FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20463

THIS IS THE BEGINNING OF MUR # 2535

DATE FILMED 8-16-89 CAMERA NO. 2

CAMERAMAN AS

8904076091 9

GCC 3186
RECEIVED AT THE FEC
87 APR 23 All : 32

Pat Sheppard 179

April 20, 1987

Office of the General Counsel
Federal Election Commission
Washington, D. C. 20463

87 APR 23 P3 : 25
RECEIVED
OFFICE OF THE
GENERAL COUNSEL

Gentlemen:

On the recommendation of Ms. Pat Sheppard, I am writing you to explain some transactions and reporting of same, in my capacity as Treasurer of the Treen for Congress Committee.

In 1983, Governor Dave C. Treen ran for re-election for Governor of Louisiana. The Treen for Congress Committee had funds left over from the last race for congress. In 1983, Treen for Congress pledged a Certificate of Deposit as collateral for a loan to People for Treen (the State Committee for re-election of Treen for Governor). This was only done after communication with your office. We were advised by your office, when filing the December 31, 1983 report, to attach and make part of our report a letter stating that the cash balance includes the Certificate of Deposit, which was pledged as collateral for a loan for People for Dave Treen, which we did. Enclosed, copy of our letter of January 19, 1984, which was made a part of our December 31, 1983 report.

Treen lost the election in 1983, and in 1985, the bank where the Certificate of Deposit was pledged, demanded payment. In as much as the People for Dave Treen, Inc. (State Finance Committee) was without funds, we had to liquidate the pledged Certificate of Deposit, in order to pay the loan. This was explained to your office by my letter of September 4, 1985 (copy attached).

This ended the matter, until 1986, when the People for Treen, Inc. (State Finance Committee) received some funds and paid the Treen for Congress Committee (Federal finance Committee). $10,000.00. Before depositing the check and after several communications with your office, we were told, to list this as a contribution and to advise the State Finance Committee, that they would be subject to being checked by your office. We so advised the People for Treen (State Committee), and filed our December 31, 1986 report as instructed.

Upon receiving Ms. Pat Sheppards' letter of March 17, 1987, I called her and once again reviewed the whole scenerio and after a few calls back and forth, she suggested I write you and explain.

The $10,000.00 was a payment on the approximately $80,000.00 dollars the Treen for Congress Committee had paid out when the People for Treen could not pay the bank.

8904076092O

I trust the above the explains to your satisfaction, however, if you need further information, please let me know.

Sincerely,

William A. Nungesser, Treasurer
Treen for Congress Committee
5740 Durham Drive
New Orleans, La. 70114
Office ph. (504)362-0744
Home ph. (504)394-7561

WAN/pd
Enclosures

cc: Dave C. Treen
John Cade - People for Dave Treen
Ms. Pat Sheppard - Federal Election Commission

89040760921

WILLIAM A. NUNGESSER
5740 Durham Drive
New Orleans, Louisiana 70114

January 19, 1984

TO WHOM IT MAY CONCERN:

The cash balance at the end of the December 31, 1983 reporting period includes a certificate of deposit in the amount of $83,661.93, and it is pledged up to a maximum amount of $80,000 as collateral for debt incurred by People for Dave Treen, a state campaign organization for Governor, to the Guaranty Bank, Gretna, Louisiana.

Signed: _____
William A. Nungesser, Treasurer
Treen for Congress Committee

8904076092 2

GENERAL MARINE
CATERING COMPANY, INC.
A Nungesser Brothers Company

September 4, 1985

Benjamin J. Guthrie, Clerk
Office of the Clerk
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Guthrie:

In response to your letter of August 30, 1985 - I.D. 032743.

The loan repayment of $80,545.78 was in regard to a certificate of deposit belonging to Treen For Congress which had been pledged as collateral for a loan made by People For Dave Treen, a state campaign organization.

Because People For Dave Treen was unable to pay this loan, the CD was used to pay off the loan.

Attached to our report for period ending 12/31/83 was a letter dated 1/19/84 advising you of this. Attached is a copy of this letter.

I hope this answers your inquiry. If I can be of further help, please advise.

Sincerely,

William Nungesser, Treasurer
Treen For Congress Committee
5740 Durham Drive
New Orleans, La. 70114

FEC# H R 032 743

P.S. Also attached is a memo of a telephone conversation with Mary Jean McLaughlin who advised us to handle this in this fashion.

Post Office Box 6129 • New Orleans, La. 70174 • 504/362-0747

8304076092 3

Marshall

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 30, 1987

William A. Nungesser, Treasurer
Treen For Congress Committee
5740 Durham Drive
New Orleans, LA 70114

RE: PreMur 179

Dear Mr. Nungesser:

This is to acknowledge receipt of your letter dated April 20, 1987, pertaining to the Treen For Congress Committee. You will be notified as soon as the Federal Election Commission takes action on your submission.

If you have any questions, please call Anthony Marshall, the attorney assigned to this matter, at (202) 376-8200. For your information, we have attached a brief description of the Commission's procedures for handling matters such as this.

Sincerely,

Lawrence M. Noble
Acting General Counsel

By: George F. Rishel
Acting Associate General Counsel

Enclosure
Procedures

8204076092 4

SENSITIVE

87 AUG 14 P4:11

FEDERAL ELECTION COMMISSION
999 E Street, N.W.
Washington, D.C. 20463

FIRST GENERAL COUNSEL'S REPORT

Pre MUR # 179
STAFF MEMBER
Anthony L. Marshall

Source: I N T E R N A L L Y G E N E R A T E D

Respondents: Treen for Congress Committee and William Nungesser, as treasurer
People For Dave Treen, Inc. and John H. Cade, Jr., as treasurer

Relevant Statutes: 2 U.S.C. §§ 441b, 431, 433, and 434
11 C.F.R. §§ 100.7(a)(1)(i)(E) and 102.6(a).

Internal Reports Checked: All Reports filed by the Treen for Congress Committee since January 1983

Federal Agencies Checked: None

I. GENERATION OF MATTER

This matter was generated as a result of a letter from William Nungesser, treasurer of the Treen for Congress Committee. Mr. Nungesser was responding to a RAD inquiry concerning the use of funds by the Treen for Congress Committee to secure a loan made to People for Dave Treen, Inc. The letter also addressed the subsequent default of the loan and ultimately the forwarding of $10,000.00 from People for Dave Treen to the Treen for Congress Committee.

II. FACTUAL AND LEGAL ANALYSIS

David Treen established and maintained the Treen for Congress Committee and People for Dave Treen, Inc. Although People for Dave Treen, Inc. is not a political committee under the Act, the two committees would be considered "affiliated"

8904076025

committees. 11 C.F.R. §§ 100.5(g)(2) and 102.6(a); See also 2 U.S.C. § 441a(a)(5).

The Treen for Congress Committee ("Federal Committee") pledged an $83,000.00 certificate of deposit as collateral for a loan made by the Jefferson Guaranty Bank to People for Dave Treen, Inc. ("State Committee") on behalf of David Treen's 1983 gubernatorial campaign. The Federal Committee attached a memo to its January 31 Year End Report explaining the transaction.

The State Committee subsequently defaulted on the loan, forcing the Federal Committee to liquidate the certificate of deposit to satisfy the outstanding debt. The Federal Committee reported this transaction as a loan repayment on its 1985 July 31 Mid year Report. Since it was not a repayment on a loan made to the Federal Committee it should have been reported as an other disbursement. See 2 U.S.C. §434(b)(4)(G).

On July 8, 1986, the State Committee forwarded $10,000.00 to the Federal Committee. This receipt of funds was reported on the Federal Committee's January 31 Year End Report as a contribution. By letter dated April 20, 1987, William A. Nungesser, treasurer for the Federal Committee, indicated that the $10,000.00 from the State Committee was a partial payment on the $80,000.00 the Federal Committee paid to the Jefferson Guaranty Bank on behalf of the State Committee. However, according to a Reports Analysis Division (RAD) analyst, prior to the letter Mr. Nungesser stated during a telephone conversation, that at the time the certificate of deposit was liquidated, the Federal Committee was not

8904076026

expecting repayment.

The evidence currently before this Office does not clearly identify this series of transactions between the affiliated committees. It may have been a loan or it may have been a transfer of funds. Accordingly, two theories have been analyzed and recommendations made.

A. Loan Transaction Between Affiliated Committees

At the time the Federal Committee pledged the certificate of deposit as collateral for the loan it was not required by the Act to report the transaction. However, when the State Committee defaulted on the loan and the Federal Committee was forced to pay the $80,000 outstanding debt, the Federal Committee failed to properly report the disbursement of funds on behalf of the State Committee in violation of 2 U.S.C. § 434(b)(4)(G). In addition the Federal Committee failed to properly report the resulting $10,000.00 loan repayment from the State Committee in violation of 2 U.S.C. § 434(b).

The Federal Committee's January 31 Year End Report reported a $10,000.00 contribution from the State Committee. As previously stated during an conversation with a RAD Analyst, this receipt was characterized by the treasurer as a loan repayment. Under Commission Regulations repayment of the principal amount of the loan would not have been a contribution by the State Committee (debtor) to the Federal Committee (lender). 11 C.F.R. § 100.7(a)(1)(i)(E). However, the repayment would have had to have been made with contributions not prohibited under the Act. Id.

2004076027

Louisiana election laws permit unlimited contributions from corporations and labor unions. As a result, any part of the $10,000.00 forwarded from the State Committee to the Federal Committee which represented direct or indirect contributions from corporations or labor unions should have been excluded from the funds forwarded. 2 U.S.C. § 441b and 11 C.F.R. § 100.7(a)(1)(i)(E).

B. Transfer of Funds Between Affiliated Committees

If no loan existed between the committees these series of transactions may be analyzed as a transfer of funds between affiliated committees.

Commission regulations permit transfer of funds between affiliated committees without limitation and irrespective of whether they are political committees under the Act. See 11 C.F.R. § 102.6(a)(1)(i). Accordingly, even if no loan existed between the committees, it would have been permissible for the State Committee to have transferred $10,000.00 to the Federal Committee under the provisions of the regulations subject to certain requirements. However, the Federal Committee would have had to report the receipt of the transfer from the State Committee. 2 U.S.C. § 434(b)(2)(F). 1/

Although the State Committee would be permitted to transfer funds to the Federal Committee without limitation, the prohibitions of section 441b still apply. In addition, such transfers

1/ As stated in the previous alternative, the $80,000.00 which the Federal Committee paid Jefferson Guaranty Bank on behalf of the State Committee should have been reported as an other disbursement pursuant to 2 U.S.C. § 434(b)(4)(G).

8904076092 8

apply toward the threshold for determining whether the State Committee is a "political committee." 11 C.F.R. § 102.6(a)(2); See also, 2 U.S.C. § 431(4)(A); . When the State Committee transferred $10,000.00 to the Federal Committee, the State Committee became a political committee under the Act, See 2 U.S.C. § 431(4)(A), triggering registration and reporting obligations as a political committee. 2 U.S.C. §§ 433 and 434. In addition, as previously discussed, any funds which were the result of corporate or labor union contributions could not be included in the funds transferred to the Federal Committee.

Due to the complexity of the issues involved and the lack of information surrounding this series of transactions, a complete investigation of all circumstances is required. Accordingly, the Office of the General Counsel recommends that the Commission find reason to believe the Treen for Congress Committee and William A. Nungesser, as treasurer, violated 2 U.S.C. §§ 434b and 441b, and People for Dave Treen, Inc. and John H. Cade, Jr., as treasurer, violated 2 U.S.C. §§ 433, 434 and 441b.

RECOMMENDATIONS

1. Open a MUR.

2. Find reason to believe that the Treen for Congress Committee and William Nungesser, as treasurer, violated 2 U.S.C. §§ 434(b) and 441b.

3. Find reason to believe that People for Dave Treen, Inc. and John H. Cade, Jr., as treasurer, violated 2 U.S.C. §§ 433, 434 and 441b.

4. Approve and send the attached letters and Factual and Legal Analyses.

8904076029

5. Approve and send the attached Interrogatories and Requests for Production of Documents.

8/13/87
Date

Lawrence M. Noble
Acting General Counsel

Attachments
1. Referral Materials
2. Proposed letters (2) and Factual and Legal Analysis (2)
3. Interrogatories and Request for Production of Documents (2)

8904076009 30

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Treen for Congress Committee and William Nungesser, as treasurer	)	~~PreMUR 179~~ (MUR 2535)
People For Dave Treen, Inc. and John H. Cade, Jr., as treasurer	)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of September 9, 1987, do hereby certify that the Commission decided by a vote of 6-0 to take the following actions with respect to Pre-MUR 179:

1. Open a Matter Under Review (MUR).

2. Find reason to believe that the Treen for Congress Committee and William Nungesser, as treasurer, violated 2 U.S.C. §§ 434(b) and 441b.

3. Find reason to believe that People for Dave Treen, Inc. and John H. Cade, Jr., as treasurer, violated 2 U.S.C. § 441b.

4. Direct the Office of General Counsel to send appropriate letters and Factual and Legal Analyses based on the discussion of this date.

(continued)

8904076093 1

5. Direct the Office of General Counsel to send appropriate Interrogatories and Requests for Production of Documents.

Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision.

Attest:

9-11-87
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

9004076093 2

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 18, 1987

William Nungesser, Treasurer
Treen for Congress Committee
5740 Durham Drive
New Orleans, LA 70114

RE: MUR 2535
Treen for Congress
Committee and
William Nungesser,
as treasurer

Dear Mr. Nungesser:

On September 9, 1987, the Federal Election Commission found that there is reason to believe the Treen for Congress Committee ("Committee") and you, as treasurer, violated 2 U.S.C. §§ 434(b) and 441b, provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against the Committee and you, as treasurer. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office, along with answers to the enclosed questions, within 15 days of your receipt of this letter. Where appropriate, statements should be submitted under oath.

In the absence of any additional information demonstrating that no further action should be taken against the Committee and you, as treasurer, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the General Counsel will make recommendations to the Commission

8204076093 3

either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

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

The investigation now being conducted will be confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Susan Beard, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Scott E. Thomas
Chairman

Enclosures
Factual and Legal Analysis
Interrogatories and Request for Production of Documents
Procedures
Designation of Counsel Form

8204076093 4

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of) MUR 2535

INTERROGATORIES AND REQUEST FOR PRODUCTION OF DOCUMENTS

TO: William Nungesser, Treasurer
Treen for Congress Committee
5740 Durham Drive
New Orleans, LA 70114

In furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby requests that you submit answers in writing and under oath to the questions set forth below within 15 days of your receipt of this request. In addition, the Commission hereby requests that you produce the documents specified below, in their entirety, for inspection and copying at the Office of the General Counsel, Federal Election Commission, Room 659, 999 E Street, N.W., Washington, DC 20463, on or before the same deadline, and continue to produce those documents each day thereafter as may be necessary for counsel for the Commission to complete their examination and reproduction of those documents. Clear and legible copies or duplicates of the documents which, where applicable, show both sides of the documents may be submitted in lieu of the production of the originals.

8904076093 5

INSTRUCTIONS

In answering these interrogatories and request for production of documents, furnish all documents and other information, however obtained, including hearsay, that is in possession of, known by or otherwise available to you, including documents and information appearing in your records.

Each answer is to be given separately and independently, and unless specifically stated in the particular discovery request, no answer shall be given solely by reference either to another answer or to an exhibit attached to your response.

The response to each interrogatory propounded herein shall set forth separately the identification of each person capable of furnishing testimony concerning the response given, denoting separately those individuals who provided informational, documentary or other input, and those who assisted in drafting the interrogatory response.

If you cannot answer the following interrogatories in full after exercising due diligence to secure the full information to do so, answer to the extent possible and indicate your inability to answer the remainder, stating whatever information or knowledge you have concerning the unanswered portion and detailing what you did in attempting to secure the unknown information.

Should you claim a privilege with respect to any documents, communications, or other items about which information is requested by any of the following interrogatories and requests for production of documents, describe such items in sufficient detail to provide justification for the claim. Each claim of privilege must specify in detail all the grounds on which it rests.

The following interrogatories and requests for production of documents are continuing in nature so as to require you to file supplementary responses or amendments during the course of this investigation if you obtain further or different information prior to or during the pendency of this matter. Include in any supplemental answers the date upon which and the manner in which such further or different information came to your attention.

2904076093 6

DEFINITIONS

For the purpose of these discovery requests, including the instructions thereto, the terms listed below are defined as follows:

"You" shall mean the named respondent in this action to whom these discovery requests are addressed, including all officers, employees, agents or attorneys thereof.

"Persons" shall be deemed to include both singular and plural, and shall mean any natural person, partnership, committee, association, corporation, or any other type of organization or entity.

"Document" shall mean the original and all non-identical copies, including drafts, of all papers and records of every type in your possession, custody, or control, or known by you to exist. The term document includes, but is not limited to books, letters, contracts, notes, diaries, log sheets, records of telephone communications, transcripts, vouchers, accounting statements, ledgers, checks, money orders or other commercial paper, telegrams, telexes, pamphlets, circulars, leaflets, reports, memoranda, correspondence, surveys, tabulations, audio and video recordings, drawings, photographs, graphs, charts, diagrams, lists, computer print-outs, and all other writings and other data compilations from which information can be obtained.

"Identify" with respect to a document shall mean state the nature or type of document (e.g., letter, memorandum), the date, if any, appearing thereon, the date on which the document was prepared, the title of the document, the general subject matter of the document, the location of the document, the number of pages comprising the document.

"Identify" with respect to a person shall mean state the full name, the most recent business and residence addresses and telephone numbers, the present occupation or position of such person, the nature of the connection or association that person has to any party in this proceeding. If the person to be identified is not a natural person, provide the legal and trade names, the address and telephone number, and the full names of both the chief executive officer and the agent designated to receive service of process for such person.

"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these interrogatories and requests for the production of documents any documents and materials which may otherwise be construed to be out of their scope.

8904076093 7

INTERROGATORIES AND REQUEST FOR PRODUCTION OF DOCUMENTS

1. State whether the Treen for Congress Committee entered into a written agreement with the Jefferson Guaranty Bank in Gretna, Louisiana, for a loan or to pledge security for a loan to the People for Treen Committee. If so, please provide a copy of the document used.

2. Please identify and provide details of any agreement between the Treen for Congress and People for Treen committees regarding the pledging of the Certificate of Deposit owned by the Treen for Congress Committee.
Produce all documents relating, pertaining or referring to all such agreements.

3. State the date the certificate of deposit was liquidated to pay the outstanding debt.

4. State whether the Treen for Congress Committee entered into an agreement with the People for Dave Treen Committee to repay the funds used to pay off the loan at Jefferson Guaranty Bank. If so, please provide the date and terms of the agreement and produce all documents relating, pertaining or referring thereto.

8004076 0938

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 18, 1987

John H. Cade, Jr., Treasurer
People for Dave Treen, Inc.
P.O. Box 2148
Baton Rouge, LA 70821

RE: MUR 2535
People for Dave Treen, Inc. and John H. Cade,Jr., as treasurer

Dear Mr. Cade:

On September 9, 1987, the Federal Election Commission found that there is reason to believe People for Dave Treen, Inc. ("Committee") and you, as treasurer, violated 2 U.S.C. § 441b, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against the Committee and you, as treasurer. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office, along with answers to the enclosed questions, within 15 days of your receipt of this letter. Where appropriate, statements should be submitted under oath.

In the absence of any additional information demonstrating that no further action should be taken against the Committee and you, as treasurer, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the General Counsel will make recommendations to the Commission

8904076093 9

either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give give extensions beyond 20 days.

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

The investigation now being conducted will be confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Susan Beard, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Scott E. Thomas
Chairman

Enclosures
Factual and Legal Analysis
Interrogatories and Request for Production of Documents
Procedures
Designation of Counsel Form

3204076094O

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 2535
)

INTERROGATORIES AND REQUEST FOR PRODUCTION OF DOCUMENTS

TO: John H. Cade, Jr., Treasurer
People for Dave Treen, Inc.
P.O. Box 2148
Baton Rouge, LA 70821

In furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby requests that you submit answers in writing and under oath to the questions set forth below within 15 days of your receipt of this request. In addition, the Commission hereby requests that you produce the documents specified below, in their entirety, for inspection and copying at the Office of the General Counsel, Federal Election Commission, Room 659, 999 E Street, N.W., Washington, DC 20463, on or before the same deadline, and continue to produce those documents each day thereafter as may be necessary for counsel for the Commission to complete their examination and reproduction of those documents. Clear and legible copies or duplicates of the documents which, where applicable, show both sides of the documents may be submitted in lieu of the production of the originals.

8204076094 1

INSTRUCTIONS

In answering these interrogatories and request for production of documents, furnish all documents and other information, however obtained, including hearsay, that is in possession of, known by or otherwise available to you, including documents and information appearing in your records.

Each answer is to be given separately and independently, and unless specifically stated in the particular discovery request, no answer shall be given solely by reference either to another answer or to an exhibit attached to your response.

The response to each interrogatory propounded herein shall set forth separately the identification of each person capable of furnishing testimony concerning the response given, denoting separately those individuals who provided informational, documentary or other input, and those who assisted in drafting the interrogatory response.

If you cannot answer the following interrogatories in full after exercising due diligence to secure the full information to do so, answer to the extent possible and indicate your inability to answer the remainder, stating whatever information or knowledge you have concerning the unanswered portion and detailing what you did in attempting to secure the unknown information.

Should you claim a privilege with respect to any documents, communications, or other items about which information is requested by any of the following interrogatories and requests for production of documents, describe such items in sufficient detail to provide justification for the claim. Each claim of privilege must specify in detail all the grounds on which it rests.

The following interrogatories and requests for production of documents are continuing in nature so as to require you to file supplementary responses or amendments during the course of this investigation if you obtain further or different information prior to or during the pendency of this matter. Include in any supplemental answers the date upon which and the manner in which such further or different information came to your attention.

3904076094 2

DEFINITIONS

For the purpose of these discovery requests, including the instructions thereto, the terms listed below are defined as follows:

"You" shall mean the named respondent in this action to whom these discovery requests are addressed, including all officers, employees, agents or attorneys thereof.

"Persons" shall be deemed to include both singular and plural, and shall mean any natural person, partnership, committee, association, corporation, or any other type of organization or entity.

"Document" shall mean the original and all non-identical copies, including drafts, of all papers and records of every type in your possession, custody, or control, or known by you to exist. The term document includes, but is not limited to books, letters, contracts, notes, diaries, log sheets, records of telephone communications, transcripts, vouchers, accounting statements, ledgers, checks, money orders or other commercial paper, telegrams, telexes, pamphlets, circulars, leaflets, reports, memoranda, correspondence, surveys, tabulations, audio and video recordings, drawings, photographs, graphs, charts, diagrams, lists, computer print-outs, and all other writings and other data compilations from which information can be obtained.

"Identify" with respect to a document shall mean state the nature or type of document (e.g., letter, memorandum), the date, if any, appearing thereon, the date on which the document was prepared, the title of the document, the general subject matter of the document, the location of the document, the number of pages comprising the document.

"Identify" with respect to a person shall mean state the full name, the most recent business and residence addresses and telephone numbers, the present occupation or position of such person, the nature of the connection or association that person has to any party in this proceeding. If the person to be identified is not a natural person, provide the legal and trade names, the address and telephone number, and the full names of both the chief executive officer and the agent designated to receive service of process for such person.

"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these interrogatories and requests for the production of documents any documents and materials which may otherwise be construed to be out of their scope.

8904076094 3

INTERROGATORIES AND REQUEST FOR PRODUCTION OF DOCUMENTS

1. Provide all documents relating, pertaining or referring to any agreement(s) between the Treen for Congress Committee and People for Dave Treen, Inc. regarding the collateral used to secure the loan from Jefferson Guaranty Bank. If no document(s) exist provide details of any oral agreements between People for Dave Treen, Inc. and the Treen for Congress Committee including pertinent dates.

2. State whether People for Dave Treen, Inc. entered into any agreement(s) with the Treen for Congress Committee to repay the funds used to pay off the loan at Jefferson Guaranty Bank. If so, please provide the date and terms of the agreement along with all documents relating, pertaining or referring thereto.

3. State whether prior to giving $10,000.00 to the Treen for Congress Committee, People for Dave Treen, Inc. had accepted any contributions from corporations or labor unions. If so, please identify.

4. Using a Last In - First Out (LIFO) analysis, identify the source of the funds forwarded to the Treen for Congress Committee since July 8, 1985.

8904076094

GENERAL MARINE
CATERING COMPANY, INC.

A Nungesser Brothers Company

September 25, 1987

RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARIAT
87 SEP 29 PM 3:29

Mr. Scott E. Thomas, Chairman
Federal Election Commission
Washington, D. C. 20463

RE: MUR - 2535

8904076094 5

Dear Mr. Scott:

I received your letter dated September 18, 1987 on September 23, 1987.

I placed a call to your Susan Beard but have not been able to talk to her, as of now.

The purpose of this letter is to request, as long as possible, an extension of the time allowed to respond to your letter.

My reasons for this request are as follows:

1. Governor David Treen is on vacation and will not return until around the first of October.

2. Some of the documents requested will have to be dug out of old records, which is a very time consuming process.

3. Some of the documents requested will have to be secured from the Jefferson Guaranty Bank. This bank was in financial trouble and this week they were by order or direction under a plan of the Federal Depository Insurance Commission, taken or given over to new owners. As you can imagine, this condition of the bank could delay getting the records we need.

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
87 SEP 30 AM 11:08

Post Office Box 6129 • New Orleans, La. 70174 • 504/362-0747

GENERAL MARINE CATERING
a nungesser company

I sincerely believe that when we present all of the facts, that your Commission will find that we have not violated any provisions of the Federal Election Campaign Act.

Hoping you will grant us this request and assuring you of our fullest cooperation, I am

Sincerely,

William A. Nungesser, Treasurer
Treen for Congress Committee
5740 Durham Drive
New Orleans, Louisiana 70114

cc: Ms. Susan Beard
c/o Federal Election Comm.
Washington, D. C. 20463

CC: Governor David C. Treen

WN/cm

39040760946

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

1 October 1987

William Nungesser, Treasurer
Treen for Congress Committee
5740 Durham Drive
New Orleans, LA 70114

RE: MUR 2535
Treen for Congress Committee
and William Nungesser, as
treasurer

Dear Mr. Nungesser:

This is in response to your letter dated September 25, 1987, which we received on September 28, 1987, requesting an extension of time to respond to the Commission's reason to believe findings. After considering the circumstances presented in your letter, I have granted the requested extension. Accordingly, your response is due by close of business on October 28, 1987.

If you have any questions, please contact Susan Beard, the attorney assigned to this matter at (202) 376-8200.

