT: MURs 236 and 266

Please have the attached Interim Conciliation
Report on MURs 236 and 266 distributed to the Commission.
Thankyou.

79040121930

BEFORE THE FEDERAL ELECTION COMMISSION
January 30, 1979

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

79 FEB 1 P3: 52

In the Matter of)
)
Labor for Jackson, and) MUR 236 (76)
Sheet Metal Workers International) MUR 266 (76)
Association Political Action League)

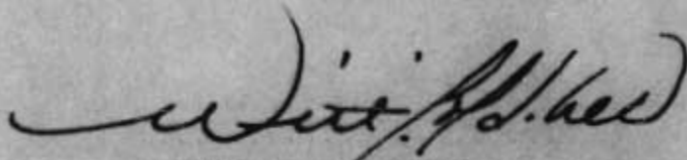
INTERIM CONCILIATION REPORT

The staff of the Office of General Counsel met with respondents' attorneys on January 26, 1979 to discuss language of a conciliation agreement on these two matters.

A tentative agreement was reached which should be finalized this week in preparation for presentation to the Commission.

2/1/79

Date



William C. Oldaker
General Counsel

79040121931

236 600th 9170

CHARLES H. MORIN
DAVID I. SHAPIRO
SIDNEY DICKSTEIN
ARTHUR J. GALLIGAN
JUDAH BEST
SEYMOUR GLANZER
HENRY C. CASHEK
JAMES VANR. SPRINGER
RICHARD LITTELL
THOMAS W. MACK
ARTHUR D. MASON
FREDERICK M. LOWTHER
ROBERT J. HIGGINS
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ANGELO V. ARCADIPANE
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NORTON CUTLER
WILLIAM W. OSBORNE, JR.

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January 29, 1979

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COMMISSION

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617 227-7700

BY MESSENGER

900523

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

Dear Bill:

Let me begin by thanking you for giving Judd Best and myself the opportunity to meet with you and your staff last Monday in an attempt to clarify the remaining issues in your investigation of the MEBA-Political Action Fund. It was reassuring to know that you concurred in our conclusion regarding the ambiguity of § 608(b)(6), at least in May 1975. Our discussion of the technical, if not also de minimis, nature of any possible § 610 violation I think also helped put this matter into a more reasonable perspective.

During our discussion we promised to provide you with data concerning any involvement of the MEBA in the solicitation effort, as well as to provide you with references to the legislative history of the 1974 Act which support our position that the reporting obligation of § 608(b)(6) do not apply to the type of ministerial functions engaged in by the MEBA-PAF to support the voluntary activity of its members. Permit me to address this second issue first.

79040121932

William C. Oldaker, Esquire
January 29, 1979
Page Two

79040121933

Since the activity in question took place prior to the effective date of the 1976 amendments, the appropriate legislative history accompanies the 1974 amendments enacting § 608 (b)(6). A comprehensive review of Senate, House and Conference Reports and Floor Debate reveals that nowhere is there any suggestion that the terms "conduit" (or "intermediary") or "earmarking" were meant to apply to a situation where an organization merely performs the ministerial function of delivering checks to a campaign committee. What does emerge from that legislative history is that § 608(b)(6) was intended to avoid the undisclosed use of intermediaries who were then being used to circumvent the contribution-expenditure limitations imposed on individuals, political committees, etc. What discussion there is about "conduits" and "earmarking" relate to two types of activity far different from that involved here: (1) the Babcock-Hammer type arrangement where contributions were made in the name of another or directed by another; or (2) the use of political committees, especially Congressional Campaign Committees, to place earmarked or restricted funds with candidates designated by the original contributors. See Hearings before the Senate Subcommittee on Privileges and Elections, 93d Cong., 1st Sess (April 11-12 and June 6-7, 1973) at pp. 16-17 ("pass-through donations"), p. 25 ("laundering of donations"), p. 29 ("laundering"), p. 152 ("laundering"- "contributions . . . channelled through conduit committees thus separating the original contributors from direct association with the recipient candidates"), p. 188 ("earmarking" contributions to candidates via gifts to congressional campaign committees"), 198 ("'Earmarking' of gifts to Congressional Campaign Committees would be prohibited"), p. 200 ("Shielding of the identity of the original donor so that his relationship with the candidate is not made public"), p. 277 ("secretly earmark contributions through conduit committees"); see also Federal Elections Campaign Act of 1973, S.R. 93-310, 93d Cong., 1st Sess., p. 9 ("earmarked, encumbered or restricted contributions"). Indeed, Conference Report, Federal Election Campaign Act Amendments of 1974, H.R. 93-1438, 93d Cong., 1st Sess., p. 51, contains no hint that § 608(b)(6) would be applied to a case where a person or entity merely delivers voluntary contributions to a candidate, where all relevant information about the identity of the actual contributor is clearly revealed to the recipient.

79040121934

William C. Oldaker, Esquire
January 29, 1979
Page Three

It must be remembered that in the legislative context of § 608(b)(6)'s enactment, the terms "conduit" and "earmarking" were terms of art, and while the use of such colloquial terminology may admit to a more expansive construction of their meaning years later, it cannot be seriously maintained that Congress intended to paint so broadly as to cover the conduct addressed by your investigation. The term "intermediary," while more neutral, is used in context merely as a synonym for the term "conduit" and, as such, clarifies the reach of the statute to persons whose interposition between the contributor and the candidate is designed to obscure the relationship between the donor and the recipient. There is simply no evidence of such an intent herein, and since the purpose of § 608(b)(6) was to enforce the contribution limitations and to avoid the use of conduits in "circumventing such limitations," we are unable to understand the need to impose a more expansive construction. Simply stated, this is not the type of situation where a conduit was used to conceal the identity of the original contributor, either in intent or result. Full reporting and adherence to contribution limitation requirements were ensured by the independent expenditures for receipt books. There was no commingling of funds, nor did anyone but the individual contributors have any direction or control over the delivery of the funds. What we have is nothing more than a procedure which provided a more convenient substitute for scores of individual mailings by persons who might not otherwise have had the opportunity to do. There is nothing in this which subjects the MEBA-PAF to any reporting requirements under § 608(b)(6).*/

Turning now to the first issue, as we discussed with you it now appears that a single MEBA clerical employee may have rendered some assistance in the handling of the checks

*/ While the regulations and at least one advisory opinion suggest that the FEC has interpreted § 608(b)(6) more expansively, no such administrative gloss was available at the time of this activity.

William C. Oldaker, Esquire
January 29, 1979
Page Four

79040121935
received from MEBA members. It appears that this employee prepared seven (7) weekly summaries of contributions listing the date, name, receipt number and amount of each contribution received during that week. It is our understanding that this was done to ensure that the amounts being forwarded matched the receipts fully identifying the actual contributor. Based upon a realistic assessment of the amount of time required to assemble such a list, it was determined that a total of 9.8 (or 10) hours were devoted by this employee over the course of the entire seven weeks during which such summaries were prepared. While there is no way of establishing that this work was done in lieu of this employee's other responsibilities, we have nonetheless attempted to quantify the cost as measured by this employee's weekly salary (paid on a 35-hour week basis). Our total for this 10 hours is \$51.86. We also factored in the cost of a stockroom employee who may have assisted in posting these summaries, and that cost equals an approximate \$5.59. We have an additional \$14.00 as an approximation of the mailing costs involved. As best as can be established a total of 157 xerox copies were made relating to this matter, at a cost (based on today's rates) of \$7.00. Hence, the total of the quantifiable costs amount to \$78.45.

While such a de minimis cost scarcely requires further comment, it should be reiterated that there is no indication that any clerical staff involvement would have been in lieu of other job responsibilities or that any overtime was incurred. Second, the MEBA did not hire anyone to perform these functions. A regular clerical employee was used. Third, no special space, desk or other facilities were made available to or utilized by the employee, nor was any such space or facilities required. It would be virtually impossible to quantify miniscule relationship between this activity and MEBA "overhead" during the 10 hours involved.

In short, we are dealing with an insignificant use of MEBA resources which were drawn upon, in part, to ensure proper accountability of member's funds. It is far from clear that these "paper" expenses could even be viewed as a "contribution" under § 610, as the legislative history of the FECA suggests that they are too far removed to be viewed as such.

William C. Oldaker, Esquire
January 29, 1979
Page Five

Statement of Senator Howard W. Cannon, Congressional Record,
October 8, 1974 at S 18538-S 18539.

If there was ever a case where de minimis non curat lex
we suggest this is it.

Again, thank you for your cooperation and insights in
this matter and I would like to hear from you when this matter
is or can be or has been put to rest.

Sincerely,

Justin D. Simon
Justin D. Simon

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January 24, 1979

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

Re: MURS 236, 266

Dear Mr. Oldaker:

This is in response to your letter of January 9, 1979, and is intended to supplement our letters of November 17, 1978, and January 2, 1979, copies of which I have attached.

Aside from a number of procedural issues, the major point of disagreement in MUR 236 and 266 now appears to be whether all money expended by SMWIA-PAL in support of Senator Jackson's candidacy and all money expended by Labor for Jackson should be considered contributions rather than independent expenditures.

A.
MUR 266

We believe there is absolutely no factual or legal basis for concluding that the \$50,000 expended by SMWIA-PAL should be considered as contributions to Senator Jackson. The proposed conciliation agreement indicates three grounds on which the staff relies to support the conclusion that these independent expenditures were contributions. None of these grounds has any validity. I will discuss them in turn.

1. Paragraph III E states:

Approximately \$13,000 of these expenditures were reimbursements to SMWIA employees who simultaneously had been reimbursed for other expenditures, as were other SMWIA employees, by the Labor for Jackson Committee (LFJ) and the Jackson for President Committee (JFP). SMWIA employees routinely submitted vouchers

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for reimbursement of "independent" expenses for Jackson to SMWIA offices and were paid by either SMWIA-PAL, LFJ or JFP. This inter-relationship and knowledge by JFP of SMWIA-PAL expenditures indicates consent or authorization for those expenditures.

The actual facts are as follows. The Massachusetts presidential primary election took place on March 2, 1976, and the Florida primary occurred on March 9, 1976. SMWIA-PAL participated in neither one of these early primaries and had not yet endorsed Senator Jackson's candidacy. During the March 1976 Florida primary, however, many individuals from various building trades volunteered to work for Senator Jackson. Mr. Hinkle was among them. He expended \$186.16 for gasoline and a battery during the Florida primary 1/ and was reimbursed by Jackson for President on April 8, 1976. Mr. McLaughlin was also reimbursed by Jackson for President in the amount of \$647.01 for a suite Mr. McLaughlin rented in Boston during the March 1976 Massachusetts primary election. 2/

By the time of the New York primary, which took place on April 6, 1976, SMWIA-PAL had come out in support of Senator Jackson's candidacy. All of the money at issue here -- approximately \$50,000 -- was spent by SMWIA-PAL with respect to the New York primary. Mr. Hinkle and Mr. McLaughlin served as SMWIA-PAL volunteers during that primary and personally dispersed approximately \$13,000 of SMWIA-PAL funds.

However, as both Mr. Hinkle and Mr. McLaughlin testified, they had no contact with any member of Senator Jackson's staff or the Senator himself with respect to the New York election. There is not an iota of evidence that they coordinated or cooperated or even communicated with Jackson for President in making expenditures in New York. 3/

We are therefore at a loss to understand how the foregoing facts in any way lead to the conclusion that the SMWIA-PAL expenditures of \$50,000 in New York should be considered contributions. The only possible basis would be reliance upon -- or more accurately,

1/ Hinkle deposition, p. 11.

2/ McLaughlin deposition, p. 18.

3/ Hinkle deposition, pp. 7, 10. McLaughlin deposition, pp. 12, 15, 21-22.

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misreliance upon -- Section 109.1(b)(4)(i)(B) of the Commission's regulations, which "presumes" that expenditures are contributions when made by a person who received reimbursement from a candidate. But this regulation was not in effect at the time of the expenditures and cannot be applied retroactively -- and sub silentio -- to this case. 4/ (Indeed, had the regulation been in effect SMWIA-PAL would at least have had the option of simply not letting Mr. Hinkle or Mr. McLaughlin volunteer to work on behalf of Senator Jackson's candidacy because this would give rise to a presumption.)

2. Paragraph III F of the proposed conciliation agreement deals with \$7000 SMWIA-PAL spent with respect to the filming of a speech by Senator Jackson. I have already discussed this topic at length in my letter of November 17, 1978, at pp. 7-9, and rely upon that submission here.

There is simply no rational ground for supposing that this \$7000 expenditure was made in cooperation with the candidate. Paragraph III F of proposed conciliation agreement states that "members of the Senator's personal staff viewed the video cassettes" and that this "indicates consent by JFP" for the expenditures. Such a conclusion is incredible. Robert Keefe, Executive Director of Senator Jackson's campaign, was the only witness who testified about seeing video cassettes and he happened to see these by chance as he was walking down the street where they shown. When he saw them he "cried" 5/ because he considered the activity so counterproductive. On these facts, no court would hold that the expenditures were contributions and the Supreme Court indicated as much in Buckley v. Valeo, 424 U.S. 1, 47 (1976), as I pointed out in my November 17, 1978, letter, at p. 9.

4/ Moreover, the regulation only gives rise to a presumption. We have serious doubts that such a presumption would be valid in such a sensitive First Amendment area, but aside from that the presumption is overcome in this case because there is no evidence of any coordination by Mr. Hinkle or Mr. McLaughlin with Senator Jackson's representatives.

5/ Robert Keefe deposition, p. 41.

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January 24, 1979

3. Paragraph III G of the proposed conciliation agreement states that Mr. Carlough had a close relationship with JFP and was apprised of its policies. Therefore, it is concluded that what SMWIA-PAL spent must have been a contribution.

But the premise is erroneous and the conclusion does not follow. As Mr. Carlough testified, SMWIA-PAL operated on its own; Senator Jackson's campaign people were considered by SMWIA-PAL as having nothing to offer; Mr. Carlough did not have contact with JFP people running the campaign in the field. 6/ Mr. Keefe testified to the same effect. He knew of no calls between Mr. Carlough and Senator Jackson, 7/ he became aware of SMWIA-PAL activity in support of Senator Jackson's candidacy only through others, 8/ he was not pleased with what SMWIA-PAL was doing, 9/ and the only meeting he could recall involving Mr. Carlough was after the April 27 Pennsylvania primary when Senator Jackson decided to withdraw from the race. 10/

B.
MUR 236

Much of what has just been discussed applies as well to the question whether Labor for Jackson expenditures, which related to the April 27, 1976, Pennsylvania primary, should be considered

6/ Carlough deposition, pp. 22-24, 29-30.

7/ Keefe deposition, pp. 31-32.

8/ Id. at 41, 53.

9/ Id. at 41, 43.

10/ Id. at 57. Paragraph III G asserts that Mr. Carlough was a labor adviser to Senator Jackson. The evidence actually shows only that in early March 1976, Mr. Carlough's name "presumably" was on a "paper organization" called the Massachusetts Labor Committee for Jackson. Keefe deposition, p. 28, 31-32.

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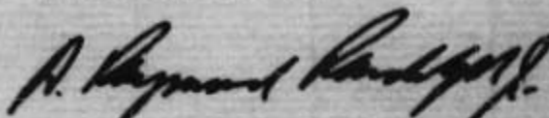
January 24, 1979

as independent expenditures.

My letter of November 17, 1978 (at pp. 10-12), discusses in detail the formation and demise of Labor for Jackson (L for J) and its sources of funding. As to the matters raised in Mr. Oldaker's letter of December 4, 1978, I have already indicated why Mr. Carlough's actions cannot serve as basis for concluding that moneys expended by SMWIA-PAL or L for J were spent in consultation with Senator Jackson or his staff. In addition, with respect to L for J Mr. Keefe was asked "what did you discuss with them at that time about independent expenditures or formation of the Labor for Jackson Committee?" He replied "Absolutely nothing. They just informed us. That was it, period." 11/ Moreover, there were no meetings between L for J and the JFP people 12/ and there is no evidence whatsoever of any cooperation or consultation that would even come close to the level needed to transform independent expenditures into contributions.

I trust that the foregoing, together with our previous correspondence, states clearly our position on MUR 236 & 266. We firmly believe that there was no misreporting in either case, but are willing to discuss the Bal Harbour question further in the hope of reaching some resolution of this investigation, which has consumed so much of everyone's time and resources.

Sincerely yours,



A. Raymond Randolph, Jr.

cmb
Enclosures

11/ Id. at 19.

12/ Id. at 57.

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January 2, 1979

Ms. Kathleen Imig Perkins
Office of General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

re: MUR 266 & 236

Dear Ms. Perkins:

On January 8, 1979, it will be thirty days since we received notice of the Commission's action in MUR 266. Thirty days is the minimum period of time for conciliation under the Act. We believe, however, that further efforts at conciliation are warranted under the circumstances and that it would be premature to end our discussions at this point.

As you know, part of the difficulty we have encountered has resulted from General Counsel Oldaker's "reason to believe" letter of December 4, 1978, in MUR 236(76), which you gave us when we met. More than two years ago we received a "reason to believe" letter in MUR 236(76) and during the Commission's investigation we were led to believe that MUR 236 had been consolidated with MUR 266. Indeed, depositions taken in the past two years bear both MUR numbers. We have never received separate notification of the Commission's final disposition of MUR 236, as instituted in 1976. For a number of reasons Mr. Fisher and I discussed with you, we believed that Mr. Oldaker's letter of December 4, 1978, labelled "Re: MUR 266," represented the Commission's decision not only in MUR 266 but also in MUR 236. (Another area of misunderstanding arises from the fact that although Mr. Oldaker wrote me on November 6, 1978, regarding

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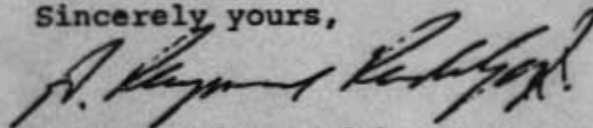
MUR 266, and stated that the investigation therein was continuing, his letter of December 4, 1978, regarding MUR 266 informed us for the first time that the Commission actually reached its decision on the issues involved in this case on June 22, 1977, and November 1, 1978.) When we met last month, you and Mr. Ponder stated that we would receive a letter of explanation. We are still awaiting such a letter.

We therefore believe it would be in the best interest of all parties that the period of conciliation be extended. I will be engaged in a two week trial that begins January 8, 1979, and therefore will be unable to confer until that trial ends. I suggest that we meet again at the earliest opportunity after my trial is concluded.

Please consider this letter also as a response to Mr. Oldaker's letter of December 4, 1978, regarding MUR 236. Our position has been, as stated in my letter of November 17, 1978, that no violations of the Act occurred and that the information developed during the past two years, through depositions and other submissions, demonstrates this conclusively. When we receive your letter of explanation regarding the status of MUR 236(76), we will be able to respond more fully to the Commission's "reason to believe" finding in MUR 236(76).

If there are any difficulties in extending the period of conciliation would you kindly inform me as promptly as possible. Thank you for your cooperation and assistance.

Sincerely yours,



A. Raymond Randolph, Jr.

ARR:cb

cc: Donald Fisher, Esq.
William C. Oldaker, Esq., General Counsel
Harry L. Ponder, Esq., General Counsel

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November 17, 1978

William C. Oldaker, Esq.
General Counsel
Federal Election Commission
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Washington, D.C. 20463

RE: MUR 266

Dear Mr. Oldaker:

Thank you for your letter of November 6, 1978. The Sheet Metal Workers International Association -- Political Action League (SMWIA-PAL) believes, for the reasons that follow, that no action by the Commission is warranted as a result of this investigation. Section 437g of the Act (2 U.S.C. § 437g) requires that the Commission give any person who receives notice of an alleged violation "a reasonable opportunity to demonstrate that no action should be taken against such person by the Commission under this Act." We therefore respectfully request that this letter be submitted to the Commission when the staff makes its report and recommendation on MUR 266.

INTRODUCTION

The Sheet Metal Workers International Association -- Political Action League (SMWIA-PAL) is a separate segregated fund (see 2 U.S.C. § 441b). For two years now the staff of the Federal Election Commission has been conducting an investigation into the activities of SMWIA-PAL during the Spring of 1976 in connection with the presidential primary campaign of Senator Henry Jackson. In the course of this lengthy investigation, SMWIA-PAL and its officers and members have fully and promptly cooperated with the FEC staff's numerous inquiries and requests for the taking of depositions.

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The issues involved in this investigation have finally been narrowed, the Commission's staff has informed us, to three questions: (1) whether a payment reported by SMWIA-PAL to the Commission as an independent expenditure in connection with a February 16, 1976, reception for Senator Jackson in Bal Harbour, Florida, should be considered a contribution to Senator Jackson; (2) whether payments reported by SMWIA-PAL to the Commission as independent expenditures in connection with the making of cassette tapes from the film of a March 6, 1978, rally for Senator Jackson in Florida should be considered a contribution to Senator Jackson; (3) whether SMWIA-PAL and the Labor for Jackson Committee, which was formed in mid-April 1976, should be considered as affiliated committees.

As we discuss below, SMWIA-PAL fully complied with the requirements of the Federal Election Act in connection with the matters under consideration. We note, however, that even if it were concluded that some item was not correctly reported, this could not possibly be considered a willful violation of the Act. We believe the Commission's staff concurs in this evaluation.

All of the events at issue here took place after the Supreme Court's decision in Buckley v. Valeo, 424 U.S. 1 (1976), which was handed down on January 30, 1976. The Act was, at the time, one of the most complex pieces of federal legislation ever enacted and the Buckley v. Valeo decision added still further complications. Moreover, during the period of 1976 in question here, no Commission regulations were in effect; indeed, from March 22, 1976, through May 21, 1976, the Commission had gone out of existence as a result of the Supreme Court's decision. See Federal Election Commission, 1976 Annual Report 1-2. As the Commission itself has acknowledged, in the Spring of 1976 -- when all the activities at issue here took place -- there was much uncertainty among those subject to the original Act about its interpretation and application. Id. at 2.

A.
THE EXPENDITURES FOR THE
BAL HARBOUR RECEPTION WERE
INDEPENDENT EXPENDITURES

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It has long been the practice of union leaders to sponsor receptions for prominent politicians during the annual mid-winter meeting of the AFL-CIO Executive Council. ^{1/} Such a reception was held on the evening of February 16, 1976, in honor of Senator Henry Jackson at the Americana Hotel in Bal Harbour, Florida. ^{2/} Persons were invited to the reception by the eleven international union presidents listed on the invitations: I.W. Abel (United Steelworkers); Harold J. Buoy (International Brotherhood of Boilermakers); Jesse M. Calhoun (National Marine Engineers Beneficial Association); Edward J. Carlough (Sheet Metal Workers International Association); Sol C. Chaikin (International Ladies' Garment Workers Union); Thomas W. Gleason (International Longshoremen's Association); Andrew T. Haas (International Association of Asbestos Workers); John H. Lyons (International Association of Iron Workers, Bridge and Structural); Charles H. Pillard (International Brotherhood of Electrical Workers); William Sidell (United Brotherhood of Carpenters and Joiners); J.C. Turner (International Union of Operating Engineers). ^{3/}

After the original sponsors had decided to hold the reception, Edward J. Carlough, General President of the Sheet Metal Workers International Association (SMWIA) and Chairman of the SMWIA-Political Action League (PAL), assisted in organizing it and

^{1/} Deposition of Robert J. Keefe, at p. 49.

^{2/} Exhibit B to Letter of David S. Turner, Dec. 16, 1976 (hereinafter Turner letter).

^{3/} Ibid.

in checking with Senator Jackson or his staff in regard to a date when he would be able to attend. ^{4/} Mr. Carlough had no discussions with Senator Jackson or his staff regarding who would be attending the reception, what Senator Jackson would say or whether there would be solicitations for political contributions. ^{5/}

Invitations to the reception were issued to officers, members and families of the sponsoring unions and other affiliated AFL-CIO organizations then attending the winter meetings of the AFL-CIO in Miami, Florida (Turner letter, p. 10 and Exhibit B thereto). The reception lasted from 6:00 p.m. to 7:30 p.m. and Senator Jackson, who had been invited to attend, gave a short talk, as did AFL-CIO President Meany (Turner letter Exhibit B). ^{6/} There is no evidence that any political contributions were solicited or received in conjunction with the reception or that there were any communications to the attendees expressly advocating Senator Jackson's candidacy for President.

By February 16, 1976, thirteen union organizations had joined in sponsoring the reception (Turner letter, Exhibit A), the cost of which totalled \$15,148.60 (Turner letter pp. 7-8). Although counsel had initially advised that the cost of the reception could be paid out of union treasury funds because it consisted of a communication to members of the unions and their families, attorneys determined after the reception that the proper method of payment would be from voluntary funds (Exhibit A to Turner letter).

On May 7, 1976, SNWIA-PAL paid for the total cost of the reception and reported this to the Federal Election Commission

^{4/} Deposition of Edward J. Carlough, at pp. 9-12.

^{5/} Id. at 11-12.

^{6/} See also Deposition of Robert J. Keefe, at p. 49.

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as independent expenditures for a reception in honor of Senator Jackson, indicating that the expenses were "to be shared by several committees" (SMWIA-PAL Report to the FEC, 6/8/76, at p. 6). On the same date, May 7, 1976, Mr. Carlough sent letters to the other twelve co-sponsoring organizations requesting reimbursement of their pro rata share of the costs of the reception (Exhibit A to Turner letter). The following organizations responded in the amounts indicated: I.B.E.W.-COPE (\$1,176.86); I.L.G.W.U. Campaign Committee (\$1,118.96); Boilermakers-Blacksmiths Legislative Education Action Program (\$1,176.86); Laborers Political League (\$1,176.86); United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry Education Committee (\$1,176.86); and staff employees of the International Association of Heat and Frost Insulators and Asbestos Workers (\$1,210.00).

These amounts received by SMWIA-PAL were also reported to the Federal Election Commission on Schedule A as "reimbursement-shared expenses for reception in honor of Senator Henry Jackson." (See SMWIA-PAL REC Reports filed June 8, 1976 (at p. 4); July 12, 1976 (at p. 5); November 24, 1976; and Turner letter, pp. 9-10). The reimbursements totalled \$9,390.12, which resulted in SMWIA-PAL absorbing \$5,758.48 of the cost of the reception or \$4,581.62 more than its pro rata share of the expenses (\$1,176.86).

In our view, the expenditures by SMWIA-PAL in connection with the Bal Harbour reception for Senator Jackson were not contributions within the meaning of the Act as it then stood. By the time of the reception in February 1976, the Supreme Court had held the expenditure limits in Section 608(e)(1) unconstitutional under the First Amendment to the Constitution. ^{7/} Buckley v. Valeo,

^{7/} This provision was repealed by Pub.L. 94-283 on May 11, 1976, 90 Stat. 496.

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supra, 424 U.S. at 51. In so holding the Court interpreted Section 608(b), which sets limits on contributions, to cover "prearranged or coordinated expenditures amounting to disguised contributions." 424 U.S. at 47. ^{8/} Thus, under Section 608(b), expenditures "authorized or requested" by the candidate were to be treated as expenditures by the candidate and contributions by the persons making the expenditures. 424 U.S. at 46 n. 53.

The costs incurred at the Bal Harbour reception are not of that order. The reception was not requested by Senator Jackson. The expenses incurred in connection with the reception were not in any way approved or authorized by Senator Jackson or his representatives. The idea of such a reception, which is a traditional function during AFL-CIO conventions, was not originated by Senator Jackson's campaign committee. What Senator Jackson said at the reception was not cleared through the labor officials who organized the reception and there is no evidence that Senator Jackson solicited contributions or even votes at the reception. Indeed, it was not until the month following the reception that SMWIA-PAL first announced its support for Senator Jackson's candidacy. ^{9/}

^{8/} It appears that the Commission did not, at the time, agree with this interpretation. Rather, as the Court pointed out, the Commission argued that prearranged or coordinated expenditures were not contributions and that it was therefore necessary to have expenditure limitations in order to prevent circumvention of the contribution limits. 424 U.S. at 46.

^{9/} Although the Commission's regulations do not apply here because they did not become effective until April 13, 1977, we note that under the regulations, candidates for office may be invited to address members of a labor organization if the labor organization does not then endorse the candidate or solicit contributions from the audience (11 C.F.R. § 114.4(b)(2)).

Of course Senator Jackson was invited to attend the reception but that hardly warrants transforming the expenditures involved into expenditures by him and contributions by SMWIA-PAL and the labor committees that shared the costs. Otherwise, no group interested in learning more about a candidate could invite him to speak or attend a reception with its members without running the risk of exceeding the limits on contributions. Such a restriction on the First Amendment's guarantee of freedom of speech, which protects the free flow of information, ^{10/} cannot be read into the Act as it stood during the period in question.

B.

THE EXPENDITURES IN CONNECTION
WITH THE MAKING OF FILMS OF A
RALLY WERE INDEPENDENT EXPENDITURES

On March 6, 1976, three days before the Florida presidential primary election, Senator Henry Jackson appeared at a rally in Ft. Lauderdale, Florida. ^{11/} Senator Jackson, Daniel Patrick Moynihan, Mr. Carlough and others spoke at the rally, which was held by political committees of local Florida labor unions (Turner letter, p. 12). Shortly before March 6, 1976, Mr. Carlough decided to have the rally filmed for his union. ^{12/} Senator Jackson was not consulted in advance and became aware of the filming only when he arrived to speak (EC 18-19).

Mr. Carlough decided to make a film of the rally for the purpose of educating members of the SMWIA. As Mr. Carlough stated to the Commission staff: ^{13/}

^{10/} See First Nat'l Bank of Boston v. Bellotti, 435 U.S. 765, 783 (1978).

^{11/} Deposition of Edward J. Carlough, at p. 18.

^{12/} Id. at 18-19.

^{13/} Id. at 20.

79040121951

First, we were going to make the film, pick out the best parts of it, and then use it as an educational film in our union halls -- or wives, we have some women's divisions in our locals, at coffee meetings of the wives to advance Senator Jackson's candidacy among our own members and also to demonstrate the reason why I was going out in front and supporting the Senator's candidacy at that time.

After the rally, Mr. Carlough advised Senator Jackson that he intended to use the film in the manner described above (EC 19). Neither Senator Jackson nor any member of his staff were shown a copy of the film. ^{14/}

Later, SMWIA-PAL decided that portions of the film should also be used in the independent campaign on behalf of Senator Jackson's candidacy. ^{15/} Segments of the film were accordingly included in 15-minute and 5-minute cassettes, which SMWIA-PAL volunteers showed to the public during the primary campaign. ^{16/} SMWIA-PAL paid Hearst Metrotone News Division \$2,307.84 on April 27, 1976, and \$4,458.26 on May 26, 1976, for services in connection with the making of these tapes and reported these amounts to the FEC as independent expenditures ^{17/} (SMWIA-PAL FEC Reports 5/14/76, Schedule B, p. 14; 6/8/76, Schedule B, at p. 6).

There is no evidence that Senator Jackson or any member of his staff cooperated, were consulted, or participated in the preparation of the cassettes shown to the public as part of the SMWIA-PAL independent campaign on behalf of Senator Jackson's candidacy.

^{14/} Deposition of Edward J. Carlough, at p. 20.

^{15/} Id. at 18.

^{16/} Ibid.

^{17/} Id. at 17-18.

79040121952

79040121953

The fact that Senator Jackson became aware that the rally was being filmed is immaterial to whether the expenses involved in making cassettes were "independent expenditures." As to those expenses, there is no evidence of any prior consultation, agreement or cooperation between the candidate and SMWIA-PAL. Indeed, neither Senator Jackson nor his representatives even knew that cassettes were being made for the purpose of the SMWIA-PAL's independent campaign on behalf of his candidacy. Moreover, when the Executive Director of Senator Jackson's campaign committee discovered that SMWIA-PAL was campaigning for Senator Jackson by showing such cassettes to the public he "cried" because he viewed the activity as unproductive and a misuse of "a lot of time and energy." ^{18/}

As the Supreme Court held in Buckley v. Valeo, supra, 424 U.S. at 47, "Unlike contributions, such independent expenditures may well provide little assistance to the candidate's campaign and indeed may prove counterproductive. The absence of prearrangement and coordination of an expenditure with the candidate or his agent . . . undermines the value of the expenditure to the candidate" From the point of view of Senator Jackson's campaign committee, that certainly describes the situation here. We therefore believe that these expenditures by SMWIA-PAL were properly reported as "independent expenditures" and that there is no factual or legal basis for concluding otherwise.

^{18/} Deposition of Robert J. Keefe, at pp. 40-43.

C.
LABOR FOR JACKSON AND
SMWIA-PAL WERE NOT
AFFILIATED

Labor for Jackson was formed on April 14, 1976, and on that date filed a Statement of Organization with the Federal Election Commission, naming Joseph D. Keenan as Chairman and Edward J. Carlough as Treasurer. In a letter from Mr. Keenan on May 20, 1976, Labor for Jackson reported to the FEC that there were no organizations affiliated with it.

Labor for Jackson was set up for the purpose of making independent expenditures on behalf of the presidential candidacy of Senator Henry Jackson ^{19/} and to attract a broad base of labor support for the Senator. ^{20/} Jesse M. Calhoun, President of the Marine Engineers Beneficial Association (MEBA) and the MEBA Political Action Fund, Mr. Carlough and another union official asked Mr. Keenan to serve as Chairman of Labor for Jackson. Mr. Keenan, who had been International Secretary of the International Brotherhood of Electrical Workers, agreed. ^{21/}

The initial funding of Labor for Jackson consisted of a \$20,000 contribution from the MEBA Political Action Fund, a \$7500 contribution from SMWIA-PAL and a \$5000 contribution from the Engineers Political Education Committee (Labor for Jackson FEC Report, Schedule A, p. 1, 7/9/76). ^{22/}

Labor for Jackson made independent expenditures on behalf of Senator Jackson's candidacy in the Pennsylvania Presidential

^{19/} Id. at 27.

^{20/} Id. at 28, 50-51.

^{21/} Id. at 39; Deposition of Joseph D. Keenan, at pp. 4-5.

^{22/} Deposition of Edward J. Carlough, at pp. 38-39.

79040121954

primary election, which was held on April 27, 1976 (Labor for Jackson FEC Report, Schedule B, 7/9/76). Many of the volunteers for Labor for Jackson were members of the SMWIA, but volunteers from other unions also participated in the Pennsylvania primary campaign for Senator Jackson, ^{23/} including iron workers, engineers and carpenters. ^{24/} Bills sent to Labor for Jackson were approved for payment by its Treasurer, Mr. Carlough, and checks were signed by Mr. Keenan.

Labor for Jackson functioned for only a short time because, shortly after the Pennsylvania primary, Senator Jackson withdrew as a presidential candidate. On August 24, 1976, Labor for Jackson refunded the balance remaining in its account to its contributors, returning \$104.92 to the MEBA Political Action Fund, \$414.38 to SMWIA-PAL and \$276.15 to the Engineers Political Education Committee (Labor for Jackson FEC Report 8/24/76, p. 1).

In determining whether two committees or segregated funds are "affiliated" it is important to keep in mind that the purpose of the "affiliation" rule is to prevent evasion of the contribution limitations by a proliferation of connected committees, each of which would otherwise be entitled to make separate contributions to the candidate. ^{25/} Thus, with respect to the contribution limits in the Act, all affiliated committees are treated as one committee. ^{26/}

It is immediately apparent that purposes of the affiliation rule are inapplicable to the instant case. We are aware of no allegation -- nor could there be any on this record -- that

^{24/} Id. at 34.

^{25/} See, e.g., Section 110.3(a), (11 C.F.R. § 110.3(a)).

^{26/} Ibid.

79040121955

Labor for Jackson made any contributions to Senator Jackson or to his campaign committee. As we stated above, Labor for Jackson was organized in order to make independent expenditures and that is what it did. It was not formed for the purpose of evading the contribution limits of the Act, which is what the affiliation rule was designed to prevent.

In any event, Labor for Jackson was not, in fact, affiliated with SMWIA-PAL. More than 75 percent of Labor for Jackson's funding came from labor groups other than SMWIA-PAL. To be sure, Edward J. Carlough, who was Chairman of SMWIA-PAL, served as Treasurer for Labor for Jackson. Labor for Jackson, however, was set up, not as an arm of SMWIA-PAL, but in order to attract a broad base of labor support. During the short time it functioned, Labor for Jackson was only partially successful in accomplishing this goal. But this was because Senator Jackson withdrew from the presidential primary race only a few weeks after Labor for Jackson began operating, which hardly gave it sufficient time to accomplish its objective.

Therefore, in light of the facts that more than 75 percent of the funding of Labor for Jackson came from other labor groups, that the committee made independent expenditures rather than contributions, and that it was formed in order to attract wider support from labor organizations, Labor for Jackson cannot be considered "affiliated" with SMWIA-PAL.

CONCLUSION

For the foregoing reasons, under Section 437d of the Act (2 U.S.C. § 437d), the Commission should take no action against SMWIA-PAL.

Respectfully submitted,

A. Raymond Randolph, Jr.
A. Raymond Randolph, Jr.

ARR:cb

cc: Carlough
Fisher
Lynch

79040121956

LAW OFFICES
SHARP & RANDOLPH
SUITE 801
1800 MASSACHUSETTS AVENUE, N.W.
WASHINGTON, D. C. 20006

JAMES E. SHARP
A. RAYMOND RANDOLPH, JR.
V. THOMAS LANKFORD, JR.

79 JAN 24 TELEPHONE
(202) 888-2400

January 19, 1979

Hal Ponder, Esq.
Office of General Counsel
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 20463

Re: MUR 236, 266

900377

Dear Hal:

Enclosed is a copy of our revised conciliation agreement. Would you please give me a call after you have a chance to review it.

Sincerely yours,



A. Raymond Randolph, Jr.

ARR:cb
Enclosure

79040121957

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
)
Sheet Metal Workers) MUR 236, 277 (76)
International Association)
Political Action League)

CONCILIATION AGREEMENT

79040121958
This matter having been initiated on the basis of information ascertained by the Commission in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that respondent, Sheet Metal Workers International Association Political Action League (SMWIA-PAL), violated 2 U.S.C. §434(b), & 18 U.S.C. 608 (b)(2).

Now, therefore, the respective parties herein, the Federal Election Commission and respondents Sheet Metal Workers International Association Political Action League and Labor for Jackson, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(5), do hereby agree as follows:

- I. That the Federal Election Commission has jurisdiction over respondent Sheet Metal Workers International Association Political Action League and Labor for Jackson and the subject matter of this proceeding;

- 79040121959
- II. That respondents Sheet Metal Workers International Association Political Action League and Labor for Jackson have had a reasonable opportunity to demonstrate that no action should be taken in this matter;
 - III. Respondents have promptly and fully cooperated with the Commission in its investigation.
 - IV. That the pertinent facts in this matter are as follows:
 - A. On February 16, 1976, a reception was held in Bal Harbour, Florida, for Senator Jackson and his family. Expenses in connection with the reception totalled \$15,304.08 were advanced by SMWIA-PAL, and were reported on FEC Form 3 as independent expenditures. SMWIA-PAL was subsequently reimbursed a substantial portion of these expenses by political action committees of several labor organizations. .
 - B. SMWIA President Edward Carlough, who also served as Chairman of SMWIA-PAL, discussed the possibility of the Bal Harbour Reception with Senator Jackson and with members of the Jackson staff prior to the reception.
 - C. The time and place of the Reception was coordinated with Senator Jackson's campaign schedule so that he could attend the Bal Harbour Reception and meet with AFL-CIO leaders.

79040121960

V. The Commission contends that:

- A. The Bal Harbour Reception was held in cooperation with the Jackson campaign organization and the discussions referred to in paragraph IV B would indicate authorization or consent for the expenditures in connection with the Reception.
- B. SMWIA-PAL's expenditures related to the Bal Harbour Reception were contributions to the Jackson campaign, not independent expenditures as reported by SMWIA-PAL. Although not done willfully, the misreporting of these expenditures constitutes a violation of 2 U.S.C. §434(b), and the contributions exceed the FECA limitations in violation of 18 U.S.C. §608(b)(2).

VI. As a result of SMWIA-PAL's and Labor for Jackson's desire to resolve this matter promptly and avoid protracted and costly litigation, SMWIA-PAL and Labor for Jackson agree for the purposes of this conciliation agreement with the contentions of the Commission set forth above.

VII. SMWIA-PAL will pay a civil penalty in the amount of \$1500 pursuant to 2 U.S.C. §437g(a)(6)(B).

VIII. Respondents will not undertake any activity which is in violation of the Federal Election Campaign Act, 2 U.S.C. § 431 et seq.

GENERAL CONDITIONS

- I. The Commission on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matter at issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.
- II. It is mutually agreed that this agreement shall become effective as of the date that all parties here-to have executed same and the Commission has approved the entire agreement.
- III. It is agreed that respondent, Sheet Metal Workers International Association Political Action League, shall have 30 days from the date of this agreement to implement and comply with the requirements contained herein, or to so notify the Commission.

79046121961

IV. It is agreed that Labor for Jackson is no longer
in existence.

Date: _____

William D. Oldaker
General Counsel
Federal Election Commission

Date: _____

Edward J. Carlough
Chairman
Sheet Metal Workers International
Association Political Action League

Edward J. Carlough
Former Treasurer
Labor for Jackson

79040121962

LAW OFFICES

SHARP & RANDOLPH

SUITE 501

1800 MASSACHUSETTS AVENUE, N.W.

WASHINGTON, D. C. 20036

79 JAN 21 2 56

Hal Ponder, Esq.
Office of 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

79040121964

MEMORANDUM TO CHARLES STEELE

FROM: MARJORIE W. EMMONS *mwe*

DATE: JANUARY 11, 1979

SUBJECT: MUR 236 (66)/MUR 266 (76) - Interim
Investigative/Conciliation Report dated
1-9-79; Received in OCS 1-10-79, 11:03

The above-named document was circulated on a 24
hour no-objection basis at 2:30, January 10, 1979.

The Commission Secretary's Office has received
no objections to the Interim Investigative/Conciliation
Report as of 3:30, this date.

January 10, 1979

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Barr
SUBJECT: MURs 236 and 266

Please have the attached Interim Report distributed to the Commission on a 24 hour no-objection basis.

Thank you.

79040121965

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

79 JAN 10 AM: 03

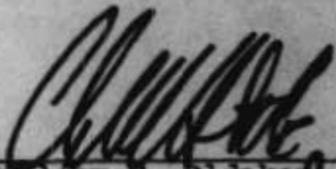
In the Matter of)
)
Labor for Jackson, and) MUR 236 (76)
Sheet Metal Workers International) MUR 266 (76)
Association Political Action League)

INTERIM INVESTIGATIVE/CONCILIATION REPORT

79040121966

The Office of General Counsel is proceeding with the investigation and conciliation efforts in the two above-captioned matters. Since the same attorneys are representing the two respondents, discussion with staff will proceed on a parallel basis. Staff of the Office of General Counsel met with respondents' attorneys on December 18, 1978 to discuss the proposed conciliation agreement in MUR 266(76). Respondents' attorneys have agreed to submit a final written response no later than January 24, 1979 concerning both MUR 236(76) and MUR 266(76) and including any proposed changes in the conciliation agreement in MUR 266. A final conciliation meeting is scheduled for January 26, 1979.

9 January 1979
Date



William C. Oldaker
General Counsel



FEDERAL ELECTION COMMISSION

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

January 9, 1979

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. A. Raymond Randolph
Sharp, Randolph and Janis
Suite 501
1800 Massachusetts Ave., N.W.
Washington, D.C. 20036

RE: MURs 236 and 266

Dear Mr. Randolph:

This is in response to your letter dated January 2, 1979 requesting additional time to conclude conciliation of the matters being investigated by the Commission in MUR 236 and MUR 266. Respondent in MUR 236 is Labor for Jackson and respondent in MUR 266 is the Sheet Metal Workers International Association Political Action League.

Since you have expressed some confusion over the status of these two MURs, I would just like to state that the alleged violations stated in the two letters dated December 4, 1978 - one to you as the attorney for SMWIA-PAL and one to Edward J. Carlough as Treasurer of Labor for Jackson - are the matters now under consideration by the Commission as possible FECA violations. Conciliation efforts will be concerned only with these matters as set forth in the two December 4th letters.

We would like to set January 24, 1979 as the final date for your submission of any materials in response to the Commission's findings in MURs 236 and 266. This submission should include any changes which you would like to suggest in the conciliation agreement which accompanied the letter to you in MUR 266. Then we would like to meet with you on January 26, 1979 for a final conciliation session.



Please contact Kathleen Imig Perkins, the attorney assigned to this matter, at 202/523-4060, if the above procedure meets with your schedule.

Sincerely,

William C. Oldaker
General Counsel

[Signature]
Charles N. Steele
Associate General Counsel

79040121968

202-266-Perkins

Items 1, 2, and 3
address in the "RETURN TO" space on

Following service is requested (check one):

☐ Show to whom and date delivered. _____ C

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

☐ RESTRICTED DELIVERY
Show to whom and date delivered. _____ C

☐ RESTRICTED DELIVERY
Show to whom, date, and address of delivery. \$ _____
(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
A. Raymond Randolph

3. ARTICLE DESCRIPTION:
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(Always obtain signature of addressee or agent)

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

4. DATE OF DELIVERY | POSTMARK

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☆GPO 1977-0-248-595



FEDERAL ELECTION COMMISSION

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

79040121969

MEMORANDUM TO CHARLES STEELE *mwe*
FROM: MARJORIE W. EMMONS
DATE: JANUARY 8, 1979
SUBJECT: MUR 260 (76) - Interim Investigative
 Report dated 1-2-79; Received
 in OCS 1-5-79, 11:04

The above-named document was circulated on a 24 hour no-objection basis at 3:00, January 5, 1979.

The Commission Secretary's Office has received no objections to Interim Investigative Report as of 4:00, this date.

January 5, 1979

MEMORANDUM TO: Marge Emons
FROM: Elissa T. Garr
SUBJECT: MUR 260

Please have the attached Interim Investigative Report on MUR 260 distributed to the Commission on a 24 hour no-objection basis.

Thank you.

79040121970

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

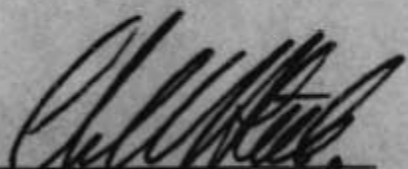
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In the Matter of)
)
Marine Engineers Beneficial) MUR 260 (76)
Association Political Action)
Fund)

INTERIM INVESTIGATIVE REPORT

Investigation of this matter is continuing. The Office of General Counsel will receive a written response to the Commission's questions from respondent's attorney on January 3, 1979. Staff of the Office of General Counsel will meet with respondent's attorney on January 9, 1979. We will then prepare a full report on the status of these matters including further recommendations.

2 January 1979
Date



William C. Oldaker
General Counsel

79040121971

LAW OFFICES
SHARP & RANDOLPH
SUITE 201
1800 MASSACHUSETTS AVENUE, N.W.
WASHINGTON, D. C. 20006

RECEIVED
FEDERAL ELECTION
COMMISSION

JAMES E. SHARP
A. RAYMOND RANDOLPH, JR.
V. THOMAS LANEFORD, JR.

'79 JAN 3 AM 11:04

TELEPHONE
(202) 698-2400

January 2, 1979

Ms. Kathleen Imig Perkins
Office of General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

re: MUR 266 & 236

Dear Ms. Perkins:

On January 8, 1979, it will be thirty days since we received notice of the Commission's action in MUR 266. Thirty days is the minimum period of time for conciliation under the Act. We believe, however, that further efforts at conciliation are warranted under the circumstances and that it would be premature to end our discussions at this point.

As you know, part of the difficulty we have encountered has resulted from General Counsel Oldaker's "reason to believe" letter of December 4, 1978, in MUR 236(76), which you gave us when we met. More than two years ago we received a "reason to believe" letter in MUR 236(76) and during the Commission's investigation we were led to believe that MUR 236 had been consolidated with MUR 266. Indeed, depositions taken in the past two years bear both MUR numbers. We have never received separate notification of the Commission's final disposition of MUR 236, as instituted in 1976. For a number of reasons Mr. Fisher and I discussed with you, we believed that Mr. Oldaker's letter of December 4, 1978, labelled "Re: MUR 266," represented the Commission's decision not only in MUR 266 but also in MUR 236. (Another area of misunderstanding arises from the fact that although Mr. Oldaker wrote me on November 6, 1978, regarding

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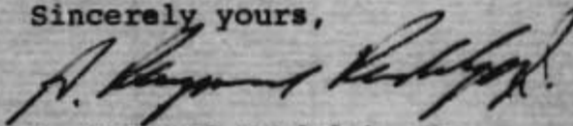
MUR 266, and stated that the investigation therein was continuing, his letter of December 4, 1978, regarding MUR 266 informed us for the first time that the Commission actually reached its decision on the issues involved in this case on June 22, 1977, and November 1, 1978.) When we met last month, you and Mr. Ponder stated that we would receive a letter of explanation. We are still awaiting such a letter.

We therefore believe it would be in the best interest of all parties that the period of conciliation be extended. I will be engaged in a two week trial that begins January 8, 1979, and therefore will be unable to confer until that trial ends. I suggest that we meet again at the earliest opportunity after my trial is concluded.

Please consider this letter also as a response to Mr. Oldaker's letter of December 4, 1978, regarding MUR 236. Our position has been, as stated in my letter of November 17, 1978, that no violations of the Act occurred and that the information developed during the past two years, through depositions and other submissions, demonstrates this conclusively. When we receive your letter of explanation regarding the status of MUR 236(76), we will be able to respond more fully to the Commission's "reason to believe" finding in MUR 236(76).

If there are any difficulties in extending the period of conciliation would you kindly inform me as promptly as possible. Thank you for your cooperation and assistance.

Sincerely yours,



A. Raymond Randolph, Jr.

ARR:cb

cc: Donald Fisher, Esq.
William C. Oldaker, Esq., General Counsel
Harry L. Ponder, Esq., General Counsel

79040121973

LAW OFFICES

SHARP & RANDOLPH

SUITE 501

1800 MASSACHUSETTS AVENUE, N.W.

WASHINGTON, D. C. 20036



79 JAN 3 AM 11:04

Ms. Kathleen Imig Perkins

Office of the General Counsel
Federal Election Commission
1325 K Street NW
Washington, D.C. 20463

79040127

LAW OFFICES

SHARP & RANDOLPH

SUITE 501

1800 MASSACHUSETTS AVENUE, N.W.

WASHINGTON, D. C. 20036



William C. Oldaker, Esq.
General Counsel
Federal Election Commission
1325 K Street N.W.
Washington, D.C. 24063

79 JAN 3 AM 11:53

790404219

LAW OFFICES
SHARP & RANDOLPH
SUITE 901
1800 MASSACHUSETTS AVENUE, N.W.
WASHINGTON, D. C. 20006

JAMES E. SHARP
A. RAYMOND RANDOLPH, JR.
V. THOMAS LANSFORD, JR.

6049
900002
'79 JAN 4 AM 8:43

TELEPHONE
(202) 698-2400

January 2, 1979

Ms. Kathleen Imig Perkins
Office of General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

re: MUR 266 & 236

Dear Ms. Perkins:

On January 8, 1979, it will be thirty days since we received notice of the Commission's action in MUR 266. Thirty days is the minimum period of time for conciliation under the Act. We believe, however, that further efforts at conciliation are warranted under the circumstances and that it would be premature to end our discussions at this point.

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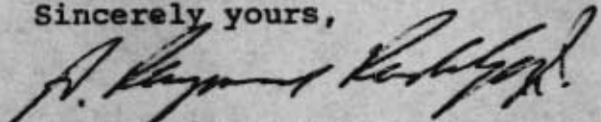
MUR 266, and stated that the investigation therein was continuing, his letter of December 4, 1978, regarding MUR 266 informed us for the first time that the Commission actually reached its decision on the issues involved in this case on June 22, 1977, and November 1, 1978.) When we met last month, you and Mr. Ponder stated that we would receive a letter of explanation. We are still awaiting such a letter.

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Please consider this letter also as a response to Mr. Oldaker's letter of December 4, 1978, regarding MUR 236. Our position has been, as stated in my letter of November 17, 1978, that no violations of the Act occurred and that the information developed during the past two years, through depositions and other submissions, demonstrates this conclusively. When we receive your letter of explanation regarding the status of MUR 236(76), we will be able to respond more fully to the Commission's "reason to believe" finding in MUR 236(76).

If there are any difficulties in extending the period of conciliation would you kindly inform me as promptly as possible. Thank you for your cooperation and assistance.

Sincerely yours,



A. Raymond Randolph, Jr.

ARR:cb

cc: Donald Fisher, Esq.
William C. Oldaker, Esq., General Counsel
Harry L. Ponder, Esq., General Counsel

79040121977

LAW OFFICES

SHARP & RANDOLPH

SUITE 501

1800 MASSACHUSETTS AVENUE, N.W.

WASHINGTON, D. C. 20036

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HARRY L. Ponder, Esq.
General Counsel
Federal Election Commission
1325 K Street NW
Washington, D.C. 20463

7-904042197

CHARLES H. MORIN
DAVID L. SHAPIRO
SIDNEY DICKSTEIN
ARTHUR J. GALLAGHAN
JUDAH BEST
SEYMOUR GLANZER
HENRY C. CASHEN
JAMES WARR SPRINGER
RICHARD LITTELL
THOMAS W. MACK
ARTHUR D. MASON
FREDERICK M. LOWMYER
ROBERT J. HIGGINS
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JAMES C. TREADWAY, JR.
HOWARD E. OLEARY, JR.
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SCOTT H. DUBOFF
PETER HAFNER JOST
KENNETH M. SIMON
NORTON CUTLER
WILLIAM W. OSBORNE, JR.

DICKSTEIN, SHAPIRO & MORIN

2101 L STREET, N.W.
WASHINGTON, D. C. 20037
202 785-9700
TELEX: 892605 DSH WSH

January 3, 1979

NEW YORK OFFICE
748 FIFTH AVENUE
NEW YORK, N.Y. 10022
212 632-1900

BOSTON OFFICE
THREE CENTER PLAZA
BOSTON, MASSACHUSETTS 02108
617 227-7700

800799

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

Dear Mr. Oldaker:

In accordance with my letter of December 20, 1978 to Hal Ponder, I am hereby responding to your letter of December 7, 1978. In your letter, you requested time records and job descriptions of Marine Engineer Beneficial Association ("MEBA") members/personnel who may have been involved in collecting funds for the Jackson For President Committee in 1976.

As I have previously explained to several members of your staff, the MEBA does not utilize traditional time records for its personnel. All of the elected officials and appointed MEBA representatives are on call on a 24-hour/day basis, seven days a week. The only records which are kept are attendance-type records which reflect only that an employee worked on a particular day. There are no records kept to our knowledge reflecting the number of hours actually worked, and there is really no need to do so as these individuals are salaried and not paid overtime. When I explained this to Mr. Ponder, who called on your behalf, he agreed that it was unnecessary to produce attendance records.

You have also requested that we provide "job descriptions" for the stated purpose of demonstrating that personnel who collected funds for the Jackson For President Committee

79040121979

79040121980

William C. Oldaker, Esquire
January 3, 1979
Page Two

did so "outside and in addition to their responsibilities as MEBA employees." Since your request evidences what may be a misperception (which we have already addressed in our formal submission), permit me to make a few brief comments. There were no persons employed by the MEBA for the purpose of collecting any funds for the Jackson For President Committee. Similarly, no MEBA personnel were compensated, directly or indirectly, for engaging in such a collection effort. This activity was conducted on a purely voluntary basis and was not done in lieu of the individual's regular responsibilities. Consequently, as I have tried to explain repeatedly, knowledge of generic "job descriptions" requested is largely irrelevant since this voluntary activity was not part of anybody's "job."

In any event, in the interest of cooperation, the following list of the activities of MEBA officers and representatives is provided pursuant to your request. While their specific duties vary from port to port, I understand that the following list of activities is comprehensive:

BRANCH AGENTS:

1. The Branch Agent is in charge of the particular Branch he has been elected to. He is also responsible for the port area within the jurisdiction of the Branch on a 24-hour/day basis, seven days a week.
2. His responsibilities are such that he is responsible for implementing the policies of the District as set forth by the President, the District Executive Committee, and/or any rules or regulations that would be adopted by a majority vote of the membership.
3. He implements the By-Laws and Shipping Rules of the District.
4. He assigns duties to his Branch Patrolmen and/or Representatives, as required.
5. He is also called upon to negotiate and administer local area contracts (ferries, tow boats, tugs, etc.).

William C. Oldaker, Esquire
January 3, 1979
Page Three

6. He acts as Chairman at the regular monthly Membership Meetings and any special meetings that are called.

7. He may also become involved with efforts to organize entities in his area or jurisdiction.

8. The Branch Agent may also participate in State and County AFL-CIO bodies and may be called upon to also participate in area Port Councils, i.e., Maritime Trades Department - MTD.

9. The Branch Agent prepares a weekly financial report reflecting the weekly income of the District and accounts for same to the Secretary-Treasurer.

10. He approves and authorizes the expenses incurred in his port.

11. In certain branches where there is only a Branch Agent, the Branch Agent may in fact become an authorized dues collector.

12. In some ports, the Branch Agent also acts as the area Vice President. These Branch Agents and area Vice Presidents form the District Executive Committee together with the District President and the Secretary-Treasurer.

13. The Branch Agents also become involved in processing grievances from members and, when necessary (one-man ports), cover ships, collect dues and settle "beefs."

14. Branch Agents are also required to handle special assignments from the area Vice Presidents, the Secretary-Treasurer and, of course, the President or the District Executive Committee.

15. Branch Agents also become involved with supervising strike committees when required, attend licensed personnel board meetings and arbitrations, where required, and assist trial committee members in performance of their duties, when necessary.

79040121981

William C. Oldaker, Esquire
January 3, 1979
Page Four

16. They serve as Trustees, when so designated, to the Pension Fund, the Welfare Plan, the Vacation Plan, etc.

17. They deal with correspondence with contracted companies relating to contract grievances, issues, etc.

18. Branch Agents are on call and available to serve the Organization on a daily 24-hour basis, seven days a week.

19. They are responsible for the hiring of clerical employees at the Branch.

20. Branch Agents enforce or implement the Collective Bargaining Contracts of the District on behalf of the membership.

ELECTED PATROLMEN AND/OR ASSIGNED REPRESENTATIVES:

1. They perform whatever duties are assigned to them by the Branch Agent of the port to which they are assigned, or by the District President and/or the District Executive Committee.

I would point out at this juncture, that an assigned Representative in a small area port, would be the only MEBA Representative at such port and, for all practical purposes, would have pretty much the same duties as a Branch Agent.

2. Patrolmen are involved in ship coverage which would include grievance processing, again, settling of "beefs," dues collection, whenever ships enter their respective ports.

3. Patrolmen may also be asked to attend licensed personnel board hearings and arbitrations, where required.

4. Patrolmen and/or Representatives may also administer local contracts. They may also become involved in preparing correspondence with personnel of contracted companies related to contract issues.

79040121982

William C. Oldaker, Esquire
January 3, 1979
Page Five

5. Patrolmen and/or Representatives make visits to members in U.S. Public Health Service hospitals.
6. Patrolmen and/or Representatives become involved in organizing efforts assigned to them.
7. They are on call 24 hours a day, seven days a week.
8. Patrolmen and/or Representatives become involved with the processing of membership applications, group shipping applications, dues collections at the branch offices.
9. Some Patrolmen and Representatives become involved in the dispatching of engineers to various job assignments and become directly involved in the mechanics of the administration of shipping rules.
10. Patrolmen and/or Representatives may also become involved with preparation of the weekly transmittal of monies to District Headquarters.
11. In many cases, they attend the monthly membership meetings.

COLLECTORS:

Collectors are salaried employees who are authorized to collect dues and perform other ship coverage functions. They would be employed on a 24 hour/day basis (seven days a week) to meet vessels whenever they entered port.

Although there is no information to suggest that MEBA employees such as secretaries, bookkeepers, office clerks, etc. in any way solicited contributions, it is possible that contributions may on occasion have been left with such persons for transmittal. This accommodation by MEBA employees would clearly have been in addition to their regular functions, would have been sporadic, and involved an infinitesimal amount of time.

79040121983

William C. Oldaker, Esquire
January 3, 1979
Page Six

I hope this information has clarified matters for you.
I look forward to our meeting on January 9, 1979, with you,
Mr. Ponder and Ms. Perkins. Judd and I hope you had a pleasant
holiday season.

Sincerely,

DICKSTEIN, SHAPIRO & MORIN

By Justin D. Simon
Justin D. Simon

General Counsel, Marine
Engineers Beneficial
Association

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79040121984

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RECEIVED
FEDERAL ELECTION
COMMISSION

'79 JAN 3 PM 4:32

DICKSTEIN, SHAPIRO & MORIN

2101 L STREET, N. W.
WASHINGTON, D. C. 20037

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

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5981

CHARLES H. MORIN
DAVID I. SHAPIRO
SIDNEY DICKSTEIN
ARTHUR J. GALLISAN
JUDAH BEST
SEYMOUR GLANZER
HENRY G. CASHEN
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NORTON CUTLER
WILLIAM W. OSBORNE, JR.

DICKSTEIN, SHAPIRO & MORIN

2101 L STREET, N.W.
WASHINGTON, D. C. 20037

202 785-9700

TELEX: 692606 DSH WSH

December 20, 1978

RECEIVED
FEDERAL ELECTION
COMMISSION

NEW YORK OFFICE
245 FIFTH AVENUE
NEW YORK, N.Y. 10022

'78 DEC 26 AM 10:36

BOSTON OFFICE
THREE CENTER PLAZA
BOSTON, MASSACHUSETTS 02108
617 227-7700

800659

Hal Ponder, Esquire
Office of the General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Dear Mr. Ponder:

This will confirm our agreement of this date that the MEBA Political Action Fund ("MEBA-PAF") shall have until January 3, 1979 to respond to your letter of December 7, 1978. It is understood that no action will be taken regarding the MEBA-PAF prior to that date.

It is also agreed that we will meet with Kathy Perkins and Bill Oldaker on January 9, 1979 for the purpose of discussing the parameters of this investigation in the future. As I explained to Ms. Perkins on December 11 and to you both yesterday and today, I am most dismayed at the fact that we were not accorded the opportunity, as promised, to meet with the staff to resolve any similar questions prior to the submission of the staff report to the Commission. There is no question in my mind that had this agreement been acted upon that the Commission would have been in a position to be satisfied that there were no Campaign Act violations by the MEBA-PAF.

As I explained to you further, my client desires to cooperate with the Commission in every conceivable way, and its track record in abiding by this commitment has been excellent. On the other hand, we feel that this investigation has been going

79040121985

Hal Ponder, Esquire
December 20, 1978
Page Two

on for over a year, and that it is only fair that this matter be resolved one way or the other. While it is obvious that the FEC's activity on this investigation has been sporadic and has been impaired by the attrition of staff investigators, I think you can understand our frustration in having to repeatedly answer the same questions over and over again, especially in view of the fact that no one at the Commission has ever articulated a theory of violation which is in any way relevant to the activities under scrutiny. I am therefore hoping that our January 9 meeting will serve to focus the issues on both sides and permit us, once and for all, to take whatever proper steps are required to permit us to move on.

Sincerely,

Justin D. Simon
Justin D. Simon

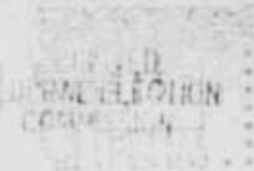
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DICKSTEIN, SHAPIRO & MORIN

2101 L STREET, N.W.

WASHINGTON, D.C. 20037



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Hal Ponder, Esquire
Office of the 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

December 7, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Justin D. Simon
Dickstein, Shapiro and Morin
2101 L Street, N.W.
Washington, D.C. 20037

RE: MUR 260(76)

Dear Mr. Simon:

On November 1, 1978, the Commission considered the matter of the Marine Engineers Beneficial Association and the Marine Engineers Beneficial Association Political Action Fund (MEBA and MEBA-PAF) (MUR 260). The Commission determined to take no further action concerning the MEBA-PAF expenditures in connection with the New York City Hospitality Suite, the Baltimore Reception, or the San Francisco Reception, and to close the investigation of these matters. The Commission also determined to defer further action in connection with MEBA-PAF's purchase of receipt books to conduct the solicitation of contributions to the Jackson for President Committee, pending additional investigation.

In this regard, the Commission is particularly considering the nature of the activities of MEBA employees involved in the Jackson for President solicitation effort. The Commission requests that MEBA submit any relevant time records and job descriptions of these employees in an effort to demonstrate that their solicitation activities were outside and in addition to their responsibilities as MEBA employees. Also, the memorandum which you submitted to the Commission in this matter stated "that the procedures followed by the MEBA-PAF were responsive to and consistent with FEC AO 1976-51." MEBA-PAF Submission at 21 n. 11. Please expand upon this statement in light of the fact that AO 1976-51 applied the \$1,000 contribution limitation of 18 U.S.C. §608(b)(1) to the aggregate contributions of a group of individuals utilizing a contribution procedure similar to that employed by MEBA-PAF. The Commission is specifically considering whether MEBA's payment of the salaries of these employees, while they participated in the solicitation effort, was a violation of 18 U.S.C. §610 and whether the results of the solicitation effort exceeded FECA's contribution limitations.

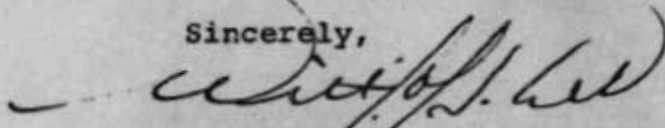
The Commission also found reasonable cause to believe that MEBA violated 18 U.S.C. §610 by permitting the use of MEBA offices, equipment and supplies to implement and facilitate solicitation of contributions for the Jackson for President Committee. Our plan is to defer conciliation on this issue pending further discussion with you concerning the additional matters set forth above.

Please submit any materials which you consider relevant to the Commission's consideration of the above issues within 10 days of your receipt of this notification. Where appropriate, statements should be submitted under oath.

If you have any questions, please contact Kathleen Imig Perkins, the attorney assigned to this matter, at 202/523-4060.

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.

Sincerely,



William C. Oldaker
General Counsel

79040121930

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MU 260
Marine Engineers Beneficial)
Association)
Marine Engineers Beneficial)
Association Political Action)
Fund)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on December 5, 1978, the Commission determined by a vote of 6-0 to adopt the following recommendations, as set forth in the General Counsel's memorandum dated November 29, 1978, regarding the above-captioned matter:

1. Approve the proposed letter, attached to the above-named memorandum, to the attorney representing the MEBA/MEBA-PAP notifying the respondents of the Commission's finding of Reasonable Cause To Believe; and
2. Requests additional information concerning MEBA employees involved in the Jackson for President solicitation effort.

Attest:

12/5/78

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

Received in Office of Commission Secretary: 11-29-78, 3:10
Circulated on a 48 hour vote basis:

79040121991

November 29, 1978

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 260

Please have the attached memo on MUR 260 distributed to the Commission on a 48 hour tally basis.

Thank you.

79040121992



FEDERAL ELECTION COMMISSION

1125 K STREET N.W.
WASHINGTON, D.C. 20463

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

78 NOV 29 P 3: 10

November 29, 1978

MEMORANDUM TO: THE COMMISSION
FROM: WILLIAM C. OLDAKER
GENERAL COUNSEL
SUBJECT: LETTER - MUR 260 (76)

Attached for your consideration and approval is the proposed letter to the attorney representing the Marine Engineers Beneficial Association and the Marine Engineers Beneficial Association Political Action Fund. As per the Commission's action of November 1, 1978, this letter notifies MEBA/MEBA-PAF of the Commission's RCTB finding and requests additional information concerning MEBA employees involved in the Jackson for President solicitation effort.

We recommend that you approve this letter for mailing.

79040121993

79040121994



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20461

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Justin D. Simon
Dickstein, Shapiro and Morin
2101 L Street, N.W.
Washington, D.C. 20037

RE: MUR 260(76)

Dear Mr. Simon:

On November 1, 1978, the Commission considered the matter of the Marine Engineers Beneficial Association and the Marine Engineers Beneficial Association Political Action Fund (MEBA and MEBA-PAF) (MUR 260). The Commission determined to take no further action concerning the MEBA-PAF expenditures in connection with the New York City Hospitality Suite, the Baltimore Reception, or the San Francisco Reception, and to close the investigation of these matters. The Commission also determined to defer further action in connection with MEBA-PAF's purchase of receipt books to conduct the solicitation of contributions to the Jackson for President Committee, pending additional investigation.

In this regard, the Commission is particularly considering the nature of the activities of MEBA employees involved in the Jackson for President solicitation effort. The Commission requests that MEBA submit any relevant time records and job descriptions of these employees in an effort to demonstrate that their solicitation activities were outside and in addition to their responsibilities as MEBA employees. Also, the memorandum which you submitted to the Commission in this matter stated "that the procedures followed by the MEBA-PAF were responsive to and consistent with FEC AO 1976-51." MEBA-PAF Submission at 21 n. 11. Please expand upon this statement in light of the fact that AO 1976-51 applied the \$1,000 contribution limitation of 18 U.S.C. §608(b)(1) to the aggregate contributions of a group of individuals utilizing a contribution procedure similar to that employed by MEBA-PAF. The Commission is specifically considering whether MEBA's payment of the salaries of these employees, while they participated in the solicitation effort, was a violation of 18 U.S.C. §610 and whether the results of the solicitation effort exceeded FECA's contribution limitations.

The Commission also found reasonable cause to believe that MEBA violated 18 U.S.C. §610 by permitting the use of MEBA offices, equipment and supplies to implement and facilitate solicitation of contributions for the Jackson for President Committee. Our plan is to defer conciliation on this issue pending further discussion with you concerning the additional matters set forth above.

Please submit any materials which you consider relevant to the Commission's consideration of the above issues within 10 days of your receipt of this notification. Where appropriate, statements should be submitted under oath.

If you have any questions, please contact Kathleen Imig Perkins, the attorney assigned to this matter, at 202/523-4060.

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.

Sincerely,

William C. Oldaker
General Counsel



FEDERAL ELECTION COMMISSION

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

December 4, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. A. Raymond Randolph
Sharp, Randolph and Janis
Suite 401
1220 Nineteenth St., N.W.
Washington, D.C. 20036

RE: MUR 266

Dear Mr. Randolph:

On June 22, 1977, the Commission determined that reasonable cause existed to believe that the Sheet Metal Workers International Association Political Action League (SMWIA-PAL) violated 2 U.S.C. §434(b) and 2 U.S.C. §441a(a)(2)(A) [18 U.S.C. §608(b)(2) at the time of the violation] in connection with SMWIA-PAL expenditures to host a reception for Senator Henry Jackson in Bal Harbour, Florida. The Commission recommended that conciliation efforts on this matter be deferred pending further investigation of an additional alleged violation of FECA.

On November 1, 1978, the Commission found that there was reasonable cause to believe that SMWIA-PAL violated 2 U.S.C. §434(b) and 18 U.S.C. §608(b)(2) in connection with approximately \$65,000. in expenditures made to promote the candidacy of Senator Jackson [The \$65,000 amount includes the \$15,304.08 expended by SMWIA-PAL to host the Bal Harbour Reception]. The Commission recommended that conciliation efforts be initiated with respondent on the above matters.

Specifically, the Commission has determined that reasonable cause exists to believe that:

- (1) The SMWIA-PAL expenditures to host the Bal Harbour, Florida Reception (\$15,304.08) were contributions to the Jackson campaign and thus a violation of 18 U.S.C. §608(b)(2) when taken in conjunction with SMWIA-PAL's direct contribution to the Jackson for President Committee.
- (2) These expenditures were reported to the FEC as independent expenditures, instead of correctly being reported as contribution representing a violation of 2 U.S.C. §434(b).
- (3) Additional SMWIA-PAL expenditures (approximately \$50,000.) made in support of the Jackson candidacy and reported as independent expenditures, were in reality in-kind contributions

to the Jackson campaign and thus a violation of 18 U.S.C. §608(b)(2) when taken in conjunction with other SMWIA-PAL contributions to the Jackson for President Committee.

(4) These expenditures were reported to the FEC as independent expenditures thus violating the disclosure provisions of 2 U.S.C. §434(b).

The Commission has a duty to attempt to correct such violations for a period of 30 days by informal persuasion, conference, and by entering into a conciliation agreement with respondent. 2 U.S.C. §437g(a)(5)(A). If the Commission is unable to correct such violations by such informal methods and by entering into a conciliation agreement with respondent, the Commission may find probable cause to believe that the violations occurred and institute a civil action in United States District Court seeking payment of a civil penalty not in excess of the total amount of the expenditures involved in the alleged violations herein.

We enclose a conciliation agreement that this office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions contained in the enclosed conciliation agreement, please sign and return it [along with the stated civil penalty] to the Commission within ten days. I will then recommend that the Commission approve the agreement.

If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Kathleen Imig Perkins, the attorney assigned to this matter, at 202/523-4060 within 10 days.

<p>1. The following service is requested (check one):</p> <p><input checked="" type="checkbox"/> Show to whom and date delivered</p> <p><input type="checkbox"/> RESTRICTED DELIVERY</p> <p><input type="checkbox"/> RESTRICTED DELIVERY</p> <p><input type="checkbox"/> RESTRICTED DELIVERY</p> <p>(CONSULT POSTMASTER FOR FEES)</p>		<p>2. ARTICLE ADDRESSED TO:</p> <p><i>Raymond Randolph</i></p> <p><i>State Senator, District 1</i></p> <p><i>1981-1982, 1983-1984</i></p>		<p>3. REGISTERED NO. CERTIFIED NO. INSURED NO.</p> <p><i>74755</i></p>		<p>(Always obtain signature of addressee or agent)</p> <p>I have received the article described above</p> <p>SIGNATURE <input type="checkbox"/> Addressee <input type="checkbox"/> Authorized agent</p> <p><i>Chapt</i></p>		<p>4. DATE OF DELIVERY</p> <p><i>1978</i></p>		<p>5. ADDRESS (Complete only if unable to deliver because)</p>		<p>6. UNABLE TO DELIVER BECAUSE</p>		<p>CLERK'S INITIALS</p>	
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Oldaker
Counsel

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
)
Sheet Metal Workers) MUR 266 (76)
International Association)
Political Action League)

CONCILIATION AGREEMENT

79040121999
This matter having been initiated on the basis of information ascertained by the Commission in the normal course of carrying out its supervisory responsibilities, an investigation having been conducted, and the Commission having found reasonable cause to believe that respondent, Sheet Metal Workers International Association Political Action League (SMWIA-PAL), violated 2 U.S.C. §434(b) and 18 U.S.C. §608(b)(2),

Now, therefore, the respective parties herein, the Federal Election Commission and respondent Sheet Metal Workers International Association Political Action League, having duly entered into conciliation pursuant to 2 U.S.C. §437g(a)(5), do hereby agree as follows:

- I. That the Federal Election Commission has jurisdiction over respondent Sheet Metal Workers International Association Political Action League and the subject matter of this proceeding;
- II. That respondent Sheet Metal Workers International Association Political Action League has had a reasonable opportunity to demonstrate that no action should be taken in this matter;

III. That the pertinent facts in this matter are as follows:

- A. On February 16, 1976, SMWIA-PAL hosted a reception in Bal Harbour, Florida for Senator Jackson and his family. Expenses in connection with the reception totalled \$15,304.08, were paid by SMWIA-PAL, and were reported on FEC Form 3 as independent expenditures.
- B. SMWIA President, Edward Carlough, who also served as Chairman of SMWIA-PAL, discussed the possibility of the Bal Harbour Reception with Senator Jackson and with members of the Jackson staff prior to the reception. Such discussions would indicate authorization or consent for the expenditures.
- C. The time and place of the Reception was coordinated with Senator Jackson's campaign schedule so that he could attend the Bal Harbour Reception and meet with AFL-CIO leaders. Such coordination indicates that the Reception was held in cooperation with the Jackson campaign organization.
- D. During the period March-June, 1976, SMWIA-PAL made additional expenditures totalling approximately \$50,000 which were reported on FEC Form 3 as independent expenditures in support of Senator Jackson's candidacy.

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- E. Approximately \$13,000 of these expenditures were reimbursements to SMWIA employees who simultaneously had been reimbursed for other expenditures, as were other SMWIA employees, by the Labor for Jackson Committee (LFJ) and the Jackson for President Committee (JFP). SMWIA employees routinely submitted vouchers for reimbursement of "independent" expenses for Jackson to SMWIA offices and were paid by either SMWIA-PAL, LFJ or JFP. This interrelationship and knowledge by JFP of SMWIA-PAL expenditures indicates consent or authorization for those expenditures.
- F. Approximately \$7,000 of these additional expenditures were costs related to the filming, production and editing of video cassette recordings of speeches given by Senator Jackson. Prior to a speech given by Senator Jackson in Fort Lauderdale, Florida, SMWIA-PAL contacted the Senator and informed him of their intent to film the speech. In addition, members of the JFP Committee staff or members of the Senator's personal staff viewed the video cassettes following their production. This cooperation indicates consent or authorization by JFP for the SMWIA-PAL expenditures in connection with the filming.
- G. Edward J. Carlough served simultaneously as President of SMWIA and Chairman of SMWIA-PAL. In his position as Chairman of SMWIA-PAL, Mr. Carlough controlled and directed the expenditure of SMWIA-PAL funds. In addition, Mr. Carlough, an early supporter and advisor on labor matters to Senator Jackson and the Jackson for President Committee, was in frequent contact with

members of Senator Jackson's staff and was apprised of the committee's general policies and strategies. This close relationship and knowledge of JFP policies and campaign strategies indicates cooperation between JFP and SMWIA-PAL.

Wherefore, the Commission and respondent Sheet Metal Workers International Association Political Action League agree:

- I. SMWIA-PAL's expenditures related to the Bal Harbour Reception were contributions to the Jackson campaign, not independent expenditures as reported by SMWIA-PAL. The mis-reporting of these expenditures constitutes a violation of 2 U.S.C. §434(b), and the contributions exceed the FECA limitations in violation of 18 U.S.C. §608(b)(2).
- II. Approximately \$50,000 in additional SMWIA-PAL expenditures, reported by SMWIA-PAL as independent expenditures, were really contributions to the Jackson campaign. The mis-reporting of these expenditures constitutes a violation of 2 U.S.C. §434(b), and the contributions exceed the FECA limitations in violation of 18 U.S.C. §608(b)(2).
- III. Respondent will pay a civil penalty in the amount of \$10,000 pursuant to 2 U.S.C. §437g(a)(6)(B).
- IV. Respondent will not undertake any activity which is in violation of the Federal Election Campaign Act, 2 U.S.C. §431 et seq.

79040122002

GENERAL CONDITIONS

- I. The Commission on request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matter at issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.
- II. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.
- III. It is agreed that respondent, Sheet Metal Workers International Association Political Action League, shall have 30 days from the date of this agreement to implement and comply with the requirements contained herein, or to so notify the Commission.

Date: _____

William C. Oldaker
General Counsel
Federal Election Commission

Date: _____

Edward J. Carlough
Chairman
Sheet Metal Workers International
Association Political Action
League

79040122003

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Sheet Metal Workers) MUR 266 (76)
International Association)
Political Action League)

CERTIFICATION

I, Marjorie W. Emons, Secretary to the Federal Election Commission, do hereby certify that on November 29, 1978, the Commission, meeting in an executive session at which a quorum was present, took the following actions in MUR 266 (76):

1. Failed to pass the following motion:

MOVED that the Commission approve the letter and conciliation agreement attached to the General Counsel's November 20, 1978 memorandum on MUR 266 (76) subject to amendment of the civil penalty to the figure of \$35,000.

The vote was as follows:

YEA (3) Commissioners Aikens, McGarry, and Tiernan

NAY (1) Commissioner Harris

2. Passed the following motion by a vote of 4-0:

MOVED that the Commission approve the letter and conciliation agreement attached to the General Counsel's November 20, 1978 memorandum on MUR 266 (76), subject to amendment of the civil penalty to the figure of \$10,000.

Commissioners Aikens, Harris, McGarry, and Tiernan voted affirmatively for this action.

Commissioners Springer and Thomson were not present at the time of the votes.

Attest:

12/1/78
Date

Marjorie W. Emons
Secretary to the Commission

79040122004



FEDERAL ELECTION COMMISSION

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

MEMORANDUM TO: CHARLES STEELE
FROM: MARJORIE W. EMMONS *more by pc*
DATE: NOVEMBER 22, 1978
SUBJECT: OBJECTION - MUR 266 - Memo dated 11-20-78
Received in OCS: 11-21-78, 10:09

The above-named document was circulated on a 48 hour vote basis as 3:30, November 21, 1978.

Commissioner Harris submitted an objection at 11:03, November 22, 1978, thereby placing MUR 266 on the Executive Session Agenda for November 29, 1978.

A copy of Commissioner Harris' vote sheet is attached.

ATTACHMENT:
Copy of vote sheet

79040122005



FEDERAL ELECTION COMMISSION

 1125 K STREET N.W. 78 NOV 22 All: 03
 WASHINGTON, D.C. 20463

 RECEIVED
 OFFICE OF THE
 COMMISSIONER

Date and Time Transmitted: Nov. 21, 1978 - 3:30

Commissioner SPRINGER, AIKENS, TIERNAN, MCGARRY, THOMSON, HARRISRETURN TO OFFICE OF COMMISSION SECRETARY BY: November 24, 1978 - 3:30MUR No. 266 Conciliation Agreement and Letter

() I approve the recommendation

(✓) I object to the recommendation

 COMMENTS: of think the proposed and party
is exhorbitant (i.e. too high).

Date: _____ Signature: _____

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.



790400122003

November 21, 1978

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 266

Please have the attached concil agt and letter
distributed to the Commission on a 48 hour tally basis.

Thank you.

79040122007



FEDERAL ELECTION COMMISSION

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

RECEIVED
OFFICE OF THE
COMMISSIONER OF THE
ELECTORAL ADMINISTRATION

78 NOV 21 A10: 09

November 20, 1978

TO: THE COMMISSION

FROM: WILLIAM C. OLDAKER *W.C. Oldaker*

SUBJECT: MUR 266 (CONCILIATION AGREEMENT & LETTER TO RESPONDENT)

Attached for your consideration is a proposed conciliation agreement and letter to be sent to respondent's attorney in MUR 266.

We recommend that the Commission approve these for mailing.

79040122008



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. A. Raymond Randolph
Sharp, Randolph and Janis
Suite 401
1220 Nineteenth St., N.W.
Washington, D.C. 20036

RE: MUR 266

Dear Mr. Randolph:

On June 22, 1977, the Commission determined that reasonable cause existed to believe that the Sheet Metal Workers International Association Political Action League (SMWIA-PAL) violated 2 U.S.C. §434(b) and 2 U.S.C. §441a(a)(2)(A) [18 U.S.C. §608(b)(2) at the time of the violation] in connection with SMWIA-PAL expenditures to host a reception for Senator Henry Jackson in Bal Harbour, Florida. The Commission recommended that conciliation efforts on this matter be deferred pending further investigation of an additional alleged violation of FECA.

On November 1, 1978, the Commission found that there was reasonable cause to believe that SMWIA-PAL violated 2 U.S.C. §434(b) and 18 U.S.C. §608(b)(2) in connection with approximately \$65,000. in expenditures made to promote the candidacy of Senator Jackson [The \$65,000 amount includes the \$15,304.08 expended by SMWIA-PAL to host the Bal Harbour Reception]. The Commission recommended that conciliation efforts be initiated with respondent on the above matters.

Specifically, the Commission has determined that reasonable cause exists to believe that:

- (1) The SMWIA-PAL expenditures to host the Bal Harbour, Florida Reception (\$15,304.08) were contributions to the Jackson campaign and thus a violation of 18 U.S.C. §608(b)(2) when taken in conjunction with SMWIA-PAL's direct contribution to the Jackson for President Committee.
- (2) These expenditures were reported to the FEC as independent expenditures, instead of correctly being reported as contribution representing a violation of 2 U.S.C. §434(b).
- (3) Additional SMWIA-PAL expenditures (approximately \$50,000.) made in support of the Jackson candidacy and reported as independent expenditures, were in reality in-kind contributions

to the Jackson campaign and thus a violation of 18 U.S.C. §608(b)(2) when taken in conjunction with other SMWIA-PAL contributions to the Jackson for President Committee.

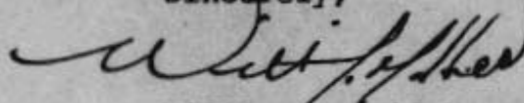
(4) These expenditures were reported to the FEC as independent expenditures thus violating the disclosure provisions of 2 U.S.C. §434(b).

The Commission has a duty to attempt to correct such violations for a period of 30 days by informal persuasion, conference, and by entering into a conciliation agreement with respondent. 2 U.S.C. §437g(a)(5)(A). If the Commission is unable to correct such violations by such informal methods and by entering into a conciliation agreement with respondent, the Commission may find probable cause to believe that the violations occurred and institute a civil action in United States District Court seeking payment of a civil penalty not in excess of the total amount of the expenditures involved in the alleged violations herein.

We enclose a conciliation agreement that this office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions contained in the enclosed conciliation agreement, please sign and return it [along with the stated civil penalty] to the Commission within ten days. I will then recommend that the Commission approve the agreement.

If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Kathleen Imig Perkins, the attorney assigned to this matter, at 202/523-4060 within 10 days.

Sincerely,



William C. Oldaker
General Counsel

Enclosure

Conciliation Agreement



FEDERAL ELECTION COMMISSION

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

December 4, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Edward J. Carlough, Treasurer
Labor for Jackson
1750 New York Ave., N.W.
Washington, D.C. 20006

RE: MUR 236(76)

Dear Mr. Carlough:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission has found reason to believe that Labor for Jackson (LFJ) may have violated certain provisions of the Federal Election Campaign Act of 1971, as amended (the Act). Specifically, it appears that, during the period of its existence, Labor for Jackson made approximately \$30,000 in expenditures in support of the presidential candidacy of Senator Henry Jackson. These expenditures were reported on FEC Form 3 as independent expenditures.

It also appears that, and the Commission has found reason to believe that, the following factors would render these expenditures in-kind contributions to the Jackson campaign rather than independent expenditures:

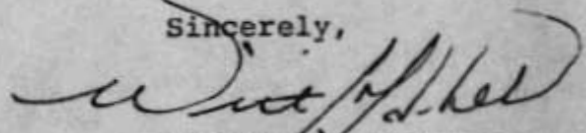
- (1) The working relationship among LFJ/JFP/Sheet Metal Workers International Association/SMWIA-Political Action League -- the fact that certain SMWIA employees made expenditures in support of the candidacy of Senator Jackson and were reimbursed by either SMWIA-PAL, LFJ, or JFP;
- (2) The overlapping positions held by Edward J. Carlough, Treasurer of Labor for Jackson, Chairman of SMWIA-PAL, and an informal adviser on labor matters to Senator Jackson;
- (3) The frequent contact between Edward J. Carlough and members of Senator Jackson's staff and his knowledge of JFP's general policies and campaign strategies.

79040122911

Therefore, reason exists to believe that the \$30,000 expended by LFJ was in reality an in-kind contribution to the Jackson campaign and thus in violation of FECA's contribution limitations for single-candidate committees set forth at 18 U.S.C. § 608(b)(1) at the time of the violation. [Now 2 U.S.C. § 441a(a)(1)] In addition, there is reason to believe that these expenditures were not properly reported as in-kind contributions in violation of 2 U.S.C. § 434(b).

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.

Sincerely,



William C. Oldaker
General Counsel

7904012201

Perkins 236

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:
Edward Carlough

3. ARTICLE DESCRIPTION
 REGISTERED NO. *94356* CERTIFIED NO. INSURED NO.

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

4. OFFICE DELIVERY *YES* POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

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

5010: 1977-6-24-505

BEFORE THE FEDERAL ELECTION COMMISSION

In the matter of)
)
Labor for Jackson)

MUR 236 (76)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on November 30, 1978, the Commission, in meeting in Executive Session at which a quorum was present, determined by a vote of 4 to 1 to adopt the General Counsel's Recommendations to take the following actions in the above captioned matter:

- (1) Find no reasonable cause to believe that Labor for Jackson violated 2 U.S.C. §433 (b) (2) by failing to report affiliation with SMWIA - PAL.
- (2) Find no reason to believe that SMWIA - PAL violated 2 U.S.C. §433 (b) (2) by failing to report affiliation with Labor for Jackson.
- (3) Find reason to believe that Labor for Jackson violated 18 U.S.C. §608 (b) (1) by making in-kind contributions to the Jackson for President Committee in excess of the limitations of that provision of the Act.
- (4) Send the letter attached to the General Counsel's report dated November 16, 1978.

Commissioners Harris, McGarry, Thomson, and Tiernan voted affirmatively for the above determinations. Commissioner Aikens dissented. Commissioner Springer was not present at the time of the vote.

Attest:

12/1/78
Date

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

79040122013

BEFORE THE FEDERAL ELECTION COMMISSION
November 13, 1978

In the Matter of)
)
Labor for Jackson) MUR 236 (76)

GENERAL COUNSEL'S REPORT

I. ALLEGATIONS

79040122014
The unresolved question in this matter is whether Labor for Jackson (LFJ) was affiliated with the Sheet Metal Workers International Association Political Action League (SMWIA - PAL) and required to report said affiliation pursuant to 2 U.S.C. §433 (b)(2). On November 1, 1978, the Commission determined that there existed no reasonable cause to believe that the Marine Engineers Beneficial Association Political Action Fund (MEBA - PAF) violated the Federal Election Campaign Act by failing to report affiliation with LFJ pursuant to 2 U.S.C. §433(b)(2). On that same date, the Commission found reason to believe that Labor for Jackson (LFJ) violated both 2 U.S.C. §434(b) and 18 U.S.C. §608(b)(2) [The correct citation for this violation is 18 U.S.C. §608(b)(1).] in connection with in-kind contributions made to the Jackson for President Committee. This report will restate the background of this matter and will then provide a detailed analysis of the remaining unresolved issue.

II. BACKGROUND

Labor for Jackson (LFJ) was organized on April 14, 1976, and on that date filed a Statement of Organization with the Federal Election Commission, naming Joseph D. Keenan as Chairman and

Edward J. Carlough as Treasurer. On May 20, 1976, Labor for Jackson reported to the FEC that there were no organizations affiliated with it. According to deposition testimony of Edward J. Carlough, Labor for Jackson was organized to "make independent expenditures in behalf of Senator Jackson's candidacy" and to "establish a broad base of independent activity on the Senator's behalf." Carlough Deposition at 27-28, 50-51.

79040122015

The initial funding of Labor for Jackson was a \$7,500 transfer from the Sheet Metal Workers Political Action League (SMWIA - PAL) made on April 14, 1976. In addition, the MEBA Political Action Fund (MEBA - PAF) transferred \$20,000 to LFJ on May 5, 1976 and the Engineers Political Education Committee transferred \$5,000 on June 30, 1976. These transfers comprised the total contributions to LFJ during its existence. [The Commission has previously agreed that the \$7,500 transfer by SMWIA - PAL and the \$20,000 transfer by MEBA - PAF were not violations of FECA since the 1974 FECA Amendments did not clearly limit contributions from one political committee to another. 18 U.S.C. §608(b)(2) limited contributions from a political committee to a candidate, but not to another committee, regardless of affiliation. See September 17, 1976 OGC Report.]

Labor for Jackson made expenditures on behalf of Senator Jackson's candidacy in the Pennsylvania Presidential primary election which was held on April 27, 1976. Additional expenditures were made during May and June, 1976. All of these expenditures were reported to the FEC as independent expenditures. On August 24, 1976, LFJ refunded the balance in its account to SMWIA - PAL, MEBA - PAF and the Engineers Political Education Committee in proportion to their transfers to LFJ and terminated.

Labor for Jackson existed and received contributions and made expenditures from April, 1976 - August, 1976. Thus any alleged FECA violations by LFJ took place during a time period following the Supreme Court's decision in Buckley v. Valeo, partially before the effective date of the 1976 FECA Amendments, May 11, 1976; and before the Commission's prescription of its present regulations, April 13, 1977. Thus, the analysis of the alleged affiliation between LFJ and MEBA - PAF and LFJ and SMWIA - PAL, the subject matter of this investigation, will take into account the law in effect at the time of the alleged violation.

III. INVESTIGATION AND ANALYSIS

A. Affiliation with SMWIA - PAL

The FECA disclosure provisions prior to the 1976 Amendments required that a political committee's statement of organization, filed with the Commission, include "the names, addresses, and relationships of affiliated or connected organizations." 2 U.S.C. §433(b)(2). This provision was not affected by the 1976 Amendments and remains effective in the current law. However, at the time of the alleged disclosure violations committed by LFJ and SMWIA - PAL [April - August, 1976] the Commission had not defined "affiliated or connected" for purposes of disclosure. Several early Advisory Opinions had discussed direction and control by one group over another for purposes of imposition of an aggregate contribution limitation. See AO 1975-35 and AO 1975-45. And the Conference Report on the 1974 Amendments indicated that direction or control by one person or group over contributions made by another would require imposition of one contribution limitation. S. Rep. No. 93-1237, 93d Cong., 1st Sess. 51-52 (1974). This language of the Conference Report was

79040122016

adopted by the Supreme Court in Buckley where it discussed contribution limitations as applied to parent corporations and their subsidiaries or to national and regional unions. See Buckley v. Valeo, 424 U.S. 128 n. 31 (1976).

But neither the Commission itself, FECA's 1974 legislative history nor the Supreme Court in Buckley defined what was meant by the "affiliated or connected organizations" disclosure requirement during this period. Therefore, since the requirements of this disclosure provision were not defined at the time of the alleged violation, it is the recommendation of the Office of General Counsel that the Commission find no reasonable cause to believe that Labor for Jackson violated 2 U.S.C. §433(b)(2) by failing to report affiliation with SMWIA - PAL and no reason to believe that SMWIA - PAL violated the same provision by failing to report affiliation with LFJ.

B. Independent Expenditures made by LFJ

The Labor for Jackson Committee made approximately \$30,000 in independent expenditures in support of Senator Jackson. On November 1, 1978, the Commission found reason to believe that LFJ violated both 2 U.S.C. §434(b) and 18 U.S.C. §608(b)(2). This reference to §608(b)(2) was an inadvertent error in both the October 30, 1978 Office of General Counsel Report and the November 3, 1978 Commission Certification. Since LFJ was not a multi-candidate committee, the applicable contribution limitation is the \$1,000 maximum limitation contained in 18 U.S.C. §608(b)(1).

Therefore, it is the recommendation of the Office of General Counsel that the Commission amend the action it took on November 1,

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1978 as stated in the November 3, 1978 Commission certification and find reason to believe that Labor for Jackson violated 18 U.S.C. §608(b)(1) by making in-kind contributions to the Jackson for President Committee in excess of the limitations of that provision of the Act.

IV. RECOMMENDATIONS

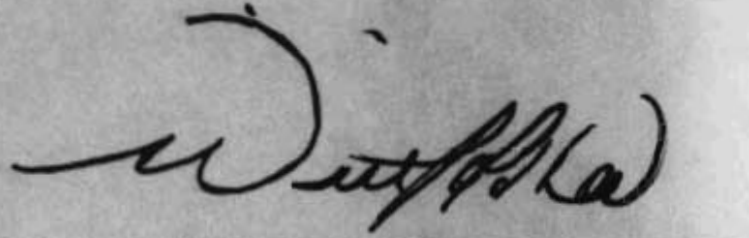
(1) Find no reasonable cause to believe that Labor for Jackson violated 2 U.S.C. §433(b)(2) by failing to report affiliation with SMWIA - PAL.

(2) Find no reason to believe that SMWIA - PAL violated 2 U.S.C. §433(b)(2) by failing to report affiliation with Labor for Jackson.

(3) Find reason to believe that Labor for Jackson violated 18 U.S.C. §608(b)(1) by making in-kind contributions to the Jackson for President Committee in excess of the limitations of that provision of the Act.

(4) Send attached letter.

11/16/78
Date


William C. Oldaker
General Counsel

ATTACHMENTS

Letter to Edward J. Carlough

79040122018

November 29, 1978

MEMORANDUM TO: Marge Winmons
FROM: Elissa T. Carr
SUBJECT: MURs 260/266

Please have the attached memo on MURs 260/266 distributed to the Commission on an informational basis. Please return the original to the docket.

Thank you.

79040122019



FEDERAL ELECTION COMMISSION

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

November 29, 1978

MEMORANDUM

TO: THE COMMISSION
FROM: William C. Oldaker *[Signature]*
SUBJECT: MURs 260/266

For your information, attached please find memoranda submitted by the attorneys for the Marine Engineers Beneficial Association Political Action Fund and the Sheet Metal Workers International Association Political Action League - MURs 260 and 266 respectively.

These documents do not alter our recommendations in these matters as adopted by the Commission on November 1, 1978. We are proceeding with further investigation and conciliation efforts.

79040122020

BEFORE THE
FEDERAL ELECTION COMMISSION

In The Matter of the

MARINE ENGINEERS BENEFICIAL
ASSOCIATION - POLITICAL
ACTION FUND

SUBMISSION TO THE FEDERAL ELECTION
COMMISSION AND ITS STAFF REGARDING
THE MARINE ENGINEERS BENEFICIAL ASSOCIATION
POLITICAL ACTION FUND

At a meeting with the Commission's General Counsel, Mr. William Oldaker, and his assistant, Mr. Paul Lovejoy, questions were raised on behalf of the Commission concerning two activities of the Marine Engineers Beneficial Association Political Action Fund ("MEBA-PAF") in connection with the 1976 presidential campaign of Senator Henry Jackson of Washington. Counsel for the MEBA-PAF was informed that the Commission staff had not yet arrived at a final determination as to its position regarding these activities. Because the legal issues involved were ones of first impression and because any Commission action regarding these activities could well be construed as ex post facto rulemaking, the Commission staff permitted the MEBA-PAF to make this submission to demonstrate its position that no action

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can or should be taken against the MEBA-PAF in connection with these activities. The opportunity to make such a formal submission was viewed as especially appropriate in this matter since the General Counsel has expressed the view that, at worst, any violations would be technical in nature.

I. The Basic Facts Concerning Both Activities Are Undisputed

There are two activities which have been examined by the Commission staff. The first involves the hosting of a hospitality suite with refreshments at the Essex House in New York City on the evening of the presidential primary in New York. The second involves the expenditure of MEBA-PAF funds for the purpose of recording and facilitating the reporting of contributions to the Jackson for President Committee collected voluntarily by MEBA members to the Federal Election Commission. The important facts concerning each activity can be stated briefly.

A. New York City Hospitality Suite

On the evening of the April 1976 presidential primary in New York State, the MEBA-PAF hosted a hospitality suite at the Essex House in New York City. The administrative record reveals that the decision to host the suite was made on an

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impromptu basis by Leon Shapiro of the MEBA-PAF in consultation with his assistant, Frank A. Laurito, Chief Accountant for the MEBA. Arrangements for this suite were made exclusively by representatives of the MEBA-PAF, which was solely responsible for and paid all of the expenses associated with the operation of the suite. Neither Mr. Shapiro nor Mr. Laurito notified, consulted or otherwise had contact with Senator Jackson or his Senatorial or campaign staff regarding this activity. Similarly, there is no evidence that anyone from the MEBA-PAF had contacted Senator Jackson or his Senatorial or campaign staff regarding this event.

The purpose of this hospitality suite was to provide a meeting place where volunteers associated with the labor movement who had worked on the Jackson campaign in New York could meet socially while waiting for the election returns to come in. The function was not intended, nor was it used, as a fundraising vehicle for any candidate for federal, state or local office. The suite was located in the same hotel as the election night campaign headquarters of the Jackson campaign. The hospitality suite was not intended to be, nor was it, used in lieu of any election night campaign activity being staged by or on behalf of Senator Jackson.

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The cost of the suite and the refreshments was \$1,876.43. The suite was "catered" by hotel room service. No invitations were sent out inviting persons to attend. The only notice of the event was the 2'x3' sign placed in the lobby of the hotel. All of the funds expended were from the MEBA-PAF, the expenses were paid for by check and all expenditures were duly and promptly reported to the Commission.

During the course of the reception, Senator Jackson appeared, possibly shook a few hands and left the hospitality suite. There is no evidence in the record that Senator Jackson had been invited to appear or even that anyone associated with the MEBA-PAF had any advance notice that he would appear. A clear inference from the record is that either the Senator or a member of his staff saw the placard in the hotel lobby and suggested that the Senator appear to express his appreciation to his supporters in the labor movement. There is no indication as to how many persons were in the suite when Senator Jackson appeared, or how long the Senator stayed.

B. The Receipt Books and Fundraising Activity

Sometime around the middle of March 1976, the leadership of the MEBA-PAF determined to support the candidacy of Senator Jackson by encouraging members of the MEBA to make

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voluntary contributions to Senator Jackson's principal campaign committee, the Jackson for President Committee. For the purpose of ensuring that all funds collected would be properly reported to the Federal Election Commission and for internal union accountability for such funds,^{1/} it was determined that the MEBA-PAF would prepare a four-part (NCR-type) receipt. The receipt was designed by Mr. Laurito and receipt books were printed and assembled professionally at the expense of the MEBA-PAF, which promptly reported the expenditure. The receipt books were then mailed to the various MEBA branches (locals). At the same time the receipt books were sent out, a letter was prepared by Mr. Laurito in consultation with the former General Counsel for the Union to explain how the fundraising activity should be handled to ensure compliance with the FECA of 1971, as amended. This letter and a follow-up letter were sent out over the signature of MEBA President, Jesse M. Calhoon. Union members then, on a voluntary basis, spoke with other Union members about making contributions to the Jackson for President Committee. Other than Union members, it is possible that "friends" of the MEBA were contacted. The evidence reveals

^{1/} It has long been the policy of the MEBA that no funds of any kind will ever be collected from a Union member without issuing the member a written receipt.

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that this latter group would include families of Union members, retired Union members^{2/} and non-member Union employees.^{3/}

During the course of the Commission's investigation, the staff inquired whether such voluntary activity took place during "regular business hours." While the local Union offices have regular business hours, the evidence reveals that the concept of "regular business hours" has only partial application to the MEBA. Union members are employed in the United States merchant fleet and their contact with other members largely occurs at the time they enter ports, which could be at any time of day or night. While there is no direct evidence on point, it appears that at least some Union members were spoken to about making contributions at such times, incidental to Union business. Other members and friends would have been contacted randomly either when they came to Union offices or socially. Under the procedures devised by Mr. Laurito and counsel, members were encouraged to make contributions by check, made payable

2/ Retirees of the Union can hardly be considered "outsiders" since the Union continues to represent them in various respects. For example, recently the MEBA negotiated increased pension and health and welfare benefits for its retired members.

3/ As a practical matter, however, there is no direct evidence that anyone but members were solicited.

79040122027

directly to the Jackson for President Committee. No cash in excess of \$100 was allowed to be collected, and the receipt books permitted the identification of the contributors (by name in full in ink), the date of the contribution, the amount of the contribution and the address, social security number and occupation of the contributor. Checks collected at the local level along with the signed receipts were forwarded weekly to the MEBA-PAF office in New York City (located in the same facility as the MEBA itself) where they were then forwarded to the Jackson for President Committee.

The record is further undisputed on two other important facts. First, the entire collection effort was conducted on a purely voluntary basis by Union members. Secondly, all of the expenses associated with this effort were defrayed by the MEBA-PAF and were properly reported. The collection effort lasted slightly more than one month.

After the receipt books had been prepared and mailed to the various MEBA branches and the collection effort was underway, the President of the MEBA, Mr. Calhoun, and Mr. Laurito met with Walter Skallerup, Treasurer of the Jackson for President Committee. The sole purpose of that meeting was to notify the Jackson Committee of the fact that it would soon be

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receiving voluntary contributions from MEBA members and to explain the receipts that would be accompanying these contributions. The evidence refutes any suggestion that this meeting was held to consult with or obtain the approval of the Jackson Committee for the MEBA-PAF's independent activity; the authorization or consent of the Jackson Committee was neither solicited nor given; they did, however, express their pleasure when informed of this fait accompli.

II. Both Of The Activities Of The MEBA-PAF
Being Considered By The Commission Staff
Were Properly Conducted

Although some of the Commission staff's concerns regarding the two activities of the MEBA-PAF discussed in Part I of this Memorandum involve certain recurring themes, for the sake of clarity, we will discuss each event separately. Before beginning this recitation, it is important that the Commission and its staff clearly understand the relevant body of law applicable to these matters.

Both expenditures discussed above were made during the period following the Buckley v. Valeo decision [424 U.S. 1 (January 1976)] and prior to the effective date of the 1976 Amendments (May 11, 1976). Similarly, these activities occurred before the Commission originally submitted its proposed

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regulations to Congress in August of 1976 and resubmitted them in January 1977. Thus, the MEBA-PAF did not have benefit of the Commission's regulatory elaboration of those sections of the FECA which were unaffected by the Buckley decision and the 1976 Amendments.^{4/}

A. The Hospitality Suite

As explained by the Commission staff, the rationale for its inquiry regarding the hospitality suite was that if the expenditure was not an independent expenditure, the MEBA-PAF would have exceeded its contribution limitation to Senator Jackson by an amount equal to the cost of the suite and refreshments. Conversely, if the expenditure was an independent expenditure, there was no violation because the restrictions on independent expenditures imposed by the FECA had been held unconstitutional in Buckley, 424 U.S. at 51.

During the relevant period, the FECA did not expressly define the term "independent expenditure." Rather, it was expressed as an amalgam of 18 U.S.C. §§ 608(c)(2)(B) and (e)(1).

^{4/} The 1976 Amendments themselves did not become effective until after the activities were under examination.

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Thus, an independent expenditure was an expenditure made ~~on-be~~^{relative} ~~half~~^{to} of a clearly identified candidate for federal office, but which was not authorized or requested by the candidate, the candidate's authorized committee or an agent of the candidate. The Supreme Court in Buckley concluded that this definition would also include expenditures "placed in cooperation with or with the consent" of the candidate, etc., 424 U.S. at 46 n.23, and that the statutory prohibition was aimed at expenditures by third persons that were controlled by or coordinated with the candidate and his/her campaign. Id. at 46.

Judged by these statutory criteria, it is inconceivable that the staff or the Commission could conclude that the expenditure for the hospitality suite was anything but an independent expenditure. There is no evidence whatever that the event was authorized or requested by Senator Jackson or anyone associated with his campaign. On the contrary, it is conceded by the staff that the decision to host the suite was arrived at solely within the MEBA-PAF. Indeed, the staff further concedes that there is no evidence that the Senator was even invited to attend or otherwise had foreknowledge of the expenditure. The record establishes that the suite would have been hosted regardless of

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whether the candidate had known of the event and had appeared.^{5/}
Under these circumstances, there is no basis for any challenge
to the independent nature of this expenditure.

The staff, however, has speculated that the mere presence of the Senator at the event may be sufficient to vitiate it as an independent expenditure. This position has no statutory foundation in the context of this case. First, the statute in effect at the time speaks only in terms of authorization or requests for an expenditure to be made on behalf of a candidate. Here, it is conceded that the decision to hold the event was made independently, and the holding of the event proceeded entirely without the authorization, consent or even notice to the candidate. Secondly, it is conceded that the candidate appeared while the event was taking place after virtually all of the obligations underlying the expenditure had already been incurred. Under these circumstances, the fortuitous appearance of the candidate can in no way constitute request, authorization, coordination or control.

5/ In acknowledging this fact, we are in no way conceding that an invitation to appear at such an event would in any way affect the independent quality of the expenditure.

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A review of the statute, as well as its legislative history, reveals that Congress did not intend to characterize such expenditures as "contributions" within the meaning of 18 U.S.C. §§ 591 and 608 merely because the candidate appeared. To adopt such a per se rule would not only be inconsistent with the construction of independent expenditures articulated by the Supreme Court, but would, in this case, compel the conclusion that the only way the MEBA-PAF could have avoided a violation would be for it to have barred Senator Jackson from entering the suite. It cannot be argued that Congress intended to impose such an unseemly burden.

Two further observations are appropriate. First, the staff concedes that this is a case of first impression and the Commission has never formally (by rulemaking) or informally (by advisory opinion) articulated such a per se rule in this context. Under these circumstances and assuming, arguendo, that the Commission now believes that the FECA, as amended in 1976, sanctions such a rule, it should not be applied in an adjudicatory context involving conduct prior to the 1976 Amendments, but should be the subject of formal rulemaking. The ex post facto application of such a rule or interpretation to this April 1976 activity would not only raise serious due process problems, but would also be of dubious value precedentially, because it would necessarily depend on a construction

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of the Act as it stood in 1974 (without § 431(p)) and without reference to the new regulations. Secondly, if the concern of the Commission is, as expressed by the staff, to discourage the holding of meetings held solely for the purpose of providing a forum for specific candidates, then not only is that concern absent in this case, but this case would provide a totally inappropriate vehicle for articulating a prophylactic rule against such conduct as all of the relevant factors are absent here.^{6/}

B. The Collection Of Funds

Several theories have been articulated by the Commission staff regarding the possible inappropriateness of the MEBA-PAF's activity in collecting funds to be given to the Jackson for President Committee. First, did the funds expended by the MEBA-PAF for the receipt books constitute a violation of the

^{6/} We are constrained to note that the hospitality suite expenditure would certainly qualify as an independent expenditure under the new regulations now in effect. The staff has taken the position that Senator Jackson's presence may constitute his "consent" to the expenditure within the meaning of 11 C.F.R. § 109.1. While we disagree that mere presence would be sufficient to show "consent," we are constrained to note that the regulations speak expressly in terms of "prior consent" and that element cannot be found in this case.

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contribution limitations in § 441a (actually the statute operating at the time was § 608 of Title 18)? Secondly, did the statute prohibit a union political action fund from soliciting members of the union and others for contributions to federal candidates? And thirdly, is this a situation where the political action committee was functioning as a conduit for earmarked funds or facilitating contributions in the name of another? The answers to each of these questions is no.

With regard to the expenditure for the receipt books, the question of a violation again turns on the characterization of that expense. If it was an independent expenditure, there could be no violation; if it was not, then it would constitute a contribution. Having previously summarized the facts and having discussed the applicable law, it is readily apparent that this expenditure must be characterized as "independent" for several reasons. First, it is conceded that the MEBA-PAF's decision to engage in this collection effort was arrived at purely on its own and without any contact whatever with the Jackson for President Committee. Secondly, the receipt books were designed, printed and sent out to the local branches, and the collection effort began without any contact with Senator Jackson or his staff.

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The Commission staff has conceded these facts, but has suggested that the meeting which took place between Messrs. Calhoon and Laurito and Mr. Skallerup and the comptroller of the Jackson Committee may have altered the character of the prior independent expenditure. This speculation is unwarranted. The evidence reveals that the MEBA-PAF presented the Jackson Committee with a fait accompli. The purpose of the meeting was merely to notify the Committee of what the MEBA-PAF was doing and to explain the receipts that would accompany the contributions. The consent, approval or advice of the Jackson Committee was neither solicited nor received. Furthermore, even if the Jackson Committee's actions could be implied as approval or consent, this approval would have been given after the expenditure was made and not before as the Commission's present regulation construes the statute to proscribe. The statute did not and does not disqualify an independent expenditure merely because the party expending the funds notifies a candidate or his/her committee that the expenditure has been made. Nor does the statute have a similar impact where notification of on-going activities is given. Both the legislative history of the statute and the Supreme Court's discussion in Buckley make it clear that the classification of an expenditure as a contribution-in-kind turns on a level of conduct approaching coordination with or control by the candidate or his/her

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committee. Mere notification is not sufficient; and notification after-the-fact, as here, can never be sufficient in a context such as this activity.

Finally, it should again be noted that neither the Congress nor the Commission has ever articulated a rule or policy that mere notification disqualifies an expenditure from being treated as independent. For the reasons set forth earlier, this case does not provide an appropriate vehicle for announcing such a rule or policy and applying it retroactively. This is especially true where, as here, there is no evidence or rational basis to infer that the mere act of notification was intended or in fact did serve to coordinate activity or to permit the candidate or campaign committee to exert any influence over the independent activity.

The second issue concerns not the MEBA-PAF's expenditures, but the collection activity itself. The Commission staff could not and has never questioned the propriety of the Union or its political action fund urging the membership and their families to make voluntary direct contributions to federal candidates; such activities were clearly permitted under 18 U.S.C. § 610 and remain so under 2 U.S.C. § 441b(b)(2)(A). Nor has the Commission staff questioned the voluntariness of this collection activity. The only questions are: (a) could

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the MEBA-PAF solicit non-members;^{7/} and (b) was the MEBA-PAF's role in transmitting these contributions to the Jackson Committee constitute a violation of § 441a? Again, the answers are no.

First, at the time of this activity, the FECA placed no limit on the persons with whom a political action fund could communicate for any purpose. Nor did the statute distinguish partisan communications in general from those which were intended as solicitations of funds.^{8/} Similarly, then and now, the FECA did not and does not discriminate against the First Amendment rights of members of labor organizations by restricting the voluntary political activity they can engage in, so long as their activity is not funded by the general treasury. Hence, there could be no violation of the FECA where, as here, such voluntary activity involves communications with non-members and is funded by the political action fund.

7/ Once again we must emphasize that there is no evidence in the record that anyone, other than a member was solicited. See also note 2, supra.

8/ Indeed, a labor organization itself could expend treasury funds to communicate to union members on "any subject." 18 U.S.C. § 610; see also 2 U.S.C. § 431(f)(4)(C); and the present § 441b(b)(2)(A).

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The staff responds by suggesting that § 441b(b)(4) of the FECA can be read to imply a restriction of the use of political action funds to communications to members only. This is preposterous for several reasons. First, § 441b(b)(4) did not go into effect until May 11, 1976, which in fact was four days after the MEBA-PAF recalled its receipt books and suspended its collection efforts.^{9/} There were no analogous restrictions in 18 U.S.C. § 610. Secondly, even had § 441b(b)(4) been in effect while the solicitation effort was taking place, that statute does not restrict partisan communications by political action funds seeking contributions to candidates. That section clearly and unambiguously prohibits only solicitations to non-members for the purpose of raising funds for the political action fund. No greater restriction is imposed by the Commission's regulations which purport to elaborate on the provision of § 441b(b)(4). See Sections 114.5(g)(2) and 114.5(i).

^{9/} It should be noted that Senator Jackson withdrew his candidacy after his defeat in the Pennsylvania primary, which preceded the effective date of the 1976 Amendments. As the Commission staff never inquired when the collection effort terminated, there is no evidence in the record on this question. Accordingly, we are submitting a copy of the termination notice dated May 7, 1976 for its inclusion in the administrative record.

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Thus, while the regulation promulgated in 1977 do distinguish between communications in general and "solicitations," the only context in which this distinction is made operative is the restriction against soliciting non-members for contributions to the political action fund. Indeed, the explanation and justification of these regulations transmitted by the Commission to the Speaker of the United States House of Representatives makes it clear "that there is no restriction on the persons to whom a separate segregated fund may communicate so long as voluntary contributions are used for the communications," and that the regulations impose no greater restriction than that imposed by the statute. Communication from the Chairman of the Federal Election Commission (HD No. 95-44), January 11, 1977 at p. 108. Thirdly, if Congress or the Commission had intended to prohibit union members from using political action funds to engage in fundraising activities for political candidates, we are confident that they would have used language expressly prohibiting solicitations for federal candidates. The reason they did not and could not have imposed such a restriction on the independent political activity of union members is that it would be held unconstitutional by virtue of the principals articulated in the

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Buckley decision, as well as other leading cases in this area;^{10/}
see Pipefitters Local Union No. 562 v. United States, 407 U.S.
385, 407, 414-415, 420-421 (1972).

The short of it is that there was and can be no statutory authority for the Commission to take the position that members of the MEBA could not engage in such fundraising activity on behalf of candidates for federal office, using political action funds. Such a policy or rule would therefore exceed the Commission's statutory authority and subject § 441b to grave constitutional challenge.

Finally, the Commission staff recently discussed the collection effort in the context of the Commission's concern regarding earmarking and the use of conduits. These legal concepts have no application in the context of this case. As the statutes read at the time, and still read, the prohibitions against earmarking and the use of conduits have been designed to ensure compliance with the contribution/expenditure

^{10/} A related theory is that since labor unions are allowed to expend treasury funds to defray certain administrative expenses of their political action funds, see 2 U.S.C. § 441b(b)(2)(C), that the activity of these funds should be restricted to solicitations to its own members. This theory is spurious for numerous reasons, which need not be discussed since there is no evidence whatever that the MEBA's treasury paid such expenses during this period; and, as a matter of fact, it did not.

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limitations by ensuring the proper identification and disclosure of the actual contributor. None of these considerations are applicable in this case, nor does the record establish any factual predicate for any concern in this area. On the contrary, the record reveals that the MEBA-PAF took great pains to ensure the proper identification of the actual contributors and fully disclosed its own role, all in strict compliance with 18 U.S.C. § 608(b)(6).^{11/} It is ironic that the Commission staff even raises these issues where, as here, the main purpose of the purchase of the receipt books was to ensure the identification of the actual contributor and the purpose of the meeting with the Jackson Committee was to ensure that the Committee was aware of the purpose of the receipts and would be able to properly report and account for the contributions it received. Thus, we are not dealing with a case involving monies contributed or entrusted to a political action fund which are earmarked for a candidate. Nor is this a case where a political action fund is used to conceal the identity of the actual contributor. On the contrary, the reported expenditure which precipitated this inquiry was designed

^{11/} We note that the procedures followed by the MEBA-PAF were responsive to and consistent with FEC AO 1976-51.

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to ensure that such abuses would not occur and the requirements of 18 U.S.C. 608(b)(6) were strictly adhered to. The MEBA-PAF's role in collecting and transmitting the checks to the Jackson Committee was purely a ministerial act, and cannot possibly be construed otherwise.

Conclusion

As we have demonstrated, the activities of the MEBA-PAF which have been the subject of the Commission staff's inquiry did not violate any provision of the FECA. While we appreciate and support the interest of the Commission in evolving adequate standards to ensure the integrity of the federal election process, we submit that the articulation of new rules or novel constructions of prior statutes is totally inappropriate in the context of the adjudicatory process.

Dated: August 22, 1978

Respectfully submitted,

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November 17, 1978

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

RE: MUR 266

Dear Mr. Oldaker:

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Thank you for your letter of November 6, 1978. The Sheet Metal Workers International Association -- Political Action League (SMWIA-PAL) believes, for the reasons that follow, that no action by the Commission is warranted as a result of this investigation. Section 437g of the Act (2 U.S.C. § 437g) requires that the Commission give any person who receives notice of an alleged violation "a reasonable opportunity to demonstrate that no action should be taken against such person by the Commission under this Act." We therefore respectfully request that this letter be submitted to the Commission when the staff makes its report and recommendation on MUR 266.

INTRODUCTION

The Sheet Metal Workers International Association -- Political Action League (SMWIA-PAL) is a separate segregated fund (see 2 U.S.C. § 441b). For two years now the staff of the Federal Election Commission has been conducting an investigation into the activities of SMWIA-PAL during the Spring of 1976 in connection with the presidential primary campaign of Senator Henry Jackson. In the course of this lengthy investigation, SMWIA-PAL and its officers and members have fully and promptly cooperated with the FEC staff's numerous inquiries and requests for the taking of depositions.

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The issues involved in this investigation have finally been narrowed, the Commission's staff has informed us, to three questions: (1) whether a payment reported by SMWIA-PAL to the Commission as an independent expenditure in connection with a February 16, 1976, reception for Senator Jackson in Bal Harbour, Florida, should be considered a contribution to Senator Jackson; (2) whether payments reported by SMWIA-PAL to the Commission as independent expenditures in connection with the making of cassette tapes from the film of a March 6, 1978, rally for Senator Jackson in Florida should be considered a contribution to Senator Jackson; (3) whether SMWIA-PAL and the Labor for Jackson Committee, which was formed in mid-April 1976, should be considered as affiliated committees.

As we discuss below, SMWIA-PAL fully complied with the requirements of the Federal Election Act in connection with the matters under consideration. We note, however, that even if it were concluded that some item was not correctly reported, this could not possibly be considered a willful violation of the Act. We believe the Commission's staff concurs in this evaluation.

All of the events at issue here took place after the Supreme Court's decision in Buckley v. Valeo, 424 U.S. 1 (1976), which was handed down on January 30, 1976. The Act was, at the time, one of the most complex pieces of federal legislation ever enacted and the Buckley v. Valeo decision added still further complications. Moreover, during the period of 1976 in question here, no Commission regulations were in effect; indeed, from March 22, 1976, through May 21, 1976, the Commission had gone out of existence as a result of the Supreme Court's decision. See Federal Election Commission, 1976 Annual Report 1-2. As the Commission itself has acknowledged, in the Spring of 1976 -- when all the activities at issue here took place -- there was much uncertainty among those subject to the original Act about its interpretation and application. Id. at 2.

A.
THE EXPENDITURES FOR THE
BAL HARBOUR RECEPTION WERE
INDEPENDENT EXPENDITURES

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It has long been the practice of union leaders to sponsor receptions for prominent politicians during the annual mid-winter meeting of the AFL-CIO Executive Council. ^{1/} Such a reception was held on the evening of February 16, 1976, in honor of Senator Henry Jackson at the Americana Hotel in Bal Harbour, Florida. ^{2/} Persons were invited to the reception by the eleven international union presidents listed on the invitations: I.W. Abel (United Steelworkers); Harold J. Buoy (International Brotherhood of Boilermakers); Jesse M. Calhoun (National Marine Engineers Beneficial Association); Edward J. Carlough (Sheet Metal Workers International Association); Sol C. Chaikin (International Ladies' Garment Workers Union); Thomas W. Gleason (International Longshoremen's Association); Andrew T. Haas (International Association of Asbestos Workers); John H. Lyons (International Association of Iron Workers, Bridge and Structural); Charles H. Pillard (International Brotherhood of Electrical Workers); William Sidell (United Brotherhood of Carpenters and Joiners); J.C. Turner (International Union of Operating Engineers). ^{3/}

After the original sponsors had decided to hold the reception, Edward J. Carlough, General President of the Sheet Metal Workers International Association (SMWIA) and Chairman of the SMWIA-Political Action League (PAL), assisted in organizing it and

^{1/} Deposition of Robert J. Keefe, at p. 49.

^{2/} Exhibit B to Letter of David S. Turner, Dec. 16, 1976 (hereinafter Turner letter).

^{3/} Ibid.

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in checking with Senator Jackson or his staff in regard to a date when he would be able to attend. ^{4/} Mr. Carlough had no discussions with Senator Jackson or his staff regarding who would be attending the reception, what Senator Jackson would say or whether there would be solicitations for political contributions. ^{5/}

Invitations to the reception were issued to officers, members and families of the sponsoring unions and other affiliated AFL-CIO organizations then attending the winter meetings of the AFL-CIO in Miami, Florida (Turner letter, p. 10 and Exhibit B thereto). The reception lasted from 6:00 p.m. to 7:30 p.m. and Senator Jackson, who had been invited to attend, gave a short talk, as did AFL-CIO President Meany (Turner letter Exhibit B). ^{6/} There is no evidence that any political contributions were solicited or received in conjunction with the reception or that there were any communications to the attendees expressly advocating Senator Jackson's candidacy for President.

By February 16, 1976, thirteen union organizations had joined in sponsoring the reception (Turner letter, Exhibit A), the cost of which totalled \$15,148.60 (Turner letter pp. 7-8). Although counsel had initially advised that the cost of the reception could be paid out of union treasury funds because it consisted of a communication to members of the unions and their families, attorneys determined after the reception that the proper method of payment would be from voluntary funds (Exhibit A to Turner letter).

On May 7, 1976, SMWIA-PAL paid for the total cost of the reception and reported this to the Federal Election Commission

^{4/} Deposition of Edward J. Carlough, at pp. 9-12.

^{5/} Id. at 11-12.

^{6/} See also Deposition of Robert J. Keefe, at p. 49.

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as independent expenditures for a reception in honor of Senator Jackson, indicating that the expenses were "to be shared by several committees" (SMWIA-PAL Report to the FEC, 6/8/76, at p. 6). On the same date, May 7, 1976, Mr. Carlough sent letters to the other twelve co-sponsoring organizations requesting reimbursement of their pro rata share of the costs of the reception (Exhibit A to Turner letter). The following organizations responded in the amounts indicated: I.B.E.W.-COPE (\$1,176.86); I.L.G.W.U. Campaign Committee (\$1,118.96); Boilermakers-Blacksmiths Legislative Education Action Program (\$1,176.86); Laborers Political League (\$1,176.86); United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry Education Committee (\$1,176.86); and staff employees of the International Association of Heat and Frost Insulators and Asbestos Workers (\$1,210.00).

These amounts received by SMWIA-PAL were also reported to the Federal Election Commission on Schedule A as "reimbursement-shared expenses for reception in honor of Senator Henry Jackson." (See SMWIA-PAL REC Reports filed June 8, 1976 (at p. 4); July 12, 1976 (at p. 5); November 24, 1976; and Turner letter, pp. 9-10). The reimbursements totalled \$9,390.12, which resulted in SMWIA-PAL absorbing \$5,758.48 of the cost of the reception or \$4,581.62 more than its pro rata share of the expenses (\$1,176.86).

In our view, the expenditures by SMWIA-PAL in connection with the Bal Harbour reception for Senator Jackson were not contributions within the meaning of the Act as it then stood. By the time of the reception in February 1976, the Supreme Court had held the expenditure limits in Section 608(e)(1) unconstitutional under the First Amendment to the Constitution. ^{7/} Buckley v. Valeo,

7/ This provision was repealed by Pub.L. 94-283 on May 11, 1976, 90 Stat. 496.

supra, 424 U.S. at 51. In so holding the Court interpreted Section 608(b), which sets limits on contributions, to cover "prearranged or coordinated expenditures amounting to disguised contributions." 424 U.S. at 47. ^{8/} Thus, under Section 608(b), expenditures "authorized or requested" by the candidate were to be treated as expenditures by the candidate and contributions by the persons making the expenditures. 424 U.S. at 46 n. 53.

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The costs incurred at the Bal Harbour reception are not of that order. The reception was not requested by Senator Jackson. The expenses incurred in connection with the reception were not in any way approved or authorized by Senator Jackson or his representatives. The idea of such a reception, which is a traditional function during AFL-CIO conventions, was not originated by Senator Jackson's campaign committee. What Senator Jackson said at the reception was not cleared through the labor officials who organized the reception and there is no evidence that Senator Jackson solicited contributions or even votes at the reception. Indeed, it was not until the month following the reception that SMWIA-PAL first announced its support for Senator Jackson's candidacy. ^{9/}

^{8/} It appears that the Commission did not, at the time, agree with this interpretation. Rather, as the Court pointed out, the Commission argued that prearranged or coordinated expenditures were not contributions and that it was therefore necessary to have expenditure limitations in order to prevent circumvention of the contribution limits. 424 U.S. at 46.

^{9/} Although the Commission's regulations do not apply here because they did not become effective until April 13, 1977, we note that under the regulations, candidates for office may be invited to address members of a labor organization if the labor organization does not then endorse the candidate or solicit contributions from the audience (11 C.F.R. § 114.4(b)(2)).

Of course Senator Jackson was invited to attend the reception but that hardly warrants transforming the expenditures involved into expenditures by him and contributions by SMWIA-PAL and the labor committees that shared the costs. Otherwise, no group interested in learning more about a candidate could invite him to speak or attend a reception with its members without running the risk of exceeding the limits on contributions. Such a restriction on the First Amendment's guarantee of freedom of speech, which protects the free flow of information, ^{10/} cannot be read into the Act as it stood during the period in question.

B.
THE EXPENDITURES IN CONNECTION
WITH THE MAKING OF FILMS OF A
RALLY WERE INDEPENDENT EXPENDITURES

On March 6, 1976, three days before the Florida presidential primary election, Senator Henry Jackson appeared at a rally in Ft. Lauderdale, Florida. ^{11/} Senator Jackson, Daniel Patrick Moynihan, Mr. Carlough and others spoke at the rally, which was held by political committees of local Florida labor unions (Turner letter, p. 12). Shortly before March 6, 1976, Mr. Carlough decided to have the rally filmed for his union. ^{12/} Senator Jackson was not consulted in advance and became aware of the filming only when he arrived to speak (EC 18-19).

Mr. Carlough decided to make a film of the rally for the purpose of educating members of the SMWIA. As Mr. Carlough stated to the Commission staff: ^{13/}

^{10/} See First Nat'l Bank of Boston v. Bellotti, 435 U.S. 765, 783 (1978).

^{11/} Deposition of Edward J. Carlough, at p. 18.

^{12/} Id. at 18-19.

^{13/} Id. at 20.

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First, we were going to make the film, pick out the best parts of it, and then use it as an educational film in our union halls -- or wives, we have some women's divisions in our locals, at coffee meetings of the wives to advance Senator Jackson's candidacy among our own members and also to demonstrate the reason why I was going out in front and supporting the Senator's candidacy at that time.

After the rally, Mr. Carlough advised Senator Jackson that he intended to use the film in the manner described above (EC 19). Neither Senator Jackson nor any member of his staff were shown a copy of the film. ^{14/}

Later, SMWIA-PAL decided that portions of the film should also be used in the independent campaign on behalf of Senator Jackson's candidacy. ^{15/} Segments of the film were accordingly included in 15-minute and 5-minute cassettes, which SMWIA-PAL volunteers showed to the public during the primary campaign. ^{16/} SMWIA-PAL paid Hearst Metrotone News Division \$2,307.84 on April 27, 1976, and \$4,458.26 on May 26, 1976, for services in connection with the making of these tapes and reported these amounts to the FEC as independent expenditures ^{17/} (SMWIA-PAL FEC Reports 5/14/76, Schedule B, p. 14; 6/8/76, Schedule B, at p. 6).

There is no evidence that Senator Jackson or any member of his staff cooperated, were consulted, or participated in the preparation of the cassettes shown to the public as part of the SMWIA-PAL independent campaign on behalf of Senator Jackson's candidacy.

^{14/} Deposition of Edward J. Carlough, at p. 20.

^{15/} Id. at 18.

^{16/} Ibid.

^{17/} Id. at 17-18.

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The fact that Senator Jackson became aware that the rally was being filmed is immaterial to whether the expenses involved in making cassettes were "independent expenditures." As to those expenses, there is no evidence of any prior consultation, agreement or cooperation between the candidate and SMWIA-PAL. Indeed, neither Senator Jackson nor his representatives even knew that cassettes were being made for the purpose of the SMWIA-PAL's independent campaign on behalf of his candidacy. Moreover, when the Executive Director of Senator Jackson's campaign committee discovered that SMWIA-PAL was campaigning for Senator Jackson by showing such cassettes to the public he "cried" because he viewed the activity as unproductive and a misuse of "a lot of time and energy." ^{18/}

As the Supreme Court held in Buckley v. Valeo, *supra*, 424 U.S. at 47, "Unlike contributions, such independent expenditures may well provide little assistance to the candidate's campaign and indeed may prove counterproductive. The absence of prearrangement and coordination of an expenditure with the candidate or his agent . . . undermines the value of the expenditure to the candidate" From the point of view of Senator Jackson's campaign committee, that certainly describes the situation here. We therefore believe that these expenditures by SMWIA-PAL were properly reported as "independent expenditures" and that there is no factual or legal basis for concluding otherwise.

^{18/} Deposition of Robert J. Keefe, at pp. 40-43.

C.
LABOR FOR JACKSON AND
SMWIA-PAL WERE NOT
AFFILIATED

Labor for Jackson was formed on April 14, 1976, and on that date filed a Statement of Organization with the Federal Election Commission, naming Joseph D. Keenan as Chairman and Edward J. Carlough as Treasurer. In a letter from Mr. Keenan on May 20, 1976, Labor for Jackson reported to the FEC that there were no organizations affiliated with it.

Labor for Jackson was set up for the purpose of making independent expenditures on behalf of the presidential candidacy of Senator Henry Jackson ^{19/} and to attract a broad base of labor support for the Senator. ^{20/} Jesse M. Calhoun, President of the Marine Engineers Beneficial Association (MEBA) and the MEBA Political Action Fund, Mr. Carlough and another union official asked Mr. Keenan to serve as Chairman of Labor for Jackson. Mr. Keenan, who had been International Secretary of the International Brotherhood of Electrical Workers, agreed. ^{21/}

The initial funding of Labor for Jackson consisted of a \$20,000 contribution from the MEBA Political Action Fund, a \$7500 contribution from SMWIA-PAL and a \$5000 contribution from the Engineers Political Education Committee (Labor for Jackson FEC Report, Schedule A, p. 1, 7/9/76). ^{22/}

Labor for Jackson made independent expenditures on behalf of Senator Jackson's candidacy in the Pennsylvania Presidential

^{19/} Id. at 27.

^{20/} Id. at 28, 50-51.

^{21/} Id. at 39; Deposition of Joseph D. Keenan, at pp. 4-5.

^{22/} Deposition of Edward J. Carlough, at pp. 38-39.

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primary election, which was held on April 27, 1976 (Labor for Jackson FEC Report, Schedule B, 7/9/76). Many of the volunteers for Labor for Jackson were members of the SMWIA, but volunteers from other unions also participated in the Pennsylvania primary campaign for Senator Jackson, ^{23/} including iron workers, engineers and carpenters. ^{24/} Bills sent to Labor for Jackson were approved for payment by its Treasurer, Mr. Carlough, and checks were signed by Mr. Keenan.

Labor for Jackson functioned for only a short time because, shortly after the Pennsylvania primary, Senator Jackson withdrew as a presidential candidate. On August 24, 1976, Labor for Jackson refunded the balance remaining in its account to its contributors, returning \$104.92 to the MEBA Political Action Fund, \$414.38 to SMWIA-PAL and \$276.15 to the Engineers Political Education Committee (Labor for Jackson FEC Report 8/24/76, p. 1).

In determining whether two committees or segregated funds are "affiliated" it is important to keep in mind that the purpose of the "affiliation" rule is to prevent evasion of the contribution limitations by a proliferation of connected committees, each of which would otherwise be entitled to make separate contributions to the candidate. ^{25/} Thus, with respect to the contribution limits in the Act, all affiliated committees are treated as one committee. ^{26/}

It is immediately apparent that purposes of the affiliation rule are inapplicable to the instant case. We are aware of no allegation -- nor could there be any on this record -- that

^{24/} Id. at 34.

^{25/} See, e.g., Section 110.3(a), (11 C.F.R. § 110.3(a)).

^{26/} Ibid.

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Labor for Jackson made any contributions to Senator Jackson or to his campaign committee. As we stated above, Labor for Jackson was organized in order to make independent expenditures and that is what it did. It was not formed for the purpose of evading the contribution limits of the Act, which is what the affiliation rule was designed to prevent.

In any event, Labor for Jackson was not, in fact, affiliated with SMWIA-PAL. More than 75 percent of Labor for Jackson's funding came from labor groups other than SMWIA-PAL. To be sure, Edward J. Carlough, who was Chairman of SMWIA-PAL, served as Treasurer for Labor for Jackson. Labor for Jackson, however, was set up, not as an arm of SMWIA-PAL, but in order to attract a broad base of labor support. During the short time it functioned, Labor for Jackson was only partially successful in accomplishing this goal. But this was because Senator Jackson withdrew from the presidential primary race only a few weeks after Labor for Jackson began operating, which hardly gave it sufficient time to accomplish its objective.

Therefore, in light of the facts that more than 75 percent of the funding of Labor for Jackson came from other labor groups, that the committee made independent expenditures rather than contributions, and that it was formed in order to attract wider support from labor organizations, Labor for Jackson cannot be considered "affiliated" with SMWIA-PAL.

CONCLUSION

For the foregoing reasons, under Section 437d of the Act (2 U.S.C. § 437d), the Commission should take no action against SMWIA-PAL.

Respectfully submitted,


A. Raymond Randolph, Jr.

ARR:cb

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RECEIVED

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Marine Engineers Beneficial) MUR 260 (76)
Association)
)
Marine Engineers Beneficial)
Association Political)
Action Fund)

CERTIFICATION

I, Marjorie W. Emons, Secretary to the Federal Election Commission, do hereby certify that on November 1, 1978, the Commission, meeting in an executive session at which a quorum was present, took the following actions in MUR 260 (78):

1. Determined by a vote of 5-1 to adopt the recommendations of the General Counsel contained in the General Counsel's Report signed October 27, 1978.

Commissioners Harris, McGarry, Springer, Thomson, and Tieman voted affirmatively. Commissioner Aikens dissented.
2. Determined by a vote of 6-0 to reconsider the vote to adopt the recommendations of the General Counsel in the report dated October 27, 1978.
3. Determined by a vote of 6-0 to strike the finding of No Reasonable Cause to Believe in recommendation number 4 contained in the General Counsel's Report dated October 27, 1978, and insert in lieu thereof the words, "Take no further action at this time with regard to the MEBA-PAF purchase of receipt books to conduct the solicitation of contributions to the Jackson for President Committee."
4. Determined by a vote of 6-0 to adopt the recommendations in the General Counsel's Report in MUR 260 (78) dated October 27, 1978 subject to the above amendment to recommendation number 4.

TO WIT:

- a. Take no further action concerning the MEBA-PAF expenditures in connection with the New York City Hospitality Suite and close the file on this matter.

continued on page two

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- b. Take no further action concerning the MEBA-PAF expenditures to hold the Baltimore Reception and close the file on this matter.
 - c. Take no further action concerning the MEBA-PAF expenditures to hold the San Francisco Reception and close the file on this matter.
 - d. Take no further action at this time with regard to the MEBA-PAF purchase of receipt books to conduct the solicitation of contributions to the Jackson for President Committee."
 - e. Request that MEBA submit time records and job descriptions for MEBA employees involved in the Jackson for President solicitation effort and continue the investigation of whether MEBA's payment of the salaries of these employees, while they participated in the solicitation effort, was a violation of 18 U.S.C. §610.
 - f. Find reasonable cause to believe that MEBA violated 18 U.S.C. §610 by permitting the use of MEBA offices, equipment and supplies to implement and facilitate solicitation of contributions for the Jackson for President Committee and proceed with conciliation efforts in this regard.

Attest:

11-3-78

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Marine Engineers Beneficial) MUR 260(78)
Association)
Marine Engineers Beneficial)
Association Political Action)
Fund)

General Counsel's Report

I. Background

It is important to note at the outset that the activities which form the allegations in this complaint took place during or prior to April and May, 1976. The New York City Hospitality Suite was held on April 6, 1976. The Baltimore reception took place in April, 1976, and the San Francisco reception in October, 1975. Finally, the receipt books for contributions to be made to the Jackson for President Committee were purchased and distributed to MEBA branch offices during April and May, 1976. The importance of these dates is that they place the alleged violations of FECA during a time period following the Supreme Court's decision in Buckley v. Valeo, 424 U.S.1 (1976), decided on January 30, 1976; before the effective date of the 1976 FECA Amendments, May 11, 1976; and before the Commission's prescription of its present regulations, April 13, 1977.

Thus, analysis of this matter must take into account that the Supreme Court had, at the time of the alleged violations, already declared FECA's "independent expenditure" limitations unconstitutional; that the applicable statute was FECA as amended by the Federal Election Campaign Act Amendments of 1974;

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and that Respondents did not have the benefit of FEC regulations to assist them in ensuring that their activities were in compliance with FECA. Consequently, the analysis which follows will be based upon FECA, as amended in 1974 and as limited by the decision of the Supreme Court in Buckley.

II. Allegations

Four separate activities of MEBA/MEBA-PAF are under review here as possible violations of FECA. First, on April 6, 1976, the date of the New York Presidential Primary, MEBA-PAF hosted a hospitality suite for "friends of labor" who had volunteered to work in Senator Jackson's New York presidential primary campaign. The hospitality suite was at New York City's Essex House, which was also the site of the Jackson for President Committee headquarters. The question presented is whether the cost of the New York hospitality suite, paid for by MEBA-PAF, was a contribution to the Jackson for President Committee. Since MEBA-PAF had already made a direct contribution of \$5,000 to the Jackson for President Committee, such a determination would mean that MEBA-PAF violated FECA's contribution limitations, then 18 U.S.C. § 608(b)(2). If, however, the cost of the New York City hospitality suite is determined to be an independent expenditure made by MEBA-PAF, no violation of FECA would have occurred since at the time the expenditure was made FECA's independent expenditure limitations had been held unconstitutional.

Second, in April, 1976, MEBA-PAF expended \$3,307.50 to host a reception in Baltimore, Maryland. Senator Jackson attended

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the reception. However, Respondent claims that the primary purpose of the Baltimore reception was to support the candidacies of various Maryland State Senate candidates. Such a contribution to state candidates would not be subject to FECA's proscriptions. Again, however, if the cost of the reception is determined to be a contribution to the Jackson presidential primary campaign, MEBA-PAF would have violated 18 U.S.C. § 608(b)(2).

Third, in October, 1975, MEBA-PAF hosted a reception in San Francisco, California. The expenditures made by MEBA-PAF in connection with this reception totalled \$7,493.92 and once again Senator Jackson attended. Apparently, this reception was a hospitality suite held in conjunction with an AFL-CIO convention. However, a determination that the MEBA-PAF expenditure for this reception was a contribution to the Jackson campaign would render it a violation of 18 U.S.C. § 608(b)(2).

Finally, on May 11, 1976, MEBA-PAF spent \$2,337.12 to purchase receipt books which would record contributions to the Jackson for President Committee. (Although the check for the receipt books was drawn on May 11, the purchase was actually made prior thereto and collections ceased as of May 10, 1976.) Once again, the question presented here is whether this expenditure is a contribution to the Jackson campaign and thus a violation of 18 U.S.C. § 608(b)(2), or whether it is an independent expenditure and thus no FECA violation. These receipt books were distributed to MEBA branch offices with instructions that MEBA employees solicit contributions to the Jackson for President Committee from MEBA members and "friends of the maritime industry." Contributions were in the

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form of cash (under \$100) or checks made payable to the Jackson for President Committee. The checks and money orders for cash contributions were mailed or delivered by MEBA to the Jackson for President Committee along with copies of receipts issued to contributors. Funds for contributions to the Jackson for President Committee were not channelled through MEBA-PAF accounts. Rather, individual contributors made checks payable directly to the Jackson for President Committee and MEBA delivered the checks to the Jackson for President Committee. In the case of cash contributions, MEBA employees collected the cash, drew money orders payable to the Jackson for President Committee and delivered the money orders to the Committee. However, this procedure raises an additional question as to a possible violation of FECA. Does the time spent by MEBA employees in this solicitation procedure during working hours and MEBA's transfer of the checks and money orders through the New York or Washington MEBA offices to the Jackson for President Committee and use of MEBA offices and facilities in this regard represent an in-kind contribution by MEBA to the Jackson campaign in violation of 18 U.S.C. § 610?

III. Legal Analysis

A. New York City Hospitality Suite - April 6, 1976

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The question presented by the expenditure of MEBA-PAF funds to host the New York City Hospitality Suite is whether the expenditures should be classified an expenditure "on behalf of" the Jackson presidential candidacy within the meaning of 18 U.S.C. § 608(c)(2)(B) and thus classified as a contribution or whether the expenditure was an independent expenditure within the meaning of 18 U.S.C. § 608(e)(1). If the expenditure was an independent expenditure, it was not a violation of FECA since Buckley had held the FECA limitations on independent expenditures unconstitutional. See Buckley v. Valeo, supra at 51, 46 n. 53. If, however, the expenditure was a contribution to the Jackson primary campaign, it was a violation of 18 U.S.C. § 608(c)(2)(B), left effective by Buckley.

18 U.S.C. § 608(c)(2)(B) provided that expenditures "authorized or requested by the candidate, an authorized committee of the candidate, or an agent of the candidate" would be treated as contributions by the person or group making the expenditure. The Supreme Court in Buckley, in upholding the constitutionality of this subsection, quoted the House and Senate Reports to explain the difference between an expenditure under § 608(c)(2)(B) and an independent expenditure under § 608(e). House Report No. 93-1239 defined an independent

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expenditure as one "incurred without the request or consent of a candidate or his agent." H.R. Rept. No. 93-1239, 93d Cong., 2d Sess. 6 (1974) and Senate Report No. 93-689 stated that an expenditure "not at the request or suggestion of the candidate or his agent" would be considered an independent expenditure. But an expenditure made "in cooperation with the candidate's campaign organization" would be a contribution "by the supporter and an expenditure by the candidate." S. Rept. No. 93-689, 93rd Cong., 2d Sess. 18 (1974). The Supreme Court proceeded to hold that the "authorized or requested" language of § 608(c)(2)(B) included expenditures "placed in cooperation with or with the consent of a candidate, his agents, or an authorized committee of the candidate." Buckley v. Valeo, supra, at 46 n. 53.

Therefore, criteria to be considered in determining whether the MEBA-PAF expenditures in connection with the New York City Hospitality Suite were contributions to the Jackson campaign and thus a violation of 18 U.S.C. § 608(b)(2) are:

1. Were the expenditures "authorized" or "requested" by Senator Jackson, his agent or the JFP Committee?
2. Were the expenditures for the Suite incurred with the "consent" of Senator Jackson or his agent?
3. Was the Suite held "in cooperation with" the Jackson campaign organization?

If any of the above is answered in the affirmative, the expenditure would be deemed a contribution.

It appears from the depositions that the New York City hospitality suite was sponsored and paid for solely by MEBA-PAF. The suite was held for labor individuals involved in the Jackson campaign in New York on the evening of the New York primary election and was attended by Senator Jackson. There is nothing in the record which would indicate that Senator Jackson, the JFP Committee or any Jackson staff person "requested" that the suite be held by MEBA-PAF or that expenditures be made by MEBA-PAF for the suite. It appears that the decision to hold the suite was made on an impromptu basis and that all arrangements were made by MEBA-PAF personnel without consultation with Senator Jackson or the JFP Committee staff. It does not appear to have been organized or held "in cooperation with" the Jackson campaign organization.

The only questions remaining then are whether the expenditures were "authorized" by the Jackson campaign or whether Senator Jackson or his campaign gave "consent" to the expenditures. Certainly it is clear that authorization or consent need not be in writing or even verbal. Conduct could indicate "authorization" or "consent." Thus, Senator Jackson's conduct could have indicated "authorization" for or "consent" to the expenditures. However, nothing in the record

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indicates such conduct and respondent states that Senator Jackson was not invited to the suite, that he did not make a speech in the suite, and that no MEBA-PAF personnel knew that Senator Jackson would attend. He merely attended the event. The question then is whether Senator Jackson's attendance, coupled with the timing of the suite - the night of the primary -, and the place of the suite - the same hotel as the JFP Committee Headquarters - indicates "consent" or "authorization." We think not.

The legislative history of FECA indicates that consent or authorization must be given prior to an expenditure for it to be considered a contribution. The House Report, No. 93-1239, speaks of expenditures incurred without the "consent" of the candidate or the campaign. And the Senate Conference Report speaks of expenditures of a person "authorized" to make said expenditures by the candidate or the candidate's agents.

In this case, then, "consent" or "authorization" would have had to have been given by Senator Jackson or his agent prior to the time that the hospitality suite was held. The mere fact of Senator Jackson's attendance at the suite could not operate to transform the expenditures for the suite from "independent expenditures" to "contributions." In this regard, it is interesting to note also that the FEC's present regulations, although not effective at the time of this alleged violation, speak also of expenditures made "with the

prior consent" of the candidate or agent. 11 C.F.R. § 109.1(a).

Therefore, it is recommended that the Commission take no further action concerning the expenditures of MEBA-PAF in connection with the New York City Hospitality Suite and close the file on this allegation.

B. Baltimore Maryland Reception - April, 1976

The Baltimore Reception raises the same question of a possible MEBA-PAF violation of 18 U.S.C. § 608(b)(2). However, the record supports respondent's contention that the Baltimore reception was held for the primary purpose of supporting certain candidates for the Maryland State Senate. Senator Jackson was invited and did attend the reception, but it does not appear that the Baltimore reception was held for the purpose of promoting the candidacy of Senator Jackson. See Depositions of J. M. Calhoon, President of MEBA, and Frank Laurito, MEBA's Chief Accountant.

Therefore, it is recommended that the Commission take no further action concerning the expenditures of MEBA-PAF to hold the Baltimore reception and close the file on this allegation.

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C. San Francisco, California Reception - October, 1975

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In October, 1975, MEBA-PAF held a reception for MEBA members at the AFL-CIO Convention in San Francisco. Senator Jackson, who had addressed the Convention that day, was invited and did attend the reception. It appears from the record that this reception and the expenditures in connection with it were not for the purpose of promoting Senator Jackson's presidential candidacy nor in connection with any Federal election. The reception was in connection with the AFL-CIO Convention and for the purpose of entertaining MEBA members there. See Depositions of J. M. Calhoon, President of MEBA, and Frank Laurito, MEBA's Chief Accountant. Thus the expenditures for the San Francisco Reception were not limited by FECA.

Therefore, it is recommended that the Commission take no further action concerning the expenditures of MEBA-PAF to hold the San Francisco Reception and close the file on this allegation.

D. Receipt Books

During April and May, 1976 (ending May 10, 1976), MEBA-PAF implemented a procedure to facilitate contributions by MEBA "members and friends" to the Jackson for President Committee. MEBA-PAF purchased receipt books, including copies for the contributor, MEBA and the JFP Committee. The receipt

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books were distributed to MEBA district offices and branch agents where MEBA officials used them to solicit contributions to the JFP Committee. The solicitations were conducted at the MEBA district offices during the normal course of conducting union business at these offices. In addition, MEBA employees requested voluntary contributions from members when they boarded vessels to collect union dues and to conduct other union business. Contributions received as a result of such solicitations were forwarded by the MEBA branch or district offices to the MEBA New York office, recorded, and then transferred either directly to the Jackson for President Committee, or through the MEBA Washington office to the JFP Committee. Contributions were in the form of checks made payable to the Jackson for President Committee or cash (under \$100). The cash contributions were converted to money orders made payable to the JFP Committee, and the checks and money orders were delivered to the JFP Committee without being deposited in or channelled through any MEBA or MEBA-PAF account.

The "receipt book" procedure raises several questions. First, was the purchase of the receipt books by MEBA-PAF an expenditure "on behalf of" the Jackson presidential candidacy within the meaning of 18 U.S.C. § 608(c)(2)(B) and thus a contribution? If so, the expenditure represents a violation

by MEBA-PAF of 18 U.S.C. § 608(b)(2). Second, does the expenditure of time and effort by MEBA employees to implement the solicitation procedure - soliciting contributions, filling out receipts, converting cash to money orders, transporting checks and money orders to the JFP Committee - represent an in-kind contribution by MEBA in violation of 18 U.S.C. § 610. Finally, does the use of MEBA offices and facilities in the solicitation procedure represent an in-kind contribution in violation of 18 U.S.C. § 610?

For reasons similar to those outlined in the analysis of the New York Hospitality Suite question, we have concluded that the actual expenditure for the receipt books was not a contribution to the Jackson primary campaign and thus not a violation of 18 U.S.C. § 608(b)(2). There is nothing in the record which would indicate that the expenditure was "authorized or requested by the candidate, an authorized committee of the candidate, or an agent of the candidate." 18 U.S.C. § 608(c)(2)(B). It does not appear that the "receipt books" expenditure was made in cooperation with the candidate's campaign organization or with the consent of the candidate, his agents, or committee.

The Calhoon deposition indicates that the "receipt books" solicitation procedure was suggested by "some of our people in the northwest." And the Laurito deposition states that the

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decision to implement the procedure was made by the officers of MEBA's Political Action Fund. There is nothing in the record to support a contention that the Jackson campaign - Senator Jackson, the JFP Committee or staff member - requested that MEBA-PAF purchase the receipt books or that they gave prior consent to their purchase. Thus, MEBA-PAF's purchase of the receipt books would not represent an expenditure "on behalf of" the Jackson presidential candidacy within the meaning of 18 U.S.C. § 608(c)(2)(B).

The receipt books were distributed to MEBA district offices and MEBA employees implemented the solicitation procedure according to instructions forwarded by MEBA. The solicitation procedure took place from March, 1976 - May 10, 1976 when the procedure was discontinued by direction of J. M. Calhoun, MEBA President. Solicitations took place during regular working hours either at the MEBA branch offices or when the MEBA employees boarded ships to conduct union business. See Laurito Deposition.

The use of MEBA employees, during normal working hours, to implement the solicitation effort can be viewed as an in-kind contribution by MEBA to the JFP Committee in violation of 18 U.S.C. § 610. However, MEBA asserts that the time and effort expended by MEBA employees was voluntary and in addition to their normal duties as MEBA employees. Although the record

indicates that the instructions for the solicitation effort and the circular letter discontinuing the collections came from MEEA President J. M. Calhoun on MEBA stationary and addressed to MEBA employees, this correspondence seems permissive rather than mandatory. Nowhere are MEBA employees instructed or ordered to conduct the solicitations.

It is therefore recommended that MEBA be asked to submit time records and job descriptions for MEBA employees involved in the JFP solicitation effort. Attorneys for MEBA have previously indicated that such a submission would be possible, and that it would demonstrate that the subject MEBA employees are not required to keep regular, fixed working hours but instead are required to be available to conduct MEBA business at the convenience of the membership. In addition, attorneys for MEBA have stated that these MEBA employees are required to complete certain tasks, e.g., collection of union dues, settlement of disputes, etc., during a fixed period and that all of these duties were completed during the time that the solicitation procedure took place. If the submission does so demonstrate, it should be concluded that the effort by MEBA employees was a volunteer effort in addition to their MEBA duties and thus not a contribution by MEBA for their time spent on the solicitation procedure in violation of 18 U.S.C. § 610.

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As previously discussed, the MEBA solicitation effort for the JFP Committee took place prior to the effective date of the FEC's current regulations. However, it should be noted that even under these regulations, the effort by MEBA employees might not be considered a MEBA contribution to the JFP Committee. See 11 C.F.R. § 100.4(a)(5).

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Finally, MEBA did use or permit the use of MEBA offices, equipment and supplies in connection with the solicitation of contributions for the JFP Committee. Does this represent an expenditure or contribution by MEBA "in connection with" the JFP campaign in violation of 18 U.S.C. § 610? It is our opinion that it does. Expenditures for items such as postage, office supplies and equipment used to facilitate the solicitation process were "in connection with" the JFP campaign. And there is nothing in the record to indicate that such expenses were assumed by MEBA-PAF. Therefore, it is the recommendation of the Office of General Counsel that the Commission find reasonable cause to believe that MEBA violated 18 U.S.C. § 610 in using MEBA offices, equipment and supplies to implement and facilitate solicitation of contributions for the JFP Committee.

IV. Recommendations

1. Taken no further action concerning the MEBA-PAF expenditures in connection with the New York City Hospitality Suite and close the file on this matter.

2. Take no further action concerning the MEBA-PAF expenditures to hold the Baltimore Reception and close the file on this matter.

3. Take no further action concerning the MEBA-PAF expenditures to hold the San Francisco Reception and close the file on this matter.

4. Find no reasonable cause to believe that MEBA-PAF's purchase of the receipt books to conduct the solicitation of contributions to the Jackson for President Committee was a violation of 18 U.S.C. § 608(b)(2) and close the file on this matter.

5. Request that MEBA submit time records and job descriptions for MEBA employees involved in the Jackson for President solicitation effort and continue the investigation of whether MEBA's payment of the salaries of these employees, while they participated in the solicitation effort, was a violation of 18 U.S.C. § 610.

6. Find reasonable cause to believe that MEBA violated 18 U.S.C. § 610 by permitting the use of MEBA offices,

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equipment and supplies to implement and facilitate solicitation of contributions for the Jackson for President Committee and proceed with conciliation efforts in this regard.

DATE

10/27/78

William C. Oldaker
General Counsel

William C. Oldaker

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Labor for Jackson)

MUR 236

CERTIFICATION

I, Marjorie W. Emons, Secretary to the Federal Election Commission, do hereby certify that on November 1, 1978, the Commission, meeting in an executive session at which a quorum was present, determined by a vote of 6-0 to take the following actions in MUR 236:

1. Find no reasonable cause to believe that Labor for Jackson violated 2 U.S.C. §433(b) (2) by failing to report affiliation with MEBA-PAF.
2. Find no reason to believe that MEBA-PAF violated 2 U.S.C. 433(b) (2) by failing to report affiliation with Labor for Jackson.
3. Defer action on recommendation number 3 contained in the General Counsel's Report signed October 30, 1978 pending further research.
4. Defer action on recommendation number 4 contained in the General Counsel's Report signed October 30, 1978 pending further research.
5. Find reason to believe that Labor for Jackson violated 2 U.S.C. §434(b) by failing to report certain expenditures as in-kind contributions to the Jackson campaign.
6. Find reason to believe that Labor for Jackson violated 18 U.S.C. §608(b) (2) by making in-kind contributions to the Jackson for President Committee in excess of the limitations of that provision of the Act.

Attest:



Marjorie W. Emons
Marjorie W. Emons
Secretary to the Commission

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Labor for Jackson)
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MUR 236 (76)

GENERAL COUNSEL'S REPORT

I. Allegations

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This matter involves the question of whether Labor for Jackson ("LPJ") is affiliated with Sheet Metal Workers International Association Political Action League ("SMWIA-PAL") and Marine Engineers Beneficial Association Political Action Fund ("MEBA-PAF") and thus in violation of 2 U.S.C. § 433(b)(2) by failing to report such affiliation. Related to this question is the issue of whether certain expenditures made by respondent were in fact independent as reported or were contributions to the Jackson campaign exceeding the limitations of 18 U.S.C. § 608(b)(2).

III. Background

Labor for Jackson (LPJ) was organized on April 14, 1976, and on that date filed a Statement of Organization with the Federal Election Commission, naming Joseph D. Keenan as Chairman and Edward J. Carlough as Treasurer. On May 20, 1976, Labor for Jackson reported to the FEC that there were no organizations affiliated with it. According to deposition testimony of Edward J. Carlough, Labor for Jackson was organized to "make independent expenditures in behalf of Senator Jackson's candidacy" and to "establish a broad base of independent activity on the Senator's behalf." Carlough Deposition at 27-28, 50-51.

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The initial funding of Labor for Jackson was a \$7,500 transfer from the Sheet Metal Workers Political Action League (SMWIA-PAL) made on April 14, 1976. In addition, the MEBA Political Action Fund (MEBA-PAF) transferred \$20,000 to LFJ on May 5, 1976 and the Engineers Political Education Committee transferred \$5,000 on June 30, 1976. These transfers comprised the total contributions to LFJ during its existence. [The Commission has previously agreed that the \$7,500 transfer by SMWIA-PAL and the \$20,000 transfer by MEBA-PAF were not violations of FECA since the 1974 FECA Amendments did not clearly limit contributions from one political committee to another. 18 U.S.C. § 608(b)(2) limited contributions from a political committee to a candidate, but not to another committee, regardless of affiliation. See September 17, 1976 OGC Report.]

Labor for Jackson made expenditures on behalf of Senator Jackson's candidacy in the Pennsylvania Presidential primary election which was held on April 27, 1976. Additional expenditures were made during May and June, 1976. All of these expenditures were reported to the FEC as independent expenditures. On August 24, 1976, LFJ refunded the balance in its account to SMWIA-PAL, MEBA-PAF and the Engineers Political Education Committee in proportion to their transfers to LFJ and terminated.

Labor for Jackson existed and received contributions and made expenditures from April, 1976 - August, 1976. Thus any alleged FECA violations by LFJ took place during a time period

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following the Supreme Court's decision in Buckley v. Valeo, partially before the effective date of the 1976 FECA Amendments, May 11, 1976; and before the Commission's prescription of its present regulations, April 13, 1977. Thus, the analysis of the alleged affiliation between LPJ and MEBA-PAF and LPJ and SMWIA-PAL, the subject matter of this investigation, will take into account the law in effect at the time of the alleged violation. It is important to recognize, however, that the 1976 amendments made no substantive changes in 2 U.S.C. § 433(b), disclosure requirements, or 18 U.S.C. § 608(b)(2), contribution limitations, as those sections would apply to this matter.

On October 14, 1976, the Commission found reason to believe that LPJ may have violated 2 U.S.C. § 433(b)(2) by failing to report possible affiliation with MEBA-PAF and SMWIA-PAL. In the course of this investigation and related matters MUR 260 and MUR 266 depositions were authorized and taken of: Jimmy A. Hinkle, SMWIA organizer; Lawrence McLaughlin, SMWIA organizer; Ernest Miller, SMWIA Organizer; Edward Carlough, General President of SMWIA, Chairman of SMWIA-PAL, and Treasurer of LPJ; Joseph Keenan, Chairman of LPJ; Frank Scaduto, SMWIA Director of Governmental Affairs; Robert Keefe, Campaign Director of the Jackson for President Committee; Irving Hershy Gold, volunteer with the Jackson for President Committee; Leon Shapiro, Secretary-Treasurer of MEBA, and Treasurer of MEBA-PAF; Frank Laurito, Chief Accountant of MEBA and MEBA-PAF; and J.M. Calhoon, President of MEBA.

III. Investigation and Analysis

A. Affiliation with MEBA-PAF

On May 5, 1976, MEBA-PAF transferred \$20,000 to LFJ. This transfer constituted the majority of the \$32,500 in aggregate contributions received by LFJ.

J.M. Calhoon, President of MEBA, did not hold a formal position with MEBA-PAF. However, our investigation indicates that Mr. Calhoon did exercise some control and direction regarding the expenditure of MEBA-PAF funds (see General Counsel's Report for MUR 260). Information obtained through the depositions of Mr. Calhoon, Edward Carlough, Joseph Keenan and Robert Keefe indicates that Mr. Calhoon was involved in discussions regarding the formation of LFJ.

FECA's present regulations set forth criteria to determine affiliation between political committees. 11 C.F.R. § 110.3(a) states that contributions made by committees "established, financed, maintained, or controlled by any corporation, labor organization, or any other person" shall be deemed to have been made by a single political committee. 11 C.F.R. § 110.3(a)(1)(i). See also 11 C.F.R. § 100.14(c)(2). Other indicia of affiliation contained in the present FECA regulations include

- (A) Ownership of a controlling interest in voting shares or securities;
- (B) Provisions of by-laws, constitutions, or other documents by which one entity has the authority, power, or ability to direct another entity;
- (C) The authority, power, or ability to hire, appoint, discipline, discharge, demote, or remove or otherwise influence the decision of the officers or members of an entity;
- (D) Similar patterns of contributions;
- (E) The transfer of funds between committees which

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represent a substantial portion of the funds of either the transferor or transferee committee, other than the transfer of funds between the committees which jointly raised the funds so transferred. 11 C.F.R. § 110.3(a)(iii).

However, FECA's present regulations were not prescribed by the Commission, and totally binding, until April 13, 1977. We must, therefore, consider the criteria for affiliation recognized by the Commission during the time period under consideration here. The Commission recognized at an early date that control of committees by the same person or persons might indicate affiliation. In an Advisory Opinion to ADEPT, a multicandidate political committee which wanted to legally establish multicandidate political committees in several states, the Commission stated that it

would regard committees which are controlled by the same person or group of persons as one entity.

AO 1975-45, published in the Federal Register, November 19, 1975.

Advisory Opinion 1975-45 continued to state that committees would be considered under common control if they were funded mainly by transfers from one committee to the other, had the same treasurer or members, had overlapping officers, or similar patterns of contributions or expenditures. If it was determined that the committees were in reality one entity, the opinion concluded that the contribution limitations of 18 U.S.C. § 608(b)(2) would apply in the aggregate. AO 1975-45.

In addition, in Advisory Opinion 1975-35 to the Republican Congressional Boosters Club, published in the Federal Register on August 20, 1975, the Commission had stated:

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"The Commission is of the opinion that the Federal Election Campaign Act of 1971, as amended, would not preclude a person from serving in an official capacity with more than one political committee raising funds for Federal purposes. The Commission points out, however, that the contribution limitations in 18 U.S.C. § 608(b)(1) and (2) and expenditure limitation in 18 U.S.C. § 608(e) apply to the committees which are, in fact, truly independent committees. Political committees which have the same person or persons serving as key officials or personnel may be compromising the independence of each committee. In a given case, such interconnection may lead to the legal conclusion that, for the purpose of applying the limitations, the several committees are in fact only one committee.

AO 1975-35.

Therefore, criteria to determine affiliation of political committees, established by the Commission prior to the time period of the alleged FECA violations in this matter include:

- (1) Control by the same person or group of persons;
- (2) Funding of one committee mainly by transfers from another;
- (3) Overlapping treasurers, members or officers; or
- (4) Similar patterns of contributions or expenditures.

MEBA-PAF did transfer \$20,000 to Labor for Jackson. And J.M. Calhoon, President of MEBA was involved in discussions pertaining to the formation of Labor for Jackson. However Mr. Calhoon did not hold a formal position with MEBA-PAF. Thus, although the above-mentioned conditions would seem to indicate some relationship between LFJ and MEBA-PAF, there is

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no real evidence of control of both MEBA-PAF and LFJ by the same person or group of persons, no overlapping officers or members and no evidence of a pattern of contributions or expenditures. Therefore, it is the recommendation of the Office of General Counsel that the Commission find no reasonable cause to believe that Labor for Jackson violated 2 U.S.C. § 433(b)(2) by failing to report affiliation with MEBA-PAF and no reason to believe tha MEBA-PAF violated 2 U.S.C. § 433(b)(2) by failing to report affiliation with LFJ.

B. Affiliation with SMWIA-PAL

Information gained through deposition and examination of documents filed with the Commission indicates that seventeen SMWIA employees were either advanced or reimbursed money from LFJ for purposes of making expenditures on behalf of LFJ in support of Senator Jackson and the Jackson for President Committee ("JFP"). Attachment I. Further, certain of these same SMWIA employees were reimbursed by JFP for expenditures made on behalf of JFP and in support of the candidacy of Senator Jackson (see General Counsel's Report for MUR 266).

In addition to the above situation, Edward J. Carlough, General President of SMWIA, served concurrently as Chairman of SMWIA-PAL and Treasurer of LFJ and SMWIA-PAL transferred \$7,500 as the initial funding for LFJ.

Thus, the dual position of Mr. Carlough, together with the overlap of personnel and the transfer of funds, seems to overwhelmingly indicate a direct affiliation between LFJ and

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SMWIA-PAL, thus constituting a violation of 2 U.S.C. § 433(b) (2) by the failure of both parties to report the existing relationship. Therefore, it is the recommendation of the Office of General Counsel that the Commission find reasonable cause to believe that Labor for Jackson violated 2 U.S.C. § 433(b)(2) by failing to report affiliation with SMWIA-PAL and reason to believe that SMWIA-PAL violated the same provision by failing to report affiliation with LFJ.

C. Independent expenditures made by LFJ

The Labor for Jackson Committee made approximately \$30,000 in independent expenditures in support of Senator Jackson. Approximately one quarter of these expenditures were made through SMWIA employees in the form of advanced or reimbursed monies. As mentioned above, and more thoroughly described in the General Counsel's Report for MUR 266, certain SMWIA employees made expenditures in support of the candidacy of Senator Jackson and were reimbursed by either SMWIA-PAL, LFJ, or JFP. From information through the depositions of Ernest Miller, Lawrence McLaughlin, and Jimmy Hinkle, it appears that in some instances these individuals submitted receipts for expenditures to SMWIA offices and received reimbursements from any of the three organizations. This would seem to exhibit a definite working relationship among SMWIA-PAL, LFJ and JFP. Also, Edward Carlough held an official

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position with both LFJ and SMWIA-PAL and served as an informal adviser to Senator Jackson and his staff on labor related matters.^{1/}

As the circumstances described herein indicate apparent affiliation between LFJ and SMWIA-PAL, the two organizations would be subject to a single contribution limit under 18 U.S.C. § 608(b)(2). In the General Counsel's report for MUR 266 we have set forth various conditions negating the possibility of expenditures made by SMWIA-PAL being independent of the Jackson for President Committee. Due to the apparent affiliation of LFJ and SMWIA-PAL, expenditures made by Labor for Jackson in support of Senator Jackson could not be independent of SMWIA-PAL and thus could neither be independent of the Jackson for President Committee. Thus, all expenditures made by LFJ in support of the Jackson candidacy would constitute in-kind contributions to the JFP Committee rather than independent expenditures, as reported by respondent. Therefore, respondent would have exceeded the contribution limits of 18 U.S.C. § 608 (b)(2) by making such expenditures, violating that provision and also violating 2 U.S.C. § 434(b) by failing to report such expenditures as in-kind contributions.

It is the recommendation of the Office of General Counsel that the Commission find reason to believe that Labor for Jackson violated 18 U.S.C. § 608(b)(2) and 2 U.S.C.

^{1/} This condition is described in greater detail in the General Counsel's Report for MUR 266.

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§ 434(b) in connection with its making expenditures in support of Senator Jackson and the Jackson for President Committee.

IV. Recommendations

(1) Find no reasonable cause to believe that Labor for Jackson violated 2 U.S.C. § 433(b)(2) by failing to report affiliation with MEBA-PAF.

(2) Find no reason to believe that MEBA-PAF violated 2 U.S.C. § 433(b)(2) by failing to report affiliation with Labor for Jackson.

(3) Find reasonable cause to believe that Labor for Jackson violated 2 U.S.C. § 433(b)(2) by failing to report affiliation with SMWIA-PAL.

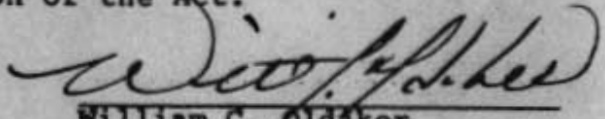
(4) Find reason to believe that SMWIA-PAL violated 2 U.S.C. § 433(b)(2) by failing to report affiliation with Labor for Jackson.

(5) Find reason to believe that Labor for Jackson violated 2 U.S.C § 434(b) by failing to report certain expenditures as in-kind contributions to the Jackson campaign.

(6) Find reason to believe that Labor for Jackson violated 18 U.S.C. § 608(b)(2) by making in-kind contributions to the Jackson for President Committee in excess of the limitations of that provision of the Act.

DATE

10/30/78


William C. Oldaker
General Counsel

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SWMIA Employees Reimbursed By LFJ For Expenses Incurred In
Connection With The Jackson Campaign

<u>Name</u>	<u>Purpose of Expenditure</u>	<u>Date</u>	<u>Amount</u>
Ernie Miller	Travel Expense, Rentals	4/19/76	\$ 1,000.00
Jimmy Hinkle	Travel Expense, Rental	4/19/76	1,000.00
Ernie Miller	Car Rental	5/6/76	266.95
Jimmy Hinkle	Lodging	5/6/76	233.85
Richard Peck	Truck and Bus Rental	5/20/76	92.25
Jimmy Hinkle	Travel Expenses	5/27/76	170.00
Earle Harris	Truck Rentals	6/11/76	665.96
Ernie Miller	Truck Rental	6/11/76	288.14
Lawrence			
McLaughlin	Car Rental	6/11/76	257.71
John Giralamo	Truck Rental	6/11/76	202.99
James Farrarie	Truck Rental	6/11/76	689.91
George Schmitt	Truck Rental	6/11/76	187.03
Chester Nowak	Printing and Car Rental	6/11/76	1,170.77
Ralph Willham	Truck Rental	6/11/76	100.03
Paul Craig	Rental	6/11/76	15.00
Ivan Cage	Supplies	6/11/76	60.00
Roy Stringer	Car Rentals	6/11/76	814.54
Raymond Messer	Travel Expenses	6/11/76	289.35
Frank Walsh	Truck Rental	6/11/76	467.64
Al Kyde	Supplies	6/11/76	120.18
Chester Nowak	Supplies	6/11/76	65.00
		TOTAL:	\$ 7,467.39

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FEDERAL ELECTION COMMISSION

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

November 6, 1978

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

A. Raymond Randolph, Jr.
Sharp, Randolph and Janis
Suite 401
1220 Nineteenth Street, N.W.
Washington, D.C. 20036

RE: MUR 266

Dear Mr. Randolph:

We have received your letter dated October 20, 1978 forwarding your factual statements related to the Bal Harbour Reception, the filming of the Ft. Lauderdale Rally, and the issue of affiliation with Labor for Jackson. Please note that the investigation of these matters is MUR 266, not MUR 277 as stated in your letter. Please refer to MUR 266 in all further correspondence on these issues.

We have also noted your offer of a further submission outlining your legal analysis of the issues involved in MUR 266. We would be glad to accept any such document and include it in our consideration of these matters. In the interim, the attorney assigned to these matters, Kathleen Imig Perkins, will continue to conduct an expeditious investigation and report to the Commission as soon as possible.

Sincerely,

A handwritten signature in cursive script, which appears to read "William C. Oldaker", is written over the word "Sincerely,".

William C. Oldaker
General Counsel

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MUR 2106 - Perkins

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 c
☒ Show to whom, date, and address of delivery c
☐ RESTRICTED DELIVERY Show to whom and date delivered c
☐ RESTRICTED DELIVERY Show to whom, date, and address of delivery \$
 (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
A. Raymond Randolph J.
State Randolph - Wash
Suite 401 1220 17th St NW

3. ARTICLE DESCRIPTION: *D.C. 20046*
 REGISTERED NO. CERTIFIED NO. INSURED NO.
9439P7

(Always obtain signature of addressee or agent.)

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

4. DATE OF DELIVERY *11/8/78* POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Sheet Metal Workers)
International Association)
Political Action League)

MUR 266 (76)

CERTIFICATION

I, Marjorie W. Emons, Secretary to the Federal Election Commission, do hereby certify that on November 1, 1978, the Commission, meeting in an Executive Session at which a quorum was present, determined by a vote of 6-0 to adopt the recommendation of the General Counsel to take the following actions in MUR 266 (76):

1. Find reasonable cause to believe that SMWIA-PAL violated 2 U.S.C. §434(b) and 18 U.S.C. §608(b)(2) with regard to approximately \$65,000 in expenditures made to promote the candidacy of Senator Jackson and reported as independent expenditures by respondent.
2. Begin conciliation efforts on the above issue and the issue of violation of 2 U.S.C. §434(b) and 18 U.S.C. §608(b)(2) in connection with the Bal Harbour, Florida reception sponsored by respondent.

Attest:



11/2/78
Date

Marjorie W. Emons

Marjorie W. Emons
Secretary to the Commission

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
) MUR 266 (76)
Sheet Metal Workers)
International Association)
Political Action League)

GENERAL COUNSEL'S REPORT

I. Background

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The activities and expenditures which form the basis of this investigation took place in February, 1976 (the Bal Harbour Reception) and during the period of March - June, 1976 ("Independent expenditures" made by SMWIA-PAL). This places the alleged FECA violations during a time period following the Supreme Court's decision in Buckley v. Valeo, 424 U.S. 1 (1976), decided on January 30, 1976; before the effective date of the 1976 FECA Amendments, May 11, 1976; and before the Commission's prescription of its present regulations, April 13, 1977.