Sincerely,

Lawrence M. Noble
Acting General Counsel

BY: Lois G. Lerner
Associate General Counsel

8904076009 47

MUR 2535

John H. Cade, Jr.
P.O. BOX 1830 • ALEXANDRIA, LOUISIANA 71309-1830

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

87 OCT -9 AM 8:56

October 7, 1987

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

87 OCT -9 AM 10:42

Federal Election Commission
999 E. Street N.W.
Washington D.C. 20463

ATTENTION: Susan Beard

Dear Ms. Beard:

Confirming our telephone conversation this afternoon, would you please grant an extension of 30 days for filing answers to inquiry concerning People for Dave Treen, Inc. of which I am Treasurer, as indicated in your letter of September 18 "Re: MUR2535."

The People for Dave Treen, Inc. Committee, the State Election Committee for former Governor Dave C. Treen, has been inactive since April of 1984. We maintain the official address at P.O. Box 2184 in Baton Rouge, Louisiana, and I have actually had a former secretary go by the box about once a month to pick up any remnant mail and send it to me. I live in Alexandria, Louisiana, and my address is P.O. Box 1830, Alexandria, LA 71309. My telephone number is 318 443-2511.

Your referenced letter was picked up in Baton Rouge yesterday and only received by me today. I would greatly appreciate the extension to find time to dig out all the records involved. This is an extremely busy time for me and my business (which no longer has anything to do with politics), and it will involve inquiries of former Governor Treen and William A. Nugesser, Chairman of Governor Treen's Congressional Campaign Committee. Both of them are deeply involved in a govenatorial election right now in Louisiana scheduled for October 24, in which Congressman Bob Livingston is a Candidate.

2904076094 8

Whatever extension is granted, please advise me, at my address in Alexandria, at your convenience.

Sincerely,

John H. Cade, Jr., Treasurer
People for Dave Treen, Inc.

JHC:kde

82040760949

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

14 October 1987

John H. Cade, Jr., Treasurer
P. O. Box 1830
Alexandria, LA 71309

RE: MUR 2535
People for Dave Treen, Inc.
and John H. Cade, Jr., as
treasurer

Dear Mr. Cade:

This is in response to your letter dated October 7, 1987, which we received on October 9, 1987, requesting an extension of 30 days to respond to the Federal Election Commission's reason to believe findings and the interrogatories and requests to produce documents in this matter. After considering the circumstances presented in your letter, I have granted an extension shorter than the one requested. Accordingly, your response is due by close of business on November 6, 1987.

If you have any questions, please contact Susan Beard, the attorney assigned to this matter at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

8904076095O

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MWE MARJORIE W. EMMONS/SUSAN GREENLEE SG.

DATE: OCTOBER 28, 1987

SUBJECT: MUR 2535 - COMPREHENSIVE INVESTIGATIVE REPORT
SIGNED OCTOBER 26, 1987

The above-captioned matter was received in the Office of the Secretary of the Commission Tuesday, October 27, 1987 at 10:07 A.M. and circulated to the Commission on a 24-hour no-objection basis Tuesday, October 27, 1987 at 4:00 P.M.

There were no objections received in the Office of the Secretary of the Commission to the Comprehensive Investigative Report at the time of the deadline.

8904076095 1

FEDERAL ELECTION COMMISSION
SECRETARIAT
RECEIVED
87 OCT 27 AM 10:07
SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Treen for Congress Committee and William Nungesser, as treasurer	)	MUR 2535
	)	
People for Dave Treen, Inc. and John H. Cade, Jr., as treasurer	)	

COMPREHENSIVE INVESTIGATIVE REPORT

On September 9, 1987, the Commission found reason to believe that the Treen for Congress Committee ("Federal Committee") and William Nungesser, as treasurer violated 2 U.S.C. §§ 434(b) and 441b, and that People for Dave Treen, Inc. ("State Committee") and John H. Cade, Jr., as treasurer, violated 2 U.S.C. § 441b. The basis of these findings concerned the nature of a $10,000 payment from the State Committee to the Federal Committee.

Both the Federal and State Committees were notified of the Commission's reason to believe findings. On September 28, 1987, this Office received a request from William Nungesser, the treasurer of the Treen for Congress Committee, for an extension of time to respond to the Commission's findings and the interrogatories and requests to produce documents. The request stated that Governor Treen would be unavailable until early October, that the requested documents are among old records which will take considerable time to review, and that the bank which made the loan has recently been taken over by new owners at the direction of the Federal Deposit Insurance Corporation which may delay getting the necessary information and documents from the bank. In light of the circumstances this Office granted a

3 9 0 4 0 0 7 6 0 9 5 2

twenty-day extension of time until October 28, 1987. On October 9, 1987, this Office received a request for an extension of time from John H. Cade, Jr., the treasurer of People for Dave Treen, Inc. The request stated that additional time was needed to respond because of an upcoming gubernatorial election on October 24, 1987, and that reviewing the records would be time consuming. In light of these circumstances this Office granted a sixteen-day extension of time until November 6, 1987.

After receiving these responses and evaluating them, this Office will report to the Commission with appropriate recommendations.

Lawrence M. Noble
General Counsel

10/26/87
Date

BY: _____
Lois G. Lerner
Associate General Counsel

9204076095 3

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

87 OCT 27 PM 1:01

GENERAL MARINE
CATERING COMPANY, INC.

A Nungesser Brothers Company

October 26, 1987

Ms. Susan Beard
Federal Election Commission
Washington, D.C. 20463

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
87 OCT 28 PM 12:39

RE: MUR - 2535

Dear Ms. Beard:

As per our conversation of today, please let this letter serve as my request for an extension till November 6, 1987, in order to comply with Mr. Scott Thomas' letter of September 18, 1987.

My reason for requesting this extension is that Mr. John Cade, Treasurer of the People for Dave Treen (State Finance Committee) had received a similar letter from Mr. Scott and had received an extension till November 6, 1987. If my extension is granted it will enable me to make sure that anything in the People for Dave Treen's file pertaining to my answer will be included. Hence, making sure my reply is complete and gives you all the information you may require.

Thanking you in advance for your consideration, I am

Sincerely,

William A. Nungesser,
Treasurer for the Treen
for Congress Committee
5740 Durham Drive
New Orleans, La. 70114

P.S. Because of the time factor, if possible, I would appreciate a quick response. My phone numbers are Business: (504) 362-0744 and Home: (504) 394-7561.

BN/cm

Post Office Box 6129 • New Orleans, La. 70174 • 504/362-0747

8904076095 4

HAND DELIVERED
RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM
87 NOV -5 AM 10: 12

MUR 2535

GENERAL MARINE
CATERING COMPANY, INC.
A Nungesser Brothers Company

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
87 NOV -5 PM 1:46

Mr. George F. Rishel,
Acting Assistant
General Consul
Federal Elections Commission
Washington, D.C. 20463

RE: PREMUR 179

8 9 0 4 0 7 6 0 9 5 5

Dear Mr. Rishel:

In response to the Commission's letter of September 18, 1987, please find enclosed responses to the questions propounded to me.

While I do not believe that the Treen for Congress Committee or I as Treasurer, violated 2 U.S.C., 434(b) or 441(b) as suggested in your letter. In order to preserve all procedural rights, I hereby request that I be afforded the opportunity of pre-probale cause-conciliation.

I can absolutely assure the Commission that there was no intention on my part to commit any act in violation of the statures or regulations, nor to avoid or evade the same. If, nevertheless, there was a technical violation, it occurred without any knowledge of provisions either of the stature or the regulation which may be relevant to the issue. In the course of answering your letter, a lawyer advised me that the regulations are extremely technical and complex.

Permit me if you will to explain again how we arrived at this point. First, in every instance over the years when there was any question on how to report any item, we made it a rule to call your office and seek guidance. In regard to this matter, from the very inception of the pledge of Treen for Congress Certificate of Deposit as collateral for a loan to the People for Treen (State Committee) and up to our reporting of the $10,000.00 payment in 1986, we sought guidance from your people.

When I sought direction from your office (numerous telephone calls) about how to report the $10,000.00 payment from People for Treen to Treen for Congress, I (in every conversation) repeated all the facts concerning loan, etc. I was told that I could not show it as a payment on loan, because in all my interim reports I had not shown a loan balance.

I was told to report it as a contribution, I should advise People for Dave Treen that I was doing so and that this would make them subject to Federal Election audit and regulations to make sure that the contributions were permissable. I advised Mr. John Cade, Treasurer of the People for Dave Treen of this matter

GENERAL MARINE CATERING
a hungeesser company

by phone. I received his assurances that he had no problem with reporting in this manner. I sent him a note confirming our conversation and in turn sent a copy of this confirmation to Governor David Treen.

As explained in our letter of April 20, 1987 and in all telephone conversations with your office, we repeated the facts over and over again. There was no attempt to conceal the true nature of the $10,000.00 payment, in fact, we were trying very hard to get proper direction. Thinking we had, we filed our December 31, 1986 report.

RESPONSE TO INTERROGATORIES
FROM FEDERAL ELECTION COMMISSION
BY TREEN FOR CONGRESS COMMITTEE

1.

The Treen for Congress Committee ("Committee") pledged a certificate of deposit, in the principal amount of $ 80,000.00 , to the Jefferson Guaranty Bank as collateral to secure a loan by the Jefferson Guaranty Bank to People for Dave Treen, a political committee organized for the 1983 gubernatorial campaign of David C. Treen. Copies of all of the documents are attached hereto and are described as follows:

1) Copy of People for Dave Treen note to Guaranty Bank and Trust Co.

2) Copy of assignment of certificate of deposit from Treen for Congress Committee.

3) Copy of letter to Guaranty Bank from Treen for Congress assigning certificate of deposit as collateral for a loan to people for Dave Treen.

8904076095 6

GENERAL MARINE CATERING
a nungesser company

There was no written agreement between the Committee and People for Dave Treen; however, there was a verbal understanding between me as Treasurer of the Committee and John H. Cade, Jr., Treasurer of People for Dave Treen, that the loan by Jefferson Guaranty Bank would be paid by People for Dave Treen, thus releasing the collateral pledged by the Committee. Subsequently, in 1985, the bank, being unable to obtain repayment from People for Dave Treen, liquidated the collateral in payment of the loan. At that point the Committee became a creditor of People for Dave Treen for the amount of the loan, to wit the sum of $ 80,000.00 .

Since the Louisiana gubernatorial election in 1983, People for Dave Treen has made a number of efforts to raise money to cover it's campaign deficit. At the time the Jefferson Guaranty Bank liquidated the collateral pledged by the Committee, it was not known by me or anyone else whether or not the People for Dave Treen Committee would be able to raise funds sufficient to pay, in whole or in part, its remaining debts including it's debt of $80,000.00 to the Committee.

8904076095 7

GENERAL MARINE CATERING
A Gungesser company

In July of 1986 People for Dave Treen forwarded $10,000.00 to the Committee. As indicated in my letter to the FEC dated April 20, 1987, the staff of the FEC suggested that the receipt of this $10,000.00 be listed as a contribution and I should advise People for Dave Treen that they are now subject to Federal Regulations. This was done after a number of communications with the staff of the FEC. The $10,000.00 from People for Dave Treen was repayment on a debt owed by People for Dave Treen, to the Guaranty Bank, which had, because of the loss of collateral pledged by Treen for Congress, became a debt owed to Treen for Congress.

Attached hereto are the following items which pertain to or refer to this transaction:

A. 2 Memos of a telephone conversation with Mary Jean McLaughlin of the FEC staff. 1-MEMO-FROM RAYMOND LAMONICA

B. Letter to Benjamin J. Guthrie, Clerk, U.S. House of Representatives dated September 4, 1985.

C. Letter from Ms. Pat Sheppard of the FEC staff dated March 17, 1987.

D. Letter dated January 19, 1984.
LETTER DATED SEPT 4/1985
TO - MR B.J. GUTHRIE

8904076058

GENERAL MARINE CATERING
a nungesser company

E. Letter dated April 20, 1987.

F. Copy of memo to John Cade, Treasurer, People for Treen dated July 16, 1986 from William Nungesser, Treasurer, Treen for Congress, confirming telephone conversation wherein Mr. Cade was informed that the $10,000.00 payment made the State Committee subject to federal rules.

3.

The certificate of deposit was liquidated January, 1985.

4.

The response to Paragraph 2 covers the question.

Trusting that we have complied with your request and assuring you that all we want to do is to comply with Commission Rules and Regulations and will cooperate to our fullest.

Sincerely,

William A Nungesser, Treasurer
Treen for Congress Committee
5740 Durham Drive
New Orleans, Louisiana 70114

WN/cm

Enclosures

cc: Gov. David Treen
Ms. Pat Sheppard
John Cade

8904076059

(3)

Gretna, Louisiana

Guaranty Bank & Trust Company
Gretna, Louisiana

Gentlemen:

In consideration of your making a loan to

People for Dave Treen, Inc.

for $80,000.00, whether by discount of their note or otherwise, I have delivered to them, and hereby authorize them to pledge to you, as collateral security for their promissory note evidencing such indebtedness, or any renewals or extensions thereof, or any other liability of theirs, direct or contingent, to Guaranty Bank & Trust Company, whether now existing or hereafter arising, the security listed below, which is my personal property.

People for Dave Treen, Inc.'s authority to pledge my said security is full and complete, and the terms, provisions, stipulations and conditions of any agreement of pledge thereof that they may execute and deliver to you to secure the above indebtedness or any other liability, direct or contingent, now existing or hereafter arising, are hereby authorized, confirmed and ratified.

$83,661.93	Treen for Congress Committee	GBT Certificate of Deposit Bearing Interest of 9.58% No. 01060014045

Very truly yours,
Treen for Congress Committee

by: [signature], Treasurer

8904076090 60

TO: GUARANTY BANK & TRUST COMPANY

(2)

Date November 15, 1983

FOR VALUE RECEIVED, I/we hereby assign to you my/our certificate of deposit No 01060014045

Guaranty Bank and Trust Company, and any extension or renewal thereof,

with Guaranty Bank and Trust Company as security for Eighty Thousand and No/100---------

----------Dollars, ($80,000.00).

This assignment shall be a continuing one and shall be effective for any renewals and extensions of above loan until same is entirely paid; and shall operate as security for payment of any other debts or liabilities of the undersigned to you now in existence or hereafter contracted.

You are hereby authorized to charge against the above certificate of deposit and any extension or renewal thereof, any note or notes representing unpaid balance of above loans, debts or liabilities at maturity or thereafter, with interest and costs, if not otherwise paid.

GBT 2491 R 183

[redacted], Treen for Congress Committee

by [redacted], Treasurer.

8904076096I

January 19, 1984

(A)

As per telephone conversation this date with Mary Jean McLaughlin, Federal Election Commission, Records and Registration Division, the attached memo was mailed along with the December 31, 1983 report, explaining that the Certificate of Deposit is pledged to cover debt for People for Dave Treen.

8904076009662

PERSONAL (A)

MEMORANDUM

TO: William A. Nungesser

FROM: P. Raymond Lamonica PRL

DATE: October 13, 1983

RE: Transfer of funds from Treen for Congress Committee to People for Dave Treen

I have reviewed Louisiana Campaign Finance Law and see no statutory prohibition against the transfer of funds from the Treen for Congress Committee to People for Dave Treen. I talked with Kay Howell, attorney for the Ethics Commission, and she advised me she saw no problem with such a transfer. It should be reported in accordance with routine procedures.

PRL/tj

8904076095

October 13, 1983 (A)

Gay called Mary Jean McLaughlin, Reports Examiner, Federal Election Commission, (202) 225-1300, and asked her if there was a limit to the amount of money a former congressman could contribute to a state candidate for Governor out of his Congressional Committee Account.

Mary Jean said that there is no limit to the amount of money he can contribute to a state campaign according to the federal law, but there may be some restriction in the state law. She said he can use any of the money in the Congressional Committee account for his own personal use.

Gay called Ray Lamonica and asked him to research the state law to see if there was any restriction.

Mary Jean called back to cite the federal law - 113.2 D - that says that any excess campaign funds may be used for any other lawful purpose. She said this only applies to congressmen elected before January, 1980. She said the committee can be terminated if the Governor shows the money given to him personally, or given to the state committee (People for Treen), or given to another candidate or any other lawful purpose. Code 113.2D of the Federal Election Campaign Regulations

(B)

GENERAL MARINE
CATERING COMPANY, INC.
A Nungesser Brothers Company

September 4, 1985

Benjamin J. Guthrie, Clerk
Office of the Clerk
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Guthrie:

In response to your letter of August 30, 1985 - I.D. 032743.

The loan repayment of $80,545.78 was in regard to a certificate of deposit belonging to Treen For Congress which had been pledged as collateral for a loan made by People For Dave Treen, a state campaign organization.

Because People For Dave Treen was unable to pay this loan, the CD was used to pay off the loan.

Attached to our report for period ending 12/31/83 was a letter dated 1/19/84 advising you of this. Attached is a copy of this letter.

I hope this answers your inquiry. If I can be of further help, please advise.

Sincerely,

William Nungesser, Treasurer
Treen For Congress Committee
5740 Durham Drive
New Orleans, La. 70114

FEC# H R 032 743

P.S. Also attached is a memo of a telephone conversation with Mary Jean McLaughlin who advised us to handle this in this fashion.

8904076064

(C)

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

MAR 17 1987

William Nungesser, Treasurer
Treen for Congress Committee
5740 Durham Drive
New Orleans, LA 70114

Identification Number: C00013938

Reference: Year End Report (7/1/86-12/31/86)

Dear Mr. Nungesser:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Schedule A supporting Line 11(c) discloses a $10,000 receipt from People for Dave Treen. This transaction should be reported as a transfer from other authorized committees on Line 12 of the Detailed Summary Page. Furthermore, transfers in from state or local committees must be from sources permissible under the FECA, as amended. Specifically, the transfer may not consist of funds from corporate or union treasuries. Additionally, any contributor to the state committee who has contributed in excess of $200 must be itemized on a Memorandum Schedule A. Contributors are subject to the limits of 2 U.S.C. 441(a). Please provide the necessary Memorandum Schedule A for the transfer from People for Dave Treen, and clarify if the funds were from permissible sources.

An amendment to your original report(s) correcting the above problem(s) should be filed with the Clerk of the House of Representatives, 1036 Longworth House Office Building, Washington, DC 20515 within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 376-2480.

Sincerely,

Pat Sheppard

Pat Sheppard
Senior Reports Analyst
Reports Analysis Division

8904076095

GENERAL MARINE
CATERING COMPANY, INC.

A Nungesser Brothers Company

September 4, 1985

Benjamin J. Guthrie, Clerk
Office of the Clerk
U.S. House of Representatives
Washington, D.C. 20515

8304076009 65

Dear Mr. Guthrie:

In response to your letter of August 30, 1985 - I.D. 032743.

The loan repayment of $80,545.78 was in regard to a certificate of deposit belonging to Treen For Congress which had been pledged as collateral for a loan made by People For Dave Treen, a state campaign organization.

Because People For Dave Treen was unable to pay this loan, the CD was used to pay off the loan.

Attached to our report for period ending 12/31/83 was a letter dated 1/19/84 advising you of this. Attached is a copy of this letter.

I hope this answers your inquiry. If I can be of further help, please advise.

Sincerely,

William Nungesser, Treasurer
Treen For Congress Committee
5740 Durham Drive
New Orleans, La. 70114

FEC# H R 032 743

P.S. Also attached is a memo of a telephone conversation with Mary Jean McLaughlin who advised us to handle this in this fashion.

GENERAL MARINE
CATERING COMPANY, INC.

A Nungesser Brothers Company

September 4, 1985

Benjamin J. Guthrie, Clerk
Office of the Clerk
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Guthrie:

In response to your letter of August 30, 1985 - I.D. 032743.

The loan repayment of $80,545.78 was in regard to a certificate of deposit belonging to Treen For Congress which had been pledged as collateral for a loan made by People For Dave Treen, a state campaign organization.

Because People For Dave Treen was unable to pay this loan, the CD was used to pay off the loan.

Attached to our report for period ending 12/31/83 was a letter dated 1/19/84 advising you of this. Attached is a copy of this letter.

I hope this answers your inquiry. If I can be of further help, please advise.

Sincerely,

William Nungesser, Treasurer
Treen For Congress Committee
5740 Durham Drive
New Orleans, La. 70114

FEC# H R 032 743

P.S. Also attached is a memo of a telephone conversation with Mary Jean McLaughlin who advised us to handle this in this fashion.

Post Office Box 6129 • New Orleans, La. 70174 • 504/362-0747

8904076009967

(D.)

WILLIAM A. NUNGESSER
5740 Durham Drive
New Orleans, Louisiana 70114

January 19, 1984

8204007609 68

TO WHOM IT MAY CONCERN:

The cash balance at the end of the December 31, 1983 reporting period includes a certificate of deposit in the amount of $83,661.93, and it is pledged up to a maximum amount of $80,000 as collateral for debt incurred by People for Dave Treen, a state campaign organization for Governor, to the Guaranty Bank, Gretna, Louisiana.

Signed: _____
William A. Nungesser, Treasurer
Treen for Congress Committee

(E)

April 20, 1987

Office of the General Counsel
Federal Election Commission
Washington, D. C. 20463

Gentlemen:

On the recommendation of Ms. Pat Sheppard, I am writing you to explain some transactions and reporting of same, in my capacity as Treasurer of the Treen for Congress Committee.

In 1983, Governor Dave C. Treen ran for re-election for Governor of Louisiana. The Treen for Congress Committee had funds left over from the last race for congress. In 1983, Treen for Congress pledged a Certificate of Deposit as collateral for a loan to People for Treen (the State Committee for re-election of Treen for Governor). This was only done after communication with your office. We were advised by your office, when filing the December 31, 1983 report, to attach and make part of our report a letter stating that the cash balance includes the Certificate of Deposit, which was pledged as collateral for a loan for People for Dave Treen, which we did. Enclosed, copy of our letter of January 19, 1984, which was made a part of our December 31, 1983 report.

Treen lost the election in 1983, and in 1985, the bank where the Certificate of Deposit was pledged, demanded payment. In as much as the People for Dave Treen, Inc. (State Finance Committee) was without funds, we had to liquidate the pledged Certificate of Deposit, in order to pay the loan. This was explained to your office by my letter of September 4, 1985 (copy attached).

This ended the matter, until 1986, when the People for Treen, Inc. (State Finance Committee) received some funds and paid the Treen for Congress Committee (Federal finance Committee). $10,000.00. Before depositing the check and after several communications with your office, we were told, to list this as a contribution and to advise the State Finance Committee, that they would be subject to being checked by your office. We so advised the People for Treen (State Committee), and filed our December 31, 1986 report as instructed.

Upon receiving Ms. Pat Sheppards' letter of March 17, 1987, I called her and once again reviewed the whole scenerio and after a few calls back and forth, she suggested I write you and explain.

The $10,000.00 was a payment on the approximately $80,000.00 dollars the Treen for Congress Committee had paid out when the People for Treen could not pay the bank.

8940076069

I trust the above the explains to your satisfaction, however, if you need further information, please let me know.

Sincerely,

William A. Nungesser, Treasurer
Treen for Congress Committee
5740 Durham Drive
New Orleans, La. 70114
Office ph. (504)362-0744
Home ph. (504)394-7561

WAN/pd
Enclosures

cc: Dave C. Treen
John Cade - People for Dave Treen
Ms. Pat Sheppard - Federal Election Commission

82040760970

F

From the Desk of . . .

Bill Nungesser
7/16/86

John,

As per our telephone conversation, I have deposited the two $1,000 ck from People For Dave Treen to the account of Treen For Congress Comm. The deposits don't show up on this 6/30/86 Report (attached) because they were not deposited until 7/8/86. As I explained, when I report them on our next report (12/31/86), it makes the ~~State~~ committee subject to audit to see that the contribution was permissable (~~not prohibited~~).

Hope everything is well with you

Bill

Copy sent to Dave Treen with his copy of Report
Original sent to John Cade with copy of Report

8904076009 71

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

87 NOV -9 AM 10:51
HAND DELIVERED

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
87 NOV -9 AM 11:51

8004726

Alexandria Seed
COMPANY INC.

November 5, 1987

Federal Election Commission
999 E. Street N.W.
Washington D.C. 20463

Attention: Susan Beard

Re: MUR2535 People for Dave Treen, Inc.

Dear Sirs:

I am John H. Cade, Jr., 3016 Elliot Street, Alexandria, Louisiana 71301, the Chairman and Treasurer of People for Dave Treen, Inc., the committee registered under the Louisiana Board of Ethics for Governmental Officials for the 1983 Gubernatorial campaign of David C. Treen.

I am answering the interrogatories attached to your letter of September 18, 1987, below, to the best of my memory and ability. At the same time, I am interested in pursuing pre-probable cause conciliation if the answers to these interrogatories do not satisfactorily put this matter to rest.

INTERROGATORY #1. No documents exist, or ever existed, relating to the agreement between the Treen for Congress Committee and People for Dave Treen, Inc. regarding the collateral used to secure the loan from the Jefferson Guaranty Bank. This entire transaction took place as a result of an oral agreement between William A. Nungesser, Treasurer of the Treen for Congress Committee and me, as Treasurer and Chairman of People for Dave Treen, Inc. The agreement took place in the later part of October 1983. The agreement was for the Treen for Congress Committee to pledge its Certificate of Deposit for $80,000.00 against a loan to cover overdrafts of People for Dave Treen, Inc. at the Jefferson Guaranty Bank. The loan was to cover bills due to suppliers and for services incurred in the last days of the campaign which ended, As I recall, on October 23, 1983. It was believed that promised contributions which had not yet been received, plus a post-election fund raiser would cover this amount plus the additional expenses of winding down the campaign.

INTERROGATORY #2. People for Dave Treen, Inc. did agree, as per oral agreement between Nungesser and myself, to raise the funds to repay the bank, thus freeing the Certificate of Deposit which had been pledged. Unfortunately this could not be done immediately

2510 Broadway P.O. Box 1830 Alexandria, Louisiana 71309 Cable (CADECO) Telex 58-8462 Tel. 318/443-2511

after the close of the campaign. As has often been said, defeat is an orphan, and contributions which had been pledged in the final week of the campaign were reneged upon. Also additional unforeseen expenses appeared. When the Jefferson Guaranty Bank forced the Treen for Congress Committee to cash its Certificate of Deposit which had been held as collateral, to repay the loan, I agreed with Mr. Nungesser, on behalf of People for Dave Treen, Inc., to continue efforts to raise funds for People for Dave Treen, Inc., to repay this loan. There was no written agreement, as both Nungesser and myself are very close friends, and both in daily contact in Baton Rouge at this time. I cannot recall the precise date, but it was probably in December of 1983, or soon thereafter.

I am enclosing copies of the first two pages of the report I filed with the Louisiana Supervisory Committee, the Board of Ethics, for the calendar year 1984, which refers to this loan in a footnote.

INTERROGATORY #3 People for Dave Treen, Inc., during the course of the 1983 campaign and immediately thereafter, received some $7,247,459.19 in contributions. Louisiana Election Law has no restriction on corporate contributions except that they must be authorized by resolution of the corporation's Board of Directors. It is my estimate that approximately 35 percent of the money contributed was from corporations, and approximately 65 percent from individuals, but without and exhaustive study that would take a tremendous amount of time, I could not say precisely. To the best of my knowledge no contributions to the People for Dave Treen, Inc. were received from labor unions.

INTERROGATORY #4. I do not quite understand what you mean by a last-in-first-out analysis, but if the $10,000.00 loan repayment (not a contribution) to the Treen for Congress Committee made May 19, 1986, is considered the first out, then the last contributions in before that repayment of debt would have been as follows:

R. B. Sewell, Dave Treen Fund Raiser (Beauregard Parish)	$ 867.28	Feb 10, 1986
Tore Carlberg, Lake Charles, Louisiana,	50.00	Feb 10, 1986
Norfolk Southern Corp., Norfolk VA	8,000.00	Dec 2, 1985
William Nungesser,	11,108.92	May 30, 1984

Contributions received since May 9, 1986, as a result of fund

8904076093

raising letters sent out in early 1987, are on the attached sheets. These total approximately $20,000.00 and are almost all contributions of individuals. After payment of expenses, a few late tax liens, etc., there is a balance of approximately $19,000.00 in the People for Dave Treen, Inc. accounts today, and it has been our intention to apply this to the Treen for Congress Committee loan as well as the $10,000.00 already repaid. I am also enclosing a record of all receipts and disbursements in Calandar 1986.

END OF INTERROGATORIES

If any FEC Regulation was violated, it was certainly not intended. Treen for Congress Committee money had been used as security. I considered repaying Treen for Congress no different from repaying the bank, which we would have done had they not taken the funds from the Congress Committee. Since we were merely returning money that had been borrowed, and not contributing to the Treen for Congress Committee, I did not think that the specific origin of the funds used made any difference.

If, indeed, according to your interpretation of the rules, it does make a difference, would it correct the matter to have the Treen for Congress Committee return that specific $10,000.00, or at least the $8,000.00 that was corporate, and then let us replace it with funds generated from subsequent contributions, list of which attached, which are clearly from noncorporate sources?

Sincerely,

PEOPLE FOR DAVE TREEN, INC.

John H. Cade, Jr.
Chairman-Treasurer

Enclosure

JHC:kde

8 9 0 4 0 7 6 0 9 7 4

RECEIPTS AND DISBURSEMENTS, 1986

DISBURSEMENTS:

Check #6972	January 27, 1986	IRS Payment of penalty and interest on 1984 Corporate Tax	-$4,318.11
Check #6974	March 12, 1986	IRS Payment 1983 Form 941	-30.53
Check #6975	May 1, 1986	Postmaster Postage	-53.00
Check #6976	May 9, 1986	Treen for Congress	-5,000.00
Check #6977	May 9, 1986	Treen for Congress	-5,000.00
			$14,401.64

Only one deposit made March 5, 1986		-$8,917.28
Norfolk Southern Corp.	$8,000.00	
Beauregard Parish Fundraiser	867.28	
Tore or Paula Carberg 723 Kirby Lane, Lake Charles, LA 70601	50.00	
	$8,917.28	

8904076009 75

7. COMMITTEE OFFICERS:

Name	Mailing Address	Position
John Cade, Jr.	3016 Elliott, Alexandria, LA 71301	Chairman
		Treasurer
		Deputy Treasurer

8. The Committee is supporting the entire ticket of a Political Party.

_____Yes X No. If "yes", that Party is _____
Name of Party

9. BANKS, DEPOSITORIES OR SAFETY DEPOSIT BOXES USED FOR COMMITTEE FUNDS:

Name of Depository Guaranty Bank & Trust Co., Box 348, Gretna, LA 70054

Mailing Address _____

8900407609

WE CERTIFY that the information contained in this report and attached schedules is true and correct to the best of our knowledge, information and belief, and that no expenditures have been made, and no contributions in excess of the reporting amount have been received that have not been reported herein, and that no information requested by the Act has been deliberately omitted.

Dated at Alexandria, Louisiana (City/State) this 14th day of June, 1985.

_____ (318) 443-2511
Signature of Committee Chairman — Telephone Number

_____
Signature of Committee Treasurer — Telephone Number

_____
Name of Person Preparing this Report — Telephone Number

10A. This report covers the period from January 1, 1984 (month/day/year) to December 31, 1984 (month/day/year)

THE ORIGINAL OF THIS REPORT SHOULD BE EITHER MAILED TO: Reporting Officials, 7434 Perkins Road, Suite B, Baton Rouge, Louisiana 70808; OR HAND DELIVERED TO: 2133 Silverside, Suite E, Baton Rouge, Louisiana 70808.

See Explanatory Booklet, page 38 for filing report with Clerk of Court.

(Please retain a copy of this report for your records).

This public document was published at a total cost of $6,927.52. Thirty thousand (30,000) copies of this public document were published in this 2nd printing at a cost of $6,927.52. The total cost of all printings of this document, including reprints is $11,977.52. This document was published for the Ethics Administration Program by the Division of Administration, Administrative Services, P.O. Box 44095, Baton Rouge, Louisiana 70804, to provide candidates for public office, and political committees supporting those candidates reporting forms and explanatory material under authority of La. R.S. 18:1481. This material was printed in accordance with the standards for printing by state agencies established pursuant to R.S. 43:31.

DETAILED SUMMARY PAGE

11. **CASH SUMMARY**

Cash on Hand at Beginning of Reporting Period	$ (53,574.21)*
Total Receipts This Period	$ 769,715.81
Less In-Kind Contributions, Line 14	$(66,924.15)
Subtotal	$ 702,792.66
Total Disbursements This Period (Less In-Kind Expenditures, Line 36)	$ 652,909.81
Cash on Hand at Close of Reporting Period	$ [3,641.36](1)

RECEIPTS

	COLUMN A Total this Period	COLUMN B Aggregating Period
12. CONTRIBUTIONS:		
13. Itemized (Schedule A, line 2)	$ 565,588.13	
14. Itemized In-Kind (Schedule B, line 3)	$ 66,924.15	
15. Contributions NOT Itemized	$ 41,486.00	
16. From the Candidate	$ -0-	
17. TOTAL CONTRIBUTIONS (13+14+15+16)	$ 673,998.28	$ 6,087,149.25

18. Gross Proceeds from sale of Political Items.....$

19. Gross Proceeds from sale of tickets to Testimonials and other fundraisers .....$ 539,500

Totals on lines 18 and 19 MUST ALSO BE SHOWN on either lines 13 or 15 or both.
(See Explanatory Booklet page 27A.)

20. TRANSFERS FROM COMMITTEES (Schedule C, line 1)	$	$ 301,676.49
21. LOANS:		
22. Loans made TO the Committee (Schedule D, line 1)	$ 90,000.00*	$ 816,000.00
23. OTHER RECEIPTS:		
24. Refunds, Rebates, Overpayments, etc	$ 5,718.53	
25. Dividends, Interest, etc	$	
26. Loan Repayments TO the Committee (Schedule D, line 2)	$	$
27. TOTAL OTHER RECEIPTS (24+25+26)	$ 95,718.53	$ 122,633.45
28. TOTAL RECEIPTS (17+20+22+27)	$ 769,716.81	$ 7,247,459.19

I CERTIFY that the information contained on this amended page is true and correct to the best of my knowledge, information and belief, that no expenditures have been made and no contributions in excess of the reporting amount have been received that are not reported herein, and that no information required by the Act has been deliberately omitted.

Candidate/Committee Chairman — Date

Treasurer (if any) — Date

*Certificate of Deposit of Treen for Congress Committee pledged to Guarantee overdraft of up to $80,000. HOwever at end of reporting period this guarantee was recorded as a loan to committee at instruction of supervisory committee in revised report.
(1) There was actually balance of $6800.00 in account, the difference being checks which have not cleared for more than a year.

8904076097

COMMITTEE OFFICERS:

Name	Mailing Address	Position
John Cade, Jr.	3016 Elliott Street Alexandria, LA 71301	Chairman
		Treasurer
		Deputy Treasurer

8. The Committee is supporting the entire ticket of a Political Party.

_____Yes _X____No. If "yes", that Party is _____
Name of Party

9. BANKS, DEPOSITORIES OR SAFETY DEPOSIT BOXES USED FOR COMMITTEE FUNDS:

Name of Depository Guaranty Bank & Trust Co., Box 348, Gretna, LA 70054

Mailing Address _____

10. WE CERTIFY that the information contained in this report and attached schedules is true and correct to the best of our knowledge, information and belief, and that no expenditures have been made, and no contributions in excess of the reporting amount have been received that have not been reported herein, and that no information requested by the Act has been deliberately omitted.

Dated at Alexandria, Louisiana (City/State) this 15th day of January, 1987.

Jno H Cade, Jr. — 318/443-2511
Signature of Committee Chairman — Telephone Number

_____ — _____
Signature of Committee Treasurer — Telephone Number

_____ — _____
Name of Person Preparing this Report — Telephone Number

10A. This report covers the period from January 1, 1986 (month/day/year) to December 31, 1986 (month/day/year)

THE ORIGINAL OF THIS REPORT SHOULD BE EITHER MAILED TO: Reporting Officials, 7434 Perkins Road, Suite B, Baton Rouge, Louisiana 70808; OR HAND DELIVERED TO: 2133 Silverside, Suite E, Baton Rouge, Louisiana 70808.

See Explanatory Booklet, page 38 for filing report with Clerk of Court.

(Please retain a copy of this report for your records).

This public document was published at a total cost of $6,927.52. Thirty thousand (30,000) copies of this public document were published in this 2nd printing at a cost of $6,927.52. The total cost of all printings of this document, including reprints is $11,977.52. This document was published for the Ethics Administration Program by the Division of Administration, Administrative Services, P.O. Box 44095, Baton Rouge, Louisiana 70804, to provide candidates for public office, and political committees supporting those candidates reporting forms and explanatory material under authority of La. R.S. 18:1481. This material was printed in accordance with the standards for printing by state agencies established pursuant to R.S. 43:31.

930407609

11. **CASH SUMMARY**

Cash on Hand at Beginning of Reporting Period	$ ($ 2,899.93)
Total Receipts This Period	$ 8,867.28
Less In-Kind Contributions, Line 14	$ (0)
Subtotal	$ 5,967.35
Total Disbursements This Period (Less In-Kind Expenditures, Line 36)	$ 14,401.64
Cash on Hand at Close of Reporting Period	$ (8,434.29)*

RECEIPTS

		COLUMN A Total this Period	COLUMN B Aggregating Period
12.	CONTRIBUTIONS:		
13.	Itemized (Schedule A, line 2)	$ 8,000.00	
14.	Itemized In-Kind (Schedule B, line 3)	$ 867.28	
15.	Contributions NOT Itemized	$	
16.	From the Candidate	$	
17.	TOTAL CONTRIBUTIONS (13+14+15+16)	$ 8,867.28	$ 6,128,316.53
18.	Gross Proceeds from sale of Political Items	$	Totals on lines 18 and 19 MUST ALSO BE SHOWN on either lines 13 or 15 or both. (See Explanatory Booklet page 27A.)
19.	Gross Proceeds from sale of tickets to Testimonials and other fundraisers	$	
20.	TRANSFERS FROM COMMITTEES (Schedule C, line 1)	$ 0	$ 301,676.49
21.	LOANS:		
22.	Loans made TO the Committee (Schedule D, line 1)	$	$ 816,000.00(1)
23.	OTHER RECEIPTS:		
24.	Refunds, Rebates, Overpayments, etc	$	
25.	Dividends, Interest, etc	$	
26.	Loan Repayments TO the Committee (Schedule D, line 2)	$	$
27.	TOTAL OTHER RECEIPTS (24+25+26)	$	$ 125,199.53
28.	TOTAL RECEIPTS (17+20+22+27)	$	$7,291,192.53

* Actual Balance in bank $2007.07, difference due to checks not cleared more than two years.

(1) Includes Certificate Deposit Treen for Congress Committee of $80,000 used to guarantee overdraft but recorded as loan on instruction Supervisory Committee, against which $10,000.00 paid this reporting period.

89040760979

PEOPLE FOR DAVE TREEN
DEFICIT MAILING

RECEIPTS

DATE OF RECEIPT: July 16, 1987

Name and Present Address	Special Requests	Amount	Description
Nelson, R. L., Sr. 1717 Taylor P.O. Box 282 Sulphur, LA 70664		$25.00	Ck 9014 Type - B Mailed 6/15
Liljeberg, John A., Jr. St. Jude Medical Office Buldgs. Limited Partnership 600 W. Esplanade Ave. Kenner, LA 70065		$1,000.00	Ck 2587 Type - C Mailed - 6/19

8 9 0 4 0 7 0 8 9

PEOPLE FOR DAVE TREEN
DEFICIT MAILING

RECEIPTS

DATE OF RECEIPT: JULY 8, 1987

Name and Present Address	Special Requests	Amount	Description
Littlefield, Baker R. Littlefield Oil & Gas, Inc. P.O. Box 53634 Lafayette, LA 70505		$200.00	Ck # 1326 Type - B Mailed - 6/15
Pruitt, Frank O. P.O. Drawer P Lake Charles, LA 70602		$100.00	Ck # 193 Type - B2 Mailed 6/25
Abell, E. C., Jr. P.O. Drawer 3507 Lafayette, LA 70502	Letter attached	$100.00	Ck #149 Type - A Mailed 4/16/87
July 13, 1987			
Peltier, Harvey A. III P.O. Box 1097 Thibodaux, LA 70302-1097		$100.00	Ck 4730 Type - C Mailed - 7/2
Marcello, Sam & Millie 202 Justin Lockport, LA 70374	Letter attached	$100.00	Ck 2530 Type - B Mailed - 6/15
Lewis, Floyd W., Sr. 5557 Berkley Dr. New Orleans, LA 70131		$100.00	Ck 1155 Type - B Mailed - 6/15
July 14, 1987			
EnviroMed Laboratories, Inc. 414 W. California Ruston, LA 71270		$50.00	Ck 10478 Type - B2 Mailed - 6/17

8 9 0 4 0 7 6 0 9 8 1

PEOPLE FOR DAVE TREEN
DEFICIT MAILING

RECEIPTS

DATE OF RECEIPT: July 6, 1987

Name and Present Address	Special Requests	Amount	Description
Pellerin, Mr. & Mrs. N. L. P.O. Box 398 Kenner, LA 70062		$100.00	Ck # 1667 Type - B2 Mailed 6/25
Dickson, Marcus D. Dickson Welding, Inc. P.O. Box 639 Belle Chasse, LA 70037		$100.00	Ck # 5582 Type - B Mailed 5/8
Derbes, Vincent J., M.D. 2633 Napoleon Ave., Suite 706 New Orleans, LA 70115		$100.00	Ck # 0661 Type - B2 Mailed 6/17
JULY 7, 1987			
Robichaux, Richard E., M.D. P.O. Box 158 Raceland, LA 70394	Letter Attached	$100.00	Ck #207 Type - B Mailed 6/15
Kock, E. James, Jr. 1223 Whitney Bldg. New Orleans, LA 70130		$100.00	Ck #21509 Type - Mailed
Simmonds, Noel T., M.D. 3022 Marye St. Alexandria, LA 71301		$25.00	Ck # 31228 Type - B Mailed 6/12

8904076098 2

PEOPLE FOR DAVE TREEN
DEFICIT MAILING

RECEIPTS

DATE OF RECEIPT: June 29, 1987

Name and Present Address	Special Requests	Amount	Description
Keller, Christoph or Caroline Rt. 2 Box 53 D Inglewood Plantation Alexandria, LA 71302		$100.00	Ck # 01777 Type - B Mailed - 6/15
Randolph, Gordon Rt. 2, Box 220 Colfax, LA 71417		$50.00	Ck # 5436 Type B Mailed 6/15
Kent, Donald E. Kent Truck-Trailer Service, Inc. P.O. Box 198 Fluker, LA 70436		$100.00	Ck # A 51238 Type - B Mailed - 6/15
June 30, 1987			
Jorden, Robert T. P.O. Box 52008 OCS Lafayette, LA 70505		$100.00	Ck # 5816 Type - B Mailed 5/29
JULY 1, 1987			
Webber, Margarette H. 53 Farnham Place Metairie, LA 70005	(note attached)	$100.00	Ck # 1098 Type - B Mailed
Woodiel, John W., Jr. Woodiel Construction Co., Inc. Rt. 1, 323 Mimosa Ave. Luling, LA 70070		$50.00	Ck # Type - B Mailed - 6/15
Woodiel, John & Dorothy 323 Mimosa Luling, LA 70070	(ck signed by wife)	$50.00	Ck # 6985 Type - B Mailed - 6/15

8 9 0 4 0 7 6 0 9 8 3

PEOPLE FOR DAVE TREEN
DEFICIT MAILING

RECEIPTS

DATE OF RECEIPT: July 18, 1987

Name and Present Address	Special Requests	Amount	Description
Lyons, Susybelle W. 7130 Gilbert Dr. Shreveport, LA 71106		$50.00	Ck 2875
Hawthorne, Robert A., Jr. 1751 Steele Blvd Baton Rouge, LA 70808		$50.00	Ck 4408
July 21, 1987			
Anderson, Mr. or Mrs. J. 215 Catherine Street Bogalusa, LA 70427		$100.00	Ck 2563
Prescott Follett & Associates, INc. 822 Daronne St. New Orleans, LA 70113		$100.00	Ck 3188
McCord, Chas. T., Jr. (Scotty) 400 Travis St., Suite 1705 Shreveport, LA 71101-3195		$250.00	Ck 14514
July 27, 1987			
Vidos, John and Camille 108 Lake Street Abbeville, LA 70510		$100.00	Ck 1253
July 30, 1987			
Cates, Gordon D. P.O. Box 14175 Monroe, LA 71201		$50.00	Ck 1553
McInnis, H.E. Box 610 Minden, LA 71055		$50.00	

8 9 0 4 0 7 6 0 9 8 4

PEOPLE FOR DAVE TREEN
DEFICIT MAILING

RECEIPTS

DATE OF RECEIPT: Aug. 3, 1987

Name and Present Address	Special Requests	Amount	Description
King, John T. or Emily M. Rt. 2 Box 45-D New Roads, LA 70760		$100.00	Ck 2837

82040760098

PEOPLE FOR DAVE TREEN
DEFICIT MAILING

RECEIPTS

DATE OF RECEIPT: Monday, June 22, 1987

Name and Present Address	Special Requests	Amount	Description
Rothschild, B.A., Jr. Box 1663 Shreveport, LA 71165	Note enclosed	$200.00	Ck # 7791 Type - A Mailed 6|3
Barnett, Jack 203 Carondelet St., Suite 1115 New Orleans, LA 70130		$25.00	Ck # 1272 Type - B2 Mailed 6|14
Veillon, E. Warner P.O. Box 1029 Eunice, LA 70535		$100.00	Ck # 264 Type C Mailed 6|11
Leaman, Paul J., Jr. Two Garden Lane New Orleans, LA 70124		$100.00	Ck # 11022 Type B Mailed 6|15
Frazier, Elmo 533 Jordan Shreveport, LA 71101		$100.00	Ck # 508 Type B2 Mailed 6|17
Kerth, Norman R. One Shell Sq., 39th Floor N.O., LA 70139		$100.00	Ck # 1899 Type B Mailed 6|15
Triay, M. L., Jr. 4305 Richland Ave. Metairie, LA 70002		$100.00	Ck # 1869 Type B Mailed 6|15
Solmon, M.W. 11813 Towering Oaks Dr. Baton Rouge, LA 70810		$100.00	Ck # 924 Type B Mailed 6|15
Hotard, Francis & Norma 1913 Frankel Ave. Metairie, LA 70003		$100.00	Ck # 4872 Type Mailed
Woodfin, Frances & Ira J. 3065 Conway Dr. Baton Rouge, LA 70809	(Note encl.)	$100.00	Ck # 6111 Type B Mailed 6|15

8 9 0 4 0 7 6 0 9 8 5

PEOPLE FOR DAVE TREEN
DEFICIT MAILING

RECEIPTS

DATE OF RECEIPT: Tuesday, June 23, 1987

Name and Present Address	Special Requests	Amount	Description
Crosby, John L. 801 East Main Street New Roads, LA 70760		$50.00	Ck 2405 Type - ? Mailed
Shepherd, George W., Jr. P.O. Box 7610 Metairie, LA 70010		$100.00	Ck # 1791 Type - B Mailed 6/12
Guedry, Leonard, Jr. P.O. Box 617 Napoleonville, LA 70390		$25.00	Ck # 2163 Type - B2 Mailed 6/12
Spaht, Carlos G. P.O. Box 2997 Baton Rouge, LA 70821		$25.00	Ck # 2165 Type - Mailed
Kinsey, Norman V. Suite 1805 Louisiana Tower 401 Edwards Street Shreveport, LA 71101		$250.00	Ck # 1256 Type - C Mailed 6/19
Richards, Horace V. or Margaret E. 1505 Nashville Ave. N.O., LA 70115		$100.00	Ck # 758 Type - B Mailed 6/15
Schneider, H. Graham P.O. Box 711 Lake Providence, LA 71254		$50.00	Ck # 4190 Type - B Mailed 6/12

8904076 00987

PEOPLE FOR DAVE TREEN
DEFICIT MAILING

RECEIPTS

DATE OF RECEIPT: Wednesday, June 24, 1987

Name and Present Address	Special Requests	Amount	Description
Marcus, Bernard or Frances		$200.00	Ck #2114
Yarborough, John M., Jr., M.D. 4440 Magnolia St. New Orleans, LA 70115		$50.00	Ck # 2174 Type - B Mailed- 6/15
Cooper, James F. P.O. Box 51571 Lafayette, LA 70505		$100.00	Ck # 5420 Type - B2 Mailed 6/17
Day, Winston R. or Bernadette W. 5811 Menlo Baton Rouge, LA 70808	Letter attached	$100.00	Ck # 1624 Type - B Mailed 5/8
White, Robert T. + Jean 1396 E. Bayou Pkwy Lafayette, LA 70508		$100.00	Ck # 5101 Type - B Mailed - 6/15
Wray, George D., Jr. P.O. Box 8093 Shreveport, LA 71108		$100.00	Ck # 8155 Type - B- Mailed 6/15
Porterie, Louis B. 4000 Gen. DeGaulle Dr. Suite 300 New Orleans, Louisiana 70114		$200.00	Ck # 705 Type - A Mailed 6/4
Mitchell, Robert Kent 226 Livingston Place West Metairie, LA 70005-3950		$100.00	Ck # 136 Type - B Mailed - 6/15
Powell, Joseph L., M.D. 1101 Audubon Ave. Thibodaux, LA 70301		$10.00	Ck # 7978 Type - B Mailed - 6/15
Lancaster & Sere Hibernia Bank Bldg. Metairie, LA 70002		$100.00	Ck # 1838 Type - Mailed

3904076088

PEOPLE FOR DAVE TREEN
DEFICIT MAILING

RECEIPTS

DATE OF RECEIPT: Thursday, June 25, 1987

Name and Present Address	Special Requests	Amount	Description
Price, Lewis C. (MR+MRS) 3962 Cottage Ave. Baton Rouge, LA 70806		$25.00	CK # 4118 Type - B Mailed - 6/4
Mitchell, Mrs. R. A. 1008 Moss Lane River Ridge, LA 70123		$100.00	Ck # 5382 Type - B Mailed - 6/4
Tucker & Associates, Inc. - Bob Tucker 904 FNBC Bldg. 210 Baronne St. New Orleans, LA 70112		$75.00	Ck # 1544 Type - A Mailed - 6/11
Lowrey, Mark Perrin 510 Dumaine New Orleans, LA 70116		$50.00	Ck # 0957 Type - B Mailed - 6/15

R900760989

PEOPLE FOR DAVE TREEN
DEFICIT MAILING

RECEIPTS

DATE OF RECEIPT: Monday, June 29, 1987

Name and Present Address	Special Requests	Amount	Description
Martin, Mr. & Mrs. Patrick 129 Pratt St. Bastrop, LA 71220		$25.00	Ck # 6076 Type - B Mailed 6/15
Zetzmann, William G., Jr. 4045 Vendome Place New Orleans, LA 70125		$100.00	Ck # 13137 Type - B Mailed - 6/15
Shearman, William H. 327 Broad Street P.O. Box 2893 Lake Charles, LA 70602		$100.00	Ck # 8332 Type - B Mailed - 6/12
Schwarz, W.R. or Leonora 850 Turquoise St. New Orleans, LA 70124		$100.00	Ck # 0688 Type - B Mailed - 6/12
Lambert, Paul A. P.O. Box 188 St. Francisville, LA 70775		$50.00	Ck # 15640 Type - B2 Mailed 6/17

a904076000

PEOPLE FOR DAVE TREEN
DEFICIT MAILING

RECEIPTS

DATE OF RECEIPT: Friday, June 19, 1987

Name and Present Address	Special Requests	Amount	Description
Maxwell, Frank E. P.O. Box 547 Delhi, LA 71323		$50.00	Ck. 3949 Type - B Mailed 6/15
Stroud, A.M., Jr. (General) 5 Jackson Barracks N.O., LA 70117		$100.00	Ck. 5430 Type - B Mailed 6/12
Svendson, Mr. & Mrs. Troye 5310 Whitehaven St. Baton Rouge, LA 70808		$100.00	Ck. 6741 Type - B Mailed 6/12
McCarty, M.R. P.O. Box 14742 Baton Rouge, LA 70898		$50.00	Ck. 7347 Type - B Mailed 6/15
Theriot, Alex, Jr. 710 Maple Denham Springs, LA 70726	(A. Theriot, Jr. & Assoc.)	$100.00	Ck 1102 Type - B Mailed 6/12
Murry, Margaret E. P.O. Box 665 Oakdale, LA 71463		$100.00	Ck. 31673 Type - Mailed
Murry, Jordan, Jr. P.O. Box 665 Oakdale, LA 71463		$100.00	Ck. 1817 Type - B Mailed