Thus analysis of this matter must take into account that the Supreme Court had, at the time of the alleged violation, already declared FECA's "independent expenditure" limitations unconstitutional; that the applicable statute was FECA as amended by the Federal Election Campaign Act Amendments of 1974; and that respondent did not have the benefit of FEC regulations to assist them in ensuring that their activities were in compliance with FECA. Consequently, the analysis which follows will be based upon FECA, as amended in 1974 and as limited by the decision of the Supreme Court in Buckley.

II. Allegations

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The activities under review here raise questions of possible violations of FECA's contribution limitations, then 18 U.S.C. § 608(b)(2) and disclosure provisions, then, as now, 2 U.S.C. § 434(b). Specifically, Respondent Sheet Metal Workers International Association Political Action Fund (SMWIA-PAL) hosted a reception in Bal Harbour, Florida, on February 16, 1976. The expenses for this reception were paid by SMWIA-PAL and reported on FEC Form 3 as independent expenditures. The allegation is that these expenditures were in reality in-kind contributions to the Jackson campaign. If the allegation is proved true, the expenditures were in violation of 18 U.S.C. § 608(b)(2) when taken in conjunction with respondent's direct contribution to the Jackson for President Committee (JFP Committee), and the error in reporting them as independent expenditures represents a violation of 2 U.S.C. § 434 (b). The second allegation challenges the independence of approximately \$65,000 in expenditures made by respondent during March-June, 1976, for the purpose of promoting the candidacy of Senator Jackson and supporting the Jackson for President Committee. If these expenditures were authorized or requested by Senator Jackson, his agent or the JFP Committee, incurred with their consent, or made in cooperation with the Jackson campaign, they forfeit their independent status and must be considered in-kind contributions to the Jackson campaign. As such, the expenditures would be in violation of 18 U.S.C. § 608(b)(2)

(contribution limitations) and of 2 U.S.C. § 434(b) (disclosure provisions). The question of whether respondent is affiliated with the Labor for Jackson Committee and thus in violation of 2 U.S.C. § 433(b)(2) for not disclosing said affiliation is considered in the General Counsel's Report for MUR 236 (76).

III. Commission Action

On June 22, 1977, the Commission found reasonable cause to believe that SMWIA-PAL had violated 2 U.S.C. §434(b) and 2 U.S.C. § 441a(a)(2)(A) [18 U.S.C. § 608(b)(2) at the time of the alleged violations] in connection with the Bal Harbour reception and reason to believe that the same violations had occurred in connection with the independent expenditures. Conciliation efforts were deferred pending further investigation of the independent expenditure issue.

Depositions were authorized and taken of: Edward Carlough, General President of SMWIA, Chairman of SMWIA-PAL, and treasurer of LFJ; Frank Scaduto, SMWIA Director of Governmental Affairs; Jimmy A. Hinkle, SMWIA Organizer; Lawrence McLaughlin, SMWIA Organizer; and Ernest Miller, SMWIA Organizer.

IV. Legal Analysis

Bal Harbour Reception

On February 16, 1976, SMWIA-PAL hosted a reception in Bal Harbour, Florida. Edward J. Carlough, President of SMWIA and Chairman of SMWIA-PAL, in his deposition taken on August 12, 1977, identified the reception as one "for the Senator and his family." Carlough Deposition at 9.

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In addition, Mr. Carlough stated that he discussed plans for the reception with Bob Keefe, then a member of Senator Jackson's staff, and with Senator Jackson himself. The date for the reception was cleared with Senator Jackson's calendar as was the decision to hold the reception in Florida. Mr. Carlough also stated in his deposition that it was decided that the reception would be held "in conjunction with the AFL-CIO Executive Council because that would create the greatest exposure from AFL-CIO leaders and their families to the Senator and his family." Carlough Deposition at 11, 9-14.

The expenses for the Bal Harbour Reception, in the amount of \$15,304.08, were paid by SMWIA-PAL and reported on FEC Form 3 as independent expenditures. The question presented here is whether these expenditures should be classified as expenditures "on behalf of" the Jackson presidential candidacy within the meaning of 18 U.S.C. §608(c)(2)(B) and thus classified as a contribution or whether the expenditures were independent expenditures within the meaning of 18 U.S.C. § 608(e)(1). If the expenditures were independent expenditures, it was not a violation of FECA since Buckley had held the FECA limitations on independent expenditures unconstitutional. See Buckley v. Valeo, supra at 51, 46, n. 53. If however, the expenditures were a contribution to the Jackson primary campaign, it was a violation of 18 U.S.C. § 608c(2)(B), left effective by Buckley.

18 U.S.C. §603c(2)(B) provided that expenditures "authorized or requested by the candidate, an authorized com-

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mittee of the candidate, or an agent of the candidate" would be treated as contributions by the person or group making the expenditure. The Supreme Court in Buckley, in upholding the constitutionality of this subsection, quoted the House and Senate Reports to explain the difference between an expenditure under § 608(c)(2)(B) and an independent expenditure under § 608(e). House Report No. 93-1239 defined an independent expenditure as one "incurred without the request or consent of a candidate or his agent." H.R. Rept. No. 93-1239, 93rd Congress, 2nd Session 6 (1974) and Senate Report No. 93-689 stated that an expenditure "not at the request or suggestion of the candidate or his agent" would be considered an independent expenditure. But an expenditure made "in cooperation with the candidate's campaign organization" would be a contribution "by the supporter and an expenditure by the candidate." S. Rept. No. 93-689, 93rd Congress, 2nd Session 18 (1974). The Supreme Court proceeded to hold that the "authorized or requested" language of § 608c(2)(B) included expenditures "placed in cooperation with or with the consent of a candidate, his agents, or an authorized committee of the candidate." Buckley v. Valeo, supra, at 46 n. 53.

Therefore, criteria to be considered in determining whether the SMWIA-PAL expenditures in connection with the Bal Harbour Reception were contributions to the Jackson campaign and thus a violation of 18 U.S.C. § 608(b)(2) are:

1) Were the expenditures "authorized" or "requested" by Senator Jackson, his agent, or the JFP Committee?

2) Were the expenditures for the reception incurred with the "consent" of Senator Jackson or his agent?

3) Was the reception held "in cooperation with" the Jackson campaign organization?

If any of the above is answered in the affirmative, the expenditures would be deemed a contribution.

The depositions taken of SMWIA-PAL officers and executives, particularly that of SMWIA President Carlough, would require affirmative answers to all of the above criteria. Discussions between Mr. Carlough and Senator Jackson or members of the Jackson staff prior to the reception would indicate "authorization" or "consent" for the expenditures. In addition, the fact that the time and place of the reception was coordinated with Senator Jackson's schedule would indicate that it was held "in cooperation with" the Jackson campaign organization.

Therefore, it is recommended that conciliation efforts be initiated on this issue. The Commission has previously found reasonable cause to believe that the expenditures related to the Bal Harbour Reception were contributions to the Jackson campaign and thus violations of 2 U.S.C. §434(b), disclosure provisions, and of 2 U.S.C. § 441a(a)(2)(A) [18 U.S.C. § 608(b)(2) at the time of the violations], contribution limitations.

Additional SMWIA-PAL "Independent Expenditures"

The investigation in this matter also centered on approximately \$65,000 in expenditures made by SMWIA-PAL and

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reported on FEC Form 3 as independent expenditures^{1/} The issue to be resolved is whether the expenditures were indeed "independent" or whether they were in reality in-kind contributions to the Jackson campaign. If the expenditures were in-kind contributions to the Jackson campaign, a violation of 18 U.S.C. § 608(b)(2) exists since SMWIA-PAL would have thus exceeded the contribution limitations contained therein and of 2 U.S.C. § 434(b) since SMWIA-PAL would have violated that provision's disclosure requirements.

Since these expenditures were made during the period March-June, 1976, the criteria for determining their "independence" of the Jackson campaign are those outlined in the analysis of the Bal Harbour Reception expenditures. Were the expenditures "authorized" or "requested" or incurred with the "consent" of Senator Jackson, his agent or the JFP Committee or were they made "in cooperation with" the Jackson campaign organization.

Information received through the depositions of Hinkle, McLaughlin, Miller, Scaduto, and Carlough indicates that various expenditures were made by Hinkle, McLaughlin, Miller and other SMWIA personnel in connection with the Jackson campaign.

Jimmy Hinkle, SMWIA Organizer, received \$8,000 in reimbursements from SMWIA-PAL for expenditures made to promote Senator Jackson, including the printing of signs, literature, and other campaign materials. Mr. Hinkle also received \$170.00

^{1/} Attachment I is a table showing the expenditures made by SMWIA-PAL which are under review here.

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from Labor for Jackson in payment for costs incurred in connection with its efforts in promoting Jackson's campaign. Additionally, Mr. Hinkle was reimbursed by the Jackson for President Committee through Ernest Miller of SMWIA who submitted the bills for costs incurred to Hershey Gold, a volunteer fund raiser with JFP.^{2/}

Lawrence McLaughlin, SMWIA Organizer, received \$5,000 in reimbursements from SMWIA-PAL for expenses relating to the production of materials concerning the promotion of the candidacy of Senator Jackson. Mr. McLaughlin also received \$257.71 from Labor for Jackson for the cost of renting a car for use in distributing literature promoting Senator Jackson. Mr. McLaughlin submitted the bill for this expense to the SMWIA Washington office, and received a check reimbursing him for this cost from Labor for Jackson. Also, Mr. McLaughlin was reimbursed by the Jackson for President Committee for \$704.71 in expenses incurred on behalf of that committee, partially for the rental of a hotel suite in connection with the Jackson campaign. In this instance, Mr. McLaughlin submitted the receipt for his expense to the SMWIA Washington office and received a check from the Jackson for President Committee.

Ernest Miller, SMWIA Organizer, received \$266.95 from Labor for Jackson for the rental of a car in Pittsburgh for use

^{2/} Attachment II lists SMWIA employees who were reimbursed directly by the Jackson for President Committee or by Labor for Jackson for expenditures made in connection with the Jackson candidacy.

in distributing campaign literature promoting Senator Jackson. Mr. Miller also received \$230 in reimbursements from the Jackson for President Committee through Hershey Gold, a volunteer with JFP, while working on the Jackson campaign in Florida.

Additionally, two SMWIA employees, Paul Stuckenschneider and George Riley, received \$1,274.56 and \$490 respectively from the Jackson for President Committee for expenses incurred on behalf of the committee.

Information gained through the aforementioned depositions and examination of documents filed with the Commission by SMWIA-PAL indicates that respondent spent \$7,052.04 for the filming, production and editing of video cassette recordings of speeches given by Senator Jackson. On at least one occasion, a speech given by Senator Jackson in Fort Lauderdale, Florida, SMWIA-PAL contacted the Senator before the speech was given, notifying him of their intent to film the speech. See Carlough Deposition at 19. Also, it appears that members of the Jackson for President Committee staff or members of the Senator's personal staff viewed the video cassettes following their production. These cassettes were used by SMWIA-PAL personnel to promote the candidacy of Senator Jackson. This discussion with Senator Jackson prior to the filming of the speech would indicate "consent" or "authorization."

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In addition to the above expenditures, SMWIA-PAL purchased air time on local television stations to promote Senator Jackson and made expenditures for the printing and production of literature, buttons, bumper stickers, and other materials relating to the candidacy of Senator Jackson.

These expenditures and reimbursements indicate a close working relationship among Labor for Jackson, the Jackson for President Committee, SMWIA-PAL, SMWIA employees, and Jackson staff members. In addition, Edward J. Carlough served concurrently as President of SMWIA, Chairman of SMWIA-PAL, and Treasurer of Labor for Jackson.^{3/}

The apparent relationship between SMWIA-PAL, Labor for Jackson and the Jackson for President Committee through the reimbursement of SMWIA employees for services rendered in connection with the campaign of Senator Jackson, and the prior knowledge and tacit approval of Senator Jackson and staff regarding the filming by SMWIA-PAL of speeches given by Senator Jackson, would indicate sufficient evidence of significant connections between respondent and the Jackson for President Committee to negate respondents claim that its expenditures to promote Senator Jackson were indeed independent.

Edward J. Carlough, President of SMWIA and Chairman of SMWIA-PAL, was an early supporter and advisor on labor

^{3/} The question of affiliation between Labor for Jackson and SMWIA-PAL is discussed in MUR 236 (76).

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matters to Senator Jackson and the Jackson for President Committee. Mr. Carlough was in frequent contact with members of Senator Jackson's staff and was apprised of the committee's general policies and strategies. Mr. Carlough was one of a group of labor leaders selected by the Jackson people as a target group for support for the Senator and as a public relations effort to enlist additional labor backing.

Mr. Carlough, as Chairman of SMWIA-PAL, was in a position to control or direct the expenditure of SMWIA-PAL funds. It is the belief of the General Counsel's Office that Mr. Carlough's position of control and influence regarding the expenditure of SMWIA-PAL funds, together with his close association with the Jackson for President Committee and his knowledge of the general strategies and policies of that committee, would indicate that SMWIA-PAL expenditures made to promote the candidacy of Senator Jackson were "in cooperation with" the Jackson campaign and thus not independent. In addition, the reimbursement of SMWIA personnel by the Jackson for President Committee for expenditures made on behalf of that committee, would imply prior "consent" or "authorization" by Senator Jackson or the JFP Committee for SMWIA-PAL expenditures in connection with the Jackson candidacy.

We therefore recommend that the Commission find reasonable cause to believe that SMWIA-PAL violated 2 U.S.C. § 434(b) in failing to report approximately \$65,000 in expenditures as in-kind contributions to the Jackson for President Committee, and 18 U.S.C. § 608(b)(2) as such in-kind contributions,

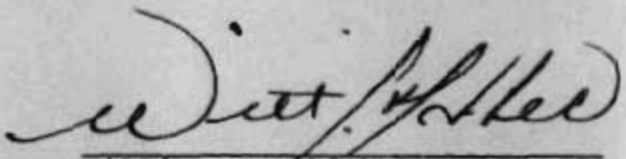
coupled with SMWIA-PAL's direct contribution of \$3,500, exceed the contribution limits of the Act.

V. Recommendation

1. Find reasonable cause to believe that SMWIA-PAL violated 2 U.S.C. § 434(b) and 18 U.S.C. § 608(b)(2) with regard to approximately \$65,000 in expenditures made to promote the candidacy of Senator Jackson and reported as independent expenditures by respondent.

2. Begin conciliation efforts on the above issue and the issue of violations of 2 U.S.C. § 434(b) and 18 U.S.C. § 608(b)(2) in connection with the Bal Harbour, Florida reception sponsored by respondent.

10/27/78
Date


William C. Oldaker
General Counsel

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Expenditures made by SMWIA-PAL in connection with the Jackson campaign

<u>Individual or organization</u>	<u>Purpose</u>	<u>Date</u>	<u>Amount</u>
Americana of Bal Harbour	Reception in honor of Senator Jackson	5/7/76	\$ 11,567.16
World Wide Studios	Cost of photography at above reception	5/7/76	3,581.44
Hearst Metrotone News Division	Producing, filming, and editing of two rallys in support of Sen. Jackson's candidacy	5/26/76	4,458.26
Jimmy A. Hinkle	For purposes of making independent expenditures on behalf of PAL in support of Sen. Jackson's candidacy	4/6/76	3,000.00
Jimmy A. Hinkle	same	3/25/76	5,000.00
Lawrence D. McLaughlin	same	3/25/76	5,000.00
Edigan Press, INC.	Printing of folders and bumper stickers in support of Sen. Jackson's candidacy	4/15/76	22,101.35
Maurer, Fleisher, Zon & Anderson, Inc.	Production and cost of air time in support of Sen. Jackson's candidacy	4/19/76	7,736.26
Manhattan Cable Television	Cost of air time in support of Sen. Jackson's candidacy	4/19/76	75.00
True-Art Process Co., Inc.	Cost of printing political signs in support of Sen. Jackson's candidacy	4/27/76	518.95
Hearst Metrotone News Division	Filming of rally in support of Sen. Jackson's candidacy	4/27/76	2,307.84
Hearst Metrotone News Division	Video taping of cassettes in support of Sen. Jackson's candidacy	4/27/76	185.94
TOTAL:			\$ 65,532.20

ATTACHMENT II

SMWIA Employees Reimbursed By The Jackson For President Committee
Or By Labor For Jackson

<u>SMWIA EMPLOYEE</u>	<u>DATE</u>	<u>AMOUNT</u>
Jimmy A. Hinkle	3/8/76	\$186.16 (JFP)
	5/27/76	\$170.00 (LFJ)
Lawrence McLaughlin	6/11/76	\$257.71 (LFJ)
	6/22/76	\$647.00 (JFP)
Paul Stuckenschneider	4/2/76	\$1,000.00 (JFP)
	4/14/76	\$137.28 (JFP)
	5/22/76	\$137.28 (JFP)
George Riley	6/22/76	\$490.00 (JFP)
Ernest Miller	4/1/76	\$115.00 (JFP)
	4/15/76	\$115.00 (JFP)

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WASHINGTON, D. C. 20036

JAMES E. SHARP
A. RAYMOND RANDOLPH, JR.
N. RICHARD JANIS

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TELEPHONE
(202) 698-2400

October 20, 1978

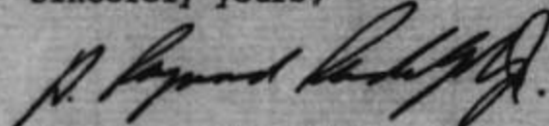
Ms. Cathy Perkins, Attorney
Office of General Counsel
Federal Election Commission
Room 476
Washington, D.C.

Re: MUR 266 (76)

Dear Ms. Perkins:

As we discussed by telephone, I am enclosing draft factual statements relating to the three areas (Bal Harbour, Rally and Affiliation) the Commission staff has indicated will be the subject of a report to the Commission in this matter. When you have reviewed these drafts would you kindly call me so that we may discuss any questions you might have. I do not anticipate any problems regarding the facts and, pursuant to our agreement with the Commission staff, we will next provide our legal analysis of the various issues involved in these factual situations so that the Commission will have the benefit of our views before it makes its decision.

Sincerely yours,



A. Raymond Randolph, Jr.

ARR:cb

cc: Donald W. Fisher
MULHOLLAND, HICKEY, LYMAN,
McCORMICK, FISHER & HICKEY
National Bank Building
Suite 741
Toledo, Ohio 43604

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DRAFT - BAL HARBOUR

It has long been the practice of union leaders to sponsor receptions for prominent politicians during the annual mid-winter meeting of the AFL-CIO Executive Council (RK 49). Such a reception was held on the evening of February 16, 1976, in honor of Senator Henry Jackson at the Americana Hotel in Bar Harbour, Florida (Turner letter Exhibit B). Persons were invited to the reception by the eleven international union presidents listed on the invitations: I. W. Abel (United Steelworkers); Harold J. Buoy (International Brotherhood of Boilermakers); Jesse M. Calhoun (National Marine Engineers Beneficial Association); Edward J. Carlough (Sheet Metal Workers International Association); Sol C. Chaikin (International Ladies' Garment Workers Union); Thomas W. Gleason (International Longshoremen's Association); Andrew T. Haas (International Association of Asbestos Workers); John H. Lyons (International Association of Iron Workers, Bridge and Structural); Charles H. Pillard (International Brotherhood of Electrical Workers); William Sidell (United Brotherhood of Carpenters and Joiners); J.C. Turner (International Union of Operating Engineers).

After the original sponsors had decided to hold the reception, Edward J. Carlough, General President of the Sheet Metal Workers International Association (SMWIA) and Chairman of the SMWIA-Political Action League (PAL), assisted in organizing it and in checking with Senator Jackson or his staff in regard to a date when he would be able to attend (EC 9-12). Mr. Carlough had no discussions with Senator Jackson or his staff regarding who would be attending the reception, what Senator Jackson would say or whether there would be solicitations for political contributions (EC 11-12).

Invitations to the reception were issued to officers, members and families of the sponsoring unions and other affiliated AFL-CIO organizations then attending the winter meetings of the AFL-

CIO in Miami, Florida (Turner letter, p. 10 and Exhibit B). The reception lasted from 6:00 p.m. to 7:30 p.m. and Senator Jackson, who had been invited to attend, gave a short talk, as did AFL-CIO President Meany (RK 49, Turner letter Exhibit B). There is no evidence that any political contributions were solicited or received in conjunction with the reception or that there were any communications to the attendees expressly advocating Senator Jackson's candidacy for President.

By February 16, 1976, thirteen union organizations had joined in sponsoring the reception (Turner letter, Exhibit A), the cost of which totalled \$15,148.60 (Turner letter pp. 7-8). Although counsel had initially advised that the cost of the reception could be paid out of union treasury funds because it consisted of a communication to members of the unions and their families, attorneys determined after the reception that the proper method of payment would be from voluntary funds (EC letter of May 1976, Exhibit A to Turner letter).

On May 7, 1976, SMWIA-PAL paid for the total cost of the reception and reported this to the Federal Election Commission as independent expenditures for a reception in honor of Senator Jackson, indicating that the expenses were "to be shared by several committees" (SMWIA-PAL report dated 6/8/76, at p. 6). On the same date, May 7, 1976, Mr. Carlough sent letters to the other twelve co-sponsoring organizations requesting reimbursement of their pro rata share of the costs of the reception (Exhibit A to Turner letter). The following organizations responded in the amounts indicated: I.B.E.W. - COPE (\$1,176.86); I.L.G.W.U. Campaign Committee (\$1,118.96); Boilermakers-Blacksmiths Legislative Education-Action Program (\$1,176.86); Laborers Political League (\$1,176.86); United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry Education Committee (\$1,176.86); and staff employees of the International Association of Heat and Frost Insulators and Asbestos Workers (\$1,210.00).

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These amounts received by SMWIA-PAL were also reported to the Federal Election Commission on Schedule A as "reimbursement-shared expenses for reception in honor of Senator Henry Jackson." (See SMWIA-PAL FEC reports filed June 8, 1976 (at p. 4); July 12, 1976 (at p. 5); November 24, 1976; and Turner letter, pp. 9-10). The reimbursements totalled \$9,390.12, which resulted in SMWIA-PAL absorbing \$5,758.48 of the cost of the reception or \$4,581.62 more than its pro rata share of the expenses (\$1,176.86).

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DRAFT - RALLY

On March 6, 1976, three days before the Florida presidential primary election, Senator Henry Jackson appeared at a rally in Ft. Lauderdale, Florida (EC 18). Senator Jackson, Daniel Patrick Moynihan, Mr. Carlough and others spoke at the rally, which was held by political committees of local Florida labor unions (Turner letter, p. 12). Shortly before March 6, 1976, Mr. Carlough decided to have the rally filmed for his union (EC 18-19). Senator Jackson was not consulted in advance and became aware of the filming only when he arrived to speak (EC 18-19).

Mr. Carlough decided to make a film of the rally for the purpose of educating members of the SMWIA. As Mr. Carlough stated to the Commission staff (EC 20):

First, we were going to make the film, pick out the best parts of it, and then use it as an educational film in our union halls -- or wives, we have some women's divisions in our locals, at coffee meetings of the wives to advance Senator Jackson's candidacy among our own members and also to demonstrate the reason why I was going out in front and supporting the Senator's candidacy at that time.

After the rally, Mr. Carlough advised Senator Jackson that he intended to use the film in the manner described above (EC 19). Neither Senator Jackson nor any member of his staff were shown a copy of the film (EC 20).

Later, SMWIA-PAL decided that portions of the film should also be used in the independent campaign on behalf of Senator Jackson's candidacy (EC 18). Segments of the film were accordingly included in 15-minute and 5-minute cassettes, which SMWIA-PAL volunteers showed to the public during the primary campaign (EC 18). SMWIA-PAL paid Hearst Metrotone News Division \$2,307.84 on April 27, 1976, and \$4,458.26 on May 26, 1976, for services in connection with

the making of these tapes and reported these amounts to the FEC as independent expenditures (EC 17-18); SMWIA-PAL FEC Reports 5/14/76, Schedule B, p. 14; 6/8/76, Schedule B, at p. 6).

There is no evidence that Senator Jackson or any member of his staff cooperated, participated or were consulted in the preparation of the cassettes shown to the public as part of the SMWIA-PAL independent campaign on behalf of Senator Jackson's candidacy.

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DRAFT - AFFILIATION

Labor for Jackson was formed on April 14, 1976, and on that date filed a Statement of Organization with the Federal Election Commission, naming Joseph D. Keenan as Chairman and Edward J. Carlough as Treasurer. In a letter from Mr. Keenan on May 20, 1976, Labor for Jackson reported to the FEC that there were no organizations affiliated with it.

Labor for Jackson was set up for the purpose of making independent expenditures on behalf of the presidential candidacy of Senator Henry Jackson (EC 27) and to attract a broad base of labor support for the Senator (EC 28, 50-51). Jesse M. Calhoun, President of the Marine Engineers Beneficial Association (MEBA) and the MEBA Political Action Fund, Mr. Carlough and another union official asked Mr. Keenan to serve as Chairman of Labor for Jackson (JK 5; EC 39). Mr. Keenan, who had been International Secretary of the International Brotherhood of Electrical Workers, agreed (JC 4).

The initial funding of Labor for Jackson consisted of a \$20,000 contribution from the MEBA Political Action Fund, a \$7500 contribution from SMWIA-PAL and a \$5000 contribution from the Engineers Political Education Committee (L for J REC Report Schedule A, p. 1, 7/9/76; EC 38-39).

Labor for Jackson made independent expenditures on behalf of Senator Jackson's candidacy in the Pennsylvania Presidential primary election, which was held on April 27, 1976 (L for J FEC Report, Schedule B, 7/9/76). Many of the volunteers for Labor for Jackson were members of the SMWIA, but volunteers from other unions also participated in the Pennsylvania primary campaign for Senator Jackson (CEC 29), including iron workers, engineers and carpenters (EC 34). Bills sent to Labor for Jackson were approved for payment by its Treasurer, Mr. Carlough, and checks were signed by Mr. Keenan (RK 11-12).

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Labor for Jackson functioned for only a short time because, shortly after the Pennsylvania primary, Senator Jackson withdrew as a presidential candidate. On August 24, 1976, Labor for Jackson refunded the balance remaining in its account to its contributors, returning \$104.92 to the MEBA Political Action Fund, \$414.38 to SMWIA-PAL, and \$276.15 to the Engineers Political Education Committee (L for J FEC Report 8/24/76, p.1).

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Ms. Cathy Perkins
Attorney
Office of General Counsel
Room 476
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SEYMOUR GLANZER
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212 632-4000

September 21, 1978

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806387

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

Dear Bill:

Please excuse this delay in responding to your letter of September 8, 1978. The press of other matters prevented me from having an opportunity to review adequately the enclosures which you were kind enough to send to me.

I must confess that the material which you sent me leaves me more perplexed than ever regarding the concerns which you have expressed about the fund-raising efforts engaged in by the MEBA-PAF. The materials dealt with national and state party committees, which I understand are covered by different sets of considerations than which apply to other political committees, especially in the area at issue here in our matter -- independent expenditures.

One recurring theme of these enclosures, however, which I think clearly supports the position which we urge in our formal submission to you, is that the test of the independence of the expenditures turns on the extent to which the candidate exercises "dominion and control" over the expenditures. The administrative record is clear and unambiguous in our case and compels the conclusion that there was no coordination, consultation or other indicia of control by the Jackson for President Committee over the determination by the MEBA-PAF to either expend money for receipt books, or to encourage its members to engage in voluntary fund-raising activities. Similarly, the memoranda

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William C. Oldaker, Esquire
September 21, 1978
Page Two

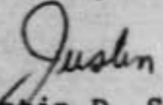
which you sent make it clear that the concern of the Commission with regard to earmarking is the concealment of the identity of the actual contributor and the concomitant opportunity that such concealment affords for the evasion of contribution limitations. Such concerns are totally lacking in the case of the NERA-PAF which reported all of the expenditures in this fund-raising activity, and where its whole purpose of its incurring the cost to purchase the receipt books was to make sure that the identification of the actual contributor could be accomplished.

While I do not want to reargue our submission, especially since Ms. Perkins has not yet indicated that she has taken issue with any of our conclusions, I did want to convey to you my reaction to the materials you provided.

Thank you very much for the opportunity to speak with Ms. Perkins. She assured me that she would be contacting me if she had any questions or need for additional information. She also indicated that she was aware that we would have the opportunity to discuss the staff recommendations with you prior to its submission to the Commission. As that has always been our understanding, please do not hesitate to call us as soon as you have completed and reviewed the recommendation.

Thank you very much for your consideration in this matter.

Warm regards,


Justin D. Simon

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WASHINGTON, D.C. 20037

FEDERAL ELECTION
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August 23, 1978

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BY HAND

79040122115
William C. Oldaker, Esquire
General Counsel
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

Re: Marine Engineers Beneficial Association -
Political Action Fund

Dear Mr. Oldaker:

Enclosed you will find an original and three copies of the Submission prepared by this firm on behalf of the Marine Engineers Beneficial Association-Political Action Fund ("MEBA-PAF"). It is our belief that this Submission clearly and amply demonstrates the fact that the activities which you discussed with us at our recent meeting were fully in accordance with the letter and spirit of the Federal Election Campaign Act, as amended. It is our hope that this Submission will aid the Commission and its staff in focusing on the issues presented and in making its own determination regarding these matters.

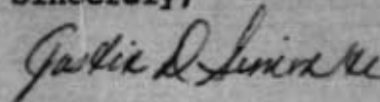
Should the Commission or any member of your staff wish to discuss this matter further, we would, of course, be delighted to do so. In addition to the points which we note in our Submission, there are a number of other legal issues which I attempted to bring to your attention on Tuesday morning when we both unsuccessfully attempted to reach one another. These issues relate to certain aspects of the legislative history of the 1974 and 1976 Amendments, as well as current legislative activity, which may be helpful to you in arriving at your

William C. Oldaker, Esquire
August 23, 1978
Page Two

recommendation to the Commission. Accordingly, I would like the opportunity to discuss these matters with you after you have had a chance to review our Submission.

Thank you for your consideration in this matter.

Sincerely,


Justin D. Simon

Enclosures

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BEFORE THE
FEDERAL ELECTION COMMISSION

In The Matter of the

MARINE ENGINEERS BENEFICIAL
ASSOCIATION - POLITICAL
ACTION FUND

SUBMISSION TO THE FEDERAL ELECTION
COMMISSION AND ITS STAFF REGARDING
THE MARINE ENGINEERS BENEFICIAL ASSOCIATION
POLITICAL ACTION FUND

At a meeting with the Commission's General Counsel, Mr. William Oldaker, and his assistant, Mr. Paul Lovejoy, questions were raised on behalf of the Commission concerning two activities of the Marine Engineers Beneficial Association Political Action Fund ("MEBA-PAF") in connection with the 1976 presidential campaign of Senator Henry Jackson of Washington. Counsel for the MEBA-PAF was informed that the Commission staff had not yet arrived at a final determination as to its position regarding these activities. Because the legal issues involved were ones of first impression and because any Commission action regarding these activities could well be construed as ex post facto rulemaking, the Commission staff permitted the MEBA-PAF to make this submission to demonstrate its position that no action

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can or should be taken against the MEBA-PAF in connection with these activities. The opportunity to make such a formal submission was viewed as especially appropriate in this matter since the General Counsel has expressed the view that, at worst, any violations would be technical in nature.

I. The Basic Facts Concerning Both Activities Are Undisputed

There are two activities which have been examined by the Commission staff. The first involves the hosting of a hospitality suite with refreshments at the Essex House in New York City on the evening of the presidential primary in New York. The second involves the expenditure of MEBA-PAF funds for the purpose of recording and facilitating the reporting of contributions to the Jackson for President Committee collected voluntarily by MEBA members to the Federal Election Commission. The important facts concerning each activity can be stated briefly.

A. New York City Hospitality Suite

On the evening of the April 1976 presidential primary in New York State, the MEBA-PAF hosted a hospitality suite at the Essex House in New York City. The administrative record reveals that the decision to host the suite was made on an

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impromptu basis by Leon Shapiro of the MEBA-PAF in consultation with his assistant, Frank A. Laurito, Chief Accountant for the MEBA. Arrangements for this suite were made exclusively by representatives of the MEBA-PAF, which was solely responsible for and paid all of the expenses associated with the operation of the suite. Neither Mr. Shapiro or Mr. Laurito notified, consulted or otherwise had contact with Senator Jackson or his Senatorial or campaign staff regarding this activity. Similarly, there is no evidence that anyone from the MEBA-PAF had contacted Senator Jackson or his Senatorial or campaign staff regarding this event.

The purpose of this hospitality suite was to provide a meeting place where volunteers associated with the labor movement who had worked on the Jackson campaign in New York could meet socially while waiting for the election returns to come in. The function was not intended, nor was it used, as a fundraising vehicle for any candidate for federal, state or local office. The suite was located in the same hotel as the election night campaign headquarters of the Jackson campaign. The hospitality suite was not intended to be, nor was it, used in lieu of any election night campaign activity being staged by or on behalf of Senator Jackson.

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The cost of the suite and the refreshments was \$1,876.43. The suite was "catered" by hotel room service. No invitations were sent out inviting persons to attend. The only notice of the event was the 2'x3' sign placed in the lobby of the hotel. All of the funds expended were from the MEBA-PAF, the expenses were paid for by check and all expenditures were duly and promptly reported to the Commission.

During the course of the reception, Senator Jackson appeared, possibly shook a few hands and left the hospitality suite. There is no evidence in the record that Senator Jackson had been invited to appear or even that anyone associated with the MEBA-PAF had any advance notice that he would appear. A clear inference from the record is that either the Senator or a member of his staff saw the placard in the hotel lobby and suggested that the Senator appear to express his appreciation to his supporters in the labor movement. There is no indication as to how many persons were in the suite when Senator Jackson appeared, or how long the Senator stayed.

B. The Receipt Books and Fundraising Activity

Sometime around the middle of March 1976, the leadership of the MEBA-PAF determined to support the candidacy of Senator Jackson by encouraging members of the MEBA to make

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voluntary contributions to Senator Jackson's principal campaign committee, the Jackson for President Committee. For the purpose of ensuring that all funds collected would be properly reported to the Federal Election Commission and for internal union accountability for such funds,^{1/} it was determined that the MEBA-PAF would prepare a four-part (NCR-type) receipt. The receipt was designed by Mr. Laurito and receipt books were printed and assembled professionally at the expense of the MEBA-PAF, which promptly reported the expenditure. The receipt books were then mailed to the various MEBA branches (locals). At the same time the receipt books were sent out, a letter was prepared by Mr. Laurito in consultation with the former General Counsel for the Union to explain how the fundraising activity should be handled to ensure compliance with the FECA of 1971, as amended. This letter and a follow-up letter were sent out over the signature of MEBA President, Jesse M. Calhoon. Union members then, on a voluntary basis, spoke with other Union members about making contributions to the Jackson for President Committee. Other than Union members, it is possible that "friends" of the MEBA were contacted. The evidence reveals

^{1/} It has long been the policy of the MEBA that no funds of any kind will ever be collected from a Union member without issuing the member a written receipt.

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that this latter group would include families of Union members,
retired Union members^{2/} and non-member Union employees.^{3/}

During the course of the Commission's investigation, the staff inquired whether such voluntary activity took place during "regular business hours." While the local Union offices have regular business hours, the evidence reveals that the concept of "regular business hours" has only partial application to the MEBA. Union members are employed in the United States merchant fleet and their contact with other members largely occurs at the time they enter ports, which could be at any time of day or night. While there is no direct evidence on point, it appears that at least some Union members were spoken to about making contributions at such times, incidental to Union business. Other members and friends would have been contacted randomly either when they came to Union offices or socially. Under the procedures devised by Mr. Laurito and counsel, members were encouraged to make contributions by check, made payable

2/ Retirees of the Union can hardly be considered "outsiders" since the Union continues to represent them in various respects. For example, recently the MEBA negotiated increased pension and health and welfare benefits for its retired members.

3/ As a practical matter, however, there is no direct evidence that anyone but members were solicited.

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directly to the Jackson for President Committee. No cash in excess of \$100 was allowed to be collected, and the receipt books permitted the identification of the contributors (by name in full in ink), the date of the contribution, the amount of the contribution and the address, social security number and occupation of the contributor. Checks collected at the local level along with the signed receipts were forwarded weekly to the MEBA-PAF office in New York City (located in the same facility as the MEBA itself) where they were then forwarded to the Jackson for President Committee.

The record is further undisputed on two other important facts. First, the entire collection effort was conducted on a purely voluntary basis by Union members. Secondly, all of the expenses associated with this effort were defrayed by the MEBA-PAF and were properly reported. The collection effort lasted slightly more than one month.

After the receipt books had been prepared and mailed to the various MEBA branches and the collection effort was underway, the President of the MEBA, Mr. Calhoon, and Mr. Laurito met with Walter Skallerup, Treasurer of the Jackson for President Committee. The sole purpose of that meeting was to notify the Jackson Committee of the fact that it would soon be

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receiving voluntary contributions from MEBA members and to explain the receipts that would be accompanying these contributions. The evidence refutes any suggestion that this meeting was held to consult with or obtain the approval of the Jackson Committee for the MEBA-PAF's independent activity; the authorization or consent of the Jackson Committee was neither solicited nor given; they did, however, express their pleasure when informed of this fait accompli.

II. Both Of The Activities Of The MEBA-PAF
Being Considered By The Commission Staff
Were Properly Conducted

Although some of the Commission staff's concerns regarding the two activities of the MEBA-PAF discussed in Part I of this Memorandum involve certain recurring themes, for the sake of clarity, we will discuss each event separately. Before beginning this recitation, it is important that the Commission and its staff clearly understand the relevant body of law applicable to these matters.

Both expenditures discussed above were made during the period following the Buckley v. Valeo decision [424 U.S. 1 (January 1976)] and prior to the effective date of the 1976 Amendments (May 11, 1976). Similarly, these activities occurred before the Commission originally submitted its proposed

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regulations to Congress in August of 1976 and resubmitted them in January 1977. Thus, the MEBA-PAF did not have benefit of the Commission's regulatory elaboration of those sections of the FECA which were unaffected by the Buckley decision and the 1976 Amendments.^{4/}

A. The Hospitality Suite

As explained by the Commission staff, the rationale for its inquiry regarding the hospitality suite was that if the expenditure was not an independent expenditure, the MEBA-PAF would have exceeded its contribution limitation to Senator Jackson by an amount equal to the cost of the suite and refreshments. Conversely, if the expenditure was an independent expenditure, there was no violation because the restrictions on independent expenditures imposed by the FECA had been held unconstitutional in Buckley, 424 U.S. at 51.

During the relevant period, the FECA did not expressly define the term "independent expenditure." Rather, it was expressed as an amalgam of 18 U.S.C. §§ 608(c)(2)(B) and (e)(1).

^{4/} The 1976 Amendments themselves did not become effective until after the activities were under examination.

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Thus, an independent expenditure was an expenditure made on behalf of a clearly identified candidate for federal office, but which was not authorized or requested by the candidate, the candidate's authorized committee or an agent of the candidate. The Supreme Court in Buckley concluded that this definition would also include expenditures "placed in cooperation with or with the consent" of the candidate, etc., 424 U.S. at 46 n.23, and that the statutory prohibition was aimed at expenditures by third persons that were controlled by or coordinated with the candidate and his/her campaign. Id. at 46.

Judged by these statutory criteria, it is inconceivable that the staff or the Commission could conclude that the expenditure for the hospitality suite was anything but an independent expenditure. There is no evidence whatever that the event was authorized or requested by Senator Jackson or anyone associated with his campaign. On the contrary, it is conceded by the staff that the decision to host the suite was arrived at solely within the MEBA-PAF. Indeed, the staff further concedes that there is no evidence that the Senator was even invited to attend or otherwise had foreknowledge of the expenditure. The record establishes that the suite would have been hosted regardless of

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whether the candidate had known of the event and had appeared.^{5/} Under these circumstances, there is no basis for any challenge to the independent nature of this expenditure.

The staff, however, has speculated that the mere presence of the Senator at the event may be sufficient to vitiate it as an independent expenditure. This position has no statutory foundation in the context of this case. First, the statute in effect at the time speaks only in terms of authorization or requests for an expenditure to be made on behalf of a candidate. Here, it is conceded that the decision to hold the event was made independently, and the holding of the event proceeded entirely without the authorization, consent or even notice to the candidate. Secondly, it is conceded that the candidate appeared while the event was taking place after virtually all of the obligations underlying the expenditure had already been incurred. Under these circumstances, the fortuitous appearance of the candidate can in no way constitute request, authorization, coordination or control.

^{5/} In acknowledging this fact, we are in no way conceding that an invitation to appear at such an event would in any way affect the independent quality of the expenditure.

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A review of the statute, as well as its legislative history, reveals that Congress did not intend to characterize such expenditures as "contributions" within the meaning of 18 U.S.C. §§ 591 and 608 merely because the candidate appeared. To adopt such a per se rule would not only be inconsistent with the construction of independent expenditures articulated by the Supreme Court, but would, in this case, compel the conclusion that the only way the MEBA-PAF could have avoided a violation would be for it to have barred Senator Jackson from entering the suite. It cannot be argued that Congress intended to impose such an unseemly burden.

Two further observations are appropriate. First, the staff concedes that this is a case of first impression and the Commission has never formally (by rulemaking) or informally (by advisory opinion) articulated such a per se rule in this context. Under these circumstances and assuming, arguendo, that the Commission now believes that the FECA, as amended in 1976, sanctions such a rule, it should not be applied in an adjudicatory context involving conduct prior to the 1976 Amendments, but should be the subject of formal rulemaking. The ex post facto application of such a rule or interpretation to this April 1976 activity would not only raise serious due process problems, but would also be of dubious value prece-
dentially, because it would necessarily depend on a construction

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of the Act as it stood in 1974 (without § 431(p)) and without reference to the new regulations. Secondly, if the concern of the Commission is, as expressed by the staff, to discourage the holding of meetings held solely for the purpose of providing a forum for specific candidates, then not only is that concern absent in this case, but this case would provide a totally inappropriate vehicle for articulating a prophylactic rule against such conduct as all of the relevant factors are absent here.^{6/}

B. The Collection Of Funds

Several theories have been articulated by the Commission staff regarding the possible inappropriateness of the MEBA-PAF's activity in collecting funds to be given to the Jackson for President Committee. First, did the funds expended by the MEBA-PAF for the receipt books constitute a violation of the

6/ We are constrained to note that the hospitality suite expenditure would certainly qualify as an independent expenditure under the new regulations now in effect. The staff has taken the position that Senator Jackson's presence may constitute his "consent" to the expenditure within the meaning of 11 C.F.R. § 109.1. While we disagree that mere presence would be sufficient to show "consent," we are constrained to note that the regulations speak expressly in terms of "prior consent" and that element cannot be found in this case.

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contribution limitations in § 441a (actually the statute operating at the time was § 608 of Title 18)? Secondly, did the statute prohibit a union political action fund from soliciting members of the union and others for contributions to federal candidates? And thirdly, is this a situation where the political action committee was functioning as a conduit for earmarked funds or facilitating contributions in the name of another? The answers to each of these questions is no.

With regard to the expenditure for the receipt books, the question of a violation again turns on the characterization of that expense. If it was an independent expenditure, there could be no violation; if it was not, then it would constitute a contribution. Having previously summarized the facts and having discussed the applicable law, it is readily apparent that this expenditure must be characterized as "independent" for several reasons. First, it is conceded that the MEBA-PAF's decision to engage in this collection effort was arrived at purely on its own and without any contact whatever with the Jackson for President Committee. Secondly, the receipt books were designed, printed and sent out to the local branches, and the collection effort began without any contact with Senator Jackson or his staff.

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The Commission staff has conceded these facts, but has suggested that the meeting which took place between Messrs. Calhoon and Laurito and Mr. Skallerup and the comptroller of the Jackson Committee may have altered the character of the prior independent expenditure. This speculation is unwarranted. The evidence reveals that the MEBA-PAF presented the Jackson Committee with a fait accompli. The purpose of the meeting was merely to notify the Committee of what the MEBA-PAF was doing and to explain the receipts that would accompany the contributions. The consent, approval or advice of the Jackson Committee was neither solicited nor received. Furthermore, even if the Jackson Committee's actions could be implied as approval or consent, this approval would have been given after the expenditure was made and not before as the Commission's present regulation construes the statute to proscribe. The statute did not and does not disqualify an independent expenditure merely because the party expending the funds notifies a candidate or his/her committee that the expenditure has been made. Nor does the statute have a similar impact where notification of on-going activities is given. Both the legislative history of the statute and the Supreme Court's discussion in Buckley make it clear that the classification of an expenditure as a contribution-in-kind turns on a level of conduct approaching coordination with or control by the candidate or his/her

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committee. Mere notification is not sufficient; and notification after-the-fact, as here, can never be sufficient in a context such as this activity.

Finally, it should again be noted that neither the Congress nor the Commission has ever articulated a rule or policy that mere notification disqualifies an expenditure from being treated as independent. For the reasons set forth earlier, this case does not provide an appropriate vehicle for announcing such a rule or policy and applying it retroactively. This is especially true where, as here, there is no evidence or rational basis to infer that the mere act of notification was intended or in fact did serve to coordinate activity or to permit the candidate or campaign committee to exert any influence over the independent activity.

The second issue concerns not the MEBA-PAF's expenditures, but the collection activity itself. The Commission staff could not and has never questioned the propriety of the Union or its political action fund urging the membership and their families to make voluntary direct contributions to federal candidates; such activities were clearly permitted under 18 U.S.C. § 610 and remain so under 2 U.S.C. § 441b(b)(2)(A). Nor has the Commission staff questioned the voluntariness of this collection activity. The only questions are: (a) could

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the MEBA-PAF solicit non-members;^{7/} and (b) was the MEBA-PAF's role in transmitting these contributions to the Jackson Committee constitute a violation of § 441a? Again, the answers are no.

First, at the time of this activity, the FECA placed no limit on the persons with whom a political action fund could communicate for any purpose. Nor did the statute distinguish partisan communications in general from those which were intended as solicitations of funds.^{8/} Similarly, then and now, the FECA did not and does not discriminate against the First Amendment rights of members of labor organizations by restricting the voluntary political activity they can engage in, so long as their activity is not funded by the general treasury. Hence, there could be no violation of the FECA where, as here, such voluntary activity involves communications with non-members and is funded by the political action fund.

^{7/} Once again we must emphasize that there is no evidence in the record that anyone, other than a member was solicited. See also note 2, supra.

^{8/} Indeed, a labor organization itself could expend treasury funds to communicate to union members on "any subject." 18 U.S.C. § 610; see also 2 U.S.C. § 431(f)(4)(C); and the present § 441b(b)(2)(A).

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The staff responds by suggesting that § 441b(b)(4) of the FECA can be read to imply a restriction of the use of political action funds to communications to members only. This is preposterous for several reasons. First, § 441b(b)(4) did not go into effect until May 11, 1976, which in fact was four days after the MEBA-PAF recalled its receipt books and suspended its collection efforts.^{9/} There were no analogous restrictions in 18 U.S.C. § 610. Secondly, even had § 441b(b)(4) been in effect while the solicitation effort was taking place, that statute does not restrict partisan communications by political action funds seeking contributions to candidates. That section clearly and unambiguously prohibits only solicitations to non-members for the purpose of raising funds for the political action fund. No greater restriction is imposed by the Commission's regulations which purport to elaborate on the provision of § 441b(b)(4). See Sections 114.5(g)(2) and 114.5(i).

^{9/} It should be noted that Senator Jackson withdrew his candidacy after his defeat in the Pennsylvania primary, which preceded the effective date of the 1976 Amendments. As the Commission staff never inquired when the collection effort terminated, there is no evidence in the record on this question. Accordingly, we are submitting a copy of the termination notice dated May 7, 1976 for its inclusion in the administrative record.

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Thus, while the regulation promulgated in 1977 do distinguish between communications in general and "solicitations," the only context in which this distinction is made operative is the restriction against soliciting non-members for contributions to the political action fund. Indeed, the explanation and justification of these regulations transmitted by the Commission to the Speaker of the United States House of Representatives makes it clear "that there is no restriction on the persons to whom a separate segregated fund may communicate so long as voluntary contributions are used for the communications," and that the regulations impose no greater restriction than that imposed by the statute. Communication from the Chairman of the Federal Election Commission (HD No. 95-44), January 11, 1977 at p. 108. Thirdly, if Congress or the Commission had intended to prohibit union members from using political action funds to engage in fundraising activities for political candidates, we are confident that they would have used language expressly prohibiting solicitations for federal candidates. The reason they did not and could not have imposed such a restriction on the independent political activity of union members is that it would be held unconstitutional by virtue of the principals articulated in the

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Buckley decision, as well as other leading cases in this area;^{10/}
see Pipefitters Local Union No. 562 v. United States, 407 U.S.
385, 407, 414-415, 420-421 (1972).

The short of it is that there was and can be no statu-
tory authority for the Commission to take the position that
members of the MEBA could not engage in such fundraising ac-
tivity on behalf of candidates for federal office, using poli-
tical action funds. Such a policy or rule would therefore ex-
ceed the Commission's statutory authority and subject § 441b to
grave constitutional challenge.

Finally, the Commission staff recently discussed the
collection effort in the context of the Commission's concern
regarding earmarking and the use of conduits. These legal con-
cepts have no application in the context of this case. As the
statutes read at the time, and still read, the prohibitions
against earmarking and the use of conduits have been designed
to ensure compliance with the contribution/expenditure

^{10/} A related theory is that since labor unions are allowed to
expend treasury funds to defray certain administrative expenses
of their political action funds, see 2 U.S.C. § 441b(b)(2)(C),
that the activity of these funds should be restricted to soli-
citations to its own members. This theory is spurious for
numerous reasons, which need not be discussed since there is no
evidence whatever that the MEBA's treasury paid such expenses
during this period; and, as a matter of fact, it did not.

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limitations by ensuring the proper identification and disclosure of the actual contributor. None of these considerations are applicable in this case, nor does the record establish any factual predicate for any concern in this area. On the contrary, the record reveals that the MEBA-PAF took great pains to ensure the proper identification of the actual contributors and fully disclosed its own role, all in strict compliance with 18 U.S.C. § 608(b)(6).^{11/} It is ironic that the Commission staff even raises these issues where, as here, the main purpose of the purchase of the receipt books was to ensure the identification of the actual contributor and the purpose of the meeting with the Jackson Committee was to ensure that the Committee was aware of the purpose of the receipts and would be able to properly report and account for the contributions it received. Thus, we are not dealing with a case involving monies contributed or entrusted to a political action fund which are earmarked for a candidate. Nor is this a case where a political action fund is used to conceal the identity of the actual contributor. On the contrary, the reported expenditure which precipitated this inquiry was designed

^{11/} We note that the procedures followed by the MEBA-PAF were responsive to and consistent with FEC AO 1976-51.

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to ensure that such abuses would not occur and the requirements of 18 U.S.C. 608(b)(6) were strictly adhered to. The MEBA-PAF's role in collecting and transmitting the checks to the Jackson Committee was purely a ministerial act, and cannot possibly be construed otherwise.

Conclusion

As we have demonstrated, the activities of the MEBA-PAF which have been the subject of the Commission staff's inquiry did not violate any provision of the FECA. While we appreciate and support the interest of the Commission in evolving adequate standards to ensure the integrity of the federal election process, we submit that the articulation of new rules or novel constructions of prior statutes is totally inappropriate in the context of the adjudicatory process.

Dated: August 22, 1978

Respectfully submitted,

DICKSTEIN, SHAPIRO & MORIN

By: Judah Best
Judah Best

By: Justin D. Simon
Justin D. Simon

General Counsel to the National
Marine Engineers Beneficial
Association

HEADQUARTERS
17 BATTERY PLACE, ROOM 1930
NEW YORK, NEW YORK 10004
(212) 425-7280



Affiliated with AFL-CIO

DISTRICT No. 1 — PACIFIC COAST DISTRICT, MEBA (AFL-CIO)

J. M. CALHOON
PRESIDENT

C. A. BLACK
EXECUTIVE VICE PRESIDENT

LEON SHAPIRO
SECRETARY-TREASURER

L. A. LAMY, VICE PRESIDENT, ATLANTIC COAST

C. E. DEFRIES, VICE PRESIDENT, GULF COAST

May 7, 1976

CIRCULAR LETTER
NO. D-15-76

TO: ALL BRANCH AGENTS, PATROLMEN, REPRESENTATIVES
AND AUTHORIZED COLLECTORS OF
DISTRICT NO. 1 - PACIFIC COAST DISTRICT, MEBA

SUBJECT: JACKSON FOR PRESIDENT COMMITTEE - RECALL OF
ALL RECEIPT BOOKS - USED AND UNUSED

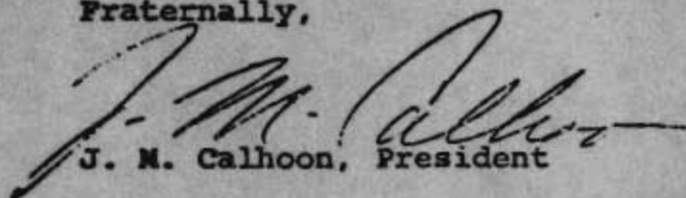
Dear Sirs and Brothers:

Effective Monday, May 10, 1976, please discontinue collections
for the Jackson for President Committee.

Please be sure to close out your Recap for the Week Ending
May 8, 1976 and forward all receipt books to District
Headquarters, together with the Recap.

Your prompt attention is requested.

Fraternally,


J. M. Calhoon, President

JMC:FAL:rl

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DICKSTEIN, SHAPIRO & MORIN

2101 L STREET, N. W.
WASHINGTON, D. C. 20037

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



FEDERAL ELECTION COMMISSION

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

June 6, 1978

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS *MWE*

SUBJECT: MURs 236, 260, 266 - Interim Report dated 6-1-78
Received in Office of Commission
Secretary: 6-2-78, 1:23

The above-mentioned document was circulated on a 24 hour
no-objection basis at 10:30, June 5, 1978.

As of 10:30 a.m., this date, no objections have been
received in the Office of Commission Secretary to the Interim Report.



79040122141

June 2, 1978

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MURs 236,260,266

Please have the attached Interim Report distributed
to the Commission.

Thank you.

79040122142

BEFORE THE FEDERAL ELECTION COMMISSION

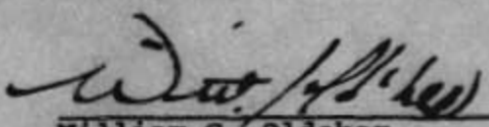
In the Matter of)	
)	
Labor for Jackson,	)	MUR 236 (76)
Marine Engineers Beneficial	)	MUR 260 (76)
Association Political Action Fund)	)	MUR 266 (76)
and Sheet Metal Workers)	
International Association)	
Political Action League)	

INTERIM REPORT

These matters involve questions of affiliation, in-kind contributions and independent expenditures on the part of Labor for Jackson ("LFJ"), Marine Engineers Beneficial Association Political Action Fund ("MEBA-PAF"), and Sheet Metal Workers International Association Political Action League ("SMWIA") with regard to the campaign of the Jackson for President Committee ("JFP").

The General Counsel's Office has now completed its investigation of these matters, concluding with the deposition of Mr. J. M. Calhoun, President of MEBA-PAF, on May 19, 1978. We are now in the process of analyzing the information received from the investigation and will prepare a report for submission to the Commission including recommendations as to the disposition of these matters.

6/1/78
Date


William C. Oldaker
General Counsel

79040122143



FEDERAL ELECTION COMMISSION

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

April 19, 1978

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS

SUBJECT: MURs 236, 260, 266 (76) - Interim Report dated
4-14-78
Received in Office of
Commission Secretary
4-14-78, 2:13

mwe

The above-mentioned document was circulated to the Commissioners at 10:00 a.m., April 18, 1978, on a 24 hour no-objection basis.

As of 10:00 a.m., this date, no objections have been received in the Office of Commission Secretary to the Interim Report.

79040122144

April 14, 1978

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 236, 260, 266

Please have the attached Interim Report on the
above mentioned MURs distributed to the Commission on a
24 hour no-objection basis.

Thank you.

79040122145

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Labor for Jackson,
Marine Engineers Beneficial Association
Political Action Fund, and
Sheet Metal Workers International
Association Political Action League

)
)
) MUR 236 (76)
) MUR 260 (76)
) MUR 266 (76)
)
)
)
)
)

Interim Report

These matters involve questions of affiliation, in-kind contributions and independent expenditures on the part of Labor for Jackson ("LFJ"), Marine Engineers Beneficial Association Political Action Fund ("MEBA-PAF"), and Sheet Metal Workers International Association Political Action League ("SMWIA-PAL") with regard to the campaign of the Jackson for President Committee ("JFP").

During the investigation of these matters depositions have been taken of the following individuals: Jimmy A. Hinkle, SMWIA organizer; Lawrence McLaughlin, SMWIA organizer; Ernest F. Miller, SMWIA organizer; Edward J. Carlough, General President of SMWIA, Chairman of SMWIA-PAL, and Treasurer of LFJ; Joseph Daniel Keenan, Chairman of LFJ; Frank Scaduto, SMWIA Director of Governmental Affairs; Robert Joseph Keefe, Campaign Director of JFP; Irving Hershey Gold, volunteer with JFP; Leon Shapiro, Secretary-Treasurer of MEBA and Treasurer of MEBA-PAF; and Frank Laurito, Chief Accountant of MEBA and MEBA-PAF.

We are in the process of scheduling the deposition of J.M. Calhoon, President of MEBA. Following that deposition we will submit to the Commission an analysis of the information received

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from the aforementioned deponents and recommendations as to
the disposition of these matters.

14 April 1958
DATE



WILLIAM C. OLDAKER
GENERAL COUNSEL *for VCO*

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ACC 3022
NW

DICKSTEIN, SHAPIRO & MORIN

2101 L STREET, N. W.
WASHINGTON, D. C. 20037
202 785-9700

March 20, 1978

NEW YORK OFFICE
245 FIFTH AVENUE
NEW YORK, N. Y. 10022
212 833-1900

BOSTON OFFICE
THREE CENTER PLAZA
BOSTON, MASSACHUSETTS 02108
617 227-7700

CHARLES H. MORIN
DAVID I. SHAPIRO
SIDNEY DICKSTEIN
ARTHUR J. SALLIGAN
JUDAH BEST
BEYHOUR GLANZER
HENRY C. CASHEN II
JAMES W. SPRINGER
RICHARD LITTELL
THOMAS W. NACK
ARTHUR D. MASON
FREDERICK M. LOWTHER
ROBERT J. HIGGINS
M. J. MINTZ
JAMES C. TREADWAY, JR.
HOWARD E. O'LEARY, JR.
LEIGH S. RATNER
IRA H. POLON
KENNETH L. ADAMS
IRA R. MITZNER
RICHARD P. PERRIN
GEORGE T. BOGGS
JOEL S. KLEINMAN
JUSTIN D. BIRON
GARRY W. LEVINE
LESLIE J. RUBEN
ROSLYN A. MAZER
STEPHEN G. KOZEY
HELEN R. KANDORSKY
JOHN M. SCORCE
WALTER J. WALVICK
HOWARD A. JACK
CHARLES J. LANDY
SCOTT M. DUBOFF

BY HAND

Judy Browning, Esquire
Office of the General Counsel
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

Dear Ms. *Judy* Browning:

During the deposition of Frank A. Laurito on March 16, 1978, we offered to provide you with a copy of the letters sent to Branch Agents along with the receipt books used in collecting voluntary contributions for Senator Henry Jackson's 1976 Presidential campaign. Enclosed please find copies of the two circular letters.

As is evident from the content of the letters, the collection effort was purely voluntary and the "instructions" issued were to ensure compliance with the Federal Election Campaign Act and to provide for full accountability for the monies collected.

With respect to any remaining questions concerning the three areas of investigation, let me reiterate our offer to conduct an in-house investigation and to resolve any remaining questions by affidavit. It is my firm belief that this procedure would expedite the fact-finding portion of your investigation and obviate the need for numerous additional and time-consuming depositions of people who individually would be

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Judy Browning, Esquire
March 20, 1978
Page Two

able to provide only small pieces of the total picture. While this procedure would be costly for MEBA, we believe that we have both an interest and an obligation to make certain that the Commission is satisfied that it has all of the facts concerning these areas, and that it has this information promptly.

Thank you once again for your courtesy in briefly postponing the deposition to permit my presence upon my return to Washington this past Wednesday.

Sincerely,

Justin

Justin D. Simon

Enclosure

tle

cc: Paul Lovejoy

79040122149

HEADQUARTERS
7 BATTERY PLACE, ROOM 1930
NEW YORK, NEW YORK 10004
(212) 485-7880



Affiliated with AFL-CIO

DISTRICT No. 1 - PACIFIC COAST DISTRICT, MEBA (AFL-CIO)

J. M. CALHOON
PRESIDENT

G. A. BLACK
EXECUTIVE VICE PRESIDENT

LEON SHAPIRO
SECRETARY-TREASURER

L. A. LAMY, VICE PRESIDENT, ATLANTIC COAST

G. E. DEFRIES, VICE PRESIDENT, GULF COAST

March 29, 1976

CIRCULAR LETTER NO. D-8-76

TO: ALL BRANCH AGENTS, PATROLMEN, REPRESENTATIVES
AND AUTHORIZED COLLECTORS OF
DISTRICT NO. 1 - PACIFIC COAST DISTRICT, MEBA

SUBJECT: JACKSON FOR PRESIDENT COMMITTEE - RECEIPT BOOK
COLLECTION AND TRANSMITTAL PROCEDURES

Dear Sirs and Brothers:

I have forwarded, under separate cover, a supply of the new 'Jackson for President Committee Receipt Books'. Within the next week or so, you will be receiving an additional supply of such books sufficient to meet your needs.

You will note that there are four (4) copies for each receipt, and they are as follows:

- 1) The Donor's (white) copy is to be issued to each individual who makes a voluntary contribution to the Committee.
 - 2) The Original (green) copy
- AND**
- 3) The Committee (pink) copy are both to be transmitted to District Headquarters in the same manner as you account for the regular weekly Political Action Fund voluntary contributions.
 - 4) The final (goldenrod) copy remains in the Receipt Book.

... ..

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CIRCULAR LETTER
NO. D-8-76

COLLECTIONS

- a) You may solicit contributions for the Jackson for President Committee from any individual that wishes to make said contribution.
- b) You may accept any amount up to \$1,000.00 from an individual.

You are of course aware that the Reporting Requirements under the Federal Election Campaign Act are very stringent, so it is imperative that the Date, Amount of Contribution, Name, Address, Social Security Number and Occupation of each contributor be clearly indicated on each Receipt.

You will note that on this Receipt, the individual who makes a contribution MUST SIGN HIS OR HER NAME IN FULL IN INK.....

In other words, if an individual has a 'middle name' he must sign his name John James Smith, rather than John J. Smith.

This is an absolute MUST, the reason being that in order to qualify for the 'matching funds' from the Federal Government, the contributor must sign his name in full in ink. If he does not sign his name in full in ink, no 'matching funds' may be obtained for that contribution.

You will note that in the lower-right-hand-corner of the Receipt there is provision for the Collector to Print the Donor's name. Obviously, this provision has been made in the event the signature of the Donor is not legible. The name should also be PRINTED IN FULL IN INK.

With respect to the 'collections' made involving 'cash', it is suggested that at the end of the week, a cashier's check or money order be obtained, for the total amount of cash payments received for that period. Such Cashier's Check or Money Order must be made payable to the 'JACKSON FOR PRESIDENT COMMITTEE'.

... ..

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CIRCULAR LETTER
NO. D-8-76

In addition, any Personal Checks that are collected, must be made payable to the order of the 'JACKSON FOR PRESIDENT COMMITTEE'.

The Cashier's Checks, Money Orders and Personal Checks should be transmitted to District Headquarters, together with the Original (green) copy and the Committee's (pink) copy of all 'Jackson for President Committee' receipts issued, attached to the Weekly Recap Transmittal Sheet.

Under no circumstances should the Cashier's Checks, Money Orders, Checks or Cash that is collected for the 'Jackson for President Committee' be deposited in any District Port Depository Account or MEBA Political Action Fund Port Depository Account.

It is essential that the 'Jackson for President Committee Recap' arrive at District Headquarters as soon as possible but under no circumstances should it arrive later than Wednesday of each week.

Under separate cover, I have also forwarded a sufficient supply of 'Jackson for President Committee Forms' 153D and 155D for your Daily and Weekly Recap Reports. Samples of same are enclosed herewith.

The following is just for your information and should not be used as a 'selling point' when soliciting from an individual.

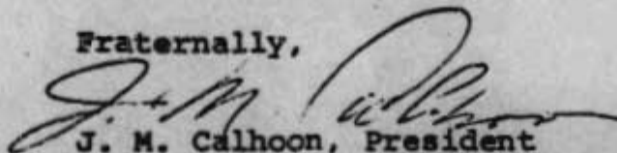
You may be asked a question as to whether or not the contribution is a tax deductible item.

The answer is that a 'tax credit' is available, equal to one-half of the contribution, but, it is limited to \$25.00 (\$50.00 on a joint return) or in lieu of the 'tax credit', an individual may elect to take an itemized deduction of \$100.00 (\$200.00 on a joint return).

Any questions relative to the above, may be directed to Frank Laurito at District Headquarters.

One final item, I have already expressed my feelings to you with respect to the effort I expect from the Officers and Representatives of MEBA in behalf of Senator Jackson. I am sure they are shared by all of you and will be reflected in a positive response to our effort from the membership and friends of the American Maritime Industry in general.

Fraternally,


J. M. Calhoon, President

JMC:FAL:rl
Enclosures

79040122152

JACKSON FOR PRESIDENT COMMITTEE

1 SECOND STREET, N.E., WASHINGTON, D.C. 20002

FROM _____ Post _____
Name of Branch Agent

TO: HEADQUARTERS ACCOUNTING DEPT.

Date _____ 19 ____

Dear Sir and Brother:

Transmitted herewith are the following:

1. Original and Committee copies of all JACKSON FOR PRESIDENT COMMITTEE Receipts issued by the above during the Week Ending _____

2. Personal Checks, Cashiers Checks or Money Orders payable to the JACKSON FOR PRESIDENT COMMITTEE, are enclosed.

DATE	RECEIPTS ISSUED		AMOUNT COLLECTED	PERSONAL CHECKS CASHIERS CHECKS OR M.O.	
				DATE	AMOUNT
Mon.			\$		\$
Tues.					
Wed.					
Thurs.					
Fri.					
Total					

79040122154

79040122155

[illegible]

Branch Agent

HEADQUARTERS
BATTERY PLACE, ROOM 1930
NEW YORK, NEW YORK 10004
(212) 425-7880



Aligned with AFL-CIO

DISTRICT No. 1 — PACIFIC COAST DISTRICT, MEBA (AFL-CIO)

J. M. CALHOON
PRESIDENT

G. A. BLACK
EXECUTIVE VICE PRESIDENT

LEON SHAPIRO
SECRETARY-TREASURER

L. A. LAMY, VICE PRESIDENT, ATLANTIC COAST

G. E. DEFRIES, VICE PRESIDENT, GULF COAST

April 6, 1976

CIRCULAR LETTER
NO. D-11-76

TO: ALL BRANCH AGENTS, PATROLMEN, REPRESENTATIVES
AND AUTHORIZED COLLECTORS OF
DISTRICT NO. 1 - PACIFIC COAST DISTRICT, MEBA

SUBJECT: JACKSON FOR PRESIDENT COMMITTEE - COLLECTION
OF CONTRIBUTIONS

Dear Sirs and Brothers:

This will supplement Circular Letter No. D-8-76, relative to the
above-captioned subject matter.

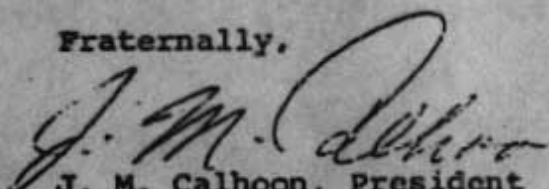
This will advise you that under no circumstances shall a
'cash contribution' be accepted in excess of \$100.00.

Any contribution that is made of more than \$100.00, should be made
by personal check or money order by the contributor, payable to
the Jackson for President Committee.

The Federal Election Campaign Law places a limitation on
contributions of currency of the United States or currency of any
foreign country to or for the benefit of any candidate which, in
the aggregate, exceed \$100.00, with respect to any campaign of
such candidate for nomination for election or for election to
Federal Office.

The above must be strictly adhered to.

Fraternally,


J. M. Calhoon, President

JMC:FAL:rl

79040122156

79040122157

DICKSTEIN, SHAPIRO & MORIN

2101 L STREET, N. W.
WASHINGTON, D. C. 20037

Judy Browning, Esquire
Office of the General Counsel
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

801150

DICKSTEIN, SHAPIRO & MORIN

2101 L STREET, N. W.

WASHINGTON, D. C. 20037

202 785-8700

March 20, 1978

NEW YORK OFFICE

740 FIFTH AVENUE

NEW YORK, N. Y. 10022

212 632-1800

BOSTON OFFICE

THREE CENTER PLAZA

BOSTON, MASSACHUSETTS 02108

617 527-7700

BY HAND

79040122153

Judy Browning, Esquire
Office of the General Counsel
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

Dear Ms. *Judy* Browning:

During the deposition of Frank A. Laurito on March 16, 1978, we offered to provide you with a copy of the letters sent to Branch Agents along with the receipt books used in collecting voluntary contributions for Senator Henry Jackson's 1976 Presidential campaign. Enclosed please find copies of the two circular letters.

As is evident from the content of the letters, the collection effort was purely voluntary and the "instructions" issued were to ensure compliance with the Federal Election Campaign Act and to provide for full accountability for the monies collected.

With respect to any remaining questions concerning the three areas of investigation, let me reiterate our offer to conduct an in-house investigation and to resolve any remaining questions by affidavit. It is my firm belief that this procedure would expedite the fact-finding portion of your investigation and obviate the need for numerous additional and time-consuming depositions of people who individually would be

Judy Browning, Esquire
March 20, 1978
Page Two

able to provide only small pieces of the total picture. While this procedure would be costly for MEBA, we believe that we have both an interest and an obligation to make certain that the Commission is satisfied that it has all of the facts concerning these areas, and that it has this information promptly.

Thank you once again for your courtesy in briefly postponing the deposition to permit my presence upon my return to Washington this past Wednesday.

Sincerely,

Justin

Justin D. Simon

Enclosure

tle

cc: Paul Lovejoy

79040122159

HEADQUARTERS

7 BATTERY PLACE, ROOM 1930
NEW YORK, NEW YORK 10004
CE123 429-7380



Affiliated with AFL-CIO

DISTRICT No. 1 — PACIFIC COAST DISTRICT, MEBA (AFL-CIO)

J. M. CALHOON
PRESIDENT

G. A. BLACK
EXECUTIVE VICE PRESIDENT

LEON SHAPIRO
SECRETARY-TREASURER

L. A. LAMY, VICE PRESIDENT, ATLANTIC COAST

G. E. DEFRIES, VICE PRESIDENT, GULF COAST

March 29, 1976

CIRCULAR LETTER
NO. D-8-76

TO: ALL BRANCH AGENTS, PATROLMEN, REPRESENTATIVES
AND AUTHORIZED COLLECTORS OF
DISTRICT NO. 1 - PACIFIC COAST DISTRICT, MEBA

SUBJECT: JACKSON FOR PRESIDENT COMMITTEE - RECEIPT BOOK
COLLECTION AND TRANSMITTAL PROCEDURES

Dear Sirs and Brothers:

I have forwarded, under separate cover, a supply of the new
'Jackson for President Committee Receipt Books'. Within the next
week or so, you will be receiving an additional supply of such
books sufficient to meet your needs.

You will note that there are four (4) copies for each receipt, and
they are as follows:

1) The Donor's (white) copy is to be issued to each
individual who makes a voluntary contribution to
the Committee.

2) The Original (green) copy

AND

3) The Committee (pink) copy are both to be transmitted
to District Headquarters in the same manner as you
account for the regular weekly Political Action Fund
voluntary contributions.

4) The final (goldenrod) copy remains in the Receipt Book.

... ..

79040122160

CIRCULAR LETTER
NO. D-8-76

COLLECTIONS

- a) You may solicit contributions for the Jackson for President Committee from any individual that wishes to make said contribution.
- b) You may accept any amount up to \$1,000.00 from an individual.

You are of course aware that the Reporting Requirements under the Federal Election Campaign Act are very stringent, so it is imperative that the Date, Amount of Contribution, Name, Address, Social Security Number and Occupation of each contributor be clearly indicated on each Receipt.

You will note that on this Receipt, the individual who makes a contribution MUST SIGN HIS OR HER NAME IN FULL IN INK.....

In other words, if an individual has a 'middle name' he must sign his name John James Smith, rather than John J. Smith.

This is an absolute MUST, the reason being that in order to qualify for the 'matching funds' from the Federal Government, the contributor must sign his name in full in ink. If he does not sign his name in full in ink, no 'matching funds' may be obtained for that contribution.

You will note that in the lower-right-hand-corner of the Receipt there is provision for the Collector to Print the Donor's name. Obviously, this provision has been made in the event the signature of the Donor is not legible. The name should also be PRINTED IN FULL IN INK.

With respect to the 'collections' made involving 'cash', it is suggested that at the end of the week, a cashier's check or money order be obtained, for the total amount of cash payments received for that period. Such Cashier's Check or Money Order must be made payable to the 'JACKSON FOR PRESIDENT COMMITTEE'.

... ..

79040122161

- 3 -
CIRCULAR LETTER
NO. D-8-76

In addition, any Personal Checks that are collected, must be made payable to the order of the 'JACKSON FOR PRESIDENT COMMITTEE'.

The Cashier's Checks, Money Orders and Personal Checks should be transmitted to District Headquarters, together with the Original (green) copy and the Committee's (pink) copy of all 'Jackson for President Committee' receipts issued, attached to the Weekly Recap Transmittal Sheet.

Under no circumstances should the Cashier's Checks, Money Orders, Checks or Cash that is collected for the 'Jackson for President Committee' be deposited in any District Port Depository Account or MEBA Political Action Fund Port Depository Account.

It is essential that the 'Jackson for President Committee Recap' arrive at District Headquarters as soon as possible but under no circumstances should it arrive later than Wednesday of each week.

Under separate cover, I have also forwarded a sufficient supply of 'Jackson for President Committee Forms' 153D and 155D for your Daily and Weekly Recap Reports. Samples of same are enclosed herewith.

The following is just for your information and should not be used as a 'selling point' when soliciting from an individual.

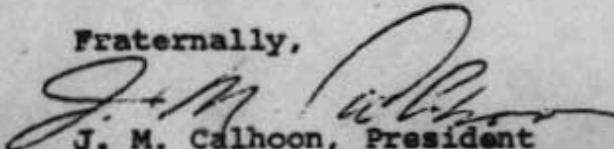
You may be asked a question as to whether or not the contribution is a tax deductible item.

The answer is that a 'tax credit' is available, equal to one-half of the contribution, but, it is limited to \$25.00 (\$50.00 on a joint return) or in lieu of the 'tax credit', an individual may elect to take an itemized deduction of \$100.00 (\$200.00 on a joint return).

Any questions relative to the above, may be directed to Frank Laurito at District Headquarters.

One final item, I have already expressed my feelings to you with respect to the effort I expect from the Officers and Representatives of MEBA in behalf of Senator Jackson. I am sure they are shared by all of you and will be reflected in a positive response to our effort from the membership and friends of the American Maritime Industry in general.

Fraternally,


J. M. Calhoon, President

JMC:FAL:rl

JACKSON FOR PRESIDENT COMMITTEE

511 SECOND STREET, N.E., WASHINGTON, D.C. 20002

FROM _____ Port _____
Name of Branch Agent

TO: HEADQUARTERS ACCOUNTING DEPT.

Date _____ 19 ____

Dear Sir and Brother:

Transmitted herewith are the following:

1. Original and Committee copies of all JACKSON FOR PRESIDENT COMMITTEE Receipts issued by the above during the Week Ending _____

2. Personal Checks, Cashiers Checks or Money Orders payable to the JACKSON FOR PRESIDENT COMMITTEE, are enclosed.

DATE	RECEIPTS ISSUED		AMOUNT COLLECTED	PERSONAL CHECKS CASHIERS CHECKS OR M.O.	
				DATE	AMOUNT
Mon.			\$		\$
Tues.					
Wed.					
Thurs.					
Fri.					
Total					

79040122164

79040122165

[illegible]

Fraternally,

Form 1530-J.F.P.C.

Branch Agent

HEADQUARTERS

7 BATTERY PLACE, ROOM 1930

NEW YORK, NEW YORK 10004

(212) 425-7280



Affiliated with AFL-CIO

DISTRICT No. 1 — PACIFIC COAST DISTRICT, MEBA (AFL-CIO)

J. M. CALHOON
PRESIDENT

C. A. BLACK
EXECUTIVE VICE PRESIDENT

LEON SHAPIRO
SECRETARY-TREASURER

L. A. LANEY, VICE PRESIDENT, ATLANTIC COAST

G. E. DEFRIES, VICE PRESIDENT, GULF COAST

April 6, 1976

CIRCULAR LETTER
NO. D-11-76

TO: ALL BRANCH AGENTS, PATROLMEN, REPRESENTATIVES
AND AUTHORIZED COLLECTORS OF
DISTRICT NO. 1 - PACIFIC COAST DISTRICT, MEBA

SUBJECT: JACKSON FOR PRESIDENT COMMITTEE - COLLECTION
OF CONTRIBUTIONS

Dear Sirs and Brothers:

This will supplement Circular Letter No. D-8-76, relative to the
above-captioned subject matter.

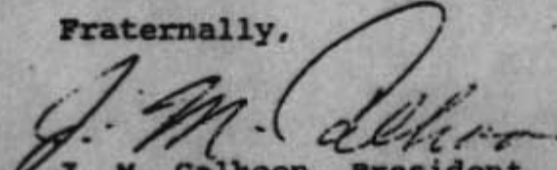
This will advise you that under no circumstances shall a
'cash contribution' be accepted in excess of \$100.00.

Any contribution that is made of more than \$100.00, should be made
by personal check or money order by the contributor, payable to
the Jackson for President Committee.

The Federal Election Campaign Law places a limitation on
contributions of currency of the United States or currency of any
foreign country to or for the benefit of any candidate which, in
the aggregate, exceed \$100.00, with respect to any campaign of
such candidate for nomination for election or for election to
Federal Office.

The above must be strictly adhered to.

Fraternally,


J. M. Calhoon, President

JMC:FAL:rl

79040122166

79040122167

DICKSTEIN, SHAPIRO & MORIN

2101 L STREET, N. W.
WASHINGTON, D. C. 20037

Paul Lovejoy, Esquire
Office of the General Counsel
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

Executive Order
1420 N St., N. W.
Washington, D. C. 20005

7 9 0 4 0 1 2 2 1 6 8

HAND DELIVERED
3/10/68

Richard J. [unclear]
By: [unclear]

Federal Election Commission

1325 K Street, NW

Washington, DC

20463

Attn: Mr. David Spiegel



FEDERAL ELECTION COMMISSION

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

March 22, 1978

MEMORANDUM TO: CHARLES STEELE
FROM: MARJORIE W. EMMONS *mwe*
SUBJECT: MUR 260 (76) - Interim Status Report dated 3-14-78
Signed by General Counsel: 3-17-78
Received in Office of Commission
Secretary: 3-17-78, 4:08

The above-mentioned document was circulated to the
Commissioners on a 24 hour no-objection basis at 4:30, March 30,
1978.

As of 9:00 a.m., this date, no objections have been
received in this office to the Interim Status Report.

79040122169

March 17, 1978

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 260

Please have the attached Interim Status Report on MUR 260 distributed to the Commission on a 24 hour no-objection basis.

Thank you.

79040122170

BEFORE THE FEDERAL ELECTION COMMISSION

March 14, 1978

In the Matter of)
)
Marine Engineers) MUR 260 (76)
Beneficial Association)
Political Action Committee)

INTERIM STATUS REPORT

On February 15, 1978, the Commission approved the issuance of subpoenas for the depositions of certain MEBA officials who had decision-making authority regarding the events which are the subjects of this MUR.

The first of these depositions involving Mr. Frank Laurito, Chief Accountant and financial officer of MEBA is scheduled to take place on March 16, 1978.

79040122171
3/12/78
DATE

William C. Oldaker
General Counsel

5002906

DICKSTEIN, SHAPIRO & MORIN

2101 L STREET, N.W.

WASHINGTON, D.C. 20037

202 785-9700

March 6, 1978

BOSTON OFFICE
THREE CENTER PLAZA
BOSTON, MASSACHUSETTS 02108
617 827-7700

NEW YORK OFFICE
745 FIFTH AVENUE
NEW YORK, N.Y. 10022
212 837-1800

77 MAR 8 PM 1:11

500318

Judy Browning, Esquire
Office of the General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D. C. 20463

Dear Ms. Browning:

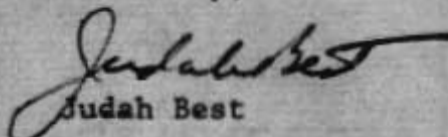
I am in receipt of the subpoena dated February 23, 1978, requiring the appearance for testimony of Frank Laurito on March 13, 1978.

As I indicated to you in our recent telephone conversation, Justin Simon of our office has been out of town for a period of time and will not return to Washington until on or about the 13th, the day of the Laurito deposition. In view of the fact that Mr. Simon has been primarily engaged in the handling of this matter, I would respectfully request that a continuance be granted so that he may familiarize himself with the specifics of this deposition.

I will be away from my office all of this week, and I would appreciate your contacting my secretary with regard to a convenient date of adjournment.

Thank you for your courtesies in this matter.

Sincerely,


Judah Best

JB:bz

cc: Mr. Frank Laurito

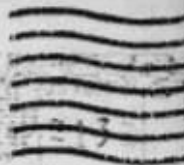
79040122172

79040122173
DICKSTEIN, SHAPIRO & MORIN

2101 L STREET, N.W.
WASHINGTON, D.C. 20037

FEDERAL ELECTION
COMMISSION

77 MAR 6 PM 1:12



Judy Browning, Esquire
Office of the 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

March 1, 1978

CERTIFIED MAIL -
RETURN RECEIPT REQUESTED

Mr. Judah Best
Dickstein, Shapiro & Morin
2101 L Street, N.W.
Washington, D.C. 20037

Re: MUR 260 (76)

Dear Mr. Best:

Enclosed is a subpoena requiring the appearance of Mr. Frank Laurito, Chief Accountant, Marine Engineers Beneficial Association, for a deposition on March 13, 1978.

I am sending the subpoena to you pursuant to a conversation with your associate, Justin Simon, on February 6, 1978, wherein Mr. Simon indicated that your firm would accept service of subpoenas issued with respect to MUR 260 (76).

The issues involved in the deposition of Mr. Laurito are identical to those covered in the deposition of Mr. Leon Shapiro on January 27, 1978. While you were in attendance at that meeting, should you have any questions regarding the March 13, 1978, deposition, please contact Judy Browning, the attorney assigned to this matter, at 523-4175.

Sincerely,

William C. Oldaker
General Counsel

Enclosure



79040122174

PS Form 3811, Apr. 1977

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

MUR 260 TB

● 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.....c
 - ☒ Show to whom, date, and address of delivery.....c
 - ☐ RESTRICTED DELIVERY
Show to whom and date delivered.....c
 - ☐ RESTRICTED DELIVERY.
Show to whom, date, and address of delivery. 3.....
- (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
Judah Best
Dickason Shapiro
Moun

3. ARTICLE DESCRIPTION:
REGISTERED NO. CERTIFIED NO. INSURED NO.
438353

(Always obtain signature of addressee or agent)

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

4. DATE OF DELIVERY 6 1978 POSTMARK

5. ADDRESS (Complete only if requested)
MAR

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

UNITED STATES OF AMERICA
FEDERAL ELECTION COMMISSION

In the Matter of	)	SUBPOENA
)	
Marine Engineers Beneficial	)	To Appear for Deposition
Association Political Action	)	Upon Oral Examination
Fund	)	MUR 260(76)

To: Mr. Frank Laurito
Chief Accountant
MEBA
c/o Dickstein, Shapiro & Morin
2101 L Street, N. W.
Washington, D.C. 20037

At the instance of the Federal Election Commission, pursuant to 2 U.S.C. 437d(a)(3), you are hereby subpoenaed to appear for deposition with regard to the Commission's investigation of the Marine Engineers Beneficial Association Political Action Fund's purchase of receipt books for solicitation of contributions for the Jackson for President Committee; failure to report affiliation with Labor for Jackson; and sponsorship of receptions in San Francisco in October 1975, and Baltimore in April 1976.

79040122176

Notice is hereby given that your deposition shall be
taken at The Federal Election Commission, 1325 K St.,
N.W., Washington D.C.,
20463 , on March 13, 1978, at 10:30 A. M.

WHEREFORE, the Chairman of the Federal Election
Commission has hereunto set his hand at Washington, D. C.
on this 23rd day of Feb. 1978.

Thomas E. Harris
Thomas E. Harris
Chairman

ATTEST:

Margaret E. Emerson
Secretary to the Commission

79040122177

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Marine Engineers)
Beneficial Association)
Political Action Committee)

MUR 260 (76)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on February 15, 1978, the Commission determined by a vote of 6-0 to issue subpoenas to appear for deposition upon oral examination in the above-captioned matter to the following persons:

1. Mr. C. E. DeFries
Vice President, MEBA
2. Mr. Charles A. Black
Executive Vice President, MEBA
3. Mr. Frank Laurito
Chief Accountant, MEBA
4. Mr. J. M. Calhoon
President, MEBA

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

79040122178



FEDERAL ELECTION COMMISSION

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

February 23, 1978

MEMORANDUM TO: CHARLES STEELE
FROM: MARJORIE W. EMMONS
SUBJECT: Subpoenas in Relation to MUR 260 (76)

The attached subpoenas, approved February 15, 1978,
have been signed and sealed this date.

79040122179

UNITED STATES OF AMERICA
FEDERAL ELECTION COMMISSION

In the Matter of)
)
Marine Engineers Beneficial)
Political Action Fund)
)
SUBPOENA
To Appear for
Deposition Upon Oral
Examination
MUR 260 (76)

To: Mr. C. E. DeFries
Vice President
MEBA
c/o Dickstein, Shapiro & Morin
2101 L Street, N. W.
Washington, D.C. 20037

At the instance of the Federal Election Commission,
pursuant to 2 U.S.C. 437d (a)(3), you are hereby subpoenaed
to appear for deposition with regard to the Commission's
investigation of the Marine Engineers Beneficial
Association Political Action Fund's purchase of receipt
books for solicitation of contributions for the Jackson
for President Committee; failure to report affiliation
with Labor for Jackson; and sponsorship of reception in
San Francisco in October 1975, and Baltimore in April 1976.

79040122180

Notice is hereby given that your deposition shall be taken
at

, on 1978, at M.

WHEREFORE, the Chairman of the Federal Election
Commission has hereunto set his hand at Washington, D. C.
on this 23rd day of February 1978.