8 2 0 4 0 7 6 0 9 9 1

PEOPLE FOR DAVE TREEN
DEFICIT MAILING

RECEIPTS

DATE OF RECEIPT: Tuesday, June 16, 1987

Name and Present Address	Special Requests	Amount	Description
Siegert, Rudolf B. 526 Whitney Bank Bldg. New Orleans, Louisiana 70130		$100.00	Ck 2080 Type - A Mailed 6/11
Swanner, Alvin E. 740 Baronne N.O., LA 70113		$100.00	Ck 0266 Type - B Mailed 6/12
Sizeler, A. Louis 2542 Williams Blvd. Kenner, LA 70062		$50.00	Ck 2118 Type - B Mailed 6/12
Thursday, June 18, 1987			
Sheller, Mr. & Mrs. James W. One Oak Glen Lafayette, LA 70503		$25.00	CK 8764 Type - B Mailed 6/12
McNeal, William C. 2519 Bristol Pl. N.O. LA 70114		$100.00	Ck 1198 Type B Mailed 6/15
Craig, Mr. & Mrs. W.L. P.O. Box 547 Westwego, LA 70094 (owners of Lindy Trucking) Mrs. Craig sent ck.		$50.00	Ck 109 Type - B Mailed 6/15
Snyder, B.H. Box 158 Elm Grove, Louisiana 71051		$100.00	Ck 2831 Type -B Mailed - 6/12

8904076092

PEOPLE FOR DAVE TREEN
DEFICIT MAILING

RECEIPTS

DATE OF RECEIPT: Monday, June 15, 1987

Name and Present Address	Special Requests	Amount	Description
Graugnard, Mrs. J. B. Casimir P.O. Box 5 Edgard, LA 70049		$100.00	Ck. 2832 Type - B Mailed - 6/12
Morgan, Frank Scott P.O. Box 881 Mansfield, LA 71052		$100.00	Ck. 3421 Type - A Mailed - 6/4
Hartt, Quintin H. Rt. 1, Box 29 Chopin, LA 71412	Contact if further help is needed.	$100.00	Ck. 1047 Type- B Mailed 5/29
Terrell, Mr. or Mrs. Bert 311 Bahon St. New Iberia, LA 70560	Letter attached. Cack. + Iberia Industrial Group - P.O. Box 1494 New Iberia 70560	$100.00 $100.00	Ck. 3224 Type - B Mailed 5/09
Barham, Thomas West Oak Ridge, LA 71264		$25.00	Ck 673 Type - A Mailed - 4/20
Gray, Walter V. 905 Old Metairie Place Metairie, LA 70001-6085		$200.00	Ck. 710 Type ? Mailed
Gray, Eric V. 2300 Edenborn Ave., #389 III Met., LA 70001		$200.00	Ck. 304 Type - ? Mailed
Gray, Michael T. 2301 Edenborn Ave., #607 Metairie, LA 70001		$200.00	Ck. 0582 Type - ? Mailed
Gray, Dorothy V. 522 Woodvine Ave. Metairie, LA 70005		$200.00	Ck. 0179 Type - ? Mailed
Gray, Denver F. 522 Woodvine Ave. Metairie, LA 70005		$200.00	Ck. 7931 Type - A Mailed - 5/28

Personal Ck. — 0047600993

PEOPLE FOR DAVE TREEN
DEFICIT MAILING

RECEIPTS

DATE OF RECEIPT: Tuesday, June 9, 1987

Name and Present Address	Special Requests	Amount	Description
Hillman, Ralph D. P.O. Box 1062 Thibodaux, LA 70302		$30.00	Type B Ck # 11915 Mailed 5|29
Hart, Dr. & Mrs. Clinton 830 St. Anthony Street Lake Charles, LA 70601		$25.00	Ck # 4568 Type-B mailed 5|29
Lousteau, Mr. & Mrs. Albert J. P.O. Box 73 Prairieville, LA 70769		$100.00	Ck # 119 Type-A Mailed-6|4
Guillot, Jr., E. Carlton ~~Guillotte Vaughn Associates Inc~~ 2720 Metairie Lawn Dr. Metairie, LA 70002		$200.00	Type-A Ck # 9267 Mailed 5|28

8204076090994

PEOPLE FOR DAVE TREEN
DEFICIT MAILING

RECEIPTS

DATE OF RECEIPT: Monday, June 8, 1987

Name and Present Address	Special Requests	Amount	Description
Lazard, Sidney H. No. 8 Versailles Blvd. New Orleans, LA 70125		$100.00	Type - Mailed Ck 1012
Quinn, G. G. P.O. Box QQ Lake Charles, LA 70602		$100.00	Type - Mailed - Ck 13617
Roussel, Carey J. 3018 Belle Cherie Ave. Baton Rouge, LA 70820		$200.00	Type - Mailed Ck # 811
LaNasa. Gerald R., M.D. 433 Metairie Rd., Suite 602 Metairie, LA 70005		$200.00	Type - Mailed Ck # 5600
Fenet, Robert W. 500 Kirby Street Lake Charles, LA 70601		$200.00	Type - Mailed Ck # 28482

8904076095

PEOPLE FOR DAVE TREEN
DEFICIT MAILING

RECEIPTS

DATE OF RECEIPT: Thursday, June 4, 1987

Name and Present Address	Special Requests	Amount	Description
Houck, Joy N. P.O. Box 785 Metairie, LA 70004		$100.00	Type - B Ck #978 Mailed 5/29
Hagemeier, Karl 1326 Americana Bldg. 811 Dallas Houston, TX 77002		$100.00	Type - B Ck # 2614 Mailed 5/29
Bulloch, Howard P.O. Box 5261 Lake Charles, LA 70606		$75.00	Type - B Ck # 2939 Mailed 4/21
Crawford, Caroline A. 1308 Petroleum Tower Shreveport, LA 71101		$100.00	Type - B Ck # 17596 Mailed 5/8
Gouaux, Eugene G. P.O. Box 338 Lockport, LA 70374		$50.00	Type - B Ck # 27330 Mailed 5/27
Friday, June 5, 1987			
Henderson, Edward N. 401 Edward St., Suite 1615 Shreveport, LA 71101		$100.00	Type - A Ck #634 Mailed 5/29

2 3 0 4 0 7 6 0 9 9 6

PEOPLE FOR DAVE TREEN
DEFICIT MAILING

RECEIPTS

DATE OF RECEIPT: Thursday, May 28, 1987

Name and Present Address	Special Requests	Amount	Description
Berwick, Lee Post Office Box 188 Vinton, LA 70668		$100.00	Ck #3567 B-Type Mailed 4/21
Danos, Mr. James Lafourche Tugs, Inc. 4426 West Main Street Cut Off, LA 70345		$200.00	Ck #1235 A-Type Mailed 5/22
Monday, June 1, 1987			
Comer, Mr. P.J. 750 E. Laurel Eunice, LA 70535		$50.00	Ck #12831 B-Type Mailed 5/2
Graham, Mr & Mrs. Ford 2 Mockingbird Dr. Covington, LA 70433		$100.00	Ck #5763 B-Type Mailed5/27
Wednesday, June 3, 1987			
Fisher, Arvold & Carol 5105 Bissonet Dr. Metairie, LA 70003		$200.00	Ck #5351 A- Type Mailed 5/22
Hagestad, Walter & Marian 234 Mulberry Dr. Metairie, LA 70005		$100.00	Ck#4043 B-Type Mailed 5/29
Horton, C. Manly 210 W. Oakridge Park Metairie, LA 70005		$50.00	Ck # 1570 B-Type Mailed 5/29

8904076099 7

PEOPLE FOR DAVE TREEN
DEFICIT MAILING

RECEIPTS

DATE OF RECEIPT: MONDAY, MAY 18, 1987

Name and Present Address	Special Requests	Amount	Description	
Alsandor, H. Jude 6037 Camp Street New Orleans, LA 70118	(Note change of address.)	$100.00	MO #10273 Liberty Bank	B-Type 4/16
Eby, John C. or June G. 2310 Marie Place Monroe, LA 71201		$ 50.00	Ck 4980	B-Type 5/08
Gallion, M.R. 1809 Audubon Place Shreveport, LA 71105 Phone: (318) 865-4924		$100.00	Ck 1377	B-Type 5/08
Smith, Wallace C. or Rebecca E. 303 Tanglewood Drive Alexandria, LA 71303 Phone: (318) 487-3887		$ 25.00	Ck 1335	
	TOTAL RECEIPTS FOR 5/18/87	$275.00		

8 9 0 4 0 7 6 0 9 9 8

PEOPLE FOR DAVE TREEN
DEFICIT MAILING

RECEIPTS

DATE OF RECEIPT: Thursday, May 14, 1987

Name and Present Address	Special Requests	Amount	Description
Cappel, Dr. J.T., Jr. 201 Fourth Street Alexandria, LA 71301		$100.00	Ck #5825 A-Type 4/24
Faulk, Mr. and Mrs. R.T., Jr. 1404 Forsythe Avenue Monroe, LA 71201 Phone: 322-3167		$100.00	Ck #1375 B-Type 5/08
Freeland, Mrs. C. J., Jr. 316 Eastern Avenue Crowley, LA 70526 Phone: 783-6718		$100.00	Ck #266 B-Type 5/08

DATE OF RECEIPT: Friday, May 15, 1987

Broyles, Harvey Post Office Box 1511 Shreveport, LA 71165		$200.00	Ck #14992 A-Type 4/22
Davis, Paul R. 850 Olive Building Suite "C" Shreveport, LA 71104		100.00	Ck #6229 B-Type 5/08
Q.E.D. Incorporated 426 Opelousas Ave. N.O., LA 70114	(Signed by P.J. Duhe? and (Shirley Strahan-unsure of to (to whom addressed.	100.00	Ck #4799 B-Type 5/08
Wahlder, Mike Post Office Box 1787 Alexandria, LA 71309		100.00	Ck #7264 B-Type 5/08

8204076099

PEOPLE FOR DAVE TREEN
DEFICIT MAILING

RECEIPTS

DATE OF RECEIPT: Wednesday, May 13, 1987

Name and Present Address	Special Requests	Amount	Description
Duhe, Preston Route 7, Box 12 New Iberia, LA 70560		$100.00	Ck #3671 B-Type 5/08
Dumond, Lindsey L. c/o Physical Therapy Clinic 224 North Lewis Street New Iberia, LA 70560 Phone: 318/364-7496		$100.00	Ck #8738 B-Type 5/08
Eustis, J. Bres or Pauline S. 230 Vincent Avenue Metairie, LA 70005		$ 50.00	Ck #690 B-Type 5/08
Felterman, Mr. & Mrs. F.C., Jr. P.O. Drawer 189 Patterson, LA 70392 Phone: 395-3538		$100.00	Ck #4275 B-Type 5/08

8 9 0 4 0 7 6 1 0 0 0

PEOPLE FOR DAVE TREEN
DEFICIT MAILING

RECEIPTS

DATE OF RECEIPT: Friday, May 8, 1987

Name and Present Address	Special Requests	Amount	Description
J.R. Baker (M/M Rusty Baker) 600 Eagle Drive Pineville, LA 71360		$200.00	Ck 571 A-Type 4/20
TUESDAY, MAY 12, 1987			
Ewell, Joe E. 3030 I-10 Expressway Service Road Post Office Box 8510 Metairie, LA 70011 Phone: (504) 834-6872		$100.00	Ck 4777 B-Type 5/08

8904076100 1

PEOPLE FOR DAVE TREEN
DEFICIT MAILING

RECEIPTS

DATE OF RECEIPT: Thursday, May 7, 1987

Name and Present Address	Special Requests	Amount	Description
Otto Candies Des Allemands, LA 70030		$500.00	Ck 4531 A-Type 4/24

8904076100 2

PEOPLE FOR DAVE TREEN
DEFICIT MAILING

RECEIPTS

DATE OF RECEIPT: Tuesday, May 5, 1987

Name and Present Address	Special Requests	Amount	Description
Charbonnet, Shirley M. 629 Henry Clay Avenue New Orleans, LA 70118		$ 50.00	Ck #1435 B-Typ 4/23

8204076100 3

PEOPLE FOR DAVE TREEN
DEFICIT MAILING

RECEIPTS

DATE OF RECEIPT: Monday, May 4, 1987 (Walter Fowler's check received on Saturday, May 2, 1987)

Name and Present Address	Special Requests	Amount	Description
Birdwell, J.R. (Dick) 1401 Post Oak Circle College Station, TX 77840 Phone: (409) 696-1705		$100.00	Ck #87174 B-Ty 4/21
Fowler, Walter 411 Hillcrest Drive Alexandria, LA 71301		$200.00	Ck 3803

8904076104

PEOPLE FOR DAVE TREEN
DEFICIT MAILING

RECEIPTS

DATE OF RECEIPT: Friday, May 1, 1987

Name and Present Address	Special Requests	Amount	Description	
Buller, Mr, Jerome E. Post Office Box 600 Ville Platte, LA 70586		$200.00	Ck 81	A-Typ 4/22

8904076100S

PEOPLE FOR DAVE TREEN
DEFICIT MAILING

RECEIPTS

DATE OF RECEIPT: Wednesday, April 29, 1987

Name and Present Address	Special Requests	Amount	Description	
Ashby, Frank A., Jr. 526 Whitney Building New Orleans, LA 70130		$200.00	Ck #639	A-Ty 4/16
Bourgeois, David Eldredge, MD 913 East Main Street New Iberia, LA 70560 Phone: 364-4123		$ 50.00	Ck #25639	B-Ty 4/21
Burkenroad, Mr. & Mrs. W.B., Jr. 336 Magazine Street New Orleans, LA 70130		$100.00	Ck 5485	A-Ty 4/22
Burns, Mr. Joe D. Post Office Box 639 Jonesboro, LA 71251		$100.00	Ck 1926	B-Ty 4/21
Chance, Mr. & Mrs. John E. Post Office Box 52029 Lafayette, LA 70505		$200.00	Ck 3400	A-Ty 4/24
Crain, Mr. & Mrs. Neil R. Post Office Box 118 Grand Chenier, LA 70643 Phone(s): 542-4511 (Res.) 538-2246 (Ofc.)		$200.00	Ck 4549	A-Type 4/24

R900407610006

PEOPLE FOR DAVE TREEN
DEFICIT MAILING

RECEIPTS

DATE OF RECEIPT: Monday, April 27, 1987

Name and Present Address	Special Requests	Amount	Description
Byles, R.V. R.V. Byles Enterprises of Louisiana, Inc. d/b/a R.V. Byles Industries 1750 Robby Street Many, LA 71449		$100.00	Ck 7698 B-Type 4/21
Champagne, Mr. & Mrs. Lester J. Champagne's Supermarket, Inc. 204 South Kibbe Street Erath, LA 70533 Phone(s): 937-8163 or 937-8149		$100.00	Ck 3352 B-Type 4/23
Watson, Mr. or Mrs. William W. Bank of St. Joseph & Trust Post Office Box 7 St. Joseph, LA 71366		$100.00	Ck 2125 B-Type 4/20

8904076007

PEOPLE FOR DAVE TREEN
DEFICIT MAILING

RECEIPTS

DATE OF RECEIPT: Saturday, April 25, 1987

Name and Present Address	Special Requests	Amount	Description	
Barham, Edwards Oak Ridge, LA 71264 Phone: 244-7581		$ 20.00	Ck #4513	A-Type 4/20
Alexander, Dr. Aubrey M. 3330 Masonic Drive Alexandria, LA 71301 Phone: 448-6734		$200.00	Ck #1274	A-Type 4/16

8 9 0 4 0 7 6 1 0 8

PEOPLE FOR DAVE TREEN
DEFICIT MAILING

RECEIPTS

DATE OF RECEIPT: FRIDAY, APRIL 24, 1987

Name and Present Address	Special Requests	Amount	Description	
Bogan, Walter R. and Barbara F. 5533 Dayna Court New Orleans, LA 70124		$100.00	Check #799	B 4/21

8904076100 9

PEOPLE FOR DAVE TREEN
DEFICIT MAILING

RECEIPTS

DATE OF RECEIPT: THURSDAY, APRIL 23, 1987

Name and Present Address	Special Requests	Amount	Description
Ayers, J.R., Jr. 4900 Bancroft Drive New Orleans, LA 70122 Phone: 283-4250		$ 75.00	Check #9056 A-Ty 4/20
Barber, Lionel H. or Nancy J. 6311 Rockwood Court Baton Rouge, LA 70808 Phone: 769-0004		$200.00	Check #5837 A-Ty 4/20

8904076010

PEOPLE FOR DAVE TREEN
DEFICIT MAILING

RECEIPTS

Date of Receipt: Wednesday, April 22, 1987

Name and Present Address	Special Request	Amount	Description	
Abendroth, Mr. Gus F. 1500 Beck Building Shreveport, LA 71101	Delete from mailing list; Mr. Abendroth is deceased.	$ .00		A-Ty 4/16
Beloney, Ivory J. 501 South Cherry St. Lake Charles, LA 70601-3519 Phone: 436-5746		$100.00	Check #1771	B-Ty 4/20
Barham, Mrs. E. M. (Rosalie) P.O. Box 66 Oak Ridge, LA 71264 Phone: 244-6710		$100.00	Check #2583	A-Ty 4/20
Barksdale, Fred C., Jr. 1823 Albert Street Alexandria, LA 71301		$200.00	Check # 941	A-Ty 4/20

8904076110 11

COM#4814
RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM
87 NOV 23 AM 11:55
Mun 2535

GENERAL MARINE
CATERING COMPANY, INC.
A Hungerssee Brothers Company

November 19, 1987

Ms. Susan Beard
General Consultant Office
Federal Election Commission
999 E. Street, N.W.
Washington D.C. 20463

Re: Premur 179

Dear Ms. Beard,

Relative to our telephone conversation of today, I hasten to send you copy of a memorandum from The Jefferson Guaranty Bank, dated 2/7/85, which I believe will explain the loans, etc. for the Treen for Congress Committee.

I believe that the final debt of the People for Dave Treen to the Treen for Congress Committee would be the 80,000.00 loan plus the interest paid of 8,043.78 for a total of 88,043.78.

Trusting I have answered your inquiry, I am

Sincerely,

William A. Hungesser, Treasurer
Treen for Congress Commitee
5740 Durham Dr.
New Orleans, La. 70114

BN/ma
Enclosure
cc. John Cade
cc. David C. Treen

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
87 NOV 23 PM 12:50

8904076102

JEFFERSON GUARANTY BANK

MEMORANDUM

TO: Billy Nungesser

DATE: 2/7/85

FROM: Alma Termini

SUBJECT: Loan of People for Dave Treen, Inc.

ORIGINAL DATE OF LOAN	11/22/83
ORIGINAL AMOUNT OF LOAN	$80,000.00
MATURITY	11/21/84
LOAN NO.	70125364670.
INTEREST DUE AND PAID ON 12/26/84: account No. 85733258003.)	$8043.78. (Collected this interest by debiting

WE FUNDED ACCOUNT NO. 85733258003 BY MAKING A LOAN FOR $8200.00 TO TREEN FOR CONGRESS INC. ON 12/26/84.

ON 12/26/84, when we extended loan for $8200.00, we also renewed the $80,000.00 loan

ON JANUARY 22, 1985, both loans were paid in full.

IN ORDER TO PAY OFF LOANS, THE FOLLOWING OCCURED:

LOAN BALANCE:	$80,000.00	PAID BY:	
	8,200.00	CHECKING ACCOUNT NO.	
INTEREST DUE:	545.78	85733258003.	$ 766.35
	70.33		
	$88,816.11	CERTIFICATE OF DEPOSIT (PRIN. PLUS INTEREST)	88,049.76
			$88,816.11

8904076101 3

JGB - 232 R5/84

RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARIAT

BEFORE THE FEDERAL ELECTION COMMISSION

87 NOV 23 AM 11:25

SENSITIVE

In the Matter of	)	
	)	
Treen for Congress Committee and William Nungesser, as treasurer	)	MUR 2535
	)	
	)	
People for Dave Treen, Inc., and John H. Cade, Jr., as treasurer	)	
	)	

GENERAL COUNSEL'S REPORT

On September 9, 1987, the Commission found reason to believe that the Treen for Congress Committee ("Federal Committee") and William Nungesser, as treasurer, violated 2 U.S.C. §§ 434(b) and 441b, and that People for Dave Treen, Inc. ("State Committee") and John H. Cade, Jr., as treasurer, violated 2 U.S.C. § 441b.

On November 5, 1987, the Commission received a response from the Federal Committee that included a request for pre-probable cause conciliation. On November 6, 1987, the Commission received a response from the State Committee that also included a request for pre-probable cause conciliation. This Office has been in contact with Respondents to clear up some factual ambiguities in the responses. As a result, supplemental information is being submitted. Once this supplemental material is received and analyzed, this Office will prepare a report to the Commission responding to the pre-probable cause conciliation requests.

Lawrence M. Noble
General Counsel

11/20/87
Date

By: Lois G. Lerner
Associate General Counsel

R 2 0 4 0 7 6 1 0 1 4

EXECUTIVE SESSION

RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARIAT
87 DEC 24 AM 10:48

JAN 06 1988

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Treen for Congress Committee	)	MUR 2535
and William Nungesser,	)	
as treasurer	)	
People for Dave Treen, Inc.	)	
and John H. Cade, Jr.,	)	
as treasurer	)	

SENSITIVE

GENERAL COUNSEL'S REPORT

I. BACKGROUND

The circumstances underlying this matter arose in December of 1983 when the Treen for Congress Committee ("Federal Committee") pledged an $83,000 certificate of deposit as collateral for a loan made by the Jefferson Guaranty Bank, formerly known as the Guaranty Bank and Trust Company ("Jefferson Guaranty Bank")[1/] to People for Dave Treen, Inc. ("State Committee"). The State Committee defaulted on the loan and in January of 1985, the certificate of deposit was liquidated to satisfy the outstanding debt. The Federal Committee reported this transaction as a loan repayment; however, it should have been reported as an other disbursement pursuant to 2 U.S.C. § 434(b)(4)(G). On July 8, 1986, the State Committee forwarded $10,000 to the Federal Committee. The Federal Committee reported this receipt as a contribution after discussing this matter with Commission employees.

A. Treen for Congress Committee

On September 9, 1987, the Commission found reason to believe that the Treen for Congress Committee and William Nungesser, as

---

1/ The Guaranty Bank Trust Company merged with the Jefferson Bank and Trust in early 1984 and became the Jefferson Guaranty Bank.

8904076015

treasurer, violated 2 U.S.C. § 434(b), by failing to properly report a disbursement to the Jefferson Guaranty Bank and a $10,000 receipt from People for Dave Treen, Inc. On that date, the Commission also found reason to believe that the Federal Committee violated 2 U.S.C. § 441b since the receipt from People for Dave Treen, Inc. may have contained corporate or union funds.

On November 5, 1987, the Commission received a response from the Federal Committee. Attachment 1 at page 1. In that response the Federal Committee requested pre-probable cause conciliation. Id. A supplement to the response was received on November 23, 1987. Attachment 1 at page 20.

B. People for Dave Treen, Inc.

On September 9, 1987, the Commission found reason to believe that the People for Dave Treen, Inc. and John H. Cade, Jr., as treasurer, violated 2 U.S.C. § 441b, by disbursing $10,000 to the Treen for Congress Committee which may have contained corporate or union funds. On November 6, 1987, the Commission received a response from the state committee requesting pre-probable cause conciliation. Attachment 1 at 22.

II. ANALYSIS

The responses received by this Office affect the legal analysis that was presented in the First General Counsel's Report of August 13, 1987. In that report two theories were analyzed. One theory viewed the situation as a loan transaction between affiliated committees, while the other theory viewed the events as a transfer of funds between affiliated committees. After

8904076116

reviewing the responses, this Office believes that the loan transaction theory is the proper theory to pursue.

Both committees in their responses, state that the transaction was a loan. The Federal Committee states that once its Certificate of Deposit was liquidated it became a creditor of People for Dave Treen, Inc. in the amount of $88,043.78. Attachment 1 at 20. The State Committee also refers to this transaction as a loan. Attachment 1 at 21, 25. However, there was no written agreement formalizing this understanding. The State Committee stated that the oral agreement was reached in or about December 1984.2/

From the responses submitted it is clear that by using a last-in-first-out analysis $8,000 of the $10,000 partial loan repayment was corporate funds. The State Committee stated that the last deposits it received before it made the loan repayment on July 8, 1986, were:

Contributor	Amount	Date
R.B. Sewell, D. Treen FundRaiser	$867.28	2/10/86
Tore Carlberg	50.00	2/10/86
Norfolk Southern Corp.	8,000.00	12/2/85
William Nungesser	11,108.92	5/30/84

2/ In its written response the State Committee stated that the oral agreement occurred in December of 1983. Attachment 1 at 21. However, in a conversation with a representative of this Office, Mr. Cade said that it was when the bank attempted to liquidate the certificate of deposit, which was in December of 1984.

8904076107

A. Treen for Congress Committee

If this transaction is viewed as a loan transaction, then the Federal Committee failed to properly report the loan of $88,043.78 to the State Committee in violation of 2 U.S.C. § 434(b)(8). The Federal Committee also failed to properly report the $10,000 loan repayment from the State Committee in violation of 2 U.S.C. § 434(b)(2)(J). As noted above, the Federal Committee also failed to properly report the payment to the Jefferson Guaranty Bank in violation of 2 U.S.C. § 434(b)(4)(G). The Federal Committee also violated 2 U.S.C. § 441b since it accepted corporate funds.

B. People for Dave Treen, Inc.

It appears that the State Committee violated 2 U.S.C. § 441b since corporate funds were included in its payment to the Federal Committee. Pursuant to 11 C.F.R. § 100.7(a)(1)(i)(E), when a political committee makes a loan, repayment of the principal amount of the loan to the political committee is not a contribution by the debtor to the lender committee.[3/] Also, the funds used for the repayment must be subject to the prohibitions regarding funds from corporations, unions and foreign nationals. In the instant case, the evidence points to the conclusion that

---

3/ Since the two committees are affiliated this transaction would be a transfer if it was not a loan repayment. Ordinarily the State Committee would be subject to the $1,000 limit on a transfer to the Federal Committee without being required to register and report. 11 C.F.R. § 102.6(a)(2). However, the limit does not apply here since the transaction appears to be a loan repayment and not a transfer.

8204076018

the Respondents intended the transaction to be a loan repayment. Because corporate funds were used to make the repayment, the State Committee violated 2 U.S.C. § 441b. Because this transaction appears to be a loan, there is no requirement for the State Committee to register and report under the Act, since loan repayments do not go toward the threshold for registration and reporting.

III. DISCUSSION OF CONCILIATION PROVISIONS AND CIVIL PENALTY

Attached for the Commission's approval are two proposed conciliation agreements that include admissions of violations and the payments of civil penalties.

A. Treen for Congress Committee

8904076019

8904076102O

B. People for Dave Treen, Inc.

IV. RECOMMENDATIONS

1. Enter into conciliation with the Treen for Congress Committee and William Nungesser, as treasurer, and People for Dave Treen, Inc. and John H. Cade, Jr., as treasurer prior to a finding of probable cause to believe.

2. Approve the attached proposed conciliation agreements and letters.

Date 12/23/87

Lawrence M. Noble
General Counsel

Attachments
1. Requests for conciliation and responses
2. Proposed conciliation agreements (2) and letters(2)

Staff Person: Susan Beard

8304076102 1

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

MEMORANDUM TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/SUSAN GREENLEE SG.

DATE: DECEMBER 28, 1987

SUBJECT: OBJECTION TO MUR 2535: General Counsel's Report signed December 23, 1987

The above-captioned document was circulated to the Commission on Monday, December 28, 1987 at 11:00 A.M.

Objections have been received from the Commissioners as indicated by the name(s) checked:

Commissioner Aikens _____
Commissioner Elliott _____
Commissioner Josefiak X
Commissioner McDonald _____
Commissioner McGarry _____
Commissioner Thomas _____

This matter will be placed on the Executive Session agenda for January 6, 1988.

Please notify us who will represent your Division before the Commission on this matter.

8904076102 2

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Treen for Congress Committee and William Nungesser, as treasurer	)	MUR 2535
	)	
People for Dave Treen, Inc. and John H. Cade, Jr., as treasurer	)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of January 6, 1988, do hereby certify that the Commission decided by a vote of 5-0 to take the following actions in MUR 2535:

1. Enter into conciliation with the Treen for Congress Committee and William Nungesser, as treasurer, and People for Dave Treen, Inc. and John H. Cade, Jr., as treasurer, prior to a finding of probable cause to believe.

2. Approve the proposed conciliation agreements and letters attached to the General Counsel's report dated December 23, 1987.

Commissioners Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision; Commissioner Aikens was not present at the time this matter was under consideration.

Attest:

1-6-88
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

8904076102 3

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 11, 1988

William Nungesser, Treasurer
Treen for Congress Committee
5740 Durham Drive
New Orleans, LA 70114

RE: MUR 2535
Treen for Congress Committee
and William Nungesser,
as treasurer

Dear Mr. Nungesser:

On September 9, 1987, the Federal Election Commission found reason to believe that the Treen for Congress Committee and you, as treasurer, violated 2 U.S.C. §§ 434(b) and 441b. At your request, on January 6, 1988, the Commission determined to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe.

Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter. If you agree with the provisions of the enclosed agreement, please sign and return it, along with the civil penalty, to the Commission. In light of the fact that conciliation negotiations, prior to a finding of probable cause to believe, are limited to a maximum of 30 days, you should respond to this notification as soon as possible.

If you have any questions or suggestions for changes in the agreement, or if you wish to arrange a meeting in connection with a mutually satisfactory conciliation agreement, please contact Susan Beard, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Conciliation Agreement

8904076024

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 1, 1988

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

John H. Cade, Jr., Treasurer
People for Dave Treen, Inc.
P.O. Box 1830
Alexandria, LA 71309

RE: MUR 2535
People for Dave Treen, Inc.
and John H. Cade, Jr., as
treasurer

Dear Mr. Cade:

On January 11, 1988, you were notified that, at your request, the Federal Election Commission determined to enter into negotiations directed toward reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe. On that same date, you were sent a conciliation agreement offered by the Commission in settlement of this matter.

Please note that conciliation negotiations entered into prior to a finding of probable cause to believe are limited to a maximum of 30 days. To date, you have not responded to the proposed agreement. The 30-day period for negotiations will soon expire. Unless we receive a response from you within 10 days, this Office will consider these negotiations terminated and will proceed to the next stage of the enforcement process.

8204076102 5

Should you have any questions, please contact Susan Beard, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

By: Lois G. Lerner
Associate General Counsel

29044076102 5

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 1, 1988

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

William Nungesser, Treasurer
Treen for Congress Committee
5740 Durham Drive
New Orleans, LA 70114

RE: MUR 2535
Treen for Congress Committee
and William Nungesser, as
treasurer

Dear Mr. Nungesser:

On January 11, 1988, you were notified that, at your request, the Federal Election Commission determined to enter into negotiations directed toward reaching a concilation agreement in settlement of this matter prior to a finding of probable cause to believe. On that same date, you were sent a conciliation agreement offered by the Commission in settlement of this matter.

Please note that conciliation negotiations entered into prior to a finding of probable cause to believe are limited to a maximum of 30 days. To date, you have not responded to the proposed agreement. The 30-day period for negotiations will soon expire. Unless we receive a response from you with 10 days, this Office will consider these negotiations terminated and will proceed to the next stage of the enforcement process.

8904076102 7

Should you have any questions, please contact Susan Beard, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

By: Lois G. Lerner
Associate General Counsel

8904076102 8

88044761029

DEUTSCH, KERRIGAN & STILES
(A PARTNERSHIP INCLUDING PROFESSIONAL LAW CORPORATIONS)
755 MAGAZINE STREET
NEW ORLEANS 70130-3672
TELEPHONE (504) 581-5141
CABLE ADDRESS "DEKEST"
TELEX 584388
TELECOPY-504/566-1201

DAVID C. TREEN

ST. TAMMANY OFFICE:
65 WHISPERWOOD BOULEVARD
SLIDELL, LA 70458-1199
TELEPHONE (504) 641-1070
MAILING ADDRESS:
P. O. BOX 220
SLIDELL, LA 70459-0220

February 8, 1988

Ms. Susan Beard
General Consultant Office
Federal Election Commission
999 East Street, N.W.
Washington, D.C. 20463

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
88 FEB 16 PM 3:03

RE: MUR 2535
Treen for Congress Committee
--and--
People for Dave Treen, Inc.

Dear Ms. Beard:

I appreciated very much the time that you and other members of the General Counsel staff provided me when I was in Washington last week.

This will confirm my verbal notification to you that John Cade, Jr., Treasurer of People for Dave Treen, Inc., died on January 8, 1988. His widow recently forwarded to me your letter to him dated January 11, 1988.

In view of Mr. Cade's death, plus the need to examine the facts and legal issues in more detail, both of these committees are in need of additional time in which to make response. Although I am not an official of either of these committees, I hereby request on behalf of both of them an additional 30 days (60 days from January 11) in which to make further response.

I feel very strongly that the law has not been violated, and wish to make further presentation to you.

With thanks for your cooperation, I am,

Sincerely,

David C. Treen

cc: Mr. William A. Nungesser

FEDERAL ELECTION COMMISSION
LEGAL OFFICE
88 FEB 16 AM 10:57

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 19, 1988

The Honorable David C. Treen
Deutsch, Kerrigan & Stiles
755 Magazine Street
New Orleans, LA 70130-3672

RE: MUR 2535
Treen for Congress Committee
and William Nungesser, as
treasurer

People for Dave Treen, Inc.
and John H. Cade, Jr., as
treasurer

Dear Governor Treen:

This is in response to your letter dated February 8, 1988, which we received on February 16, requesting an extension until March 11, 1988, to respond to the Commission's proposed conciliation agreement. After considering the circumstances presented in your letter, I have granted the requested extension. Accordingly, your response is due by close of business on March 11, 1988.

If you have any questions, please contact Susan Beard, the attorney assigned to this matter at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

8304076103O

RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARIAT
88 FEB 24 AM 10: 13

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Treen for Congress Committee and William Nungesser, as treasurer	)	MUR 2535
People for Dave Treen, Inc. and John H. Cade, Jr., as treasurer	)	

SENSITIVE

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On September 9, 1987, the Commission found reason to believe that the Treen for Congress Committee ("Federal Committee") and William Nungesser, as treasurer, violated 2 U.S.C. §§ 434(b) and 441b. On the same date the Commission also found that People for Dave Treen, Inc. ("State Committee") and John H. Cade, Jr., as treasurer, violated 2 U.S.C. § 441b. At Respondents' request, on January 6, 1988, the Commission approved pre-probable cause conciliation for all Respondents.

II. CONCILIATION NEGOTIATIONS TO DATE

On February 3, 1988, Governor Treen contacted this Office to inform the Commission that John H. Cade, Jr., the treasurer of the State Committee had died on January 8, 1988. On February 4, 1988, Governor Treen met with representatives of this Office to discuss the Commission's findings. On February 16, 1988, Governor Treen requested an extension until March 11, because of Mr. Cade's death and the Committee's desire to respond to the proposed conciliation agreement. Because of the death of Mr. Cade, this Office believes it will be worthwhile to extend

8904076031

conciliation discussions so that the Committees will be able to prepare a response.

Lawrence M. Noble
General Counsel

Date 2/23/88

BY: Lois G. Lerner
Lois G. Lerner
Associate General Counsel

Staff person: Susan Beard

8904076103 32

6CO#6792

DEUTSCH, KERRIGAN & STILES
(A PARTNERSHIP INCLUDING PROFESSIONAL LAW CORPORATIONS)
755 MAGAZINE STREET
NEW ORLEANS 70130-3672
TELEPHONE (504) 581-5141
CABLE ADDRESS "DEKEST"
TELEX 584388
TELECOPY - 504/566-1201

DAVID C. TREEN

ST. TAMMANY OFFICE:
68 WHISPERWOOD BOULEVARD
SLIDELL, LA 70458-1188
TELEPHONE (504) 641-1070
MAILING ADDRESS:
P. O. BOX 220
SLIDELL, LA 70459-0220

March 10, 1988

VIA FEDERAL EXPRESS MAIL

HAND DELIVERED
RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM
88 MAR 11 AM 10:26
89040

Lawrence M. Noble
General Counsel
Federal Election Commission
Washington, D.C. 20463

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
88 MAR 11 PM 3:01

RE: MUR 2535
People for Dave Treen, Inc.
and John H. Cade, Jr.,
Treasurer

Dear Mr. Noble:

I am enclosing herewith a memorandum on behalf of People for Dave Treen, Inc. and John H. Cade, Jr., which is in response to your letter of January 11, 1988, addressed to Mr. Cade, and which enclosed a proposed conciliation agreement. Mr. Cade is deceased, and I am not aware of what your procedure may require with respect to him.

In any event, this memorandum has been prepared in my capacity as pro bono counsel to respondents, and in that capacity alone. I am the person for whom the committee was formed, but I am not now and never have been an officer, director or employee of the committee.

I very strongly and sincerely believe that neither the purposes nor the express provisions of the federal election laws have been violated. Mr. Cade, throughout his life, was conscientious in seeking to comply with the law, and I believe he did so in this case.

Your staff was generous to me when I visited your offices a few weeks ago, and I appreciate the time that they devoted to this matter. I again ask you and

your staff to carefully examine the facts and the law, including the enclosed memorandum. I hope that you will conclude, after considering the enclosed, that further action by the Commission is not warranted.

Sincerely,

David C. Treen

DCT/cms/L02
Enclosures

8904076103 4

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	$	
	$	
PEOPLE FOR DAVE TREEN, INC.	$	**MUR 2535**
and JOHN H. CADE, JR.,	$	
AS TREASURER	$	

MEMORANDUM ON BEHALF OF RESPONDENTS

This memorandum is prepared for and on behalf of People for Dave Treen, Inc. (herein **STATE**) and John H. Cade, Jr. (herein **CADE**), Treasurer of **STATE**, and herein referred to collectively as **Respondents**. This memorandum is in response to the "Conciliation Agreement" proposed by the Commission on January 11, 1988. A request for an extension to respond until March 11, 1988, was granted by the Commission on February 19, 1988.

Respondents respectfully submit that the Commission is in error with respect to several assertions of fact, and is in error in its legal conclusions.

THE FACTS

Respondents are in agreement with the Commission on a number of facts, but disagrees on

8904076103 5

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

PAGES 2-14 HAVE BEEN REMOVED FROM THE PUBLIC RECORD

8 9 0 4 0 7 6 1 0 3 6

regulations which attempts to define contributions more broadly would be invalid.

CONCLUSION

Respondents sincerely contend that neither of them has committed any violation of the Act or the regulations. Alternatively, to the extent that the regulation purports to prohibit the transaction at issue, such regulation is invalid.

RESPECTFULLY SUBMITTED,

DAVID C. TREEN
755 Magazine Street
New Orleans, LA 70130
Telephone: 504/581-5141

Counsel for

PEOPLE FOR DAVE TREEN, INC.

and

JOHN H. CADE, JR.,

RESPONDENTS

8204076103 7

Name: (1) Address: P. O. Box 2148 Baton Rouge, La. 70821-2148 Account No.: Note: Due Date:

People for Dave Treen, Inc. -1983

$ 80,000.00 Gretna, La., 19

One Year

after date, I, whether maker, endorser, guarantor, surety, or other party hereto, promise to pay to the order of GUARANTY BANK & TRUST CO., *at* GUARANTY BANK & TRUST COMPANY, *Gretna, La.*

Eighty Thousand and No/100 Dollars

for value received, with interest at the rate of 2.00 per cent per annum from date until paid, interest payable at maturity.

It is agreed that any default or delinquency in the payment of any tax or other obligation to the United States government or any of its agencies or to the State of Louisiana or any of its agencies by any obligor hereunder, or the issuance of any levy, attachment, seizure or garnishment on or against any funds on deposit with BANK by any obligor hereunder, shall automatically mature this note and, in addition to the other remedies of the Bank, shall authorize the immediate application thereon of any funds on deposit by any obligor hereunder with said bank.

This note, its principal, interest and attorney's fees, as below stipulated, and any extension or renewal thereof, and any and every other debt, liability and obligation, direct or indirect, absolute or contingent, liquidated or unliquidated, due or to become due, whether now existing or hereafter arising, of the maker or makers hereof, and any one or more of them, to said bank, up to the sum of Ten Million Dollars ($10,000,000.00) are and shall be secured by the pledge of the securities and/or property listed and described on the reverse hereof; and any additions thereto and/or substitutions thereof; and all other securities and/or property of every nature whatsoever that may now or hereafter be in transit to or from said bank or be delivered to or left in the possession or under the control of said bank (alone, or with others) for any purpose whatsoever by the parties hereto, and any one or more of them, or in transit to or from, or delivered to or left in the possession or under the control of any other person, firm or corporation, for account of said bank (alone, or with others); and every balance of deposit account which the parties hereto, and any one or more of them, may at any time have with said bank.

Upon the death, suspension, failure or insolvency (however evidenced) of any party hereto, or if proceedings for voluntary or involuntary bankruptcy be brought by or against any parties hereto, or if any party hereto files proceedings for a respite or makes a general assignment for the benefit of creditors, or if a receiver of all or any part of the property of any party hereto be appointed or applied for, or if any party hereto be in default with respect to any promise herein contained, or with respect to any liability or obligation, direct or indirect, absolute or contingent, liquidated or unliquidated, whether now existing or hereafter arising, to said bank, then, and in any of said events, this note, and each and every of the aforesaid other debts, liabilities and obligations to said bank of the maker or makers hereof, and each of them, shall, without any notice whatsoever, unless said bank shall otherwise elect, be forthwith due and payable.

In case of non-payment of this note at maturity, or when otherwise due, as above provided, said bank is hereby irrevocably authorized to sell any securities and/or property, as aforesaid, or any part thereof, at public or private sale, or on exchange or broker's board, and at such time or times, as it may elect, without recourse to judicial proceedings and without demand for payment or notice or advertisement of sale, and said bank may be the purchaser of any and all property so sold and hold the same thereafter in its own right absolutely free from any claim or right of redemption, which is hereby expressly waived and released; and said bank is hereby irrevocably authorized to make any transfers or deliveries to the purchaser or purchasers at such sale or sales (including itself, if it be the purchaser) and to receive the purchase price.

Said bank is hereby authorized, in its discretion, whether or not this note be due, in its name, or in the name of any party or parties hereto, to demand, sue for, collect and/or receive any money and/or property at any time due, payable or receivable upon or on account of or in exchange for, or make any compromise or settlement it deems desirable with reference to, and/or otherwise realize upon, with or without suit, any securities and/or property, as aforesaid, and, in so far as said securities and/or property shall consist of obligations for the payment of money, said bank may extend the time of payment thereof as to any party or parties liable thereon, without thereby incurring responsibility to or discharging or otherwise affecting any liability of any party hereto.

Should this note be placed in the hands of an attorney-at-law for collection, or to enforce the right of said bank, attorney's fees, hereby fixed at twenty per cent 20% of the amount claimed or a minimum of fifty dollars shall be due hereon.

Said bank is hereby authorized, at any time and from time to time, at its option, to apply any and all of the net cash receipts (after deducting all expenses and commissions) from the sale, collection of, or realization upon, any securities and/or property, as aforesaid, and/or any or all of any balance of deposit account of the parties hereto, and any one or more of them, and/or any or all moneys now or hereafter in the hands of said bank and belonging to the parties hereto, and any one or more of them, to the payment in whole or in part of this note, in principal, interest and attorney's fees, as above stipulated, and of any of the aforesaid other debts, liabilities and obligations.

If, at any time, the security held by said bank for this note, and for such other debts, liabilities and obligations, be or become unsatisfactory to said bank, the maker or makers hereof agree to furnish, on demand, such further security or make such payment on account as shall be satisfactory to said bank.

If any note pledged to secure this note is not paid prior to sixty (60) days before the date on which said pledged note would prescribe, and if the said pledged note is not legally acknowledged and prescription thereon waiver within five (5) days after demand is made by the bank on the maker hereof, to legally acknowledge and waive prescription thereon and a new promise made by the maker to pay same, such failure shall, without putting in default, mature this note and render it at once due and exigible.

Upon the transfer of this note, said bank may transfer any or all of said security and shall be thereafter fully discharged from all liability and responsibility with respect to the security so transferred and the transferee vested with all the powers and rights of said bank with respect to such security so transferred, but with respect to any security not so transferred, said bank shall retain all rights and powers hereby given.

The holder hereof may at any time release any of the parties hereof, in whole or in part, from their obligation hereunder without in any manner affecting or impairing the rights of the holder hereof against all other parties hereto not so released.

No delay on the part of any holder hereof in exercising any power or right hereunder shall operate as a waiver of any such power or right; nor shall any single or partial exercise of any power or right hereunder preclude other or further exercise thereof, or the exercise of any other power or right.

The parties hereto hereby severally waive presentment for payment, demand, notice of non-payment, protest, and all pleas of division and discussion, and agree that the time of payment hereof may be extended from time to time, one or more times, without notice of such extension or extensions and without previous consent hereby binding themselves in solido, unconditionally as 1 as original promissors, for the payment hereof in principal, interest, costs and attorney fees.

As used herein, the term "parties" shall be deemed to include not only the maker or makers hereof but also any endorser or endorsers, surety or sureties and guarantor or guarantors.

Acceptance of partial payments on this note by said Bank or other holder or holders hereof shall in no way affect the demand character of this note, if payable on demand, and the parties hereto so acknowledge, agree and stipulate, the Bank or other holder of this note always reserving unto itself the right to demand payment in full of the balance due hereon at any time.

NEGOTIABLE PAPER

If Not For Business Purposes, See Separate Truth In Lending Disclosure Statement Required By Federal Law

People for Dave Treen, Inc. -1983

by: [signature]

Approved

Insurance $ n/a

R 2040761038

(1)

In consideration of the making at the request of the undersigned of the loan evidenced by the within note, the undersigned has taken notice of the conditions and promises on the reverse hereof, and binds himself to collide by each and all of them, as there stated.

Any statement, on this note or any other note signed by the maker hereof, of value of any collateral is to be taken as made by the maker of this note only, and not by said bank.

Secured by the pledge of a Guaranty Bank and Trust Company Certificate of Deposit in the name of Treen for Congress Committee, C. D. No. 01060014045, dated July 27, 1983.

DATE	PAYMENT	INT.	PRINCIPAL	BALANCE	DATE	PAYMENT	INT.	PRINCIPAL	BALA

People for Dave Treen, Inc. - 1983

by: [signature]

8904076103 9

TO: (2) Date November 15, 1983

FOR VALUE RECEIVED, I/we hereby assign to you my/our certificate of deposit No01060014045 Guaranty Bank and Trust Company, and any extension or renewal thereof, with Guaranty Bank and Trust Company as security for Eighty Thousand and No/100---------- Dollars, ($80,000.00).

This assignment shall be a continuing one and shall be effective for any renewals and extensions of above loan until same is entirely paid; and shall operate as security for payment of any other debts or liabilities of the undersigned to you now in existence or hereafter contracted.

You are hereby authorized to charge against the above certificate of deposit and any extension or renewal thereof, any note or notes representing unpaid balance of above loans, debts or liabilities at maturity or thereafter, with interest and costs, if not otherwise paid.

GBT 2491 R 183

[redacted], Treen for Congress Committee

by [redacted], Treasurer.

8904076104O

EXHIBIT "A-2"

(3)

Gretna, Louisiana

Guaranty Bank & Trust Company
Gretna, Louisiana

Gentlemen:

In consideration of your making a loan to

People for Dave Treen, Inc.

for $80,000.00, whether by discount of their note or otherwise, I have delivered to them, and hereby authorize them to pledge to you, as collateral security for their promissory note evidencing such indebtedness, or any renewals or extensions thereof, or any other liability of theirs, direct or contingent, to Guaranty Bank & Trust Company, whether now existing or hereafter arising, the security listed below, which is my personal property.

People for Dave Treen, Inc.'s authority to pledge my said security is full and complete, and the terms, provisions, stipulations and conditions of any agreement of pledge thereof that they may execute and deliver to you to secure the above indebtedness or any other liability, direct or contingent, now existing or hereafter arising, are hereby authorized, confirmed and ratified.

$83,661.93	Treen for Congress Committee	GBT Certificate of Deposit Bearing Interest of 9.58% No. 01060014045

Very truly yours,
Treen for Congress Committee

by: [signature], Treasurer

EXHIBIT "A-3"

8904076104 1

(1)

WILLIAM A. NUNGESSER
5740 Durham Drive
New Orleans, Louisiana 70114

January 19, 1984

TO WHOM IT MAY CONCERN:

The cash balance at the end of the December 31, 1983 reporting period includes a certificate of deposit in the amount of $83,661.93, and it is pledged up to a maximum amount of $80,000 as collateral for debt incurred by People for Dave Treen, a state campaign organization for Governor, to the Guaranty Bank, Gretna, Louisiana.

Signed: _____
William A. Nungesser, Treasurer
Treen for Congress Committee

8904076104 2

EXHIBIT "B"

JEFFERSON GUARANTY BANK

MEMORANDUM

TO: Billy Nungesser

DATE: 2/7/85

FROM: Alma Termini

SUBJECT: Loan of People for Dave Treen, Inc.

ORIGINAL DATE OF LOAN	11/22/83
ORIGINAL AMOUNT OF LOAN	$80,000.00
MATURITY	11/21/84
LOAN NO.	70125364670.
INTEREST DUE AND PAID ON 12/26/84: account No. 85733258003.)	$8043.78. (Collected this interest by debiting

WE FUNDED ACCOUNT NO. 85733258003 BY MAKING A LOAN FOR $8200.00 TO TREEN FOR CONGRESS INC. ON 12/26/84.

ON 12/26/84, when we extended loan for $8200.00, we also renewed the $80,000.00 loan

ON JANUARY 22, 1985, both loans were paid in full.

IN ORDER TO PAY OFF LOANS, THE FOLLOWING OCCURED:

LOAN BALANCE:	$80,000.00	PAID BY:	
	8,200.00	CHECKING ACCOUNT NO.	
INTEREST DUE:	545.78	85733258003.	$ 766.35
	70.33		
	$88,816.11	CERTIFICATE OF DEPOSIT (PRIN. PLUS INTEREST)	88,049.76
			$88,816.11

8904076104 3

JGB - 232 R5/84

EXHIBIT "C"

DEUTSCH, KERRIGAN & STILES
(A PARTNERSHIP INCLUDING PROFESSIONAL LAW CORPORATIONS)
755 MAGAZINE STREET
NEW ORLEANS 70130-3672
TELEPHONE (504) 581-5141
CABLE ADDRESS "DEKEST"
TELEX 584366
TELECOPY - 504/566-1201

DAVID C. TREEN

ST. TAMMANY OFFICE:
65 WHISPERWOOD BOULEVARD
SLIDELL, LA 70458-1189
TELEPHONE (504) 641-1070
MAILING ADDRESS:
P. O. BOX 220
SLIDELL, LA 70459-0220

March 10, 1988

VIA FEDERAL EXPRESS MAIL

HAND DELIVERED
RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM
88 MAR 11 AM 10:26

Lawrence M. Noble
General Counsel
Federal Election Commission
Washington, D.C. 20463

RE: MUR 2535
Treen for Congress Committee
and William Nungesser,
Treasurer

Dear Mr. Noble:

I am enclosing herewith a memorandum on behalf of the subject Respondents which is in response to your letter of January 11, 1988, addressed to Mr. Nungesser, and which enclosed a proposed conciliation agreement.

I wish to emphasize that I have prepared this memorandum in my capacity as pro bono counsel to the Treen for Congress Committee and William Nungesser, and in that capacity alone. I am the person for whom the committee was formed, but I am not now and never have been an officer, director or employee of the committee.

I have not heretofore represented the committee legally, but do so now because of my feeling of moral responsibility to Mr. Nungesser, who has labored diligently over the years on behalf of the committee as an uncompensated volunteer, and because of the very strong and sincere belief by both Mr. Nungesser and myself that neither the purposes nor the express provisions of the federal election laws have been violated. Mr. Nungesser has conscientiously sought to make sure that the laws and regulations have been complied with. He is not a lawyer, and whenever

8 9 0 4 0 7 6 1 0

he had questions about the appropriate procedure he contacted the staff of the Federal Election Commission.

Your staff was generous to me when I visited your offices a few weeks ago, and I appreciate the time that they devoted to this matter. I again ask you, and your staff, to carefully review the facts, the law, and the enclosed memorandum. It is my hope that you will conclude that the circumstances do not warrant further action by the Commission.

Please let me hear from you at your convenience.

Sincerely,

David C. Treen

DCT/cms/L01
Enclosures:

(1) Memorandum on Behalf of Respondents; and

(2) Statement of Designation of Counsel Form.

8904076104 5

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2535

NAME OF COUNSEL: David C. Treen

ADDRESS: 755 Magazine Street
New Orleans, Louisiana 70130

TELEPHONE: (504) 581-5141 (Office)
(504) 845-4130 (Residence)

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

March 7, 1988
Date

TREEN FOR CONGRESS COMMITTEE
Signature

March 7, 1988
Date

WILLIAM A. NUNGESSER, TREASURER
Signature

RESPONDENT'S NAME: TREEN FOR CONGRESS COMMITTEE and
WILLIAM A. NUNGESSER as Treasurer

ADDRESS: 5740 Durham Drive
New Orleans, Louisiana 70114

HOME PHONE: (504) 394-7561

BUSINESS PHONE: (504) 362-0744

8904076104046

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	$	
	$	
TREEN FOR CONGRESS COMMITTEE	$	**MUR 2535**
and WILLIAM NUNGESSER,	$	
AS TREASURER	$	

MEMORANDUM ON BEHALF OF RESPONDENTS

This memorandum is prepared for and on behalf of the Treen for Congress Committee (herein **FEDERAL**) and William A. Nungesser (herein **NUNGESSER**), Treasurer of **FEDERAL**, and herein referred to collectively as **Respondents.** This memorandum is in response to the "Conciliation Agreement" proposed by the Commission on January 11, 1988. A request for an extension to respond until March 11, 1988, was granted by the Commission on February 19, 1988.