Thomas E. Harris

Thomas E. Harris
Chairman

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

79040122181

UNITED STATES OF AMERICA
FEDERAL ELECTION COMMISSION

In the Matter of	)	SUBPOENA
)	
Marine Engineers Beneficial	)	To Appear for
Association Political	)	Deposition Upon Oral
Action Fund	)	Examination
		MUR 260 (76)

To: Mr. Charles A. Black
Executive Vice President
MEBA
c/o Dickstein, Shapiro & Morin
2101 L Street, N. W.
Washington, D.C. 20037

At the instance of the Federal Election Commission, pursuant to 2 U.S.C. 437d(a)(3), you are hereby subpoenaed to appear for deposition with regard to the Commission's investigation of the Marine Engineers Beneficial Association Political Action Fund's purchase of receipt books for solicitation of contributions for the Jackson for President Committee; failure to report affiliation with Labor for Jackson; and sponsorship of receptions in San Francisco in October 1975, and Baltimore in April 1976.

79040122182

Notice is hereby given that your deposition shall be taken
at _____, on _____ 1978, at _____ M.

WHEREFORE, the Chairman of the Federal Election Commis-
sion has hereunto set his hand at Washington, D. C. on
this 2nd day of Feb 1978.

Thomas E. Harris
Thomas E. Harris
Chairman

ATTEST:

Margie W. Emmons
Secretary to the Commission

79040122183

February 10, 1978

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Carr
SUBJECT: MUR 260 Team #3 Browning

Please have the attached General Counsel's Report on MUR 260 distributed to the Commission and placed on the Compliance Agenda for the Commission meeting of February 15, 1978.

Thank you.

79040122134

79040122185

In the Matter of)
)
Marine Engineers) MUR 260
Beneficial Association)
Political Action Committee)

GENERAL COUNSEL'S REPORT

On January 27, 1978, the deposition of Mr. Leon Shapiro, Treasurer, Marine Engineers Beneficial Association Political Action Fund ("PAF"), was taken at the Federal Election Commission. Due to his illness during the period of time in which PAF held receptions for Senator Jackson, the period of time in which PAF purchased receipt books for the solicitation of contributions for the Jackson for President Committee, and the period of time which a transfer was made from PAF to Labor for Jackson, Mr. Shapiro was unable to provide the Commission with specific information relating to these events.

As a result of Mr. Shapiro's inability to provide the Commission with information necessary for this investigation, we recommend that depositions be taken of J. M. Calhoun, President of MEBA, C. E. DeFries, Regional Vice President of MEBA, Charles A. Black, Executive Vice President of MEBA, and Frank Laurito, Chief Accountant and financial officer of MEBA. These individuals were named by Mr. Shapiro as being directly involved in making

decisions regarding the events in question.

RECOMMENDATION

Issue attached subpoenas.

10 February 1979

DATE



WILLIAM C. OLDAKER
GENERAL COUNSEL

WCO

79040122186

100 2515

DICKSTEIN, SHAPIRO & MORIN

2101 L STREET, N.W.

WASHINGTON, D.C. 20037

202 785-8700

January 24, 1978

BOSTON OFFICE
THREE CENTER PLAZA
BOSTON, MASSACHUSETTS 02108
617 227-7700

NEW YORK OFFICE
745 FIFTH AVENUE
NEW YORK, N.Y. 10022
212 832-1800

BY HAND DELIVERY

Judy Browning, Esquire
Office of the General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D. C. 20463

Re: Marine Engineers Beneficial
Association

Dear Judy:

This will confirm our agreement of January 23, 1978, that Mr. Leon Shapiro, Secretary-Treasurer of District 1-Pacific Coast M.E.B.A., will appear at your offices for deposition pursuant to your subpoena on Friday, January 27, 1978 at 2:30 p.m.

As you will recall, when I spoke with you yesterday, I expressed my confusion regarding your theory that the purchase of receipt books to facilitate the solicitation of funds from union members, their families and friends to be sent directly to a candidate's authorized committee may constitute a violation of 2 U.S.C. § 441a. While you acknowledged that the statute does not specifically address this question and that the only restriction expressly limiting the solicitation to "class members" involves the solicitation of funds for the political action committee itself, you stated that certain members of the Commission and the staff view the statute more expansively. Specifically, you stated that since union members would be involved in fund-raising, such partisan activity by a voluntary union political action committee should be restricted in the fashion anticipated by Section 441a for other official union partisan activities. In this regard, you stated that a more proper reformulation of the issue would be that the Commission is

79040122187

79040122188

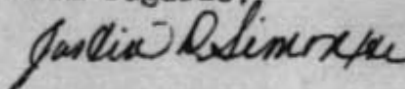
Judy Browning, Esquire
Page 2
January 24, 1978

not so much concerned about the printing of the receipt books, as the activity of union members in soliciting funds. You stated that such activity may constitute a contribution unlawful union contribution "in kind."

While I vigorously, but amicably, disagreed (and still disagree) with such an expansive reading of Section 441a and believe that it is contrary to clear intent of the Congress, what concerns me more is that your recently articulated theory completely refocuses the ambit of at least a portion of your investigation, as it was explained to Judah Best and myself on January 12, 1978. As I am sure you appreciate, the body of law being administered by the Commission is both inherently uncertain and evolving and raises serious questions of notice. We are not only dealing with statutes and regulations that have not previously been applied to concrete factual situation, we are also dealing with statutes which have undergone four major revisions in only five years. Similarly, we are dealing with events which transpired prior to the promulgation of regulations, which may be used as criteria by which to scrutinize those events. Furthermore, the problem is compounded by your use of an explanatory memorandum to the Congress prepared by the Commission, which memorandum has never been published in the Federal Register and which could not even be obtained at the Commission--indeed, the members of your public information and documents sections were unaware of the existence of such a memorandum.

The short of it is that Mr. Best and I have concluded that it is imperative that we meet with you again prior to Mr. Shapiro's deposition to obtain further clarification of both the focus of your inquiry and the statutory basis for your present belief that violations may have occurred. Since we desire that deposition take place as scheduled, we request that such a meeting take place on Wednesday or Thursday of this week.

Warm regards,



Justin D. Simon

JDS:bz

7-904012218
DICKSTEIN, SHAPIRO & MORIN

2101 L STREET, N. W.
WASHINGTON, D. C. 20037

BY HAND DELIVERY

Judy Browning, Esquire
Office of the General Counsel
Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

Need
1-24-78
JB

December 30, 1977

MEMORANDUM TO: Marge Emmons
FROM: Jeff Bowman
SUBJECT: MUR's 236,260, and 266. Team#3
Staff Member-Browning

Please have the attached Interim Status Report
on MUR's 236,260, and 266(76) distributed to the
Commission and placed on the Compliance Agenda for the
Commission meeting of January 4, 1978.

Thank you.

79040122190

BEFORE THE FEDERAL ELECTION COMMISSION
December 21, 1977

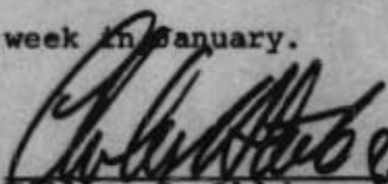
In the Matter of)
)
Labor for Jackson)
Sheet Metal Workers)
International Association) MURS 236, 260, 266(76)
Political Action League)
)
and)
Marine Engineers Beneficial)
Association Political)
Action Fund)

INTERIM STATUS REPORT

On December 7, 1977, an interim status report was considered by the Commission, wherein it was noted that we had completed depositions of several Labor for Jackson and Sheet Metal Workers officers and that we intended to depose an officer of the Marine Engineers Beneficial Association Political Action Fund, Mr. Leon Shapiro. The deposition would involve questions regarding alleged violations of the Act concerning the failure to report affiliation and the incorrect reporting of certain expenditures as "independent."

Authorization for the subpoena to depose has been approved by the Commission. The deposition is tentatively scheduled for the second week in January.

30 December 1977
Date


William C. Oldaker
General Counsel

79040122191



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

December 28, 1977

Mr. Leon Shapiro
Treasurer
MEBA Political Action Fund
17 Battery Place - Room 1930
New York, NY 10004

Re: MUR 260(76)

Dear Mr. Shapiro:

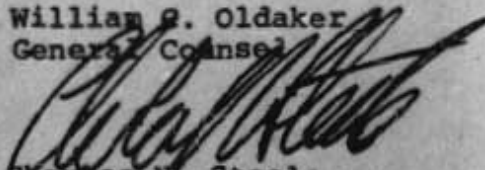
The Federal Election Commission has found reason to believe that violations of 2 U.S.C. 441a and 441b occurred with regard to the Marine Engineers Beneficial Association Political Action Fund's purchase of receipt books for solicitation of contributions for the Jackson for President Committee. In addition, the Commission found reason to believe that a violation of 2 U.S.C. 433(b)(2) occurred with respect to the failure to report affiliation with Labor for Jackson.

In furtherance of the above referenced matters, the Commission has issued a subpoena requiring your appearance for a deposition on January 9, 1978. The subpoena is enclosed herewith. If you intend to be represented by counsel in this matter, please have such counsel so notify us in writing.

If you have any questions, please contact Judy Browning, the attorney assigned to this matter, at 202-523-4175.

Sincerely,

William G. Oldaker
General Counsel


Charles N. Steele
Associate General Counsel

Enclosure: Subpoena



79040122192

79040122193

PS Form 3811, Apr. 1977

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

MUR 260 6012193

● 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:
MR. LEON SHAPIRO
17 Battery Place
New York, NY 10004

3. ARTICLE DESCRIPTION:
 REGISTERED NO. CERTIFIED NO. INSURED NO.
 943907

(Always obtain signature of addressee or agent)

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

4. DATE OF DELIVERY *6 78* POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

UNITED STATES OF AMERICA
FEDERAL ELECTION COMMISSION

In the Matter of)
) SUBPOENA
Marine Engineers)
Beneficial Political) To Appear for Deposition
Action Fund) Upon Oral Examination
) MUR 260(76)

To: Mr. Leon Shapiro
Treasurer
MEBA Political Action Fund
17 Battery Place - Room 1930
New York, NY 10004

At the instance of the Federal Election Commission,
pursuant to 2 U.S.C. §437d(a)(3), you are hereby
subpoenaed to appear for deposition with regard to the
Commission's investigation of the Marine Engineers
Beneficial Association Political Action Fund's purchase
of receipt books for solicitation of contributions for the
Jackson for President Committee; and with regard to said
Political Action Fund's failure to report affiliation with
Labor for Jackson.

79040122194

Subpoena to Shapiro - 2 -

Re: MUR 260

Notice is hereby given that your deposition shall
be taken at Phillips. Nizer Law Office
40 West 57th St., NY, NY , on Jan. 9, 1978,
Conference Room D
at 2:00 P.M.

WHEREFORE, the Chairman of the Federal Election
Commission has hereunto set his hand at Washington, D.C.,
on this 20th day of December, 1979.



ATTEST:

Thomas E. Harris
Thomas E. Harris
Chairman

Margaret W. Emmons
Secretary to the Commission

79040122195



FEDERAL ELECTION COMMISSION

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

DECEMBER 21, 1977

MEMORANDUM TO: CHARLES STEELE
FROM: MARJORIE EMMONS *mwe*
RE: REQUEST FOR SUBPOENA IN MUR 260

Attached please find the subpoena requested by the Office of the General Counsel in MUR 260.

This subpoena has been approved by all the Commissioners except for Commissioner Staebler, who is on vacation at this time.

79040122196

ACC 2327

RALPH FINK & ASSOCIATES, INC.
CERTIFIED STENOGRAPHIC REPORTERS
140 NASSAU STREET
NEW YORK, NEW YORK 10038
—
RECTOR 2-5566

KAREN ANN CARNEY, CSR
RALPH FINK, CSR

RECEIVED
FEDERAL ELECTION
COMMISSION
77 DEC 27 AM 9:26
December 21, 1977

Paul Lovejoy, Esq.
Office of General Counsel
Federal Elections Commission
1325 K Street, N.W.
Washington, D.C. 20463

Dear Sir:

This is to inform you that we have arranged to have your deposition held at the offices of Messrs. Phillips, Nizer, Benjamin, Krim & Ballon located at 40 West 57th Street, New York, New York, in Conference Room D on the 33rd Floor, on January 9, 1978.

Please have your people go to the Reception Desk where they will be informed as to where to go.

Our reporter will also be present there to assist you in any way possible.

If for any reason this deposition is cancelled please inform us on or before Friday, January 6, 1978.

Thank you for allowing us to be of service to you.

Very truly yours,


RALPH FINK & ASSOCIATES, INC.

RF/ep

79040122197

790401219
RALPH FINK & ASSOCIATES, INC.

CERTIFIED STENOGRAPHIC REPORTERS

140 NASSAU STREET

NEW YORK, N. Y. 10038

RECEIVED
FEDERAL ELECTION
COMMISSION

'77 DEC 27 AM 9:25



Paul Lovejoy, Esq.
Office of General Counsel
Federal Elections Commission
1325 K Street, N.W.
Washington, D.C. 20463

December 2, 1977

MEMORANDUM TO: Marge Emmons
FROM: Elissa T. Garr
SUBJECT: MURs 236/260/266 Team #3 Browning

Please have the attached Interim Status Report on
MURs 236,266,260 circulated to the Commission and placed
on the Compliance Agenda for the Commission meeting of
December 7, 1977.

Thank you.

79040122199

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Labor for Jackson,)
Sheet Metal Workers)
International Association) MUR 236, 260, 266(76)
Political Action League,)
and)
Marine Engineers Beneficial)
Association Political)
Action Fund)

INTERIM STATUS REPORT

On June 22, 1977, the Commission considered General Counsel's reports involving allegations that Labor for Jackson, an unauthorized single candidate committee, was affiliated with the political action committees of Sheet Metal Workers International Association and Marine Engineers Beneficial Association. In addition, the reports dealt with the questions of whether expenditures made by all three respondents were in fact "independent" as reported and whether the solicitation of contributions by Marine Engineers Beneficial Association Political Action Fund for the Jackson for President Committee constituted a 2 U.S.C. §441b violation.

During the June 22, 1977, meeting the Commission approved the recommendation that depositions be conducted

79040122200

of respondents' key officers and employees involved in making some of the expenditures in question. Subsequently, the following persons were deposed:

- Jimmy A. Hinkle, Sheet Metal Workers International Association employee who conducted campaign activities for Sheet Metal Workers' Political Action League and Labor for Jackson and also received money from Jackson for President Committee;
- Lawrence McLaughlin, Sheet Metal Workers International Association employee who conducted campaign activities for Sheet Metal Workers' Political Action League and Labor for Jackson and also received money from Jackson for President Committee;
- Edward Carlough, President of Sheet Metal Workers International Association, Chairman of its Political Action League, and Treasurer of Labor for Jackson;
- Joseph Keenan, Chairman of Labor for Jackson;
- Ernie Miller, Sheet Metal Workers International Association employee who received money from Jackson for President Committee;
- Frank Scaduto, Sheet Metal Workers International Association Director of Governmental Affairs, who took part in Sheet Metal Workers' Political Action League solicitation activity that resulted in loans to Jackson for President Committee;
- Robert Keefe, Political Advisor to Jackson for President Committee, whose name came up in a prior deposition in connection with the activities in question;

79040122201

-Hershey Gold, fundraiser for Jackson for President Committee, whose name came up in a prior deposition in connection with the activities in question.

We intend to depose one Marine Engineers Beneficial Association Political Action Fund officer, Leon Shapiro, and possibly Jesse Calhoon, President of the union. Unless other names of potential witnesses come up in these depositions, we anticipate that our investigation in this matter then will be completed and we can make our recommendations to the Commission.

12/2/77

Witt/aff. Lee

79040122202



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

November 15, 1977

Mr. Gil Todd Siegel
8920 Wilshire Blvd.
Suite 333
Beverly Hills, California 90211

Re: MUR 236

Dear Mr. Siegel:

This letter is to confirm a telephone conversation which you had with Judy Browning today, in which it was agreed that the deposition of Mr. Hershey Gold would be conducted on November 21, 1977, at 5:00 p.m. The deposition is to take place at your office, and we have arranged for a reporter to be present.

Thank you for your cooperation.

Sincerely yours,

William C. Oldaker
General Counsel

cc: Hershey Gold
5616 South Shenandoah Ave.
Los Angeles, California 90056



79040122204

236 JB

PS Form 3811, Apr. 1977

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● 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:

Gil Todd Siegel
8920 Wilshire Blvd.; Suite 333
Beverly Hills, Ca. 90211

3. ARTICLE DESCRIPTION:

REGISTERED NO. CERTIFIED NO. INSURED NO.

943098

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE ☐ Addressee ☐ Authorized agent

Gil Todd Siegel

4. DATE OF DELIVERY

11-18-79

POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S
INITIALS

☆ 870 : 1977-O-234-327

200 1862

RECEIVED
FEDERAL ELECTION
COMMISSION
77 OCT 25 AM 10:01

Gil Todd Siegel

ATTORNEY AND COUNSELOR AT LAW
8920 WILSHIRE BOULEVARD-SUITE 333
BEVERLY HILLS, CALIFORNIA 90211
TELEPHONE 852-8826

October 18, 1977

Ms. Judy Browning
Attorney at Law
Federal Election Commission
1325 "K", N.W.
Washington, D.C. 20463

700076

Re: MUR 266 (76)

Dear Ms. Browning

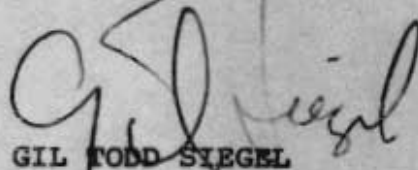
This letter will serve to confirm my telephone conversation of October 17th with Yvonne Thompson of your office wherein I informed her that I was the Attorney for Hershey Gold.

Mr. Gold is in receipt of your letter of October 11, 1977 and accompanying subpoena for Deposition on October 26, 1977. As I explained to Miss Thompson, I will not be available on October 26th for said deposition. Will you be so kind as to contact my office so that we may arrange mutually convenient dates for the taking of said deposition.

In addition, I would appreciate it if the deposition could be taken in my office as opposed to that of the reporters office.

Thank you for your kind attention to this letter, and your anticipated cooperation.

Very truly yours,



GIL TODD SIEGEL

GTS/cpu
cc; Hershey Gold

79040122205

790401207

Gil Todd Siegel

ATTORNEY AND COUNSELOR AT LAW
8920 WILSHIRE BOULEVARD-SUITE 333
BEVERLY HILLS, CALIFORNIA 90211

RECEIVED
FEDERAL ELECTION
COMMISSION



RECEIVED
OCT 25 AM 8:46
Ms. Judy Browning
Attorney at Law
Federal Election Commission
1325 "K" N.W.
Washington, D.C. 20463

100-1790

LAW OFFICES

MULHOLLAND, HICKEY, LYMAN, MCCORMICK, FISHER & HICKEY

SUITE 741 NATIONAL BANK BUILDING

TOLEDO, OHIO 43604

AREA CODE 418

TELEPHONE 243-8381

CLARENCE M. MULHOLLAND
RICHARD R. LYMAN
EDWARD J. MCCORMICK, JR.
DONALD W. FISHER
R. JEFFREY SIXLER
RAYMOND J. SWEENEY

WASHINGTON OFFICE
1125 FIFTEENTH ST., N.W.
WASHINGTON, D. C. 20005

EDWARD J. HICKEY, JR.
WILLIAM J. HICKEY
MICHAEL B. WOOLLY
THOMAS A. WOODLEY

October 11, 1977

Mr. David Spiegel
Office of General Counsel
Federal Election Commission
1325 K. Street, N.W.
Washington, D. C. 20463

702982

Re: Murs 236(76) and 266(76)

Dear Mr. Spiegel:

I tried to reach you by telephone on Friday, October 7th, but was unable to do so and, hence, will state my views in writing.

As counsel for SMWIA-PAL, I submit that the Respondent in the above captioned files is entitled to (1) notification of the names of the various individuals whose depositions are being taken by your agency; (2) be informed of the time and place of the depositions; and (3) attend these depositions. In this connection, I am not contending that counsel for the Respondent is entitled to cross-examine the deponents or object and argue objections on the record.

This position seems consistent with your procedure for processing alleged statutory violations. Conciliation, for instance, would be much more difficult to effectuate if the Respondent is not conversant with the evidence obtained by the Commission, some of which may be erroneous, biased, or otherwise unreliable, and given a fair opportunity to clarify or refute it. Section 110.10(b) of the Rules and Regulations states:

"(b) Any party may request the General Counsel to subpoena particular persons or evidence, but such subpoenas shall not be obtainable as a matter of right."

79040122208

Mr. David Spiegel
Page Two

October 11, 1977

How can the Respondent avail himself of his rights under Section 110.10(b) if he is not fully aware of the testimony elicited from the witnesses heretofore subpoenaed by the Commission?

I was, moreover, under the impression from what you said after the deposition of Messrs. Scaduto, Miller, and Keenan that interrogations by depositions had been completed by the Commission. In order to verify my recollection, I contacted my colleague, Mr. Raymond Randolph. His recollection was identical with mine. Regardless of this, the most important matter for the Respondent is to bring the proceeding, which had its genesis well over a year and a half ago, to as speedy a conclusion as possible; in accordance with the requirement in Section 437g(3)(A) of the Act that "Any investigation under paragraph (2) shall be conducted expeditiously...." It has already caused the Respondent to expend a considerable amount of time and money.

Therefore, I request that the Commission determine, by the end of October, whether there is reasonable cause to believe that Respondent has committed a violation of the Act. You indicated at the time of the Scaduto, Miller, and Keenan depositions that such a timetable was realistic. If the Commission determines that a violation has occurred, I ask further that General Counsel initiate conferences in October or early November to attempt to correct the violation by the informal method of conciliation.

Very truly yours,

Donald W. Fisher

Donald W. Fisher

DWF/bd

79040122209

LAW OFFICES

MULHOLLAND, HICKEY, LYMAN, McCORMICK, FISHER & HICKEY

SUITE 741 NATIONAL BANK BUILDING

TOLEDO, OHIO 43604



77 OCT 13 AM 10:14

Mr. David Spiegel
Office of General Counsel
Federal Election Commission
1325 K. Street, N.W.
Washington, D. C. 20463

7904012221



FEDERAL ELECTION COMMISSION

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

October 11, 1977

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Hershey Gold
5616 South Shenandoah Avenue
Los Angeles, California 90056

Re: MUR 266 (76)

Dear Mr. Gold:

The Federal Election Commission has found reason to believe that a violation of 2 U.S.C. §434(b) and 441a(a)(2)(A) occurred with a regard to certain disbursements made by Sheet Metal Workers' International Association Political Action League and reported by it as independent expenditures. In addition, the Commission has found reason to believe that Labor for Jackson violated 2 U.S.C. §434(b)(2) by failing to report affiliation with Sheet Metal Workers' International Association Political Action League. Since your name has been mentioned concerning certain matters involved in these cases, we would like to depose you as soon as possible, and the Commission has issued the enclosed subpoena requiring your appearance for the deposition. In this connection you may wish to contact a lawyer.

Section 437d(a)(10) of Title 2 of the Federal Election Campaign Act of 1971, as amended, required that the Commission conduct investigations expeditiously; therefore, we will contact you in the near future in order to arrange a convenient time and date. The attorney assigned to this case is Judy Browning, who may be reached by telephone (202/523-4073 or toll-free line 800/424-9530).

Sincerely yours,

William C. Oldaker
General Counsel



UNITED STATES OF AMERICA
FEDERAL ELECTION COMMISSION

SUBPOENA TO APPEAR FOR DEPOSITION UPON ORAL EXAMINATION

TO: HERSHEY GOLD, National Finance Chairman, JPFC
5616 South Shenandoah Avenue
Los Angeles, California 90056

At the instance of the Federal Election Commission, pursuant to Section 437d of Title 2 of the United States Code, you are hereby subpoenaed to appear for deposition with regard to possible violations of 2 U.S.C., Sections 434(b) and 441a(a) involving certain disbursements and contributions made on behalf of the 1976 Presidential Campaign of Senator Henry Jackson.

Notice is hereby given that deposition is to be taken at offices of Racklin & Bernstein, 1250 Wilshire Blvd., Suite 206, Los Angeles, California, on October 26, 1977, at 10:00 a.m., and at any and all adjournments thereof.

WHEREAS, the Chairman of the Federal Election Commission has hereunto set his hand at Washington, D.C. this 11th day of October, 1977.

Thomas E. Harris
THOMAS E. HARRIS
CHAIRMAN

Attest:

Marjorie W. Emmons
Secretary of the Commission

79040122212

31222104062

PS Form 3811, Apr. 1977

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

Mr. 246 Drawing

● SENDER: Complete steps 1, 2, and 3.
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☐ 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. Hershey Gold

3. ARTICLE DESCRIPTION:
REGISTERED NO. CERTIFIED NO. INSURED NO.
458196

(Always obtain signature of addressee or agent)

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

DATE OF DELIVERY *10-14-77* POSTMARK

4. ADDRESS (Complete only if requested)

5. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS



FEDERAL ELECTION COMMISSION

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

October 11, 1977

MEMORANDUM TO: CHARLES STEELE
FROM: MARJORIE W. EMMONS *mwe*
SUBJECT: Subpoena To Appear for Deposition Upon Oral
Examination - Hershey Gold

Attached is the above-mentioned document signed, attested, and
seal attached this date.

This document replaces the subpoena to Hershey Gold dated
September 21, 1977.

P.S. It would be very helpful if subpoenas could have the
MUR number appearing somewhere on the document,
perhaps upper left-hand corner. Could this be done? M.



79040122214

UNITED STATES OF AMERICA
FEDERAL ELECTION COMMISSION

SUBPOENA TO APPEAR FOR DEPOSITION UPON ORAL EXAMINATION

TO: HERSHEY GOLD, National Finance Chairman, JFPC
5616 South Shenandoah Avenue
Los Angeles, California 90056

At the instance of the Federal Election Commission, pursuant to Section 437d of Title 2 of the United States Code, you are hereby subpoenaed to appear for deposition with regard to possible violations of 2 U.S.C., Sections 434(b) and 441a(a) involving certain disbursements and contributions made on behalf of the 1976 Presidential Campaign of Senator Henry Jackson.

Notice is hereby given that deposition is to be taken at offices of Racklin & Bernstein, 1250 Wilshire Blvd., Suite 206, Los Angeles, California, on October 26, 1977, at 10:00 a.m., and at any and all adjournments thereof.

WHEREAS, the Chairman of the Federal Election Commission has hereunto set his hand at Washington, D.C. this 11th day of October, 1977:

Thomas E. Harris
THOMAS E. HARRIS
CHAIRMAN

Attest:

Marjorie W. Emons
Secretary of the Commission

79040122215



FEDERAL ELECTION COMMISSION

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

September 21, 1977

MEMORANDUM TO: CHARLES STEELE
FROM: MARJORIE W. EMMONS *MWE*
SUBJECT: Authorization to Issue Subpoenas in
Connection with MURS 236, 260, 266 (76)

The Commission has approved issuing subpoenas to the
persons listed on the attached sheet.

The approval of the following Commissioners was obtained:

Commissioner Harris
Commissioner Aikens
Commissioner Springer
Commissioner Staebler
Commissioner Thomson



79040122216



FEDERAL ELECTION COMMISSION

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

September 21, 1977

MEMORANDUM

TO: The Commission

FROM: William Oldaker *W. J. Oldaker*

SUBJECT: Authorization to issue subpoenas in connection with MURs 236, 260, 266

In the above numbered matters, staff, pursuant to Commission investigation, has been conducting an investigation into possible campaign law violations involving alleged independent expenditures for the Jackson for President Campaign made by Sheet Metal Workers Political Action League (SMWIA PAL), Labor for Jackson (LFJ), and Marine Engineers Beneficial Association Political Action Fund, (MEBA PAF). The investigation has also focused on the possible affiliation of the groups with regard to expenditures directed to the Jackson campaign.

In connection with this investigation, staff has already taken depositions of certain SMWIA PAL and LFJ officials including Edward Carlough, Chairman of SMWIA-PAL and Treasurer of LFJ. Although Mr. Carlough contended that expenditures made by these groups were independent of the Jackson Campaign, he admitted to having contacts with four members of the Senator's staff before, during, and after the time of the expenditures. These four persons are Hershey Gold, National Finance Chairman, Jackson for President Campaign; Donald D. Donohue and Sterling Munro, staff members of Jackson for President; and Robert J. Keefe, Staff Political Director, Jackson for President. In our opinion each of these individuals should be deposed as to the nature and extent of the contacts with Mr. Carlough and the organizations to which he was connected.

Accordingly, staff recommends the issuance of the attached subpoenas.



79040122217



FEDERAL ELECTION COMMISSION

1125 K STREET N.W.
WASHINGTON, D.C. 20463

AUTHORIZATION TO ISSUE SUBPOENAS

The Commission hereby authorizes the issuance of subpoenas to the following persons in connection with MURs 236, 266, and 260 (76):

HERSHEY GOLD, National Finance Chairman, JFPC
5616 South Shenandoah Avenue
Los Angeles, California 90056

DONALD D. DONOHUE, Staff Member
3118 Patrick Henry Drive
Falls Church, Virginia 22044

ROBERT J. KEEFE, Staff Political Director
100 W. Linden Street
Alexandria, Virginia 22301

STERLING MUNRO, Staff Member
711 Lamberton Drive
Silver Spring, Maryland 20902



79040122218

Thomas E. Harris
THOMAS E. HARRIS
CHAIRMAN

Joan D. Aikens
JOAN D. AIKENS
VICE CHAIRMAN

William L. Springer
WILLIAM L. SPRINGER
COMMISSIONER

Neil Staebler
NEIL STAEBLER
COMMISSIONER

Vernon W. Thomson
VERNON W. THOMSON
COMMISSIONER

Robert O. Tiernan
ROBERT O. TIERNAN
COMMISSIONER

79040122219



FEDERAL ELECTION COMMISSION

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

September 23, 1977

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Robert J. Keefe
100 W. Linden Street
Alexandria, Virginia 22301

Re: MUR 266 (76)

Dear Mr. Keefe:

The Federal Election Commission has found reason to believe that a violation of 2 U.S.C. §434(b) and 441a(a)(2)(A) occurred with a regard to certain disbursements made by Sheet Metal Workers' International Association Political Action League and reported by it as independent expenditures. In addition, the Commission has found reason to believe that Labor for Jackson violated 2 U.S.C. §434(b)(2) by failing to report affiliation with Sheet Metal Workers' International Association Political Action League. Since your name has been mentioned concerning certain matters involved in these cases, we would like to depose you as soon as possible, and the Commission has issued the enclosed subpoena requiring your appearance for the deposition. In this connection you may wish to contact a lawyer.

Section 437d(a)(10) of Title 2 of the Federal Election Campaign Act of 1971, as amended, required that the Commission conduct investigations expeditiously; therefore, we will contact you in the near future in order to arrange a convenient time and date. The attorney assigned to this case is Judy Browning, who may be reached by telephone (202/523-4073 or toll-free line 800/424-9530).

Sincerely yours,

William C. Oldaker
General Counsel



79040122220

UNITED STATES OF AMERICAN
FEDERAL ELECTION COMMISSION

SUBPOENA TO APPEAR FOR DEPOSITION UPON ORAL EXAMINATION

TO: ROBERT J. KEEFE, Staff Political Director, PFPC
100 W. Linden Street
Alexandria, Virginia 22301

At the instance of the Federal Election Commission, pursuant to Section 437d of Title 2 of the United States Code, you are hereby subpoenaed to appear for deposition with regard to possible violations of 2 U.S.C., Sections 434(b) and 441a(b) involving certain disbursements and contributions made on half of the 1976 Presidential Campaign of Senator Henry Jackson.

Notice is hereby given that deposition is to be taken at offices of the Federal Election Commission, Washington, D.C., and at any and all adjournments thereof, on October 4, 1977, at 10:30 a.m.

WHEREAS, the Chairman of the Federal Election Commission has hereunto set his hand at Washington, D.C. this 21st day of Sept, 1977.

Thomas E. Harris
THOMAS E. HARRIS
CHAIRMAN

Attest:

Marjorie W. Emmons
Secretary of the Commission

79040122221

79040122222

79 Form 3811, Nov. 1976

MUR 266 Browning

● **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 25¢

☒ Show to whom, date, & address of delivery 45¢

☐ **RESTRICTED DELIVERY.**
Show to whom and date delivered 85¢

☐ **RESTRICTED DELIVERY.**
Show to whom, date, and address of delivery ... \$1.05

(Fees shown are in addition to postage charges and other fees).

2. **ARTICLE ADDRESSED TO:**
Robert J. Keefe

3. **ARTICLE DESCRIPTION:**

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	438106	

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE: ☒ Addressee ☐ Authorized agent

4. **DATE OF DELIVERY**

5. **ADDRESS (Complete only if requested)**

6. **UNABLE TO DELIVER BECAUSE:**

CLERK'S INITIALS

POSTMARK: ALEXANDRIA, VA 22304 1977 SEP 26

☆ GPO: 1976-O-299-458

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL.



FEDERAL ELECTION COMMISSION

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

September 23, 1977

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ernie Miller, International Representative
Sheet Metal Workers' International Association
1750 New York Avenue N.W.
Washington, D.C. 20006

Re: MUR 266 (76)

Dear Mr. Miller:

The Federal Election Commission has found reason to believe that a violation of 2 U.S.C. §434(b) and 441a(a)(2)(A) occurred with a regard to certain disbursements made by Sheet Metal Workers' International Association Political Action League and reported by it as independent expenditures. In addition, the Commission has found reason to believe that Labor for Jackson violated 2 U.S.C. §434 (b)(2) by failing to report affiliation with Sheet Metal Workers' International Association Political Action League. Since your name has been mentioned concerning certain matters involved in these cases, we would like to depose you as soon as possible, and the Commission has issued the enclosed subpoena requiring your appearance for the deposition. In this connection you may wish to contact a lawyer.

Section 437d(a)(10) of Title 2 of the Federal Election Campaign Act of 1971, as amended, required that the Commission conduct investigations expeditiously; therefore, we will contact you in the near future in order to arrange a convenient time and date. The attorney assigned to this case is Judy Browning, who may be reached by telephone (202/523-4073 or toll-free line 800/424-9530).

Sincerely yours,

William C. Oldaker
General Counsel

cc: Donald W. Fisher
740 National Bank Bldg.
Toledo, Ohio 43604



UNITED STATES OF AMERICA
FEDERAL ELECTION COMMISSION

SUBPOENA TO APPEAR FOR DEPOSITION UPON ORAL EXAMINATION

TO: Ernie Miller, International
Representative
Sheet Metal Workers' International
Association
1750 New York Avenue, N.W.
Washington, D.C. 20463

At the instance of the Federal Election Commission, pursuant to §437d of Title 2 of the United States Code, you are hereby subpoenaed to appear for deposition with regard to possible violation of 2 U.S.C., §§434(b) and 441a(a) (2) (A) involving certain disbursements and contributions made on behalf of the 1976 presidential campaign of Senator Henry Jackson.

Notice is hereby given that deposition is to be taken at the office of the Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463, on

THURSDAY, SEPTEMBER 29, 1977 at 11:00 a.m.

WHEREAS, the Chairman of the Federal Election Commission has hereunto set his hand at Washington, D.C.

this *21st* day of *September*, 1977.

Thomas E. Harris
THOMAS E. HARRIS
CHAIRMAN

ATTEST:


Margaret A. Emmons
Secretary to the Commission
STATES OF

79040122226

PS Form 3811, Rev. 1078

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

MUR 266 Browning

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 delivered25¢
☒ Show to whom, date, & address of delivery45¢
☐ RESTRICTED DELIVERY.
 Show to whom and date delivered85¢
☐ RESTRICTED DELIVERY.
 Show to whom, date, and address of delivery ..\$1.05
 (Fees shown are in addition to postage charges and other fees).

2. ARTICLE ADDRESSED TO:
Ernie Miller

3. ARTICLE DESCRIPTION:
 REGISTERED NO. | CERTIFIED NO. | INSURED NO.
 | **438109** |
 (Always obtain signature of addressee or agent)

I have received the article described above.
 SIGNATURE ☐ Addressee ☐ Authorized agent
J. Schied (smw)

4. DATE OF DELIVERY **SEP 26 1977** POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS



FEDERAL ELECTION COMMISSION

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

September 23, 1977

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Joseph D. Keenan
Labor for Jackson Committee
2727 29th Street, N.W.
Washington, D.C. 20008

Re: MUR 266 (76)

Dear Mr. Keenan:

The Federal Election Commission has found reason to believe that a violation of 2 U.S.C. §434(b) and 441a(a)(2)(A) occurred with a regard to certain disbursements made by Sheet Metal Workers' International Association Political Action League and reported by it as independent expenditures. In addition, the Commission has found reason to believe that Labor for Jackson violated 2 U.S.C. §434 (b)(2) by failing to report affiliation with Sheet Metal Workers' International Association Political Action League. Since your name has been mentioned concerning certain matters involved in these cases, we would like to depose you as soon as possible, and the Commission has issued the enclosed subpoena requiring your appearance for the deposition. In this connection you may wish to contact a lawyer.

Section 437d(a)(10) of Title 2 of the Federal Election Campaign Act of 1971, as amended, required that the Commission conduct investigations expeditiously; therefore, we will contact you in the near future in order to arrange a convenient time and date. The attorney assigned to this case is Judy Browning, who may be reached by telephone (202/523-4073 or toll-free line 800/424-9530).

Sincerely yours,

William C. Oldaker
General Counsel

cc: Donald W. Fisher
740 National Bank Bldg.
Toledo, Ohio 43604



79040122227

UNITED STATES OF AMERICA
FEDERAL ELECTION COMMISSION

SUBPOENA TO APPEAR FOR DEPOSITION UPON ORAL EXAMINATION

TO: Joseph D. Keenan, Former Chairman,
Labor for Jackson Committee
2727 29th Street, N.W.
Washington, D.C. 20003

At the instance of the Federal Election Commission, pursuant to §437d of Title 2 of the United States Code, you are hereby subpoenaed to appear for deposition with regard to possible violation of 2 U.S.C., §§434(b) and 441a(a)(2)(A) involving certain disbursements and contributions made on behalf of the 1976 presidential campaign of Senator Henry Jackson.

Notice is hereby given that deposition is to be taken at the office of the Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463, on

THURSDAY, SEPTEMBER 29, 1977 at 10:00 a.m.

WHEREAS, the Chairman of the Federal Election Commission has hereunto set his hand at Washington, D.C.

79040122223

this 21st day of September, 1977.

Thomas E. Harris
THOMAS E. HARRIS
CHAIRMAN

ATTEST:


Margaret A. Emerson
Secretary to the Commission
STATES OF

79040122230

PS FORM 3811, NOV. 1976

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

438108 Browning

● 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 delivered25¢

☒ Show to whom, date, & address of delivery45¢

☐ RESTRICTED DELIVERY.
Show to whom and date delivered85¢

☐ RESTRICTED DELIVERY.
Show to whom, date, and address of delivery ..\$1.05

(Fees shown are in addition to postage charges and other fees).

2. ARTICLE ADDRESSED TO:

Joseph D. Keenan

3. ARTICLE DESCRIPTION:

REGISTERED NO. CERTIFIED NO. INSURED NO.

438108

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE ☐ Addressee ☐ Authorized agent

L. Harrison

DATE OF DELIVERY SEP 24 1977

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

RECEIVED
SEP 24 1977
U.S. POSTAL SERVICE

U.S. POSTAL SERVICE



FEDERAL ELECTION COMMISSION

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

September 23, 1977

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Frank Scaduto
Director of Governmental Affairs
Sheet Metal Workers' International Association
1750 New York Avenue, N.W.
Washington, D.C. 20006

Re: MUR 266 (76)

Dear Mr. Scaduto:

The Federal Election Commission has found reason to believe that a violation of 2 U.S.C. §434(b) and 441a(a)(2)(A) occurred with a regard to certain disbursements made by Sheet Metal Workers' International Association Political Action League and reported by it as independent expenditures. In addition, the Commission has found reason to believe that Labor for Jackson violated 2 U.S.C. §434(b)(2) by failing to report affiliation with Sheet Metal Workers' International Association Political Action League. Since your name has been mentioned concerning certain matters involved in these cases, we would like to depose you as soon as possible, and the Commission has issued the enclosed subpoena requiring your appearance for the deposition. In this connection you may wish to contact a lawyer.

Section 437d(a)(10) of Title 2 of the Federal Election Campaign Act of 1971, as amended, required that the Commission conduct investigations expeditiously; therefore, we will contact you in the near future in order to arrange a convenient time and date. The attorney assigned to this case is Judy Browning, who may be reached by telephone (202/523-4073 or toll-free line 800/424-9530).

Sincerely yours

William C. Oldaker
General Counsel

cc: Donald W. Fisher
740 National Bank Bldg.
Toledo, Ohio 43604



79040122231

UNITED STATES OF AMERICA
FEDERAL ELECTION COMMISSION

SUBPOENA TO APPEAR FOR DEPOSITION UPON ORAL EXAMINATION

79040122232
TO: Frank Scaduto, Director of Governmental
Affairs
Sheet Metal Workers' International
Association
1750 New York Avenue, N.W.
Washington, D.C. 20006

At the instance of the Federal Election Commission,
pursuant to §437d of Title 2 of the United States Code,
you are hereby subpoenaed to appear for deposition with
regard to possible violation of 2 U.S.C., §§434(b) and
441a(a)(2)(A) involving certain disbursements and contri-
butions made on behalf of the 1976 presidential campaign
of Senator Henry Jackson.

Notice is hereby given that deposition is to be
taken at the office of the Federal Election Commission,
1325 K Street, N.W., Washington, D.C. 20463, on

THURSDAY, SEPTEMBER 29, 1977 at 10:30 a.m.

WHEREAS, the Chairman of the Federal Election
Commission has hereunto set his hand at Washington, D.C.

- 2 -

this *21st* day of *September*, 1977.

Thomas E. Harris

THOMAS E. HARRIS

CHAIRMAN

ATTEST:

Margaret W. Commons

Secretary to the Commission

79040122233

79040122234

MUR 266 Browning

PS Form 3811, Nov. 1975

● **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 25¢

☒ Show to whom, date, & address of delivery 45¢

☐ RESTRICTED DELIVERY.
Show to whom and date delivered 85¢

☐ RESTRICTED DELIVERY.
Show to whom, date, and address of delivery .. \$1.05

(Fees shown are in addition to postage charges and other fees).

2. ARTICLE ADDRESSED TO:
Frank Scaduto

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	438107	

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE ☒ Addressee ☐ Authorized agent

J. Schied (Smwra)

4. DATE OF DELIVERY **SEP 26 1977** POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

② GSF: 105-C-202-426

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL



FEDERAL ELECTION COMMISSION

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

September 12, 1977

MEMORANDUM TO: CHARLES STEELE
FROM: MARJORIE W. EMMONS *mwe*
SUBJECT: Authorization to Issue Subpoenas in
Connection with MURs 236, 260, 266

The Commission has approved issuing subpoenas to the
persons listed on the attached sheet.

The approval of six Commissioners was obtained.



7904012235



FEDERAL ELECTION COMMISSION

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

MEMORANDUM TO: The Commission

FROM: William C. Oldaker *WCO*

SUBJECT: Authorization to Issue Subpoenas
in Connection with MURs 236, 260, 266

In the above numbered matters, staff, pursuant to Commission investigation, has been conducting an investigation into possible campaign law violations involving alleged independent expenditures for the Jackson for President Campaign made by Sheet Metal Workers Political Action League (SMWIA PAL), Labor for Jackson (LFJ), and Marine Engineers Beneficial Association Political Action Fund (MEBA PAF). The investigation has also focused on the possible affiliation of the groups with regard to expenditures directed to the Jackson campaign.

In connection with this investigation, staff has already taken depositions of certain SMWIA PAL and LFJ officials. It now appears that further depositions of other officials of these organizations are necessary - in particular:

- (1) David Turner, Treasurer, SMWIA - Mr. Turner has been characterized by SMWIA as one of its two persons responsible for setting general policy. As such he would have knowledge of the organization's expenditures on behalf of the Jackson campaign and its ties to LFJ. His testimony would supplement testimony already supplied by SMWIA President, Edward Carlough, who has described certain general operations of SMWIA and conceded that he had certain social ties with members of Senator Jackson's staff.
- (2) Frank Scaduto, Director of Governmental Affairs, SMWIA - Scaduto was involved in the arranging of \$29,000 in loans from members of SMWIA to the



79040122236

Jackson campaign during the period when matching funds were cut off. Although Mr. Carlough has testified generally on these loans, specific information as to the mechanics by which the loans were arranged is lacking.

- 79040122237
- (3) Lawrence Cassidy, Assistant to the General President, SMWIA - Apart from working on the loans with Scaduto, Cassidy also helped arrange a reception at Bal Harbor, Fla., which Jackson attended. The costs of the reception have been listed as an independent expenditure by SMWIA PAL, although there appears to have been some discussion with the Senator both before and after the event.
 - (4) Paul Stuckenschneider, Director of Research and Education and International Representative, SMWIA - Mr. Stuckenschneider has received \$1,100 in reimbursements directly from the Jackson campaign. He may have information as to the nature of the links between SMWIA and Jackson personnel.
 - (5) Ernie Miller, International Representative, SMWIA - Miller has been cited by a person we had previously deposed (Jimmy Hinkle) as a contact for submitting expenditures directly to the Jackson campaign. Like Stuckenschneider he could provide information as to the ties (if any) between SMWIA and the Jackson campaign.
 - (6) Joseph Keenan, Chairman, Labor for Jackson - As one of the two persons responsible for the planning and making of expenditures by LFJ for the Jackson campaign (Carlough is the other), Keenan can be expected to testify as to ties between LFJ and SMWIA, as well as possibly MEBA PAF (another group possible connected to LFJ). Mr. Keenan may also have knowledge whether Senator Jackson or his staff was consulted by Labor for Jackson.

We request that you sign the attached authorization for subpoena.



FEDERAL ELECTION COMMISSION

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

AUTHORIZATION TO ISSUE SUBPOENAS

The Commission hereby authorizes the issuance of subpoenas to the following persons in connection with MURs 236, 266 and 260 (77):

David S. Turner
General Secretary - Treasurer
Sheet Metal Workers' International Association
1750 New York Avenue, N.W.
Washington, D.C. 20006

Frank Scaduto
Director of Governmental Affairs
Sheet Metal Workers' International Association
1750 New York Avenue, N.W.
Washington, D.C. 20006

Lawrence J. Cassidy
Assistant to the General President
Sheet Metal Workers' International Association
1750 New York Avenue, N.W.
Washington, D.C. 20006

Paul F. Stuckenschneider
Director of Research and Education
Sheet Metal Workers' International Association
1750 New York Avenue, N.W.
Washington, D.C. 20006



79040122238

Ernie Miller
International Representative
Sheet Metal Workers' International Association
1750 New York Avenue, N.W.
Washington, D.C. 20006

Joseph D. Keenan
Former Chairman
Labor for Jackson Committee
2727 29th Street, N.W.
Washington, D.C. 20008

Thomas E. Harris
THOMAS E. HARRIS
CHAIRMAN

Joan D. Aikens
JOAN D. AIKENS
VICE CHAIRMAN

William L. Springer
WILLIAM L. SPRINGER
COMMISSIONER

Neil Staebler
NEIL STAEBLER
COMMISSIONER

Vernon W. Thomson
VERNON W. THOMSON
COMMISSIONER

Robert O. Tiernan
ROBERT O. TIERNAN
COMMISSIONER

79040122239

see #1067

MULHOLLAND, HICKEY, LYMAN, MCCORMICK, FISHER & HICKEY

CLARENCE N. MULHOLLAND
RICHARD N. LYMAN
EDWARD J. MCCORMICK, JR.
DONALD W. FISHER
A. JIMMEY SIKLER
RAYMOND J. SWEENEY

SUITE 741 NATIONAL BANK BUILDING

TOLEDO, OHIO 43604

AREA CODE 419

TELEPHONE 243-6251

RECEIVED
FEDERAL ELECTION
COMMISSION

17 AUG 4 AM 10:26

WASHINGTON OFFICE
1125 FIFTEENTH ST., N.W.
WASHINGTON, D. C. 20005

EDWARD J. HICKEY, JR.
WILLIAM J. HICKEY
MICHAEL S. HOLLY
THOMAS A. WOODLEY

August 2, 1977

Mrs. Judith W. Browning
Staff Attorney
Federal Election Commission
1325 K Street, N.W.
Washington, D. C. 20463

Dear Mrs. Browning:

This will acknowledge, with thanks, your letter of July 27, 1977, enclosing copies of pages of Jackson for President Committee reports showing reimbursements to George Riley (June 22, 1976) and Paul Stuckenschneider (May 22, 1976).

Sincerely yours,

Don Fisher

Donald W. Fisher

DWF/bd

79040122240

7.904010.2241

LAW OFFICES

MULHOLLAND, HICKEY, LYMAN, McCORMICK, FISHER & HICKEY

SUITE 741 NATIONAL BANK BUILDING

TOLEDO, OHIO 43604



Mrs. Judith W. Browning
Staff Attorney
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 2, 1977

Mr. A. Raymond Randolph, Jr.
Sharp, Randolph & Janis
1220 Nineteenth St. N.W.
Washington, D.C. 20036

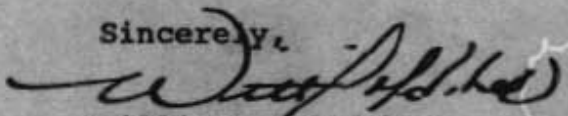
Re: MUR 266 (76)

Dear Mr. Randolph:

Enclosed are copies of subpoenas which the Commission has issued today in furtherance of its investigation in the above-references matter.

If you have any questions regarding the investigation, please call Judy Browning (telephone number 202/523-4073), the attorney assigned to this matter.

Sincerely,


William C. Oldaker
General Counsel

Enclosure



79040122242

79040122243

MUR 266 Browning

PS Form 3811, Mar. 1976

● 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..... 15¢

☒ Show to whom, date, & address of delivery..... 35¢

☐ RESTRICTED DELIVERY.
Show to whom and date delivered..... 65¢

☐ RESTRICTED DELIVERY.
Show to whom, date, and address of delivery..... 85¢

2. ARTICLE ADDRESSED TO:
A. Raymond Randolph, Jr.
Sharp Randolph & Janis
Wash DC

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	943729	

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE ☐ Addressee ☐ Authorized agent

Spence Hensfield

4. DATE OF DELIVERY
AUG 3 1977

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

★ GPO: 1976-O-303-458



FEDERAL ELECTION COMMISSION

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

August 2, 1977

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Lawrence D. McLaughlin
160 Green Street
Weymouth, Massachusetts 02191

Re: MUR 266 (76)

Dear Mr. McLaughlin:

In furtherance of its investigation in the above referenced matter, the Commission has issued a subpoena requiring your appearance for a deposition on August 12, 1977. (The subpoena is enclosed herewith).

Sincerely yours,

William C. Oldaker
General Counsel

Enclosure
cc: A. Raymond Randolph, Jr.



79040122244

UNITED STATES OF AMERICA
FEDERAL ELECTION COMMISSION

SUBPOENA TO APPEAR FOR DEPOSITION UPON ORAL EXAMINATION

TO: Mr. Lawrence D. McLaughlin
160 Green Street
Weymouth, Massachusetts 02191

At the instance of the Federal Election Commission, pursuant to Section 437d of Title 2 of the United States Code, you are hereby subpoenaed to appear for deposition with regard to possible violations of 2 U.S.C., Sections 434(b) and 441a(a)(2)(A) involving certain disbursements made by Sheet Metal Workers' International Association Political Action League and reported by it as independent expenditures.

Notice is hereby given that deposition is to be taken at offices of the Federal Election Commission, Washington, D.C., August 12, 1977, 11:00a.m., and at any and all adjournments thereof.

WHEREAS, the Chairman of the Federal Election Commission has hereunto set his hand at Washington, D. C. this 1st day of August, 1977.

Thomas E. Harris
THOMAS E. HARRIS
CHAIRMAN

Attest:

Margaret W. Emmons
Secretary to the Commission

79040122245

79040122246

us 266 *Browning*

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

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

☐ Show to whom and date delivered..... 15¢

☒ Show to whom, date, & address of delivery... 35¢

☐ RESTRICTED DELIVERY.
Show to whom and date delivered..... 65¢

☐ RESTRICTED DELIVERY.
Show to whom, date, and address of delivery 85¢

2. ARTICLE ADDRESSED TO:
Lawrence McLaughlin
160 Green St
Weymouth, Mass

3. ARTICLE DESCRIPTION:

REGISTERED NO. CERTIFIED NO. INSURED NO.

943728

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE ☐ Addressee ☐ Authorized agent

L. McLaughlin

4. DATE OF DELIVERY

AUG 5 - 1977

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

POSTMARK
AUG 5 1977
BOSTON MA



FEDERAL ELECTION COMMISSION

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

August 2, 1977

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Edward J. Carlough
Sheet Metal Workers' International
Association
1750 New York Avenue N.W.
Washington, D.C. 20006

Re: MUR 266 (76)

Dear Mr. Carlough:

In furtherance of its investigation in the above referenced matter, the Commission has issued a subpoena requiring your appearance for a deposition on August 12, 1977. (The subpoena is enclosed herewith).

Sincerely yours,

William C. Oldaker
General Counsel

Enclosure

cc: A. Raymond Randolph, Jr.

79040122247



UNITED STATES OF AMERICA
FEDERAL ELECTION COMMISSION

SUBPOENA TO APPEAR FOR DEPOSITION UPON ORAL EXAMINATION

TO: Mr. Edward J. Carlough
Sheet Metal Workers' International
Association
1750 New York Avenue, N.W.
Washington, D. C. 20006

At the instance of the Federal Election Commission, pursuant to Section 437d of Title 2 of the United States Code, you are hereby subpoenaed to appear for deposition with regard to possible violations of 2 U.S.C., Section 434(b) and 441a(a)(2)(A) involving certain disbursements made by Sheet Metal Workers' International Association Political Action League and reported by it as independent expenditures.

Notice is hereby given that deposition is to be taken at offices of the Federal Election Commission, Washington, D.C., August 12, 1977, 10:00 a.m., and at any and all adjournments thereof.

WHEREAS, the Chairman of the Federal Election Commission has hereunto set his hand at Washington, D. C. this 1st day of August, 1977.

Thomas E. Harris
THOMAS E. HARRIS
CHAIRMAN

Attest:

Margaret D. Emmens
Secretary to the Commission

79040122248

PS Form 3811, Nov. 1976

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

MUR 266 Browning

● 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..... 15¢
☒ Show to whom, date, & address of delivery.. 35¢
☐ RESTRICTED DELIVERY.
 Show to whom and date delivered..... 65¢
☐ RESTRICTED DELIVERY.
 Show to whom, date, and address of delivery 85¢

2. ARTICLE ADDRESSED TO:

Edward J. Carrough
 Sheet Metal Workers' Internat'l
 Assoc.

3. ARTICLE DESCRIPTION:

REGISTERED NO. CERTIFIED NO. INSURED NO.

943727

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE ☐ Addressee ☐ Authorized agent

RH Banell

4.

DATE OF DELIVERY

8-3-77

POSTMARK

5. ADDRESS (Complete only if requested)

1750 N Ave

6. UNABLE TO DELIVER BECAUSE:

CLERK'S
INITIALS



FEDERAL ELECTION COMMISSION

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

August 2, 1977

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Jimmy A. Hinkle
2998 Boring Ridge Drive
Decatur, Georgia 30034

Re: MUR 266 (76)

Dear Mr. Hinkle:

In furtherance of its investigation in the above referenced matter, the Commission has issued a subpoena requiring your appearance for a deposition on August 12, 1977. (The subpoena is enclosed herewith).

Sincerely yours,

William C. Oldaker
General Counsel

Enclosure

cc: A. Raymond Randolph, Jr.



79040122250

UNITED STATES OF AMERICA
FEDERAL ELECTION COMMISSION

SUBPOENA TO APPEAR FOR DEPOSITION UPON ORAL EXAMINATION

TO: Mr. Jimmy A. Hinkle
2998 Boring Ridge Drive
Decatur, Georgia 30034

At the instance of the Federal Election Commission, pursuant to Section 437d of Title 2 of the United States Code, you are hereby subpoenaed to appear for deposition with regard to possible violations of 2 U.S.C., Sections 434(b) and 441a(a)(2)(A), involving certain disbursements made by Sheet Metal Workers' International Association Political Action League and reported by it as independent expenditures.

Notice is hereby given that deposition is to be taken at offices of the Federal Election Commission, Washington, D.C., August 12, 1977, 12:00 p.m., and at any and all adjournments thereof.

WHEREAS, the Chairman of the Federal Election Commission has hereunto set his hand at Washington, D. C. this 1st day of August, 1977.

Thomas E. Harris
THOMAS E. HARRIS
CHAIRMAN

Attest:

Marjorie W. Emerson
Secretary to the Commission

79040122251

79040122252

MUR 266 Browning

PS Form 3811, Rev. 10/78

● 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..... 15¢

☒ Show to whom, date, & address of delivery.. 55¢

☐ RESTRICTED DELIVERY.
Show to whom and date delivered..... 65¢

☐ RESTRICTED DELIVERY.
Show to whom, date, and address of delivery 85¢

2. ARTICLE ADDRESSED TO:
*Jimmy R. Hinkle
2998 Boring Ridge Dr.
Decatur, GA*

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	<i>943726</i>	

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE ☐ Addressee ☐ Authorized agent

X *Diane Hinkle*

4. DATE OF DELIVERY POSTMARK

5. ADDRESS (Complete only if requested)
*2998 Boring Ridge Dr.
Decatur, GA 30034*

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

* 607, 107-C-519-452

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL



FEDERAL ELECTION COMMISSION

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

AUTHORIZATION TO ADMINISTER OATHS

The Commission hereby designates Judy Browning to take depositions in connection with MUR's 236, 260, and 266 which have been authorized by the Commission. The Commission further authorizes Ms. Browning to administer oaths for any such depositions.

Thomas E. Harris

Thomas E. Harris
Chairman

William L. Springer
William L. Springer
Commissioner

Joan D. Aikens

Joan D. Aikens
Vice Chairman

Neil Staebler
Neil Staebler
Commissioner

Robert O. Tiernan
Robert O. Tiernan
Commissioner

Vernon W. Thomson
Vernon W. Thomson
Commissioner



200 1034

LAW OFFICES
SHARP, RANDOLPH & JANIS
SUITE 401
1230 NINETEENTH STREET, N.W.
WASHINGTON, D. C. 20036

RECEIVED
FEDERAL ELECTION
COMMISSION

'77 AUG 1

TELEPHONE
(202) 699-2400

JAMES E. SHARP
A. RAYMOND RANDOLPH, JR.
N. RICHARD JANIS

July 28, 1977

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

772268

Re: MUR 236 (76)

Dear Ms. Browning:

This letter will confirm our telephone conversation of yesterday. In order to expedite these proceedings and bring this inquiry to a prompt conclusion, we have agreed to have the depositions of Messrs. Carlough, Hinkle and McLaughlin taken in Washington, D.C., on August 12, 1977. I understand that you conduct depositions in accordance with the general practice in federal civil cases, but I would like to meet with you and Mr. Spiegel so that we can work out the procedural details.

I would also like to discuss further my request that you afford us a reasonable opportunity to demonstrate that no action should be taken in this case. As I read Section 437g(a)(4) of the Act, we are entitled to know, before the Commission is asked to decide whether there is reasonable cause under Section 437g(a)(5), the precise basis on which action is proposed, including the factual allegations and legal conclusions involved. This is because a person must be given an opportunity to know the case he has to meet if he is to have a fair opportunity for contesting it. Surely it is not sufficient for the Commission merely to inform a person that violations of certain sections of the Act are being investigated. Moreover, it seems to me that under Section 437g(a)(4), I am entitled to make a presentation to the Commission itself; it is, of course, the Commission, not its staff, that decides whether action should be taken under Section 437g(a)(5).

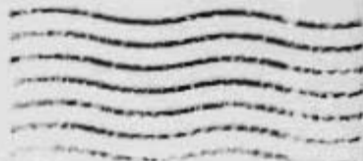
Sincerely yours,

A. Raymond Randolph, Jr.
A. Raymond Randolph, Jr.

ARR/lis

79040122254

790401323
LAW OFFICES
SHARP. RANDOLPH & JANIS
SUITE 401
1220 NINETEENTH STREET. N. W.
WASHINGTON, D. C. 20036



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



Sheet Metal Workers' International Association

2998 Boring Ridge Drive
Decatur, Georgia 30034
Phone: (404) 284-7409

JIMMY A. HINKLE
International Organizer

July 12, 1977

77 JUL 14 AM 8:12
FEDERAL ELECTION
COMMISSION

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

772103

Dear Sir:

I have received your letter dated June 29, 1977, in regard to the Sheet Metal Workers' International Association Political Action League and Labor for Jackson.

As I have just returned from vacation, I would like to ask for sufficient time to meet with an attorney before giving a deposition in regard to this matter.

Sincerely,

Jimmy A. Hinkle
Jimmy A. Hinkle

79040122256

UNION MADE
LOCAL 1477

75% COTTON FIBRE CONTENT

7904012257



Sheet Metal Workers'
International Association
JIMMY A. HINKLE
International Organizer
2998 Boring Ridge Drive
Decatur, Georgia 30034

FEDERAL ELECTION
COMMISSION

77 JUL 14 AM 8:05

1977

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

Lataye



U.S. Bicentennial



FEDERAL ELECTION COMMISSION

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

June 29, 1977

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Lawrence D. McLaughlin
160 Green Street
Weymouth, Massachusetts 02191

Re: MURs 236 (76) and 266 (76)

Dear Mr. McLaughlin:

The Federal Election Commission has found reason to believe that a violation of 2 U.S.C. §§434(b) and 441a(a)(2)(A) occurred with regard to certain disbursements made by Sheet Metal Workers' International Association Political Action League and reported by it as independent expenditures. In addition, the Commission has found reason to believe that Labor for Jackson violated 2 U.S.C. §434(b)(2) by failing to report affiliation with Sheet Metal Workers' International Association Political Action League. Since your name has been mentioned concerning certain matters involved in these cases, we would like to depose you as soon as possible at a time and place convenient to you. In this connection you may wish to contact a lawyer.

Section 437d(a)(10) of Title 2 of the Federal Election Campaign Act of 1971, as amended, requires that the Commission conduct investigations expeditiously; therefore, we will contact you in the near future in order to arrange a convenient time and date. The attorney assigned to this case is Judy Browning, who may be reached by telephone (202/523-4073 or toll-free line 800/424-9530).

Sincerely yours,

William C. Oldaker
General Counsel



79040122258

79040122259

PA Form 3811, Mar. 1978

MARKS 236+266 Browning

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..... 15¢

☒ Show to whom, date, & address of delivery.. 35¢

☐ RESTRICTED DELIVERY.
Show to whom and date delivered..... 65¢

☐ RESTRICTED DELIVERY.
Show to whom, date, and address of delivery 85¢

2. ARTICLE ADDRESSED TO:

Mr. McLaughlin

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	943506	

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE ☐ Addressee ☐ Authorized agent

L. Mc Laughlin

4. DATE OF DELIVERY

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

☆ 607-115-C-227-404



FEDERAL ELECTION COMMISSION

1325 K STREET NW
WASHINGTON, D.C. 20461

June 29, 1977

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Edward J. Carlough
Sheet Metal Workers' International
Association
1750 New York Avenue
Washington, D.C. 20006

Re: MURs 236 (76) and 266 (76)

Dear Mr. Carlough:

The Federal Election Commission has found reason to believe that a violation of 2 U.S.C. §5434(b) and 441a(a)(2)(A) occurred with regard to certain disbursements made by Sheet Metal Workers' International Association Political Action League and reported by it as independent expenditures. In addition, the Commission has found reason to believe that Labor for Jackson violated 2 U.S.C. §434(b)(2) by failing to report affiliation with Sheet Metal Workers' International Association Political Action League. Because of your involvement with both these committees, we would like to depose you as soon as possible at a time and place convenient to you. In this connection you may wish to contact a lawyer.

Section 437d(a)(10) of Title 2 of the Federal Election Campaign Act of 1971, as amended, requires that the Commission conduct investigations expeditiously; therefore, we will contact you in the near future in order to arrange a convenient time and date. The attorney assigned to this case is Judy Browning, who may be reached by telephone (202/523-4073 or toll-free line 800/424-9530).

Sincerely yours,

William C. Oldaker
General Counsel



79040122260

79040122261

Murs 236+266 Browning

PS Form 3811, Mar. 1976

● **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..... 15¢

☒ Show to whom, date, & address of delivery.. 35¢

☐ **RESTRICTED DELIVERY.**
Show to whom and date delivered..... 65¢

☐ **RESTRICTED DELIVERY.**
Show to whom, date, and address of delivery 85¢

2. **ARTICLE ADDRESSED TO:**

Mr. Carlough

3. **ARTICLE DESCRIPTION:**

REGISTERED NO. CERTIFIED NO. INSURED NO.

943507

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE ☐ Addressee ☐ Authorized agent

R. H. Bausell

4. **DATE OF DELIVERY** **POSTMARK**

6-30-77

5. **ADDRESS** (Complete only if requested)

6. **UNABLE TO DELIVER BECAUSE:** **CLERK'S INITIALS**

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© GPO: 1976-O-325-428



FEDERAL ELECTION COMMISSION

1225 K STREET N.W.
WASHINGTON, D.C. 20543

June 29, 1977

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Jimmy A. Hinkle
2998 Boring Ridge Drive
Decatur, Georgia 30034

Re: MURs 236 (76) and 266 (76)

Dear Mr. Hinkle:

The Federal Election Commission has found reason to believe that a violation of 2 U.S.C. §5434(b) and 441a(a)(2)(A) occurred with regard to certain disbursements made by Sheet Metal Workers' International Association Political Action League and reported by it as independent expenditures. In addition, the Commission has found reason to believe that Labor for Jackson violated 2 U.S.C. §434(b)(2) by failing to report affiliation with Sheet Metal Workers' International Association Political Action League. Since your name has been mentioned concerning certain matters involved in these cases, we would like to depose you as soon as possible at a time and place convenient to you. In this connection you may wish to contact a lawyer.

Section 437d(a)(10) of Title 2 of the Federal Election Campaign Act of 1971, as amended, requires that the Commission conduct investigations expeditiously; therefore, we will contact you in the near future in order to arrange a convenient time and date. The attorney assigned to this case is Judy Browning, who may be reached by telephone (202/523-4073 or toll-free line 800/424-9530).

Sincerely yours,

William C. Oldaker
General Counsel



79040122262

79040122263

MURS 236+266 Browning

PS Form 3811, Rev. 1976

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..... 15¢
 - ☒ Show to whom, date, & address of delivery.. 35¢
 - ☒ RESTRICTED DELIVERY.
Show to whom and date delivered..... 65¢
 - ☐ RESTRICTED DELIVERY.
Show to whom, date, and address of delivery 85¢

2. ARTICLE ADDRESSED TO:

Mr. Dimple

3. ARTICLE DESCRIPTION:

REGISTERED NO. CERTIFIED NO. INSURED NO.
943505

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE ☐ Addressee ☐ Authorized agent

J. R. Hille

4. DATE OF DELIVERY

7-1-77

POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

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U.S. POST OFFICE



FEDERAL ELECTION COMMISSION

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

June 20, 1977

MEMORANDUM TO: Marge Emmons
FROM: Charles Steele *Bill*
SUBJECT: Compliance MURs 236(76) 260(76) & 266(76)

Would you please place the following items on the
Compliance agenda of June 22, 1977:

MURs 236(76), 260(76), 266(76) - General Counsel's
Reports.

79040122264



COVER MEMORANDUM TO: Commissioners

FROM:

William C. Oldaker

Bill

RE:

MURs 236 (76), 260 (76), and 266 (76)

The three above-captioned matters involve overlapping issues and are so closely related that they will henceforth be treated together. Accordingly, three General Counsel reports are attached as well as a rather crude chart which attempts to make somewhat clear the interrelationship among these three respondents.

79040122265

7 9 0 4 0 1 2 2 2 6 6

Cur/Docket

JFPC

no direct
contributions

LFI

(Total independent
expenditures \$32,000)

\$5,000 contribution
(April 11 & 30, 1975)

Solicitation of contributions
to Jackson (purchase of
receipt books \$2337, 5-11-76)

\$20,000
transfer
(5-5-76)

MEBA-PAF
(Independent expend. of \$3037 on Baltimore
reception attended by Jackson in Apr. 1976,
and \$7500 on San Francisco reception attended
by Jackson in Oct. 1975)

Independent expend.
paid to SMWIA locals
and to SMWIA employees
(at least \$6700, Apr.-
June, 1976)

\$7500 transfer
(4-14-76)
using JFPC's
address

\$37,595 loans
now denied (Apr.,
May, 1976)
using JFPC's
address

Chairman Carleough
is also LFI Treas.

Repayment of
SMWIA employee
loans (\$29,000
May 1976)

\$28,000 payments
to SMWIA personnel
(Hinkle, McLaughlin,
Stuckenschneider,
Miller, Riley for
expenses & advance
Mar.-June, 1976)

\$3500 contribution
(May 1975 & Mar 1976)

\$29,000 loans
solicited by
SMWIA personnel
for JFPC, Apr.
1976 (repaid May,
1976)

JFPC address used
for \$7500 transfer
to LFI and \$37,595
loans to LFI now
denied (Apr.-May 1976)

SMWIA-PAF

(\$56,000 of independent expend. for Jackson
- includes \$15,000 for Fla. reception
attended by Jackson, Feb. 1976)

7 9 0 4 0 1 2 2 2 6 7

JFPC

\$3,500
contribution
(May, 1975 and
Mar. 1976)

no direct
contri-
butions

\$5,000
contribution
(April 11+30, 1975)

\$29,000 loans
solicited by
SMWIA
personnel for
JFPC,
Apr. 1976
(repaid
May 1976)

\$2,500
payments
to SMWIA
personnel (Clinkle, McLaughlin,
Stuckenschneider, Miller, Riley,
for expenses &
advances
(Mar-Je 1976)

LFJ
(Total independent
expenditures
\$32,000)

Solicitation
of contributions
to Jackson
(purchase of
receipt books
\$2337, 5-1-76)

JFPC address
used for
\$7,500 transfer
to LFJ and
\$37,595 loans
to LFJ
(now denied)
Apr.-
May '76

Repayment
of SMWIA
employee
loans
(29,000,
May '76)

\$7,500
transfer
(4-14-76)
using
JFPC's
address

\$37,595
loans
now
denied
(Apr, May
1976)
using
JFPC's
address

Independent
expenditures
paid to SMWIA
Locals
and to SMWIA employees
(at least \$6,700,
Apr - June, 1976)

\$20,000
transfer
(5-5-76)

Chairman
Carlough
is also
LFJ
Treas.

SMWIA - PAL

(\$66,000 of independent expenditures for Jackson
- includes \$15,000 for Fla. reception
attended by Jackson, Feb. '76)

MEBA-PAF

(Independent expenditures =
\$3,037 for Baltimore reception
attended by Jackson, Apr. '76)

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Marine Engineers Beneficial
Association Political
Action Fund

MJR 260 (76)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on June 22, 1977, the Commission determined by a vote of 6-0 to take the following actions in the above-captioned matter:

1. To find reasonable cause to believe that a violation of 2 U.S.C. Sections 434(b) and 441a(a)(2)(A) had been committed by the respondent in the above-captioned matter and to enter into a conciliation effort as soon as the remaining issues in this case have been further investigated as recommended by the General Counsel.
2. To close the file on the New York Labor Committee for Jackson in this matter.
3. To find reason to believe a violation of 2 U.S.C. 441 a and b had been committed by the respondent in this matter regarding the purchase of receipt books used in soliciting contributions to Senator Jackson.



Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

79040122268

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Marine Engineers Beneficial) MUR 260(76)
Association Political)
Action Fund)

GENERAL COUNSEL'S REPORT

I. Allegations

79040122269
This matter involves the question of whether certain expenditures made by Marine Engineers Beneficial Association Political Action Fund (MEBA-PAF) for a reception held for Senator Henry Jackson were contributions-in-kind rather than independent expenditures as reported by respondent. If the disbursements are found to be contributions, respondent will have exceeded the Act's contribution limits (2 U.S.C. §441a (a)(2)(A)). In addition, there are questions regarding expenditures made for the "New York Labor Committee for Henry Jackson," an unregistered organization, and the purchase by respondent of receipt books used in soliciting contributions to Senator Jackson. A final question, that of whether respondent is affiliated with Labor for Jackson, is dealt with in the General Counsel's report for MUR 236(76).

II. Commission Action

On October 14, 1976, the Commission found reason to believe that violations had occurred with regard to the reception-related expenditures noted above as well as the affiliation with Labor for Jackson issue. The remaining issues came to our attention through information received in response to Commission inquiries. Respondent was sent a request for

information which was answered on December 23, 1976.

After an analysis of this response plus information received in connection with two other MURs, a further request for follow-up information was approved by the Commission on April 14, 1977. This request was responded to on May 5, 1977.

III. Evidence

1. Reception-related expenditures. In April, 1976, respondent made expenditures totalling \$3037.50 in connection with a Baltimore reception held for and attended by Senator Jackson. These payments were reported as independent expenditures made on behalf of the Jackson campaign. Respondent contends that there were no communications between it and Jackson or his staff regarding arrangements for his attendance.

Legal Analysis and Recommendation: Although respondent contends that there were no communications between it and Senator Jackson or his staff regarding his attendance at the Baltimore reception, this appears to be somewhat questionable since it would imply that Jackson's presence was a spontaneous, unplanned for occurrence. Moreover, Jackson's mere attendance at the function may be enough to suggest consent to any related expenditures. Such implied consent would negate the independence of these expenditures and result in a reporting violation by respondent. In addition, since respondent made a direct contribution of \$5000 to the Jackson for President Committee on April 11 and 30, 1976, the additional reception-related expenditures as contributions-in-kind take respondent over its contribution limits.

It is recommended that a reasonable cause to believe finding

79040122270

be made regarding this violation of 2 U.S.C. §§ 434(b) and 441a(a)(2)(A), and that conciliation efforts be initiated as soon as the remaining issues in this MUR have been further investigated as set forth below.

2. Expenditures made for the "New York Labor Committee for Jackson."

On April 6, 1976, respondent reportedly spent \$1957.48 on rental of a suite and the cost of food for a reception held for persons in the labor movement supporting Senator Jackson. The payments were reported as having been made for the New York Labor Committee for Jackson. Since no such committee was registered with the Commission, a request for information about the group was sent to respondent. In its May 5, 1977, response, MEBA-PAF indicated that the use of the name "New York Labor Committee..." was "simply for lack of any better name . . . for . . . identifying this independent expenditure as closely as possible. The term is descriptive of the type of individuals who were to attend the reception and does not represent any formal political committee. . ."

Legal analysis and Recommendation: Since we have no knowledge that this organization's name appeared on any other reports, it is recommended that the file be closed with regard to this particular issue.

3. Purchase of Receipt Books Used in Soliciting Contributions to Senator Jackson

On May 11, 1976, respondent purchased receipt books for \$2337.12 for the purpose of soliciting contributions to Jackson.

79040122271

Upon the Commission's request for an explanation of the use of these receipt books, respondent answered that they were used by the officers and representatives of District no. 1-Pacific Coast District, MEBA who, in April and May, 1976, solicited friends and members for funds to be collected and sent to the Jackson for President Committee.

Legal Analysis and Recommendation: Both the expenditure of PAC funds for receipt books and the solicitation effort by the labor organization officials would seem to be prohibited by §441b (see the explanation and justification of regulation 114.3(c)(2)). Labor organization activity involving the asking of persons to contribute to a particular candidate or political committee is limited to the asking of its members only, and, moreover, may not include facilitating the making of the contributions, as by providing envelopes addressed to the candidate. Certainly, then, a solicitation effort aimed at non-members as well as members and involving the actual collection of the contributions and forwarding by the labor organization to the candidate's principal campaign committee falls outside the scope of activities permitted by §441b. The use of PAC funds to purchase receipt books for such a solicitation effort would also be prohibited since general treasury funds would be involved in the expenditure.

Since this issue was not included in the original 48 hour report, it is recommended that reason to believe a violation of 2 U.S.C. §441b be found and depositions be taken to find what

79040122272

kinds of union time were spent in the organization and carrying out of this project. Specifically, a deposition should be taken of Leon Shapiro, Treasurer-Secretary of respondent.



William C. Oldaker
General Counsel

DATE: 6/20/77

79040122273

79040122274

MUR 266 (76)

CERTIFICATION

1. Marjorie W. Emmons, Secretary to the Federal Election

1. Find reasonable cause to believe a violation of 2 U.S.C. Sections 434(b) and 441a(a)(2)(A) had been committed in connection with the reception held for Senator Henry Jackson, and that conciliation efforts be initiated as soon as the remaining issues in this MUR have been further investigated as recommended by the General Counsel.

2. Find reason to believe that a violation of 2 U.S.C. Sections 434(b) and 441a(a)(2)(A) had been committed by the respondent with regard to additional independent expenditures made in support of Senator Jackson's candidacy, and conduct an investigation to further probe the relationship of SMMIA and the Jackson for President Committees, including the taking of depositions from Messrs Hinkle, McLaughlin, Carlough, and Turner.

1. Close the file on the question of violation of 2 U.S.C. Section 441b in connection with the solicitation

(CONTINUED PAGE TWO)

In the Matter of
Sheet Metal Workers
International Association
Political Action League

MUR 266 (76)
PAGE TWO OF TWO

resulting in SMWIA Employee Loans to the Jackson for
President Committee,

2. Keep the file open to further investigate SMWIA
contacts with the Jackson for President Committee
with regard to the independent expenditure issue.

Commissioner Springer was not present during the vote on
the latter two actions.



Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

79040122275

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
) MUR 266 (76)
Sheet Metal Workers)
International Association)
Political Action League)

GENERAL COUNSEL'S REPORT

I. Allegations

This matter involves the question of whether certain expenditures made by Sheet Metal Workers International Association Political Action League (SMWIA-PAL) for a reception held for Senator Henry Jackson were contributions-in-kind rather than independent expenditures as reported by respondent. If the disbursements are found to be contributions, respondent will have exceeded the Act's contribution limits (2 U.S.C. §441a(a)(2)(A)). In addition, there are questions regarding the independence of approximately \$50,000 of additional expenditures made by respondent on behalf of the Jackson campaign, and a solicitation effort undertaken by certain SMWIA personnel which resulted in approximately \$37,595 in loans from SMWIA personnel to the Jackson for President Committee. A final question, that of whether respondent is affiliated with Labor for Jackson, is dealt with in the General Counsel's report for MUR 236 (76).

II. Commission Action

In October, 1976, the Commission found reason to believe that a violation had occurred with regard to the reception-related expenditures and affiliation with Labor for Jackson noted

79040122276

above. The remaining issues have come to our attention through information received in response to Commission inquiries.

Respondent was sent a request for information which was answered on December 16, 1976. Follow-up information was requested by the Commission in April, 1976, and a response to that request arrived on April 27, 1977.

III. Evidence

1. Reception-related expenditures. In February, 1976, respondent made expenditures totalling \$15,304.08 in connection with a Bal Harbour, Florida, reception held for and attended by Senator Henry Jackson. These payments were reported as independent expenditures made on behalf of the Jackson campaign. Eight other organizations later contributed \$9390.12 toward the cost of the reception.

In response to a Commission inquiry, SMWIA-PAL indicated that various communications by telephone took place between SMWIA officers and Senator Jackson to verify the Senator's availability to attend the function.

Legal Analysis and Recommendation: As in the similar case of reception-related expenditures made by the Marine Engineers Beneficial Association Political Action Fund (MUR 260 (76)), the contacts between Senator Jackson and respondent, as well as the Senator's attendance at the reception, suggest consent to the making of related expenditures. This consent negates the independence

79040122277

of these expenditures and results in a reporting violation and a violation of the Act's contribution limits.

It is recommended that a reasonable cause to believe finding be made regarding this violation of 2 U.S.C. §§434(b) and 441a(a)(2)(A), and that conciliation efforts be initiated as soon as the remaining issues in this MUR have been further investigated as recommended in this report.

2. Independent expenditures other than reception-related expenditures.

Approximately \$50,000 in additional independent expenditures were made by respondent in support of Senator Jackson's candidacy. \$37,595 of this amount was originally reported as loans to Labor for Jackson but respondent's reports were later amended to instead show these disbursements as independent expenditures. (The reporting inconsistency is dealt with in MUR 236(76)). Most of the \$37,595 was spent for communication costs - e.g., air time, equipment rental, filming, etc.

According to information provided by respondent, the remaining \$12,000 was paid to two SMWIA international organizers, Messrs. McLaughlin and Hinkle, for the purposes of equipping Vans with loud speakers to visit plant sites and shopping centers. These same two individuals received payments from the Jackson for President Committee for purposes of making independent expenditures - Hinkle's activities were centered in Florida, and McLaughlin's in Massachusetts. The payments to Hinkle postdate his independent expenditure activity for respondent, but McLaughlin's Jackson for President Committee activity predates his SMWIA-PAL activity;

79040122278

thus, it is possible to argue that his later activities were not independent (see regulation 109.1(b)(4)(i)(A)).

According to respondent, both Hinkle and McLaughlin did not carry out any volunteer work for Jackson for President Committee that interfered with the performance of their normal duties for SMWIA.

In addition to the fact that respondent made independent expenditures through SMWIA employees who also received payments from Jackson for President Committee, there is evidence that respondent carried out a project of soliciting loans for Jackson for President Committee from SMWIA members. This issue is more thoroughly discussed in the next section of this report, but does lend support to the argument that respondent and Jackson for President Committee were too closely connected for respondent to make independent expenditures.

Legal Analysis and Recommendation: There seems to be sufficient evidence of a relationship between Jackson for President Committee and respondent to taint respondent's "independent expenditures." Since this matter was not addressed in the original 48-hour report, it is recommended that the Commission find reason to believe that a 434(b) violation has occurred, and that an investigation be undertaken to further probe the relationship of both committees, including the taking of depositions from Messrs. Hinkle and McLaughlin, and from Messrs. Carlough and

79040122279

Turner, the respective chairman and treasurer of SMWIA-PAL. (We have recommended that depositions be taken of all of these individuals, with the exception of Mr. Turner, in the General Counsel's report for MUR 236(76), and the depositions for both of these MURs would be coordinated).

3. Solicitation Efforts Resulting in SMWIA Employee Loans to Jackson for President Committee

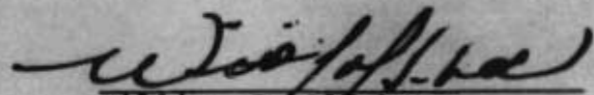
According to reports of the Jackson for President Committee, \$29,000 worth of loans were received from SMWIA members in April, 1976, and repaid in May, 1976. According to information supplied by respondent, SMWIA employees Lawrence Cassidy, Assistant to the General President, and Frank Scaduto, Director of Governmental Affairs, were contacted by someone associated with the Jackson campaign (respondent did not specify who, although a Commission inquiry did ask for this information) who advised then that Jackson for President Committee needed money which could be repayed if the Committee received federal funds. In turn, according to respondent, Scaduto and Cassidy contacted only SMWIA members (international organizers, representatives and vice-presidents) and asked them to make loans to Jackson for President Committee, pointing out "that the decision was up to each individual and that only voluntary contributions were being sought." No receipts were collected, as the loans were sent directly to Jackson for President Committee, and no list of costs of the soliciting effort was separately made.

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Legal Analysis and Recommendation: According to the explanation and justification of regulation 114.3(c)(2), a labor organization may communicate with its members asking that they contribute to a candidate. Since SMWIA did not collect and forward the money to Jackson for President Committee and apparently did not facilitate the making of the contributions by the members (such as by providing envelopes addressed to the candidate), the activity is permissible under 2 U.S.C. §441b.

However, the contacts between person(s) associated with the Jackson campaign and SMWIA personnel does lend support to the argument that SMWIA-PAL could not make the independent expenditures previously discussed in this report.

It is recommended that the question of a 441b violation be dropped, but that the possibility of further investigation of the Scaduto and Cassidy contacts with the Jackson campaign be left open with regard to the "independent expenditure" issue.


William C. Oldaker
General Counsel

DATE: 6/20/77

79040122281

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Labor for Jackson)

MUR 236 (76)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on June 22, 1977, the Commission determined by a vote of 6-0 to take the following actions:

1. To close the file on allegation #1 in the above-captioned matter, as recommended in the General Counsel's report.
2. To depose the several of the SMMIA employees who made independent expenditures for SMMIA-PAL, Labor for Jackson, and the Jackson for President Committee in order that the possibility of common control or coordination among these committees be explored more thoroughly. Specifically, depositions would be taken of Ernie Miller of Laurel, Maryland; Jim Hinkle of Decatur, Georgia; Edward Carlough; Roy Stringer of Indianapolis, Indiana; and Lawrence McLaughlin of Weymouth, Massachusetts.



Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

79040122282

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Labor for Jackson) MUR 236 (76)

GENERAL COUNSEL'S REPORT

I. Allegations

This matter involves three issues: the first is whether Labor for Jackson violated 2 U.S.C. §434(b)(5) by failing to report certain loans which Sheet Metal Workers International Association Political Action League (SMWIA-PAL) reported as having made to respondent. The second issue is whether Labor for Jackson violated 2 U.S.C. §433(b)(2) by failing to report apparent affiliation with SMWIA-PAL and Marine Engineers Beneficial Association Political Action Fund (MEBA-PAF). A related issue is whether respondent's expenditures were in fact independently made as reported (2 U.S.C. §434(b)).

II. Commission Action

A reason to believe finding was made on October 14, 1976, regarding the failure to report the above-mentioned loans and the affiliation issue, and respondent was sent a request for information. At the same time the Commission made inquiries of SMWIA-PAL and MEBA-PAF, concerning related MURs 260(76) and 266(76). After analyzing responses from all parties involved, a 437d order for further information was approved by the Commission on April 21, 1977. A response to this request was received on May 31, 1977.

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III. Evidence

1. Loan Issue. According to reports of SMWIA-PAL, loans worth nearly \$38,000 were made to Labor for Jackson in April and May, 1976. Labor for Jackson did not report receipt of these loans. In its December 17, 1976, response to a Commission request for information, respondent maintained that it had received no such contributions. Similarly, SMWIA-PAL responded on December 16, 1976, to a Commission inquiry by claiming that "due to confusion" they had erred in reporting the loans; rather, the disbursements were independent expenditures made "in connection with campaigns in various states in support of Senator Jackson's candidacy." On SMWIA-PAL's original reports the purposes of the payments show that most were for air time, filming and equipment rental. The loan characterization follows the description of the expenditure on the reports.

Legal Analysis and Recommendation: The evidence as to whether respondent received loans from SMWIA-PAL is unclear. SMWIA-PAL reported making the loans and later denied it; respondent denies ever receiving them.

In light of the fact that the purpose of each so-called "loan" was reported from the beginning as a payment to a vendor for communication-related costs, the argument that these expenditures were not actually loans seems a credible one. It is recommended that the file be closed with regard to this alleged reporting violation.

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2. Affiliation and Independent Expenditures Issue.