Respondents respectfully submit that the Commission is in error with respect to several assertions of fact, and is in error in its legal conclusions.

THE FACTS

Respondents are in agreement with the Commission on a number of facts, but disagrees on

8204076100047

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

PAGES 2-21 HAVE BEEN REMOVED FROM THE PUBLIC RECORD

8904076104 8

8904076104 49

CONCLUSION

Respondents sincerely contend that neither of them has committed any violation of the Act or the regulations. Alternatively, with respect to the fourth violation described in the proposed conciliation agreement, to the extent that the regulation purports

to prohibit the transaction at issue, such regulation is invalid.

RESPECTFULLY SUBMITTED,

DAVID C. TREEN
755 Magazine Street
New Orleans, LA 70130
Telephone: 504/581-5141

Counsel for

TREEN FOR CONGRESS COMMITTEE

and

WILLIAM NUNGESSER,

RESPONDENTS.

8904076105O

CERTIFICATION OF FACTS

I, WILLIAM A. NUNGESSER, do hereby certify that all of the factual assertions set forth in the foregoing memorandum are true and correct to the best of my knowledge, information and belief.

New Orleans, Louisiana, this 9 day of March, 1988.

WILLIAM A. NUNGESSER

8904076105I

Name: Address: P. O. Box 2148 Account No.: Due Date:
Baton Rouge, La. 70821-2148 Note:

People for Dave Treen, Inc. -1983

$ 80,000.00 Gretna, La., 19

One Year

after date, I, whether maker, endorser, guarantor, surety, or other party hereto, promise to pay to the order of GUARANTY BANK & TRUST CO., *at* GUARANTY BANK & TRUST COMPANY, *Gretna, La.*

Eighty Thousand and No/100 Dollars

for value received, with interest at the rate of 9.00 per cent per annum from date until paid, interest payable at maturity.

It is agreed that any default or delinquency in the payment of any tax or other obligation to the United States government or any of its agencies or to the State of Louisiana or any of its agencies by any obligor hereunder, or the issuance of any levy, attachment, seizure or garnishment on or against any funds on deposit with BANK by any obligor hereunder, shall automatically mature this note and, in addition to the other remedies of the Bank, shall authorize the immediate application thereon of any funds on deposit by any obligor hereunder with said bank.

This note, its principal, interest and attorney's fees, as below stipulated, and any extension or renewal thereof, and any and every other debt, liability and obligation, direct or indirect, absolute or contingent, liquidated or unliquidated, due or to become due, whether now existing or hereafter arising, of the maker or makers hereof, and any one or more of them, to said bank, up to the sum of Ten Million Dollars ($10,000,000.00) are and shall be secured by the pledge of the securities and/or property listed and described on the reverse hereof; and any additions thereto and/or substitutions thereof; and all other securities and/or property of every nature whatsoever that may now or hereafter be in transit to or from said bank or be delivered to or left in the possession or under the control of said bank (alone, or with others) for any purpose whatsoever by the parties hereto, and any one or more of them, or in transit to or from, or delivered to or left in the possession or under the control of any other person, firm or corporation, for account of said bank (alone, or with others); and every balance of deposit account which the parties hereto, and any one or more of them, may at any time have with said bank.

Upon the death, suspension, failure or insolvency (however evidenced) of any party hereto, or if proceedings for voluntary or involuntary bankruptcy be brought by or against any parties hereto, or if any party hereto files proceedings for a respite or makes a general assignment for the benefit of creditors, or if a receiver of all or any part of the property of any party hereto be appointed or applied for, or if any party hereto be in default with respect to any promise herein contained, or with respect to any liability or obligation, direct or indirect, absolute or contingent, liquidated or unliquidated, whether now existing or hereafter arising, to said bank, then, and in any of said events, this note, and each and every of the aforesaid other debts, liabilities and obligations to said bank of the maker or makers hereof, and each of them, shall, without any notice whatsoever, unless said bank shall otherwise elect, be forthwith due and payable.

In case of non-payment of this note at maturity, or when otherwise due, as above provided, said bank is hereby irrevocably authorized to sell any securities and/or property, as aforesaid, or any part thereof, at public or private sale, or on exchange or broker's board, and at such time or times, as it may elect, without recourse to judicial proceedings and without demand for payment or notice or advertisement of sale, and said bank may be the purchaser of any and all property so sold and hold the same thereafter in its own right absolutely free from any claim or right of redemption, which is hereby expressly waived and released; and said bank is hereby irrevocably authorized to make any transfers or deliveries to the purchaser or purchasers at such sale or sales (including itself, if it be the purchaser) and to receive the purchase price.

Said bank is hereby authorized, in its discretion, whether or not this note be due, in its name, or in the name of any party or parties hereto, to demand, sue for, collect and/or receive any money and/or property at any time due, payable or receivable upon or on account of or in exchange for, or make any compromise or settlement it deems desirable with reference to, and/or otherwise realize upon, with or without suit, any securities and/or property, as aforesaid, and, in so far as said securities and/or property shall consist of obligations for the payment of money, said bank may extend the time of payment thereof as to any party or parties liable thereon, without thereby incurring responsibility to or discharging or otherwise affecting any liability of any party hereto.

Should this note be placed in the hands of an attorney-at-law for collection, or to enforce the right of said bank, attorney's fees, hereby fixed at twenty per cent 20% of the amount claimed or a minimum of fifty dollars shall be due hereon.

Said bank is hereby authorized, at any time and from time to time, at its option, to apply any and all of the net cash receipts (after deducting all expenses and commissions) from the sale, collection of, or realization upon, any securities and/or property, as aforesaid, and/or any or all of any balance of deposit account of the parties hereto, and any one or more of them, and/or any or all moneys now or hereafter in the hands of said bank and belonging to the parties hereto, and any one or more of them, to the payment in whole or in part of this note, in principal, interest and attorney's fees, as above stipulated, and of any of the aforesaid other debts, liabilities and obligations.

If, at any time, the security held by said bank for this note, and for such other debts, liabilities and obligations, be or become unsatisfactory to said bank, the maker or makers hereof agree to furnish, on demand, such further security or make such payment on account as shall be satisfactory to said bank.

If any note pledged to secure this note is not paid prior to sixty (60) days before the date on which said pledged note would prescribe, and if the said pledged note is not legally acknowledged and prescription thereon waiver within five (5) days after demand is made by the bank on the maker hereof, to legally acknowledge and waive prescription thereon and a new promise made by the maker to pay same, such failure shall, without putting in default, mature this note and render it at once due and exigible.

Upon the transfer of this note, said bank may transfer any or all of said security and shall be thereafter fully discharged from all liability and responsibility with respect to the security so transferred and the transferee vested with all the powers and rights of said bank with respect to such security so transferred, but with respect to any security not so transferred, said bank shall retain all rights and powers hereby given.

The holder hereof may at any time release any of the parties hereof, in whole or in part, from their obligation hereunder without in any manner affecting or impairing the rights of the holder hereof against all other parties hereto not so released.

No delay on the part of any holder hereof in exercising any power or right hereunder shall operate as a waiver of any such power or right; nor shall any single or partial exercise of any power or right hereunder preclude other or further exercise thereof, or the exercise of any other power or right.

The parties hereto hereby severally waive presentment for payment, demand, notice of non-payment, protest, and all pleas of division and discussion, and agree that the time of payment hereof may be extended from time to time, one or more times, without notice of such extension or extensions and without previous consent hereby binding themselves in solido, unconditionally as original promisors, for the payment hereof in principal, interest, costs and attorney fees.

As used herein, the term "parties" shall be deemed to include not only the maker or makers hereof but also any endorser or endorsers, surety or sureties and guarantor or guarantors.

Acceptance of partial payments on this note by said Bank or other holder or holders hereof shall in no way affect the demand character of this note, if payable on demand, and the parties hereto so acknowledge, agree and stipulate, the Bank or other holder of this note always reserving unto itself the right to demand payment in full of the balance due hereon at any time.

NEGOTIABLE PAPER

If Not For Business Purposes, See Separate Truth In Lending Disclosure Statement Required By Federal Law

People for Dave Treen, Inc. -1983 Approved

by: Insurance $ n/a

(1)

In consideration of the making at the request of the undersigned of the loan evidenced by the within note, the undersigned has taken notice of the conditions and promises on the reverse hereof, and binds himself in solido by each and all of them, as there stated.

Any statement, on this note or any other note signed by the maker hereof, of value of any collateral is to be taken as made by the maker of this note only, and not by said bank.

Secured by the pledge of a Guaranty Bank and Trust Company Certificate of Deposit in the name of Treen for Congress Committee, C. D. No. 01060014045, dated July 27, 1983.

DATE	PAYMENT	INT.	PRINCIPAL	BALANCE	DATE	PAYMENT	INT.	PRINCIPAL	BALANCE

People for Dave Treen, Inc. - 1983

by: [signature]

(1)

In consideration of the making at the request of the undersigned of the loan evidenced by the within note, the undersigned has taken notice of the conditions and promises on the reverse hereof, and binds himself in solido by each and all of them, as there stated.

Any statement, on this note or any other note signed by the maker hereof, of value of any collateral is to be taken as made by the maker of this note only, and not by said bank.

Secured by the pledge of a Guaranty Bank and Trust Company Certificate of Deposit in the name of Treen for Congress Committee, C. D. No. 01060014045, dated July 27, 1983.

DATE	PAYMENT	INT.	PRINCIPAL	BALANCE	DATE	PAYMENT	INT.	PRINCIPAL	BALA

People for Dave Treen, Inc. - 1983

by: [signature]

TO: BANK & TRUST COMPANY

(2)

Date November 15, 1983

FOR VALUE RECEIVED, I/we hereby assign to you my/our certificate of deposit No 01060014045

Guaranty Bank and Trust Company, and any extension or renewal thereof,

with Guaranty Bank and Trust Company as security for Eighty Thousand and No/100----------

----------Dollars, ($80,000.00).

This assignment shall be a continuing one and shall be effective for any renewals and extensions of above loan until same is entirely paid; and shall operate as security for payment of any other debts or liabilities of the undersigned to you now in existence or hereafter contracted.

You are hereby authorized to charge against the above certificate of deposit and any extension or renewal thereof, any note or notes representing unpaid balance of above loans, debts or liabilities at maturity or thereafter, with interest and costs, if not otherwise paid.

GBT 2491 R 183

[redacted], Treen for Congress Committee

by [redacted], Treasurer.

R 9040761054

EXHIBIT "A-2"

(3)

Gretna, Louisiana

Guaranty Bank & Trust Company
Gretna, Louisiana

Gentlemen:

In consideration of your making a loan to

People for Dave Treen, Inc.

for $80,000.00, whether by discount of their note or otherwise, I have delivered to them, and hereby authorize them to pledge to you, as collateral security for their promissory note evidencing such indebtedness, or any renewals or extensions thereof, or any other liability of theirs, direct or contingent, to Guaranty Bank & Trust Company, whether now existing or hereafter arising, the security listed below, which is my personal property.

People for Dave Treen, Inc.'s authority to pledge my said security is full and complete, and the terms, provisions, stipulations and conditions of any agreement of pledge thereof that they may execute and deliver to you to secure the above indebtedness or any other liability, direct or contingent, now existing or hereafter arising, are hereby authorized, confirmed and ratified.

$83,661.93	Treen for Congress Committee	GBT Certificate of Deposit Bearing Interest of 9.58% No. 01060014045

Very truly yours,
Treen for Congress Committee

by: [signature], Treasurer

EXHIBIT "A-3"

8904076105

WILLIAM A. NUNGESSER
5740 Durham Drive
New Orleans, Louisiana 70114

January 19, 1984

TO WHOM IT MAY CONCERN:

The cash balance at the end of the December 31, 1983 reporting period includes a certificate of deposit in the amount of $83,661.93, and it is pledged up to a maximum amount of $80,000 as collateral for debt incurred by People for Dave Treen, a state campaign organization for Governor, to the Guaranty Bank, Gretna, Louisiana.

Signed: _____
William A. Nungesser, Treasurer
Treen for Congress Committee

R904076105b

EXHIBIT "B"

JEFFERSON GUARANTY BANK

MEMORANDUM

TO: Billy Nungesser

DATE: 2/7/85

FROM: Alma Termini

SUBJECT: Loan of People for Dave Treen, Inc.

ORIGINAL DATE OF LOAN	11/22/83
ORIGINAL AMOUNT OF LOAN	$80,000.00
MATURITY	11/21/84
LOAN NO.	70125364670.
INTEREST DUE AND PAID ON 12/26/84: account No. 85733258003.)	$8043.78. (Collected this interest by debiting

WE FUNDED ACCOUNT NO. 85733258003 BY MAKING A LOAN FOR $8200.00 TO TREEN FOR CONGRESS INC. ON 12/26/84.

ON 12/26/84, when we extended loan for $8200.00, we also renewed the $80,000.00 loan

ON JANUARY 22, 1985, both loans were paid in full.

IN ORDER TO PAY OFF LOANS, THE FOLLOWING OCCURED:

LOAN BALANCE:	$80,000.00	PAID BY:	
	8,200.00	CHECKING ACCOUNT NO.	
INTEREST DUE:	545.78	85733258003.	$ 766.35
	70.33		
	$88,816.11	CERTIFICATE OF DEPOSIT (PRIN. PLUS INTEREST)	88,049.76
			$88,816.11

8904061057

JGB - 232 R5/84

EXHIBIT "C"

(B)

GENERAL MARINE
CATERING COMPANY, INC.
A Nungesser Brothers Company

September 4, 1985

Benjamin J. Guthrie, Clerk
Office of the Clerk
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Guthrie:

In response to your letter of August 30, 1985 - I.D. 032743.

The loan repayment of $80,545.78 was in regard to a certificate of deposit belonging to Treen For Congress which had been pledged as collateral for a loan made by People For Dave Treen, a state campaign organization.

Because People For Dave Treen was unable to pay this loan, the CD was used to pay off the loan.

Attached to our report for period ending 12/31/83 was a letter dated 1/19/84 advising you of this. Attached is a copy of this letter.

I hope this answers your inquiry. If I can be of further help, please advise.

Sincerely,

William Nungesser, Treasurer
Treen For Congress Committee
5740 Durham Drive
New Orleans, La. 70114

FEC# H R 032 743

P.S. Also attached is a memo of a telephone conversation with Mary Jean McLaughlin who advised us to handle this in this fashion.

8904076-0058

EXHIBIT "D"

F

From the Desk of . . .

Bill Nungesser
7/16/86

John,

As per our telephone conversation, I have deposited the two $1,000 ck's from People For Dave Treen to the account of Treen for Congress Comm. The deposits don't show up on this 6/30/86 Report (attached) because they were not deposited until 7/8/86. As I explained, when I report them on our next report (12/31/86), it makes the state committee subject to audit to see that the contribution was permissable (not taxable). Hope everything is well with you

Bill

Copy sent to Dave Treen with his copy of Report
Original sent to John Cade with copy of Report

EXHIBIT "E

8204076105 9

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Treen for Congress Committee and William Nungesser, as treasurer	)	MUR 2535
	)	
People for Dave Treen, Inc. and John H. Cade, Jr., as treasurer	)	

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On September 9, 1987, the Commission found reason to believe that the Treen for Congress Committee ("Federal Committee") and William Nungesser, as treasurer, violated 2 U.S.C. §§ 434(b) and 441b. On the same date the Commission also found that People for Dave Treen, Inc. ("State Committee") and John H. Cade, Jr., as treasurer violated 2 U.S.C. § 441b. On January 6, 1988, the Commission approved entering into pre-probable cause conciliation with respect to all Respondents. On February 4, 1988, Governor Treen met with representatives of this Office to discuss the Commission's findings. On February 16, 1988, the Respondents requested additional time to respond to the proposed conciliation agreement. A General Counsel's Report dated February 23, 1988, was circulated which informed the Commission of the developments in the conciliation negotiations on the MUR. On March 11, 1988, this Office received a response from Governor Treen on behalf of the State Committee. Attachment 1.

II. ANALYSIS

8904076060

8904076106 1

. It is this Office's opinion that further pursuit of pre-probable cause conciliation in this matter would not be fruitful. Accordingly, this Office recommends that the Commission send the attached letter to Respondents, which states that the matter will proceed to the next stage of the enforcement process. Attachment 2.

III. RECOMMENDATION:

Approve the attached letter.

Lawrence M. Noble
General Counsel

3/30/89
Date

BY: Lois G. Lerner
Associate General Counsel

Attachments
1. Response
2. Letter to Respondents

Staff Person: Susan Beard

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Treen for Congress Committee and William Nungesser, as treasurer	)	MUR 2535
	)	
People for Dave Treen, Inc. and John H. Cade, Jr., as treasurer	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on April 5, 1988, the Commission decided by a vote of 6-0 to approve the letter, as recommended in the General Counsel's report signed March 30, 1988.

Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision.

Attest:

4/5/88
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

Received in the Office of Commission Secretary: Thurs., 3-31-88, 12:5
Circulated on 48 hour tally basis: Fri., 4-01-88, 12:0
Deadline for vote: Tues., 4-05-88, 4:0

8904076062

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 8, 1988

The Honorable David C. Treen
Deutsch, Kerrigan & Stiles
755 Magazine Street
New Orleans, LA 70130-3672

RE: MUR 2535
Treen for Congress Committee
and William Nungesser, as
treasurer

People for Dave Treen, Inc.
and John H. Cade, Jr., as
treasurer

Dear Governor Treen:

This letter is to confirm the Commission's receipt of your letter dated March 10, 1988. The Commission has reviewed your letter and the Memorandum on behalf of Respondents. The Commission has determined that further pursuit of pre-probable cause conciliation will no longer be fruitful. Thus, the Commission considers these negotiations terminated. This matter will now proceed to the next step of the enforcement process.

If you have any questions, please contact Susan Beard, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

8904076106 3

RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARIAT

88 JUN 30 PM 12:20

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Treen for Congress Committee and	)	SENSITIVE
William Nungesser, as treasurer;	)	
People for Dave Treen, Inc. and	)	MUR 2535
John H. Cade, Jr., as treasurer	)	

GENERAL COUNSEL'S REPORT

The Office of the General Counsel is prepared to close the investigation in this matter as to all Respondents, based on the assessment of the information presently available.

6/30/88
Date

Lawrence M. Noble
General Counsel

8904076i064

RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARIAT

88 JUL 21 PM 4:00

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

SENSITIVE

July 21, 1988

MEMORANDUM

TO: The Commission

FROM: Lawrence M. Noble
General Counsel

SUBJECT: MUR 2535

Attached for the Commission's review are briefs stating the position of the General Counsel on the legal and factual issues of the above-captioned matter. A copy of these briefs and letter notifying the respondents of the General Counsel's intent to recommend to the Commission a finding of probable cause to believe were mailed on July 21, 1988. Following receipt of the respondents' reply to this notice, this Office will make a further report to the Commission.

Attachments
1. Briefs
2. Letter to respondents

Staff Person: Susan Beard

8904076106 5

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 21, 1988

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

The Honorable David C. Treen
Deutsch, Kerrigan & Stiles
755 Magazine Street
New Orleans, LA 70130-3672

RE: MUR 2535
Treen for Congress Committee and William Nungesser, as treasurer; People for Dave Treen, Inc.

Dear Governor Treen:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, and information supplied by the Treen for Congress Committee, on September 9, 1987, the Federal Election Commission found reason to believe that the Treen For Congress Committee ("Federal Committee") and William Nungesser, as treasurer, violated 2 U.S.C. §§ 434(b) and 441b, and People for Dave Treen, Inc. violated 2 U.S.C. § 441b, and instituted an investigation in this matter.

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

The Commission may or may not approve the General Counsel's recommendation. Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within 15 days of your receipt of this notice, you may file with the Secretary of the Commission a brief (ten copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of the General Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of whether there is probable cause to believe a violation has occurred.

8904076106 6

If you are unable to file a responsive brief within 15 days, you may submit a written request for an extension of time. All requests for extensions of time must be submitted in writing five days prior to the due date, and good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

A finding of probable cause to believe requires that the Office of the General Counsel attempt for a period of not less than 30, but not more than 90 days, to settle this matter through a conciliation agreement.

Should you have any questions, please contact Susan Beard, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Briefs

8904076106 57

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
People for Dave Treen, Inc.) MUR 2535

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

The circumstances underlying this matter under review arose in November of 1983, when the Treen for Congress Committee ("Federal Committee") pledged an $80,000 certificate of deposit as collateral for a loan made by the Jefferson Guaranty Bank, formerly known as the Guaranty Bank and Trust Company ("Jefferson Guaranty Bank") to People for Dave Treen, Inc. ("State Committee"). The State Committee defaulted on the loan and in January of 1985, the certificate of deposit was liquidated to satisfy the outstanding debt. The Federal Committee reported this transaction as a loan repayment. On or about July 8, 1986, the State Committee paid the Federal Committee $10,000 as a partial repayment for the certificate of deposit which was liquidated. The Federal Committee reported this transaction as a contribution. The State Committee is registered and reports in Louisiana which allows unlimited contributions by corporations and labor unions. On September 9, 1987, the Commission found reason to believe that the State Committee violated 2 U.S.C. § 441b and instituted an investigation in this matter.

A. The Making of the Loan

On or about November 15, 1983, the Federal Committee pledged

8904076106 8

an $80,000 certificate of deposit as collateral for a loan that the State Committee received from the Jefferson Guaranty Bank. William Nungesser, the treasurer of the Federal Committee, and John H. Cade, Jr., the treasurer of the State Committee, reached a verbal agreement that the State Committee would pay its loan to the Jefferson Guaranty Bank thereby releasing the Federal Committee's collateral. The Federal Committee reported on its 1983 Year End Report that it had pledged the $80,000 certificate of deposit as collateral. The loan matured on November 21, 1984; however, the State Committee was unable to pay off the loan.

On or about December 26, 1984, the Jefferson Guaranty Bank required that the loan be paid off. On January 22, 1985, the loan was paid in full by the Federal Committee. Earlier in December of 1984, Mr. Cade and Mr. Nungesser reached a verbal agreement that the State Committee would continue to attempt to raise funds in order to repay the Federal Committee. The State Committee reported on its calendar year 1986 report filed with the State of Louisiana, that the amount of loans received included $80,000 from the Federal Committee. The Federal Committee also characterized this transaction as a loan when it stated that the State Committee owed the Federal Committee $88,043.78 ($80,000 principal and $8,043.78 in interest through December 26, 1984) after the Federal Committee liquidated its certificate of deposit.

B. Partial Repayment of the Loan

On its 1986 Year End Report, the Federal Committee reported receiving two $5,000 contributions from the State Committee on

8904076069

July 8, 1986. In a letter to the Commission, the Federal Committee stated that "[t]he $10,000 was a payment on the approximately $80,000.00 dollars [sic] the Treen for Congress Committee had paid out when the People for Treen [sic] could not pay the bank." In a letter to the Commission, the State Committee also characterized the $10,000 payment as a loan repayment and not a contribution.

C. Source of Funds

At the time that the State Committee made the $10,000 payment the State Committee had corporate funds in its account. The State Committee had a balance of $12,057.07 in its account when it made the $10,000 payment to the Federal Committee. Using a last-in-first-out analysis, at least $7,916.47 of this balance consisted of a corporate contribution. Thus, at most the State Committee had non-corporate funds of $4,140.60. In order to make the payment to the Federal Committee, the State Committee had to use at least $5,859.40 of the corporate funds (See attachment for how these figures were obtained). Thus, the State Committee had insufficient funds from non-corporate or non-union sources to make the $10,000 payment to the Federal Committee.

II. LEGAL ANALYSIS

Section 441b of Title 2 states that it is unlawful for any corporation or labor organization to make a contribution or expenditure in connection with any election for federal office. This section also states that a candidate, political committee or other person is prohibited from knowingly accepting or receiving any contribution that is prohibited by the section. The

8904076070

legislative history of the 1976 amendments to the Act indicate that Congress intended that the "knowing" standard not require a specific wrongful intent. See, H.R. Rep. No. 94-917, 94th Cong. 2d Sess. 3-4 (1976). Section 441b(b)(2) defines the term "contribution or expenditure" to include any direct or indirect payment, distribution, loan, advance, deposit, or gift of money, or any services, or anything of value to any campaign committee in connection with any election for federal office.

The Commission has examined the issue of indirect corporate contributions in several advisory opinions. In Advisory Opinion 1977-65, a political committee inquired about whether it could accept a contribution from its connected organization. The connected organization primarily derived its funds from membership dues, but some funds were derived from corporations and labor unions through the sale of advertising in program booklets and tickets to fundraising events. The Commission found that the political committee could not accept a contribution from the connected organization since "the contribution would represent an indirect corporate or labor union contribution." In Advisory Opinion 1979-2, an authorized committee asked if it could be repaid for advances it made to a Federal Procurement Conference. The Commission found that the authorized committee could not be repaid by the Conference since the Conference's funds came from corporations. The Commission found that the repayment would be in violation of § 441b(a). See also, Advisory Opinions 1982-38 and 1982-52.

8904076107

Pursuant to 11 C.F.R. § 100.7(a)(1)(i)(E), when a political committee makes a loan, the repayment of the loan is not a contribution by the debtor to the lender committee, provided that the funds used for the repayment are subject to the limitation concerning funds from corporations, labor unions, and foreign nationals. In Advisory Opinion 1980-130, the Commission discussed the repayment of a loan made by a committee under the Act to a committee that was subject to state law. The Commission found that the regulations require that the debtor committee "repay the loan with funds which were not donated to it by corporations or labor organizations."

In the instant case, the Federal Committee accepted two $5,000 checks from the State Committee and deposited them into its account. At the time that the $10,000 payment was made, the State Committee did not have sufficient funds pursuant to 11 C.F.R. § 100.7(a)(1)(i)(E) to make the payment. As was noted above, at least $5,859.40 of the payment was from corporate funds. Thus, an indirect payment of corporate funds was made in violation of 2 U.S.C. § 441b.

Based on the foregoing analysis, the Office of the General Counsel recommends that the Commission find probable cause to believe that People for Dave Treen, Inc. violated 2 U.S.C. § 441b.

8904076107 2

III. RECOMMENDATION

Find probable cause to believe that People for Dave Treen, Inc. violated 2 U.S.C. § 441b.

7/24/88
Date

Lawrence M. Noble
General Counsel

Attachment

8904076107 3

ACTIVITY ON STATE COMMITTEE'S CHECKING ACCOUNT DURING 1986

Cash-on-hand 1/1/86		($2,899.93)
Uncleared Checks for More than Two Years		+10,441.36
Balance in Checking Account 1/1/86		7,541.43
Check #6972 1/27/86		- 4,318.11
Balance in Checking Account 1/27/86		3,223.32
Deposit 3/5/86:		
Norfolk Southern Corp.	$8,000.00	
Beauregard Parish Fundraiser	867.28	
Tore or Paula Carberg	50.00	+ 8,917.28
Balance in Checking Account 3/5/86		12,140.60
Check #6974 3/12/86		- 30.53
Balance in Checking Account 3/5/86		12,110.07
Check #6975 5/1/86		- 53.00
Balance in Checking Account 5/1/86		12,057.07
Checks #6976 & 6977 5/9/86		-10,000.00
Balance in Checking Account 5/9/86		2,057.07

Using a last-in-first-out analysis: the last deposit was $8,917.28 of which $83.53 was used on or before May 1, 1986. Assuming that the $83.53 came from corporate funds, that leaves at least $7,916.47 of the corporate contribution still in the account as of May 1, 1986. Thus, on May 9, 1986, when the two checks to the Federal Committee were drafted, there was at most $4,140.60 (12,057.07 - 7,916.47) in non-corporate funds in the State Committee's account. Thus, at least $5,859.40 (10,000 - 4,140.60) of the $10,000 payment was from corporate funds.

Attachment

8904076074

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Treen for Congress Committee and William Nungesser, as treasurer	)	MUR 2535

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

The circumstances underlying this matter under review arose in November of 1983, when the Treen for Congress Committee ("Federal Committee") pledged an $80,000 certificate of deposit as collateral for a loan made by the Jefferson Guaranty Bank, formerly known as the Guaranty Bank and Trust Company ("Jefferson Guaranty Bank") to People for Dave Treen, Inc. ("State Committee"). The State Committee defaulted on the loan and in January of 1985, the certificate of deposit was liquidated to satisfy the outstanding debt. The Federal Committee reported this transaction as a loan repayment. On or about July 8, 1986, the State Committee paid the Federal Committee $10,000 as a partial repayment for the certificate of deposit which was liquidated. The Federal Committee reported this transaction as a contribution. The State Committee is registered and reports in Louisiana which allows unlimited contributions by corporations and labor unions. On September 9, 1987, the Commission found reason to believe that the Federal Committee violated 2 U.S.C. §§ 434(b) and 441b and instituted an investigation in this matter.

A. The Making of the Loan

On or about November 15, 1983, the Federal Committee pledged an $80,000 certificate of deposit as collateral for a loan that

8904076107 5

the State Committee received from the Jefferson Guaranty Bank. William Nungesser, the treasurer of the Federal Committee, and John H. Cade, Jr., the treasurer of the State Committee, reached a verbal agreement that the State Committee would pay its loan to the Jefferson Guaranty Bank thereby releasing the Federal Committee's collateral. The Federal Committee reported on its 1983 Year End Report that it had pledged the $80,000 certificate of deposit as collateral. The loan matured on November 21, 1984; however, the State Committee was unable to pay off the loan.

On or about December 26, 1984, the Jefferson Guaranty Bank required that the loan be paid off. Since the certificate of deposit had not matured, the Jefferson Guaranty Bank agreed to renew the $80,000 loan until January 22, 1985, the date on which the certificate of deposit would mature. The interest on the State Committee's loan came to $8,043.78 as of December 26, 1984. In order to pay the interest, the Federal Committee received an $8,200 loan from the Jefferson Guaranty Bank on December 26, 1984. On January 22, 1985, both loans were paid in full by the Federal Committee. The Federal Committee paid $545.78 in interest on the $80,000 loan and $70.33 in interest on the $8,200 loan.

Earlier in December of 1984, Mr. Cade and Mr. Nungesser reached a verbal agreement that the State Committee would continue to attempt to raise funds in order to repay the Federal Committee. The State Committee reported on its calendar year 1986 report filed with the State of Louisiana, that the amount of loans received included $80,000 from the Federal Committee. The

8904076 1076

Federal Committee also characterized this transaction as a loan when it stated that the State Committee owed the Federal Committee $88,043.78 ($80,000 principal and $8,043.78 in interest through December 26, 1984). The Federal Committee did not report the loan to the State Committee until it filed its 1987 Year End Report.

On its 1984 Year End Report, the Federal Committee reported that it had received an $8,200 loan from the Jefferson Guaranty Bank on December 26, 1984. The Committee also reported an $8,200 disbursement to the Jefferson Guaranty Bank for "interest on loan." On its 1985 Mid Year Report, the Federal Committee reported that it made two disbursements for "loan repayment[s]" on January 22, 1985 to the Jefferson Guaranty Bank. The disbursements were in the amount of $80,545.78 and $8,270.33. To further clarify the reporting, the Federal Committee stated that the $80,545.78 disbursement was the payment of the loan that the State Committee had owed the Jefferson Guaranty Bank.

B. Partial Repayment of the Loan

On its 1986 Year End Report, the Federal Committee reported receiving two $5,000 contributions from the State Committee on July 8, 1986. In a letter to the Commission, the Federal Committee stated that "[t]he $10,000 was a payment on the approximately $80,000.00 dollars [sic] the Treen for Congress Committee had paid out when the People for Treen [sic] could not pay the bank." In a letter to the Commission, the State Committee also characterized the $10,000 payment as a loan repayment and not a contribution. The Federal Committee contends

8904076 1077

that it reported the $10,000 payment as a contribution and not as a loan repayment on the advice of Commission employees since the Committee had not been reporting an outstanding loan balance.

C. Source of Funds

At the time that the State Committee made the $10,000 payment the State Committee had corporate funds in its account. The State Committee had a balance of $12,057.07 in its account when it made the $10,000 payment to the Federal Committee. Using a last-in-first-out analysis, at least $7,916.47 of this balance consisted of a corporate contribution. Thus, at most the State Committee had non-corporate funds of $4,140.60. In order to make the payment to the Federal Committee, the State Committee had to use at least $5,859.40 of the corporate funds. Thus, the State Committee had insufficient funds from non-corporate or non-union sources to make the $10,000 payment to the Federal Committee.

II. LEGAL ANALYSIS

A. Failure to properly report financial activity

Section 434(b) of Title 2 states that each report filed with the Commission must disclose certain information. Section 434(b)(4) states that each report must include the amount of disbursements in the following categories: expenditures made to meet candidate or committee operating expenses, transfers to other committees authorized by the same candidate, transfers to affiliated committees, repayment of loans made by or guaranteed by the candidate, repayment of all other loans, contribution refunds and other offsets to contributions, and any other disbursements. Section 434(b)(8) states that each report must

8904076078

include the amount and nature of all outstanding debts and obligations owed by or to the political committee that is filing the report. Section 434(b)(2) states that each report must include the amount of receipts in the following categories: contributions, transfers from other authorized committees of the same candidate, loans made by or guaranteed by the candidate, all other loans, offsets to operating expenditures, dividends, interest, and other forms of receipts.

The Federal Committee reported the liquidation of the certificate of deposit as a loan repayment on its 1985 Mid Year Report. This payment was not a loan repayment since the Federal Committee did not receive a loan from the Jefferson Guaranty Bank. The payment should have been reported as an "other disbursement" pursuant to 2 U.S.C. § 434(b)(4). The Federal Committee also failed to report that it had made a loan to the State Committee of $88,043.78. This loan should have been reported pursuant to 2 U.S.C. § 434(b)(8). Finally, the Federal Committee reported the $10,000 payment from the State Committee as a contribution; however, the payment should have been reported as a loan repayment pursuant to 2 U.S.C. § 434(b)(2).

Based on the foregoing analysis, the Office of the General Counsel recommends that the Commission find probable cause to believe that the Treen for Congress Committee and William Nungesser, as treasurer, violated 2 U.S.C. § 434(b).

B. Acceptance of Corporate Funds

Section 441b of Title 2 states that it is unlawful for any corporation or labor organization to make a contribution or

8 9 0 4 0 7 6 1 0 7 9

expenditure in connection with any election for federal office. This section also states that a candidate, political committee or other person is prohibited from knowingly accepting or receiving any contribution that is prohibited by the section. The legislative history of the 1976 amendments to the Act indicate that Congress intended that the "knowing" standard not require a specific wrongful intent. See, H.R. Rep. No. 94-917, 94th Cong. 2d Sess. 3-4 (1976). Section 441b(b)(2) defines the term "contribution or expenditure" to include any "direct or indirect" payment, distribution, loan, advance, deposit, or gift of money, or any services, or anything of value, to any campaign committee in connection with any election for federal office.

The Commission has examined the issue of indirect corporate contributions in several advisory opinions. In Advisory Opinion 1977-65, a political committee inquired about whether it could accept a contribution from its connected organization. The connected organization primarily derived its funds from membership dues, but some funds were derived from corporations and labor unions through the sale of advertising in program booklets and tickets to fundraising events. The Commission found that the political committee could not accept a contribution from the connected organization since "the contribution would represent an indirect corporate or labor union contribution." In Advisory Opinion 1979-2, an authorized committee asked if it could be repaid for advances it made to a Federal Procurement Conference. The Commission found that the authorized committee could not be repaid by the Conference since the Conference's

8904076080

funds came from corporations. The Commission found that the repayment would be in violation of 2 U.S.C. § 441b(a). See also, Advisory Opinions 1982-38 and 1982-52.

Pursuant to 11 C.F.R. § 100.7(a)(1)(i)(E), when a political committee makes a loan, the repayment of the loan is not a contribution by the debtor to the lender committee, provided that the funds used for the repayment are subject to the limitation concerning funds from corporations, labor unions, and foreign nationals. In Advisory Opinion 1980-130, the Commission discussed the repayment of a loan made by a committee under the Act to a committee that was subject to state law. The Commission found that the regulations require that the debtor committee "repay the loan with funds which were not donated to it by corporations or labor organizations."

In the instant case, the Federal Committee accepted two $5,000 checks from the State Committee and deposited them into its account. At the time that the $10,000 payment was made, the State Committee did not have sufficient funds pursuant to 11 C.F.R. § 100.7(a)(1)(i)(E) to make the payment. As was noted above, at least $5,859.40 of the payment was from corporate funds. Thus, an indirect payment of corporate funds was made in violation of 2 U.S.C. § 441b.

Based on the foregoing analysis, the Office of the General Counsel recommends that the Commission find probable cause to believe that the Treen for Congress Committee and William Nungesser, as treasurer, violated 2 U.S.C. § 441b.

8904076108 1

III. RECOMMENDATION

Find probable cause to believe that the Treen for Congress Committee and William Nungesser, as treasurer, violated 2 U.S.C. §§ 434(b) and 441b.

7/21/88
Date

Lawrence M. Noble
General Counsel

8904076108 2

ACC#157

DEUTSCH, KERRIGAN & STILES
(A PARTNERSHIP INCLUDING PROFESSIONAL LAW CORPORATIONS)

DAVID C. TREEN
MALCOLM W. MONROE*
BERNARD MARCUS*
FRANCIS G. WELLER*
FREDERICK R. SOTT*
WILLIAM W. HESSERSMITH, III*
CHARLES R. REASONOVER*
DAVID L. CAMPBELL
CHARLES F. SEEMANN, JR.*
RALPH E. SMITH*
ROBERT E. KERRIGAN, JR.*
BERTRAND M. CASS, JR.
HARRY S. ANDERSON*
RAYMON G. JONES*
FRANCIS J. BARRY, JR.
VICTOR E. STILWELL, JR.*
PATRICK J. BERRIGAN*
ALLEN F. CAMPBELL
MATT J. FARLEY*

PHILIP D. LORIO, III
G. ALEX WELLER
A. WENDEL STOUT, III
DANIEL A. SMITH
ETHEL H. COHEN
TERRENCE L. BRENNAN
MARC J. YELLIN
HOWARD L. MURPHY
DOLORES H. WILLIAMS
DARRELL R. CHERRY
PAUL S. HUGHES
NANCY J. MARSHALL
MELANEE A. GAUDIN
JAMES G. WYLY, III
D. REX ENGLISH
ELLIS G. MUROV
ROBERT W. HUZUM
DAVID P. GONTAR
BARBARA L. ARRAS

(*A PROFESSIONAL LAW CORPORATION)

COUNSELLORS AT LAW
755 MAGAZINE STREET
NEW ORLEANS 70130-3672
TELEPHONE (504) 581-5141

CABLE ADDRESS "DEKEST"
TELEX 584388
TELECOPY-504/566-1201

ST. TAMMANY OFFICE:
68 WHISPERWOOD BOULEVARD
SLIDELL, LA 70458-1188
TELEPHONE (504) 641-1070
MAILING ADDRESS:
P.O. BOX 220
SLIDELL, LA 70458-0220

JOSEPH L. McREYNOLDS
WARREN J. GREENWOOD, JR.
JAMES A. HULHALL
JOSEPH L. SPILMAN, III
DORIS L. HOLMES
JOHN F. DERENBECKER
BOBBY M. HARGES
GILBERT F. GANUCHEAU, JR.
JAIME C. WATERS
EDWARD W. BENJAMIN
CHARLES P. CARRIERE, III
JANET L. MacDONELL
WILLIAM L. KOHLER
JOANNE C. FERRIOT
JUDE D. BOURGUE

OF COUNSEL:
BRUNSWICK G. DEUTSCH*
MARIAN MAYER BERKETT
RALPH L. HASKELL, JR.*
CHRISTOPHER TOMPKINS
CORNELIUS G. VAN DALEN*
JOSEPH M. BERTRAND
WILLIAM J. HORE

EBERHARD P. DEUTSCH (1897-1980)
R. EMMETT KERRIGAN (1902-1980)
HARRY F. STILES (1908-1983)

PLEASE ADDRESS REPLY TO:

August 17, 1988

FEDERAL EXPRESS

HAND DELIVERED

88 AUG 18 AM 10:45
RECEIVED
FEDERAL ELECTION COMMISSION

88 AUG 18 AM 11:54
RECEIVED
FEDERAL ELECTION COMMISSION

8904076108 3

Mr. Lawrence M. Noble
General Counsel
Federal Election Commission
Washington, D.C. 20463

Re: MUR 2535
Treen for Congress Committee
and William Nungesser, as treasurer;
People for Dave Treen, Inc.

Dear Mr. Noble:

Your letter of July 21 arrived at my office at a time that I was deeply involved in a number of very demanding responsibilities in connection with the Republican National Convention being held in New Orleans. For that reason, a response was not made within the fifteen days mentioned in your letter. I have just been able to get away from the Convention for a few minutes to take up this matter.

I am asking that, the circumstances considered, you will grant an additional twenty days from this date in order for me to file response on behalf of the two Committees.

I telephoned Susan Beard on August 12, but she was not available. She returned my call earlier this week, but I was tied up at the Convention.

I hope that you can grant this extension, especially in view of the long period of time that has already elapsed and in view of the fact that this further extension should not prejudice

the Commission. If it is not possible to grant an extension, I hope that you will accept the previous briefs and/or memoranda which I have filed with the Commission as a response on behalf of both Committees.

With many thanks for your cooperation and assistance, I am

Sincerely,

David C. Treen

P.S. Since dictating this letter, I was able to communicate with Ms. Beard by telephone, and she suggested that this letter be sent to you via Federal Express.

8904076108 4

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 22, 1988

The Honorable David C. Treen
Deutsch, Kerrigan & Stiles
755 Magazine Street
New Orleans, LA 70130-3672

RE: MUR 2535
Treen for Congress Committee and William Nungesser, as treasurer;
People for Dave Treen, Inc.

Dear Governor Treen:

This is in response to your letter dated August 17, 1988, which we received on August 18, requesting an extension until September 6, to respond to the General Counsel's Briefs in the above matter. After considering the circumstances presented in your letter, I have granted the requested extension. Accordingly, your response is due by the close of business on September 6, 1988.

If you have any questions, please contact Susan Beard, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

8904076108 5

RECEIVED
FEDERAL ELECTION COMMISSION
88 AUG 25 AM 10:01

BEFORE THE FEDERAL ELECTION COMMISSION

SENSITIVE

In the Matter of)
Treen for Congress Committee and)
William Nungesser, as treasurer;) MUR 2535
People for Dave Treen, Inc.)

GENERAL COUNSEL'S REPORT

On July 21, 1988, this Office mailed briefs recommending that the Commission find probable cause to believe that the Treen for Congress Committee and William Nungesser, as treasurer, violated 2 U.S.C. §§ 434(b) and 441b, and that People for Dave Treen, Inc. violated 2 U.S.C. § 441b. On August 18, 1988, this Office received a letter from Governor Treen requesting an extension until September 6, 1988, to respond to the General Counsel's Brief. Governor Treen requested the extension because of his involvement with the Republican National Convention. On August 22, 1988, this Office granted the requested extension of time to respond to the General Counsel's Brief. A report with appropriate recommendations will be prepared and circulated to the Commission after the reply brief is received.

Lawrence M. Noble
General Counsel

8/24/88
Date

BY: _____
Lois G. Lerner
Associate General Counsel

Staff Assigned: Susan Beard

8904076108 6

MCC#316

DEUTSCH, KERRIGAN & STILES
(A PARTNERSHIP INCLUDING PROFESSIONAL LAW CORPORATIONS)
755 MAGAZINE STREET
NEW ORLEANS 70130-3672
TELEPHONE (504) 581-5141
CABLE ADDRESS "DEKEST"
TELEX 584358
TELECOPY-504/566-1201

DAVID C. TREEN

ST. TAMMANY OFFICE:
65 WHISPERWOOD BOULEVARD
SLIDELL, LA 70458-1199
TELEPHONE (504) 641-1070
MAILING ADDRESS:
P. O. BOX 220
SLIDELL, LA 70459-0220

FEDERAL ELECTION COMMISSION
MAIL ROOM
88 SEP -8 AM 9:04

RECEIVED
FEDERAL ELECTION COMMISSION
88 SEP -8 PM 3:38
OFFICE OF GENERAL COUNSEL

September 2, 1988

The Secretary
Federal Election Commission
Washington, D.C. 20463

Re: MUR 2535
Treen for Congress Committee
and William Nungesser, as treasurer;
People for Dave Treen, Inc.

Dear Commissioners:

Pursuant to communications received from Lawrence M. Noble, General Counsel, dated July 21 and August 22, 1988 (granting an extension until September 6), I respectfully file herewith on behalf of Respondents ten copies of a brief in both cases.

By copy of this letter to Mr. Noble, three copies of each brief are furnished to him.

I would appreciate the earnest and careful consideration by the Commission of these submissions.

Sincerely,

David C. Treen

Enclosures

cc: Mr. Lawrence M. Noble (w/encls.)
Mr. William Nungesser

8904076087

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	$	
	$	
TREEN FOR CONGRESS COMMITTEE	$	MUR 2535
and WILLIAM NUNGESSER,	$	
AS TREASURER	$	

BRIEF ON BEHALF OF RESPONDENTS

In response to the communication from the office of General Counsel dated July 21, 1988, and the General Counsel's Brief recommending that the Commission find probable cause to believe violations have occurred, Respondents file as its Brief its previous Memorandum attached hereto.

Respondents do not discern any new factual assertions nor legal arguments set forth in General Counsel's Brief as compared to previous communications. Furthermore, it is noted that General Counsel's Brief does not address the arguments set forth by Respondents in its previous Memorandum. Accordingly, Respondents believe that its prior Memorandum sufficiently addresses the issues in this case and respectfully request its careful consideration by the Commission.

RESPECTFULLY SUBMITTED,

Counsel for
TREEN FOR CONGRESS COMMITTEE
and
WILLIAM NUNGESSER,
RESPONDENTS

DAVID C. TREEN
755 Magazine Street
New Orleans, LA 70130
Telephone: 504/581-5141

8904076108 8

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	$	
	$	
PEOPLE FOR DAVE TREEN, INC.	$	MUR 2535
and JOHN H. CADE, JR.,	$	
AS TREASURER	$	

BRIEF ON BEHALF OF RESPONDENTS

In response to the communication from the office of General Counsel dated July 21, 1988, and the General Counsel's Brief recommending that the Commission find probable cause to believe violations have occurred, Respondents file as its Brief its previous Memorandum attached hereto.

Respondents do not discern any new factual assertions nor legal arguments set forth in General Counsel's Brief as compared to previous communications. Furthermore, it is noted that General Counsel's Brief does not address the arguments set forth by Respondents in its previous Memorandum. Accordingly, Respondents believe that its prior Memorandum sufficiently addresses the issues in this case and respectfully request its careful consideration by the Commission.

RESPECTFULLY SUBMITTED,

DAVID C. TREEN
755 Magazine Street
New Orleans, LA 70130
Telephone: 504/581-5141

Counsel for
PEOPLE FOR DAVE TREEN, INC.
and
JOHN H. CADE, JR.,
RESPONDENTS

8904076108 9

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

SEE ATTACHMENTS TO LTR/MEMO DATED 3/10/89 FROM DAVID C. TREEN

8904076100

RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARIAT

88 NOV 16 PM 4:06

BEFORE THE FEDERAL ELECTION COMMISSION

EXECUTIVE SESSION

In the Matter of	)	
	)	
Treen for Congress Committee and William Nungesser, as treasurer; People for Dave Treen, Inc. and its treasurer	)	MUR 2535
	)	
	)	
	)	

DEC 01 1988

SENSITIVE

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On September 9, 1987, the Commission found reason to believe that the Treen for Congress Committee ("Federal Committee") and William Nungesser, as treasurer, violated 2 U.S.C. §§ 434(b) and 441b. On the same date, the Commission also found that People for Dave Treen, Inc. ("State Committee") and John H. Cade, Jr., as treasurer, violated 2 U.S.C. § 441b.[1] These violations stemmed from a loan transaction which involved both committees. In November of 1983, the Federal Committee pledged an $80,000 certificate of deposit as collateral for a loan made by the Jefferson Guaranty Bank to the State Committee. The State Committee defaulted on the loan, and in January of 1985, the certificate of deposit was liquidated to satisfy the outstanding debt. The Federal Committee reported this transaction as a loan repayment and never reported a loan to the State Committee. On or about July 8, 1988, the State Committee paid the Federal Committee $10,000 as a partial repayment for the certificate of deposit which was liquidated. The Federal Committee reported this transaction as a contribution. The State Committee

8904076091

1. Since the reason to believe finding, Mr. Cade has died. Thus, this Office is recommending that the Commission take no further action against him.

registers and reports in Louisiana, which allows unlimited contributions by corporations and labor unions. At least $5,859.40 of the $10,000 repayment consisted of corporate funds. On July 21, 1988, two General Counsel's Briefs recommending probable cause were mailed to the Committees' counsel. On September 8, 1988, the Committees' responses were received. The responses addressed the pre-probable cause conciliation agreements that had been sent earlier in this matter.

II. ANALYSIS

A. Factual Disputes

The Federal and State Committees raised two arguments with regard to the facts that were presented in the General Counsel's Brief. First, the committees argue that no formal agreement was entered into by the State and Federal Committees with respect to the transaction at issue. Second, the committees argue that they reserve their right to contest the amount of corporate funds that were in the State Committee's account at the time of the $10,000 transaction.

With regard to the committees contention that no formal loan agreement exists between the two committees, the committees do concede that "there in no doubt that State [Committee] was indebted to Federal [Committee], and that Federal [Committee] could have successfully obtained a money judgment against State [Committee]." State Committee's Brief at 5, Federal Committee's Brief at 9. In earlier communications with the Commission both committees referred to the liquidation of the certificate of deposit as a loan from the Federal Committee to the State

8904076092

Committee. The Federal Committee informed the Commission that while there was no written loan agreement; however, there was a verbal understanding that a loan existed. The Federal Committee also characterized the transaction as a loan, when it informed the Commission that the State Committee owed it $88,043.78 after the certificate of deposit was liquidated. The State Committee informed a representative of this Office that a verbal agreement was reached in December of 1984, that the State Committee would continue to attempt to raise funds in order to repay the Federal Committee. The State Committee also reported on its calendar year 1986 report filed with the State of Louisiana, that the amount of loans it had received included $80,000 from the Federal Committee. Thus, it appears that a loan agreement existed.

With regard to the amount of corporate funds in the State Committee's account at the time of the partial loan repayment, the committees state that they are reserving the right to challenge this Office's calculations. The method used by this Office to determine that at least $5,859.40 of the $10,000 partial loan repayment consisted of corporate funds was described in detail in an attachment to the General Counsel's Brief to the State Committee. The committees have not proposed an alternative accounting. Thus, this Office stands by the calculations presented in its Briefs in this matter.

B. Failure to Properly Report Financial Activity

The Federal Committee raised two arguments concerning the reporting of financial activity: first, that the transactions were sufficiently disclosed to avoid a violation of the Act; and

8904076109 3

second, that the Federal Committee was following the advice given it by Commission employees. Both of these arguments are mitigating factors, but they do not address whether the violation occurred.

Section 434(b) of Title 2 states that each report filed with the Commission must disclose certain information. Section 434(b)(4) states that each report must include the amount of disbursements in the following areas: transfers to other committees authorized by the same candidate, expenditures made to meet candidate or committee operating expenses, transfers to affiliated committees, repayments of loans made by or guaranteed by the candidate, repayment of all other loans, contribution refunds and other offsets to contributions, and any other disbursements. Pursuant to 2 U.S.C. § 434(b)(8), each report must include the amount and nature of all outstanding debts and obligations owed to the political committee that is filing the report. Pursuant to 2 U.S.C. § 434(b)(2), each report must include the amount of receipts in the following areas: contributions, transfers from other authorized committees of the same candidate, loans made by or guaranteed by the candidate, all other loans, offsets to operating expenditures, dividends, interest, and other forms of receipts.

The liquidation of the certificate of deposit was reported as a "loan repayment" when it should have been reported as an "other disbursement." It is not a loan repayment since the Federal Committee did not receive a loan from anyone. While it is true that the transaction was reported albeit incorrectly, that is

8904076094

only a mitigating factor. The loan to the State Committee has not been reported pursuant to 2 U.S.C. § 434(b)(8). The loan was explained in a letter sent to the Commission in response to an inquiry from the Reports Analysis Division. However, this single disclosure does not satisfy the continuous disclosure requirement of 2 U.S.C. § 434(b)(8). Finally, the Federal Committee reported the $10,000 receipt from the State Committee as a "contribution" when it should have been reported as a loan repayment pursuant to 2 U.S.C. § 434(b)(2).