The sole evidence of affiliation between MEBA-PAF and respondent is a \$20,000 transfer to Labor for Jackson on May 5, 1976. The evidence of affiliation between respondent and SMWIA-PAL is stronger in that it involves not only a transfer of funds to Labor for Jackson (\$7500), but also an overlap in personnel (SMWIA-PAL's chairman is respondent's treasurer) and payments from Labor for Jackson to numerous SMWIA-PAL employees for the purpose of making independent expenditures. This evidence is indicia of affiliation according to regulation 110.3(a)(1).

A factor in the termination of the affiliation issue is that respondent reportedly used its funds only for the making of independent expenditures, and therefore did not fail to report affiliation in order to avoid the Act's contribution limits. However, it is not clear that Labor for Jackson's expenditures were in fact independent as reported. Respondent's May 31, 1977, account and description of its expenditures indicates that many of the so-called "independent" expenditures were made in the form of reimbursements to employees of SMWIA locals in several states, who had incurred costs of rental for transportation and for the purchase of literature for use in the support of Senator Jackson in the primary campaigns of Indiana, Pennsylvania and New York. This fact lends support to the argument that respondent and SMWIA-PAL were affiliated, and also is relevant to the independent expenditure issue, since some of the same SMWIA employees were also reimbursed by Jackson's principal campaign committee, and SMWIA was carrying out solicitation

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efforts for this committee also. (See General Counsel's report for 266 (76) for a discussion of this solicitation effort.)

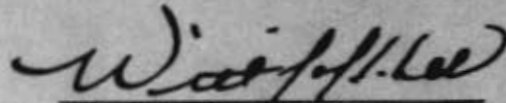
Legal Analysis and Recommendation: The connection between MEBA-PAF and respondent is thus far evidenced solely by the \$20,000 transfer. While the transfer of a substantial portion of funds is one of the indicia of affiliation, that fact alone does not seem to warrant such a finding. It is recommended that with regard to the issue of affiliation between MEBA-PAF and respondent, this matter be left open pending the collection of further information.

As for the SMWIA-PAL/Labor for Jackson affiliation issue and the independent expenditure question, the evidence of reporting violations is stronger. SMWIA-PAL's relationship to the Jackson for President Committee (discussed in MUR 266 (76)) and respondent's close ties with SMWIA-PAL (overlapping personnel and a pattern of making expenditures through SMWIA employees) indicate an interaction which requires further investigation.

It is recommended that several of the SMWIA employees who made independent expenditures for SMWIA-PAL, Labor for Jackson, and the Jackson for President Committee, be deposed in order that the possibility of common control or coordination among these committees be explored more thoroughly. Specifically, depositions should be taken of Ernie Miller of Laurel, Maryland, who was respondent's Pittsburgh coordinator (it seems that much activity centered around the Pittsburgh area) and Jim Hinkle

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of Decatur, Georgia, who was respondent's Philadelphia coordinator and who made expenditures for SMWIA-PAL and Jackson for President Committee as well as for respondent. In addition, Edward Carlough, President of SMWIA, chairman of SMWIA-PAL and treasurer of Labor for Jackson should be deposed since he seems to have had a major role in the making of respondent's expenditure decisions. Roy Stringer, of Indianapolis, Indiana, who made most of the Indiana campaign expenditures, should be questioned, and also Lawrence McLaughlin, of Weymouth, Massachusetts, who made expenditures for respondent as well as for SMWIA-PAL and Jackson for President Committee.



William C. Oldaker
General Counsel

DATE: 6/20/77

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FEDERAL ELECTION COMMISSION

1125 K STREET N.W.
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR's# 236, 260, 266

Date Filmed 4/27/79 Camera No. --- 2

Cameraman SPC

∴ Note, these files have been merged.



FEDERAL ELECTION COMMISSION

1125 K STREET N.W.
WASHINGTON, D.C. 20463

THIS IS THE END OF MR DEPOSITIONS 226, 266

Date Filmed 4/27/79 Camera No. --- 2

Cameraman BPC

October 20, 1977

Mr. Robert Joseph Keefe
103 Queen Street
Alexandria, Virginia

RE: LABOR FOR JACKSON and SHEET METAL WORKERS INTERNATIONAL
ASSOCIATION-POLITICAL ACTION LEAGUE.

Dear Mr. Keefe:

The court copy of your deposition in the above-captioned case taken October 14, 1977, is submitted herewith for your reading and signing as agreed to by counsel.

Please follow the procedure enumerated below in order to comply with the rules.

1. Make corrections in ink.
2. Any language stricken or corrected should have a single line drawn through it and your initials so that the court may have before it the language as transcribed as well as corrected.
3. Place an asterisk at the end of each correction and at the bottom of each page state your reason for the correction.

The rules require a reason for any change or correction. It may be general, such as, "to correct stenographic errors," or "to clarify the record," or "to conform with the facts."

Please sign on the line indicated and return this court copy to this office as soon as possible.

Sincerely yours,

Milton & Greenwood Reporting
Associates, Inc.

CC: Judith Browning, Esq.
File

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Milton & Greenwood Reporting Associates, Inc.

(formerly Reynolds Reporting Associates, Inc.)

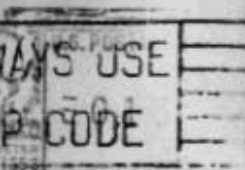
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Suite ~~1300~~ 1110

1028 Connecticut Ave., N.W.

Washington, D.C. 20036

FEDERAL ELECTION
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D.C.-Va.-Md.

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November 11, 1977

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

RE: In the Matter of: LABOR FOR JACKSON and SHEET METAL WORKERS
INTERNATIONAL ASSOCIATION-POLITICAL ACTION LEAGUE,
MURs 236, 266 (76)

Dear Mr. Oldaker:

The deponent, ROBERT JOSEPH KEEFE, has read, corrected and
signed his deposition taken on October 14, 1977, in the above-
captioned matter.

The following corrections were made by Mr. Keefe:

Page	Line	From	To
6	16	"is an international"	"was my"
6	18	"Glass"	"E."
9	7	"1977"	"1976"
9	9	"1977"	"1976"
9	17	"engineer"	"finance director"
10	19	"I think he was in, he came on June 1, maybe."	"He came on June 1, maybe."
12	4	"It was a relative meeting on the objectives of the"	"It was a relative meeting oriented campaign on the objectives of the"
12	8	"groups"	"group work"
12	18	"close"	"employees"
12	22	"Committee was started in July of, or so,"	"Committee was started in July of 1974 or so,"
13	5	"money. That"	"money."
14	12	"concurrently -- well, not of an element of people; when"	"concurrently -- when"
14	13	"we are talking just"	"we are talking not just"

(Corrections to deposition of ROBERT JOSEPH KEEFE, cont'd.)

<u>Page</u>	<u>Line</u>	<u>From</u>	<u>To</u>
15	7-8	"Yes. Tim Stierwalt dealt with labor, like for a period of time. But"	"Yes. But"
16	11	"lawful"	"unlawful"
16	13	"did exist"	"did not exist"
16	15	"unlawful"	"lawful"
17	20	"expenditures."	"expenditures?"
18	4	"got to dis-"	"got done dis-"
18	12	"familiar-"	"support."
18	19	"committee"	"meeting"
19	13	"when New York and Pennsylvania were"	"when the New York and Pennsylvania primaries were"
22	4	"election committee"	"Democratic National Committee"
23	1	"time because"	"time but because"
23	2	"sick. He had a major operation."	"sick, He had a major operation responsibility"
24	6	"town. We kept away a broader group of people."	"town."
26	7	"Saul Chaikin."	"Sol Chaiken."
28	11	"union"	"paper"
28	21	"Yes."	"The National Labor Committee."
30	9	"national Labor for Jackson"	"National Labor"
30	17	"Jackson"	"National"
30	18	"Labor for Jackson"	"Jackson for President"
31	1	"Jackson Labor Committee"	"Jackson for President Committee"
33	16	"No, I know that"	"I know that"
37	18	"when they signed guarantees or not."	"or whether they signed guarantees or what."
43	20	"essentially of"	"essentially all of"
45	18-19	"was in town and since his school kids had gone to the country he had time to himself, sitting by the phone."	"was in town."
50	20	"was"	"were"
54	3	"Q. Charles Hanowell"	"A. James Reilly"
56	2	"prove"	"approve"

The deposition having been read and signed, the original is

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- 3 -

herewith submitted to you for filing.

Sincerely yours,

MILTON & GREENWOOD
REPORTING ASSOCIATES, INC.

Peggy L. Greenwood
Peggy L. Greenwood
Vice President

Enclosure

cc: file

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BEFORE THE FEDERAL ELECTION COMMISSION

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In the Matter of: :

LABOR FOR JACKSON and : MURs 236, 266 (76)
SHEET METAL WORKERS INTERNATIONAL :
ASSOCIATION-POLITICAL ACTION LEAGUE :
----- X

Washington, D. C.

Friday, October 14, 1977

Deposition of

ROBERT JOSEPH KEEFE

79040122296
a witness in the above-entitled matter, called for examination
by counsel for the Federal Election Commission, taken at the
offices of the Federal Election Commission, 1325 K Street,
Northwest, Washington, D. C., beginning at 11:15 o'clock a.m.,
before William C. Oldaker, Esq., when were present on behalf
of the respective parties:

Milton & Greenwood Reporting Associates, Inc.

(formerly Reynolds Reporting Associates, Inc.)

OFFICIAL REPORTERS

1028 Connecticut Ave., N.W., Suite 1110

Washington, D.C. 20036

Phones: (202) 833-3588

833-3588

For the Federal Election Commission;

WILLIAM C. OLDAKER, ESQ.
and
JUDITH BROWNING, ESQ.
1325 K Street, N. W.
Washington, D. C. 20463

For Robert Joseph Keefe:

MICHAEL A. NEMEROFF, ESQ.
SIDLEY & AUSTIN
1730 Pennsylvania Avenue, N. W.
Washington, D. C. 20006

C O N T E N T S

EXAMINATION BY COUNSEL FOR:

FEDERAL ELECTION COMMISSION
(Mr. Oldaker) (Ms. Browning)

WITNESS:

ROBERT JOSEPH KEEFE

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Thereupon

ROBERT JOSEPH KEEFE

a witness, was called for examination by counsel for the Federal Election Commission and, after having been sworn by William C. Oldaker, Esq., was examined and testified as follows:

EXAMINATION BY COUNSEL FOR THE FEDERAL ELECTION COMMISSION

BY MR. OLDAKER:

Q State your full name for the record.

A Robert Joseph Keefe.

Q What is your current address?

A 103 Queen Street, Alexandria, Virginia.

Q Where are you currently employed?

A I am employed by the International Management Consultants, 1155 Fifteenth Street, Northwest, Washington, D. C.

Q How long have you been there?

A I have been there since January 21, 1977.

Q Have you been employed there continuously?

A Yes.

Q Where were you employed before that?

A I was previously employed by the Democratic National Committee.

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COTTON CONTENT

Q What capacity were you in there?

A My title -- I was the Executive Director of the Campaign Coordinating Committee.

Q For what term were you there?

A I was there from August 1, 1976, through January 21, 1977.

Q And what were your duties there?

A My duties essentially were to provide some coordination between the Democratic National Committee activities and the efforts of the presidential campaign.

Q Which presidential campaign?

A The campaign of Jimmy Carter.

Q Presidential campaign of Jimmy Carter. What kind of coordination, just generally?

A This is a difficult area, I had -- because it was so general, I did a little bit of everything.

Q Did you basically talk to people to campaign?

A Yes, various people. All kinds of state, local and federal.

Q Did you have any dealings with independent groups at that time, being labor, corporate?

A Yes, but it was limited. It was a modest portion.

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I was also during that period essentially self employed on the side.

Q What were you doing there?

A We had a company which handled a campaign during that period and I spent some time on that, the campaign of a gentleman from Tennessee by the name of James R. Sasser.

Q How much time did you devote to that?

A Couple days a week.

Q Did you do this from here, or did you go to Tennessee?

A Both.

Q Prior to the DNC where were you employed?

A From December 1 of 1974, until the end of July, '76, I was employed by the Jackson for President Committee as campaign director.

Q What were your duties there?

A My duties were general supervision of the entire campaign, although there were elements of the campaign I did not direct or handle, primarily the treasurer or the controller functions.

Q Prior to the Jackson for President campaign, where were you employed?

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A I was Executive Director of the Democratic National Committee from December 7, 1972 to November 30, 1974.

Q And prior to that where were you employed?

A Prior to that I was self employed.

Q What vocation?

A From Washington or Alexandria?

Q Vocation?

A I was a political consultant.

Q Basically, what is that?

A During this period of time I was a consultant to the AFL-CIO's Committee on Political Education, and during that period I assisted them in their efforts relative to finding the convention delegates and working in the campaign.

Q And when you say the AFL-CIO, any particular group?

A No. The AFL-CIO Committee on Political Education ^{was my} ~~is an~~ international contract employer.

Q Who did you deal with over there?

A I was reporting to Alexander ~~Glass~~ ^{E.*} Barkin. *BA*

Q Did you have other contacts with other labor people at that time?

A That was my job. Yes, I had contact with labor people, local level, state level, and international unions

connecting, negotiating, etc.

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themselves.

Q Was this contact on a very regular basis?

A That was very close to my full-time occupation for a year.

Q Did you have contact with the Sheet Metal Workers?

A Very little at that time. A modest amount. You mean in that period?

Q Correct.

A Very little. They were not the focus of any activity specifically. I am sure I met them, but it was not a major part --

Q What unions did you have more contact with?

A Well, first of all, a great majority of my time -- within the structure of the AFL-CIO, the more active political unions within that clearly were the Steel Workers, Retail Clerks, maritime unions, generally.

Q When you say maritime, who do you mean?

A Seafarers International Union, Marine Engineers Beneficial Association, members of Maritime Trades Department, AFL-CIO.

Q Did you deal with any of the international people at all in the maritime --

A Yes.

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Q Who?

A At that time I dealt with Paul Hall of the Seafarers, Jesse Calhoun of the Marine Engineers Beneficial Association, and Bill Moody, who is the director of the Maritime Trades Department. There are others, but I -- any others that come to mind at this time -- there is a guy, Earl Davis, who was then a Retail Clerk. They move around a lot.

Q Did all of these internationals have what are mainly called political action committees?

A I assume they did.

Q Did you deal with them?

A I dealt with staff members of the committees in their international offices. I had absolutely nothing to do with committees as a committee. I made no political decisions nor interacted with committees as such. I interacted with people who were employed by the committee or of the committee.

Q Would it be fair to state that your duties during a period of time with the AFL-CIO was as an adviser on how to do things?

A Yes, very much so.

Q How to organize political committees, organizations,

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campaign?

A That is quite accurate.

Q Let's go back to a more relevant period of time.

May I have the time you worked for the Jackson Committee?

What were the dates again?

A December, 1974, and I believe that I was payrolled through the end of July of 197⁶~~7~~. It actually sort of disbanded following the Democratic National Convention, but I think the payroll date would be 197⁶~~7~~.

Q The time is only for my mind. And you said during that time you acted more or less as overall director of the campaign save for financial things, accounting and control-type things. Who handled those matters?

A This was Walter, S-k-a-l-l-e-r-u-p, Jr.

Q And was he located here, also in Washington?

A Yes. There was also sort of a financial element which he handled, treasurer role, and an ~~engineer~~ ^{* finance director} by the name of Richard, K-l-i-n-e. *BR*

Q Where was the committee located?

A 511 Second Street, Northeast, Washington, D. C.

Q What was that location, a building, townhouse?

A It was a townhouse building. Eventually we expanded

** connecting record*

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into 513 and 515, I guess a series of townhouse buildings.

Q Now Mr. Skallerup was located in those offices?

A Yes.

Q Was he there for most of the period.

A He predated and postdated my employment with the committee.

Q What were his duties?

A He was the treasurer and general counsel, and as such he gave all legal advice for the committee and performed many functions required by law of a treasurer, supervised the accounting, controlling function.

Q Who was the controller?

A The controller was Martin, K-a-t-z.

Q What were his functions?

A His functions were essentially to handle financial transactions, keep records, pay bills, et cetera. He did not arrive on the scene until approximately, I am guessing, it would be early summer of '75, I would say, maybe May 1, maybe June, July. ~~I think he was in, he came on June 1, maybe.~~ *BB*

Q Were there other individuals involved in the financial aspect?

A Yes. There was probably a minimum of ten to twelve

to clarify record

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people involved in that activity.

Q Were there any other principals or supervisory people involved?

A No, the three principal supervisors were Skallerup, Kline, and Katz.

Q Who did these people report to if they didn't report directly to you?

A There was always some question about that. It is somewhat safe to say we operated pretty well together. If there were major disagreements, the candidate pretty much settled it.

The Senator had another -- there was another gentleman who impacted on total management of the campaign whose name was Sterling, M-u-n-r-o. He was the Senator's administrative assistant, and he left the Senator, retired to the quiet and peace of the Jackson Committee, where his title, I forget. He was a senior adviser or principal of the committee.

Q May I just ask one question? The financial group, did they report to you?

A No.

Q Campaigns, you are more aware, operate in many different ways. How did yours operate as far as making

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decisions? You can answer in a long ramble if you want. I am more interested in, did you have meetings? How did decisions get made? If you met with the Senator?

A It was a relative meeting ^{oriented campaign / it} on the objectives of the campaign, on overall budget. Later, that is to say, we would make broad budgetary decisions which essentially are the major decisions of the campaign, ^{how} you are going to spend money. There was a lot of groups ^{work} involved in that. In terms of the tactical decisions, those were left generally to the operating people. By that, I mean, I would make most of the broad decisions in areas where exactly the campaign activities were involved, with what we were saying, how we were saying it, organizational aspects, that sort of thing. And the financial people would decide how, when, and where to use the Senator, what have you, raising money, that sort of thing.

So the broad outlines of the campaign were jointly arrived at by a group of a half dozen of us, including the Senator, and including the people who were not ^{employees} ~~also~~, but volunteer and principal adviser-type people.

Q How was the fund raising done if you can recall?

A The fund raising for the Jackson for President Committee was started in July of ⁽¹⁹⁷⁴⁾ or so, I am not sure. It

* clarify need

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was begun in the summer of '74, and Dick Kline, who was an experienced professional political fund raiser, did that, and did it apparently through -- he was what you would consider an event-oriented fund raiser. He would put together large events for various sums and raise most of the money. ~~That~~ * *R* way we had an extensive direct-mail campaign which I think broke even. And then as the time wore on, we did a lot more of telephone fund raising by a lot of volunteer big contributors, big fund raisers who would come forward and help us raise money on the phone.

Q Were you involved in fund raising at all?

A Sure.

Q I mean you --

A Well, first of all, I have a background and know a lot of people who are contributors, so I would do a very modest amount of solicitation, but I would provide ideas, list sources for fund raising, and I would attend fund-raising functions, many times be a part of the program for a fund raiser to tell them how we were going to win.

Q As far as fund raising, was a specific group of people, labor-type people, were they involved that much with those kinds of people fund raising, with those particular kinds of people?

** Clarification*

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A To some degree. I don't think we got a substantial portion of our money from labor.

Q I think that is correct. What did you do, if you recall, in that area. Do you know people from your days as a consultant and --

A Well, I was, over the past fifteen years I have known and associated, both socially and professionally with a large number of labor people, and in the course of the campaign we sought as a campaign objective a couple of things from organized elements of labor. We tried to enlist their endorsement, their support, and their money, and we did that somewhat concurrently -- ~~well, not of an element of people~~ ^{not} when we are talking just about money or support, it would run together.

Q You are talking about what kind of money at that time?

A Basically contributions of political action committees..

Q What unions did you deal with most, if you recall. If there were some you dealt with most?

A What we are talking about, most of the time I spent in direct contact with this kind of activity was

* Clamier

through '75, and we had a number of meetings with just about every imaginable labor union you can lay your hand on in town, and at two levels: the level of the COPE operating directors and the international officers.

Q International officers of various constituent groups of AFL-CIO?

A Yes. ~~Tim Stierwalt dealt with labor, like for a period of time.~~ But in each instance we were trying to make points for the Senator's candidacy, and asked them for everything from helping to get their people to get delegates on the Senator's behalf, support within the AFL-CIO structure for potential endorsement, money, whatever else we could try to enlist.

Q When you say whatever else, do you have anything particularly in mind, other than COPE's communication with members?

A Essentially, when you are in a campaign, you have people who have handled membership organizations. You want them to do everything you can to help you.

MR. NEMEROFF: When you say money, do you mean contributions from political action committees?

THE WITNESS: Essentially. I am not above asking

* Correction

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individuals I meet for a contribution from them.

BY MR. OLDAKER:

Q Most particularly in our questions on independent expenditures, did you have any discussions with any of these unions or union political action directors or employees of the unions as to independent expenditures?

A As I suggested, most of the discussions, most of the time I spent really working with these people was in '75 when the independent expenditure limitations were such that it was not conceivably a major impact on the campaign.

MR. NEMEROFF: For the record, they were ^{* un}lawful, or at least not limited by the Constitution. *PR*

THE WITNESS: They did ^{* un}exist for practical purposes. And there was very little discussion of it, and by the time they became ~~un~~lawful, which was January, '76 --

MR. OLDAKER: Correct. January 30.

THE WITNESS: -- January 30, '76, we were so busy putting out fires, I never really had a chance to try to get something up in that direction, if it was a practical thing to do.

BY MR. OLDAKER:

Q Were you aware they were made?

A Yes.

* Correct

Q How did you become aware of that?

A I was made aware of it in certain several ways. One, I observed some from time to time, and secondly, I was told by members of my campaign staff and members of the union that they were making independent activities in our behalf.

Q Who on your campaign staff told you specifically of independent expenditures?

A They really wouldn't say there was an independent expenditure going on down there. They would say, "What are those turkeys doing over there on the square with Jackson?" That is essentially the way I would get a report of independent activities. A person who was working would all of a sudden see things going on in Boston and start raising Cain with me as to what was going on, and I wouldn't know it, and that is how you quickly become aware of a lot of independent activities.

Q As to people outside of the campaign, you said you became aware at times of those individuals. How did that come about, those individuals?

A The labor committee which was organized to make independent expenditures? *YBH*

Q Labor for Jackson Committee?

A I am sorry. Labor for Jackson Committee. The principal or number of principals of that organization. Actually,

** Correction*

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I remember having a meeting with them, not about that, but about some activities, some campaign conflicts that we were trying to resolve and seeking their support relative to one side or the other of the conflict. And when we got ^{(done) BR} ~~to~~ discussing that, they suggested that they wanted us to leave, because they were going to form a committee and would go out and make some independent expenditures.

Q What kind of conflicts were they?

A It was internal. It had nothing to do --

Q Conflicts inside? I mean not conflicts with the union?

A That is correct. We were soliciting their ^{support * BR} ~~support~~
 ~~ity~~

Q The individuals that were involved in those meetings of the Labor for Jackson Committee at that time, were you acquainted with them?

A Sure.

Q Do you remember the names? ^{BR}

A That particular ^{meeting} ~~committee~~, which was probably Aprilish --

Q What year?

A '76. It was Joe Keenan, Jesse Calhoun, Eddie Carlough.

A correction

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What were the iron workers' names? John, L-y-o-n-s, do you recall, I think maybe J. C. Turner were the international officers we were meeting with at that time.

Q What did you discuss with them if anything at that time about independent expenditures or formation of the Labor for Jackson Committee?

A Absolutely nothing. They just informed us. That was it, period.

Q When would you say they did individually inform you?

A I would not be able to recount who said what. You could say this would have been the period around whatever the period of time was whenever the Labor for Jackson Committee was organized, but it was when ~~New York~~ ^{West} and ~~Pennsylvania~~ ^{PA} were happening, and they were getting concerned about the campaign, as we were, and they just told us they were going to do their own thing and see you later. That kind of conversation.

Q Now, as to these five individuals, Carlough, Calhoun, Keenan, Lyons --

A Perhaps Turner.

Q -- Turner, is that right?

A When we say those five individuals, I believe all those were there?

Chlorification

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Q Did you know these individuals before that time?

A Yes, for a long period of time.

Q What was your relationship with each of them individually?

A I was generally friendly for a long period of time with these individuals.

Q Carlough, how did you become acquainted with him?

A Carlough, I probably knew least of anybody in the room. He is a younger man. His father was president of the union before him, and I knew his father a little better years ago. Generally, I have met most of these people socially or at appearances every year when I have visited meetings and conventions of labor groups.

Q Is that the same for the other four?

A It would be fair to say my relationship with all of them grew up in the same way. I have been going to the mid-winter meeting of the AFL-CIO in Miami, as Mr. Nemeroff's father can attest, probably since 1966. I have been going there annually, because it is a terrific time to go to Miami, and for a period of a week we sit around the pool and play golf, and it is a great way to do business. And I have also worked with them in a more formal atmosphere.

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COTTON CONTENT

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Q As to these five people, instead of repeating their names each -- I think we know them. Did you deal with them prior to the formation of the Labor for Jackson Committee as to the campaign of Jackson for President Committee?

A Yes. It is fair to say they were a target group of our campaign, and from the day we got started, we were trying to enlist them and others. Although these are important people of labor, we were trying to enlist as many of them and their peers as we could. And we had meetings in the Senator's home, dinner, brought them together, things of this nature.

Q At those various meetings and those various contacts what were the basic conversations? Were you asking advice, support, how you should run the campaign?

MR. NEMEROFF: When did these meetings occur, in what year?

THE WITNESS: '75, although I think we had one in '74.

BY MR. OLDAKER:

Q I imagine you had discussions with these individuals in the formative stage?

A Absolutely. We were of the impression that Senator Jackson should be "labor's candidate" in '76, and he enjoyed

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a very fine relationship with them over the years. They had worked together very closely in the aftermath of the '72 campaign. Part of my responsibility in this year was helping get a new chairman elected to the ~~election~~ ^{Democratic National} committee, Mr. Strauss, and essentially, elements of that were Senator Jackson, AFL-CIO, and others. But they were principally interested in getting Strauss elected to the committee chairmanship, and they had a very close working relationship. Senator Jackson enjoyed a very long and positive support of labor accomplishment.

So we would essentially try to maintain social contact with them, but also be trying to sell them on getting the support of AFL-CIO, and their own union. Mr. Meany and Mr. Jackson had a falling out at the end of '74 over the trade bill, so we were trying to put things back together. In other words, relations at the beginning of '75 were worse than they had been in the previous couple of years, and we were trying to do spade work.

Q When you dealt with these five individuals, who was J. C. Turner?

A J. C. Turner is now the general president of the Operating Engineers Union. He was then, I think, the second

to correct

officer, I think, secretary-treasurer at that time ^{bat} because ^{BA} the president was sick. He had a major operation ^{responsibility}

Q Back to the question as to these five individuals. What kinds of discussions were actually held as to the Jackson for President Committee? In other words, did you ask for advice on how to organize the campaign? Did they participate in any way with the organization, the fund raising, or decision-making?

A You always get their advice whether you ask for it or not, so I got a lot of advice on what to do and how to do it. I can't give you a specific, but I am sure we would ask from time to time what we might do or the impact of something. One of the biggest things, we were trying to figure out how to recreate good feeling between Meany and Jackson at that time.

Q Did you tell them at various times you had meetings at the Senator's house, dinner, more formal meetings, did you tell them how you were running the campaign and ask for advice on whether that was a good way to proceed, you and others?

A It would be fair to say we told them what we were doing, the general strategy concepts, how the campaign would play. I don't think we really asked for advice in a meaningful

* correction

way.

Q But if you recall, you were allowing them to criticize?

A Sure. I had to position us in a special way. It just happened they were in a meeting at that time or were in town. ~~We kept away a broader group of people.~~ * *h2*

Q Labor people?

A Yes.

Q I am sure you dealt with a broader panoply than labor?

MR. NEMEROFF: With respect to other labor leaders, other than the five you mentioned, did you provide the same kind of general information as to what you were doing in the campaign, and did you receive the same kind of advice whether solicited or not?

THE WITNESS: Sure. It just happened these five people became the topic of discussion because I believe they were in a meeting. That was the only time I discussed the Labor for Jackson Committee.

BY MR. OLDAKER:

Q And, at least to your knowledge, were involved with the Labor for Jackson Committee?

A Yes. *COTTON CONTENT*

A Complaint

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Q You said basically these discussions at the Senator's home were in '74, '75. During the period, post January, '76 did your relationship with these individuals change and if so how?

A Essentially, I personally became busier and had less time to --

Q That was the primary time?

A Exactly, and I was traveling, for many of the union people were headquartered here. I saw more of the guys in New York because I spent a lot of time there, but essentially I saw less of them and less of them socially.

Q Did you still maintain a relationship of basically talking to them about how the campaign was doing, what its success and failures were?

A I tried to discount the failures. They discussed those, and I tended to discuss the successes.

Q Would it be fair to say it was a fairly open participation?

A I think that is true.

Q That would be especially these five individuals? Although I realize you were in the hurly-burly of the campaign, the time preconvention, but you think you talked to

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these individuals?

A And others.

Q I am not saying these were the only people you talked to.

A For example, John Lyons, I did not speak to much or very much to John Lyons during that period as I did to

~~Sol~~ Chaiken. * *h*

MR. NEMEROFF: Were there other labor leaders for whom you were also coordinating interest and support?

THE WITNESS: Yes, during the early part of that year we put together a committee which was a paper organization trying to demonstrate a broad base of support.

MR. NEMEROFF: Who were the members of that committee, and list other labor leaders you were interested in getting support from and talked to on a regular basis.

THE WITNESS: The labor committee -- I would hate to try to recall the names on that list.

BY MR. OLDAKER:

Q How large was it?

A I think we had twenty or so, and, well, it was informal. We would add somebody at the last minute.

Q What type of people were on it?

H. Convent

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A International presidents and lesser officers of various unions.

Q Where most internationals covered?

A No. We had a good broad base, but we did not have as much as we would like. I suppose we had a list of twenty or thirty, and there are 140 internationals.

MR. NEMEROFF: Did you talk to members of these organizations in the same way you talked to the five individuals we have mentioned earlier?

THE WITNESS: Sure, generally informing them about the success of the campaign. At that time we were projecting success.

BY MR. OLDAKER:

Q Did they indicate to you what they thought you should do?

A They always do.

Q I understand. Did you ever talk to any of those people on your committee as to decisions of fund raising or decisions in various states?

A Sure.

Q Getting the Jackson word across?

A Sure.

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COTTON CONTENT

Q That was an ordinary occurrence?

A It was an ordinary occurrence. It was an ordinary and regular occurrence, and we would ask them, for example, to be in touch with their local leadership, because we would be trying to put together a local committee, a committee in Massachusetts for the Massachusetts campaign, where we would have a letterhead of important individuals in the State of Massachusetts.

Q This is the labor committee in Massachusetts?

A Labor Committee, which, again, was not a separate committee under the terms of the act, just a ^{superior} ~~union~~ organization.

Q A good public relations organization?

A Yes, put their names at the bottom of an ad or something.

Q The unions which in my mind are, I guess, MEBA and the Sheet Metal Workers. Did you have a similar type arrangement with those unions? They were part of this presidential committee?

A The labor committee?

Q The Labor for Jackson Committee?

A ~~Yes~~ I am sure Jesse was.

Q Jesse?

* *consult*

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COTTON CONTENT

A Calhoun was on that committee. I presume Eddie Carlough was.

MR. NEMEROFF: Do you know one way or another?

THE WITNESS: No.

MR. OLDAKER: Is there a way of determining that?

THE WITNESS: I am sure we can determine from the files of the committee.

MR. OLDAKER: I would ask then that it be supplied at a later time for the record.

THE WITNESS: The records and files are not in my custody, but I will try to find them. It was a press release I am sure.

BY MR. OLDAKER:

Q The other fellow, you say, was Eddie Carlough. How about the name of David Turner?

A David Turner is secretary-treasurer, I believe, of the Sheet Metal Workers. He may or may not have been. We generally tried to have one person from a union on that committee.

Q Do you remember specifically whether Joe Keenan was on --

A Joe Keenan, I am sure, was on.

Q How about Charles Black?

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A I don't think Charles Black was.

Q Do you recall if Leo Shapiro --

A No. The principal activity of that committee was to have a very expensive luncheon in New York which Senator Jackson would be roundly critical of the cost of.

Q Since you have mentioned it, was this the New York Labor for Jackson Committee?

A No. That was not the New York Labor for Jackson Committee. That was the ~~National~~ Labor for Jackson Committee, which we threw together and tried to find a time and place when Senator Jackson was going to be some place where we could get decent press, and we announced it at a news conference in New York in early or mid January of '76.

Q The Jackson Labor Committee --

A It would be the --

Q Jackson Labor Committee?

A ~~National~~ Jackson Labor Committee which would be a satellite organization of the ~~Labor for Jackson~~ Committee. *for President*


Q Are you familiar with the New York Labor Committee for Jackson?

A No.

Q And basically, the lunch was paid for in New York.

Corrected

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Sir President 
A By the Jackson Labor Committee. He thought at least it should have been dutch treat.

Q As to the Senator's relationship, at least to your knowledge, did the Senator deal with some of these same individual labor leaders on an ordinary basis.

A Yes, he did.

Q Do you know how he dealt with them. Did he telephone or meet with them or both?

A I would say, first of all, he would meet with them and talk with them by phone. You really have two very different circumstances, precampaign for the period of '75, Senator Jackson spent most of his time in Washington working on legislation. From January 1, '75 until the end of the campaign he was on the road a hundred percent of the time.

Q Do you know personally, during the first part of that, do you know personally if he called such individuals as Eddie Carlough to ask for advice during the course of the campaign?

A Well, on a regular basis --

MR. NEMEROFF: The question was whether Senator Jackson called Eddie Carlough. Do you know personally during the course of the campaign?

Conventur

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A I don't know whether I ever saw or heard him.

Q Would you say it would be his ordinary operating procedure to call individuals that like --

A It was our ordinary activity to try to get him to make those calls. Many times he didn't get them made.

Q Would it be fair to say many times those were massaging?

A That would be a very good characterization.

Q But he would ask for advice, how he did on a TV show, if his position was correct?

A Sure. They would also deal as a Senator with how he should vote. Many times they were looking to him relative to legislative activity, relative to the campaign.

MR. OLDAKER: Off the record.

(Discussion off the record.)

BY MR. OLDAKER:

Q Back on the record. During the period of, I guess, the end of January '76 until the end of May, '76, there was a hiatus where money was not paid to the committee.

A By the Federal Government?

Q By the Federal Government, on a matching fund basis. I imagine there were some financial difficulties, as

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there were at other committees?

A Yes.

Q Are you aware of loans given to the Jackson for President Committee at that time.

A I am familiar with the fact that loans were made to the committee, yes.

Q What is your familiarity with those loans?

A My primary connection with any of that was internally trying to discuss the wisdom of taking loans. There was a divided opinion among the top of the campaign as to whether, in fact, Jackson might, or should incur debts additionally to what was the normal operations of the committee, whether or not borrowing money was a good idea and whether or not the Federal matching funds would be forthcoming. That was my most direct involvement in any of the lending, was trying to argue that we should, in fact, borrow. ~~No~~, I know that individuals made loans to the committee, and some of the members of organized labor made loans to the committee.

Q Were you aware how these loans were obtained?

A No. Not really.

Q Were you aware of any methods of soliciting those loans?

X *Conrad*

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MR. NEMEROFF: Off the record.

(Discussion off the record.)

BY MR. OLDAKER:

Q Did you ever have an occasion to talk to any of the labor leaders who were on your committee, the Jackson Labor Committee, as to the possibility of obtaining loans, et cetera, from their political action committees or from them as individuals or from their individual members?

A I don't remember any such conversations no. I don't think I did. I just --

Q In either direction, you discussing them, or them saying to you. Would this be a probable course of action?

A I can't remember anything of that nature. I had dealings or conversations from individual members, but I don't remember any loan questions.

Q Were you aware of the size of loans coming from various unions or the membership of various unions?

A Only from the reports I got. I got a regular daily financial report. Aggregate loans were an item on the report.

Q Do you recall the size of those aggregates?

A I would venture that total aggregate loans would have gone to something around \$30,000 to \$40,000 at one

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point in the campaign. That would not be exclusively labor loans. It would be all loans to the committee.

MR. NEMEROFF: Did the report you received identify the maker of the loan?

THE WITNESS: No, it was just a balance sheet kind of report.

BY MR. OLDAKER:

Q Did you ever become aware of who those loans were, in fact, from?

A I learned that loans had been made by members of the Sheet Metal Workers.

A And did you become aware of the amounts of those loans?

A I don't really think I know the total amount.

Q It was in the thousands of dollars?

A Yes.

MR. NEMEROFF: Did you learn loans were made by members of other organizations besides the Sheet Metal Workers?

THE WITNESS: Yes.

MR. OLDAKER: Do you recall who those were?

THE WITNESS: No. I thought it was sort of a general thing being done.

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36

MR. NEMEROFF: Is there any special reason you remember the Sheet Metal Worker source of loans?

THE WITNESS: The only thing that brings that out is that I can remember them being a little slow in being repaid and I can remember conversations related to repayment.

BY MR. OLDAKER:

Q What do you recall about those conversations?

A The Jackson Committee, because of the condition we outlined previously, had serious financial problems and they were a little slow paying at a certain later stage of the campaign, and I can remember Mr. Carlough, in his kind way, suggesting the committee should be more prompt in the repayment of his good friends and members.

MR. NEMEROFF: So you did not learn of the fact that the Sheet Metal Workers specifically had made loans until the time of repayment.

THE WITNESS: No, that is not true. I knew they had made loans, but I know specifically the Sheet Metal Workers, I think, for a very justifiable reason. Eddie had to squawk.

BY MR. OLDAKER:

Q I think the largest portion of loans were from the Sheet Metal Workers and MEBA. The fact that you know is not

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very important. The more serious question is were you aware that loans came from members of the Sheet Metal Workers or other unions.

A That would be the only way it could be done.

Q Is that correct?

A If somebody said there were loans coming from a union to the committee, I would naturally think they were coming from individual members or officers, or employees of that union.

Q Did you have any way of verifying that? Did you ever ask anyone? Ever ask Carlough?

A No. That is not really something I was focusing on. I was interested at the time in spending, not raising.

Q Would there have been someone who would have verified that?

A Whatever tracks were being made, that is to say, the loan amounts being discussed, I don't know whether we got money from them ~~when~~ ^{or whether} they signed guarantees or ~~not~~ ^{what}. I don't know who would --

Q Who would know?

A Someone in the controller function or treasury had to work with them to take their money. Probably Marty Katz.

+ Conventry

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Q After the Labor for Jackson Committee was formed, you were aware of -- it is my understanding that you had the general labor committee. What was your relationship with that committee itself, not the principal individuals involved? Did you ever write to it, telephone it?

A Beyond that they had an address or a phone, I really had little or nothing to do with it. I can remember seeing material that they produced, and they were sort of good. I was shocked.

Q What kind of materials were produced.

A They had a peculiarly nice-looking button. It was a blue button. We could never afford buttons that big. It was on a Jackson lunch pail, light blue, terrific.

Q You basically knew the five individuals we talked about before were involved in Labor for Jackson?

A Yes.

Q Did you specifically know if Turner was involved?

A Yes.

Q Did you know if Eddie Carlough was involved?

A I think I knew.

Q Did you ever talk to them about the committee?

A Only that one instance.

Q Did you become aware of their independent expenditures on behalf of the Jackson for President Committee?

A I think that button I described was their, at least it was identified as such. Beyond, what they did, I don't know that exactly.

Q Did you become aware of any expenditures they may have made in Jackson for President's behalf in Florida, for instance.

A No. I think Florida predated the existence of that committee, didn't it?

Q No.

A Florida was over March 9, 8, or something like that.

Q Your recollection is that the committee was formed after that?

A That is correct. I thought there was independent activity by the Sheet Metal Workers, and what they apparently would do would be to attract volunteers from other unions.

Q How did that occur? When you say they attracted volunteers, what would they do? They would send people out to ring doorbells?

A I can't tell you from experience how they did it, but they would probably call the business agent from other

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unions and get volunteers. It is the normal way organized labor would do it.

Q What would they do once they got volunteers, if you recall?

A The major activity I was aware of that the Sheet Metal Workers engaged in was a series of television tape-recorder projects. I don't know what you call it because it is a unique phenomenon in American politics. I cried when I saw it.

Q What did they do?

A They would have a television set and individual tape recorder, and they would go to some location, at a plant gate, I am told, or some public center, and start giving out cookies, coffee, pamphlets, and showing this message on television. Eventually, I saw one of those in action.

Q When did you see it?

A The day of election in the Massachusetts primary. Election day, there was one on the Common in a snow storm. There were about eight or nine guys working that unit. I wished they were off driving people to the polls.

MR. NEMEROFF: How did you happen to see it?

THE WITNESS: I was walking through Boston Common. I

79040122335

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CONTENT

saw a lovely picture of Mr. Carlough telling me why I should support Senator Jackson.

MR. NEMEROFF: It was through a prearranged meeting you arranged to see?

THE WITNESS: No. They were by the transit stops up there.

MR. OLDAKER: Massachusetts Transit Authority?

THE WITNESS: I was going off to buy a cigar.

MR. NEMEROFF: And you happened to see this unit?

THE WITNESS: Yes. I cried openly in the snow.

BY MR. OLDAKER:

Q Were you aware this activity went on in other places?

A Yes.

Q How did you become aware of that?

A Well, in probably a couple of ways. I asked other labor people what Eddie was doing relative to the campaign activity.

Q Do you recall who those individuals were?

A The first activity I remember happening was Massachusetts in time sequence. That is the first place we were really an active candidate, and I can remember we worked

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with several of the building trades generally in Massachusetts. And I am embarrassed not to remember their names, Billy, C-l-e-a-r-y, a good Irish name, I believe. Anyway, they had been supportive, and there was a labor committee for Jackson that was together.

A satellite organization developed there, and they questioned me relative to whether I knew -- Eddie had contacted them or made certain representations. He had this project and wanted their help in it, and they were wanting volunteers, et cetera. These guys told me about it and told that Eddie had called, sort of bragging about it, more than anything else. And I can remember that on perhaps election day or perhaps sometime in the week preceding that, over the weekend before that, the president of the Massachusetts Building Trades, whose name is escaping me, took me over to an area where it was sort of an assembly point for them to show me, a big shot from the campaign, and show me what important work volunteers were doing.

It was one of those projects that expended a lot of time and energy, perhaps was costly, and it is not exactly the way I would spend my time and effort.

Q Did you ever indicate that to them?

A Not as forcefully as I would like to have.

Q But you did indicate at some time?

A Yes. I was being nice.

Q Did you indicate that there would be better ways to spend their money?

A Probably hinted at that, but I don't think I ever really said that directly.

Q It would have been better to have them getting people to the polls, in your estimation?

A If they had ten or twelve units out on election day, and they maybe had more than that, six or seven people tied up in those units, and at least one or two cars to get them there. And I would have had them carrying people to the polls, because I spent most of my time that day looking for cars and drivers.

Q A fellow by the name of Hershey Gold --

A I remember thinking Hershey Gold --

Q What is his relationship to the campaign?

A Hershey was a volunteer fund raiser, who may have assumed the title of finance chairman or something of that nature. He was the largest outside fund raiser the committee had. Very successful fund raiser and gave essentially of his time during '76 on the campaign trail where he was both raising money and getting into the actual operation of the campaign as

X Committee

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COTTON CONTENT

44

it was particularly directed to the Jewish community.

Q Did he work with labor groups also?

A It would only be incidental to his other interests.

Hershey Gold is the kind of guy when he is in headquarters, everybody knows he is there. He is a very friendly, outgoing guy. He was particularly a good leader for volunteer efforts. I am sure he had a lot of contact with labor people, as they would happen to visit the headquarters, et cetera.

Q Did he have any responsibility for spending money?

A Not directly. He was, however, sort of a friend in court to people, since he had raised -- people would go to him and have him steer things through the muddy water of the controller.

Q He was not without influence?

A He was not without influence. He was not without influence in spending funds, but had no direct responsibility for it.

Q Do you know if he had any contact with various labor leaders like Eddie Carlough or Joe Keenan?

A Yes. It was he that was at the meeting that we were asked to leave, I described earlier.

Q Do you know if he had other contacts with those

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individuals?

A Not really. I would doubt that he had much at all.

Q Hershey sort of followed the campaign?

A That is to say he was in Massachusetts in February, went down to Florida for a week, and then he went to New York. Apparently he sandwiched in a little bit of time to go home.

Q Where was he from?

A From Los Angeles.

Q Did he stay here in Washington when he was on the campaign trail?

A No. He was almost exclusively in the field. He was here for a minimum portion of his time. I recall in the later stages, that is to say around the middle of April, he would have spent maybe a week here in town, which would have been the longest time. But during the middle of the month of April you had the Easter season, which sort of loused up the campaign activity. We were sort of retrenching, raising money. Hershey was in town, and since his school kids had gone to the country, ~~he had time to himself, sitting by the phone.~~ *BB

Q You said back in February, Hershey was in Massachusetts?

A That is correct.

Q You said he went to Florida. Do you recall what

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he went to Florida for?

A For the same general purpose. He was called into Massachusetts to assist the campaign in dealing with the Jewish community. Our local leadership just plain wasn't communicating well, and Hershey has great talent and contacts, so he came in and helped there.

When that was over, we were a month into the period following the Supreme Court decision. The life of this commission was about to expire, or did expire, and the money problems caused by lack of Federal funding became more severe. So he sort of followed because he was using the candidate to try to raise money principally by phone.

He went to Massachusetts, worked the Jewish community, but also raising money, being on the phone. Raising money became much more important, and he trailed the campaign to have his hand on the candidate for the telephone. But it didn't take all of his time, because the candidate was out doing other things. In Florida, for example, where there is a great Jewish community, he impacted on that. That is basically what he was doing with the campaign from place to place, doing two things at once.

But he was the kind of guy the volunteers and lesser-paid staff would hit for a nice dinner or supper. Nice guy.

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Mur 236, 266 etc.

Oct. 14, 1977

Deposition of Robert J. Keefe

Page 47 is not missing from the transcript. It is simply a result of mis-paging by the typist.

I checked with Milton & Greenwood Reporters today and the above info was told me by Bobbie Lake, the reporter for the Keefe deposition.

Judy Branning

10-26-77

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Is there a page 47? *BA*

47-48

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ERASABLE

Q My curiosity rises in February as to a dinner that was held in Bal Harbor, Florida. Are you familiar with that dinner, reception?

A Reception, I think you want to say. Yes. I attended. A reception given by friends of Senator Jackson at the Americana Hotel.

Q Do you remember who those friends were?

A No.

Q The type of friends?

A They were international union presidents. The occasion was the annual mid-winter meeting of the AFL-CIO Executive Council, which meets at the Americana every year, the second, third, and fourth weeks of February, with the political meeting beginning earlier than that.

Q Are you familiar with the financial arrangement for that reception?

A No.

Q Were you familiar with who held that reception or who sponsored it?

A I think I saw an invitation which listed several individuals besides union presidents, but I am not sure.

Q What did the Senator do at the reception, if you recall?

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A I can't vouch for the whole time, because I was late. It was a receiving line. It was a rather large reception. I think there was a receiving line. He shook a lot of hands, and Mr. Meany said a couple of words, and Scoop said a couple words, and it was a very short program, but it was 99 percent social.

Q Refreshments and food provided?

A Terrific buffets.

Q How many people would you say attended?

A I would have to say 400 or 500 people, I would guess. It was in a big room. It was terrific. It was the busiest of its kind I have seen. I have been going there for years, and every election year they seem -- there is a bit of joking to see who can put on the best reception.

In '72 John Lyons put one on for Muskie at the hotel next door, and I. W. Abel had a big lunch reception for Hubert, a common, ordinary, garden-variety kind of thing. They even have it in off years when people who are running -- for their favorite senator.

Q Do you know if the Senator was invited to attend, and if so, how?

A I am sure he was invited to attend. I don't know

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exactly, but we had a scheduling department that would have worked on that sort of thing. The timing was ideal, because the Florida primary was coming up and he was campaigning in Florida at that time and would have wanted to go by that meeting anyway, because of all of the important labor people.

Q Did you ever talk to anybody about the planning?

A Of the reception itself? No.

Q Did you talk specifically to Eddie Carlough about who might be invited to come?

A No. I don't think he would take my advice on such matters anyway.

Q Outside people who were not members of the labor movement?

A I don't think so. But what you had was a gathering of an enormous number of people. I don't think Carlough was a member of the Executive Council.

MR. NEMEROFF: Was your response based on who actually attended the meeting? You have no knowledge of who would have been invited, do you?

THE WITNESS: No. I do not. But there ^{was} a lot of people there. There are a lot of people who show up at those things. People are selling things, buying things from

from labor unions. Me. Guys like me.

MR. OLDAKER: Hungry people.

BY MR. OLDAKER:

Q Do you think that people would have contacted Senator Jackson and asked him who he would like to attend?

A If there was any discussion about who might attend, my guess is 99 percent of the conversation was centered on how we would get Meany there. I don't know, I don't think anybody cared who was there.

Q Was the press there?

A The press was there, because it was not a closed convention. Our traveling press would have been there at that time.

Q So if the Senator and Meany got together, it would be an important event?

A The Senator and Meany did get together. It was an important event. They had spent all day, all out there fooling around the pool.

MR. NEMEROFF: Who is they?

THE WITNESS: The Senator, his family, and labor guys, but I was off getting the bad news of a poll, and I was late. I am seldom late to cocktail parties, but Mr. Bill Hamilton

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was in town delivering some bad news at a different pool.

Q Was Hamilton your pollster?

A For Florida.

Q Not the whole country?

A No.

Q After the reception, do you remember any conversation with anyone about that reception?

A No, but I am sure --

Q As to the --

A To the people in the reception line? What a terrific fund raiser?

Q As to who paid for it?

A There was no way any of us could get involved in anything like that because the AFL-CIO has the Americana. They handle all those things entirely.

Q I would like to go back to the labor unions again and try to basically figure out if there were things I missed as to the Sheet Metal Workers or Marine Engineers Beneficial Association. In both instances I guess both unions could be classified as supporters of Senator Jackson in his campaign for the Presidency.

A That is true.

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Q They were contributors, if you recall, to the campaign?

A I believe they were contributors? I am sure they were.

Q And it would be at least your understanding that their members would be working for the nomination of the Senator?

A Yes. Their leadership was encouraging their members to do everything they could for us. We weren't always successful in that.

Q Were you aware of any of the work being done by the unions in your behalf?

A Yes, in a couple of ways. One, I would run into it, and, two, they would brag about it, and, three, I would run into things they had --

Q Are you aware at any time of union members who would volunteer and work on the campaign staff of the Jackson for President Committee?

A Yes.

Q Can you recall specifically as to the Sheet Metal Workers or Marine Engineers, workers who might have been working for the committee?

HEMILOCK
ERASABLE
COTTON CONTENT

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A I don't really remember any of them.

Q As a volunteer?

A *James Kelly* *BA
Charles Hanowell, a young man, who I think was a carpenter or something like that, served in the staff function role, which involves a volunteer. He was unemployed. That is what I was thinking of. You have got so many volunteers, it is tough to know who is doing what.

Q When people volunteered for the committee, would you reimburse them for their expenses if they had to do something?

A If we could talk them out of it, we wouldn't.

Q Who made those types of decisions?

A It would vary. It would vary. Generally, it would occur at the level of a state or local campaign operating within the budget he would have for volunteer expenses.

Q Would they contact you at any time?

A They might. I might in any instance be around in the heat of the battle when things were handled.

Q A couple of people, Jimmy Hinkle, does that name ring a bell with you?

A No.

Q Larry McLaughlin?

* *Correct*

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A I think he is a great big guy, a Sheet Metal Worker.

Q Do you remember anything about him other than being big and a Sheet Metal Worker?

A I think he was around the Massachusetts campaign. I am not sure, I think so. I think he is a great big guy from Massachusetts. Is he from Massachusetts? He is a big guy, I think.

Q How about Stuckenschneider?

A How could you forget a name like Stuckenschneider? He is on the Sheet Metal staff, I believe.

Q Do you recall him ever volunteering or doing work for the committee, that is the Jackson for President Committee?

A He was very active with the campaign and could well have been doing it on our behalf. We might have gotten stuck for some of his expenses.

Q Who would specifically know about reimbursement or keeping track of those? Would it be the controller's office?

A In the case of Massachusetts, because you are entering little -- we tried to have a central control operation handle everything, which led to very serious problems of being able to do things when you needed to do them. And we eventually sent a group up to Massachusetts. I believe, I am sketchy on

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COTTON CONTENT

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that. Essentially, there would be a responsible person, in the Massachusetts campaign, for example, who would ~~prove~~ ^{approve} expenditures against a general authorization, and then they would just be routinely paid by the controller after the controller argued about it.

Q Would you ever look at these individuals to see if they should in fact obtain a reimbursement, other than the fact that they may have once worked? Specifically, the question is did you ever look at these individuals to see if they were doing other things, such as making independent expenditures on your behalf?

A I guess that would not be a matter that would have been considered. I don't know that people at the local level at that time knew what an independent expenditure was. I don't think we did either. It was in the first month of such activity, and I don't think, well, I can't believe we would have someone so well trained in the Federal Election Law to know what an independent expenditure was during the month of February, '76, or that you did either.

Q I think for the record that is correct. Back to the Labor for Jackson Committee, aside from your satellite committee?

to Committee

A Yes. Labor for Jackson is the committee organized for independent expenditures for certain people, Joe Keenan, president.

Q Mr. Carlough, secretary or treasurer. Do you know if any meetings were held by any staff members with that committee to your knowledge?

A No, I do not know that staff members of the Labor for Jackson Committee, no.

Q Do you know of any meetings held with the Senator to discuss what the activities of the Labor for Jackson Committee, whether he met with the individuals involved or talked to the members during that time? Would he have met with the individuals involved and met with them as a group, not exclusively?

A The period you are talking about was a period, the Labor for Jackson Committee and its organizers and the people who, I believe, were involved with it were sort of our best friends in labor. And after the 27th or whatever it was of April, there were several meetings that week relative to what course of action Senator Jackson should take. And eventually, he stopped his formal campaign.

MR. OLDAKER: For the record, the 27th of April was of what importance?

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THE WITNESS: The Pennsylvania primary. That may or may not be the exact date, but during that period there were discussions in which they were discussing that they would be happy to do more, continue what they were doing, et cetera.

BY MR. OLDAKER:

Q There may have been?

A There were meetings. We were sitting around and we watched, before publicly deciding not to run. Senator Jackson was trying to decide what he should do next. He called on several groups, more or less just friends, talking about the campaign.

MR. NEMEROFF: The primary issue discussed was whether Senator Jackson should continue active campaigning?

THE WITNESS: What his course should be from that point on.

MR. NEMEROFF: Was he publicly going to run?

MR. OLDAKER: So Senator Jackson was seeking advice as to what his conduct should be?

THE WITNESS: That is correct. And during the course of that discussion I am sure we assured him if he wanted to go on, we were happy to do more of what we were doing.

BY MR. OLDAKER:

Q Whatever you were doing, meaning Labor for Jackson?

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A Labor for Jackson. They were happy to continue its work.

MR. OLDAKER: Off the record for a second.

(Discussion off the record.)

BY MS. BROWNING:

Q You spoke about Hershey Gold as being someone who traveled around and people might hit him for reimbursement, if they knew who he was. How would they know he was a person that might be giving them payments?

A Well, Hershey is the kind of guy who sort of lets you know he is around, and I don't think he would particularly try to let people know he was available to intercede with the controller, but word like that gets around in a hurry in a campaign.

Q Did you have any conversations with any labor officials with regard to how their employees or their members might get reimbursement for campaign activity?

A I had conversations with Mr. Carlough relative to repayment of loans of his members on which the committee was indeed delinquent. Beyond that, no.

Q With respect to those loans, did you ever have any conversation or any communications with any labor officials

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regarding the need for funds?

A I am sure that I might have, but it was totally unnecessary. That was sort of a very obvious kind of situation.

Q Do you know of anybody else in the Jackson Committee or senatorial staff that might have asked labor groups for help through loans?

A No.

Q I just have one other line, couple of questions. These are a couple pages from the Sheet Metal Workers' Political Action League reports, one from the May 10th report and one from the June 10th report. The entries I am going to point out to you are indications where they had not recorded loans to Jackson for President, just loans to Labor for Jackson Committee, but gave the address as 511 Second Street, Southeast. Do you have any knowledge of these reporting entries?

A No.

Q You are not aware of an error in address that was given?

MR. OLDAKER: For the record, the address for Labor for Jackson is 2727 29th Street, the home of Joseph Keenan.

THE WITNESS: I am glad you added that last line. No,

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I am sorry. I don't know.

BY MS. BROWNING:

Q On this June 10th report there is an advance to Labor for Jackson at 511 Second Street, Northwest, which for the record, is the Jackson for President Committee address. Is that correct?

A That is correct.

Q You don't have any knowledge of this?

A No, I don't.

MR. NEMEROFF: Off the record for a moment.

(Discussion off the record.)

BY MS. BROWNING:

Q Mr. Keefe, to your knowledge were there any Labor for Jackson or Sheet Metal Workers Political Action League personnel working at 511 Second Street?

A I don't know if there was any.

MR. NEMEROFF: Do you know whether the Labor for Jackson Committee was headquartered at 511 Second Street?

THE WITNESS: It was not.

BY MS. BROWNING:

Q Did they receive any mail there that you know of?

A Not correctly addressed there. No I don't think

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they got any mail.

MS. BROWNING: I don't have any more questions.

MR. OLDAKER: Off the record for a second.

(Discussion off the record.)

MR. OLDAKER: Back on the record. I want to thank the witness for his cooperation. This concludes his deposition, and we will adjourn at this time.

(I have read the foregoing pages 3 through 62, inclusive, which contain a correct transcript of the answers made by me to the questions therein recorded.)



ROBERT JOSEPH KEEFFE

CERTIFICATE OF SHORTHAND REPORTER

I, Bobbie C. Lake, shorthand reporter, do hereby certify that the testimony of the witness appearing in the foregoing deposition at pages 3 through 62, inclusive, was taken by me in shorthand and thereafter reduced to typewriting under my direction; that the said deposition at said pages is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.

Bobbie C. Lake
Shorthand Reporter

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**Official
Transcript**

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

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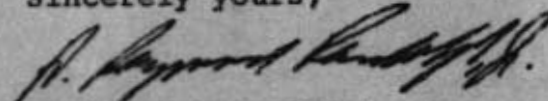
September 2, 1977

Ms. Peggy L. Greenwood
Vice President
Milton & Greenwood
Reporting Associates, Inc.
Suite 1110
1028 Connecticut Avenue, N.W.
Washington, D.C. 20036

Dear Ms. Greenwood:

Enclosed are the original depositions of Edward J. Carlough, Lawrence McLaughlin and Jimmy A. Hinkle, taken on August 12, 1977, which you sent to me. The witnesses have read the depositions and signed them. All revisions of the depositions are made for the purpose of correcting stenographic errors.

Sincerely yours,


A. Raymond Randolph, Jr.

ARR:bjm

Enclosures

cc: David Spiegel, Esq. ✓
Judith Browning, Esq.

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LAW OFFICES

SHARP, RANDOLPH & JANIS

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FEDERAL ELECTION
COMMISSION

76 SEP 6 AM 9:03



David Spiegel, Esq.
Assistant General Counsel

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

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FEDERAL ELECTION COMMISSION

-----X
In the Matter of :
 :
LABOR FOR JACKSON and :
SHEET METAL WORKERS : MURs 236,266 (76)
INTERNATIONAL ASSOCIATION- :
POLITICAL ACTION LEAGUE :
-----X

Washington, D.C.

August 12, 1977

Deposition of

JIMMY A. HINKLE

a witness in the above-entitled matter, called for examination
by counsel for the Federal Election Commission, pursuant to
notice, taken at the offices of the Federal Election Commission,
1325 K Street, N.W., Washington, D.C., beginning at 12:35 p.m.,
before David Spiegel, when were present on behalf of the
respective parties:

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833-3599

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HEMLOCK

For the Federal Election Commission:

DAVID SPIEGEL, ESQ., and
JUDITH BROWNING, ESQ.
Federal Election Commission
1325 K Street, N.W.,
Washington, D. C. 20463

For Jimmy A. Hinkle:

A. RAYMOND RANDOLPH, JR., ESQ.
1220 - 19th Street, N.W.
Washington, D. C. 20036

For the Sheet Metal Workers International Association-Political Action League:

DONALD W. FISHER, ESQ.
Suite 741
National Bank Building
Toledo, Ohio 43604

C O N T E N T S

EXAMINATION BY COUNSEL FOR:

FEDERAL ELECTION COMMISSION	
<u>(Mr. Spiegel)</u>	<u>(Ms. Browning)</u>

3

14

WITNESS:

JIMMY A. HINKLE

JIMMY A. HINKLE
(Mr. Randolph)

16

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Thereupon

JIMMY A. HINKLE

a witness, was called for examination by counsel for the Federal Election Commission and, after having been sworn by David Spiegel, Esq., was examined and testified as follows:

EXAMINATION BY COUNSEL FOR THE FEDERAL
ELECTION COMMISSION

BY MR. SPIEGEL:

Q Could you state your name, sir?

A Jimmy A. Hinkle.

Q What is your address?

A 2998 Boring Ridge Drive, Decatur, Georgia.

Q Mr. Hinkle, where are you presently employed?

A Where am I presently employed?

Q Yes.

A I am employed by the Sheet Metal Workers International Association, Atlanta, Georgia.

Q Do you have an attorney present at this deposition?

A Yes, I do.

MR. RANDOLPH: A. Randolph, Jr. I would like to make the statement I made in the previous two depositions which is that by the taking of this deposition, the appearance of this witness, we do not waive any rights under Section 427G(A)(4).

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MR. FISHER: Will the reporter also note the appearance of Donald W. Fisher as counsel on behalf of Sheet Metal Workers International Association Political Action League, PAL.

BY MR. SPIEGEL:

Q What is your position with Sheet Metal Workers, Mr. Hinkle?

A International organizer.

Q What are the duties of that position?

A Primarily to organize the unorganized.

Q Does your job include the conducting of activities on behalf of candidates for Federal office?

A As international organizer, no.

Q Have you ever conducted activities on behalf of candidates for Federal office?

A Yes, I have.

Q Let me turn you for a minute to your international organizer job, approximately how many hours a week do you work on that job?

A Mr. Spiegel, that is a very difficult question to answer mainly because it varies from time to time. I consider myself on call seven days a week, 24 hours a day, which, as

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far as the total number of hours, some days, I may actually put in an hour a day as far as official work, but you take everything into consideration, the driving aspect, flying, getting into and from airports and so forth, I would say on the average, I would -- again, it is hard to come up with an average.

I put in a lot of hours normally.

Q Did you have that international organizer's job in 1976?

A Yes, I did.

Q Could you give me an average per week that you think you might have worked for 1976?

A Average hours per week, just to give you an average, I would say 60 hours a week, something like that. Again, there has to be a lot of things taken into consideration of what you specifically call work, too.

Q I understand.

With reference to your activities on behalf of candidates for Federal office, did any of these activities relate to the presidential candidacy of Senator Henry M. Jackson?

A Yes, they did.

Q About how many hours do you estimate you put in on

behalf of Senator Jackson's candidacy?

A Total hours?

Q Yes.

A That is a very difficult question. I would have to --

Q What months did you put in this activity?

A Primarily the months of March and April of 1976.

Q Did you work on weekdays on this activity?

A Yes.

Q Did you work during the working day on some of this activity?

A During a day, yes.

Q Were you ever paid money by the Sheet Metal Workers International Association Political Action League for costs that you incurred in connection with these activities?

A Yes, I was.

Q Do you recall the amount of this money?

A Yes, I do.

Q Would you state it for the record?

A I received, if my memory serves me correctly, it was \$8,000 in the form of two checks.

Q Was this money in payment for costs that you incurred?

A Yes.

Q On behalf of work that you did for the Senator Jackson for President campaign?

A Yes.

Q Did any of these costs involve signs that were used in the Jackson campaign?

A Yes.

Q Who prepared these signs?

A I believe it was a company by the name of Truhart Printing that printed the signs.

Q Did you or anybody that worked under your authority ever contact Senator Jackson or any members of his staff with regard to the wording of these signs?

A No.

Q Did you or any persons that worked with you have access to any campaign materials that were used by Senator Jackson or his staff?

A Yes.

Q Could you describe what materials these were?

A We had at one time a few of his fliers, leaflets,

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brochures, whatever you want to call them. There were very few because there wasn't very much stuff that was available

Q Do you know how those materials were obtained?

A No, I don't.

Q When you conducted these activities for which you laid out money, did you report to any individual connected with Sheet Metal Workers?

A In regard to my activities and so forth?

Q Yes.

A Yes, I did.

Q Could you state that individual's name?

A General President Edward J. Carlough.

Q Did Mr. Carlough instruct you as to where he wished you to go to make any particular expenditure?

A I wouldn't say he instructed me. He asked me.

Q He asked you.

A Yes.

Q Did you ever make any expenditures in connection with video cassettes?

A Yes.

Q What was the purpose of those expenditures?

A The video cassettes?

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Q Yes.

A We used the video cassettes as well as a television set on most of the vans that we had rented in regard to showing a tape on the television.

Q Where was this tape obtained from?

A That, I couldn't tell you for sure.

Q What was on the tape?

A It was just a filming of Senator Jackson and his campaign beliefs, what he stood for, what he thought was needed in the country and so forth.

Q Do you know who prepared the tape?

A No, I don't.

Q Was Senator Jackson himself on the tape?

A Yes.

Q Was any portion of your costs related to shipment of campaign materials?

A Yes.

Q What were these materials?

A They were some fliers, brochures and some other materials that we had printed up.

Q Who do you mean by "we"?

A The Sheet Metal Workers Political Action League.

ERASABLE
COTTON CONTENT

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ERASABLE
COTTON CONTENT

10

Q Was Senator Jackson or any of his staff contacted with regard to the contents of these fliers?

A Not to my knowledge.

Q Did you yourself prepare these fliers?

A Yes, and made arrangements to have them printed.

Q Who printed them?

A A company by the name, I think it was Edgian Press.

Q Mr. Hinkle, did you ever receive any payment of money from a group called Labor for Jackson?

A Yes.

Q Was Mr. Carlough associated with that group?

A Yes.

Q Did you incur any costs for which this payment was made to you?

A I beg your pardon?

Q Let me restate the question. Did you incur any costs in connection with the Jackson campaign for which Labor for Jackson reimbursed you?

A Yes.

Q This reimbursement was to cover those costs?

A Right.

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ERASABLE

Q Did you speak to Mr. Carlough regarding these costs that you made?

A In some cases, yes.

Q Did Mr. Carlough have a separate office when you spoke to him regarding Labor for Jackson activities?

A Not to my knowledge, no.

Q Have you ever worked as a volunteer for the Jackson for President Committee or any authorized committee of the Jackson campaign?

A ^{Would} I ~~wouldn't~~ say, no, not for the Jackson campaign, no.

Q I am going to show you a copy of a page, page 130 of 151 from the April 10 Jackson for President Committee report. The entry which is in red, which I am going to show you, is payment of an expenditure -- expenses, labor is what is marked -- amounted to \$186.16, the individual to which it is made is Jimmy Hinkle. Is that individual you?

A Yes, I guess it is.

Q What was involved in that expense?

A That was expenses incurred in regard to, if I recall correctly, gasoline and a battery that I had to buy for one of these vans during the Florida primary.

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Q In buying this gasoline, did you have any contact with the Jackson for President people?

A No, I didn't.

Q Who did you mail your bill to?

A I didn't mail it.

Q Who did you give your bill to for this?

A To a man by the name of Ernie Miller.

Q Who is Ernie Miller?

A He is an international organizer for the Sheet Metal Workers.

Q Do you know who Mr. Miller gave your bills to?

A I was told it was a man by the name of Hershey Gold.

Q Do you know who Hershey Gold is?

A To be honest with you, all I have heard on him is hearsay, ^{Gay} what I have heard from other people, understandings from California. What his functions were and so forth, I really don't know.

Q Was he employed by Sheet Metal Workers?

A Not to my knowledge.

Q Did you have any contact with the Jackson for President Committee or any members of the Senator's staff

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in connection with that expenditure?

A No, I did not.

Q Did you discuss with anybody your wanting to make this expenditure for the van prior to the time that you made the expenditure?

A Did I discuss with anybody?

Q Yes.

A Are you speaking of the Jackson for President people or just anybody?

Q Anybody.

A Yes.

Q Who did you speak to?

A I had conversation with various organizers and members of the local union working with me in this effort.

Q The Sheet Metal Workers?

A Yes.

Q Did you get any authorization from anybody in Sheet Metal Workers when you went ahead and made this expenditure?

A Yes.

Q Have you made any personal contributions or loans to Senator Jackson's presidential campaign?

A Yes, I did.

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HEMLOCK
ERASABLE

Q Could you state the amount, if you recall?

A I would think it was about \$100.

Q Were you contacted by anybody with regard to making this contribution?

A I might have received a letter. I am sure I did receive a letter asking if I wished to make a voluntary contribution.

Q A letter from whom?

A It was probably from the Sheet Metal Workers Political Action League. I am not positive now. But I would say it was them.

MR. SPIEGEL: No further questions.

Ms. Browning, do you have any questions?

BY MS. BROWNING:

Q I have a couple of things.

Mr. Hinkle, when you incurred campaign costs, were you told or did you know who would be reimbursing you for those expenditures?

A Well, it depends on the particular situation, Ms. Browning. In Florida, for example, I don't know who would reimburse me, no.

Q In that case, that reimbursement came from the Jackson

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for President Committee?

A The only name I heard mentioned was Hershey Gold. If he was from the Jackson for President Committee, then that is where it came from.

Q Did you receive the money in the form of cash or a check?

A To be perfectly honest with you, I don't recall. I do think it was in the form of cash because I do not recall cashing that check.

Q Do you remember when you received it from whomever the money came from?

A I stated that Ernie Miller was the guy that gave me the money.

Q When you were paid by the Labor for Jackson Committee, was that in the form of reimbursements for expenditures you had made?

A Yes.

Q Did you know when you incurred those costs that you would be reimbursed by the Labor for Jackson Committee?

A Yes.

Q With respect to those payments, did you send bills to the Labor for Jackson Committee?

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A Yes.

Q To whom did you send the bills, do you remember?

A To the best of my knowledge, I sent them to Edward J. Carlough, Chairman of the Labor for Jackson -- chairman or secretary, whatever his position was -- Labor for Jackson Committee.

Q Was the Labor for Jackson Committee reimbursement to you in the form of cash or check?

A Check.

MS. BROWNING: I have no further questions.

EXAMINATION BY COUNSEL FOR JIMMY A. HINKLE

BY MR. RANDOLPH:

Q I have a few questions.

Mr. Hinkle, does the Sheet Metal Workers International Association-PAL receive voluntary donations?

A Yes.

Q In making a voluntary donation to PAL, could an individual designate money to be donated for the Jackson campaign?

A Yes.

Q Did you make a \$100 contribution to the Sheet Metal Workers International Association-PAL?

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A Yes.

Q When Mr. Spiegel asked you and you answered ^{YES} ~~when~~ *you*

you made a donation to the Jackson campaign, were you referring to that \$100 donation?

A Yes, I was.

MR. RANDOLPH: No further questions.

MR. SPIEGEL: Thank you.

(I have read the foregoing pages 3 through 17, inclusive, which contain a correct transcript of the answers made by me to the questions therein recorded.)

Jimmy A. Hinkle
JIMMY A. HINKLE

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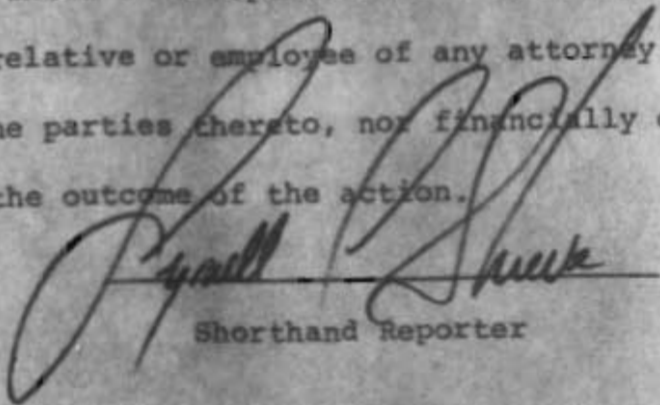
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CERTIFICATE OF SHORTHAND REPORTER

I, Lynell C. Shreve, shorthand reporter, do hereby certify that the testimony of the witness appearing in the foregoing deposition at pages 3 through 17, inclusive, was taken by me in shorthand and thereafter reduced to typewriting under my direction; that the said deposition at said pages is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.


Shorthand Reporter

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FEDERAL ELECTION COMMISSION

-----X
In the Matter of :
 :
LABOR FOR JACKSON and :
SHEET METAL WORKERS : MURs 236,266 (76)
INTERNATIONAL ASSOCIATION~ :
POLITICAL ACTION LEAGUE :
-----X

Washington, D. C.

Friday, August 12, 1977

Deposition of

LAWRENCE McLAUGHLIN

a witness in the above-entitled matter, called for examination
by counsel for the Federal Election Commission, pursuant to
notice, taken at the offices of the Federal Election Commission,
1325 K Street, N.W., Washington, D.C., beginning at 12:05 p.m.,
before David Spiegel, when were present on behalf of the
respective parties:

Milton & Greenwood Reporting Associates, Inc.

(formerly Reynolds Reporting Associates, Inc.)

OFFICIAL REPORTERS

1028 Connecticut Ave., N.W., Suite 1110

Washington, D.C. 20036

Phones: (202) 833-3698

833-3699

79040122380

For the Federal Election Commission:

DAVID SPIEGEL, ESQ., and
JUDITH BROWNING, ESQ.
1325 K Street, N.W.,
Washington, D. C. 20463

For Lawrence McLaughlin:

A. RAYMOND RANDOLPH, JR., ESQ.
1220 - 19th Street, N.W.
Washington, D.C. 20036

For the Sheet Metal Workers International
Association-Political Action League:

DONALD W. FISHER, ESQ.
Suite 741
National Bank Building
Toledo, Ohio 43604

C O N T E N T S

EXAMINATION BY COUNSEL FOR:

FEDERAL ELECTION COMMISSION
(Mr. Spiegel) (Ms. Browning)

WITNESS:

LAWRENCE McLAUGHLIN

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LAWRENCE McLAUGHLIN
(Mr. Randolph)

21

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Thereupon

LAWRENCE McLAUGHLIN

a witness, was called for examination by counsel for the Federal Election Commission and, after having been sworn by David Spiegel, Esq., was examined and testified as follows:

EXAMINATION BY COUNSEL FOR THE FEDERAL
ELECTION COMMISSION

BY MR. SPIEGEL:

Q Could you state your name for the record?

A My name is Lawrence D. McLaughlin.

Q What is your address, Mr. McLaughlin?

A 160 Green Street, Waymouth, Massachusetts.

Q Where are you employed?

A Sheet Metal Workers International Association.

Q Mr. McLaughlin, are you aware that you have a right to have a counsel present at this deposition?

A Yes, I am.

Q Do you have counsel present?

A Yes.

Q Could counsel enter their appearances for the record?

MR. RANDOLPH: My name is A. Raymond Randolph, Jr.

I am here appearing on behalf of Mr. McLaughlin. I would like to make the same statement that I made with regard to the

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deposition of Mr. Carlough that was just taken. That is, by this appearance, we don't waive any rights under Section 437G(A)(4).

MR. FISHER: I would like the record to note the appearance of Donald W. Fisher. I am counsel for PAL, the Sheet Metal Workers International Association-Political Action League.

BY MR. SPIEGEL:

Q What position do you hold with the Sheet Metal Workers?

A I am an international organizer for sheet metal workers.

Q How long have you been so employed?

A Since January 1975.

Q Have you been employed continuously in that job?

A Yes.

Q What does an international organizer do?

A Basically organize the unorganized section of the industry.

Q Do any of your duties include the involvement and making of contributions or expenditures for candidates for Federal political office?

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A No.

Q Have you ever been involved for Sheet Metal Workers in the making of expenditures for candidates for Federal office?

A Yes.

Q Could you state the approximate hours per week that you work as an international organizer?

A It varies. I would say it would be 40 to 50 hours a week.

Q How many ^{vacation days} ~~vacations~~ would you get in a year?

A Fourteen.

Q Have you ever made any expenditures in connection with the presidential campaign of Senator Henry Jackson?

A Yes.

Q Have you ever been reimbursed for expenditures made on behalf of the Jackson presidential campaign by Sheet Metal Workers Political Action League?

A No.

Q You have not?

A No.

MR. RANDOLPH: Off the record.

(Discussion off the record.)

BY MR. SPIEGEL:

Q I am going to show you a copy of a page, Mr. McLaughlin, that is from the Sheet Metal Workers International Association Political Action League, June 10 report. It is an entry dated March 25, 1976. It is blocked out in yellow and it reports and expenditure or a payment to you for \$5,000 on March 25 for purposes of making independent expenditures on behalf of PAL in support of Senator Henry Jackson's candidacy. Do you recall receiving that money, Mr. McLaughlin?

A Yes, I do.

Q Could you describe what sort of expenditures you were being reimbursed for?

MR. RANDOLPH: I am going to object to that, Mr. Spiegel, for the same reason I have just stated. I think you are assuming that you haven't established with the witness, ^{what} ~~that~~ this is a reimbursement for expenditures. I don't think we have established what that \$5,000 represents. I don't think it was so described in the description given on the Federal Election Commission report.

BY MR. SPIEGEL:

Q The entry reads for purpose of making independent

expenditures on behalf of PAL in support of Senator Jackson's candidacy.

MR. RANDOLPH: That is my point. When you frame it in terms of reimbursement, it assumes that money was spent and that he is being given money back. I think if you ask what the money is for and get into it that way, you will get a clear picture of exactly what happened.

BY MR. SPIEGEL:

Q Who paid you this money, which individual paid you this \$5,000?

A It was forwarded to Syracuse, New York, and it was there upon my arrival. It was forwarded to me by the business manager of Local 58, Syracuse, New York.

Q Did you conduct any activities in connection with the Jackson campaign that formed a basis for that reimbursement, for that payment of money?

A Yes.

Q Did any portion of that activity relate to the making of signs and handbills for labor groups that were supporting Senator Jackson?

A Yes. The signs, I can't say handbills.

Q Who prepared the signs?

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A The signs were prepared in Rochester, New York. I think we bought the blackouts and we got volunteer workers to prepare the signs.

Q Did you or anybody whom you are familiar with contact the Jackson for President Committee or any authorized committee of Senator Jackson with regard to the wording of these signs?

A No.

Q How was the wording of the signs developed?

A Just our own design, that is all.

Q Did you or any person who was working for you contact the Jackson for President Committee or an authorized committee of Senator Jackson to obtain Jackson campaign literature?

A No.

Q Did you have access to Jackson campaign literature?

A No.

Q Did a portion of this \$5,000 involve costs that you incurred for renting vehicles to transport voters to the polls in connection with Senator Jackson's presidential campaign?

A No.

Q Did you employ any volunteers in the course of

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conducting the activities for which this payment of \$5,000 was paid to you?

A Employ, no.

Q Did you use any volunteers?

A Yes.

Q Where were these volunteers from?

A They were from the various building and trade unions in upstate New York.

Q By building and trade unions, you mean Sheet Metal Workers?

A Yes.

Q Other unions?

A Yes.

Q Were the workers primarily from Sheet Metal Workers?

A The majority.

Q Were you ever paid any moneys by a group called Labor for Jackson?

A Yes, I was.

Q Do you recall the amount that was involved?

A Not exactly. It was \$250, I believe.

Q What was the basis for which this repayment was made?

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A It was for a rental of a station wagon.

Q Who did you ~~deem~~ ^{Qca/WITHIN} within Labor for Jackson in connection with making this expenditure?

A No one.

Q Who authorized you to conduct the activities which then led to your reimbursement for the expenditure?

A From Labor --

Q Labor for Jackson.

A Nobody did.

Q Did you do these activities completely on your own?

A The expenditure was made completely on my own, yes.

MR. RANDOLPH: Could we go off the record? I would like to clarify a point that I believe was a mistake that was made I noticed last night. If you want to do it now, fine. If you want me to bring out the error, then I will in questioning.

MR. SPIEGEL: Why don't you bring it out in the questioning.

MR. RANDOLPH: I think it would help you if I brought it out now because it is about the subject you are asking about.

MR. SPIEGEL: When we get to a point at which you are

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going to ask the questions, why don't we cover it at that point.

MR. RANDOLPH: All right.

BY MR. SPIEGEL:

Q With regard to that \$5,000 that you received from Sheet Metal Workers International Political Action League, did any individual authorize you to conduct the activities for which you received these reimbursements?

A For the reimbursements? You are talking about the \$250?

Q I am talking about that \$5,000 that we just talked about with Sheet Metal Workers Political Action League.

A There were no reimbursements in connection with that, if I am understanding your question properly.

Q Mr. McLaughlin, I am referring to this page of the campaign report which I think we will enter as an exhibit; Exhibit 1. This is the page that I showed to you earlier. It states that this is a payment to a Lawrence McLaughlin for the purpose of making expenditures made by Sheet Metal Workers Political Action League.

I am asking you who authorized you to conduct the activities which you state underlay that payment of moneys.

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A The General President of Sheet Metal Workers.

Q Who was that person?

A Mr. Carlough.

Q Did you have any conversations with Mr. Carlough about the general nature of your activities; what they would be?

A Primarily to work with building trades and labor groups in support of Senator Jackson in the New York State primary.

Q But how much time did you spend on these activities?

A Probably 10, 12 hours a day.

Q From when to when?

A It varied. Usually it was mid-morning on. Probably from 10:30 to 11:00 o'clock in the morning.

Q During which months in 1976 did you do this?

A I believe that was April of 1976.

Q Any other months?

A March and February.

Q This is weekdays as well as weekends?

A Yes.

Q In connection with this work that you did, did you yourself ever have occasion to contact Senator Jackson

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or any member of his campaign staff?

A No.

Q With regard to the moneys, that \$250 of moneys that you received from Labor for Jackson, did you deal with Mr. Carlough at all?

A No. Before I spent the moneys, you are referring to? I am confused now. Before I spent the money?

Q Yes.

A No, I didn't.

Q Did you spend the money totally on your own authority?

A Yes.

Q You were aware of whether Mr. Carlough was connected with Labor for Jackson?

A No.

Q Were you ever authorized by Labor for Jackson to make this expenditure?

A No.

Q Were you ever given any instructions as to the amount of time or what time you could spend campaigning or doing work for Senator Jackson?

A No.

Q Have you yourself ever made any personal contributions

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or loans to Senator Jackson?

A No.

Q Do you know of any other individuals who worked in Sheet Metal Workers who volunteered time or were employed by the Jackson for President campaign, Jackson for President Committee?

A I know none of them employed by the Jackson for President Committee.

MR. SPIEGEL: No further questions.

Ms. Brownings, do you have any questions?

BY MS. BROWNING:

Q Did you receive money from the Jackson for President Committee?

A Yes, I did.

Q Was that money received as reimbursement for expenses you had made?

A Yes.

Q Could you describe about how much time you spent campaigning for the Jackson for President Committee?

A In days? Would that be the best way to put it?

Q That would be fine.

A I would say somewhere in the vicinity of 30. That

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is a guess.

Q About when did that activity take place?

A February, March and April of '76.

Q Did you speak to any officers of Sheet Metal Workers International Association or the Political Action League with respect to those activities which you had conducted for the Jackson for President Committee?

A I didn't conduct any activities for the Jackson for President Committee.

Q The campaign activities we were speaking of earlier, did you discuss any of those activities?

A Yes, I did.

Q With whom did you discuss those?

A General President Carlough.

Q Could you describe the discussion that you had with Mr. Carlough regarding those activities?

A It was basically to make contact with building trade groups and other labor organizations on behalf of Senator Jackson's candidacy.

Q Did any of the discussions involve your reciting to Mr. Carlough the kind of work you had done for the Jackson for President Committee?

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A Occasionally, yes.

Q When you --

MR. RANDOLPH: I am going to have to object because we are getting testimony on the basis of confusion rather than the facts. This gets back to the Jackson for President Committee as opposed to the Jackson for President campaign. I am not sure the witness understands your questions in the technical sense in which I think you intend them.

MS. BROWNING: I can make them a little more specific.

MR. SPIEGEL: Does the witness understand the question as Mr. Randolph has objected?

THE WITNESS: Not thoroughly. To her first question, Jackson for President Committee, I don't --

BY MS. BROWNING:

Q Let me repeat the questions so it they are clear on the record.

MR. SPIEGEL: Why don't you state for the record any understanding that you have that you want to make right now and then we will continue with the questioning.

MR. RANDOLPH: I do this only to clarify it. There is the Jackson for President campaign which is generally the campaign that Senator Jackson waged to try to win the

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primary elections. There is an entity called the Jackson for President Committee which was a committee that worked on Senator Jackson's behalf and was an authorized committee of his candidacy. They are two different things. I think our questions may have been confusing the two, not necessarily because of the way the questions were asked, but I don't believe the witness was focusing on that. I just wanted to clarify that.

MR. SPIEGEL: Mr. McLaughlin, do you understand the distinction?

THE WITNESS: Yes.

MR. SPIEGEL: Did you understand the distinction before?

THE WITNESS: That is why I raised the question; Jackson for President, she asked about the reimbursement from the Jackson for President Committee and the fact that I worked for the Jackson for President Committee, the answer to that -- I just don't know how the last question went.

BY MS. BROWNING:

Q Let me summarize the points for a couple of moments, then I will repeat the question.

You mentioned that you did do some campaigning for the Jackson for President Committee.

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A No, I didn't.

Q Did you receive money from the Jackson for President Committee?

A Yes.

Q What was that money in payment for?

A It was in payment for a suite I rented at the Hotel Statler in Boston.

Q Was the use of that hotel in connection with the campaigning for Senator Jackson's candidacy?

A Yes.

Q Was this in the form of a reimbursement?

A Yes.

Q For money that you had personally expended?

A Yes.

Q So that in order to be a little more clear, you were receiving reimbursement from the Jackson for President Committee for activities which you were conducting on behalf of Senator Jackson's candidacy?

A I did receive a reimbursement.

Q Did you discuss with Mr. Carlough any of the activities for which this money was given to you?

A Yes.

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Q He was aware of the fact that you had received money and that you had conducted this activity in, I believe it was New York, is that what you said, in Boston?

A Massachusetts. I don't know if he was aware of the reimbursement. He was aware of the fact that I had incurred an expense.

Q Did you ever have any other discussions with Mr. Carlough or any other officers of Sheet Metal Workers regarding any work you were doing, your campaign work for the Jackson for President Committee?

A I didn't do any campaign work for the Jackson for President Committee.

Q I guess the confusion lies in this money which you received from the committee, which was in connection with campaign work that you were doing for them, I mean campaign work.

A It wasn't campaign work.

Q What kind of work was it?

A I was campaigning with the building and trade people in the various union groups.

Q How did the Jackson for President Committee know to reimburse you for that money that you had spent?

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A I really don't know. I forwarded the reimbursement in and I received it from them.

Q To whom did you send the bill?

A To our general office in Washington.

Q To the Sheet Metal Workers' general office?

A Yes.

Q The payment for that bill came from the Jackson for President Committee?

A Yes.

Q The money that you received from the Labor for Jackson Committee, was that in the form of a reimbursement?

A Yes.

Q Was that conducted in the same way you would send a bill in and receive reimbursement?

A Yes.

Q To whom did you send the bill?

A The Sheet Metal Workers' general office.

Q You were not aware that the payment would come from Labor for Jackson?

A No.

Q How did you know when you were campaigning, when you were making expenditures, which were reimbursed by the

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Jackson for President Committee or Labor for Jackson, how did you determine where you were going to go to campaign and make expenditures?

A It was almost on the basis of what was required consistent with the work I was doing.

Q Who would tell you?

A Nobody particularly would tell me.

Q How did you come to the decision to go to New York, for example?

A I volunteered my services to go to New York.

Q To whom did you volunteer?

A To Mr. Carlough.

MR. BROWNING: I have no further questions.

MR. SPIEGEL: Mr. Randolph, any questions?

EXAMINATION BY COUNSEL FOR LAWRENCE McLAUGHLIN

BY MR. RANDOLPH:

Q Let me begin with the last topic.

Mr. McLaughlin, in regards to your going to New York, isn't it a fact that you were also requested to go to New York by a local union member?

A Yes.

Q Would you name that individual?

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A His name was Bill Mazur. He is the business manager of Local Union 58, Syracuse, New York.

Q Would you describe why he requested you to come to New York?

A For an organizational campaign with three non-union ^{employers} ~~employees~~.

Q Let me also read to you a statement, and I am reading from a letter dated May 31, 1977, ^{To} ~~from~~ Mr. William C. Oldaker, signed by Edward J. Carlough, page 5.

MR. SPIEGEL: Before you read from this letter --

MR. RANDOLPH: Do you have an objection?

MR. SPIEGEL: Yes, to question the witness about his personal resources --

MR. RANDOLPH: I am asking whether he believes the statement is accurate.

MR. SPIEGEL: This letter was not written by the witness.

MR. RANDOLPH: I realize that. But I can ask him a question.

BY MR. RANDOLPH:

Q What do you say to the accuracy of this statement: "Mr. McLaughlin rented a van from Hertz Rent-A-Car in Philadelphia, Pennsylvania, on April 28, 1976, and kept the

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van for a period of one week"?

A It is an accurate statement.

Q It is accurate?

A Yes.

Q What date was the Pennsylvania primary, do you recall?

A I honestly can't remember.

Q Did you rent this van prior to the Pennsylvania primary?

A No.

Q Election?

A Prior to the election, yes.

Q If the date of the election were prior to April 28, 1976, would this be a correct statement?

A Yes. If the date of the primary is the 28th?

Q If the statement is you rented the van on April 28, 1976, and the primary occurred before April 28, 1976, would that be an accurate statement?

A No.

MR. RANDOLPH: No further questions.

(I have read the foregoing pages 3 through 23, inclusive, which contain an accurate transcript of the answers made by me to the questions therein recorded.)

Lawrence J. McLaughlin
LAWRENCE McLAUGHLIN

CERTIFICATE OF SHORTHAND REPORTER

79040122403

I, Lynell C. Shreve, shorthand reporter, do hereby certify that the testimony of the witness appearing in the foregoing deposition at pages 3 through 23, inclusive, was taken by me in shorthand and thereafter reduced to typewriting under my direction; that the said deposition at said pages is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.



Shorthand Reporter

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Official
Transcript

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

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FEDERAL ELECTION
COMMISSION

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JOHN P. COUNTS
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ROBERT D. KURNICK

* PL. BAR ONLY

October 17, 1977

703038

Ms. Peggy L. Greenwood
Vice President
Milton & Greenwood Reporting
Associates, Inc.
Suite 1110
1028 Connecticut Avenue, N.W.
Washington, D.C. 20036

Re: Labor for Jackson and Sheet Metal Workers
International Association - Political Action
League, MURS 236, 266 (76)

Dear Ms. Greenwood:

Pursuant to your request, I am returning herewith a corrected version of the original copy of Mr. Keenan's deposition. In accordance with your request, Mr. Keenan has made the corrections in ink, initialed them, and placed an asterisk at the end of each correction. At the bottom of each page on which a correction appears, a letter has been placed by Mr. Keenan to indicate the reason for the correction. Letter "A" stands for a correction to correct stenographic errors; letter "B" to conform with the facts; and letter "C" to clarify the record.

Sincerely,

SHERMAN, DUNN, COHEN & LEIFER

By Elihu I. Leifer
Elihu I. Leifer

EIL:laf
Enclosure

cc: David Spiegel, Esq.
A. Raymond Randolph, Jr., Esq.

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LAW OFFICES

SHERMAN, DUNN, COHEN & LEIFER

1125 FIFTEENTH STREET, N. W.

SUITE 801

WASHINGTON, D.C. 20005

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'77 OCT 20 AM 10:20

David Spiegel, Esq.
1325 K Street, N.W.
Washington, D.C. 20463



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(formerly Reynolds Reporting Associates, Inc.)

General Plaintiffs Reporting

Suite 1110

1028 Connecticut Ave., N.W.

Washington, D.C. 20036

October 28, 1977

R. E. Milton
President
P. L. Greenwood
Vice President
Secretary-Treasurer

Phone:
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Notary Public
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77 OCT 31 PM 4:13

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

703175

RE: In the Matter of: LABOR FOR JACKSON AND SHEET METAL WORKERS
INTERNATIONAL ASSOCIATION-POLITICAL ACTION LEAGUE, MURs 236, 266 (76)

Dear Mr. Spiegler:

Submitted herewith for filing the deposition of JOSEPH DANIEL
KEENAN, the deponent having read corrected and signed said original
transcript of the deposition taken on October 3, 1977.

Sincerely yours,

MILTON & GREENWOOD REPORTING
ASSOCIATES, Inc.

Peggy L. Greenwood
Peggy L. Greenwood
Vice President

cc:
Elihu I. Leifer, Esq.
file

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BEFORE THE FEDERAL ELECTION COMMISSION

BCL

In the Matter of:

LABOR FOR JACKSON and
SHEET METAL WORKERS INTERNATIONAL
ASSOCIATION-POLITICAL ACTION LEAGUE

MURs 236,266 (76)

Washington, D. C.

Monday, October 3, 1977

Deposition of

JOSEPH DANIEL KEENAN

a witness in the above-entitled matter, called for examination
by counsel for the Federal Election Commission, taken at the
offices of the Federal Election Commission, 1325 K Street,
Northwest, Washington, D. C., beginning at 1:05 p.m., before
David Spiegel, when were present on behalf of the respective
parties:

MILLERS FALLS
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OFFICIAL REPORTERS

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Washington, D.C. 20036

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For the Federal Election Commission:

DAVID SPIEGEL, ESQ. and
JUDITH BROWNING, ESQ.
1325 K Street, N. W.
Washington, D. C. 20463

For Joseph D. Keenan:

SHERMAN, DUNN, COHEN & LEIFER
By: ELIHU I. LEIFER, ESQ.
1125 - 15th Street, N. W.
Washington, D. C. 20005

For the Sheet Metal Workers International
Association-Political Action League:

DONALD W. FISHER, ESQ.
Suite 741, National Bank Building
Toledo, Ohio 43604

C O N T E N T S

EXAMINATION BY COUNSEL FOR:

FEDERAL ELECTION COMMISSION
(Mr. Spiegel) (Ms. Browning)

WITNESS:

JOSEPH DANIEL KEENAN

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Thereupon

JOSPEH DANIEL KEENAN

a witness, was called for examination by counsel for the Federal Election Commission and, after having been sworn by David Spiegel, Esq., was examined and testified as follows:

EXAMINATION BY COUNSEL FOR THE FEDERAL ELECTION COMMISSION

BY MR. SPIEGEL:

Q Would you state your name for the record, sir?

A Joseph Daniel Keenan.

Q What is your address?

A 2727 - 29th Street, Northwest, Washington, D. C.

Q Where are you presently employed, sir?

A I am retired. I am not employed. I am spending part time at the Americans for Energy Independence and -- well, I am president, which is a president of the Labor Trades Department of the American Federation of Labor, which involves the chairing of about four executive council meetings a year and chairing a convention.

Q Were you retired in 1976, sir?

A Yes, April 1st.

Q What was your employment prior to that time?

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A International Secretary of the International Brotherhood of Electrical Workers.

Q Have you ever been associated with the Sheet Metal Workers International?

A No, sir.

Q Have you ever been associated with the Marine Engineers?

A No, sir.

Q In 1976, did you have occasion to be associated with a group called Labor for Jackson?

A Yes, sir.

Q What was your position with that group?

A *CHAIRMAN*
President. *[Signature]*

Q Did you receive any pay or salary for that position?

A No, sir.

Q Did any other officials who worked with that group receive any pay?

A Not to my knowledge.

Q How did you come to be employed by Labor for Jackson?

A They said they were setting up a ~~union~~ *[Signature]* organization for Jackson and were looking for officers. The committee came to me and asked me if I would serve as chairman.

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Q When you say committee are you referring to any particular individuals?

A There were three that were interested in developing it.

Q Who were these three?

A Well, there was Eddie Carlough and Jesse Calhoun. I think those are the ones.

Q Calhoun is with Marine Engineers?

A Yes.

Q Who was the third person?

A I am not sure who the third one is. There were four or five that made contributions. But I am not sure.

Q But you said there was a third person in that group who approached you. Do you remember that person's name?

A I couldn't tell the group that made up the organization. These are organizations I had been associated with.

Q About when did this conversation take place when they asked you to serve with Labor for Jackson?

A The first time?

Q The first time you were approached?

A I was approached the first time before I resigned

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from the Electrical Workers. I told them that I wouldn't do anything in politics until after I resigned. I think that it was about the 15th of April before I considered and accepted the position; sometime in there, I am not sure.

Q During the course of this discussion with Mr. Calhoun and Mr. Collin and whoever was there, was the purpose for which the group was established mentioned?

A Well, anyone that had anything to do with labor politics knew what the purpose was. So it was generally accepted that this was an organization set up to try to help the candidacy of Scoop Jackson.

Q What was your role in this group, as chairman?

A Just chairman.

Q What were the responsibilities of that involved?

A I didn't have any, other than to take care of signing checks, and that was it.

Q Who handled the assigning of personnel to perform various tasks for the group?

A We didn't have a going organization. This was just an organization to collect money and distribute it.

Q Did you have an address that you worked out of?

A Out of 2727 --

Q 2727 what?

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A I worked out of 2727-29th Street, Northwest.

Q How many people were at this address working for Labor for Jackson?

A Just myself; and my wife. That is home.

Q Did Mr. Carlough operate out of this address at all?

A No.

Q Where did he perform the work for the group from?

A His office.

Q At the Sheet Metal Workers?

A Yes, sir.

Q Were you associated with any other groups that made contributions to, expenditures on behalf of the Jackson campaign?

A How do you mean that?

Q During the course of 1976, did you belong to any other groups besides Labor for Jackson that supported Senator Jackson's presidential campaign?

A Yes, I was international secretary of the Electrical Workers. I administered their fund. I gave up that administration on March 31, when I resigned. Out of our fund we made contribution to the Jackson -- different Jackson committees.

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Q To your knowledge, was there any discussion of any other groups like Labor for Jackson that were to be formed to support the Jackson candidacy?

A No, not in my presence.

Q During the first six months of 1976, did you have any social contacts with any members of Senator Jackson's staff?

A Social contacts? What do you mean by that?

Q Dinners, getting together informally?

A Cocktail parties, is that what you are talking about?

Q Things like that.

A You get these invitations in the mail. If I felt like it, I would go to them, show my appearance.

Q How many of these things would you say you attended?

A I wouldn't be able to tell you, one, two, three, whatever group was holding it.

Q Who gave these cocktail functions or whatever?

A I couldn't tell you right off now. I got five or ten a day during periods of different candidates. You would select the ones that you would feel you would like to show up at.

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Q Were these parties given by Senator Jackson himself or his staff?

A No, these were people supporting him.

Q Did you have any occasion in the first six months of 1976 to have any business contacts with members of Senator Jackson's staff? I am talking about people --

A No, I was in no position after I left the Electrical Workers. I just had no business dealings with Senator Jackson. In my association as secretary of the Electrical Workers, I might have talked to him about collection procedures or something.

Q But after you left the Electrical Workers in your knowledge you had no contacts with any members of his staff?

A No.

Q Is the name Bob Keefe familiar to you?

A Bob Keefe?

Q Yes.

A Sure, I have known Bob Keefe for years.

Q Did you have any contact with him in 1976?

A Sure, I talked to him; not on meetings; I would meet Bob or if I met him, I stopped and talked to him.

Q In 1976?

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A Sure, during the campaign, certainly.

Q How many times did you see him?

A I couldn't tell you.

Q A number of times?

A I met him at meetings.

Q Do you remember the substance of any of these discussions?

A No, sir.

Q How about the name Hershey Gold, is that a name that is familiar to you?

A I don't remember that name at all.

Q Would you say these meetings that you had with Bob Keefe or these discussions you had with Bob Keefe were more than a half dozen?

MR. LEIFER: You are referring to 1976?

MR. SPIEGEL: 1976.

MR. LEIFER: Just 1976?

MR. SPIEGEL: Just 1976.

THE WITNESS: You are talking about official meetings?

BY MR. SPIEGEL:

Q No, I am just talking about discussions, get-togethers.

If I would meet him on the street, he and I covered the same area every day. We would meet, say hello, ask how things are

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going; like I do with hundreds of people around Washington in my last twenty years. I have been active in this field for twenty years. So, Bob has been around here for twenty years, I believe, working for the Democratic National Committee and working for a half dozen -- he is a fellow you would stop and talk to. But there were no meetings, I would just stop and talk to him.

Q Did you ever discuss the Jackson campaign with him?

A I certainly would ask him how things were going, that is about all.

When we went out of business, we went out of business about, right after the Pennsylvania primary. I think we pretty near folded then. Then that was it as far as the Jackson club was concerned or Jackson organization.

Q I believe you stated that you signed the checks for Labor for Jackson. Was this to cover expenditures of persons that were working for you?

A No. They were whatever was sent in to me to pay.

Q Did you have any role in deciding the purposes for which these payments were allocated?

A No. I took whatever was sent to me and had the proper okays; the secretary sent the check to me and I signed

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them.

Q Do you have any knowledge of how persons were selected by Labor for Jackson to perform various duties for it?

A None at all.

Q Who did make those decisions?

A Well --

MR. LEIFER: Don't guess, Mr. Keenan, only if you know.

THE WITNESS: I don't know.

BY MR. SPIEGEL:

Q I am going to show you a list that we have compiled from the reports of Labor for Jackson. The reports are appended to the list. But this is the list of all expenditures made by Labor for Jackson. The reports follow that. Are those expenditures you are referring to for which you signed checks?

A Yes, sir.

Q Take your time and examine the list. As you will note from the summary of the list, the summary sheet that a number of those expenditures are for printing costs, recording costs, things like that. Do you know what companies or who was involved with that?

A Well, with every one of these bills that were sent

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or individual govt
 to me, there was a company ^{or individual govt} and in most cases I made the checks out to the company ^{or individual govt} that sent in the billing.

Q Do you know if Labor for Jackson made any attempt to reach Senator Jackson or any members of his staff before it made its expenditures?

A I wouldn't know that. I wouldn't know that. They asked me to be chairman. And I agreed to it. The fact of the matter is, I have been Jackson's friend from the day he came to Washington.

Q Did you, yourself, ever have occasion to contact Bob Keefe, Senator Jackson, any members associated directly with his campaign with regard to your activities with Labor for Jackson?

A No, because I was active with Jackson long before this group, long, long before. I was active in 1968; I was active in '72, and I was active in the early days of '75. I was associated with Jackson down through the years. And with the Brotherhood I was head of the political operation there for 22 years. So, I knew all these fellows personally.

Q Were you familiar at the time you took the job with the way Senator Jackson was operating his 1976 campaign?

A Was I?

Q Yes.

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14

A No, he wasn't because I was -- in '76?

Q In '76?

A In '76, as I told you, I didn't get directly connected with that. I was making, contributing whatever help I could as an individual but as secretary to the Electrical Workers which I had a right to do. I had no involvement. ~~That was a person, an office, elected to a trade union.~~

Q To your knowledge, do you know if any other members, persons associated with Labor for Jackson, had any contact with Senator Jackson or his staff in the early part of '76?

A I don't know. That is everyone's personal privilege to support a candidate. When you get into the organization, that is another business, that is another thing. ~~Your personal interest in a candidate is only elective.~~

Q Did Labor for Jackson, to your knowledge, maintain its own bank account under which the expenses were made to various persons who worked for the Jackson campaign?

A They might have had, but there is no -- that might be another account. I didn't know anything about that.

Q What was the account that you were dealing with?

A No. This account was just the Labor for Jackson, and

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it was just a limited number of unions that made contributions.

MR. LEIFER: Could we go off the record?

MR. SPIEGEL: Sure.

(Discussion off the record.)

BY MR. SPIEGEL:

Q Do you have any knowledge of a \$20,000 transfer of monies that was reported by the Labor for Jackson from Marine Engineers Beneficial Association?

A That is in the records. I think that is in the first report that I made to --

Q Did you have any participation in the making of that?

A No, that was all there, and we banked it. I think on that date it was seven or eight checks that were banked that started us off.

Q Do you know who contacted Marine Engineers about this?

A This state was in a formation state for three or four months before I finally went over and took over the presidency. *CHAIRMANSHIP. A. J. H.*

MR. SPIEGEL: Judy, do you have any questions?

BY MS. BROWNING:

Q I just have a couple of questions. You say that

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you signed the checks for amounts which were sent to you from another person.

A Yes.

Q How did you know when to issue the checks?

A They went through -- this is the kind of things. I would get these bills.

Q Where would the bills come from?

A They would come from out in the field, wherever these campaigns were going on.

Q From the individuals that are listed?

A There were four or five campaigns going on at the same time, one in Massachusetts, one in New Hampshire, one in Pennsylvania, one in Indiana, I believe. I think there was one out in the coast, too, if I am not mistaken.

Q Would there be some sort of authorization for you to pay the bills or did you -- how did you know when these bills arrived --

A They would come in, they were sent in from an office that we were in contact with. I forget the gentleman's name. He would send them in, and we then would go over them, they were okayed properly, and then I signed them. They had a certain okay that I would recognize. Then I authorized

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them to draw the check.

Q Who would go over them to see that they were all right for payment?

A The people that I was dealing with in the check, the person that was doing that work for the committee, Jackson for President, or whatever our committee name was.

Q What was the name of the person, do you remember?

A I don't know. I don't know. I would have to get that.

Q Did you get any sort of authorization from Mr. Carlough before you would make payment?

A He was the secretary. He was the fellow. They came through him. I just accepted what he sent me. So I don't know who he had working on them.

Q So the bills would come through him before they came to you for payment?

A True. He was one of the persons that was designated. He was busier than the devil with his own business. He probably had somebody assigned to do it. I accepted them as they were sent.

Q Did you have any meetings with the other Labor for Jackson officers after you were first contacted to be the

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chairman?

A No. We were on the go all the time at that time. That was in the heat of the primaries. I had other interests. We were all going different directions. We may get together at a general meeting of committees for Jackson. But as that single group, I don't think we had over one or two meetings. Then there were offshoots of other meetings.

Q Do you recall whether Labor for Jackson solicited any other groups for contributions to the Labor for Jackson Committee other than those initial amounts which were contributed?

A I don't know. I am sure they did. I would think they did. But I am not sure.

MS. BROWNING: I don't have any other questions.

MR. SPIEGEL: Just one more point for the record.

Mr. Keenan, are you represented here by an attorney today?

THE WITNESS: Yes.

MR. SPIEGEL: Would he identify himself for the record?

MR. LEIFER: Elihu I. Leifer.

MR. SPIEGEL: Mr. Leifer, do you have any questions?

MR. LEIFER: No, I don't.

MR. SPIEGEL: Thank you very much, sir.

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(I have read the foregoing pages 3 through 18, inclusive, which contain an accurate transcript of the answers made by me to the questions therein recorded.

Joseph Daniel Keenan
JOSEPH DANIEL KEENAN

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CERTIFICATE OF SHORTHAND REPORTER

I, Lynell C. Shreve, shorthand reporter, do hereby certify that the testimony of the witness appearing in the foregoing deposition at pages 3 through 18, inclusive, was taken by me in shorthand and thereafter reduced to typewriting under my direction; that the said deposition at said pages is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.


Shorthand Reporter

BCL

LAW OFFICES
SHARP, RANDOLPH & JANIS

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1220 NINETEENTH STREET, N.W.
WASHINGTON, D. C. 20036

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COMMISSION

77 OCT 21 AM 8:24

TELEPHONE
(202) 698-2400

JAMES E. SHARP
A. RAYMOND RANDOLPH, JR.
N. RICHARD JANIS

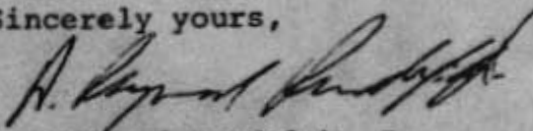
October 20, 1977

Ms. Peggy L. Greenwood
Vice President
Milton & Greenwood
Reporting Associates, Inc.
Suite 1110
1028 Connecticut Avenue, N.W.
Washington, D.C. 20036

Dear Ms. Greenwood:

Enclosed is a signed copy of the original transcript
of Mr. Scaduto's deposition before the Federal Election
Commission. No changes were made on the original.

Sincerely yours,


A. Raymond Randolph, Jr.

ARR:bjm
Enclosure
cc: David Spiegel, Esq.
Judith Browning, Esq.

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LAW OFFICES

SHARP, RANDOLPH & JANIS

SUITE 401

1220 NINETEENTH STREET, N. W.

WASHINGTON, D. C. 20036



David Spiegel, Esq.
1325 K Street, N.W.
Washington, D. C. 20463

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733252

David Spiegel, Esq.
Federal Election Commission
1325 K St., N. W.
Washington, D. C. 20463

RE: Filing depositions of: Frank Scaduto; Ernest F. Miller, and
Robert Nelson Crews.

The following deposition having been read and signed are submitted
to you for filing.

In the Matter of: LABOR FOR JACKSON, et al. the depositions of
FRANK SCADUTO and ERNEST MILLER, taken October 3, 1977.

In the Matter of: J. RAY MC DERMOTT, et al., taken September 21,
1977.

Sincerely yours,

MILTON & GREENWOOD
REPORTING ASSOCIATES, INC.

Peggy L. Greenwood
Peggy L. Greenwood
Vice President

cc:
file

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ORIGINAL

BEFORE THE FEDERAL ELECTION COMMISSION

BCL

----- X
: In the Matter of: :
: :
: LABOR FOR JACKSON and : MURs 236,266 (76)
: SHEET METAL WORKERS INTERNATIONAL :
: ASSOCIATION-POLITICAL ACTION LEAGUE :
: :
----- X

Washington, D. C.

Monday, October 3, 1977

Deposition of

FRANK SCADUTO

a witness in the above-entitled matter, called for examination
by counsel for the Federal Election Commission, pursuant to
notice, taken at the offices of the Federal Election Commission,
1325 K Street, Northwest, Washington, D. C., beginning at
1:50 p.m., before David Spiegel, when were present on behalf
of the respective parties:

Milton & Greenwood Reporting Associates, Inc.

(formerly Reynolds Reporting Associates, Inc.)

OFFICIAL REPORTERS

1028 Connecticut Ave., N.W., Suite 1110

Washington, D.C. 20036

Phones: (202) 833-3588

833-3589

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For the Federal Election Commission:

DAVID SPIEGEL, ESQ.

and

JUDITH BROWNING, ESQ.

1325 K Street, N. W.
Washington, D. C. 20463For Frank Scaduto:

A. RAYMOND RANDOLPH, JR., ESQ.

1220 - 19th Street, W. W.
Washington, D. C. 20036For the Sheet Metal Workers International
Association-Political Action League:

DONALD W. FISHER, ESQ.

Suite 741

National Bank Building

Toledo, Ohio 43604

C O N T E N T SEXAMINATION BY COUNSEL FOR:

FEDERAL ELECTION COMMISSION

(Ms. Browning) (Mr. Spiegel)WITNESS:

FRANK SCADUTO

3, 22

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Thereupon

FRANK SCADUTO

a witness, was called for examination by counsel for the Federal Election Commission and, after having been sworn by David Spiegel, Esq., was examined and testified as follows:

EXAMINATION BY COUNSEL FOR THE FEDERAL ELECTION COMMISSION

BY MS. BROWNING:

Q Would you state your name for the record?

A Frank Scaduto.

Q What is your address?

A 2401 H Street, Northwest.

Q Mr. Scaduto, are you aware of your right to have counsel present?

A Yes.

Q Would your counsel identify himself for the record?

MR. RANDOLPH: A. Raymond Randolph, Jr.

BY MS. BROWNING:

Q Mr. Scaduto, where are you employed?

A Sheet Metal Workers International Association.

Q What is your position?

A Director of Governmental Affairs.

Q How long have you been employed by Sheet Metal

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Workers?

A In this capacity?

Q Yes.

A Four years.

Q Could you explain what that position required? What its functions are?

A I represent the Sheet Metal Workers International and its membership throughout the United States and Canada on legislative matters in Congress.

Q Do you have any responsibilities that relate to campaigning for Federal candidates as part of your position?

A Directly campaigning?

Q Yes.

A For Federal candidates?

Q Yes.

A No.

Q Or campaign-related activities, that is, making plans for campaign expenditures?

A No.

Q Did you have any responsibilities during the 1976 presidential primaries for planning any activities, campaign activities, on behalf of Senator Jackson?

A No.

Q Were you involved in any way with the Political

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Action League, Sheet Metal Workers' Political Action League in its making of independent expenditures on behalf of Senator Jackson?

A Only to the extent that we, from the Political Action League made expenditures. Only to that extent, if I understand the question.

Q How were you involved in that activity?

A My responsibility is Director of Governmental Affairs, and my connection with the PAL, any expenditures that we received that has to do with the PAL activities, I see to it that the bills are paid.

Q Were you at all responsible for any of the activities which Sheet Metal Workers' employees took part in, in campaigning on behalf of Senator Jackson's candidacy?

A You mean being actively involved in?

Q Making any decisions as to how those activities would be carried out.

A No.

Q You simply were responsible for paying the bills, is that correct?

A The bills that were presented, yes.

Q Were you aware of the activity that was taking

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place in this campaign on behalf of Senator Jackson?

A Yes, I think, it was, you know, general knowledge.

Q How would you pay the bills which were presented to PAL? Were you involved with signing the checks or anything like that?

A No.

Q Are you aware of how it was decided that PAL would pay for certain activities, campaign activities on behalf of Senator Jackson?

A To the extent that I would be given bills to pay. Any bills that were given to me that were required to be paid from the PAL fund, yes, to that extent, I was aware at that point.

Q But you did not have any prior knowledge as to what kind of bills would be accrued?

A No.

Q Or who would be making expenditures?

A No.

Q Where did the bills come from directly, after you saw them? Were they sent in by those persons who made the expenditures?

A It would be sent in by people who made expenditures.

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Q Did they come in through some other person before they came to you, that is, another employee of Sheet Metal Workers?

A Do you mean would they go to someone before I received them?

Q Yes. Would they be forwarded to you by someone else?

A They would be given to me by someone else.

Q By whom?

A President Carlough.

Q Did you, yourself, do any campaigning on behalf of Senator Jackson?

A Campaigning, I am not sure I understand the full implication of your --

Q Did you carry out any activities for PAL or Labor for Jackson or any of the Jackson organizations as an individual?

A No.

Q Did you carry out any activities on behalf of Senator Jackson for any of the organizations which supported him?

A No.

Q Were you ever reimbursed for any campaign expenditures

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spent on behalf of Senator Jackson?

A No.

Q I would like to show you some pages from reports sent to the Commission from the Jackson for President Committee. These pages represent loans to the Jackson for President Committee from employees of the Sheet Metal Workers International Association. Those loans were made primarily in the month of April, 1976, and were repaid to the individuals in May of 1976. Are you familiar, or do you have knowledge of the making of those loans?

A There are quite a few names here. Your question was do I have the knowledge of the making of those loans?

Q Yes.

MR. RANDOLPH: May I ask you to be more specific? Let me get a clarification. Are you asking line by line whether Mr. Scaduto is familiar with each one of these particular loans?

MS. BROWNING: No. I would like to know if you have knowledge of the fact that loans were made from Sheet Metal Workers International Association employees to the Jackson for President Committee?

THE WITNESS: I would say in general terms, yes, I had

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knowledge of that.

BY MS. BROWNING:

Q Could you tell us how you got knowledge of that loan activity?

A I was involved to a degree in that venture.

Q Who contacted you about this particular activity?

A I discussed it with Larry Cassidy.

Q Who is --

A He is the Assistant to President Carlough in our general office.

Q Do you remember when he contacted you?

A It was not actually a matter of contact. We have kind of a free hand in our office to go back and forth from one department to another, depending on what we are doing, and what we want to see each other about. On this particular day I went into Larry's office, and he has a list of names. Briefly he told me what he was doing. He was contacting some organizers and staff people. He mentioned what it was about.

He asked me if I would give him some assistance in doing this. I checked the list. With this I took maybe ten or twelve names from that list of organizers, of representatives that I had worked with in the field, and I contacted those

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people.

Q Did Mr. Cassidy tell you how he had compiled the list?

A Did he say how he got the list?

Q Yes.

A He told me he got it from the president.

Q From President Carlough?

A President Carlough.

Q Did you take part in the solicitation of the loans?

A I contacted ten or twelve people.

Q The people that you contacted were those persons whose names were on the list Mr. Cassidy showed you, or persons who you added?

A No, it was taken --

Q From the original?

A To the best of my knowledge it was taken from the list.

Q How did you contact the ten or twelve persons?

A I called them.

Q On the telephone?

A Yes.

Q What did you tell them?

A I think, if I remember, I told them what we all

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pretty well knew, that Senator Jackson needed funds, but the hangup, if I remember, there was some delay in the matching fund procedure or whatever was happening. It was in the newspapers. We all knew this. We read about it that the Senator was running short of funds and needed some immediate cash. Knowing these people, they were friends of mine, I worked for them for many years. I knew their political affiliations, and it was a possibility that they would want to help. So, I just called them and asked them that if they were able to do it on a voluntary basis that they might want to consider doing that.

Q Did you tell them that these were to be loans?

A Yes.

Q Did you tell them that they would be repaid?

A We told them that they could expect to be repaid once the matching funds --

Q How were they to send in the money to the Jackson for President Committee? Did they give it to you and you forwarded it?

A No. They did not do it that way.

If I recall, Larry gave me the name of the treasurer, I believe, of the Jackson campaign or possibly I called that

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office to be certain as to how the checks were to be made out. I think I called the campaign office to make certain as to how the checks were to be made out.

I also told the fellows that I contacted that if they could make a contribution to list on the back of the check -- I don't recall now the exact terminology, that this was in fact a loan or that it was accepted as a loan, and they would be expected to be reimbursed possibly within a six-week period from that point.

Q How did you know that they would be reimbursed?

A We felt that they would be. It was a matter of the Senator receiving matching funds, and once he had that money, why, I think it was discussed in general that this was his commitment that it would be repaid.

Q Did someone on his staff indicate to you that it would be approximately six weeks before they would be able to repay the loans?

A I don't recall that anyone on his staff said it. But it was the general consensus that it would take about that long.

Q I would like to show you a couple of pages. These are from reports filed by PAL to the Election Commission. If

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you will note, the amounts that are itemized on this page are all listed as loans to the Labor for Jackson Committee.

On the next page I believe there is one that is called Loan Advance to Labor for Jackson Committee.

Did you fill out those reports?

A No, I did not.

Q Do you know who did?

A Yes, my secretary, Judy Lerner.

Q It has come to our knowledge through amended reports that those were not in fact loans, but they were independent expenditures, apparently. Do you know why your secretary put down loans to Labor for Jackson Committee?

A If I recall that, it was during a period of time when the Labor for Jackson Committee was getting under way. These expenditures had been incurred by the PAL Committee or by PAL. We weren't really quite sure at that time how we would list these expenditures.

If I recall this one here for \$22,000, it was the first one that we received. This was -- is that correct?

Q This is an expenditure to the Edgian Press.

A Yes. This was, as I say, a new experience for us. We were involved in this campaign, and we had some discussion

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LOTION CONTENT

assumes a fact that hasn't been established, that Mr. Scaduto made the decision to amend the reports.

BY MS. BROWNING:

Q Mr. Scaduto, did you take any part in the decision to later amend the reports to show these as independent expenditures?

A This decision was made at a later date. I cannot completely recall the change from Labor for Jackson to independent expenditures. I am just not quite that sure.

Q Do you remember who would have filled the reports out, the amendments to the reports?

A Judy Lerner. I have delegated a certain amount of responsibility to her on filling out all forms for the Election Committee.

Q Would you have directed her to fill them out?

A Would I have directed her to do that?

Q To fill out the amendments?

A No, not necessarily. We have discussed it. She has done much more on this -- I should say she has been much more involved in this than I have been.

Q Do you think it was her decision to amend the reports to show those items as independent expenditures?

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A I don't believe it was her decision alone to amend these reports.

Q Could you explain why the address that is given for the \$22,000 expenditure and then on the second page for the \$212.23 expenditure is 511 Second Street, Southeast, which is, I believe, the address of the Jackson for President Committee?

A Can I explain that?

Q Yes.

A Other than, I believe it was done in error, because that is not, it was not where their headquarters were. It was just an error in addressing, sending the checks.

MS. BROWNING: I have no further questions. David?

BY MR. SPIEGEL:

Q Let me just ask you a few questions, if I can.

Let me bring you back to those loans that Ms. Browning was questioning you about before. Did any individual instruct you to get these loans for the Jackson Committee?

A To the Jackson? For the Jackson campaign? You are talking about the loans that were solicited?

Q Yes.

A I was not instructed as such. I was asked to assist in doing this.

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Q Who asked you that?

A Larry Cassidy.

Q Was there anybody else involved in this loan solicitation that you know of?

A To my knowledge --

Q Just you and Mr. Cassidy?

A To my knowledge, yes.

Q Whose idea was it to get the monies?

A The loans?

Q Yes.

A I am not certain about that.

Q Did it originate with Mr. Cassidy or did it originate with somebody else?

A I don't believe it originated with Larry.

Q Do you know who it originated with?

A If I recall, he told me that -- the president, President Carlough asked him to contact some people. Then Larry asked me if I would assist him in doing this.

Q Did Mr. Cassidy mention to you if Carlough had contact with anybody else or whether it was Carlough's idea on his own initiative?

A I didn't understand.

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Q Did Mr. Cassidy mention to you in the course of telling you that Carlough had asked him to do this, did he mention whether Carlough had contact with anybody else about the loans?

A He did not, he did not say.

Q Did you have occasion to speak with anybody from the Jackson campaign, Jackson for President Campaign, the Senator or the staff when you were soliciting these loans?

A As I mentioned earlier, I may have called their office to make certain how the checks were to be made out and where they were to be sent, only to that extent. I don't recall now who I talked to over there. It may have been the treasurer of the campaign.

Q As far as you know then, you and Mr. Cassidy were the only two individuals involved with these loans?

A As far as I know, yes.

Q Let me just ask you a few more questions on that report that was subsequently amended. Who made the decision to make the amendment to the report?

A I am trying to recall that. I don't think there was a discussion on that.

Q You mentioned your secretary and then you said that

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she was not the person who made the decision.

A She did not make the decision. We discussed it with counsel.

Q Who do you mean by counsel?

A Don Fisher.

Q Anybody else in on that discussion?

A That discussion, no; not that I can recall.

Q Do you recall who made the decision to change it?

A I think it was just the general consensus after our discussion with counsel that this would be the thing to do.

Q Did Labor for Jackson deal with any of the groups for which the expenditures were ultimately listed?

A I am not sure I understand that.

Q The monies that I am questioning you about were initially listed as a loan.

A Yes.

Q Then they were amended to reflect the fact that certain specific expenditures were made with the monies. Did Labor for Jackson deal with any of the groups for which these expenditures were eventually listed on the amended reports?

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A I don't know of any.

Q You don't know --

A I have no knowledge of if they were, if I understand your question.

Q You say this decision was reached by a consensus to amend the reports. I am just trying to understand why you switched from the format of the loan to a series of groups of which you claim you have no knowledge whether Labor for Jackson had any dealings. That is the reason I asked the question.

MR. RANDOLPH: Is there a question?

BY MR. SPIEGEL:

Q No, I am just really repeating my previous question. I am curious why the decision was made to change to specific groups from a loan format.

A I am not sure that I understand your question. You are talking about the loans that were solicited over the telephone for Jackson for President. Is this what you are talking about now?

Q No, I am talking about the Labor for Jackson, the twenty odd thousand dollars that was subsequently amended in reports to reflect the fact that they were made as

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expenditures. Off the record.

(Discussion off the record.)

BY MR. SPIEGEL:

Q Mr. Scaduto, we have showed you copies of the reports in question. We went off the record. Could you answer that question that I asked you now?

A Would you pose the question again, if you will, please?

Q The question was why were the reports amended from the form of a \$22,000 loan for Labor for Jackson to specific expenditures?

A I think I replied to that earlier. It was a matter of having a discussion with counsel, Judy Lerner and myself discussing this at that time. Things were pretty uncertain. There was a lot of confusion about how you report things, how is it done. This was something that we were involved in that was a little different. We discussed it with counsel. On the consensus of that discussion we just decided that independent expenditures would probably be the proper way to do it rather than what we had previous.

Q So, there was no loan made to Labor for Jackson?

A Well, it didn't finally evolve in that. It was

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just an independent expenditure.

Q Did you intend to make a loan for Labor for Jackson originally?

A This was when we made our report. At the very beginning it was done with the thought that it would be a loan to Labor for Jackson with the possibility that we would be reimbursed.

MR. SPIEGEL: Okay, no further questions.

BY MS. BROWNING:

Q I have one other question. You mentioned that you had contact, you though you remembered having contact with the treasurer for the Jackson for President Committee with regard to certain loans which you solicited from employees of the Sheet Metal Workers. Do you recall having had any contacts with Bob Keefe?

A In regards to this?

Q No, just with respect to -- during the period from January, 1976, through April or May, 1976, the primary period, did you have any contacts with Bob Keefe?

A No.

Q Hershey Gold?

A No.

Q Do you remember having any contacts with Senator Jackson's senatorial staff?

A I don't recall any.

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MS. BROWNING: Thank you.

MR. SPIEGEL: Thank you, sir.

THE WITNESS: Thank you.

(I have read the foregoing pages
3 through 22, inclusive, which
contain an accurate transcript
of the answers made by me to
the questions therein recorded.

Frank Scaduto

FRANK SCADUTO

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CERTIFICATE OF SHORTHAND REPORTER

I, Lynell C. Shreve, shorthand reporter, do hereby certify that the testimony of the witness appearing in the foregoing deposition at pages 3 through 23, inclusive, was taken by me in shorthand and thereafter reduced to typewriting under my direction; that the said deposition at said pages is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.

Lynell C. Shreve
Shorthand Reporter

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General Planotype Reporting

Suite 1110

1028 Connecticut Ave., N.W.

Washington, D.C. 20036

September 7, 1977

FEDERAL ELECTION
COMMISSION

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SEP 16 PM 4:01

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

772740

Re: Depositions of EDWARD J. CARLOUGH, LAWRENCE MC LAUGHLIN, and
JIMMY A. HINKLE, in the matter of LABOR FOR JACKSON, etc.,
MURs 236, a66 (76), before the FEDERAL ELECTION COMMISSION.

Dear Mr. Spiegel:

Transmitted herewith are the corrected and signed depositions of
the above named deponents.

Also transmitted herewith is a listing of said corrections.

Sincerely yours,

MILTON & GREENWOOD
REPORTING ASSOCIATES, INC.

Peggy L. Greenwood
Peggy L. Greenwood
Vice President

cc:
file

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The following corrections have been made by EDWARD J. CARLOUGH, to his deposition taken on August 12, 1977.

<u>PAGE</u>	<u>LINE</u>	<u>FROM</u>	<u>TO</u>
10	17	"It"	"I"
10	20	"survey"	"serve"
11	22	"have"	"had"
15	4	"unions"	"union"
19	2	"some"	"someone in"
21	19	"Murther"	"Murtha"
21	20	"guy,"	"union,"
23	9	"Zone"	"Zon"
25	17	"Slasper"	"Clasper"
28	12	"March 7"	"March 17"
32	13	"Action"	"Jackson"
34	6	"advance"	"advice"
34	12	"Seadel"	"Sidell"
37	22	"Nolan"	"Wilhelm"
39	21	"Directive"	"director of"
45	10	"spit"	"spat"
47	18	"build a plan"	"handbill a plant"
48	10	"Joy"	"Joe"
50	5	"Brower"	"Broward"

- - -

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The following corrections have been made by LAWRENCE MC LAUGHLIN, to his deposition taken on August 12, 1977.

<u>PAGE</u>	<u>LINE</u>	<u>FROM</u>	<u>TO</u>
3	11	"Waymouth"	"Weymouth"
5	10	"vacations"	"vacation days"
6	17	"that"	"what"
10	2	"deen"	"deal"
16	7	"question"	"questions"
22	6	"employees."	"employers."
22	8	"from"	"to"

- - -

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The Following corrections have been made by JIMMY A. HINKLE, to his deposition taken on August 12, 1977.

<u>PAGE</u>	<u>LINE</u>	<u>FROM</u>	<u>TO</u>
11	10	"wouldn't"	"would"
12	16	"hearsya"	"hearsay"
17	2	"answered when"	"answered yes"

- - -

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FEDERAL ELECTION COMMISSION

-----X
In the Matter of :
 :
LABOR FOR JACKSON and :
SHEET METAL WORKERS : MURs 236,266 (76)
INTERNATIONAL ASSOCIATION- :
POLITICAL ACTION LEAGUE :
-----X

Washington, D. C.

Friday, August 12, 1977

Deposition of

EDWARD J. CARLOUGH

a witness in the above-entitled matter, called for examination by
counsel for the Federal Election Commission, pursuant to notice,
taken at the offices of the Federal Election Commission, 1325
K Street, N.W., Washington, D.C., beginning at 10:35 a.m.,
before David Spiegel, when were present on behalf of the
respective parties:

Milton & Greenwood Reporting Associates, Inc.

(Formerly Reynolds Reporting Associates, Inc.)

OFFICIAL REPORTERS

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Washington, D.C. 20036

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 JUDITH BROWNING, ESQ.
 Federal Election Commission
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For Edward J. Carlough:

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 1220 - 19th Street, N.W.
 Washington, D.C. 20036

For the Sheet Metal Workers International Association-
Political Action League:

DONALD W. FISHER, ESQ.
 Suite 741
 National Bank Building
 Toledo, Ohio 43604

C O N T E N T SEXAMINATION BY COUNSEL FOR:

FEDERAL ELECTION COMMISSION

WITNESS:(Mr. Spiegel)(Ms. Browning)

EDWARD J. CARLOUGH

3

43

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79040122459

Thereupon

EDWARD J. CARLOUGH

a witness, was called for examination by counsel for the Federal Election Commission and, after having been sworn by David Spiegel, Esq., was examined and testified as follows:

EXAMINATION BY COUNSEL FOR THE FEDERAL
ELECTION COMMISSION

BY MR. SPIEGEL:

Q Could you state your full name for the record, sir?

A Edward J. Carlough.

MR. RANDOLPH: I would like to make a short statement on the record before we get this deposition going.

MR. SPIEGEL: Off the record.

(Discussion off the record.)

BY MR. SPIEGEL:

Q What is your address?

A Home?

Q Yes.

A 6213 Starwood Way, Rockville, Maryland.

Q Are you aware that you have a right to have an attorney present at this deposition?

A Yes.

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Q Do you have an attorney present?

A Yes.

MR. SPIEGEL: Could counsel identify himself?

MR. RANDOLPH: A. Raymond Randolph, Jr. As I stated, before we go any further, I would like to make clear that as a result of my client appearing before this deposition, we intend to waive no rights under Section 437G(A)(4). That is the section that provides that we are entitled to a reasonable opportunity to prove to the Commission that no action should be taken.

I believe, as I have stated in a letter to Ms. Browning, that in order to have a reasonable opportunity, we have to be informed of precisely what the allegations are and that the legal theories are of the Commission staff before they are presented to the Commission for action.

MR. FISHER: May I make --

MR. SPIEGEL: I would object.

MR. FISHER: I just want to make my appearance.

MR. SPIEGEL: I would object to more than one lawyer making an appearance. I believe I have Mr. Randolph's assent that only he would be appearing. I have no objection to you sitting in on the deposition.

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MR. FISHER: I am not appearing on behalf of Mr. Carlough. But I am appearing on behalf of PAL, which is one of the organizations under investigation by the Federal Election Commission. That is all I want to say.

MR. SPIEGEL: Off the record.

{Discussion off the record.}

MR. SPIEGEL: Mr. Randolph, do I have the understanding that you will be doing any questioning on behalf of your client, as counsel today appearing on behalf of Mr. Carlough?

MR. RANDOLPH: Yes, I am. I am representing Mr. Carlough. Whether I ask any questions depends, of course, on how the deposition proceeds.

BY MR. SPIEGEL:

Q Mr. Carlough, where are you presently employed?

A At the Sheet Metal Workers International Association.

Q What position do you hold?

A General President.

Q How long have you held that position?

A October 1, 1970.

Q Have you held it continuously?

A Yes.

Q What are the duties of that position?

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A They are described in our constitution in general, to do my best on behalf of the membership of the United States and Canada.

Q Do you have any specific duties that you perform on behalf of Sheet Metal Workers International as president?

A Yes. One that comes to mind today is to handle the disposition of all appeal cases that grow out of trials in our local unions. There are many other duties.

Q Do you or have you ever held a position with the Sheet Metal Workers International Association-Political Action League?

A Yes.

Q What was that position?

A Chairman.

Q When did you hold that position?

A From the time I became president, the jobs are concurrent.

Q You mean if you become president of the International Association, you automatically become President of the Political Action League?

A That is the way it is now, yes.

Q Were you President of the Political Action League in

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COTTON CONTENT

1976?

A Yes.

Q What are the duties of the President of the Political Action League?

A Chairman.

Q Chairman of the Political Action League, excuse me.

A I am one of the officers responsible for authorizing expenditures within the Political Action League.

Q You mean expenditures on behalf of candidates for Federal political office?

A Yes.

Q As part of your duties, did you ever authorize expenditures on behalf of the Jackson for President campaign?

A Yes.

MR. RANDOLPH: May I interrupt? I think we better keep it clear when you say the Jackson for President campaign, there is a Jackson for President Committee involved. I would like a clarification of your question. Do you mean when you ask -- I think Jackson for President campaign, do you mean to refer to the committee in this deposition, or do you mean to refer to the general campaign of Senator Jackson for President?

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MR. SPIEGEL: In that question, I was referring to the general campaign of Jackson for President.

THE WITNESS: The answer is yes.

BY MR. SPIEGEL:

Q Have you ever been employed by any other groups which supported the candidacy of Senator Jackson for President?

A Employed by any other groups?

Q Yes.

A The only employer I have is the Sheet Metal Workers International Association.

Q Have you ever worked with any other groups that have supported the presidential candidacy of Senator Jackson?

A Yes.

Q What are those groups?

A A committee called Labor for Jackson.

Q Any other groups besides that?

A That is it.

Q Did you ever hold any position with this group, Labor for Jackson?

A Treasurer.

Q What were the duties of that position?

A I was one of the officers responsible for planning

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and authorizing expenditures, independent expenditures on behalf of the committee.

Q Approximately what dates did you hold this position of treasurer of Labor for Jackson?

A I believe, Mr. Spiegel, our reports to the Commission would show that the committee was established around April 15, 1976, and formally reported its dissolution to the Federal Election Commission on or about August 24, 1976.

Q Were you treasurer that whole time?

A Yes.

Q In your capacity as chairman of the Sheet Metal Workers Political Action League, did you ever have occasion to be involved in organizing a reception for Senator Jackson in Bal Harbour, Florida, in February of 1976?

A I did have occasion to assist in organizing a reception for the Senator and his family in February 1976, in Bal Harbour.

Q Were there ever any written communications between yourself and Senator Jackson or any members of his staff with regard to this reception that you were organizing?

A I can't recall any written communications. But I can recall discussions on the matter.

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Q By yourself?

A Yes.

Q Do you recall how many discussions you may have had?

A There are a number of discussions involving those who went forward, the original sponsors of the reception. After the original sponsors of the reception had pretty well decided the direction we wanted to go, I can recall discussing the matter with Bob Keefe from the Senator's staff and with the Senator himself.

Q Do you recall the substance of those conversations with him?

A One of them involved, Senator Jackson had a National Labor Committee that had been established sometime prior to the reception. It would have been in the neighborhood of early, mid-January. We, at that time, didn't know who was on the National Labor Committee. I knew some of the people who were. ^I was not a member of the Senator's National Labor Committee. I needed a list from Bob Keefe who was on the National Labor Committee because we thought those would be the original people who we ought to invite to ^{SENATE} ~~survey~~ as sponsors.

Q How did these conversations with Senator Jackson and

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staff take place?

A Conversations relating to the reception?

Q Yes. You said there were conversations, not memoranda. I was just curious in what form they took place.

A After those of us who originally set up the idea decided to go ahead, that became a question of first this would have been January 1976, and at that time, the Senator and other Democratic hopefuls for the nomination were hoping to be invited to the AFL-CIO Executive Council in Florida, which was in February.

No decision had been made as to who would be invited or how many. So, we made an original decision to hold the function in conjunction with the AFL-CIO Executive Council because that would create the greatest exposure from AFL-CIO leaders and their families to the Senator and his family.

Q Was this discussed with the Senator and his staff, this information?

A I am not sure whether I discussed it with the Senator or with Bob Keefe or with both, but certainly with one or the other or both, in terms of making certain, first of all, that they wanted to go to the AFL-CIO Council meeting, and their schedule was clear and we just had to make sure we ^{HAD} have a

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proper date.

Q Was Bob Keefe a member of the Senator's staff?

A Yes.

Q Did you ever discuss the number of people who would be attending this function with the Senator or members of his staff?

A No. I can't recall any discussion like that.

Q Did you ever discuss the contents of what he would say at this reception?

A No.

Q Did you ever discuss with him whether or not there would be solicitations for political contributions?

A No.

Q Did you ever speak to Senator Jackson or Bob Keefe or other members of the staff at the time of the reception?

A Yes.

Q What was the substance of those conversations?

A The role I played in the reception, besides being one of those who helped to organize it, we had discussions throughout that day with the Senator and saw that he met as many people as possible connected with the AFL-CIO reception.

Q Do you know what the substance of these meetings

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was about?

A I remember part of the problem was making sure that the children were taken care of and weren't left unattended. I told him I would assign my secretary to handle that part of the job, and that was done. I had an assignment of my mother to spend as much time with Mrs. Jackson as possible. It was those kinds of things in relation to the reception.

Q When you said he had meetings with members of the AFL-CIO staff --

MR. RANDOLPH: I object. You are assuming a statement not testified to.

(The record was read by the reporter.)

BY MR. SPIEGEL:

Q Which members of the AFL-CIO staff did Senator Jackson meet with at this reception?

A One of the prime objects that I had was to see that the Senator and President Meany got along well. He didn't have a meeting with President Meany, but what he did was merely walk over and he and the president and their families had pictures taken and chatted amicably for a very short period of time.

I saw that Lane Kirkland did the same thing with him, the

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secretary-treasurer of the AFL-CIO, it was a social gathering.

Q Are you familiar with an individual named Lawrence Cassidy?

A Yes.

Q Could you describe for the record the basis of your relationship with him?

A Larry Cassidy is my assistant.

Q Frank Scaduto, are you familiar with that individual?

A Yes.

Q Could you describe your relationship with him?

A Yes. Frank is the Director of Legislative and Political Affairs for our union.

Q Are either of these individuals associated with any of the activities of the Political Action League of the Sheet Metal Workers?

A Frank Scaduto.

Q Were you ever contacted by either of these gentlemen with regard to the making of a loan or contribution to Senator Jackson's campaign?

A I contacted them concerning the making of a loan to Senator Jackson's campaign.

Q Could you describe the content of whatever you said

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to them?

Q Yes. I asked them to get on the telephone because I travel extensively, and to call up, concentrate on individuals, international organizers, local unions, business agents, who we knew were in support of the Senator's candidacy, and ask them to voluntarily contribute a loan to the Senator Jackson campaign.

Q Did any members of the Senator Jackson campaign or staff reach you with regard to this request?

A It was the other way around, Mr. Spiegel. I told them what we were doing.

Q You told the members of Senator Jackson's campaign on the staff what you were doing?

A Yes.

Q And you suggested to them that they make these loans; that you would be willing to make these loans?

A It was after our union had made the decision to try to raise money through this method that I informed them about it.

Q What was the amount that was involved?

A I am not certain of the exact amount. I believe it was in the neighborhood, it would have been reported to the

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COTTON CONTENT

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Commission, in the neighborhood of high \$30,000 or maybe \$40,000, maybe that is a little high.

Q What was the basis of this offer that you made to have this loan made?

MR. RANDOLPH: I am going to have to object to that, Mr. Spiegel, because I don't think that is the witness' testimony. You are assuming again facts that haven't been testified to.

MR. SPIEGEL: I don't understand the basis of your question. The witness is testifying about this loan.

MR. RANDOLPH: I am objecting to the word "offer". I think the witness has testified that he informed the people on Senator Jackson's staff after the fact which doesn't sound to me like an offer.

BY MR. SPIEGEL:

Q Did you yourself speak to members of your staff prior to speaking to Senator Jackson?

A My recollection is that I spoke to, first of all, my organizer in Los Angeles, because I had landed there at the time in late March, Paul Masi, and I told Paul what we were trying to work out. I also talked to Larry Cassidy about it by telephone because I was away for about four or five days during that period, to get things started. Either I or Larry

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talked to our counsel in order to get the proper wording, loan on the back of the check. There were these kinds of conversations, in-house.

Q What was the reason that you decided to make these loans?

A The Senator's campaign, because of the Supreme Court decision concerning matching funds was a matter of common knowledge, he was very low on money at that time. They needed money. We believed in his candidacy. We devised a way to try to raise it.

Q How did you know that his campaign was short of money?

A By reading The Washington Post, The Evening Star or any discussion you would have with any member of the staff. It was just common knowledge.

Q In your capacity as chairman of the Political Action League, did you ever have occasion to authorize specific expenditures to the Jackson campaign?

A Yes.

Q I am going to show you a copy of an expenditure that appears on the Sheet Metal Workers Political Action League report for the date June 10, 1976. I think, as you will see on the page, the expenditure has been blocked out in

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yellow. It is in the amount of \$4,458.26. Are you familiar with that expenditure?

A Yes.

Q What were the details involved in that expenditure?

A That was in connection with -- it was actually subsequent to a rally held in Fort Lauderdale, Florida, on March the 6th at the Armory down there, in which a film was made of the rally by our union. We subsequently took the film and made it into a 15-minute film and then into five-minute cassettes. These would be expenditures in connection with that production and editing.

Q Was Senator Jackson present at that rally?

A Yes, he was.

Q Did you have any discussions with Senator Jackson about what you would be doing at the rally?

A What I would be doing?

Q Let me restate that.

Did you have any discussions with Senator Jackson regarding your filming of the rally?

A No, Mr. Spiegel, because that was one of the union's last minute capers. I made the decision to film that rally so close to the rally that we needed to pull a union camera

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crew together. I can recall that one of the fellows, a camera man or ^{SOMEONE IN} some other role was fishing off Key West. They had to reach him on a ship to shore radio to get him.

The crew assembled -- I wasn't certain when I got off the plane that day whether or not the crew would actually be there. It was that last minute operation. They assembled right around, the final guy came in right around noon just prior to the start of the rally. We were fortunate some of the participants were late so the rally didn't start until late.

Q Was Senator Jackson ever aware that the rally was being filmed?

A He was when he got there.

Q Did you speak to him about the fact that you were going to film the rally?

A When he got there, yes.

Q Did you advise him after the rally that you intended to use the film that you made at the rally?

A Yes. I think I had some discussions with him. I must have had concerning what I intended to use the film for because it was pretty clear in my mind, the purpose of it.

Q What was the film used for?

A Our union at that point had not officially endorsed

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the Senator's candidacy, but I personally had made a decision to endorse him. I had already, prior to our executive board meeting, which was scheduled 10 days after that time, had written a column on March 1 in our union's journal which goes to all of our membership, spelling out the reasons why I advocated the Senator's candidacy and I felt it would be helpful for two reasons.

First, we were going to make the film, pick out the best parts of it and then use it as an educational film in our union halls -- or wives, we have some women's divisions in our locals, at coffee meetings of the wives to advance Senator Jackson's candidacy among our own members and also to demonstrate the reason why I was going out in front and supporting the Senator's candidacy at that time.

Q Was Senator Jackson or any members of the staff ever shown a copy of the film after it was made?

A I personally can't recall ever sitting down and showing the film at any point to members of the staff, but it was distributed to our locals around and I feel quite certain that they did see it somewhere along the line.

Q Did you instruct anybody to show the Senator the film?

A No. I can't recall that.

Q Let me direct your attention now to an expenditure which appears on your May 10 report in the amount of \$22,100.13. The expenditure says printing of folders and bumper stickers in support of Senator Jackson's candidacy, dated April 15, 1976. Is that an expenditure with which you are familiar?

A Yes. That was an expenditure that PAL made in the New York primary campaign.

Q What did these bumper stickers, signs say?
I am referring to the signs that this expenditure refers to.

A I can't give you the exact wording, but whatever it said, it was to advance the Senator's candidacy.

Q Who prepared them?

A I would say our people who were involved in the campaign there.

Q Do you know who these people were?

A Or it could have been we had been in other campaigns -- yes, the people who were involved in the campaign in New York and that particular area would have been Leo Murthen, our business manager for the local ^{UNION} ~~guy~~, Ernie Miller, who is an organizer for us, Jimmy Hinkle, who is an organizer for us, Dan Pasquinucci, who is an organizer out of New York City,

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they would have been the principal people in that area.

Q Do you know if any of these people ever had contact with Senator Jackson or any members of the staff regarding the wording of those slogans that were prepared or these bumper stickers?

A Regarding the wording of the slogans or bumper stickers?

Q Yes.

A We operated, Mr. Spiegel, so much on our own, and while the Senator himself would have been a great president and I still feel that way today, the quality of the people in the field who worked on his behalf was such that, quite frankly, they had nothing to offer our people in the way of suggestions as to what to put on a bumper sticker.

Q Did you have any firsthand contact with these people that he used in the field, that you were able to make a judgment about their quality?

A I heard enough moaning from the top level on the Senator's staff as to the quality of the people that they had in the field. I didn't get into the field during the primary campaign, very little, a few days, a day here, a day there. So, I personally didn't have that kind of exposure that the

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Senator's own staff.

Q Did any members of your own staff complain to you about the quality of Senator Jackson's staff?

A About all of my people who worked on the Senator's campaign complained.

Q Let me direct your attention to one more expenditure. This one is in the amount of \$7,736.26. It appears in that same May 10 report. It is right below the one we were just talking about. It is to Maurer, Fleisher, Zone, Anderson, for production and cost of air time. Is that an expenditure you are familiar with?

A Yes, sir.

Q What precisely was the nature of the air time that was used?

A PAL purchased air time on two stations in the greater Boston area, one conveniently enough, was station WSMW in Cambridge, Massachusetts. The other one was, I am told Worcester, I can't recall that station. PAL purchased air time for PAL expenditures in support of the Senator's candidacy on those two stations.

Q Do you happen to know the contents of whatever ads were used during this air time?

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A Yes, because I wrote it. They were, I believe, five in number, 60-second spots. I tried to pick some subjects that the Senator himself had never gotten into because I had my own daughter in Boston College at the time. She was very much opposed to the Senator's candidacy. I talked to her and some of her friends at Boston College about it. I felt he had to reach out toward young people. So I went ahead and I wrote one concerning educational costs and things of that nature and another one that had to do with young people coming in sideways.

One was, I think, on general labor, on the employment question, the job question because that was a big issue in Massachusetts. That was the general content of the five. There were five. They were each, I believe, 60-second spot announcements.

Q Did you make any effort in preparing these commercials to learn the contents of commercials or ads that were being used by Senator Jackson and his staff in connection with his campaign?

A No.

Q Mr. Carlough, are you familiar with the individuals who prepared your campaign reports?

A On PAL?

Q PAL, Political Action League.

A These sort of documents?

Q Yes.

A Yes

Q Did anybody review these reports after they were put together?

A I viewed them after I received a letter from the Commission telling --

Q I am talking about prior to that.

A No, unfortunately, I am afraid I didn't.

Q Did anybody else under your authority?

A The reports, I believe the system that we had at that time, Mr. Spiegel, was that Frank Scaduto, who is our Director of Legislative Government Affairs and kind of directs PAL operations during election time, that Frank prepared the reports and then our comptroller, Jeff ⁺Slasper in our office, would go over them with our Secretary-Treasurer, who is the treasurer of the committee, and out they go.

Q Let me direct your attention to two pages from reports that were filed on June 10, both were amended, both pages were later amended. And you note when you look at

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these pages --

MR. RANDOLPH: Could we have a year, please?

BY MR. SPIEGEL:

Q Sure. This is June 10 of '76, and the pages are 14 and six of this report. The items that I am referring to are for \$22,101.35, \$7,736.26, and then \$212.23.

At the end of each item, it is indicated that there was a loan to a group called Labor for Jackson Committee. Do you know who prepared those reports?

A I believe Frank Scaduto.

Q I believe you stated in a letter to us, actually, it is Mr. Turner who has stated this in a letter to us, that these entries were in error. Are you yourself familiar with these entries?

A I am now.

Q You were not before this time?

A At the time they were filed in this matter, I was not.

Q Let me direct some questions to you about your Labor for Jackson duties.

As part of this job as Treasurer of Labor for Jackson, did you authorize expenditures in connection with the Jackson

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campaign?

A I was one of the officers of Labor for Jackson who was responsible for planning and authorizing expenditures.

Q Who were the other officers?

A The two other officers were Joe Keenan who was chairman and myself as treasurer.

Q Was there anybody else who authorized expenditures besides the two of you?

A In terms of authorizing expenditures, it was pretty much Joe and myself.

Q Why was Labor for Jackson set up?

A To make independent expenditures in behalf of Senator Jackson's candidacy.

Q Did you, at the time that you were Treasurer of Labor for Jackson, continue your duties as chairman of the Political Action League of Sheet Metal Workers?

A Yes.

Q I am going to show you a copy of a report, actually, it is a page of a report. This is from a July 10, 1976 report of Labor for Jackson. It is page 1, line one. The part that I am referring to is marked in yellow. It refers to a transfer from Sheet Metal Workers to Labor for Jackson in

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the amount of \$7,500. Is that something you are familiar with?

A Yes.

Q Could you describe your role in that transfer? Take your time.

A PAL decided to make a contribution to Labor for Jackson the day the committee was formed. We made a contribution in the amount of \$7,500.

Q When you say we decided, are you referring to any particular individuals who made this decision?

A The genesis of the decision would have been a board meeting on March 17th because the --

Q Were you present at that board meeting?

A Yes. The action that the board took was to make a very strenuous effort to advance the Senator's candidacy in terms of working for him, in terms of independent PAL expenditures on his behalf. It was a three-part decision and my recollection is one of the parts was if a committee such as this overall labor-type committee for the Senator was formed, that PAL would participate. The idea had been growing for some time.

As soon as the committee was established, Dave Turner and

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myself discussed the amount and the \$7,500 seemed appropriate.

Q Did you, as part of your duties with the Labor for Jackson, ever have occasion to recruit volunteers?

A Yes.

Q Where did these volunteers come from, if you can characterize it?

A I found that we are a voluntary organization. Since I am a Sheet Metal Worker, the first people I think of asking to volunteer are my own people. I figured that if I could get enough of my own people to volunteer, then the other unions on the committee would put me in a much better position to go to my fellow general presidents and say I have so many people volunteering, how many are you going to get for me.

Q In your personal knowledge, was a substantial portion of the volunteers that did work for Labor for Jackson from Sheet Metal Workers?

A We did our share and perhaps more than our share, but proportions, I wouldn't want to demean any of the others. Some unions did work very hard and did supply some volunteers. Not enough to win, but some did, yes.

Q Did you ever have occasion while you were wearing your Labor for Jackson hat, to have contact with Senator Jackson

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and his staff regarding printed materials or any sort of materials that were used in this campaign?

A I can't recall that I did.

Q Do you know if any member of your staff did?

A I don't know.

Q I am going to show you a copy of a letter that was dated May 31, 1977, and it has the signature of Edward J. Carlough, Treasurer, Labor for Jackson, the signature is on page 13 of the letter. Is this a letter with which you are familiar?

A Yes.

Q Did you write that letter?

A No.

Q Are you personally familiar with the matters in the letter?

A I looked at it yesterday.

Q Have you been familiar with the matters in this letter before yesterday? Take your time.

A I believe my familiarity --

MR. RANDOLPH: Off the record.

(Discussion off the record.)

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BY MR. SPIEGEL:

Q Is the signature at the end of the letter your signature?

A Yes.

Q Let me refer you to page 1 of this letter. At the bottom of the page there is a beginning of a list of names. The list runs over to page 2 and 3. For each of these names, I would like to know whether you are familiar with the individual and then whether or not the individual is somebody who worked with Sheet Metal Workers. Let's take these names one by one.

Ernie Miller, are you familiar with that person?

A Yes.

Q Is he employed by Sheet Metal Workers?

A International organizer.

Q The next name is Jimmy Hinkle.

A Yes.

Q Is that person employed by Sheet Metal Workers?

A International organizer.

Q What is an international organizer?

A He goes out and attempts, as part of his duties, a prime part, to recruit new members for the union.

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Q Does an international organizer have any connection with political expenditures to candidates for Federal office?

A The only connection they would have is if they were serving as a volunteer consistent with their union duties.

Q Are you familiar with any of the expenditures that Mr. Hinkle made on behalf of Sheet Metal Workers Political Action League, the expenditures are referred to in the letter, I believe, at page 3 and 4. You can take your time and look at it.

(Discussion off the record.)

MR. SPIEGEL: Let's correct the record on that. These expenditures we were referring to were made on behalf of Labor for ^{JACKSON} ~~Action~~ rather than Sheet Metal Workers International.

THE WITNESS: Yes, the expenditure that is listed for Jimmy Hinkle, a reimbursement of \$233.85 was to pay the room and board and expenses of volunteers who were recruited and traveled from Long Island, our union, and came to Philadelphia to work on behalf of the Senator's candidacy in Pennsylvania.

BY MR. SPIEGEL:

Q Did you direct Mr. Hinkle to a particular region to make the expenditure?

A At the time, Mr. Hinkle was working in the Philadelphia

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area.

Q What was the decision-making process by which you decided that an expenditure would be made in a particular region for a particular purpose?

A I can give you my best recollection on this specific expenditure.

Q Certainly, and then in general, if you recall.

A Jimmy had worked in New York on Long Island. We did then and still now have a terribly high unemployment rate among our members in Local No. 55, which is Nassau-Suffolk County, the two counties on the Island. We had a good number of those out of work members who worked very hard in Long Island and in the campaign there to advance the Senator's candidacy.

One of them really enjoyed it so much that I believe in my conversations with Jimmy, the suggestion came from them calling him up to find out if he needed any help of volunteers in the Philadelphia area. I guess they felt our Local 19 in Philadelphia was not noted for volunteers. In any event, I don't recall whether the phone conversation was before or after they actually arrived in Philadelphia.

Jimmy called up and said all they wanted to do was house

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these guys, and so forth. He may have housed them already and it was okay with me.

Q Let me return to the general question. How did you go about deciding where a particular expenditure by Labor for Jackson would be made?

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 A In general, Joe and I sometimes with ^{ADVICE} advance from some of the other presidents who participated, would kind of generally discuss the needs, for example, of Pennsylvania. We would ask Jack Lyons, for example, how many iron workers could he get to volunteer in Pennsylvania. I asked Jay Turner, I know, about the engineers in Pennsylvania. Bill ^{SIBBL} Seadel, I had discussions with him about carpenters, this kind of nature, to the extent that we could get volunteers to do the things that we were doing which was primarily manning trucks and mobile units and passing out our literature, to the extent that we could get volunteers that would mean we would expend less money out of labor for Jackson.

We kind of had a ball-park idea of where we were going and then we would go ahead.

Q What was the decision-making process for Sheet Metal Workers Political Action League, how did you go about deciding where you would make your expenditures for that

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group?

A Each campaign may have been a little bit different, but in general, we would see the extent of our volunteers.

Q The same process as Labor for Jackson?

A Yes, there was a role that would be played by our people locally whether they were international people or a local agent. One of the crucial factors in expenditures for PAL in these campaigns would be again the extent of volunteers, and even more than that, the extent that we could get union members to volunteer camp trailers, winnebagos, self-contained units that we could drive around in and advertise and push the Senator's candidacy.

Our people locally, whether they were international people or local agents, would be the ones who would try to get volunteers that way on equipment, and then they would let me know the state of the situation and then we would have to figure up in discussions among and between ourselves how many winnebagos we would have to rent, how many camp trailers. In general, it was this kind of discussion.

Q When you authorized your expenditures for Labor for Jackson, did you keep in mind the scheduling of your

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expenditures for Sheet Metal Workers?

A No.

Q Were you at any point given lists of where particular expenditures would be made by each group?

A Lists for whom?

Q After the expenditures were authorized, was there some kind of accounting procedure by which you were told, by which you had a form that would tell you where particular expenditures would be made?

A It wasn't a form. After, in general, expenditures were authorized, the people who were actually making the expenditures locally, wherever they could, would get an invoice, a bill, something of that nature, and forward it in for payment.

Q Let me direct your attention back to that second page of the letter; the name Richard Peck. That is number three.

A Yes.

Q Is that a person that is familiar to you?

A Yes, Dick is a business manager in Fort Wayne, Indiana.

Q Earl Harris, that is number four, are you familiar with that person?

A Yes.

Q What is his position?

A International representative.

Q The next name is Lawrence McLaughlin. Are you familiar with that person?

A Yes.

Q Is that person a member of Sheet Metal Workers?

A Yes.

Q The next person is John Girolamo.

A Girolamo. It doesn't read like it.

Q Is that individual also at Sheet Metal Workers?

A Yes.

Q The next individual is James Ferrarie. Is that person with Sheet Metal Workers?

A Yes.

Q George Schmitt, is that individual with Sheet Metal Workers?

A Yes.

Q Chester Nowak, is that person with Sheet Metal Workers?

A Yes.

Q Ralph Nolan, is that person with Sheet Metal Workers?

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A Yes.

Q Paul Craig, is that individual with Sheet Metal Workers?

A Yes.

Q Ivan Cags, is that person with Sheet Metal Workers?

A No longer, but he was.

Q Let's take the last four names; Roy Stringer, Raymond Messer, Frank Walsh, and Al Kyde, are those four persons from Sheet Metal Workers?

A Yes, they are Sheet Metal Workers.

Q As part of your duties with Labor for Jackson, did you ever have occasion to be involved in a transfer of \$20,000 of moneys from a group called Marine Engineers Benefit Association?

A The Marine Engineers Beneficial Association made a contribution of \$20,000 to Labor for Jackson.

Q Were you involved with that?

A I took the money. I was the treasurer.

Q Did any member of Labor for Jackson contact Marine Engineers to ask that a contribution be made?

A The President of the Marine Engineers, Jesse Calhoun

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was, I believe, a supporter of Senator Jackson before I was. He was one of those who was involved in the initial discussions, among others, in the formation of Labor for Jackson. He had mentioned to me, to Joe, to others, as I mentioned, that as soon as the committee was formed, he would be a contributor.

Q Are you familiar with an individual named George Riley?

A Yes.

Q Do you have any personal knowledge of whether Mr. Riley ever worked for the Jackson for President Committee?

A No.

Q Are you familiar with an individual named Paul Stuckenschneider?

A Yes, I am.

Q Do you have any knowledge whether that individual worked for the Jackson for President Committee?

A Working for the committee, I have a recollection that in one of the campaigns, I believe that Stuckenschneider was reimbursed by Jackson for President.

Q Did you ever discuss with him his work?

CH A His work is ^{PAIR}directive research.

Q I mean his work with the Jackson for President people.

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COTTON CONTENT

A In terms of work, in terms of this campaign, I believe that Paul was in Wisconsin working on behalf of the operation. But he was working with Sheet Metal Workers and other labor people.

Q Are you personally aware of any other individuals with Sheet Metal Workers or with Labor for Jackson who were working for the Jackson for President campaign?

A Would it be proper for me to ask you to define when working for Jackson for President, that specifically, what do we mean by that?

Q Are you familiar with any individuals working for Labor for Jackson or Sheet Metal Workers who did expenditures or did any volunteer work for the Jackson for President Committee or authorized groups that operated under the Jackson for President Committee?

A There were reimbursements. That is why I am having a little difficulty with the question. There were reimbursements to some people from the Jackson for President Committee.

Q Did you speak to any of the individuals who received these reimbursements regarding the nature of what the work that they did for the Jackson for President Committee was?

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A In my own mind, I didn't consider them as working for the Jackson for President Committee, but to answer your question, did I speak to any of them, yes.

Q Do you remember the names of any of the individuals you spoke to other than Stuckenschneider or Riley?

MR. RANDOLPH: I am going to have to object to that because I think we haven't established that both of those names worked for the Jackson for President Committee. You are assuming in your question that they did.

BY MR. SPIEGEL:

Q I will rephrase the question.

Do you recall the names of any individuals on the staff of Sheet Metal Workers who worked for Labor for Jackson whom you spoke to or who spoke to you regarding work that they did for the Jackson for President Committee or authorizing committees of Senator Jackson?

A One who immediately comes to mind who was working on the Sheet Metal Workers' behalf was Ernie Miller in Florida.

Q Any others?

A My problem now, Mr. Spiegel, is I tried to as carefully as I could in the last day, review expenditures made by PAL and independent expenditures of Labor for Jackson.

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So, I guess I fairly familiarized myself with that. I am in an area now where I start to have to reach out and start guessing.

MR. RANDOLPH: Could you inquire about specific names? Because I think your question is based on material that is not necessarily available to us. You are asking questions about speaking to people that were reimbursed by the Jackson for President Committee and we don't have access to all their records. We have access to them, but we have not reviewed them, to be frank.

MR. SPIEGEL: I have noted his answer. I will go on with my questions.

BY MR. SPIEGEL:

Q Have you yourself ever made any contributions or loans to the Jackson for President Committee?

A As an individual?

Q As an individual.

A I made one of the \$500 loans to -- I made a loan for \$500. My wife signed the check because I was out in California. Back in late March 1976, the loan was repaid.

We funnel our own money through our own Political Action League. I made a contribution in 1976 to our Political

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Action League and I sure hope I made one to our Political Action League-Jackson Fund. I believe the records would show I did. But I don't recall a contribution personally from me to Jackson for President.

Q Have you ever done any volunteer work or have you ever done any volunteer work for the Jackson for President Committee or any of his authorized committees?

A For the committees?

Q Yes.

A The Jackson for President?

Q Yes.

A No.

MR. SPIEGEL: No further questions.

Ms. Browning, do you have any questions?

BY MS. BROWNING:

Q I just have a couple of quick questions.

Sir, do you have any business relationships or social relationships with any persons on Senator Jackson's staff or on his campaign staff which would have brought you into contact with them during the first six months of 1976?

A Yes.

Q Could you name those people?

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A Yes. The Senator, Bob Keefe, Don Donahue, who I believe is the Senator's Appointment Secretary, the man who was then his administrative assistant, Sterling Monroe, who I have known for many years; Hershey Gold, and there may have been others, but those are the principal people.

Q Are those persons whom you listed with the exception of the Senator himself, members of his senatorial staff?

A Don Donahue was then and I believe is now -- he was as of a month ago. Sterling Monroe was his administrative assistant back for a long time. Bob Keefe, I believe carried the title of Political Advisor or something of that nature. He was a Political Advisor to the Senator. Hershey Gold was a businessman who was evidently pretty friendly with the Senator and a consultant to him.

Q Would the contacts you may have had during the first six months of 1976 have involved any discussions of the campaign, of the Senator's campaign?

A Yes.

Q Could you describe in any detail that you recall the content of the discussions?

A Yes. I would give you maybe one example of the sort of discussion that was the kind of level that we

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discussed things on. Senator Jackson would generally call me after he had been on Meet the Press or Face the Nation to ask me how I thought he had done. I guess he made a lot of those phone calls, things of that nature.

He would sometimes call me when things were going bad for him. I recall especially one in Wisconsin. He really wasn't used to the kind of people you run into in a political campaign. I run into the same kind of people in labor unions so I am used to them. In Wisconsin, there was a particularly ugly incident where somebody ^{SPAT} spit on him.

It was carried on a newscast that evening. I hadn't seen it because I was in a restaurant someplace. He found out where I was and he called me because he wanted to discuss it. It bothered him terribly.

It was these kinds of general things that went back and forth.

Q Would any of these discussions have involved particular campaign plans, and I am including here all the people you have mentioned, not just the Senator himself?

A The way we handled things in our union is we certainly felt in this campaign that we had a pretty good knowledge of what was needed to get out the labor people to vote. We just

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went ahead on that knowledge. We planned and we ran our own thing.

Q I hate to belabor this, but I will just ask you one more question that is related to this line of questioning.

In your discussions with the persons whom you have named, would you have discussed with them campaign plans which were being conducted by the Jackson for President Committee or any other groups which were doing campaigning for Senator Jackson?

A Only in this kind of general nature. I would talk to Bob Keefe or the Senator. They would ask me how are we doing in such and such a State. Or maybe I would ask them how are they doing in such and such a State. They were generally far more optimistic than we were. I would generally end up telling them you better work harder. You better talk to a lot more people. You better get him out because our committees are working hard.

Q When you mentioned the number of persons, Mr. Spiegel asked you certain persons employed by Sheet Metal Workers who volunteered to do work either for Labor for Jackson or for PAL, when those persons were volunteering to campaign for Senator Jackson, were they working on weekends or were they working also during the week or what kind of time

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frame was involved?

A If they were employees of our union, then their time frame was very clear, one, they would devote as much time to advancing the candidacy of Senator Jackson as was consistent with their union duties.

Q So that the time which they were spending on the campaign would have been time which they normally, within their particular duties, would have been spending campaigning?

A Repeat that, please.

Q The time that they were using to campaign on behalf of Senator Jackson was not time they would otherwise have been using for job-related duties, other than the campaigning?

A The nature of an organizer, and I started out as an organizer, there is a lot of intensive time and there is a lot of free time. When you are trying to run a plant, you can't organize it when people are at work, especially if you have a one-shift sort of operation. You ^{HANDBALL PLANT} build a plan in the morning and you do some other things. A good deal of union work is in the evenings, contact people in their homes.

So, I always thought I was very consistent, we could handle it this way, yes.

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Q Do you know an individual named Leo Woolls?

A Yes.

Q Could you identify his relationship with PAL or Labor for Jackson?

A He had no relationship with PAL, to my knowledge. His relationship with Labor for Jackson was that Joe Keenan had been the secretary-treasurer of IBEW until April 1, 1976. Leo Woolls worked with Joe as comptroller of the International for a lot of years. When the Labor for Jackson Committee was established in April, my traveling a lot, with ^{Joe} ~~my~~ traveling a lot, me on my union business, Leo Woolls, I believe we called him an ex officio comptroller for Labor for Jackson.

Q Was he involved in any decision-making as to the making of expenditures from Labor for Jackson funds?

A In terms of the planning of them, of where we are going to spend money?

Q Yes.

A I can't recall.

Q You mentioned earlier an Ernie Miller who did some work in Florida, I believe.

A Yes.

Q Is that Ernie Miller from Laurel, Maryland?

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A Yes.

Q Which other unions besides Sheet Metal Workers did voluntary work for Labor for Jackson?

A In Florida, the crew usually consisted -- we needed this kind of crew for a mobile van operation. We needed an electrician to run the cable, if it wasn't a self-contained winnebago, we needed electricity to operate our equipment. We needed an electrician to run their equipment through a local store or home to operate our own equipment. We needed a plumber and an operating engineer.

In Florida, we tried to man our vans with an engineer, plumber, Sheet Metal Workers and we used the drivers that watched the equipment and an electrician. Then we had volunteers in Florida from other unions, I believe the laborers were one, who would ride around with us on the trucks and help distribute literature.

Q This may be because I am ignorant about unions, but you used a group of people from Sheet Metal Workers to do voluntary work for Labor for Jackson. Are there other particular labor unions which you tapped for voluntary activity? Could you name those unions?

A Yes, ma'am. In South Florida, the Building Trades in

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Dade County, Miami, was pretty active on behalf of the Senator. The Buildings Trade constitute, in South Florida, about 17 different crafts, carpenters, iron workers and a good number of them were pretty active.

OK In Fort Lauderdale and ~~Broward~~ ^{Broward}, my recollection is that the Central Labor Union is building trades plus everybody else, had a fellow whose name I can't recall, who is not a construction worker, but who was pretty active. The teachers were very active in that campaign in Miami. We would accept volunteer help from whatever source. We had a fair amount in South Florida, from a lot of unions.

Q I just have one more question. You said earlier that the purpose for setting up Labor for Jackson was to make independent expenditures on behalf of Senator Jackson's candidacy. If those groups who contributed to Labor for Jackson could also have made independent expenditures on their own, why did you set up Labor for Jackson to do the kind of activity which otherwise could have been done by the supporting groups?

Q We set up Labor for Jackson to establish a broad base of independent activity on the Senator's behalf, primarily because of the experience that labor had gone through in 1972.

† STEW GRAPHIC BRADON

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When labor did not participate in the Democratic Primary, some of us felt, I was one, that the choice between Mr. Nixon and Mr. McGovern was not a very good one, although most of us voted for McGovern, and the thinking was the same thing was going to happen to us again in 1976, except the gentleman's name would be Mr. Carter. So, a number of us discussed this thing quite a bit, usually presidents of unions try to get behind a viable candidate whom we had confidence in, who had a chance of being elected and the best way to promote the candidacy would not be by individual unions, but by a broad based coalition which would demonstrate stronger labor support.

That was the basic idea of Labor for Jackson.

MS. BROWNING: Thank you.

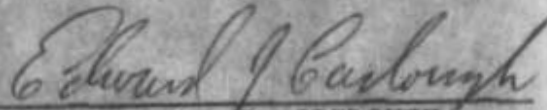
MR. SPIEGEL: Any questions, Mr. Randolph?

MR. RANDOLPH: No.

MR. SPIEGEL: Off the record.

(Discussion off the record.)

(I have read the foregoing pages 3 through 51, inclusive, which contain a correct transcript of the answers made by me to the questions therein recorded.)


EDWARD J. CARLOUGH

CERTIFICATE OF SHORTHAND REPORTER

I, Lynell C. Shreve, shorthand reporter, do hereby certify that the testimony of the witness appearing in the foregoing deposition at pages 3 through 51, inclusive, was taken by me in shorthand and thereafter reduced to typewriting under my direction; that said deposition at said pages is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.

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COTTON CONTENT

Shorthand Reporter

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LAW OFFICES
SHARP, RANDOLPH & JANIS
SUITE 401
1220 NINETEENTH STREET, N.W.
WASHINGTON, D. C. 20036

JAMES E. SHARP
A. RAYMOND RANDOLPH, JR.
N. RICHARD JANIS

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FEDERAL ELECTION
COMMISSION

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(202) 89-2400

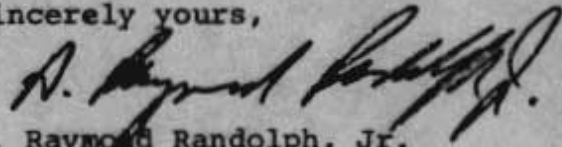
November 2, 1977

Ms. Peggy L. Greenwood
Vice President
Milton & Greenwood
Reporting Associates, Inc.
Suite 1110
1028 Connecticut Avenue, N.W.
Washington, D.C. 20036

Dear Ms. Greenwood:

Enclosed is a signed copy of the original transcript
of Mr. Miller's deposition before the Federal Election
Commission. No changes were made on the original.

Sincerely yours,


A. Raymond Randolph, Jr.

ARR/lr
Enclosure
cc: David Spiegel, Esq.
Judith Browning, Esq.

79040122510

LAW OFFICES

SHARP, RANDOLPH & JANIS

SUITE 401

1220 NINETEENTH STREET, N.W.

WASHINGTON, D.C. 20036

David Spiegel, Esq.
Federal Election Commission
1350 K Street, N.W.
Washington, D.C. 20463

Office of General Counsel

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WASHINGTON, D. C. 20036



Judith Browning, Esq.
Federal Election Commission
1350 K Street, N.W.
Washington, D.C. 20463

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79040122513

RE: Before the FEDERAL ELECTION COMMISSION, in the Matter of:
LABOR FOR JACKSON and SHEET METAL WORKERS INTERNATIONAL
ASSOCIATION - POLITICAL ACTION LEAGUE.

Enclosed herewith are the original depositions of:
ERNEST F. MILLER and FRANK SCADUTO, taken on October 3, 1977, submitted
for their reading and signing.

Upon completion of the reading and signing it is requested that the original depositions be returned as soon as possible to this office for filing with the Commission.

MILTON & GREENWOOD
REPORTING ASSOCIATES, INC.

cc:
David Spiegel, Esq.
file

ORIGINAL

shreve/dr

BEFORE THE FEDERAL ELECTION COMMISSION

----- X
In the Matter of :
 :
LABOR FOR JACKSON and :
SHEET METAL WORKERS : MUR# 236,266 (76)
INTERNATIONAL ASSOCIATION- :
POLITICAL ACTION LEAGUE :
----- X

Washington, D. C.

Monday, October 3, 1977

Deposition of

ERNEST F. MILLER

a witness in the above-entitled matter, called for examination
by counsel for the Federal Election Commission, taken at the
offices of the Federal Election Commission, 1325 K Street, N.W.,
Washington, D. C. beginning at 2:35 p.m., before David Spiegel,
when were present on behalf of the respective parties:

For the Federal Election Commission:

DAVID SPIEGEL, ESQ., and
JUDITH BROWNING, ESQ.
1325 K Street, N.W.,
Washington, D. C. 20463

MILTON & GREENWOOD REPORTING ASSOCIATES, INC.

(Formerly Reynolds Reporting Associates, Inc.)

OFFICIAL REPORTERS

1028 Connecticut Ave., N.W., Suite 1110

Washington, D.C. 20036

Phones: (202) 833-3598

833-3598

MILLERS REPORTS
ERASE
COTTON CONTENT

79040122514

For Ernest F. Miller:

A. RAYMOND RANDOLPH, JR., ESQ.
1220 - 19th Street, N.W.,
Washington, D. C. 20036

For the Sheet Metal Workers International
Association-Political Action League:

DONALD W. FISHER, ESQ.
Suite 741, National Bank Building
Toledo, Ohio 43604

C O N T E N T S

EXAMINATION BY COUNSEL FOR:

FEDERAL ELECTION COMMISSION
(Ms. Browning) (Mr. Spiegel)

WITNESS:

ERNEST F. MILLER

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COTTON CONTENT

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HEMLOCK

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Thereupon

COTTON

ERNEST F. MILLER

a witness, was called for examination by counsel for the Federal Election Commission and, after having been sworn by David Spiegel, Esq., was examined and testified as follows:

EXAMINATION BY COUNSEL FOR THE
FEDERAL ELECTION COMMISSION

BY MS. BROWNING:

Q Would you state your name for the record?

A Ernest F. Miller.

Q Your address?

A 8411 Spruce Hill Drive, Laurel, Maryland.

Q Mr. Miller, are you aware of your right to have counsel present?

A Yes.

MS. BROWNING: Would counsel identify himself for the record?

MR. RANDOLPH: A. Raymond Randolph, Jr.

BY MS. BROWNING:

Q For whom are you employed?

A Sheet Metal Workers International Association.

Q What is your position?

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A International Organizer.

Q How long have you been employed in that position?

A Since February of '75.

Q Could you explain what an International Organizer does?

A Organize the unorganized.

Q How many hours a week would you say you spend as an International Organizer?

A That is a good question. That is kind of hard to tell because sometimes it could be seven days a week, fourteen, fifteen hours a day. Some days it may be not that many. Some days it may be a lot less.

Q Do your responsibilities include campaigning on behalf of Federal candidates?

A Does it what?

Q Do your responsibilities as an International Organizer include working on behalf of Federal candidates?

A No, not in general; no.

Q During the primary period in 1976, did you work on behalf of Senator Jackson?

A Yes.

Q Did you do this as part of your functions as an

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International Organizer?

A No.

Q It was done on off-time?

A It was done -- I volunteered to do it.

Q The hours during which you did campaigning were these hours which you would not have been spending in your regular functions as an International Organizer?

A Yes.

Q During that period, that is the primary period of 1976, on the average, how many hours would you think you spent a day as an International Organizer; that is, not campaign related activities?

A At the particular time I didn't have any campaigns going as my own; I wasn't organizing campaigns. So I volunteered all my time.

Q How many months did that go on?

A I don't know. I was on several campaigns. I would say all told, I guess it probably amounted to maybe 30 days in the whole year, until the election was over.

Q Were those 30 days spent campaigning on behalf of Senator Jackson?

A Yes.

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Q What months were those days in?

A The last part of January until around the first -- about April, May -- April.

Q I am going to show you a page from a report filed by the Labor for Jackson Committee. The first item is an expenditure to you. Could you tell us what that \$266.95 was used for?

A This is a car I rented in Pittsburgh.

Q What did you use the car for?

A I used the car to deliver literature around and jobs and different things like that.

Q What kind of literature was it?

A Literature trying to advance Jackson for President.

Q Where did you get the literature?

A We got it -- that is, the Labor for Jackson campaign -- we got it from the Labor for Jackson people.

Q Who would have given it to you? What person?

A It was shipped into me from various printers that had been printing it up.

Q The activities that you were carrying out which included the use of this car, with whom were those coordinated? What persons?

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COTTON CONTENT

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A In Pittsburgh, I was more or less in charge up there. What happened was, working people would call me and I would say on a certain corner Joe Blow has a piece of material; get in the car and run some down to him, here, there and everywhere.

Q How did you know to go to Pittsburgh?

A I volunteered to go up there.

Q To whom did you volunteer?

A Eddie Carlough.

Q Did you consider yourself working for the Labor for Jackson Committee at the time you were carrying out these activities?

A No, I was working for Labor for Jackson.

Q Did you know you would be reimbursed by Labor for Jackson?

A Yes.

Q Were you ever reimbursed by PAL?

A Not as I can remember.

Q Were you ever reimbursed other than this \$266 by anyone for campaign activities?

A No.

Q Were you aware of other persons who were campaigning on behalf of Senator Jackson's candidacy and being reimbursed

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by either PAL or Labor for Jackson?

A I can only speak for myself. I don't know.

Q Did you at any time have any responsibilities with respect to getting reimbursements for other persons who were campaigning?

A I had, like when we was in Florida, I had guys give me their receipts where they purchased stuff, for one thing and another. I would take them to -- but that was on a different campaign than Pittsburgh.

Q Was that only done in the Florida campaign where you would take the bills for other campaigners?

A It was only because I was going to the place and I knew the guy.

Q Who directed you to do that?

A Nobody, really. We were just going to get them. I had the trucks I had to take back. What I did, Gold was his name -- he was supposed to -- you see, we had the things on hold. When we got ready to take them back we called him and he wrote us out a check for the amount of money it was. I was to pick it up at his office and take it back to the rental place. They paid for the vans and stuff. Some of the guys, it may be like they needed some gas or something and they

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bought it and he reimbursed them for it.

Q How did you know that he would be reimbursing you?

A He told us he would.

Q When did you meet him -- Mr. Gold?

A When did I first meet him?

Q Did you ever meet him?

A Yes, I met him. I don't exactly remember when.

Q When you met him, did he indicate to you that he would be paying the bills for certain expenditures?

A No. In this campaign we volunteered to work for him, right? I mean, for Jackson. And he was the treasurer of it. So I just assumed that was the guy to get the money from. So when we got bills we sent them to him to pay them. Nobody ever told me anything.

Q The expenditures incurred in Florida were to be paid for by the Jackson for President Committee; is that correct?

A In Florida, yes.

Q In any other place that you campaigned, were the bills to be paid for by the Jackson for President Committee?

A No. In New York it was under PAL, or the Political Action League. Then in Pittsburgh, it was under Labor for Jackson. It was all different.

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Q Before you went to Florida, were you told that the Jackson for President Committee would pay for the bills?

A I don't remember being told, no.

Q When you were told that, it was by Mr. Gold; is that correct?

A I can't remember the circumstances I met him under. I met him one day with another gentleman, and there was people there from all the building trades. We were picking up literature and all that stuff. I seen everybody going to him for money. So I asked them if that was the guy you go to. So then he said, yes, he is the one who signs the checks. That is the guy we went to see.

Q Did Mr. Carlough have any knowledge of this, are you aware?

A No, I don't know what he knew.

Q Then when you went to New York you say that PAL paid for the expenditures in New York?

A Yes.

Q How did you know then that PAL would pay for those?

A Because what we had to do then is to call Mr. Carlough and ask him. If we got something -- like we needed so many things printed and we called him and asked him and he

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would say, yes, go ahead and have them printed.

Q When you went into these States to campaign, was it just up to you to try to find someone to pay the costs?

A No.

Q You knew before you went?

A No, I didn't know. When you get there, if you walk in a room there are a bunch of people writing checks or something, that is the guy you want to get close to, right? So that is the guy we went to or woman, whoever was in charge.

Q Did you have plans before you went to Florida to have someone else pay the bills before you met Mr. Gold?

A No. I didn't have plans of anybody paying anything.

Q During the Florida campaign, there were other persons who were working on behalf of Senator Jackson's candidacy who gave you bills and then you would forward them to Mr. Gold to be paid; is that correct?

A Yes. It didn't happen but once or twice, I don't think.

Q Can you recall what persons gave you bills?

A I know Jim Hinkle did. I am sure that a guy named Joe Valdestri, and there was some guys from some other building trades; there was a lot of them involved in it. Some of them

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COTTON CONTENT

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were guys I couldn't even tell you their names today. I don't know them. I just met them that day and that was it.

Q When you went to Florida, did you discuss what your activities would be with anyone before you left? By that I mean, anyone with the Labor for Jackson Committee or with PAL?

A No.

Q Did you discuss them with Mr. Carlough?

A When I left Washington?

Q When you left to do your Florida campaigning.

A Mr. Carlough asked me if I had anything that was pressing to do, like the campaign. I told him no. He asked me how would I like to work for Jackson. I said sure and got on a plane and left.

Q Did he give you any indication that you would be meeting up with people with the Jackson for President Committee who might pay --

A No, I was supposed to meet a guy named Joe Valdestri, and I met him.

Q Mr. Miller, do you know Bob Keefe?

A Who?

Q Bob Keefe?

A No, I can't say as I do.

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Q Did you have any contacts during the primary campaign with any persons other than Mr. Gold who were working for Senator Jackson, either on his Senatorial staff or his campaign staff?

A Oh, we met several people but I can't tell you who they were. I could have met that guy Bob Keefe, but I wouldn't -- you know, we were doing all of our work with the building trades people. I mean just go over there and pick up the literature and do our own thing with it.

MS. BROWNING: I don't have any other questions.

BY MR. SPIEGEL:

Q Mr. Miller, just a few questions on your Florida activities. When was this gathering at which you describe going over to Mr. Gold and discussing the reimbursements; do you remember about when that was, what month, what day?

A The day was when it was all over; the primary was over in Florida. I called him on the phone and told him we had these vans and we had to take them -- we was going to take them back. He told us to go over there and find out what the final payment was and he would write a check out for us.

Q You called him on the phone?

A Right.

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Q You said you were at a gathering at which everybody was going over to Gold to collect --

A That was at their headquarters in Miami.

Q Was that before this phone conversation?

A Oh, yes. That is where we met -- I went in and I met him and I picked up some literature.

Q About when was that?

A I guess when we first started. That would be around the first part of it.

Q What did you say to Mr. Gold when you went over to him?

A I asked him if he was the man we contacted on money. And he said yes.

Q Did you tell him who you were?

A Yes, I told him I was from Sheet Metal Workers.

Q "My name is Ernie Miller from Sheet Metal Workers"?

A Yes.

Q How many people were with you when you were working in Florida?

A From where?

Q From Sheet Metal Workers.

A There was quite a bunch because we had all the guys

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who were unemployed from the Sheet Metal Workers trade that were unemployed; we had all of them. I couldn't tell you how many it was.

Q Do you have any idea of the total number of bills that you ultimately gave in to Gold for people who did campaign work for him?

A The total amount of money?

Q Yes, the total amount of money involved.

A Again, I would say, I guess those vans must have cost them at least \$2,500; the vans alone.

Q There were more expenses besides this?

A Well, we had gasoline and things like that.

Q Was lodging included also?

A No, I paid my own.

Q When you initially spoke to Gold, did you speak about a figure of expenses that this would cost them?

A No, we would do the same thing we do with PAL and Labor for Jackson. We have contacts by them saying, yes, go ahead and do it.

Q Did you give him some idea what you would be doing when you talked with him?

A What we would be doing with the vans?

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COTTON CONTENT

16

Q Yes.

A Yes. He knew we would be using them to haul literature around and those cassette players and televisions we had set up. We had kool-ade and all that stuff for people inside.

Q You say that you called Mr. Gold some time near the end of the campaign and you talked to him about the expenses that you had run up. Did you call him on the phone at any other time besides that?

A I could have. It was a thing where the time went so fast. I know I must have talked to him some time or another other than that.

Q Did you ever discuss with him where you would be taking the vans? What cities, locations, things like that?

A No. It was pretty much up to us where we went.

Q While you were in Florida conducting these activities, did you discuss with Mr. Carlough what you were doing?

A No. I don't think I talked to him until the day I got ready to leave.

Q Did you discuss with him what you would be doing prior to the time you left? You said you had one conversation with him prior to the time you left.

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A Yes, when he asked me how would I like to go to Jacksonville, Florida.

Q Let me ask you a few more questions.

You discussed that trip that you made to Pittsburgh for Labor for Jackson for which you received about \$260.

A That was for the car.

Q I believe you mentioned that you had a discussion with Mr. Carlough before you made the trip. Did he ask you to go specifically to Pittsburgh?

A No, he didn't.

Q Whose idea was it to go to Pittsburgh?

A Well, you know, I told him we still don't have any of the campaigns to do, so if you want me to go I will go. I will be glad to go.

MR. SPIEGEL: Okay. No more questions.

Mr. Randolph, any questions?

MR. RANDOLPH: No.

(I have read the foregoing pages 3 through 17, inclusive, which contain a correct transcript of the answers made by me to the questions therein recorded.)

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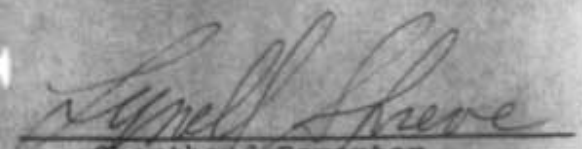
COTTON CONTENT

Ernest F. Miller
ERNEST F. MILLER

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COTTON CONTENT

CERTIFICATE OF SHORTHAND REPORTER

I, Lynell C. Shreve, shorthand reporter, do hereby certify that the testimony of the witness appearing in the foregoing deposition at pages 3 through 17, inclusive, was taken by me in shorthand and thereafter reduced to typewriting under my direction; that the said deposition at said pages is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.


Shorthand Reporter

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General Purpose Reporting

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Phone: (202) 633-3598

**Official
Transcript**

David Spiegel, Esq.
Federal Election Commission
1325 K St., N. W.
Washington, D. C. 20463

FIRST CLASS MAIL

COPY

IRVING HERSHEY GOLD

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of:

LABOR FOR JACKSON

No. MUR 236(76)

Stuart's
ERASABLE

DEPOSITION OF IRVING HERSHEY GOLD

Taken on behalf of the Government, at 8920
Wilshire Boulevard, Suite 333, Beverly Hills,
California, on Monday, November 21, 1977,
commencing at 5:00 P.M., before Carla Cline,
CSR No. 3630, a Notary Public for the State
of California, pursuant to notice.

RACKLIN, BERNSTEIN, MINJARES & SULLIVAN

CERTIFIED SHORTHAND REPORTERS
SUITE 206
1250 WILSHIRE BOULEVARD
LOS ANGELES, CALIFORNIA 90017

79040122533

1
2
3 APPEARANCES OF COUNSEL:

4 FOR THE FEDERAL ELECTION COMMISSION:

5 WILLIAM OLDAKER

6 General Counsel

7 DAVID SPIEGEL

8 Assistant General Counsel

9 1325 K Street N.W.

10 Washington, D.C.

11
12 FOR THE DEPONENT:

13 GIL TODD SIEGEL, ESQ.

14 8920 Wilshire Boulevard, Suite 333

15 Beverly Hills, California 90211
16
17
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Stuart's
ERASABLE
BOND

WITNESS

EXAMINATION

IRVING HERSHEY GOLD

(By Mr. Oldaker)

3

(By Mr. Spiegel)

35

(By Mr. Oldaker)

36

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1 BEVERLY HILLS, CALIFORNIA, MONDAY, NOVEMBER 21, 1977

2 5:00 P.M.

3 -oOo-

4 (A discussion was had off the
5 record.)

6 MR. OLDAKER: The stipulation is that all objections
7 are held until time of trial, and that the witness does not
8 waive the signature but agrees that he will review it within
9 60 days and will return it within that time to the Commission.

10 MR. SIEGEL: So stipulated on behalf of the witness.

11
12 IRVING HERSHEY GOLD,
13 having been first duly sworn, was deposed and testified as
14 follows:

15
16 EXAMINATION

17 BY MR. OLDAKER:

18 Q Would you state your full name.

19 A Irving Hershey Gold.

20 Q Where do you currently live?

21 A 5616 South Shenandoah Avenue.

22 Q And your current address, Mr. Gold -- I
23 mean your current occupation?

24 A I am the president of the Super Yarn Mart.

25 Q And what does that company do?

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4

1 A We are in the retail yarn business.

2 Q How long have you been president of that
3 organization?

4 A Since I started the company 29 years ago.

5 Q Were you ever associated with the Jackson
6 for President Committee?

7 A Yes.

8 Q In what capacity?

9 A A volunteer.

10 Q How did you become associate with the
11 committee?

12 A I have known Senator Jackson for many years.

13 Q Many -- a dozen or so or more?

14 A Maybe eight years, seven years.

15 Q And what has been the relationship? Personal,
16 political, et cetera?

17 A I have known him through my philanthropic
18 endeavors. I am heavily involved in the Jewish community, and
19 on a number of occasions we have shared a dais at Jewish
20 functions. That is how I got to know him.

21 Q As a volunteer for the committee what did
22 you basically do?

23 A I was basically involved in generating
24 support for his candidacy. Volunteer support and financial
25 support.

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CONFIDENTIAL

Q As far as volunteer support, did you work in various states, or did you work on a national level?

A On the volunteer support I worked basically in California, in Southern California operations. And I did work with him in several other states. But basically that was to raise funds in the Jewish communities of those states.

Q In California did you work -- was there a Jackson for President Committee that you worked with?

A In California he had a campaign director for the State of California. And I was a volunteer.

Q You worked with that individual?

A Yes.

Q Who was that individual?

A Terry O'Connell.

Q Did you work the majority of your time during certain periods with the Jackson Committee?

MR. SIEGEL: What period of time are you talking about?

MR. OLDAKER: Various periods. I am not sure. I imagine when his candidacy was extant, which was from -- until--

MR. SPIEGEL: January.

MR. OLDAKER: January to March of 1976.

MR. SIEGEL: Can I ask you a question? Are you talking about -- as opposed to his own private business or in

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1 conjunction with other candidacies and campaigns or whatever?

2 MR. OLDAKER: If there are others, can you elaborate?

3 I want to know if he spent most of his time --

4 THE WITNESS: No, I did not. I ran my business.

5 MR. OLDAKER: Q You ran your business?

6 A And I worked when I had free time. I
7 worked for him like any volunteer.

8 Q I should say basically I don't know what
9 the relationship was. In fact, I have no idea. I just know
10 that Mr. Gold had some relationship with the Jackson Committee.

11 A I might have worked with him -- if I went
12 to a state -- if he requested me to come there and work for
13 a week or two, and I would come home and run my business.
14 Not a steady job.

15 Q On the fundraising side what did you
16 basically do for the --

17 A Basically I held events, fundraising
18 events in the Jewish communities. They were most all the
19 time dinners. Conventional fundraising political dinners where
20 you charge X number of dollars to come in, and that was it.

21 Q About how many, if you recall?

22 A I don't know. Maybe a half a dozen major
23 dinners.

24 Q Did you do those on more of a national
25 basis than a local basis?

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1 A Well, my big dinner was here. Then there
2 was a few times that he asked me to come and just -- I think
3 it was two states -- Massachusetts and Florida -- where I
4 really went and generated interest in those communities. And
5 then those Jewish people ran their own dinners. I just motiva-
6 ted them to do something.

7 Q As to the dinner here, you were basically
8 the main mover in putting it together?

9 A We had a whole committee. I was the
10 original mover, that is true. But there was a very substantial
11 dinner committee.

12 Q Do you recall when that was held?

13 A That was held, I believe, in December of
14 '75, January of '76, somewhere in there.

15 Q During the active period of the Jackson
16 campaign?

17 A The very, very beginning of his campaign.

18 Q The one in Massachusetts, do you recall
19 when that was held?

20 A I don't think there was a dinner held there.
21 It was -- I turned on some very prominent Jews there who held
22 cocktail-coffee klatches, you would call it. And they raised
23 money that way amongst the Jewish communities.

24 The Jewish community was not very well
25 organized for Jackson at that time, and that is why they asked

79040122540

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BOND

1 me to come and see if I can help them.

2 Q In Florida do you recall when that dinner
3 was?

4 A There was a dinner in Florida, and that
5 was run by some prominent Jews that I sparked into it. There
6 was a fellow there that was -- he ran a newspaper -- Jerry
7 Schwartz I think is his name. And he was a director of a
8 temple, and he was the one who sparked the whole thing once
9 I got him turned on. He ran the whole show.

10 Q It was successful?

11 A Yes, it was fairly successful. I think
12 they had about 300 people at the dinner there.

13 Q Do you recall when it was held?

14 A No.

15 Q Did you work with the national office at
16 all during the pendency of the national Jackson for President
17 campaign?

18 A How do you mean?

19 Q Various individuals that were there, did
20 you go to work at the townhouse they were in and work with
21 them as to how they should set up their fundraising or
22 organization or --

23 A Well, the national fundraising was in the
24 hands of Dick Klein. He was the finance director.

25 MR. SIEGEL: Is that C or K?

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ERASABLE
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RAG CONTENT

1 THE WITNESS: K. And he would initiate most all the
2 national fundraising ideas.

3 MR. OLDAKER: Q Did you work for Mr. Klein much?

4 A If it was a dinner dinner, I would work,
5 you know -- he would -- he was the man that was the profes-
6 sional and handled all the nitty-gritty of the stuff.

7 Q Did you work with a fellow by the name of
8 Bob Keefe much?

9 A Bob Keefe of course was the campaign
10 manager. So in fundraising, not a heck of a lot for Bob.
11 But at every event that we had Bob was always there with the
12 senator. You know fundraising and political campaigning is
13 a double-edged sword. You are always looking for political
14 support at the same time.

15 Q Did you have much contact with Senator
16 Jackson himself during that period of time?

17 A Quite a bit. He is the one who asked me
18 to volunteer. Yes, I did.

19 Q How did that communication go? Did you
20 institute it? Did he institute it?

21 A Dick Klein is the one I think that started
22 it early in the game. But also I didn't know at the time the
23 senator was going to run, I suppose. And then at my events,
24 of course, I was with the senator. He was our main attraction.

25 Q Did the senator call you occasionally and

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1 ask you for advice, ask you how he came off on TV?

2 A Not enough to talk about. I mean if he
3 happened to be talking for some other reason. But he just
4 wouldn't specifically call me. I am no expert on that.

5 MR. SIEGEL: I have a feeling what you are wondering
6 if he was like a confidant of the senator.

7 MR. OLDAKER: He has told me he was not.

8 MR. SIEGEL: Is that what you are looking for basical-
9 ly?

10 MR. OLDAKER: That is basically what my question was
11 asking, and I think it would be correct to assume that you
12 didn't talk to him on ordinary --

13 THE WITNESS: I was a volunteer. He had a huge
14 paid staff that he went to for all of those things. Like the
15 media. He had some huge advertising agency on Madison Avenue
16 somewhere. He paid them to make all the commercials and all
17 of that. Isn't that right?

18 MR. OLDAKER: Q That is correct.

19 A I don't remember the name, but we used to
20 say that they were spending all the money we were raising.

21 Q I guess as a fundraiser you probably had
22 some concern about the outcome of the money, where it was
23 being spent. Did you talk at all to people on the committee
24 about how they were spending the money?

25 A That was really not in our bailiwick. We

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1 don't have any authority.

2 Q You raised --

3 A Yes. Conventional. I do not do this for
4 dozens of political candidates. I mean it's a very convention-
5 al thing.

6 Q Have you ever heard of an organization
7 called Labor for Jackson?

8 A I don't think so.

9 Q Were you ever familiar with an organization
10 called the Jackson Labor Committee?

11 A I know they had some labor committees. I
12 did know that.

13 Q Which was their committee?

14 A I don't remember the names of them. But
15 there was labor people for Jackson. I remember that.

16 Q Let me distinguish for the record. I
17 wouldn't assume that you would necessarily know that the
18 Labor Committee for Jackson was a Jackson committee. It was
19 a satellite committee that they basically had. The Labor
20 for Jackson Committee was not a Jackson committee. It was
21 a committee set up by some labor unions basically. The
22 Sheet Metal Workers and the Marine Engineers and I believe
23 one or two others. The Jackson Labor Committee, there were
24 individuals involved, namely, one Mr. Carlough. Were you
25 ever familiar with him?

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1 A I have heard his name.

2 Q Eddie Carlough?

3 A Yes. I have heard of him.

4 Q Did you ever meet him, deal with him?

5 A I might have met him. Labor wasn't my
6 thing.

7 Q I understand.

8 A I met a lot of people, was schlepped to a
9 lot of meetings. So it's possible that I did meet him. But
10 like I say, labor is not my thing.

11 Q Did you ever deal with the folks from the
12 Sheet Metal Workers at all that you can recall as to fund-
13 raising, joint fundraising events?

14 A Not that I recall. Fundraising -- I was
15 almost totally limited to Jewish communities.

16 Q Let me run through several names. Jim
17 Hinkle.

18 A I don't remember that name. I might --
19 don't get me wrong. I met thousands of people. But it
20 doesn't -- I couldn't pick him out.

21 MR. SIEGEL: Who is he associated with?

22 MR. OLDAKER: Sheet Metal Workers.

23 Q Joseph Keenan?

24 A I think he was at a meeting that they took
25 me to once. He's an old man, if I remember right.

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1 A Yes.

2 MR. SIEGEL: How do you spell that?

3 MR. OLDAKER: K-e-e-n-a-n.

4 THE WITNESS: I might have met him once for a brief
5 period of time. I just remember he was an old man like
6 Meany was.

7 MR. OLDAKER: Q David Turner?

8 A I don't recall that at all.

9 MR. SIEGEL: Who is he associated with?

10 MR. OLDAKER: He is associated with the Sheet
11 Metal Workers Political Action League.

12 MR. SIEGEL: Was Keenan also Sheet Metal Workers?

13 MR. OLDAKER: Yes. He is one of the officials, I
14 believe.

15 Q Charles Black?

16 A Doesn't ring a bell. Is he a Californian?

17 Q No. He is also national. He is with
18 the MEBA. That is the Marine Engineers Beneficial Association
19 Political Action League. He is the chairman.

20 Leon Shapiro?

21 A No.

22 Q He is with MEBA.

23 A I am not saying that they weren't in a room
24 that I was in.

25 Q Jesse Calhoun?

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1 A Jesse Calhoun, I think, was at a meeting.

2 Q The same one as --

3 A Maybe I met him at one meeting. That is
4 very possible.

5 MR. SIEGEL: Is he also Marine Engineers Beneficial
6 Association?

7 MR. OLDAKER: He is the president of MEBA.

8 THE WITNESS: He might have been at a fundraising
9 that somebody ran, and I might have been there. Not my
10 fundraiser, though.

11 MR. OLDAKER: Q I understand. Did you say that
12 you met Keenan at some time? Do you recall where that was?

13 A No, I don't, but I remember Keenan because
14 he was a crusty old guy and he made an impression on me.

15 Q Do you remember going to a meeting with
16 several Jackson people with a bunch of labor people? Bob
17 Keefe might have been one of them.

18 A The only meeting I remember -- wasn't a
19 meeting. If I remember, somewhere -- I don't even remember
20 the state now.

21 Q New York maybe?

22 A It wasn't New York. But Keefe said, "Come
23 on with me. We will go see some labor guys." And that was the
24 only time I recall going there with high-powered labor guys.

25 Q Do you remember anything about that meeting?

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1 A Not a hell of a lot because I didn't
2 engage in any of the conversations. It was just sort of,
3 "Come on and see what the hell is going on" sort of deal.

4 Q Would it be fair to say you dealt with
5 the Jackson for President drive?

6 A Oh, I am sure I did in some way, certainly.
7 Otherwise why would they take me to a meeting?

8 Q Do you recall if you talked about financing?

9 A I don't remember anything about that meeting
10 because I remember I did not partake of the meeting. So I
11 don't remember what -- I imagine it was just ordinary campaign
12 talk that was going on. "Would you help?" And you know how
13 a campaign manager is. We need more volunteers. They are
14 always asking for money and volunteers. That is what a campaign
15 manager asks for.

16 Q Did you ever have an occasion around
17 Florida primarily to get involved in the payment of funds to
18 individuals for various things they may have done for the
19 community?

20 A I was never authorized to pay funds.

21 Q Did you in fact pay funds?

22 A No. No. The way that worked, there was a
23 main account in Washington. Now, the guy that ran the whole
24 show up there was Walter Scalrop, I believe.

25 Q Was he the controller?

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1 A I don't know what he was. The local guy
2 that guided us in everything we did. Very strict, I remember.
3 Because in fundraising he is the one that passed on the invita-
4 tions and made sure that the proper wording about it was on
5 there. A thing that goes on every piece of literature. That
6 is how I got to know him pretty well. And it limits how much
7 you can take from a person.

8 And then there was Katz who was the money
9 man somehow, and Klein, and what they would do is they would
10 open an account in a state that they went to, and somebody
11 would be authorized to -- like a small account -- pay the
12 small bills because you can't get credit on a campaign. And
13 somebody would be authorized to draw on that account and pay
14 the bills. It was never me. So somebody in Florida must have
15 had that authority. I don't remember who it was.

16 Q Did you ever recall taking bills from
17 people, taking them to someone in Florida?

18 A That is possible. You know, I don't know
19 if our Florida -- the office that they had down there was a
20 pandamonium sort of thing. It was a very big Cuban thing in
21 Florida.

22 MR. SIEGEL: A very big what?

23 THE WITNESS: Cuban. Very, very big. And the way
24 it was laid out, about four or five stalls in the front, and
25 that was all Cuban. And that was a madhouse. And then you

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1 went back, and there was a few more stalls. And in the far
2 back room was somebody that would sign checks. It's possible
3 that -- I was on the outside always. I didn't have an office
4 or anything like that.

5 So I was always running in and out on this
6 fundraising thing, and I got to know guys. And it's possible
7 that somebody handed me a bill, and I handed it to somebody
8 else. That is possible.

9 MR. OLDAKER: Q Do you remember a fellow by the name of
10 Jimmy Hinkle?

11 A I don't recall.

12 Q The reason I ask is for your own information
13 Mr. Hinkle recalls that he took a bill to you and that you
14 paid it.

15 A Out of my own pocket?

16 Q I have no idea. It was reported ultimately
17 by the Jackson committee.

18 A It was paid by the Jackson committee?

19 Q Right.

20 A I could have taken his bill and walked over
21 to whoever was handling it because they won't let guys in --
22 and I said, "Why don't you pay the guy?"

23 MR. SIEGEL: We discussed it a little bit. Why don't
24 you describe a little more in detail for them the problem of
25 getting -- like you say, you couldn't walk in. Maybe they

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1 understand.

2 THE WITNESS: Well, it's just like over here. For
3 example, the guys who were paying the bills, somebody -- a
4 representative person on the staff, I suppose. And they would
5 have had an office like this.

6 There's hundreds and hundreds of volunteers
7 running around. They didn't let them in there. I had access.
8 I was a big fundraiser, a bigshot in this deal, right? So
9 these guys got to know me. I suppose this guy said, "Do me
10 a favor and run a bill into the office." I could have done
11 that. I imagine I have done that a number of times for
12 guys. I would say I would have.

13 MR. OLDAKER: Q Do you remember a guy by the
14 name of Ernie Miller? I believe Ernie is correct. Ernest
15 Miller.

16 A No. Not to say that I haven't met him.
17 But I do not remember.

18 Q I should say that for the record he has
19 a recollection of such transactions occurring.

20 MR. SIEGEL: Same thing as Hinkle?

21 MR. OLDAKER: Yes.

22 THE WITNESS: There is no way I ever signed a check
23 for anybody in payment, I will tell you that. I had no
24 authority to do it, and I couldn't do it if I wanted to.

25 If I expedited a payment for some guy, the

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1 only possible way I could have done it was to take it into the
2 office and say, "Hey, the poor guy is screaming for his
3 money. Let's get him out of the way and give him the money,
4 or pay it off, or something." And if they did, they did. If
5 they didn't, they didn't.

6 MR. SIEGEL: You should bring photographs of these
7 guys and put them in a lineup.

8 THE WITNESS: How can I remember thousands of people?

9 MR. OLDAKER: Q I can tell you these guys were
10 laborer types.

11 A Labor is out of my bailiwick. If you want
12 to mention Jewish people, I will tell you right away who the
13 Jews are down there.

14 Q I will ask you about a guy by the name of
15 Paul Stuckenschneider, a name like that you might remember.

16 A I don't remember that. I don't think I
17 would forget it.

18 Q I don't think he is Jewish either.

19 MR. SIEGEL: Who is he with?

20 MR. OLDAKER: I believe he is with the Sheet Metal
21 Workers.

22 Q A fellow by the name of George Riley?

23 A No. Doesn't ring a bell.

24 MR. SIEGEL: Who is he?

25 MR. OLDAKER: I believe he is with the Sheet Metal

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1 Workers also.

2 THE WITNESS: Do all these guys know me? Everybody
3 knew me, that is true, because I was an up-front guy.

4 MR. OLDAKER: Q Basically they said you looked
5 like a guy who could get things done.

6 A They figured I raised the money, and I have
7 supposedly got some clout in getting it spent. They didn't
8 know the truth, though.

9 Q A fellow by the name of Joe Valdestri?

10 A No.

11 MR. SIEGEL: Also Sheet Metal?

12 MR. OLDAKER: Also Sheet Metal, I believe.

13 MR. SPIEGEL: Yes.

14 MR. OLDAKER: Q Do you remember any other
15 instances other than Florida where you became involved in
16 basically helping the Jackson for President Committee operate
17 better than just fundraising? In other words facilitating
18 the payment of some volunteers?

19 A There were only two places I went of any
20 significance. That was Massachusetts and Florida. I wasn't
21 anywhere else.

22 Q Did you do basically the same thing in
23 Massachusetts?

24 A Yes. In Massachusetts I had responsibility
25 for the Jewish community.

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1 Q How about working with the various
2 volunteers?

3 A Basically in fundraising.

4 Q How about in other aspects of the campaign?

5 A Such as?

6 Q Aiding them in getting things paid, for
7 getting their bills paid.

8 A Maybe. Maybe the same thing. But it was
9 so few that it would be totally insignificant.

10 Q More in Florida?

11 A If I did that in Florida, it must have
12 been two or three. Because otherwise I would remember them.
13 I mean it wasn't my habit of doing that.

14 MR. SIEGEL: Just for clarification, do you remember
15 what kind of bills they may have been, what they would have
16 been there for in Florida?

17 THE WITNESS: Can't be much. I don't remember.
18 Otherwise I would remember.

19 MR. SIEGEL: Just minor amounts?

20 THE WITNESS: Sure.

21 MR. OLDAKER: Q Most of these guys would rent
22 vehicles to do various things? Sound trucks? Things like
23 that?

24 A See, it's something that I had nothing to
25 do with. How did they rent or who authorized them, I don't

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1 know. Right. So he brought in the bill. I don't know whether
2 the bill is valid or not. But the guy is screaming. I most
3 likely said, "Pay the guy off," or something. Most of these
4 guys were big, burly guys. You would want to pay them off.

5 Q Do you remember a reception that was held
6 at Ball Harbor, Florida, during the A.F. of L.-C.I.O. conven-
7 tion?

8 A I know -- I don't think I was involved in
9 that.

10 Q Do you recall if you went to that?

11 A I know I didn't go to that.

12 Q Do you recall any A.F. of L.-C.I.O. events
13 that you may have gone to?

14 A No. Wait a minute. There was a reception
15 on the top floor of some building in one of the states that
16 I did go to for a few minutes.

17 Q Florida possibly?

18 A I don't remember now what state it was.
19 But there was a total labor reception.

20 Q Was Mr. Meany present?

21 A That was where I met Mr. Meany. Now, I
22 wanted to meet him. He was sitting there, and I wanted to
23 meet him. He was quite a guy.

24 Q I would think it would be more than likely
25 to have been Florida because that was the main dinner

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1 reception he went to when he met Jackson.

2 A I don't remember if it was Florida. There
3 was an awful lot of labor people there. I don't remember
4 where it was.

5 Q The A.F. of L.-C.I.O. convention was held
6 in January in Florida. So it would have been an overlapping
7 campaign.

8 A Maybe so. But I know I went there for a
9 drink. I was invited to come.

10 Q Do you remember anything about the finan-
11 cing of that? Did you have anything to do with financing
12 that dinner reception?

13 A Not at all, no. They had -- the Jackson
14 people had a whole labor thing, so -- they had a whole labor
15 thing going.

16 Q Did you ever deal with that labor thing?

17 A No. But I know they had a big labor thing.
18 They had a lot of people working with labor. I know they did.
19 I don't remember the names, but they had a lot of paid staff
20 that did nothing but work with labor.

21 Q Mr. Keefe is basically a labor person. He
22 has known labor people for a long time.

23 A He was the head of the thing. I can't remem-
24 ber the name. There were other people on the staff that did
25 nothing but work with labor.

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1 Q Do you recall back at that meeting where
2 the labor people were at that you and Bob Keefe went to -- do
3 you recall sometime during the meeting being asked to leave,
4 and you and Keefe got up and left?

5 A No.

6 Q Does that ring a bell?

7 A I don't remember anything about that
8 meeting. You might mean a small meeting --

9 Q A small meeting with Joe Keenan.

10 A I have to think. What the hell went on
11 there? I don't recall. I don't think we were asked to leave.
12 I don't remember.

13 Q For purposes of the record, the reason that
14 I am interested in that is that was the meeting at which the
15 Labor for Jackson Committee was formed, and our records would
16 indicate it was after you and Mr. Keefe left the meeting.

17 A That is -- which committee is that now?

18 Q That is the independent expending committee.

19 A It was formed at that time?

20 Q That is what our record would show at this
21 time. I don't know.

22 MR. SIEGEL: In which state was that meeting; do you
23 know?

24 MR. OLDAKER: I can't remember. It was either
25 Washington or -- for some reason New York is in my mind, but

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RAG CONTENT

1 I have to look at the deposition to be accurate. Possibly in
2 Pennsylvania.

3 MR. SIEGEL: Were you in Pennsylvania?

4 THE WITNESS: No. I didn't go to Pennsylvania.

5 MR. OLDAKER: Q Probably in Washington. I can't
6 recall.

7 MR. SIEGEL: New York, maybe?

8 MR. OLDAKER: Yes, but most likely it was in Washing-
9 ton.

10 MR. SIEGEL: Just for point of clarification, when you
11 asked him about whether he and Keefe were asked to leave, was
12 that on a friendly basis or --

13 MR. OLDAKER: I am certain it was on a friendly
14 basis. The question in our mind is what was the inner relation-
15 ship between this group of individuals and the Jackson Committee?
16 In all honesty, it appears to be somewhat incestuous, and
17 those are the facts we are looking for. Mr. Gold would be
18 more collaborative than anybody else as to what happened.

19 THE WITNESS: I don't think there was a hell of a lot
20 that went on, if I remember. I would remember if there was
21 anything funny.

22 MR. OLDAKER: Q Or that you deemed important?

23 A Well, what I would think was important.

24 Q Right.

25 A But I don't recall -- it was just ordinary

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79040122558

1 talk about the campaign, if I remember right. But I don't
2 even remember that much of it. I don't think we were there
3 for more than five or ten minutes at the most.

4 MR. SIEGEL: You are talking about the meeting with
5 Keenan or Meany?

6 THE WITNESS: No. Meany was at the party.

7 MR. OLDAKER: I would assume that you didn't talk
8 about anything but pleasantries at that meeting?

9 THE WITNESS: At the party?

10 MR. OLDAKER: Q At the party.

11 A I didn't talk to anybody. I don't know
12 these people well enough to talk to them. I just asked Keefe
13 to introduce me to Meany so I could shake his hand and get to
14 tell people that I met Meany.

15 MR. SIEGEL: Did you get your picture taken?

16 THE WITNESS: I wish I did. He is a historic figure.
17 He really is.

18 MR. OLDAKER: Q During the hiatus when the
19 Supreme Court struck the Federal Election Campaign Act,
20 January 31 -- you may be familiar with it -- the funds from
21 the Federal Government stopped coming in?

22 A Yes. I remember that period.

23 Q During that period, I guess things got
24 fairly tight. I assume they did for most campaigns.

25 A No more money. That is correct. They sure

79040122559

ERASABLE
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1 did.

2 Q Do you recall attempting to get loans from
3 any individuals outside of the Jewish community with which you
4 were specifically working on aid over the period -- the hiatus
5 until the Federal monies came again?

6 A I didn't get -- ask for loans. I don't
7 think I did. Maybe I did. But I don't think so. I know
8 what I did was put together a very intensive phone solicitation
9 campaign to try to tide us through that period.

10 Q Did you have conversations with many
11 individuals on the campaign about financial difficulty at that
12 time or squeeze, I guess?

13 A Klein was screaming for money, you know.
14 Klein's job was to raise the money. Remember, I was just a
15 volunteer. He had to raise the money in the whole country.
16 So he was screaming for dough.

17 Q You say he was pretty exasperated about it,
18 pretty excited to have people raise money? It was a desperate
19 plea to raise money? You weren't going to be able to continue?
20 Strike the word desperate.

21 A I don't think it was desperate. But he was
22 badly in need of money like every single candidate was. And
23 that is the time I think that --

24 Q I think the record would show that.

25 A That was -- that guy is \$150,000 in debt

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ERASABLE
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FAB CONTENT

1 right now from that campaign.

2 Q The other fellow from California?

3 A Oh, Mr. -- which guy is that?

4 Q Mr. Reagan.

5 A That is different. I don't think about
6 those guys.

7 Q Do you recall any talk about going to
8 individual union members to obtain numbers of loans?

9 A Loans?

10 Q Loans during that period.

11 A Union members? No. The only thing I
12 remember about loans is I discussed it with the senator. That
13 it would be something for him to think of to make a personal
14 loan. The law at that time allowed the candidate himself --

15 Q To make an unlimited loan?

16 A To make an unlimited loan to the campaign.

17 And I told him that the Jewish community will back him up if
18 he will make his own loan. And the pity of it was that he
19 didn't have any money -- he himself doesn't have no money.
20 So he just didn't have any dough. It's amazing.

21 Q It is hard to put anything away on \$50,000
22 a year.

23 A Particularly if you are a very honest
24 senator.

25 Q That is very true. The reason I ask is that

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1 it is not necessary to put into the record, but there are
2 dozens of loans made on the same or approximately the same
3 dates from the Sheet Metal Workers in the amount of \$500 and
4 in the amount of \$1,000 to the committee. Were you ever
5 familiar with those transactions in any way?

6 A I know they were trying to make loans. I
7 didn't have anything to do with getting loans. I have no
8 idea who gave them the money. The only thing I know about
9 loans is I tried to talk to Scoop himself about making a loan.

10 Q Were you ever involved in any conversations
11 about the efficacy of getting loans from individuals like the
12 Sheet Metal Workers or --

13 A Outside of the senator himself, no.
14 Because that is \$100 loans or \$200. I was asking the senator
15 to lay in \$100,000.

16 Q Those are \$500 loans.

17 A Whatever.

18 Q Several \$1,000 loans, all made approximately
19 the end of March, the beginning of April, and coming out to
20 be \$28,500 in about seven or eight days.

21 A I remember Scallop and Klein and Katz would
22 have worked on it.

23 Q Those would be the individuals that you
24 would think would work on it? Do you have any knowledge that
25 they did work on it?

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1 A I don't have personal knowledge, but I
2 assume it is their responsibility. They were paid to do that.

3 MR. SIEGEL: I don't know that much about campaigns.
4 \$28,000 wouldn't do much for you, would it?

5 THE WITNESS: That is what the total was?

6 MR. OLDAKER: Q On the loans, that is right.

7 A That is spit. But Carter, if I remember
8 right, took out a half-a-million-dollar loan or something like
9 that. He did. Of his own. Hawked his warehouse, if I recall
10 correctly. This was the precedent for it, for my asking Scoop.

11 Q I think it would show that Mr. Sanford
12 loaned approximately the same amount to his committee.

13 A That is right. I forget about them. They
14 were still in the race.

15 Q Do you recall at all how the Jackson
16 organization operated in Washington, D.C.? Were you there
17 enough to become familiar with it?

18 A Outside of these individuals I mentioned
19 that is all I know. I know Keefe was the campaign manager.
20 Klein was the guy pushing me around always, to raise money,
21 and all of the rest of us in the committee, giving us ideas.
22 And Scallop and Katz. That is all.

23 Q Did you go there for meetings? Did they
24 make all the fundraisers come in and talk to them?

25 A No. I don't remember bringing the

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1 fundraisers to the office. We would bring them to a cocktail
2 thing or something like that, but not to the office. To
3 the senator's suite or something.

4 Q Were you ever at the office in Washington,
5 D.C. for a couple days at a time?

6 A Yes. When I was in Washington I would
7 hang out there. Absolutely. I would use their phones and
8 everything in my fundraising efforts.

9 Q Would you be in an enclosed area, or how
10 was the building laid out?

11 A Let's see. It was like they had one
12 building, and later on they had another building. They had
13 two buildings expanded. I am trying to remember. It's a
14 two-story house like converted into offices.

15 Q A townhouse type?

16 A I don't know. We called it just a duplex
17 like, a two-storey job. It was like a house, but --

18 MR. SIEGEL: Things are more casual in California.
19 Townhouses are something we don't have. We call them duplexes
20 here.

21 THE WITNESS: They were upstairs. I am sure of that.
22 Klein and Scalrop and Katz were upstairs in one building. I
23 didn't have any office. I would just -- wherever there was an
24 empty desk or something.

25 MR. OLDAKER: Q What did you generally do? Make

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1 phone calls to possible contributors?

2 A Basically phone calls to try and raise
3 money.

4 Q Did they ever have you in any of the
5 strategy meetings?

6 A For fundraising?

7 Q Yes.

8 A If they were talking about an event, sure.
9 A lot went into an event. A dinner, a cocktail reception.

10 Q Was that generally the kind of events that
11 you were involved in? Dinner, cocktail parties and telephone
12 solicitations?

13 A I initiated a phone thing that worked out
14 very well. I would get the senator for a while, and I would
15 call the individual I thought was a potential contributor and
16 tell him I was with the senator and that we needed his help,
17 and I would put the senator on. And the senator would verify
18 that he needed the help, and I did an awful lot of phone
19 solicitation.

20 Q So you had to have the senator right there?

21 A Those really important fundraising deals,
22 I did. I had the senator with me.

23 Q Did you do that in Florida also; do you
24 recall?

25 A I did that quite a bit. I don't remember if

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1 it was in Florida. Whenever I could lay my hands on him to
2 do it, I did it.

3 Q Did you follow him around from place to
4 place occasionally?

5 A Like I say, I remember Florida and Massa-
6 chusetts. That is about all I remember. New York, a little
7 bit.

8 Q The reason I am asking is that it is not
9 unusual. That is one of the best ways to fundraise.

10 A Only when he asked me to do this.

11 (A discussion was had off
12 the record.)

13 MR. OLDAKER: Q Back to the Sunshine State,
14 Florida, do you recall who paid out the money in Florida? Who
15 was the disbursing officer or whatever they called him down
16 there?

17 A I think his name was Arnold something
18 or other.

19 Q Do you recall what he looked like?

20 A A tall guy that was in the movie business.
21 Arnold Picker, I think was the guy who had the authority to
22 sign the checks, if I remember right. I am sure that other
23 staff people must have had authority. I am not sure. I ima-
24 gine somebody else had authority.

25 Q This is the fellow you knew?

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1 A Arnold Picker's name comes to me. I think
2 he lives in --

3 Q Tall?

4 A A tall guy that was I think with United
5 Artists or Warner Brothers. He was at one time one of the
6 head guys.

7 Q From Florida or from California?

8 A No. He is a Floridian now. If he was
9 in California, it was before my time.

10 Q You talked about where all your money went
11 before -- the advertising firms. Were you ever familiar with --
12 was his name Mora Flasher & Son? An advertising firm by that
13 name?

14 A No. There is one. If I am familiar with
15 the one you mentioned, that is not the one. I think I would
16 remember the one that was spending all the money. Used to
17 always kibbitz about that. Holloway or Holiday? Does that
18 ring a bell to you guys? One of the words in it was Holiday
19 or Holloway. It was blank, blank and something. Weren't
20 they the guys?

21 Q They would be very well --

22 A They are the guys that spent most of the
23 money. I know that.

24 Q The individuals we are asking about were
25 the individuals that spent the independent expense money for

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1 the Sheet Metal Workers.

2 A I wouldn't know that. But I am sure you
3 will find that the guys that spent most of our money was
4 Holiday or Holloway.

5 MR. OLDAKER: All right. Do you have anything else?

6 MR. SPIEGEL: Just really one question to fix
7 something here on the record.

8
9 EXAMINATION

10 BY MR. SPIEGEL:

11 Q Is it a correct summation on your part that
12 you worked for the Jackson campaign in the period of about
13 January to May of '76? Is that an accurate reflection of your
14 testimony?

15 A January?

16 Q Through May of '76; so that was the focal
17 point of your endeavors in that period?

18 A Well, on and off. Wherever he was running
19 up until Pennsylvania I worked for him. I mean whatever period
20 that was. I didn't go to Pennsylvania. That was -- I thought
21 that was the end of the line anyhow; so I didn't go there. I
22 was a volunteer on and off, remember. I didn't spend most of
23 time there. Most of the time I was home, remember that.

24 Q You mentioned the name Bob Keefe in connec-
25 tion with the labor aspect of the Jackson campaign.

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1 A In connection with being the campaign
2 manager, now.

3 Q Was a gentleman with the last name of
4 Donahue associated with the labor part of the campaign?

5 A Donahue?

6 Q Yes.

7 A No, sir. No. He is the senator's aide.
8 He's the senator's aide. He has nothing to do with this
9 monkey business.

10 MR. SIEGEL: You are saying he was an A.A.?

11 THE WITNESS: He was an aide. There was another guy,
12 Sterling Monroe, you know, who was one of the head guys of this
13 thing that ran the whole show.

14
15 EXAMINATION

16 BY MR. OLDAKER:

17 Q Did you know Sterling very well?

18 A I knew him. He was the guy that had very,
19 very heavy control over this stuff, as I understand it.

20 Q Did you deal with him that much?

21 A No. Nobody saw Sterling very much to my
22 knowledge.

23 Q Did you talk to Sterling about fundraising
24 at all?

25 A Very little did we ever talk to Sterling.

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1 Sterling kept himself pretty well to himself. But I understand
2 he had great authority professionally, and he was a hired hand.

3 Q That is my understanding, too.

4 A He was not a volunteer.

5 MR. OLDAKER: Thank you very much, Mr. Gold.

6
7 *Straw*
8 _____
9 (Signature of the Witness)
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11 ERASABLE
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1 STATE OF CALIFORNIA)
2) ss.
3 COUNTY OF LOS ANGELES)

4 I, _____, a Notary Public in and
5 for the County of Los Angeles, State of California, certify
6 that on the _____ day of _____, 1977, the
7 foregoing deposition was submitted for reading and examination
8 to the witness, IRVING HERSHEY GOLD; that any changes which
9 he desired to make were entered thereon and the deposition was
10 signed by the witness before me.

11
12
13 Notary Public in and for the County
14 of Los Angeles, State of California
15
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STATE OF CALIFORNIA)
) ss.
 COUNTY OF LOS ANGELES)

I, CARLA CLINE, C.S.R., a Notary Public
 of the State of California, certify:

That the foregoing deposition of IRVING HERSHEY GOLD
 was taken before me pursuant to notice
 at the time and place therein set forth, at which time the
 witness was put on oath by me;

That the testimony of the witness and all objections made
 at the time of the examination were recorded stenographically
 by me, and were thereafter transcribed;

~~This is not a deposition as defined by the Code of Civil Procedure, and it is not a deposition as defined by the Evidence Code. It is a statement made by the witness in the presence of the notary public, and it is not a deposition as defined by the Code of Civil Procedure, and it is not a deposition as defined by the Evidence Code.~~

That the foregoing deposition is a true record of the
 testimony of the witness and of all objections made at the
 time of the examination.

I further certify that I am neither counsel for nor
 related to any party to said action, nor in anywise interested
 in the outcome thereof.

IN WITNESS WHEREOF, I have subscribed my name and affixed
 my seal this day of DECEMBER, 19 77.

Notary Public of the State of California.
 CARLA CLINE, CSR No. 3630

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WILLIAM OLDAKER, GENERAL COUNS
1325 K Street, N.W.
Washington, D.C. 20005

ATT: David Spiegel, Assistant
General Counsel



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CA 9-22-984

BEFORE THE FEDERAL ELECTION COMMISSION

----- X
In the Matter of: :

MARINE ENGINEERS BENEFICIAL
ASSOCIATION POLITICAL
ACTION FUND :

MUR 260 (76)
:
:
:
:
----- X

Washington, D. C.

Thursday, March 16, 1978

Deposition of

FRANK LAURITO

a witness in the above-entitled matter, called for examination
by counsel for the Federal Election Commission, taken at the
offices of the Federal Election Commission, 1325 K Street, N.W.,
Washington, D. C., beginning at 3:55 p.m., before
Jedith Browning, when were present on behalf of the
respective parties:

Milton & Greenwood Reporting Associates, Inc.

(formerly Reynolds Reporting Associates, Inc.)

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For the Federal Election Commission

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and

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C O N T E N T S

EXAMINATION BY COUNSEL FOR:

FEDERAL ELECTION COMMISSION
(Ms. Browning)

WITNESS:

FRANK LAURITO

3

FRANK LAURITO
(Mr. Simon)

54

E X H I B I T S

Marked for identification and attached:

Exhibit No. 1 - page from May 10 report
Exhibit No. 2 - page from July 10 report
Exhibit No. 3 - page from June 10 report

Page

12

14

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Thereupon

FRANK LAURITO

a witness, was called for examination by counsel for the Federal Election Commission and, after having been sworn by Judith Browning, Esq., was examined and testified as follows:

EXAMINATION BY COUNSEL FOR THE FEDERAL ELECTION COMMISSION

BY MS. BROWNING:

Q Would you state for the record your name, please?

A Frank Laurito.

Q And your address, please?

A 6 Bethany Court, Gaithersburg, Maryland 20860

Q Are you aware of your right to have counsel present?

A Yes.

Q Do you have counsel present?

A Yes. I do.

MS. BROWNING: Would counsel please identify himself for the record.

MR. SIMON: My name is Justin D. Simon, with the firm of Dickstein, Shapiro and Morin, 2101 L Street, Northwest, Washington, D. C.

BY MS. BROWNING:

Q Mr. Laurito, Before I start asking questions, I

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might make a short statement about the scope of this deposition. We are trying to get some information relating to the relationship which Marine Engineers Beneficial Political Action Fund may have had with the Labor for Jackson political committee.

In addition there were some personal receptions held by the Political Action Fund, which we are concerned with, and are asking some questions about.

And in addition to that, there was a purchase of some receipt books, according to reports filed by the Political Action Fund, and we are interested in finding out more information about the solicitation project connected with these receipt books.

First, I would like to ask where you are currently employed.

MR. SIMON: Let's agree for purposes of the record that when referring to the Political Action Fund, we are referring to the Marine Engineers Beneficial Association Political Action Fund.

MS. BROWNING: That is correct.

BY MS. BROWNING:

Q Mr. Laurito, where are you currently employed?

A My employer is District Number One, Pacific Coast District, Marine Engineers Beneficial Association.

Q What position do you hold there?

A Chief accountant.

Q How long have you been so employed?

A Twenty-two years. I have been employed 22 years. I have held that position, I guess, the last 17, 18 years.

Q Could you describe briefly your responsibilities as chief accountant?

A Yes. I administer -- basically, what I do is put forth the responsibilities of secretary-treasurer. I put in action his responsibilities or a responsibility for all financial records of the union. I am in charge of the books and records of the union. I am in charge of the membership records of the union, the group shipping of the district. I also have been assigned the responsibility of the MEBA Political Action Fund.

Basically, I administer and take care of all the responsibilities delegated to the secretary-treasurer that are defined in our by-laws. I guess if you were to read our by-laws, that would be my function. We implement the policies and procedures with respect to the union activities

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dealings between the membership and the like. That is about it.

Q When you say you had responsibilities with the Political Action Fund, what responsibilities were those?

A The books and records. In addition the FEC reports. I paid the bills, and also the cash receipts. Things connected with the MEBA Political Action Fund.

Q Were you carrying out those responsibilities for the Political Action Fund during the first six months of 1976?

A Yes.

Q Did you have any decision-making responsibilities with respect to the Political Action Fund?

A No.

Q Could you name the persons who would have had decision-making responsibilities?

A Leon Shapiro, treasurer of the fund; Gene DeFries, secretary of the fund; Charles Black, the chairman; and Mr. Calhoun, president of the national MEBA and of the district.

Q Are you aware of the existence of a campaign

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committee called Labor for Jackson?

A Yes.

Q Were you involved in any of the organizational activities with respect to Labor for Jackson?

A No.

Q Do you know of any persons who were involved in the organization of that committee?

MR. SIMON: Any persons anywhere in the world?

MS. BROWNING: Yes.

THE WITNESS: Not to my knowledge.

MR. SIMON: Could you hold on for a second?

(Discussion off the record.)

BY MS. BROWNING:

Q Do you have any knowledge of a \$20,000 transfer of funds that was made from the Political Action Fund to Labor for Jackson in May, 1976?

A Yes.

Q Could you describe what your knowledge of that transaction is?

A When you say what my knowledge is, what do you mean specifically by that?

Q In particular do you remember making the transfer

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of funds to Labor for Jackson?

MR. SIMON: Could I interrupt. I am concerned that we are dealing with a non-attorney, and we are using terms --

BY MS. BROWNING:

Q By that I mean simply whether or not the NEBA Political Action Fund gave money. Is that the way you have understood it?

A Yes.

Q I think you understand the act of transfer, the term, rather than the individual.

A Right.

Q At whose request did you make the transfer or give the money to Labor for Jackson?

A I received a call from Mr. Calhoun who was based in Washington at the time, and our offices were in New York at that particular time, and he told me to draw a check for \$20,000 payable to Labor for Jackson, and I believe he gave me the treasurer's name also, and I drew the check.

Q Did he give you any other instructions at the time this telephone call was placed?

A Not that I recall.

Q Do you recall when the telephone conversation took place?

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A No.

Q Do you remember whether it would have been a few days before you transferred the money to Labor for Jackson?

A I believe that may have been the case, a matter of days. Yes.

Q But you were not in on the decision to make any particular contribution or transfer of funds?

A No.

Q Did anyone else contact you with regard to giving this money to Labor for Jackson?

A No.

Q Do you recall to whom you sent the money?

A Yes. I gave it to Mr. Shapiro.

Q Do you know what Mr. Shapiro did with the money?

A No.

Q When you gave the money to Mr. Shapiro, did he give you any additional information about the transfer of funds? Did you have any --

A Excuse me a minute.

(Discussion off the record.)

MR. SIMON: I think for the record we should clarify that Mr. Laurito had the check delivered to Mr. Shapiro, but

did not actually meet with Mr. Shapiro.

THE WITNESS: The check was in the envelope made up to the committee and was delivered to the committee. From that point I don't know what happened to it.

BY MS. BROWNING:

Q Why did you give the check to Mr. Shapiro?

A I could only think I was instructed to give it to him. By whom, I don't recall.

MR. SIMON: Do you know why?

THE WITNESS: No. I don't know why.

BY MS. BROWNING:

Q Did you give other funds that were being transferred from the Political Action Fund to Mr. Shapiro to deliver to whomever?

A Sometimes.

Q At other times did you make direct contributions to the committee or candidate or to whomever?

MR. SIMON: By that you mean the Political Action Fund?

BY MS. BROWNING:

Q Yes. Without using Mr. Shapiro as a conduit or intermediary.

MR. SIMON: Let's use the word intermediary, please.

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THE WITNESS: Would you repeat that. I am sorry.

BY MS. BROWNING:

Q Did you make contributions or transfer of funds from the Political Action Fund directly to individual candidates or committees or vendors without going through an intermediary, such as Mr. Shapiro?

A Yes. If we mailed a check directly to a committee. The answer is yes.

Q Do you have any knowledge of how Labor for Jackson was spending its money?

A No.

Q Did you have any responsibility for recruiting volunteers or persons to work for Labor for Jackson?

A No.

Q Did you make any decisions regarding the use of funds by Labor for Jackson?

A None.

Q Do you know Edward Carlough?

A No.

Q Do you know a man by the name of Joseph Keenan?

A No.

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Q Do you have any knowledge of persons who work for the association or for the Political Action Fund? By association I mean Marine Engineers Beneficial Association, who were involved in decision-making at the Labor for Jackson Committee?

A I am not aware of that.

Q I want to ask you a few questions, Mr. Laurito, about some receptions which apparently were sponsored or paid for in part, if not totally, by the Political Action Fund, and I will be referring to pages from reports which I will identify for the record. These are reports which were filed with the Commission by the Political Action Fund, and I will them in a detailed manner in a moment.

The first reception was held in San Francisco in October of 1975. Do you remember that reception being held?

A Yes.

Q This is a page which I would like to call Exhibit No. 1, which is from the May 10 report filed by the Political Action Fund.

(The page from the May 10 report referred to was marked Exhibit No. 1 for identification, a copy of which is attached to the court copy of this deposition.)

BY MS. BROWNING:

Q This is a copy, Xerox copy, and the bold-face circles around certain figures in the right-hand column are made by me, and were not on the original report; as well as the check marks in the left-hand column. I also believe the number 3 at the bottom of the page is a number we have put on the page.

The third item listed on this particular page is a payment made to the Hyatt on Union Square, San Francisco, California, and the date of that expenditure is April 3rd, 1976, in the amount of \$7,287.38, and the purpose listed is "Hosted reception re Senator Henry Jackson." Do you recall making that expenditure?

A Yes. I do.

Q By you, I mean Political Action Fund.

A Yes.

Q Let me identify as Exhibit No. 2 the same kind of expenditure page from a report filed by the Political Action Fund. This one is from the July 10 report, and again there are some circles made around figures in the right-hand column which I have made, and I believe this number 4 at the bottom

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is something someone at the Commission added.

MR. SIMON: That is July, 1976?

MS. BROWNING: That is right.

(The page from the July 10 report referred to was marked Exhibit No. 2 for identification, a copy of which is attached to the court copy of this deposition.)

BY MS. BROWNING:

Q The particular expenditure is the last one on the page. That expenditure, I believe, is Kelly Press. The amount is \$204.54, and the date given is June 30, 1976. The purpose listed is "Printing Costs Re: Henry Jackson Reception-San Francisco 10/75." Do you recall that particular expenditure being made?

A Yes.

Q Now, Mr. Laurito, do you know if there were any other expenditures made for the San Francisco reception by the Political Action Fund other than the two which I have identified there?

A Any expenditures that were made for the reception from the Political Action Fund would have been reported on the reported receipts and expenditures. No. I know of

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no other costs or expenditures.

Q Do you know if the costs of the reception were paid for by the Political Action Fund alone?

MR. SIMON: Do you understand the question? I think another way to put it is, was the MEBA Political Action Fund the only sponsor of the reception?

THE WITNESS: To the best of my knowledge that was the only money paid for the reception.

BY MS. BROWNING:

Q Do you know which persons planned the reception, that is, organized it and made plans for its being held?

A No.

Q Do you know if any solicitations or contributions were made at the reception?

A To my knowledge I don't know of any solicitations that were made at the reception.

Q Were you present at the reception?

A No.

Q Do you know if Senator Jackson was present at the reception?

A Yes.

Q Do you know which person or persons invited

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Mr. Jackson to the reception?

A No.

Q Do you know --

MR. SIMON: If I may ask -- do you know if Senator Jackson was, in fact, invited to the reception?

THE WITNESS: No.

BY MS. BROWNING:

Q Do you know what persons were in attendance, and by that I mean, Marine Engineers Beneficial Association?

A I don't know who was at the reception.

MR. SIMON: Do you know what was occurring in San Francisco at the time of the reception?

THE WITNESS: Yes. There was an AFL-CIO convention, I believe.

BY MS. BROWNING:

Q Thank you. Do you know if there were any invitations printed for the reception; and I am not speaking now of Senator Jackson, but for all of those attending the reception?

A Yes. I believe we paid a bill for such invitations.

Q Is that expenditure included on the reports?

A This, I believe, was the Kelly Press one. This must be it. Yes. I might add that I think that is for

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invitations. I am not sure, as I am talking to you now. I would have to refresh my memory.

Q The second reception I would like to ask about is one apparently held in Baltimore in April of 1976, and the expenditures which I would like to identify for you are on Exhibit No. 2. The second expenditure listed on that page is one to Schunick Caterers, Inc. in Baltimore, and the amount there is \$2,912.00, and the date is June 4, 1976. The purpose given for that reception is "Catering costs for Reception held for Henry Jackson 4-15-76."

And the second expenditure is the third one on the page, a payment to Tadder Associates, Inc. in Baltimore, and that amount is \$125.50. The date is June 4, 1976, and the purpose given is "Photographic Services rendered re Reception held for Henry Jackson-4/15/76."

Do you recall those expenditures having been made?

A Yes.

Q Now I will ask the same kind of questions about those expenditures. Do you recall whether those were the only expenditures made from the Political Action Fund for the Baltimore reception?

A. To the best of my knowledge, those were the only

expenditures made by the MEBA Political Action Fund. If there were other expenditures made on its behalf, I am not aware of it.

Q Do you know if any other groups made expenditures for the Baltimore reception?

A I am not aware of any other groups making expenditures for that reception.

Q Do you know who was in attendance at that reception? I mean class of individuals, MEBA and their guests, et cetera.

A I was told -- I recall someone in our branch office in Baltimore telling me that members attended, students at our school attended the reception, and that is about it. That is all I know about the people who attended the reception. I was told that.

Q When you say our school, could describe what you mean by that?

A The MEBA Training Fund has a school called the Calhoun MEBA Engineering School, and there are students that reside at the school, and it may have been some of those students attended the reception.

MR. SIMON: As I recall, Frank, it is 9 Light Street in Baltimore.

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MS. BROWNING: In Baltimore?

THE WITNESS: In Baltimore.

BY MS. BROWNING:

Q Are the students members of the Association?

A No. They are not.

Q The Political Action Fund, to your knowledge, is the only source of funds for the reception, do you know?

A That is right.

Q Do you know of an individual or individuals who made the plans, organizations and plans?

A No. I do not know.

Q Were you in attendance at that reception?

A No. I wasn't.

Q Do you know if Senator Jackson was in attendance?

A I understand that he was.

Q Do you know if he was invited?

A I don't know the circumstances with respect to his being at the reception.

Q You don't know if any person contacted him to invite him?

A No.

Q Were there any invitations printed for this

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reception?

A To my knowledge there were none.

Q Do you know the circumstances of the persons happening to come to this reception? Was there some sort of convention going on in Baltimore at the time?

A No. Not to my knowledge.

Q Do you know how the persons happened to all come together in Baltimore that day?

A No. I don't.

MR. SIMON: Do you know how many people attended?

THE WITNESS: I have no idea.

BY MS. BROWNING:

Q Do you know if there was any solicitation for contributions made at the Baltimore reception?

A I am not aware of any.

MR. SIMON: Would you have known if there were in the ordinary course?

THE WITNESS: I probably would because I would get some funds from that particular reception.

BY MS. BROWNING:

Q This question is a bit repetitious, but do you know if any funds from the association -- now I am not

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speaking of the Political Action Fund -- were used for the reception?

MR. SIMON: You are talking about --

MS. BROWNING: General funds rather than political action funds.

BY MS. BROWNING:

Q Do you know if any funds from the general treasury of the association were used for the receptions?

A Not to my knowledge. All funds for political purposes are used from the MEBA Political Action Fund. The national MEBA and district never use treasury funds for anything political.

Q Does the general treasury of the association use any of its funds for administration purposes, that is the administration costs of the Political Action Fund itself?

A It does now.

Q Did it during the first six months of 1976?

A I would have to check that, because we normally pay those monies out of the Political Action Fund. But I believe that there was a change in the regulations which permitted the union to use funds for administration purposes. It was at that time that we switched and started to pay

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administration costs out of treasury funds.

Q The third reception that I want to ask you about is one which took place in New York.

MR. SIMON: New York City?

MS. BROWNING: Yes.

BY MS. BROWNING:

Q Both of the expenditures which I am going to ask about are in Exhibit No. 1, and the first one is the first expenditure listed on this page, and that was made to Marriotts Essex House in New York City on April 6, 1976. The amount is \$700, and the purpose listed on the report is "Deposit re rental of suite for N.Y. Labor Committee for Sen. Henry Jackson."

And the second expenditure is on the same page, the sixth expenditure listed on the page is also to Marriotts Essex House, New York City, on April 20, 1976. The amount involved is \$1,176.48, and the purpose listed on the report is "Balance of expenditure re suite for N.Y. Labor Committee for Sen. Jackson, plus beverage, food, etc."

Do you recall the Fund having made those expenditures?

A Yes.

Q Could you give us any information that you have

about that particular reception in New York City?

A Yes. I believe I could.

MR. SIMON: Could I make a suggestion? I think Mr. Laurito is in a position to respond fully to this area of questioning, but it would be helpful if you would try to focus on things you particularly want to know.

BY MS. BROWNING:

Q Mr. Laurito, did you attend that particular reception?

A No. I didn't.

Q Do you know who attended the reception, by that I mean what particular persons, members of the association, or members and guests.

MR. SIMON: I think Mr. Laurito is having a problem with the extent to which he has personal knowledge, since he didn't attend, but he has an understanding of who attended, and that may be the best way for him to explain that.

BY MS. BROWNING:

Q Could you give us an answer based on your understanding of who was in attendance?

A It was my understanding that there were the labor people that worked on labor during the New York State primary.

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Q Do you know the names of any persons who were in attendance?

A I happen to know our counsel attended. At that time Dick Markowitz. That is the only person I am sure that attended, and Mr. Shapiro.

Q Do you know if Senator Jackson attended?

A I understand he did.

Q Is it your understanding that this reception was for officers of other labor organizations including the association?

A I don't think that is my understanding. The answer is no, to the best of my knowledge.

Q Was it simply persons who were associated with the labor organization who had been involved in the primary campaign in New York.

A That would be my understanding. I believe so.

MR. SIMON: Judy, perhaps if I could ask some questions, I may be able to flesh out his answer. Is it your understanding that Senator Jackson's campaign headquarters was located at the New York Essex House?

THE WITNESS: Yes.

MR. SIMON: It is your understanding the date of the

reception was the date of the primary itself?

THE WITNESS: Yes. The evening of the primary.

MR. SIMON: Is it also your understanding that there would be at the campaign headquarters, union members, members from a multitude of unions, including MEBA, who had assisted in the primary campaign?

THE WITNESS: Yes. I would say that would be accurate. I assume it was primary workers and people interested in the election of Senator Jackson taking part.

MR. SIMON: And the purpose of the reception was that MEBA would have a reception, one for labor members who had assisted in the primary?

THE WITNESS: Yes. We characterized it in our letter to the hotel as a hospitality suite.

BY MS. BROWNING:

Q Does the use of the name, New York Labor Committee for Senator Henry Jackson, have any significance?

A No. To the extent we had to identify the expenditure. By that I mean we chose language to place on the sign to put on the stand in the room so people would know it was the MEBA Political Action Fund. Labor Committee for Jackson was just a name that was given for identification purposes.

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more than anything else.

Q It didn't have any particular members associated with the name?

A We just had to come up with a name to put on the sign. There was no connotation of a committee.

Q Do you know if invitations were sent out to persons?

A To the best of my knowledge no invitations were sent out.

Q Do you know whether the costs in connection with hosting this particular reception were paid solely by the Political Action Fund?

A The answer is most certainly; I believe that to be yes, because I was instrumental in talking to people at the hotel to be sure any costs incurred in connection with that reception would be billed to the Political Action Fund.

MR. SIMON: So we could perhaps avoid any conflicts in the record, you are talking about a hospitality suite?

THE WITNESS: Hospitality suite; expenditures made for that room.

BY MS. BROWNING:

Q Do you know if any solicitations were made at this event?

A To my knowledge none were made.

MR. SIMON: In the ordinary course had solicitations for contributions for Senator Jackson been made, would you have been informed of it?

THE WITNESS: Yes.

MR. SIMON: And you were not?

THE WITNESS: That is right.

BY MS. BROWNING:

Q Are you aware of any communications being made with Senator Jackson in regard to attending this particular function?

A I am not aware of any.

Q I would like to ask a few questions about an expenditure for receipt books which appears on the page marked Exhibit No. 3. This is from the June 10 report filed with the Commission.

MR. SIMON: 1976?

MS. BROWNING: Yes; filed by the Political Action Fund, and the expenditure I want to ask about is the first one listed on the page to Martin Stationery Company, dated May 11, 1976, and the amount is \$2,337.12. And the purpose which is given on the report is "Printing of Receipt Books- Re: Henry Jackson.

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(The page from the June 10 report referred to was marked Exhibit No. 3 for identification, a copy of which is attached to the court copy of this deposition.)

BY MS. BROWNING:

Q Do you recall the expenditure having been made by the Political Action Fund?

A I do.

Q Do you remember who contacted you about making this particular expenditure?

MR. SIMON: Did anyone contact you?

THE WITNESS: No.

BY MS. BROWNING:

Q How did you know to make this particular expenditure?

(Discussion off the record.)

THE WITNESS: Would you repeat the question.

BY MS. BROWNING:

Q How did you know to make this expenditure from the Political Action Fund?

A I ordered the books.

Q Was it your idea to order the books?

A No, not my idea.

Q Whose idea was it?

A I believe the executive committee at an informal meeting.

MR. SIMON: Executive committee of the Political Action Fund?

THE WITNESS: Yes. Or the officers of the Political Action Fund decided to have a receipt book printed in order to check voluntary contributions on behalf of Senator Jackson in his bid for the presidency.

BY MS. BROWNING:

Q When you say the officers of the Political Action Fund, which individuals?

A Well, specifically, Mr. Calhoun directed me to have a book printed.

Q When did Mr. Calhoun speak to you about purchasing these books?

A He spoke to me about drafting an --

MR. SIMON: Let me see if I can --

(Discussion off the record.)

MR. SIMON: We have to have some clarification that will permit us to clarify answers to about three questions.

THE WITNESS: When I say Mr. Calhoun directed me to make up the receipt book, the officers of the Political Action

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Fund, Mr. Calhoun was not an officer. He directed the decision of the Political Action Fund to me.

MR. SIMON: Directed or communicated?

THE WITNESS: Communicated. He told me to have these receipt books printed, and I know it was a decision between the officers of the Political Action Fund and Mr. Calhoun.

MR. SIMON: And the officers at that time were?

THE WITNESS: Charles Black, the chairman; Leon Shaprio, the treasurer; and Gene DeFries, C. D. DeFries is the secretary.

BY MS. BROWNING:

Q Do you recall the substance of the conversation you had with Mr. Calhoun regarding the purchase of the receipt books?

A I think so. He basically indicated to me that a receipt should be prepared which would have provision for the name of the contributor, social security number; provision for signature of the contributor; and we talked about specific instructions to that company, the issuance of the receipt books.

MR. SIMON: What was the purpose for the preparation of the receipt books?

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THE WITNESS: To obtain voluntary money.

MR. SIMON: Were the receipt books prepared?

THE WITNESS: Receipt books were prepared to account for the money.

MR. SIMON: To who?

THE WITNESS: Well, for our own record (a), and (b) to the Jackson for President Committee we had to give them certain information for matching funds and the like. I have a problem with your question.

MR. SIMON: I think you have answered my question.

BY MS. BROWNING:

Q What were the instructions Mr. Calhoun gave you for the use of the receipt books? He told you to --

A To distribute them to the branch offices for the collectors to obtain voluntary contributions on behalf of the Jackson for President Committee.

Q Was the sole expenditure for the receipt books the \$2,337.12 that is identified on Exhibit No. 37 Was that the sole expenditure?

A I think included in that bill, if I remember correctly there are other recapitulation sheets. Other forms were used to account for the receipts that were issued

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at the various branch offices.

Q Do you mean to report the distribution of books?

A That is right, the number of books, amount of money, et cetera. That is correct.

Q Now the payment of this expenditure for the receipt books was made from the Political Action Fund. Is that correct?

A That is correct.

Q Do you know whether any other funds, that is general treasury funds, were used in connection with this receipt book?

A No. Solely from the MEBA Political Action Fund.

Q Could you describe what the receipt books looked like?

A Yes. I think so.

MR. SIMON: Could you hold off a second. We may be able to assist you. Would you excuse us for a second?

MS. BROWNING: Sure.

(Discussion off the record.)

MS. BROWNING: Back on the record.

MR. SIMON: I think Mr. Laurito can now describe it.

THE WITNESS: The receipt was a four-part NCR receipt.

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There was a donor's copy. There were four copies. There was an original, a donor's copy and two office copies. And on the receipt there was provision for a name that should be printed; provision for a name that had to be signed in ink, address, social security number, and authorized collector, or collector. I am not sure of the correct terminology. There was a provision for the person who collected the money and the amount obviously, and I think that is about it.

BY MS. BROWNING:

Q An ECB receipt. Is that National Cash Register?

A That is correct; no carbons really.

Q To whom were the receipt books distributed?

A To all of the branch offices. To all of the offices of the district, the District One of MEBA.

Q Did you distribute them?

A From my office we had people distribute the book to the various branches.

Q What were the instructions? Were there any instructions that accompanied the receipt books to the branch offices?

A Yes.

Q What were those?

MR. SIMON: Were they extensive?

THE WITNESS: They were extensive. For example, we told them what the copies represented and the like, when they should remit the money, on a weekly basis; things of that nature.

BY MS. BROWNING:

Q Were the instructions written?

A Yes.

Q Do you have any copies of the instructions?

A Yes.

Q Would it be possible to get one?

MR. SIMON: We will be delighted to do that.

Just to flesh out the record, what was the purpose of the instruction?

THE WITNESS: The purpose of the instruction was to advise the collectors as to who they could collect from; the limitations imposed by the FEC; not to collect cash over, I believe \$100. That provision, I think, that was supplemented. It was left off the original instructions and a week or two later we supplemented it by advising them of that.

BY MS. BROWNING:

Q Were any cash contributions in excess of \$100

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received?

A Not to my knowledge. We advised them that collections had to be made payable to the Jackson for President Committee. And that under no circumstances were they supposed to be deposited in any of the MEBA Political Action Fund accounts, treasury accounts. The monies were supposed to come to us for transmittal to the Jackson for President Committee and the like. I guess there were other instructions. I just can't recall them all now.

Q Who did the soliciting?

MR. SIMON: In other words, who collected the funds?

BY MS. BROWNING:

Q Yes. Who collected the funds?

A Employees of District One of MEBA.

Q Were they the persons to whom the books were distributed?

A They were distributed to agents and representatives at the various offices. Yes.

Q And did the branch give the book to someone else?

A I think that the branch agent may have collected, as well as other employees and representatives of the district. Yes.

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Q Who was solicited? By that I mean were there instructions as to what groups of persons would be collected from?

A Yes. I believe the circular letter talked about collecting from members of the union and friends of the maritime industry.

Q What did friends mean in that context?

A To MEBA employees, retirees, and the like.

Q Do you know how much time was spent on this particular solicitation?

MR. SIMON: I am confused about that. Over what period of time? How many man-hours?

BY MS. BROWNING:

Q How long did the solicitation project last?

A The time from when we started and stopped?

Q Yes.

A I guess it would be March, the end of March through the date that Senator Jackson withdrew from the race.

Q And that was in 1976?

A Yes. That is right. March of 1976 through May. I am guessing at the date.

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Q During that span of two or so months were there instructions given to the persons who were making the collections to spend any certain amount of time doing the collecting?

A Not to my knowledge. No.

Q Do you recall whether there were any instructions regarding what use of time was made in the solicitation project itself?

A No. Not to my knowledge.

Q Do you know whether the persons who were doing the collecting, collected during working hours?

MR. SIMON: Let me go off the record.

(Discussion off the record.)

BY MS. BROWNING:

Q Back on the record. Did the persons who were collecting funds in the solicitation project punch a time clock?

A To the best of my knowledge we don't have a time clock in any of the branch offices.

MR. SIMON: Why don't you explain the concept of the normal working hours of the members of the district.

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THE WITNESS: The administrative office or branch offices have set hours. They vary, I imagine, from port to port, or branch to branch, and members come in to pay their dues. Members come in to apply for vacations. Members come in to settle "beefs," ask questions about the contracts, whatever the normal union activities that go on in branch offices.

My guess would be at that time they may have been solicited for voluntary contributions for the Jackson campaign, and at any other time they were on duty, or off duty for that matter.

And in addition to the activities at the branches, when our patrolmen make the shifts or make the payoffs, go aboard ship and also conduct the union activities on vessels.

MR. SIMON: For the record, since we are dealing with a very highly charged word, what do you mean by payoff?

THE WITNESS: I think when they get paid on ship, collect, or whatever it is at that time. When the ship comes in I believe the patrolman meets the engineers and goes over any problems that may have occurred on the voyage over time disputes, general contract issues that come up, and they collect dues at the time.

BY MS. BROWNING:

Q Could you estimate approximately how much time was spent by a person who was soliciting; that is an hour a day, or an hour a week, or any kind of estimate like that?

A I don't think I could make an estimate. I really don't know.

Q Do you know the name of any particular person who was involved in the collection efforts? That is, who was collecting the funds?

A As I indicated, the employees, representatives, branch agents, patrolmen of the district.

Q Can you think of the names of any one person who received a receipt book for solicitation?

A One name?

MR. SIMON: One name of a person whom you know personally actually collected.

THE WITNESS: Can we go off the record?

(Discussion off the record.)

MR. SIMON: We are dealing now with your knowledge.

THE WITNESS: William Miller.

BY MS. BROWNING:

Q What city would that be?

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A That would be Baltimore.

Henry Borello, San Francisco; Steve Franks, San Francisco; Clyde Dodson, Wilmington.

I could go on and name all of the employees.

Q That will be sufficient. Could you describe the procedures used in the solicitation? By that I mean what was the normal procedure used when they approached a person they were asking for a solicitation from?

MR. SIMON: I am going to have to object to that kind of a question unless you restrict your question to those situations when Mr. Laurito was present, if any.

BY MS. BROWNING:

Q Let me ask, first of all, if instructions that accompanied the receipt books described what procedure was to be used in the collection itself?

A I have trouble with what you mean by procedure. A collection for a request for voluntary money is just that in my way of thinking, so I have a problem with what --

Q Was the person in the end who did the collecting told how to approach a prospective contributor or when to approach a contributor? In other words, were they told when the people come into your office if they want to give

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money to Henry Jackson; that kind of instruction?

A I just don't recall.

MR. SIMON: We will provide you with a copy of the circular letter.

BY MS. BROWNING:

Q Okay. Now, you mentioned earlier that funds were collected and sent back to headquarters, your headquarters in Baltimore. Is that correct?

A In New York.

Q In New York.

A We were housed in New York at that time.

Q Was the money sent directly to you?

A It was sent to district headquarters; for want of a name, district headquarters was our accounting department, and I assigned a girl to record it.

Q What was her name?

A Catherine Cassiutto. Don't ask me how to spell it?

Q Were the funds that were coming to you, that is the headquarters in New York, in the form of checks?

A All personal checks; personal checks and money orders.

Q All right. And then what did you do with them once they came to headquarters?

A Forwarded them to Washington.

Q Did you keep a copy of the receipts?

A Yes.

Q And then what did you forward to Washington?

A Let's see. I believe we forwarded two copies of the receipts to Washington.

Q Along with the check?

A Check and reconciliation.

Q To whom were those sent?

A Some were sent to Washington headquarters, Washington office; and some were sent, I believe, directly to the Jackson for President campaign headquarters.

Q You mean the Washington office of --

A Of the union.

Q MEBA:

A Right.

Q Were some sent to MEBA, and some sent to the Jackson for President Committee?

A I believe the first one or two transmittals were delivered by the Washington people. They were sent from --

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I don't know how they were gotten to the headquarters.
They may have been mailed, for all I know.

Q You mean you sent them to the Washington office
and they delivered them to the Jackson for President Committee?

A That is right.

Q Do you know who was involved in delivering?

A No.

MR. SIMON: Or they could have been mailed.

THE WITNESS: They could have been mailed or delivered.

BY MR. BROWNING:

Q But if they were delivered, you do not have the
name of any person who was involved?

A No.

Q Who was in charge of the Washington MEBA office
at that time; that would be March through June, 1976?

A When you say in charge, obviously, the president
was in charge. Mr. Calhoun; other than him?

Q Is there an officer who is in charge of the
Washington office of MEBA?

MR. SIMON: During that time.

THE WITNESS: Ben Man was the director of the Washington
office.

BY MS. BROWNING:

Q M-a-n-n?

A I think it is one "n".

Q When you sent funds to the Washington office, did you address them to any particular person?

A To Calhoun. Excuse me.

(Discussion off the record.)

BY MS. BROWNING:

Q How did you -- I may have asked this question before. How did you know to send some to the Washington office rather than the Jackson for President campaign committee?

A I really don't remember now. They may have all went to the Washington office. I will have to check my record on that. I am drawing a blank on that.

Q When the money, the collections were sent to you from out in the branch offices, were they collected by the branch office, put in envelopes and sent to you, or were they sent by the contributors themselves?

A They were collected at the branch office, receipts issued at the branch, and then gathered and recapitulated on the form I spoke to you about before and sent to district headquarters.

Q Do you have any knowledge of whether the Jackson

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for President Committee recorded the receipt of these contributions?

A I don't know if they did. I assume that they did.

Q Are you aware of any communications with members of the Jackson for President Committee or Senator Jackson himself or members of his senatorial staff regarding this solicitation effort?

(Discussion off the record.)

MR. SIMON: I am just trying to make sure he --

THE WITNESS: When you say communications, I had on occasion to advise the Jackson for President Committee headquarters of what we were doing. This was about a week or so after receipt books were issued and collections were actually taking place, and basically, what I did was advise them of the receipts, how many receipts, what we were going to do, how we were going to transmit it to them.

BY MS. BROWNING:

Q Was this communication by you?

A It was by myself and Mr. Calhoun.

MR. SIMON: Did you go in person?

THE WITNESS: Yes.

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BY MS. BROWNING:

Q Where did you go?

A To the Jackson for President headquarters in Washington, D. C. Mr. Calhoun and myself went there and presented it to the treasurer and explained what we were going to do.

MR. SIMON: Who was the treasurer?

THE WITNESS: The treasurer was Mr. Skallerup, and we advised them of action we took.

BY MS. BROWNING:

Q Do you remember the date of this communication?

A I believe it was April 8, 9; in April, 8, 9.

Q Do you remember the substance of your conversation with Mr. Skallerup?

A Yes. I advised him that, well, basically, we went over the receipt book and procedures we established for the collection of money and that he would be expected to receive monies on a weekly basis. He thereupon called in his controller, and I repeated it to him, what we were doing.

MR. SIMON: What was Mr. Skallerup's reaction to this information?

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THE WITNESS: He was surprised and pleased.

BY MS. BROWNING:

Q Did Mr. Calhoun speak with him as well?

A Yes.

Q Do you recall the substance of the conversation?

A He only introduced me to Mr. Skallerup and asked me to explain to Mr. Skallerup what we were doing.

Q What was the controller's name?

A I don't recall the controller's name.

Q Do you know of any other contact with persons on the campaign staff of Senator Jackson or senatorial staff or Senator Jackson himself, involving the solicitation plan?

MR. SIMON: Other than the transmittal of money.

THE WITNESS: I am not aware of any.

BY MS. BROWNING:

Q Why was the money sent to your New York office and then directed to Washington, rather than being sent directly to Washington?

A I believe it was for accountability for that. In addition also we wanted to be sure that for accountability --

MR. SIMON: By that you mean that the funds were properly accounted for.

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THE WITNESS: Accounted for and more than that, cash that was collected we wanted to be sure money orders were made payable to the Jackson for President Committee. We didn't want any cash transmitted, and we wanted the personal checks -- just accountability; that is how I would characterize it.

BY MS. BROWNING:

Q Was that because of the accounting part of your association?

A It is basically our dues are collected in the same manner, and we were used to doing it that way. It is control of receipts.

Q And that took place in the New York office at that time?

A That is right.

Q Do you have any idea how many people were involved in collecting the contributions?

A I couldn't give you an exact number.

Q How many receipt books were there? Do you know?

A I believe we ordered 200 receipt books. I think we distributed -- again, I could check the records -- maybe half of them. I could get the actual number, but I am not

prepared to just --

Q Was this particular solicitation project, the one done in connection with these receipt books, the only project the Political Action Fund took part in for Senator Jackson in 1976?

A To my knowledge, yes; in that time frame I talked about.

Q I would like to ask one question going back to the reception we talked about earlier when you made the expenditure I pointed out to you on Exhibits 1 and 2. At whose request were you making those expenditures? That is who authorized the making of those expenditures?

A Do you want to see --

MR. SIMON: I think we may need a minute because I see exactly what his problem is in answering that. It is more semantic than anything.

(Discussion off the record.)

BY MS. BROWNING:

Q Which person gave you authorization for the expenditures made by the Political Action Fund?

A That would be Mr. Shapiro.

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Q Was there any person other than Mr. Shapiro, to your knowledge?

MR. SIMON: Let's not point. At the time Mr. Laurito was answering, you were pointing at the Marriotts Essex entry for 4-5-76 for \$700, and I believe you were --

BY MS. BROWNING:

Q Let me ask the question again. With respect to any of the expenditures I pointed out in connection with the receptions held in New York, Baltimore and San Francisco, who was the person authorizing you to make such expenditures?

A I have a problem with that.

MR. SIMON: Can we go off the record for a second?

(Discussion off the record.)

THE WITNESS: Basically, whoever signed the checks, and the check signers for MEMA are the chairman, treasurer and secretary; in most cases the chairman and treasurer. There are cases where the treasurer and secretary sign. Any combination of the three sign the checks.

MR. SIMON: No. Not to every -- specifically to those expenditures identified in Exhibits 1 and 2. You would need the checks to determine who authorized the expenditures?

THE WITNESS: Yes. This expenditure you pointed to

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before.

MR. SIMON: For the record, it is the Mariotte Essex House, April 6, 1976 expenditure. Continue. I am sorry to interrupt. I want to clarify what you are talking about.

BY MS. BROWNING:

Q Specifically what were the names of persons who would be writing, signing the checks? You mentioned certain officers had the authority to sign checks.

A Yes. Any of the officers; any two.

MR. SIMON: That is Leon Shapiro, Gene DeFries, and Charles Black.

BY MS. BROWNING:

Q Mr. Calhoun?

A No. He doesn't have signature --

Q Okay. Mr. Laurito, are you aware of any members of MEBA or employees of MEBA and the Political Action Fund who did campaign work for the Jackson for President Committee?

A I am not aware of that.

MR. SIMON: Let me clarify that. To the extent that a suggestion to a fellow member that they make a contribution which was then recorded in a receipt book may be considered

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to be "campaign work."

BY MS. BROWNING:

Q Let me rephrase my question to whether you know of any members of NEBA or officer of NEBA or employees who did campaigning for the Jackson for President Committee, and by that I mean who were on the payroll of Jackson for President Committee or reimbursed for voluntary work.

A Not to my knowledge.

Q Did you, yourself, have any contact through either your working relationship or social relationship with persons on Senator Jackson's campaign staff or senatorial staff in the first six months of 1976?

A My best recollection would be no. But I don't know who those people are you are referring to. If you would name them, I may be able to be more definitive.

MR. SIMON: Other than the fact that you did meet in connection with the meeting you had on the receipt books.

THE WITNESS: Yes.

BY MS. BROWNING:

Q Do you know a Robert Keefe?

A No.

Q Do you know Martin Katz?

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A No.

Q Do you know Richard Klein?

A No.

Q Do you know Sterling Monroe?

A I met Sterling Monroe. Yes, I know him.

Q Who is Sterling Monroe? What is his connection with Senator Jackson?

A To the best of my recollection I met him four or five years ago. At that time I think he was the administrative assistant.

Q You have not had any contact since four or five years ago?

A No. I met him on one occasion.

MR. SIMON: Where were you when you met him?

THE WITNESS: Easton, Maryland.

MR. SIMON: How did you meet?

THE WITNESS: Socially. It was a social event in Easton, Maryland. I was introduced to him and played tennis with him.

BY MS. SPOWNING:

Q Do you know Hershey Gold.

A No.

MR. SIMON: Does Mr. Gold have another name?

MS. BROWNING: Hershey is his middle name. He goes by Hershey.

BY MS. BROWNING:

Q Did you have any contact, and I am talking again about the first six months of 1976, with persons who were officers of the Labor for Jackson Committee?

A Not to my knowledge. No.

Q Did you have any contact during those first six months of 1976 with officers of the Sheet Metal Workers International Association?

A No. Not to my knowledge.

MS. BROWNING: Okay, Justin, do you have anything you would like to say on the record?

MR. SIMON: Yes. Just with respect to the Labor for Jackson Committee.

EXAMINATION BY COUNSEL FOR FRANK LAURITO

BY MR. SIMON:

Q Had the MEBA Political Action Fund been receiving reports with respect to any expenditure made by the Labor for Jackson Committee, would, in the ordinary course of events, you have received them?

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A Yes.

Q Did you ever receive any reports with respect to expenditures by that committee?

A I don't recall receiving any reports whatsoever. I want to add, other than we received a refund check from the committee. It was a prorata distribution of unused funds, and there was a report on the breakdown, who contributed and how they came to the prorata refund to each of the members.

MS. BROWNING: Where did that come from?

THE WITNESS: From the Labor for Jackson Committee.

MS. BROWNING: I have no further questions. Thank you.

MR. SIMON: Can we go back on the record. During the examination by Ms. Browning, you had identified and responded to a question as to who did the collecting of funds in connection with the receipt books line of questions. You identified several individuals that you named who are the individuals who you know were actually collecting, made collections.

THE WITNESS: I know that Clyde Dodson made a collection. I am certain of that. As to the other individuals, I know I sent them books, but I don't know if they have, in fact,

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made collections.

MR. SIMON: I think that clarifies the record.

For the record, we have agreed that the Political Action Fund will give a copy of the circular letter that was sent with respect to the solicitation of funds for the Jackson for President Committee, and we will also agree to provide a copy of the four-part NCR receipt that was prepared.

(I have read the foregoing pages 3 through 56, inclusive, which contain a correct transcript of the answers made by me to the questions therein recorded.)

FRANK LAURITO

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CERTIFICATE OF NOTARY PUBLIC

79040122630

I, Bebbie C. Lake, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken by me in shorthand and thereafter reduced to typewriting by me; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken, and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.

Notary Public in and for
the District of Columbia

My commission expires
January 1, 1983

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Milton & Greenwood Reporting Associates, Inc.

General / Highlights Reporting

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Phone: (202) 533-3596

**Official
Transcript**

Judith Browning, Esq.

Federal Election Commission

1325 K ST., N. W.

Washington, D. C. 20463

RECEIVED
FEDERAL ELECTION
COMMISSION

May 26, 1978

'78 MAY 31 AM 9:01

Mr. Jesse M. Calhoon
c/o Judah D. Best, Esq.
Dickstein, Shapiro & Morin
2101 L Street, N. W.
Washington, D. C. 20037

Re: MARINE ENGINEERS BENEFICIAL ASSOCIATION POLITICAL ACTION FUND, before
FEDERAL ELECTION COMMISSION MUR 260(76)

Dear Mr. Calhoon:

The court copy of your deposition in the above-captioned case
taken May 19, 1978, is submitted herewith for your reading and signing
as requested by counsel.

Enclosed herewith are instructions for reading and signing.

Upon completion of the reading and signing it is requested that
the original deposition be returned to this office as soon as possible
for filing.

Sincerely yours,

MILTON & GREENWOOD REPORTING
REPORTING ASSOCIATION, INC.

D. S. George
Administrative Assistant

cc:
William C. Oldaker, Esq.
file

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MILITARY TALLS

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of: MARTIN ENGINEERS

BENEFICIAL ASSOCIATION POLITICAL

ACTION FUND.

NR 260(76)

Washington, D. C.

Friday, May 19, 1978

Deposition of

JESSE H. CALHOON

a witness in the above-entitled matter, called for examination by counsel for the Federal Election Commission, taken at the offices of the Federal Election Commission, 1325 K Street, N.W., Washington, D. C., beginning at 2:17 p.m., before Karen Hinnenkamp, a Notary Public in and for the District of Columbia, when were present on behalf of the respective parties:

Milton & Greenwood Associates, Inc.

(NOTARY: D.C.-VA.-MD.)

OFFICIAL REPORTERS

1028 Connecticut Ave., N.W., Suite 1100

Washington, D.C. 20036

Phones: (202) 833-3598

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For the Federal Election Commission:

WILLIAM C. OLDAKER, ESQ.
PAUL LOVEJOY, ESQ.
JUDITH BROWNING, ESQ.
Federal Election Commission
1325 K Street, N.W.
Washington, D. C. 20463

For Jesse M. Calhoon:

JUDAH BEST, ESQ.
JUSTIN D. SIMON, ESQ.
Dickstein, Shapiro & Morin
2101 L Street, N.W.
Washington, D. C. 20037

C O N T E N T S

WITNESS:

JESSE M. CALHOON

EXAMINATION BY COUNSEL FOR
THE FEDERAL ELECTION COMMISSION:
(Mr. Oldaker and Ms. Browning)

4

EXAMINATION BY COUNSEL FOR
JESSE M. CALHOON:
(Mr. Best and Mr. Simon)

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EXHIBIT CONTENT

EXHIBITSMarked for Identification and Attached:Page

Letter Dated March 29, 1976
Calhoon Exhibit No. 1

20

Letter Dated April 6, 1976
Calhoon Exhibit No. 2

20

Document Entitled "M.E.B.A.
Political Action Fund"
Calhoon Exhibit No. 3

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Thereupon

JESSE M. CALHOON

a witness, was called for examination by counsel for the Federal Election Commission and, after having been sworn by the Notary, was examined and testified as follows:

EXAMINATION BY COUNSEL FOR THE FEDERAL ELECTION COMMISSION

BY MR. OLDAKER:

Q Would you state your full name for the record, please?

A Jesse M. Calhoon.

Q Your current address, please?

A 10900 Edison Road, Potomac, Maryland.

Q What is your current occupation?

A I am President of Marine Engineers Beneficial Association.

Q What is the address of that association?

A 400 North Capitol Street.

Q In what city?

A Washington, D. C.

Q How long have you held that position?

A Since 1962.

Q Do you hold any other offices with that organization?

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1 A Yes, many offices.

2 Q What other offices, sir?

3 A I am the President of District No. 1. I am the
4 President of the MEBA Pension Fund, MEBA Health and Welfare
5 Fund, MEBA Training Fund, MEBA Pension Plan.

6 Q You are basically the Chief Executive Officer for
7 the major institutions of your organization?

8 A Yes.

9 Q I will just ask as a cutoff, do you have any specific
10 responsibility in connection with the Political Action Fund of
11 your organization?

12 A I do not hold an office in the Political Action
13 Fund, but as the President of the union I keep myself fully
14 familiar with all of the activities of the union. I do pay
15 attention to the Political Action Fund.

16 Q What is the head of that fund?

17 A Leon Shapiro.

18 Q How long have you had the Political Action Fund?
19 During the whole term of your presidency?

20 A No, sir.

21 MR. SIMON: If I could interrupt here. Off the record.

22 (Discussion off the record.)

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1 BY MR. OLDAKER:

2 Q Let me rephrase the question, sir. Has NEBA had a
3 Political Action Fund since 1974 that you are familiar with?

4 A Yes; funds.

5 Q Funds? Could you explain that, sir?

6 A There are several Political Action Funds within
7 NEBA.

8 Q That deal with Federal candidates in Federal
9 elections?

10 A Yes, sir.

11 Q Would you explain what each one of them is then,
12 sir?

13 A I am not sure I know the name of all of them. But
14 most of the political subdivisions of NEBA do have a
15 Political Action Fund, and they operated as independent funds
16 until the '72 amendments, or the '74 amendments. Since the
17 '74 amendments they have been operating as affiliated funds.
18 But there are four or five of them; five of them I believe.

19 Q You would have then, after 1974, affiliated funds
20 which operate as one fund as far as limitations in their
21 contributions to candidates in Federal elections?

22 A As far as their limitation. Not as one fund on

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1 filings.

2 Q Are there different officers for those different
3 funds?

4 A Yes.

5 Q Who would the various officers be, if you know?

6 A No, I do not. I know the primary officers in the
7 funds, but I couldn't tell you the officers.

8 Q Who would be the primary officers?

9 A John Leyden would be the primary officer in the
10 Air Traffic Control Division. Jack Brady would be the
11 principal officer of the District 2 Political Action Fund.
12 I am not sure who the principal officer of the NAATS Fund is.

13 Q National Association of Air Traffic Controllers?

14 A No. It is the Flight Service Stations.

15 Q Fine.

16 A And Al Parente would be the principal officer of the
17 Brotherhoods Fund.

18 Q To your knowledge, they file as affiliated committees
19 with the Federal Election Commission?

20 A I believe that is true. I do not sign their filings.
21 I don't look at them.

22 Q Are you acquainted with Senator Henry Jackson?

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1 A Yes, I am.

2 Q When did you become acquainted with him?

3 A Many, many years ago.

4 Q In what capacity? As a friend, business associate?

5 A He was a Senator when I became acquainted with him.

6 Over the years I have developed a friendship with Senator
7 Jackson.

8 MR. BEST: Do you regard yourself as a personal friend
9 of the Senator?

10 THE WITNESS: Yes, I do.

11 BY MR. OLDAKER:

12 Q You are aware of the Senator's campaign for the
13 nomination for the Presidency in 1976?

14 A Yes, I am.

15 Q In what way were you involved in that effort, if you
16 recall?

17 A We supported Senator Jackson.

18 Q When you say "we," you mean --

19 A The Marine Engineers Beneficial Association endorsed
20 and supported Senator Jackson.

21 Q Were you personally involved in any way in that
22 campaign?

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1 A Personally involved?

2 Q Did you act as an adviser to Mr. Jackson in any way?

3 A Well, I rang doorbells.

4 Q Would that be considered to be a volunteer type
5 effort? That was not paid?

6 A I didn't get paid for it. I did whatever I could
7 do that was legal and proper to help Senator Jackson.

8 MR. BEST: Did you meet with him from time to time to
9 render your views as to how his campaign was going?

10 THE WITNESS: I met with him from time to time. We
11 discussed his campaign.

12 BY MR. OLDAKER:

13 Q Did you at the beginning of his campaign encourage
14 him to run for office?

15 A No.

16 Q Did he consult you at that time?

17 A Well, I met with Senator Jackson over the years, and
18 I knew he was considering running. I don't remember whether
19 he specifically told me or not. But I knew he was
20 considering running.

21 Q After he made the decision to run, did you serve in
22 any capacity with the committee in any way, the Jackson for

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1 President Committee?

2 A No, I didn't. I had periodic meetings with Senator
3 Jackson and I visited his home. He has visited my home.
4 But I didn't serve on any official committee with him.

5 Q What role did you serve in? Were you a consultant
6 to him. to his campaign? Not in the classical sense.

7 A No. I guess I served as a personal friend and
8 somebody he could trust as a labor adviser. More like a
9 kitchen cabinet.

10 Q Were you aware, during the course of his campaign,
11 as to the financial success or failure of that campaign?

12 A No.

13 Q Did he discuss with you at any time the financial
14 needs of the committee?

15 A No. Actually I thought from reading the public
16 press that Senator Jackson had the best financed campaign.
17 After the Pennsylvania or during the Pennsylvania primary I
18 found the public press wasn't quite accurate on that. But I
19 did not have personal knowledge of it. What I knew was from
20 the public press.

21 Q Do you know a gentleman by the name of Mr. Bob Keefe?

22 A Bob Keefe, yes.

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1 Q What capacity, do you know?

2 A What capacity?

3 Q A friend, business associate?

4 A Yes. I have known Bob Keefe as a friend. I knew
5 him as Senator Jackson's campaign manager.

6 Q Did you have occasion to speak to Bob Keefe during
7 the course of the campaign?

8 A Sure I did; before the campaign and after the
9 campaign.

10 MR. BEST: You must have spoken with him during the
11 campaign.

12 THE WITNESS: Yes.

13 BY MR. OLDAKER:

14 Q Did you talk to Bob Keefe about the course of the
15 campaign, how it should be directed?

16 A No, I didn't. No, I did not discuss with Bob Keefe
17 how it should be directed.

18 MR. BEST: What was the thrust of your conversations with
19 Mr. Keefe during the campaign, if you can recall? Was it
20 basically advice with regard to positions the Senator was
21 taking on labor matters?

22 THE WITNESS: Yes; and the image he was projecting and

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1 the type of speeches or the type of delivery he was making.

2 BY MR. OLDAKER:

3 Q Did the Senator often call you after he had made an
4 appearance, like on Meet the Press, and ask you what you
5 thought?

6 A No, he did not.

7 Q Do you recall an organization called the Labor for
8 Jackson Committee?

9 A Yes, I do.

10 Q What do you recall about that committee as to why
11 it was set up, if you know?

12 A Why it was set up, I guess -- I don't know why it was
13 set up, because I would have to probe other people's minds.

14 MR. BEST: What were you told about the reason.

15 THE WITNESS: It was going to be an independent committee
16 to support Scoop Jackson for Democratic nomination for
17 President of the United States.

18 MR. BEST: Who told you that, if you can recall?

19 THE WITNESS: I believe Eddie Carlough or Joe Keenan. I
20 don't know specifically where or when, but I do know I had
21 several conversations with various union officials.
22

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BY MR. OLDAKER:

Q Were you involved in the setting up of that committee?

A I attended a meeting.

Q Do you recall where that meeting was held?

A I am not sure. It was either in the Sheet Metal Workers or the Structural Iron Workers, or it could have been the IBW. They are all there in the same area, so I am not sure.

Q Do you recall who was present at that meeting?

A I know Joe Keenan was present. I know Eddie Carlough and I believe John Lyons, and about a dozen people. But I really could not tell you.

Q Do you recall if Bob Keefe was at that meeting?

A No, I don't. I am under the impression it was all union officials. Some of them I wouldn't know because they were probably staffers or junior officials.

Q What other contacts did you have with the Labor for Jackson Committee? You said you attended one meeting. Did you have other contacts with it?

A Well, I got a call from -- I had contact with Eddie Carlough who said that they needed some money for the Labor

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1 for Jackson. I discussed that with the Political Action
2 Committee and they gave him \$20,000.

3 Q Do you recall any specifics about that
4 conversation?

5 MR. SIMON: With whom?

6 MR. OLDAKER: With Eddie Carlough, I believe.

7 THE WITNESS: I am not even sure whether it was Eddie
8 Carlough or Joe Keenan. But I knew they had to or were
9 setting up this committee or had set up the committee. And I
10 am not sure whether it was Eddie or Joe Keenan that contacted
11 me.

12 MR. BEST: Whoever it was, did they give you any
13 specifics of why they needed a financial commitment at that
14 time?

15 THE WITNESS: Well, they were carrying on -- yes. They
16 were carrying on some independent action for Senator Jackson
17 and they needed money to carry on this action.

18 BY MR. OLDAKER:

19 Q Did they ever discuss with you the type of
20 expenditures that would be made on behalf of Jackson?

21 A No.

22 Q Do you recall anyone consulting you in regards to the

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1 methods or types of expenditures that would be made for the
2 Labor for Jackson Committee?

3 A No. And to this day I don't know what expenditures
4 they made. I have never questioned them. Once we gave them
5 the money, I had no more interest in it. As far as I was
6 concerned, it was like giving it to a politician. What he
7 does with it was his business.

8 Q Did you attend any other meetings that you can
9 recall with the parties from the Labor for Jackson Committee --
10 Eddie Carlough, Joe Keenan; who else? -- just on other
11 issues?

12 A That is a very difficult question to answer.

13 Q Let me ask it another way. Are you aware of an
14 organization called the National Labor for Jackson Committee?
15 I believe it was a satellite committee of the Jackson
16 Committee.

17 A I never heard of it.

18 MR. BEST: Based on your experience in political
19 campaigns, do there come times when there would be meetings
20 of labor officials which are subsequently given some sort of
21 a name, as for instance the National Labor for a candidate?

22 THE WITNESS: Oh, sure.

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1 MR. BEST: And based on your experience again, is it
2 your experience that these officials are not consulted with
3 regard to this label?

4 THE WITNESS: Normally speaking, and I cannot answer
5 specifically for Senator Jackson, but normally speaking we
6 would get a request to serve on Labor for "X." It is a
7 request to use your name in a paid political advertisement.

8 BY MR. OLDAKER:

9 Q Or on a letterhead or something.

10 A Or on a letterhead.

11 Q You know of no meetings that were held of such a
12 committee?

13 A Now I have met with Senator Jackson at his home and
14 in his office with various labor officials, but under no
15 formal committee. It was friends of Scoop Jackson were
16 meeting with him and consulting with him. But there was no
17 formal structure to it.

18 Q This occurred during the campaign period?

19 A Yes, it did.

20 Q Do you recall at any time issuing a receipt book to
21 various of your members? I have a copy of a letter which I
22 will ask you to mark as an exhibit. It is dated March 29,

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1 1976, and signed by J. M. Calhoon.

2 There is also an April 6th letter.

3 Do you recall any receipt books of the nature set forth
4 in that letter?

5 MR. BEST: Let the record reflect that the witness is
6 now looking at the documents which are going to be marked by
7 the reporter.

8 THE WITNESS: It is not my signature.

9 MR. BEST: I am sorry?

10 THE WITNESS: It is not my signature.

11 MR. BEST: You are now referring to the last page of
12 these documents which says "Fraternally," and then there is a
13 signature, and then typed under that is J. M. Calhoon,
14 President.

15 BY MR. OLDAKER:

16 Q Look at your signature on the first one also. Is
17 that your signature?

18 MR. BEST: Now we are referring to page three of the
19 circular letter number D-8-76, which bears the typed signature
20 J. M. Calhoon and some writing above it. It is apparently a
21 copy of someone's signature.

22 THE WITNESS: It is not my signature.

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1 MR. BEST: Can you offer some clarification for the
2 record?

3 THE WITNESS: This is a circular letter. The first one
4 is a circular letter.

5 MR. BEST: Now referring to page three of this series
6 of documents.

7 THE WITNESS: And page four. I mean the last page.
8 They are both circular letters. And I rarely, if ever, sign
9 a circular letter.

10 BY MR. OLDAKER:

11 Q Do you ever see the circular letters?

12 A Yes.

13 Q At what point in time do you see them?

14 A Before they go out.

15 Q Do you recall this circular letter or these two
16 circular letters?

17 MR. BEST: Before you answer it, so the record is clear,
18 at MEBA is there some sort of system, such as robotyping,
19 where your signature can be reproduced, a facsimile of your
20 signature that is?

21 THE WITNESS: Yes, there is.

22 BY MR. OLDAKER:

Q And that is ordinarily what is done for circular

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1 letters?

2 A Yes.

3 MR. SIMON: Why don't we ask Mr. Calhoon a couple of
4 clarifying questions.

5 Have you ever previously seen these two documents
6 attached to each other like this?

7 THE WITNESS: Attached like this?

8 MR. SIMON: Yes.

9 MR. OLDAKER: I doubt that they would have.

10 THE WITNESS: I doubt it.

11 MR. OLDAKER: I doubt also they would have been.

12 Could we ask that they be marked as one exhibit? Do you
13 have a problem with that?

14 MR. SIMON: With an understanding of the parties that in
15 all likelihood they have never previously existed like that.

16 MR. OLDAKER: Let's separate them and have them marked
17 as two exhibits then.

18 I ask that the letter dated March 29, 1976, at the bottom
19 of it J. M. Calhoon, be marked as Exhibit 1; and that the
20 letter dated April 6, 1976, from J. M. Calhoon, President, be
21 marked as Exhibit 2.
22

(The letter dated March 29, 1976, was marked Calhoon Exhibit No. 1 for identification, a copy of which is attached to the court copy of this deposition.)

(The letter dated April 6, 1976, was marked Calhoon Exhibit No. 2 for identification, a copy of which is attached to the court copy of this deposition.)

MR. SIMON: Let me just note for the record that Calhoon Exhibits 1 and 2 appear to be items which have previously provided by counsel to the commission.

MR. OLDAKER: That is correct.

MR. SIMON: I should note that although I cannot recall specifically how they were provided, it is not my recollection that the circular letter which has been marked Exhibit No. 1 at the time it was sent out, or at the time it was sent to the commission, contained the last three pages which appear to be forms. It may have.

MR. LOVEJOY: That is the way it was given to us.

MR. SIMON: I have certainly no basis for knowing for the witness' benefit whether or not those documents were in fact attached at the time he may have seen them, the circular letters.

MR. OLDAKER: It is our understanding that they were. But

1 I don't think that is important for this course of
2 questioning.

3 BY MR. OLDAKER:

4 Q Do you recall seeing either one of those letters,
5 sir?

6 A No. I cannot recall seeing those letters. I know
7 of the subject matter.

8 Q As to the first letter, the first exhibit, which
9 you are looking at, what do you recall as to that subject
10 matter?

11 A I recall that we started an operation to raise
12 money for Senator Jackson.

13 Q How did that occur, if you recall?

14 A How did it occur?

15 Q Yes.

16 MR. BEST: How did it start?

17 BY MR. OLDAKER:

18 Q How did it start? Who started it?

19 A It came as an initiative from some of our people
20 in the northwest.

21 Q What do you mean? Someone indicated that it would
22 be good for you to do that?

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1 A They wanted to do that.

2 Q They wanted to do that.

3 A Yes.

4 Q Then what occurred?

5 A We checked with our attorney and he said that it was
6 legal within the Federal Election Laws, and the union met and
7 set up the program and had the receipt books printed and
8 disbursed, and the money was collected and turned over to the
9 Jackson for President Committee.

10 Q Who were the books disbursed to, the receipt books?

11 A To the officers and employees of NEBA.

12 Q If you know, when funds were collected, how were
13 these transmitted back to the Jackson Committee?

14 A I am not an expert on handling money. I don't handle
15 money. I am not an expert in bookkeeping.

16 Q Let me ask you --

17 A I would think it would be handled about the way our
18 normal dues collection is handled, but I am not sure.

19 Q Let me ask you the question another way. Do you
20 know if funds were collected which would be used ultimately
21 for the Jackson Committee or be given to the Jackson Committee?

22 A I know funds were collected and turned over to the

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1 Jackson Committee.

2 Q Were the funds collected, then I believe the memos
3 would indicate it, the funds were collected, and they should
4 be given in the name of the committee to the Jackson for
5 President Committee?

6 MR. SIMON: Let me clarify that. What do you mean "in
7 the name of"?

8 MR. OLDAKER: The payee should be.

9 MR. BEST: Do you have any specific knowledge of what
10 occurred, or is it that you have general knowledge?

11 THE WITNESS: I just have a general knowledge that the
12 funds were collected for Jackson for President.

13 BY MR. OLDAKER:

14 Q Did you participate at all in transferring the
15 funds to the Jackson for President Committee?

16 A No, I didn't.

17 Q Do you know who did?

18 A I suspect or I believe it was Frank Laureto.

19 MR. SIMON: The term transfer is a term of art in the
20 statute. I assume what you mean, your question does not
21 suggest this is a transfer under the statute, but you were
22 asking who was responsible for delivering the checks that

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1 were collected.

2 MR. OLDAKER: Your term is better.

3 MR. SIMON: Thank you.

4 MR. BEST: And more likely than not, sir, Mr. Laureto
5 would be responsible for this delivery?

6 THE WITNESS: Yes.

7 BY MR. OLDAKER:

8 Q Have you in the past used the receipt book method
9 set forth in these two exhibits to collect funds for
10 candidates or to act as a facilitator, I guess, of
11 contributions to candidates?

12 MR. BEST: I guess you are asking him whether MEBA has
13 ever utilized this system.

14 MR. OLDAKER: That is right.

15 MR. SIMON: And you mean before this incident or before
16 today?

17 MR. OLDAKER: Before today.

18 THE WITNESS: This incident was before today.

19 BY MR. OLDAKER:

20 Q That is correct. Other than that incident.

21 A Yes.

22 Q Other than that one, has this receipt book been,

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1 I can't think of a way other than saying, facilitating
2 contributions then employed by MEBA --

3 A Yes.

4 Q -- in many instances? In Federal elections.

5 A Oh, I would think so, yes.

6 Q Can you name several others if you can recall them?

7 A I don't want to -- when I say I am sure there were
8 several, that was normally the way it was done up until they
9 started amending this Federal Election Law. But the locals
10 would raise money for the candidates in that area and turn it
11 over to them.

12 MR. BEST: Were those Federal candidates?

13 THE WITNESS: Federal and local.

14 MR. BEST: When you say until the laws were amended,
15 you are referring to which amendments?

16 THE WITNESS: I am talking about the mid-sixties, '66 I
17 think.

18 MR. BEST: So when you say this method was used, you are
19 referring to a period up to about the mid-1960s?

20 THE WITNESS: Up until about the mid-1960s.

21 BY MR. OLDAKER:

22 Q Let me ask the question in another way. Are you

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1 aware of this type of occurrence after 1974, in other instances?

2 A 1976.

3 Q This one incident of Jackson?

4 A No, two.

5 Q Two, okay. What other one was that?

6 A Jimmy Carter.

7 Q Were you similarly successful in that one in
8 obtaining contributions?

9 A We obtained some contributions.

10 Q Who paid for the receipt books in this effort to
11 raise funds for Senator Jackson?

12 A I believe the union.

13 Q Was it paid for out of treasury funds, if you know?

14 A I don't know.

15 Q Do you know if it was paid for out of the Political
16 Action Fund, voluntary dollars?

17 A I don't know.

18 MR. BEST: Do you know whether it was the union that
19 paid?

20 THE WITNESS: No, I don't. I believe it was the union,
21 but I don't know. They were for union records, so I assume it
22 was union.

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1 BY MR. OLDAKER:

2 Q Do you know who would know?

3 MR. SIMON: I think you already have testimony.

4 MR. OLDAKER: We do?

5 MR. SIMON: Yes.

6 MR. BEST: On all of this, as a matter of fact,

7 MR. OLDAKER: Fine.

8 BY MR. OLDAKER:

9 Q Are you aware of any other instances where this
10 system was employed other than in the Jackson and Carter
11 situation, after 1974?

12 A No.

13 Q Are you familiar with a reception which was attended
14 by Henry Jackson in Baltimore held by NEBA?

15 A Yes.

16 Q Can you describe the circumstances surrounding
17 that event? Was it held specifically for Mr. Jackson's
18 appearance?

19 A No.

20 Q For what purposes was the event held?

21 A It was held for some Maryland State Senators.

22 Q Do you recall their names, or do you know who would

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1 know?

2 A I was trying to think of one name. Who is the head
3 of the NAACP in Washington?

4 Q Clarence Mitchell? Perrin Mitchell?

5 A It wasn't Perrin Mitchell, but it was a Mitchell.

6 Q Young Mitchell?

7 A That is him, a State Senator. But there was a
8 woman. I forget her name.

9 Q Did they attend this function?

10 A Yes. It was four or five, six State Senators that
11 attended.

12 Q How did Senator Jackson happen to come to appear at
13 this reception?

14 A After the reception had been set up, somebody -- and
15 I don't know who the somebody was -- said Senator Jackson was
16 going to be in Baltimore, and they were going to see if they
17 could invite him to the reception. And as I recall it, Senator
18 Jackson came by and spent maybe 20 or 30 minutes, late in the
19 reception.

20 Q What did he do at the reception? Did he speak to
21 the reception?

22 A Yes, he did. When I say he spoke, he didn't make

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1 any formal address, but as I recall it he stood up on a chair
2 and spoke for a couple of minutes.

3 Q Do you know who contacted him?

4 A No, I do not.

5 Q Do you recall if you had foreknowledge that he was
6 going to come? Did you know ahead of time if he was going
7 to come?

8 A I knew it, but not -- I didn't know it when we set
9 up the reception. I did know it like a day or so before he
10 did come.

11 Q Do you know who told you?

12 A Or there was a possibility that he would come. It
13 was never nailed down that he would come.

14 MR. BEST: You understood he would be somewhere in the
15 general vicinity and if he could make it he would show up.
16 Was that your understanding at that time?

17 THE WITNESS: Yes.

18 BY MR. OLDAKER:

19 Q Who were the other participants? Who came to this
20 reception?

21 A The other participants were --

22 Q Were they MEBA members?

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1 A There were some MEBA members, yes. And there was
2 the political machinery and the candidates, these State
3 Senator candidates. It was really a political rally for the
4 political machine.

5 Q Would you have held this reception even if you had
6 known that Senator Jackson absolutely would not come?

7 A Oh, yes. It had nothing to do with Senator Jackson.
8 The purpose of the reception and the reception had nothing to
9 do with Senator Jackson.

10 Q Do you know who set up this reception? Do you
11 recall?

12 MR. SIMON: Let me ask in terms of the setup, you mean made
13 the arrangements?

14 MR. OLDAKER: Arrangements, correct. Who the actual
15 staff person or the individual would be.

16 THE WITNESS: It is my impression that it was Roy Lubby,
17 but I am not sure.

18 BY MR. OLDAKER:

19 Q Do you recall a reception held in New York City
20 around April 6, 1976?

21 A No, I don't. I know the matter of which you are
22 asking, and I have no knowledge. I wasn't there. I just have

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1 no knowledge on that whatsoever.

2 Q Do you recall a reception held in San Francisco at
3 which Senator Jackson appeared?

4 A Yes.

5 MR. SIMON: You are talking about in October of 1975?

6 MR. OLDAKER: October of 1975, that is correct.

7 BY MR. OLDAKER:

8 Q The answer was yes?

9 A Yes.

10 Q What do you recall of that reception?

11 A It was an AFL-CIO convention I believe. They were
12 having a reception, and I believe Senator Jackson was
13 addressing the convention that day, so he was invited to the
14 reception.

15 Q Addressing the AFL-CIO convention?

16 A Yes.

17 Q What were the purposes of the reception?

18 A Good will.

19 MR. BEST: A couple of drinks and meeting the boys?

20 BY MR. OLDAKER:

21 Q Was it for the purposes of allowing Senator Jackson
22 to meet MEBA members?

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1 A It was for the purpose of internal politics of the
2 AFL-CIO.

3 MR. BEST: Let me ask you this question: Would you have
4 had the reception if you knew that Senator Jackson could not
5 attend it?

6 THE WITNESS: Yes. We had resolutions at the convention
7 we wanted to get adopted.

8 MR. BEST: Do you have receptions such as this at most
9 AFL-CIO conventions?

10 THE WITNESS: And even some of the others. Wherever we
11 have a program we are trying to put over, yes. Board
12 meetings are open meetings.

13 MR. BEST: These receptions are held in a hall someplace
14 or in a suite of rooms?

15 THE WITNESS: Usually in the hotel; usually.

16 BY MR. OLDAKER:

17 Q What did Senator Jackson do at this reception? Did
18 he speak?

19 A Like a politician does at every reception. He
20 shakes hands and speaks.

21 Q What else occurred at this reception?

22 A We drank a lot of booze.

7 9 0 4 0 1 2 2 6 6 4

1 Q Were there other politicians that came?

2 A I believe so, but I am not sure.

3 Q Was there other business transacted? I guess
4 another way of saying it, was it held exclusively for
5 Mr. Jackson to speak?

6 A No. The reception would have been held whether
7 Jackson was there or not.

8 Q How long did it last?

9 A A couple hours.

10 Q How long did the speech last?

11 A A couple of minutes. And this I couldn't swear to.
12 This is my impression of it.

13 Q When you say he spoke, was there a podium set up?

14 A No. I believe he was standing in a chair. They are
15 vague impressions now.

16 Q Did he stay at the reception during the whole period
17 of time?

18 A God, I don't know.

19 Q Did other international unions hold receptions such
20 as this at that convention?

21 A Yes. Sure. It is a common occurrence.

22 Q Do you recall how Senator Jackson happened to come

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1 to this reception?

2 A How he happened to come? Well, he was in town.
3 He was addressing the AFL-CIO convention. I don't know how
4 he got invited to come to the reception. If I had thought
5 about it, I would have done it.

6 Q Do you recall if you did invite him?

7 A I don't recall if I invited him or not. I know if
8 I had thought about it I would have done it.

9 Q Would you have invited other politicians to come to
10 the reception?

11 A Sure. Some other politicians, not all other
12 politicians.

13 Q Somewhat selective.

14 MR. BEST: Is that consistent with the general policy at
15 these affairs?

16 THE WITNESS: It is normal procedure when you have invited
17 a guest to a convention and you have an affair that day that
18 you invite the invited guest to the affair.

19 BY MR. OLDAKER:

20 Q Do you know if there were other politicians that
21 were invited to the convention?

22 A As I recall it, yes, there was a whole corral

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1 full of them. I think it was Who's Who of the Democrat Party
2 for President.

3 Q Most of the candidates at that time who were running,
4 you think?

5 A Yes. That is my recollection. But they weren't all
6 there that one day. We would probably still be in session.

7 Q In reference to the expenses of these conventions,
8 for these receptions, that is the one in Baltimore, who would
9 generally handle the payment for expenses?

10 MR. SIMON: Let me ask you this: Are we talking about
11 organizations?

12 MR. OLDAKER: No. I am talking about the individual,
13 an individual that works for MEBA.

14 THE WITNESS: Let me go beyond what your question is.

15 MR. OLDAKER: Okay.

16 THE WITNESS: MEBA is different from the average union.
17 Even where it is legal to do so, we do not make political
18 contributions out of the general fund. We got into a lawsuit
19 about that many, many years ago. We had one member involved,
20 and I think it cost the union \$100,000 before we got disjointed
21 from the lawsuit.

22 But wherever there is the possibility, any possibility,

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1 that it carries a political connotation, we pay for it out of
2 the political fund.

3 BY MR. OLDAKER:

4 Q How is that decision made then, that there was any
5 possibility --

6 A If it even smells like politics we pay for it out
7 of the political fund.

8 Q Who would make that decision?

9 MR. BEST: That general decision is implemented by
10 instructions given to someone, right?

11 THE WITNESS: To Frank Laureto.

12 MR. BEST: And his instructions are if it even smells
13 like it is political, that it should be paid for out of the
14 Political Action Fund?

15 THE WITNESS: That is correct.

16 MR. SIMON: That was a policy determined by the Executive
17 Committee of the Political Action Fund?

18 THE WITNESS: The Executive Committee of the union and
19 the Executive Committee of the Political Action Fund.

20 BY MR. OLDAKER:

21 Q Do people ever come to you and ask you if it should
22 be paid out of the Political Action Fund?

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1 A Yes.

2 Q Do you recall if they did that in reference to the
3 Baltimore reception?

4 A I don't recall specifically as to Baltimore about
5 anybody asking me, but when it was for State Senators, just
6 automatically it would be paid out of the Political Action
7 Fund.

8 Q And in California, would it necessarily be paid out
9 of the Political Action Fund?

10 A I would think so, but I haven't checked the record
11 on it.

12 MR. OLDAKER: Off the record.

13 (Discussion off the record.)

14 MR. SIMON: For the record, there is previous testimony
15 from Mr. Laureto concerning the reported expenditures.

16 MR. OLDAKER: I understand. I found it.

17 BY MR. OLDAKER:

18 Q Sir, I will hand you, and I ask this be marked as
19 Exhibit 3, a MEBA copy of one page from a MEBA Political Action
20 Fund report. I would allow your counsel to hold objections
21 since it is only one page and you can check the reports to
22 make sure it is accurate.

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1 MR. SIMON: If I could identify it perhaps a little more
2 clearly. This is a document indicating at the top, under the
3 category "Name of Candidate or Committee in Full," "M.E.B.A.
4 Political Action Fund." There is nothing at the bottom.

5 There appears to be some additions which I believe at
6 previous depositions it was indicated they were added by the
7 staff of the commission; specifically some initials at the
8 bottom.

9 MS. BROWNING: That is correct.

10 MR. SIMON: And a line around the figures starting on
11 the first line "Marriotts Essex House" which is in New York,
12 \$700. There is a line around that. There is a checkmark.

13 Marriotts Essex House in New York, another checkmark and
14 a line around the figure \$1,176 -- and 40-something cents.

15 MR. OLDAKER: Thank you.

16 And the third item on that page is an item which says
17 "Hyatt on Union Square, San Francisco, California, Hosted
18 Reception re Senator Henry Jackson, 4-2-76," in the amount of
19 \$7,000-plus.

20 BY MR. OLDAKER:

21 Q Do you recall that expenditure, sir?

22 MR. BEST: Do you know anything about this exhibit in

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1 the first place? Have you ever seen this before or another
2 copy of it? Marked or unmarked.

3 MR. OLDAKER: The markings would be of the staff of the
4 commission.

5 THE WITNESS: I do not go over the political fund filings.

6 MR. BEST: So your answer is more likely than not you have
7 not seen Exhibit 3 prior to this time.

8 MR. SIMON: Is that correct?

9 THE WITNESS: That is correct.

10 BY MR. OLDAKER:

11 Q You stated earlier that you never had any
12 obligation to review the forms before they are filed.

13 MR. SIMON: I don't believe he has testified to that.

14 MR. OLDAKER: That is what he said right at the
15 beginning.

16 THE WITNESS: No. I am not an officer. That is correct.
17 I am not an officer of the political fund, and I do not go
18 over the forms.

19 You see, even where I am legally bound to sign for them,
20 half the time I don't know what the hell I am signing.

21 MR. OLDAKER: Off the record.

22 (Discussion off the record.)

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1 THE WITNESS: I think in 1976 this union filed over
2 1,500 Election Commission reports. I am sure I didn't spend
3 any time on any one of them.

4 BY MR. OLDAKER:

5 Q Do you recall any reference to the Hyatt reception
6 for Senator Jackson that is listed here?

7 A Yes, I do.

8 Q Would you recall why it would be paid for out of the
9 Political Action Fund?

10 A Because there was a politician there.

11 Q Merely by him coming to the reception --

12 A It carried a political connotation.

13 MR. BEST: And it was your perception that you had an
14 obligation to --

15 THE WITNESS: To pay it out of the political fund and to
16 report it.

17 BY MR. OLDAKER:

18 Q And the total amount of the reception then is
19 reported out of the political fund?

20 A As far as I know.

21 Q It was not done on an allocated basis?

22 A I don't handle the bookkeeping end. But I am sure

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1 if it hadn't been paid I would be hearing from my end.

2 (Discussion off the record.)

3 (The document entitled "M.E.B.A.
4 Political Action Fund" was
5 marked Calhoon Exhibit No. 3
6 for identification, a copy of
7 which is attached to the court
8 copy of this deposition.)

9 BY MR. OLDAKER:

10 Q Let's go back a second to the Labor for Jackson
11 Committee. Do you recall other types of committees such as
12 the Labor for Jackson Committee that had been set up for other
13 candidates for Federal office?

14 MR. BEST: In 1976?

15 MR. OLDAKER: Since 1974.

16 THE WITNESS: No, not in the context of the Labor for
17 Jackson Committee. I have seen a lot of labor committees for
18 politicians, but not in the context of an independent action
19 committee as the Labor for Jackson.

20 BY MR. OLDAKER:

21 Q The ones which were not independent, what would be
22 the purpose they were set up?

MR. BEST: What do you mean by independent, first of all,
so we know what we are talking about.

THE WITNESS: Where they raise and spend money independent

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1 of the candidate.

2 MR. BEST: Okay.

3 BY MR. OLDAKER:

4 Q You referred to other types of labor committees for
5 candidates that would not be independent. What would be the
6 purpose of those committees?

7 A To elect their candidates.

8 Q Would they be satellite committees of that candidate?
9 Would they be part of that candidate's committee?

10 A That is a pretty harsh classification.

11 Q Would they make contributions --

12 A It would be supportive committees of the candidates.
13 I don't know about satellites.

14 Q Did they make contributions to the campaign?

15 A No. The committee wouldn't. The individual members
16 of the committee may make contributions, and the organizations
17 that they represent may make contributions. But the committee
18 as such would not make contributions.

19 Q Did you ever receive correspondence from the Labor
20 for Jackson Committee that you can recall?

21 A I remember, yes, one piece of correspondence.

22 Q What was that, sir?

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A It was a termination -- it was a financial report on the termination of the committee. I believe it got some money refunded, the NEBA Political Action Committee got some money refunded.

Q Do you recall any conversations that you may have had about the Labor for Jackson Committee with Bob Keefe?

A I am not sure I ever had a conversation with Bob Keefe on Labor for Jackson.

Q Do you recall any conversations, if you had any, with Senator Jackson about the Labor for Jackson Committee?

A No. I am sure I would have gotten thrown out of the office.

Q Do you recall any conversations with any other individual in the Jackson for President Committee about the Labor for Jackson Committee, if there were any?

A No. I understood the constraints of the Federal law, that the Labor for Jackson Committee had to be separate and independent and I wouldn't talk to anybody in the Jackson Committee about the Labor for Jackson.

Q You mentioned one meeting earlier you attended for the Labor for Jackson Committee. Did you have any conversations with Eldie Carlough about the Labor for Jackson?

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specifically say, or I don't say that I had conversations with Eddie Carlough on the Labor for Jackson Committee after the committee was formed and I made a contribution.

MR. BEST: Just so I understand the chronology, there were conversations at the meeting which formed the genesis for this committee.

THE WITNESS: Yes.

MR. BEST: And there may have been a conversation with Eddie Carlough or someone else, and as a result of that conversation money was disbursed to Labor for Jackson.

THE WITNESS: Yes.

MR. BEST: And subsequent to that, did you have any conversations with Eddie Carlough regarding the Labor for Jackson Committee?

THE WITNESS: Not specifically regarding Labor for Jackson.

BY MR. OLDAKER:

Q Similarly with Joe Keenan, after the \$20,000 was contributed to the Labor for Jackson. Do you recall?

A Not specifically on Labor for Jackson. That doesn't

mean I didn't see Joe Keenan and Eddie Carlough and didn't talk to them, because I did. And I talked to them about the Jackson campaign. But I am sure I didn't start asking them how they were spending their money I contributed or what they were doing with that money.

Q But you did talk to Joe Keenan after the \$20,000 was given about the Jackson campaign?

A Oh, yes. I spoke to Joe Keenan and Eddie Carlough many times.

Q Would it be fair to say that the Jackson campaign was of mutual interest to you?

A It certainly was.

MR. OLDAKER: Off the record.

(Discussion off the record.)

MR. SIMON: Mr. Calhoon, in connection with any conversations you may have had after the MEBA Political Action Fund made the \$20,000 contribution with Mr. Keenan and Mr. Carlough, I take it there would be no basis for concluding that these conversations were in any way designed to coordinate or consult with them as to how the Labor for Jackson Committee should spend its money.

THE WITNESS: Absolutely not.

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MR. BESSE: Did you care how they spent it?

THE WITNESS: I didn't give a damn.

BY MR. OLDAKER:

Q Similarly did you make any attempt to tell them you could not talk to them about the Labor for Jackson Committee?

A No. I never told them I couldn't. I think I had a legal right to talk to them about the Labor for Jackson. But I didn't do it and I didn't want to do it.

If I give my wife \$100 and she goes shopping, I am not going to be in the doorway and say "What the hell did you buy? Where did you buy it? Why didn't you go to Joe's Bargain Store?"

BY MR. OLDAKER:

Q We were talking earlier about the receipt books. Do you recall how successful that effort was with the Jackson Committee?

MR. SIMON: Financially?

MR. OLDAKER: Yes.

THE WITNESS: No, I don't. I know they raised some money.

BY MR. OLDAKER:

Q Do you know if records were kept?

A I think they were. My job is to spend money, not

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Q Do you know where those records would be kept if there were any?

A They would be with Frank Laureto.

Q And in reference to the Carter Committee, would you anticipate it was also done that way?

A The same thing, if they were kept.

MR. OLDAKER: I have no further questions at this time.

THE WITNESS: Can I add one thing?

MR. OLDAKER: Surely.

THE WITNESS: Just to clarify your thinking on why a receipt book was issued and why records were kept. Over the years there have been in the trade union movement periodic scandals of individuals stealing union members' money. We have had a tradition ever since I have been a member of the union to give a receipt, a numbered receipt, for any money. And that was the reason the receipt books were there.

It had nothing to do with the candidate. It was just our procedure. And it was done more for tradition and carrying the connotation that everything is done honest.

Outside of that reason, there was just no reason to keep a receipt book. But our members make long voyages. If a

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collector goes aboard a vessel and collects money from a member, it may be a year before that member is back in the United States. If the money is not applied to his union dues, he could be dropped. On any collection, the collector could put it in his pocket and the member would be very dunned at the end of the year. That is the reason we do everything with the receipt book.

BY MS. BROWNING:

Q Mr. Calhoon, could I ask you a couple of questions you may have touched on and answered before.

You mentioned that you did meet with Senator Jackson and with Robert Keefe on occasion during the campaign.

MR. BEST: Either separately or together.

MS. BROWNING: Yes.

BY MS. BROWNING:

Q During those times, did you discuss how the campaign was going or any aspects of the campaign activity at all?

A I don't know of anything else I discussed.

Q Would you say that you were aware of how the campaign was progressing and some of the campaign activity?

A No.

Q What kinds of discussions would you have had then with Mr. Keefe, for example?

A We had discussions, but I wasn't aware; because I find quite frequently that the campaign manager is not aware of what is going on and the candidate is not aware of what is going on. They are usually looking at the world through rose-colored glasses. It looks very nice when in fact it is pretty gloomy.

Q Well, for example, at any time would they have indicated to you that there was a need for money in the campaign?

MR. BEST: Let's take them separately. Let's take Senator Jackson first.

THE WITNESS: I am sure Senator Jackson never asked the NEBA for money. When he announced, I am sure we gave him whatever we could under the law. As I testified before, from the public press I thought Senator Jackson was the fat cat. He had the money. As I read the newspapers, I was confident he had plenty of money.

BY MS. BROWNING:

Q Do you remember Mr. Keefe ever telling you there was a need for additional campaign funds?

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Dad. I have never seen one that didn't.

MR. BEST: Do you have any specific recollection of such a conversation with Mr. Keefe?

THE WITNESS: No, not specific. No, I don't.

BY MR. BROWNING:

Q You said that Mr. Laureto was in charge of the financial activities of the Political Action Fund at the NERA.

A No. He is the controller and he keeps the books and records.

Q But you discussed with him how the money was spent?

A No.

Q Not at all?

A No. I spend the money.

Q But you did have influence over the decisions as to how the money would be spent; is that correct?

A Yes, I do. I would hope so.

Q Would you say that any of the decision-making involving how to spend the Political Action Fund's money would have been based on information on the campaign which you may have gotten from Mr. Keefe?

MR. SIMON: Wait.

MR. BEST: I am going to object to the question. It is

just a hypothetical. You are asking a hypothetical question. If you want to phrase it in terms of possibilities, you can, but you also have to ask him what the possibility was that such a thing occurred.

BY MS. BROWNING:

Q Let me narrow it down just a little bit and see if you will agree to this question. When you made decisions on how the Political Action Fund would spend its money, would you take into consideration factors such as where in the country money might better be spent than other places?

MR. SIMON: I have to object. I don't think Mr. Calhoon has said he makes the decision. I think he has stated he is consulted and is aware of the decisions. I think any answer to that question would imply an affirmation of your characterization of the extent of his role.

If you are talking about whether he would consider the financial status of a candidate in making his recommendations to the Political Action Fund, that is a different question than you asked.

BY MS. BROWNING:

Q Do you recall having made a recommendation to any of the officers of the Political Action Fund as to how much money

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should be spent on a campaign?

A No. I know I have recommended that we endorse and support Senator Jackson. I know we gave him the maximum contribution. I know I made the recommendation to give the limit of \$20,000. Not to give him but to give the Labor for Jackson Committee \$20,000. And as far as I know that is all the money we appropriated for Senator Jackson.

But when the endorsement and the initial contribution went to Senator Jackson, there was no thought or idea in mind of the \$20,000 contribution.

MS. BROWNING: That is all I have.

MR. OLDAKER: I have one question.

BY MR. OLDAKER:

Q Do you know a gentleman by the name of Skallerup, Walter Skallerup?

A I know that he had something to do with the finances of Senator Jackson. I think there was a Skallerup and Lipshutz.

Q Lipshutz was with Carter.

A Yes.

Q He might have been with Jackson, but he is now with Carter.

Do you recall meeting with Walter Skallerup in reference

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to the receipt books at all that were discussed?

MR. SIMON: Let's go off the record.

(Discussion off the record.)

BY MR. OLDAKER:

Q Do you recall a meeting with Mr. Skallerup as to the contributions which you were facilitating being made to the Jackson Committee?

A I remember a meeting with Skallerup to tell him what we were doing.

Q What can you recall about that meeting? When you say, "to tell him what we were doing," you mean as to the collection of contributions?

A Solicitations of contributions for Jackson, and how they would be coming in, and ask him, you know, or find out if he had any problems of handling the contributions coming in in this fashion. I think he went over the procedures and said he had no problem.

Q When we were talking about the issue earlier, you said that the local presidents were the people -- Mr. Simon is shaking his head. Who was sent the receipt books?

A The officers and employees of NENA.

Q Who paid for the receipt books, if you know?

MR. BEST: You mean who paid for the printing?

MR. OLDAKER: Printing costs.

THE WITNESS: I don't know.

BY MR. OLDAKER:

Q Do you know if they were instructed as to whether they should be soliciting contributions on their business hours or their off hours, or were there any instructions made to that effect to those individuals sent the receipt books?

MR. SIMON: Were they issued instructions by Mr. Calhoon?

MR. OLDAKER: To his knowledge. Were they issued instructions from the central office.

THE WITNESS: Not to my knowledge.

BY MR. OLDAKER:

Q In your conversation with Skallerup, do you recall anything about how the contributions would ultimately be delivered to the Jackson Committee? Was that part of the discussion?

A I believe so.

Q Do you recall any particulars?

A As I recall, the procedure was that the contributions to Senator Jackson would be mailed in weekly and would be I guess mailed or delivered from our office to

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Senator Jackson's office. And I think they were handled just like our normal dues collection in that they were mailed at the same time; that is, we have a time frame for the collections.

Q When you say Senator Jackson's office, you mean his campaign office?

A Yes.

Q They would be sent with a covering letter, if you know?

A I don't know.

MR. OLDAKER: I have no farther questions at this time.

MR. SIMON: We have no questions.

MR. OLDAKER: Thank you very much.

(I have read the foregoing pages 4 through 55, inclusive, which contain a correct transcript of the answers made by me to the questions therein recorded.)

JESSE M. CALSON

CERTIFICATE OF NOTARY PUBLIC

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I, Karen Hinnenkamp, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken by me in shorthand and thereafter reduced to typewriting by me; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.

Notary Public in and for
the District of Columbia

My commission expires:
July 31, 1978

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Official
Transcript

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

February 2, 1978

Mr. Leon Shapiro
c/o Judah Best, Esq.
Dickstein, Shapiro & Morin
2101 L St., N. W.
Washington, D. C. 20037

Re: In the Matter of: MARINE ENGINEERS BENEFICIAL ASSOCIATION
POLITICAL ACTION FUND - MUR 260 (76).

Dear Mr. Shapiro:

The court copy of your deposition in the above-captioned case taken January 27, 1978, is submitted herewith for your reading and signing as requested by counsel.

Enclosed herewith are instructions for reading and signing.

Upon completion of the reading and signing it is requested that this court copy be returned to this office as soon as possible.

Sincerely yours,

MILTON & GREENWOOD
REPORTING ASSOCIATES, INC.

Douglas S. George
Administrative Assistant

cc:
Judith Browning, Esq.
file

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BEFORE THE FEDERAL ELECTION COMMISSION

----- X
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 In the Matter of: :
 :
 MARINE ENGINEERS BENEFICIAL : MUR 260 (76)
 ASSOCIATION POLITICAL :
 ACTION FUND :
 :
 ----- X

Washington, D. C.

Friday, January 27, 1978

Deposition of

LEON SHAPIRO

a witness in the above-entitled matter, called for examination
 by counsel for the Federal Election Commission, taken at the
 offices of the Federal Election Commission, 1325 K Street, N.W.,
 Washington, D. C., beginning at 2:45 p.m., before
 Judith Browning, when were present on behalf of the
 respective parties:

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For the Federal Election Commission:

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and

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For Leon Shapiro:

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C O N T E N T S

EXAMINATION BY COUNSEL FOR:

FEDERAL ELECTION COMMISSION
(Ms. Browning)

WITNESS:

LEON SHAPIRO

3, 36

LEON SHAPIRO
(Mr. Best)

33

E X H I B I T S

Marked for identification and attached:

Deposition Exhibit No. 1 - Portion of report
dated July 10, 1976

Page

13

Thereupon

LEON SHAPIRO

a witness, was called for examination by counsel for the Federal Election Commission and, after having been sworn by Judith Browning, Esq., was examined and testified as follows:

MS. BROWNING: I would like to make a statement about the scope of this deposition that is being conducted today. Issues which I would like to touch upon are the relationship that the MERA Political Action Fund may have had with Labor for Jackson and the possibility of affiliation between the two groups. And another issue is the purchase of receipt books by the MERA Political Action Fund and the solicitation project that was connected to those receipt books. Another area of questioning will be on some receptions which were held by the Political Action Fund on behalf of Senator Jackson's candidacy and the connected expenditures for those receptions which were reported by the PAC as independent expenditures.

EXAMINATION BY COUNSEL FOR THE FEDERAL ELECTION COMMISSION

BY MS. BROWNING:

Q Would you state your name for the record, please.

A Leon Shapiro.

Q And what is your current address?

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A It is 140 Riverside Drive, New York City.

Q Are you aware of your right to have counsel present?

A Yes, I am.

Q Do you have counsel present?

A Yes, I do.

Q Would your counsel identify themselves for the record, please.

MR. BEST: For the record, Mr. Shapiro is represented here today by the law firm of Dickstein, Shapiro & Morin and specifically by Judah Best and Justin Simon of that law firm.

BY MS. BROWNING:

Q Mr. Shapiro, where are you currently employed?

A The Marine Engineers Beneficial Association.

Q And what is your position?

A Secretary-treasurer.

Q For how long have you held that position?

A Approximately 12 years.

Q And is that continuous? You have held it continuously for 12 years?

A Yes.

Q Could you explain your duties as secretary-treasurer?

A The duties are contract negotiations. Portions of

contract enforcement; financial responsibility; and any other duties that are assigned to me from time to time by the executive committee or executive officer.

Q Do you hold a position with the Political Action Fund?

A Yes, I do.

Q What position is that?

A It is treasurer.

Q How long have you held that position?

A I am not sure, but a number of years.

Q Is that automatic, that position, automatic with your position.

A No. It is not. It is a distinct and separate --

MR. SIMON: Let me just interject here. You are referring to MEHA when you are referring to Political Action Fund?

MS. BROWNING: Yes.

MR. SIMON: Is that the way you understand?

THE WITNESS: Yes.

BY MS. BROWNING:

Q What are your duties as secretary-treasurer of --

A Treasurer.

Q Treasurer.

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A To keep the books and participate in any executive board meetings that deal with the keeping and handling of the money. To make the proper executive decisions.

Q Mr. Shapiro, according to our reports that were filed with the Commission by the Political Action Fund -- and when I say Political Action Fund, I mean the Marine Engineers Beneficial Political Action Fund -- \$20,000 was given to the Labor for Jackson Committee in -- let me check the date -- it was May, 1976. Do you recall that transfer of funds?

A No. I do not recall it.

MR. BEST: Are you presently aware that the transfer took place?

THE WITNESS: Yes. I am aware presently. Yes.

BY MS. BROWNING:

Q The questions I would like to ask you now relate to the relationship that the Political Action Fund may have had with Labor for Jackson, and so I would first ask if you were involved in any way with the creation or organization of Labor for Jackson?

A I don't believe so. I can't recall any incidents.

Q Do you recall any discussions that were held

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regarding the creation of this group, Labor for Jackson?

A No. I do not.

Q Do you know of anyone connected with the Political Action Fund who was involved in organizing Labor for Jackson?

A No. I do not.

Q You were not treasurer at the time the \$20,000 transfer took place? That would be May 5, 1976.

A Yes. I was.

Q Do you know who authorized the transfer of \$20,000 to Labor for Jackson?

MR. SIMON: Could you clarify what you are talking about? Who initiated it or may have taken some steps necessary for the transfer to occur?

MR. BROWNING: I would prefer to have the name of anyone involved in the decision to make the transfer of funds or transfer it.

THE WITNESS: All transactions like this were done by the chief accountant and with counsel. It is done under my responsibility. I sign the checks, and that is a check that I signed. I just don't recall the decisions that relate to it.

MR. BEST: What is the name of the chief accountant?

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THE WITNESS: Frank Laurito, L-a-u-r-i-t-o.

MR. BEST: What is the name of the counsel concerning whom you referred in your answer to a previous question?

THE WITNESS: Richard Markovitz.

BY MS. BROWNING:

Q Do you recall having any discussions at all about making contributions to Labor for Jackson?

A No. I do not recall.

Q Were you aware of the existence of Labor for Jackson?

MR. BEST: Are you referring to May of '76?

MS. BROWNING: I am sorry. In May of '76.

THE WITNESS: I do not recall if I was aware. That was a particular period in which I had some medical, critical medical problem, and from May through January I was either hospitalized or was affected by it. But I just do not recall it.

BY MS. BROWNING:

Q You did not then have meetings with or any decision-making responsibility for Labor for Jackson. Is that correct?

A That is correct.

Q Did you have any contact during the first six months

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of '76 with Edward Carlough?

A I don't believe so.

Q For the record, Edward Carlough is the chairman, excuse me, was the treasurer of Labor for Jackson.

MR. BEST: Let me ask -- do you know who Edward Carlough is?

THE WITNESS: Ed Carlough? Yes. I do.

MR. BEST: Who was he?

THE WITNESS: He was president of the Sheet Metal Workers Union.

MR. BEST: And to your knowledge was he president of the Sheet Metal Workers Union in the first six months of '76?

THE WITNESS: I am really not sure.

MR. BEST: Have you ever met Ed Carlough?

THE WITNESS: I have met him once or twice.

MR. BEST: Would you recognize him today if you saw him?

THE WITNESS: I am not sure.

BY MS. BROWNING:

Q Do you know who Joseph Keenan is?

A I have the name in connection with the Electrical Workers.

Q Did you have any meeting or communication with

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Joseph Keenan in the first six months of '76?

A. I don't believe so.

Q. Do you recall having any knowledge of how the Labor for Jackson organization was spending its funds?

MR. BEST: Excuse me. Your questions, counsel, are ambiguous in this regard. If you are asking him whether he presently has knowledge as to how things occurred, it is one thing. If you are asking him, and it may be implicit in your question, whether he had knowledge in the first six months of '76, that may be a different subject from the substance of your question. I am not quite sure what period of time you are asking about.

MS. BROWNING: Unless I specify otherwise I am primarily concerned with the first six months of '76. That would be the time in which activity was occurring connected with the campaign of Senator Jackson.

MR. SIMON: You are not interested in his present recollection?

MS. BROWNING: I am asking him if he recalls having known at the time these people or transactions.

MR. BEST: With that clarification, does that cause you to alter your answer in any way?

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THE WITNESS: It would be helpful if you would repeat.

BY MS. BROWNING:

Q Going back over the question, do you recall having had any knowledge during the first six months of '76 of how Labor for Jackson was spending its funds?

A No. I do not.

Q I would like to ask you some questions now pertaining to some expenditures which were reported as having been made by the Political Action Fund for certain receptions, the first of which was held in San Francisco in October of '75. Do you recall the particular reception to which I am referring?

A I know of the reception you are referring to.

Q Did you attend that reception?

A I don't believe so.

Q According to the report that has been filed with the Commission regarding this particular reception, and I am taking these filings from the July 10, '76 report, the San Francisco reception had an expenditure made to the Hyatt on Union Square for \$7,287.38. You can take your time to look at that.

MR. SIMON: Can we ask that the document that is being

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shown to the witness be identified for the record?

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MR. BEST: While the witness is examining the document, let me state that there may be some confusion. Prior to the deposition, in fact, we were not specifically aware that the subject of these receipts would be introduced as a subject for questioning at this deposition, and in that regard we have not discussed this matter with the witness. We don't want to in any way impede the Commission in its investigation, but out of an abundance of caution, I would like the witness to take his time in reviewing this matter since we have not had an opportunity to counsel him relative to this particular subject matter.

Having reviewed the document which is going to be introduced in this deposition as an exhibit, does this refresh any recollection that you might have relative to these expenditures?

THE WITNESS: Not really.

MS. BROWNING: Let me first identify this particular report for the record. This is part of a report filed with the Federal Election Commission by the Marine Engineers Beneficial Association Political Action Fund. It is a July 10, 1976 report.

(The portion of the report dated July 10, 1976 filed with the Federal Election Commission by the Marine Engineers Beneficial Association Political Action Fund was marked Deposition Exhibit No. 1 for identification, a copy of which is attached to the court copy of this deposition.)

MR. BEST: So the record is clear, Exhibit No. 1 is a compilation of three pages and is a Xerox copy of FEC Form 3.

MS. BROWNING: I cannot identify the page numbers because they are not given here. However, let me identify the entry we are talking about. This particular expenditure was made to the Hyatt on Union Square in San Francisco on April 2nd, 1976. The purpose of the expenditure is listed as Hosted reception re Senator Henry Jackson, and the amount of the expenditure is listed as \$7,287.38; and I would like to identify before I ask the question on this particular reception one other expenditure.

(Discussion off the record.)

BY MS. BROWNING:

Q Back on the record again.

A second expenditure which is apparently connected with the San Francisco reception is on the second page of Deposition Exhibit 1, which can be identified as an expenditure to

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Kelly Press on Second Street in Washington, D. C. And the purpose of this expenditure is given as Printing Costs Re: Henry Jackson Reception-San Francisco 10/75. The date of the expenditure is June 30, '76, and the amount listed is \$204.54.

Do you recall, Mr. Shapiro, the making of these expenditures by the Political Action Fund? Do you recall having authorized the spending of those funds or actually of writing the checks?

MR. BEST: That is two questions. What do you --

MS. BROWNING: Do you recall signing the checks for those expenditures?

THE WITNESS: No. I do not.

BY MS. BROWNING:

Q Do you recall anything about the expenditures?

A No. I do not.

Q Do you recall that expenditures were made by the Political Action Fund for the San Francisco reception?

A I don't know specifically of it.

Q Do you recall any other expenditures having been made for the San Francisco reception, other than the two which we have identified here?

A No. I do not.

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Q Do you have any recollection as to whether the Political Action Fund was the sole organization which made expenditures for this reception?

A No. I don't.

Q Do you recall whether the Political Action Fund was the sole sponsor of the reception?

MR. BEST: Is sponsor a term of art?

MS. BROWNING: By that I mean planned the reception, paid for the reception.

THE WITNESS: I cannot tell.

BY MS. BROWNING:

Q Do you recall whether any solicitations for contributions to the Political Action Fund were made in San Francisco?

A No. I do not recall.

Q Do you recall having had any communications yourself -- I will state it -- do you recall having had any communications yourself or contact with either Senator Jackson or members of his staff or principal campaign committee regarding the sponsoring of the San Francisco reception?

A No. I do not recall.

Q All right. Let me ask you now about a reception held in Baltimore, and I am going to identify expenditures

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made which are reported on this Deposition Exhibit 1. The second page of Deposition Exhibit 1 has an entry to Schunick Caterers, Inc., S-c-h-u-n-i-c-k, Greenmount and Eager Streets, Baltimore, Maryland. The purpose of that expenditure is given as Catering costs for Reception held for Henry Jackson, April 13, 1976. The date of the expenditure is given as June 4, '76, and the amount is \$2,912. And before I ask you a question on that let me identify one other expenditure which is directly beneath the Schunick Caterers, Incorporated. That is made to Tadder Associates, Incorporated, 501 St. Paul Place, Baltimore, Maryland. The purpose is given as Photographic Services rendered re Reception held for Henry Jackson-4-13-76. The date is reported as June 4th, 1976. That is the date the expenditure was made, and the amount is \$125.50.

Do you recall?

MR. BEST: Counsel, before you ask any questions, I notice all the expenditures you have referred to in Deposition Exhibit No. 1, the expenditures which are in the last column on the form, are circled in pen or pencil, and my question of you, are you aware who placed those pen or pencil marks on the exhibit, or are they in the original?

MS. BROWNING: They are in the original. Those marks were made by me. Those are Xeroxes of my pencil marks.

MR. BEST: When you say pencil marks, you are referring specifically to the word Baltimore, which appears on page two of Deposition No. 1 and the pencil mark San Fran, which appears on page one of Deposition No. 1?

MS. BROWNING: Yes.

MR. BEST: Thank you very much.

MS. BROWNING: And we may as well read that description because I will be asking other questions. There are pencil marks for abbreviation New York, page one, and on page three there is the pencil mark for receipt book. Those were placed on the exhibit as well as the attachment and number given at the bottom of each of the pages and as well as July 10 has been penciled in at the bottom of the pages.

MR. BEST: Thank you.

BY MS. BROWNING:

Q With regard, Mr. Shapiro, to the two expenditures which have been identified as expenditures for the reception held for Henry Jackson --

MR. BEST: In Baltimore.

MR. BROWNING: Baltimore. Do you recall anything about

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those expenditures having been made?

THE WITNESS: No. I do not recall.

BY MS. BROWNING:

Q Do you recall that reception having been held?

MR. BEST: Do you have any awareness now of having had an awareness in '76 with regard to the Baltimore reception?

THE WITNESS: I am aware now that there was such a reception. I was not aware at that time. I would think that the date is the first week of June.

BY MS. BROWNING:

Q Simply for the record let me ask a few more questions regarding that reception. Do you know whether all costs incurred for the holding of that reception were paid for by MEBA's Political Action Fund?

A No. I do not.

Q Do you know whether the Political Action Fund was the sole sponsor of that event? By that I mean planned and paid for it.

A No. I do not.

Q Do you know whether any solicitations for contributions to the Political Action Fund were made during the reception in Baltimore?

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A No. I do not.

Q With regard to the Baltimore reception do you know whether Senator Jackson was in attendance?

A I am aware of it now. I was not at that time.

Q Do you know now whether Senator Jackson was in attendance at the San Francisco reception?

A No. I do not.

Q Do you know now who was in attendance? I do not mean the specific individuals, but do you know what groups of people may have been in attendance at the Baltimore reception, that is a particular union or particular officers of unions? Is there any way you could characterize or know of any?

A Not really. Not being aware at that time of the reception, there would be no way I could tell.

Q How about with regard to the San Francisco reception?

A No.

Q Let me ask you questions concerning some expenditures for a New York reception which I am now identifying, some expenditures from page one of the exhibit.

MS. BROWNING: To go off the record.

MR. BEST: No. I want to stay on the record because this is the first time I have heard any reference to the New York

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reception. While we have had conversations in the past about the Baltimore and San Francisco receptions, and I am prepared to accept whatever is going to be the extent of the deposition, we certainly have not had any discussions about a New York reception, so I am waiting with some interest with regard to your questions.

MS. BROWNING: Although I may not have specifically identified this reception separately, it is referred to in both of the letters which I did give you copies of, I believe, questions which we had asked of the Political Action Fund and which were responded to by Mr. Markowitz.

MR. BEST: Counsel, I am not suggesting that the subject matter of some New York receptions may be beyond the province of the Commission, or that you may not have inquired about it in the past, but really, in terms of adequacy of notice as to the extent of this examination and furnishing of the witness and the effectiveness of counsel, I hadn't the faintest idea you were going to ask us questions with regard to the New York receptions. Therefore, I am waiting.

BY MS. BROWNING:

Q The first expenditure I would like to identify on page one of Deposition Exhibit 1 is an expenditure to the

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New York Essex House. The purpose of that expenditure is Deposit re rental of suite for New York Labor Committee for Senator Henry Jackson. The date is given as April 6, 1976, for the expenditure, and the amount is \$700. On the same page is an entry for an expenditure made to the Marriott Essex House, the purpose of which is given as Balance of expenditure re suite for New York Labor Committee for Senator Jackson, plus beverage, food, et cetera. The date for that expenditure is April 20, '76, and the amount is \$1,175.48.

Do you recall signing the checks for those expenditures?

MR. BEST: Before he answers any question in this area, I want to have an opportunity to consult with him. This is the first time I have heard these questions, and I want to know what the extent of his knowledge is. Every time you ask a question I am going to stop it, sit down with the witness and find out what the answers are.

MRS. BROWNING: I will be asking the same kind of questions I asked regarding the other receptions.

MR. BEST: With your permission we will go off the record.
(Discussion off the record.)

BY MS. BROWNING:

Q Back on the record. Mr. Shapiro, I believe I had

asked if you recall signing the checks for those expenditures which I identified.

MR. BEST: You are referring to the New York expenditures?

MS. BROWNING: New York expenditures.

THE WITNESS: No. I do not recall.

BY MS. BROWNING:

Q Do you have any recollection now that that reception was held?

A Yes. I am vaguely aware that it was held.

Q Did you attend that reception?

A I believe I attended.

Q Do you remember whether all costs incurred in connection with that reception were paid for by the Political Action Fund?

A I believe so.

Q Do you recall whether the Political Action Fund was the sole sponsor of that event? By that I mean planned and paid for it?

A I believe that is true.

Q Do you know whether any solicitations for contributions to the Political Action Fund were made at that event?

A I don't believe so.

Q Can you recall any group of people who were in

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attendance at the New York reception. What I mean by that is whether you can characterize the names of the unions whose representatives were there and any other kinds of groups?

A No. I wouldn't be able to do that.

Q Do you know if Senator Jackson was in attendance?

A No. I do not.

Q Do you recall having had any communications with either Senator Jackson or members of his staff or campaign committee with regard to any of the details of the New York reception?

MR. BEST: You mean with regard to whether he was going to attend?

MS. BROWNING: No. Any planning or organizing of payments of expenses.

THE WITNESS: No. I do not recall.

BY MS. BROWNING:

Q All right. I would like to next address the purchase of receipt books which is listed on page three of Deposition Exhibit 1, and this particular expenditure is the first one on the page, and it is made to Martin Stationery Company, 71 Murray Street, New York. The purpose of the expenditure is given as Printing of Receipt Books Re: Henry Jackson. The

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date for that expenditure is listed as May 11, '76, and the amount is \$2,337. I believe that is twelve cents. It is a bit funny. It looks like twelve cents. Do you recall signing the check for this particular expenditure?

A No. I do not.

Q Do you recall the fact that these receipt books were purchased? Do you have knowledge now that the receipt books were purchased?

A Vaguely; yes.

Q Do you remember having had knowledge at that time?

A No. I do not.

Q Do you know whether the Political Action Fund paid the entire cost of the receipt books for whatever event this was in connection with?

MR. SIMON: Counsel, I will object on the ground it assumes a fact in evidence which may be erroneous, that is specifically, that it was in connection with an event.

MS. BROWNING: Let me ask a question first whether you know, Mr. Shapiro, that the purpose of the receipt -- for what purpose were the receipt books purchased?

THE WITNESS: At that time I do not know.

BY MS. BROWNING:

Q Do you know now for what purpose?

A Specifically I could not give you an answer.

Q Could you give me any information you have now regarding the purpose for which the receipt books were purchased?

A No. I could not.

Q Are you aware of any solicitation efforts that were made by the Political Action Fund regarding the collecting of contributions for Senator Jackson's campaign?

MR. BEST: What time; what place?

MS. BROWNING: During the first six months of '76.

THE WITNESS: No. I am not.

MS. BROWNING: You are not aware now of any solicitations of contributions that were made during the first six months of '76 with regard to contributions to Senator Jackson's campaign?

MR. BEST: Will you repeat the question.

MS. BROWNING: You are not aware now of any solicitations of contributions that were made during the first six months of '76 with regard to contributions to Senator Jackson's campaign?

MR. BEST: Excuse us for a moment.

(Discussion off the record.)

MR. BEST: Let's go on the record, counsel. The problem is, as I am sure you are aware, the question what is a person's awareness at that time, 1976, and what is his present awareness, and if he has a present awareness, what the derivation of

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that awareness, and speaking for Mr. Shapiro, and I will let him testify for himself, it is clear to me that he presently has no recollection whether he was aware in '76 whether the solicitations were going on. However, he does have some awareness today, predicated on his contact with counsel, and those contacts were generally to the effect that these questions would be the subject matter of inquiry. Now does that -- have I stated your state of mind today?

THE WITNESS: Correct. That is correct.

MS. BROWNING: On the assumption that you per chance have some present knowledge that is not restricted to what counsel may have told you, I would like to ask a couple of questions with regard to the purchase of receipt books. Are you presently aware of a solicitation effort to collect contributions for Senator Jackson's campaign, the solicitation itself having taken place back during the first six months of '76, but do you have any present knowledge that it took place?

MR. BEST: Independent of what has been told to you by counsel? What are you asking?

MS. BROWNING: I am asking are you presently aware --

MR. BEST: You can't ask that question, because that goes to the attorney-client privilege. In the same form if you want

to ask the witness whether he has knowledge today, independent of what his attorneys have told him, you may do so.

MS. BROWNING: Would you mind if we go off the record for a moment?

MR. BEST: Sure.

(Discussion off the record.)

BY MS. BROWNING:

Q Mr. Shapiro, do you have any knowledge, other than information provided to you by counsel, of solicitations for contributions to Senator Jackson's campaign during the first six months of '76?

A No. I do not.

MS. BROWNING: I would like to go off the record again.

(Discussion off the record.)

BY MS. BROWNING:

Q Mr. Shapiro, I would like to ask you some questions which concern communications, contacts, or some sort of relationship which the Political Action Fund may have had with Senator Jackson or the Jackson campaign committee during the first six months of '76. So the questions I will be asking you concern the period of the campaign, the first six months of '76 specifically.

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MR. SIMON: When you are referring to the Jackson campaign committee, you are referring to --

MS. BROWNING: Jackson for President Committee, which was the principal campaign committee for Senator Jackson.

BY MS. BROWNING:

Q Did you ever have any communications with Senator Jackson regarding activities of the Political Action Fund?

A I don't believe so.

Q Did you have any communications with members of his staff, and by that I mean his senatorial staff or his principal committee, his campaign staff, regarding activities of the Political Action Fund.

A I just don't recall any such incidents.

MR. BEST: Is it possible you could have had such contact?

THE WITNESS: Yes. It is possible.

BY MS. BROWNING:

Q Do you know whether any officers of the Political Action Fund might have communicated with Senator Jackson regarding the activities of the Political Action Fund?

MR. BEST: Would you read that back.

(The pending question was read by the reporter.)

MR. SIMON: In connection with Senator Jackson are you

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referring to '76?

MR. BROWNING: Yes. Let me repeat the question.

MR. BRET: Sure.

BY MS. BROWNING:

Q Do you know whether any officers of the Political Action Fund had any communications with Senator Jackson? This is the first six months of '76 regarding the activities of the Political Action Fund.

A I do not recall any specifics, but it is possible that they did.

Q Do you know whether any of the officers of the Political Action Fund had communications with members of Senator Jackson's staff, his campaign staff or senatorial staff, regarding activities of the Political Action Fund?

A It is possible, but I don't recall any instances.

Q Did you do any work? By that I mean work for which you were reimbursed?

A I don't believe so.

Q Do you know any officers of the Political Action Fund who carried out work for the committee for which they were reimbursed?

A I don't recall any, but that is possible.

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Q Did you have any business relationships or social relationships which could have brought you into contact with Senator Jackson during the first six months of '76?

A I don't recall any.

Q Did you have any communications with Senator Jackson during the first six months of '76?

A I doubt it.

MR. BEST: How many times have you spoken with Senator Jackson in your life?

THE WITNESS: Well, if I walked in front of him now, I doubt that he would know me. It is just as well.

(Laughter.)

BY MS. BROWNING:

Q This question involves several names of persons who had some association with the Jackson campaign, that is the Jackson for President Campaign Committee. And I am asking you about any communications or contacts during the first six months of '76. Robert Keefe.

MR. BEST: Do you know Robert Keefe?

THE WITNESS: Yes.

MR. BEST: Who is he?

THE WITNESS: He was on Jackson's staff.

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MR. BEST: With regard to the question, did you have any communications with him during the first six months of '76?

THE WITNESS: I really can't recall, but it is possible.

BY MS. BROWNING:

Q Do you know Walter Skallerup?

A I don't recall him at all.

Q I take it then you would not recall having any communications with him during the first six months of '76?

A I don't recall. I would probably have to see his face.

Q Do you know Martin Katz?

A I don't recall.

Q Do you know Richard Klein?

A I don't remember Richard Klein.

Q Do you know Sterling Monroe?

A Yes. I do know Sterling.

Q Who is Sterling Monroe?

A I don't know who he is now, but at that time I think he was Jackson's deputy or aide.

Q Do you recall having any communications with Sterling Monroe during the first six months of '76?

A No. I don't recall, but it is possible.

MR. BEST: With regard to the question, did you have any communications with him during the first six months of '76?

THE WITNESS: I really can't recall, but it is possible.

BY MS. BROWNING:

Q Do you know Walter Skallerup?

A I don't recall him at all.

Q I take it then you would not recall having any communications with him during the first six months of '76?

A I don't recall. I would probably have to see his face.

Q Do you know Martin Katz?

A I don't recall.

Q Do you know Richard Klein?

A I don't remember Richard Klein.

Q Do you know Sterling Monroe?

A Yes. I do know Sterling.

Q Who is Sterling Monroe?

A I don't know who he is now, but at that time I think he was Jackson's deputy or aide.

Q Do you recall having any communications with Sterling Monroe during the first six months of '76?

A No. I don't recall, but it is possible.

Q Do you know Hershey Gold?

A No. I do not recall. It would have to be faces to me.

MR. BEST: Now do you spell the last name of the last individual?

MS. BROWNING: G-o-l-d.

MR. BEST: First name?

MS. BROWNING: H-e-r-s-h-e-y, is the way I have it written here. I believe that is his middle name.

BY MS. BROWNING:

Q Do you have any knowledge of a group called the National Labor Committee?

A I can't identify it.

Q Do you have any knowledge of a group of labor officers who -- let me ask it this way: Were you aware of any group of labor officials who were organized by the Jackson for President Committee during the first six months of '76?

A I could have attended such meeting, the specifics of which I don't recall.

MR. BEST: Could you tell us what you mean by organized? He has answered in terms of a meeting, and I am confused by your question, and I am not sure his answer is responsive.

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MS. BROWNING: Let me, first of all, identify information that I have which is around April of '76, a meeting was held with persons from the staff of the Jackson for President Committee, and this group was loosely described as the National Labor Committee. Do you have any knowledge of such a group?

THE WITNESS: The name is not familiar to me.

BY MS. BROWNING:

Q Do you recall attending an April, '76 meeting with the Jackson for President campaign people? Specifically, Mr. Robert Keefe was in attendance.

A No. I don't recall. I could have attended, but I just do not recall.

MS. BROWNING: I think I have no further questions. If you would like to add anything, you may.

MR. SIMON: Will you give us a moment.

(Discussion off the record.)

EXAMINATION BY COUNSEL FOR LEON SHAPIRO

BY MR. BEST:

Q Mr. Shapiro, let me ask you this question. You adverted earlier in your testimony to a medical problem which you had in '76. Do you recall testifying with regard to that?

A Yes. I do.

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Q When were you hospitalized in '76?

A I think the first week in June.

Q And in the period prior to the first week in June were you suffering from a symptom of the illness that ultimately resulted in your hospitalization?

A From March through '76.

Q Again, in March '76, what symptom did you observe in yourself?

A Heavy fevers. Constantly raging fevers.

Q And were you, because of this illness, were you kept from your official duties in the period from March to June of '76, from time to time.

A No. I was going to be a hero.

Q And you performed your duties during that period?

A Yes. That is correct.

Q If you had to characterize your efficiency in that period of March, 1976, until the time of your hospitalization, how would you characterize it, sir?

A I have no way to describe it.

Q Were you up to par?

A Obviously not.

Q And how long were you hospitalized?

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A Several months. Two weeks in one hospital; two months in another.

Q And did you begin a period of convalescence thereafter? Just answer yes or no.

A Yes.

Q When did you begin your convalescence, that is, when did you leave the hospital?

A The end of September, '77.

Q '76 or '77?

A '76; the end of September, '76.

Q And how long a period of convalescence did you embark upon?

A Counsel, what do you mean by convalescence?

Q Well, did you go from the hospital to the office?

A To the office; I think I took a week off.

Q And when did you resume your official duties? The middle of September, 1976?

A Not really until January, although I physically was present in the office.

Q Once again, you were not up to par. Is that your testimony?

A Some people think I am still not.

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Q Does MEBA use facsimile machines for signatures?

A Yes. For all the executive officers.

Q And I take it then there is a facsimile signature machine for your signature?

A Yes. There is.

Q And there was one in 1967?

A Yes. That is correct.

Q Are you certain which of these documents or checks which bear your signature were actually signed by you, or were, in fact, signed by such a facsimile signature machine?

A No. I could not tell.

FURTHER EXAMINATION BY COUNSEL FOR THE FEDERAL
ELECTION COMMISSION

BY MS. BROWNING:

Q I have one further question. During the period in which you were incapacitated, or not up to par, was someone fulfilling the responsibilities which you have been fulfilling before at MEBA?

A I would like to believe not.

(Laughter.)

THE WITNESS: What I really meant is that they might have relieved me without my knowing it. As far as I am concerned I have responsibility for those actions.

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BY MS. BRONNING:

Q Was there someone who was performing the functions you had performed for the Political Action Fund any time while you were ill?

A I suppose so; yes.

Q Do you know of any individuals?

A No. I do not.

Q Who was the officer of the Political Action Fund who was primarily responsible for decision making?

A There were four of us.

Q Could you identify them?

A For the political fund there were three of us: Charles Black; C. D. DeFries, D-e-F-r-i-e-s, and myself.

Q And during the time you were ill there was no one else who was responsible, or primarily responsible, for decision making for the Political Action Fund other than Mr. DeFries and Mr. Black?

A I don't know at that point. But they operated without me.

Q Was Mr. Black there the entire six months of '76, at the Political Action Fund?

A I have to really describe -- there is no physical

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presence. His headquarters is San Francisco, and Mr. DeFries is New Orleans, and they operated out of those areas, Mr. Black in San Francisco, and DeFries in New Orleans.

Q When decisions were made --

MR. BEST: Excuse me. So we are clear on this, Mr. DeFries was in New Orleans in '76? That is what you testified.

THE WITNESS: He has recently been relocated, but that has been in the past month.

BY MS. BROWNING:

Q When decisions were made to spend money or conduct certain activities on behalf of the Political Action Fund, how would the decisions be made? That is would you meet with the other officers?

A Either by discussing on the phone if each executive officer was in his regional headquarters; or by mail. If they were interested in the candidate, they might drop into another office and say we ought to look into this.

Q Were there any persons at the Marine Engineers Beneficial Association who were not officers of the Political Action Fund who were in on those decisions, that is, who had some responsibility for making those decisions?

A Well, we did have counsel and the chief accountant,

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but they did not make those decisions on candidates. Their decisions were made on the propriety of it, whether it is appropriate and legal.

Q I hate to belabor this, but the decisions as to activities that were carried out by the Political Action Fund were made either by you, Mr. DeFries or Mr. Black?

A I would have to identify which decisions you were talking about.

Q The decisions concerning what activities could be carried out by the --

A Like who were we supporting?

Q Who would be supported, the expenditures that would be made for projects, passing out buttons, or whatever. Those kinds of activities.

A The answer is yes; we would occasionally consult with the executive officer, Mr. Calhoun.

Q Mr. Calhoun is the executive officer?

A He is the president of the union.

Q He was not an officer of the fund. I have no further questions.

MR. BEST: We have no further questions.

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(I have read the foregoing pages 3 through 39, inclusive, which contain a correct transcript of the answers made by me to the questions therein recorded.)

LEON SHAPIRO

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CERTIFICATE OF SHORTHAND REPORTER

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I, Bobbie C. Lake, shorthand reporter, do hereby certify that the testimony of the witness appearing in the foregoing deposition at pages 3 through 39, inclusive, was taken by me in shorthand and thereafter reduced to typewriting by me; that the said deposition at said pages is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.

Shorthand Reporter

BL ends.

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