The Federal Committee argues that no violation occurred since it followed advice given to it by employees of the Commission. In the responses to the interrogatories in this matter, the Federal Committee states that it contacted the Commission when it agreed to use the certificate of deposit as collateral and when the State Committee made the partial repayment of the loan. The Federal Committee's Brief describes the contacts above and also adds another one at the time the loan was liquidated. This reference is the first time the Federal Committee has claimed to have had contact with the Commission at the time the loan was liquidated. Regardless of whether the Federal Committee sought the advise of Commission employees, a violation of the reporting statute has still occurred. The circumstances relied upon by the Federal Committee are mitigating factors that the Commission may consider when determining the civil penalty in this matter.[2]

2. The oral advice of a staff member cannot relieve the Committee of a reporting obligation set out in the Act and Regulations. See, FEC v. Citizens for LaRouche, Fed. Election Campaign Financing Guide (CCH) ¶9214 (D.D.C. Sept. 17, 1984).

8904076095

Accordingly, the Office of the General Counsel recommends that the Commission find probable cause to believe that the Treen for Congress Committee and William Nungesser, as treasurer, violated 2 U.S.C. § 434(b).

C. Corporate Funds

The Federal and State Committees made a number of similar arguments concerning the allegation the both committees had violated 2 U.S.C. § 441b. First, that the partial repayment was not an indirect contribution since the corporate donors to the State Committee did not intend to influence a federal election. Second, that 11 C.F.R. § 100.7(a)(1)(i)(E) is null and void since the Commission has no authority to state that a loan repayment to a federal committee must consist of funds that are subject to the limitations and prohibitions of the Act, as described at 11 C.F.R. § 110.4(a) and Part 114. Third the Federal Committee also argues that it did not "knowingly" accept a corporate contribution. These arguments are without merit.

Section 431(8)(A)(i) of title 2 defines a "contribution" as "any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office." Pursuant to 2 U.S.C. § 441b, it is unlawful for any corporation or labor organization to make a contribution or expenditure in connection with any election for federal office. This prohibition includes any direct or indirect payment, distribution, loan, advance, deposit, or gift of money, or any services, or anything of value, to any campaign committee in connection with any election for

8904076109 6

federal office. 2 U.S.C. § 441b(b)(2). The section also states that a candidate, political committee or other person is prohibited from knowingly accepting or receiving any contribution that is prohibited by the section. The legislative history of the 1976 amendments to the Act indicate that Congress intended that the "knowing" standard not require a specific wrongful intent, See, H.R. Rep. No. 94-917, 94th Cong. 2d Sess. 3-4 (1976).

The making of loans by political committees is discussed at 11 C.F.R. § 100.7(a)(1)(i)(E), which reads:

> If a political committee makes a loan to any person, such loan shall be subject to the limitations of 11 CFR Part 110. Repayment of the principal amount of such loan to such political committee shall not be a contribution by the debtor to the lender committee. Such payment shall be made with funds which are subject to the prohibitions of 11 CFR 110.4(a) and Part 114. The payment of interest to such committee by the debtor shall be a contribution only to the extent that the interest paid exceeds a commercially reasonable rate prevailing at the time the loan is made. All payments of interest shall be made from funds subject to the prohibitions of 11 CFR 110.4(a) and Part 114.

This section has been part of the Commission's regulations since 1980, it was originally § 100.7(a)(1)(i)(D) and was designated § 110.7(a)(1)(i)(E) in 1983.

The requirement that contributions must be for the purpose of influencing an election for federal office was discussed at length in F.E.C. v. Haley, 852 F.2d 1111 (9th Cir. 1988). In Haley, the defendants claimed that loan guarantees were not contributions under the Act since they were not made with the intent to influence a federal election. The United States Court of Appeals rejected the defendants contention and found that the

8904076097

loan guarantees were in fact contributions under the Act. The court noted that there is no legislative history concerning what Congress intended by the phrase that contributions be "for the purpose of influencing an election for Federal office." The court then went on to examine whether the Commission's regulation on this issue, 11 C.F.R. § 110.1(g), was a permissible construction of the Act. The Haley Court concluded that the Commission's interpretation of the Act through "regulations and advisory opinions is entitled to due deference and is to be accepted by the court unless demonstrably irrational or clearly contrary to the plain meaning of the statute." Id. at 1115. The court noted that the regulation in question had not been disapproved of by Congress and that Congress' acquiescence in the Commission's interpretation was firmer since several advisory opinions had been issued on the subject.

In the instant case, the regulation at issue was not disapproved of by Congress and indirect corporate contributions have been the subject of numerous Advisory Opinions. In Advisory Opinion 1977-65, a political committee inquired about whether it could accept a contribution from its connected organization. The connected organization primarily derived its funds from membership dues, but some funds were derived from corporations and labor unions through the sale of advertising in program booklets and tickets to fundraising events. The Commission found that the political committee could not accept a contribution from the connected organization since "the contribution would represent an indirect corporate or labor union contribution." In

2904076098

Advisory Opinion 1979-2, an authorized committee asked if it could be repaid for advances it made to a Federal Procurement Conference. The Commission found that the authorized committee could not be repaid by the Conference since the Conference's funds came from corporations. The Commission concluded that the repayment would violate 2 U.S.C. § 441b(a). See also, Advisory Opinions 1982-38 and 1982-52. Furthermore, in Advisory Opinion 1980-130, the Commission discussed indirect contributions in the context of the repayment of a loan made to a state committee by a federal committee, which is identical to the circumstances at issue in this MUR. The Commission found that the regulations require that the debtor committee "repay the loan with funds which were not donated to it by corporations or labor organizations."

In the instant case, the Federal Committee accepted two $5,000 checks from the State Committee and deposited them into its account. The State Committee had insufficient funds subject to the prohibitions of the Act to make the $10,000 partial repayment of the loan. At least $5,859.40 of this amount were corporate funds received by the State Committee. Thus, an indirect payment of corporate funds occurred. Respondents argument that this transaction did not include an indirect corporate contribution is without merit given the Haley opinion and the Commission's previous treatment of indirect corporate contributions in Advisory Opinions.

Respondents contention that 11 C.F.R. § 100.7(a)(1)(i)(E) is null and void since it was passed without authority is also

8204076109

without merit. This provision of the regulations is directly related to the Act's prohibition on the acceptance of corporate and labor union funds at 2 U.S.C. § 441b. This provision was not disapproved of by Congress, and gives effect to the prohibitions of 2 U.S.C. § 441b.

Finally, the Federal Committee maintained that it did not "knowingly" accept an indirect corporate contribution. While the "knowing" requirement of 2 U.S.C. § 441b has not been interpreted by the courts, the "knowing" requirement of 2 U.S.C. § 441a(f) has been interpreted in F.E.C. v. John A. Dramesi for Congress Committee, 640 F. Supp. 985 (D.N.J. 1986). Cf. F.E.C. v. Re-Elect Hollenbeck to Congress Committee, No. 85-2239 (D.D.C. June 13, 1986). In Dramesi the Commission alleged that the Committee had accepted an excessive contribution in violation of 2 U.S.C. § 441a(f). The court noted that the "knowing" requirement "merely requires an intent to act." Id. at 987. The court went on to reject the Dramesi Committee's argument that it did not violate the Act since it had no knowledge that the maker of the contribution was not properly qualified to make a multi-candidate committee contribution. The court found that the treasurer failed to make his "best efforts" to determine the legality of the contribution pursuant to 11 C.F.R. § 103.3(b). Also, the legislative history of the Act states that the "knowledge" requirement does not require a specific wrongful intent. H.R. Rep. No. 94-917, 94th Cong. 2d Sess. 3-4 (1976). See, 122 Cong. Rec. H3778 (dailey ed. May 3, 1976)(remarks of Congressman Hays). See also, F.E.C. v. California Medical Ass'n,

8904076100

502 F.Supp. 196 (N.D. Cal. 1980).

The instant case is similar to what occurred in Dramesi. The Federal Committee accepted a $10,000 partial repayment of the loan from the State Committee, but failed to verify that the funds used were subject to the prohibitions of the Act. Based on the responses received in this matter, it appears that the treasurer of the Federal Committee informed the treasurer of the State Committee that the State Committee would be subject to audit by the Commission to assure that the funds were permissible. While this shows that some action was taken, it is not enough to qualify as "best efforts." The Federal Committee's treasurer should have inquired about the source of funds used bv the State Committee.

Accordingly, the Office of General Counsel recommends that the Commission find Probable cause to believe that People for Dave Treen, Inc., And Treen for Congress Committee and William Nungesser, as treasurer, violated 2 U.S.C. § 441b.

III. DISCUSSION OF CONCILIATION AND CIVIL PENALTY

8904076101

IV. RECOMMENDATIONS

1. Find probable cause to believe that People for Dave Treen, Inc. and its treasurer violated 2 U.S.C. § 441b.

2. Find probable cause to believe that Treen for Congress Committee and William Nungesser, as treasurer, violated 2 U.S.C. §§ 434(b) and 441b.

3. Take no further action against John H. Cade, Jr., as treasurer of People for Dave Treen, Inc.

4. Approve the attached conciliation agreements and letter.

11/16/88
Date

Lawrence M. Noble
General Counsel

Attachments:
1. Conciliation Agreements (2)
2. Letter (1)

Staff assigned: Susan Beard

8904076102

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Treen for Congress Committee and	)	
William Nungesser, as treasurer;	)	MUR 2535
People for Dave Treen, Inc. and	)	
its treasurer	)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of January 11, 1989, do hereby certify that the Commission took the following actions in MUR 2535:

1. Failed on a vote of 2-4 to pass a motion to -

   a) Find probable cause to believe that People for Dave Treen, Inc. and its treasurer violated 2 U.S.C. § 441b [11 C.F.R. § 100.7(a)(1)(i)(E)], but take no further action and close the file with respect to this violation.

   b) Find probable cause to believe that Treen for Congress Committee and William Nungesser, as treasurer, violated 2 U.S.C. §§ 434(b) and 441b [11 C.F.R. § 100.7(a)(1)(i)(E)], but take no further action and close the file.

   c) Take no further action against John H. Cade, Jr., as treasurer of People for Dave Treen, Inc.

(continued)

8904076119

d) Direct the Office of General Counsel to send appropriate letters pursuant to the above actions.

Commissioners Elliott and Thomas voted affirmatively for the motion; Commissioners Aikens, Josefiak, McDonald, and McGarry dissented.

2. Decided by a vote of 5-1 to -

a) Find probable cause to believe that People for Dave Treen, Inc. and its treasurer violated 11 C.F.R. § 100.7 (a)(1)(i)(E); and take no further action with respect to the finding under 2 U.S.C. § 441b.

b) Find probable cause to believe that Treen for Congress Committee and William Nungesser, as treasurer, violated 2 U.S.C. § 434(b) and 11 C.F.R. § 100.7(a)(1)(i)(E), and take no further action with respect to the finding under 2 U.S.C. § 441b.

c) Take no further action against John H. Cade, Jr., as treasurer of People for Dave Treen, Inc.

d) Approve the conciliation agreements attached to the General Counsel's report dated November 16, 1988,

8904076104

2)

3)

e) Approve the letter attached to the General Counsel's report dated November 16, 1988,

Commissioners Aikens, Elliott, Josefiak, McDonald, and McGarry voted affirmatively for the decision; Commissioner Thomas dissented.

Attest:

Jan. 17, 1989
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

8904076105

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 25, 1989

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

The Honorable David C. Treen
Deutsch, Kerrigan & Stiles
755 Magazine Street
New Orleans, LA 70130-3672

RE: MUR 2535
Treen for Congress Committee and William Nungesser, as treasurer; People for Dave Treen, Inc. and its treasurer

Dear Governor Treen:

On January 11, 1989, the Federal Election Commission found that there is probable cause to believe Treen for Congress Committee and William Nungesser, as treasurer, violated 2 U.S.C. § 434(b) a provision of the Federal Election Campaign Act of 1971, as amended, and 11 C.F.R. § 100.7(a)(1)(i)(E) a provision of the Commission's regulations, in connection with the acceptance of a loan repayment that contained corporate funds and the misreporting of the making of the loan and its partial repayment. On the same date, the Commission found probable cause to believe People for Dave Treen, Inc. and its treasurer, violated 11 C.F.R. § 100.7(a)(1)(i)(E), a provision of the Commission's regulations, in connection with the making of a partial repayment of a loan which contained corporate funds. The Commission also decided to take no further action against John H. Cade, Jr., as treasurer of People for Dave Treen, Inc. and to take no further action against either committee for a violation of 2 U.S.C. § 441b.

The Commission has a duty to attempt to correct such violations for a period of 30 to 90 days by informal methods of conference, conciliation, and persuasion, and by entering into a conciliation agreement with a respondent. If we are unable to reach an agreement during that period, the Commission may institute a civil suit in United States District Court and seek payment of a civil penalty.

3904076110

Enclosed are two conciliation agreements, one for People for Dave Treen, Inc. and one for Treen for Congress Committee and William Nungesser, as treasurer, that the Commission has approved in settlement of this matter. If you agree with the provisions of the enclosed agreements, please sign and return them, along with the civil penalties, to the Commission within ten days. I will then recommend that the Commission accept the agreements. Please make your checks for the civil penalties payable to the Federal Election Commission.

If you have any questions or suggestions for changes in the enclosed conciliation agreement, or if you wish to arrange a meeting in connection with a mutually satisfactory conciliation agreement, please contact Susan Beard, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Conciliation Agreements

8204076111 07

OGC 1806

DAVID C. TREEN

DEUTSCH, KERRIGAN & STILES
(A PARTNERSHIP INCLUDING PROFESSIONAL LAW CORPORATIONS)
755 MAGAZINE STREET
NEW ORLEANS 70130-3672
TELEPHONE (504) 581-5141
CABLE ADDRESS "DEKEST"
TELEX 584388
TELECOPY-504/566-1201

ST. TAMMANY OFFICE:
65 WHISPERWOOD BOULEVARD
SLIDELL, LA 70458-1189
TELEPHONE (504) 641-1070
MAILING ADDRESS:
P.O. BOX 220
SLIDELL, LA 70459-0220

RECEIVED
FEDERAL ELECTION COMMISSION
ADMINISTRATIVE DIVISION
89 FEB 13 AM 10:27

February 9, 1989

89 FEB 13 PM 1:11
RECEIVED
FEDERAL ELECTION COMMISSION

Ms. Susan Beard
Federal Election Commission
Washington, D.C. 20463

Re: MUR 2535
Treen for Congress Committee and William Nungesser, as treasurer; People for Dave Treen, Inc. and its treasurer

Dear Ms. Beard:

This will acknowledge receipt of Mr. Lawrence Noble's letter of January 25, and will confirm our telephone conversation today during which I informed you that I would like to have the opportunity of further discussion of both the Commission's findings and the proposed conciliation agreement.

I propose a conference to be held within the next thirty days either at your offices in Washington, D.C., or by telephone. I will contact you again to set up a mutually convenient time for such conference.

With many thanks for your cooperation, I am

Sincerely,

David C. Treen

cc: Mr. William A. Nungesser

8904076108

RECEIVED
FEDERAL ELECTION COMMISSION
89 MAR 30 AM 9:33

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Treen for Congress Committee and	)	
William Nungesser, as treasurer;	)	MUR 2535
People for Dave Treen, Inc. and	)	
its treasurer	)	

SENSITIVE

GENERAL COUNSEL'S REPORT

On January 11, 1989, the Commission found probable cause to believe that Treen for Congress Committee and William Nungesser, as treasurer, violated 2 U.S.C. § 434(b) and 11 C.F.R. § 100.7(a)(1)(i)(E). On the same date the Commission found probable cause to believe that People for Dave Treen, Inc. and its treasurer violated 11 C.F.R. § 100.7(a)(1)(i)(E). A letter notifying the Respondents' counsel of the Commission's actions was sent on January 25, 1989. On February 13, 1989, this Office received a letter from Respondents' counsel requesting a meeting to discuss the Commission's findings and the proposed conciliation agreement. At the request of Respondents' counsel the meeting has been set for April 11, 1989. This Office believes that this matter may be resolved at this stage. A report with appropriate recommendations will be prepared and circulated to the Commission after the meeting and any counterproposal from the Respondents is received.

Lawrence M. Noble
General Counsel

March 29, 1989
Date

BY: George F. Rishel
George F. Rishel
Acting Associate General Counsel

Staff Assigned: Susan Beard

8904076109

89 APR 25 AM 11:20

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 2535
Treen for Congress Committee and William Nungesser, as treasurer; People for Dave Treen, Inc. and its treasurer	)	

SENSITIVE
EXECUTIVE SESSION
MAY 02 1989

GENERAL COUNSEL'S REPORT

I. **BACKGROUND**

On January 11, 1989, the Commission found probable cause to believe that the Treen for Congress Committee ("Federal Committee") and William Nungesser, as treasurer, violated 2 U.S.C. § 434(b) and 11 C.F.R. § 100.7(a)(1)(i)(E), and that People for Dave Treen, Inc. ("State Committee") and its treasurer violated 11 C.F.R. § 100.7(a)(1)(i)(E).

9904076110

These findings stemmed from a loan transaction that involved both committees. In November 1983, the Federal Committee pledged an $80,000 certificate of deposit as collateral for a loan made by the Jefferson Guaranty Bank to the State Committee. The State Committee defaulted on the loan and in January 1985 the certificate of deposit was liquidated to satisfy the outstanding debt. The Federal Committee reported this transaction as a loan repayment and never reported a loan to the State Committee. On

or about July 8, 1986, the State Committee paid the Federal Committee $10,000 as a partial repayment for the liquidated certificate of deposit. The Federal Committee reported this transaction as a contribution. The State Committee registers and reports in Louisiana. Louisiana campaign finance law allows unlimited contributions by corporations and labor unions. At least $5,859.40 of the $10,000 repayment consisted of corporate funds.

A General Counsel's Report without recommendations was circulated on March 30, 1989, to notify the Commission of the status of the post-probable cause negotiations. Representatives of this Office met with the Respondents' counsel on April 11, 1989.

8904076111

This Office believes that further negotiations in this matter will be fruitless.

Therefore, this Office recommends that the Commission authorize the filing of a civil suit for relief against both committees.

II. **RECOMMENDATIONS**

1.

2. Authorize the Office of the General Counsel to file a civil suit for relief in United States District Court against Treen for Congress Committee and William Nungesser, as treasurer, and People for Dave Treen, Inc. and its treasurer.

3. Approve the attached letter.

4/26/89
Date

Lawrence M. Noble
General Counsel

Attachments
1.
2. Letter

Staff Assigned: Susan Beard

8904076112

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Treen for Congress Committee and	)	
William Nungesser, as treasurer;	)	MUR 2535
People for Dave Treen, Inc. and	)	
its treasurer	)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of May 2, 1989, do hereby certify that the Commission decided by a vote of 5-0 to take the following actions in MUR 2535:

1.

2. Direct the Office of General Counsel to prepare a combined conciliation agreement for the respondents containing the following:

   a)

   b)

   c)

(continued)

8904076113

3. Authorize the Office of the General Counsel to file a civil suit for relief in United States District Court against Treen for Congress Committee and William Nungesser, as treasurer, and People for Dave Treen, Inc. and its treasurer, if the Commission's combined conciliation agreement is not accepted within fifteen days of its receipt by the respondents.

4. Direct the Office of General Counsel to send an appropriate letter pursuant to the above actions.

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

Attest:

5-3-89
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

8904076114

RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARIAT

89 JUL -3 AM 9:09

BEFORE THE FEDERAL ELECTION COMMISSION

SENSITIVE

In the Matter of	)	
	)	MUR 2535
Treen for Congress Committee and William Nungesser, as treasurer; Treen for Congress Committee and its Treasurer	)	

GENERAL COUNSEL'S REPORT

I. BACKGROUND

Attached are two conciliation agreements which have both been signed by William Nungesser, the treasurer of the Treen for Congress Committee. Both conciliation agreements were submitted in order to resolve this matter at this stage since the Commission has already authorized the filing of a civil suit.

8904076115

The Office of the General Counsel recommends that the Commission accept the conciliation agreement that has Mr. Nungesser's name in the heading,

89040761116

II. RECOMMENDATIONS

1. Accept the attached conciliation agreement with the Treen for Congress Committee and William Nungesser, as treasurer, and People for Dave Treen, Inc. and its treasurer that contains Mr. Nungesser's name in the heading.

2.

3. Close the file.

4. Approve the attached letter.

Lawrence M. Noble
General Counsel

6/30/89
Date

BY: [signature]
Lois G. Lerner
Associate General Counsel

Attachments
1. Letter from Respondents
2. Conciliation Agreement with Mr. Nungesser's name
3. Conciliation Agreement without Mr. Nungesser's name
4. Photocopy of civil penalty check
5. Letter to Respondents

Staff Assigned: Susan F. Beard

8904076111117

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Treen for Congress Committee and	)	
William Nungesser, as treasurer;	)	MUR 2535
Treen for Congress Committee and	)	
its Treasurer	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on July 6, 1989, the Commission decided by a vote of 6-0 to take the following actions in MUR 2535:

1. Accept the conciliation agreement with the Treen for Congress Committee and William Nungesser, as treasurer, and People for Dave Treen, Inc. and its treasurer that contains Mr. Nungesser's name in the heading, as recommended in the General Counsel's Report dated June 30, 1989.

2.

3. Close the file.

(continued)

8904076118

4. Approve the letter as recommended in the General Counsel's Report dated June 30, 1989.

Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision.

Attest:

July 6, 1989
Date

Hilda Arnold
for Marjorie W. Emmons
Secretary of the Commission

8904076119

Received in the Office of Commission Secretary: Mon. July 3, 1989 9:09
Circulated on 48 hour tally basis: Mon. July 3, 1989 4:00
Deadline for vote: Thur. July 6, 1989 4:00

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 12, 1989

The Honorable David C. Treen
Deutsch, Kerrigan & Stiles
755 Magazine Street
New Orleans, LA 70130-3672

RE: MUR 2535
Treen for Congress
Committee and William
Nungesser, as treasurer;
People for Dave Treen,
Inc. and its treasurer

Dear Governor Treen:

On July 6, 1989, the Federal Election Commission accepted the previously approved signed conciliation agreement and civil penalty submitted on your clients' behalf in settlement of a violation of 2 U.S.C. § 434(b), a provision of the Federal Election Campaign Act of 1971, as amended, and 11 C.F.R. § 100.7(a)(1)(i)(E), of the Commission's regulations.

Accordingly, the file has been closed in this matter as it pertains to your clients. This matter will become a part of the public record within 30 days. If you wish to submit any factual or legal materials to appear on the public record, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Please be advised that information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B). The enclosed conciliation agreement, however, will become a part of the public record.

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any

8904076120

questions, please contact Susan Beard, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

Enclosure
Conciliation Agreement

9904076112

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Treen for Congress Committee and William Nungesser, as treasurer; People for Dave Treen, Inc. and its treasurer	)	MUR 2535

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found probable cause to believe that the Treen for Congress Committee and William Nungesser, as treasurer, violated 2 U.S.C. § 434(b) and 11 C.F.R. § 100.7(a)(1)(i)(E), and that People for Dave Treen, Inc. and its treasurer violated 11 C.F.R. § 100.7(a)(1)(i)(E) ("Respondents").

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

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

II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in his matter.

III. Respondents enter voluntarily into this agreement with the Commission.

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

1. Respondent, Treen for Congress Committee, is a political committee within the meaning of 2 U.S.C. § 431(4).

9904076122

2. Respondent, People for Dave Treen, Inc., is the State committee for David Treen's gubernatorial election campaign in 1983.

3. Respondent, William Nungesser, is the treasurer of the Treen for Congress Committee.

4. On or about November 15, 1983, the Treen for Congress Committee pledged an $80,000 certificate of deposit as collateral for a loan given to People for Dave Treen, Inc. by the Jefferson Guaranty Bank formerly known as the Guaranty Bank and Trust Company ("Jefferson Guaranty Bank").

5. On or about November 21, 1984, People for Dave Treen, Inc. defaulted on the loan with the Jefferson Guaranty Bank. In or about December of 1984, it became apparent that the Jefferson Guaranty Bank was going to liquidate the certificate of deposit. The Treen for Congress Committee entered into an oral agreement with People for Dave Treen, Inc. in or about December of 1984, wherein People for Dave Treen, Inc. agreed to repay the Treen for Congress Committee for the amount of the certificate of deposit, which Respondents anticipated would be liquidated.

6. On or about December 26, 1984, the Jefferson Guaranty Bank required that the loan be paid off. Since the certificate of deposit had not yet matured, the Jefferson Guaranty Bank agreed to renew the $80,000 loan until January 22, 1985, the date on which the certificate of deposit would mature. The interest on the People for Dave Treen, Inc.'s loan came to $8,043.78 as of December 26, 1984. In order to pay the interest, the Treen for Congress Committee received an $8,200 loan from the

8904076123

Jefferson Guaranty Bank on December 26, 1984. On January 22, 1985, both loans were paid in full by the Treen for Congress Committee. The Treen for Congress Committee paid $545.78 in interest on the $80,000 loan and $70.33 in interest on the $8,200 loan. The Treen for Congress Committee reported both payments as "loan repayment[s]" on its 1985 Mid Year Report filed with the Commission.

7. On or about July 8, 1986, the Treen for Congress Committee received $10,000 from People for Dave Treen, Inc. The Treen for Congress Committee reported this receipt as a contribution. The receipt, however, was a partial repayment of the loan made by the Treen for Congress Committee to People for Dave Treen, Inc. The $10,000 receipt included at least $5,859.40 of corporate funds.

8. Section 434(b)(4) of Title 2 states that each report filed with the Commission must include the amount of disbursements in the following categories: expenditures made to meet candidate or committee operating expenses, transfers to other committees authorized by the same candidate, transfers to affiliated committees, repayment of loans made by or guaranteed by the candidate, repayment of all other loans, contribution refunds and other offsets to contributions, and any other disbursement.

9. Section 434(b)(2) of Title 2 states that each report filed with the Commission must include the amount of receipts in the following categories: contributions, transfers from other authorized committees of the same candidate, loans

8904076124

made by or guaranteed by the candidate, all other loans, offsets to operating expenditures, dividends, interest, and other forms of receipts.

10. Section 434(b)(8) of Title 2 states that each report filed with the Commission must include the amount and nature of outstanding debts and obligations owed by or to the political committee that is filing the report.

11. Pursuant to 11 C.F.R. § 100.7(a)(1)(i)(E), a political committee may make a loan; however, repayment of the loan cannot knowingly be made with funds which include funds from corporations or unions.

12. Respondents contend that they did not knowingly and willfully violate the Act or the Commission's Regulations.

V. 1. The Treen for Congress Committee and William Nungesser, as treasurer, failed to properly report the disbursement of funds to the Jefferson Guaranty Bank as an "other disbursement" in violation of 2 U.S.C. § 434(b)(4).

2. The Treen for Congress Committee and William Nungesser, as treasurer, failed to report the debt owed to it by People for Dave Treen, Inc., in violation of 2 U.S.C. § 434(b)(8).

3. The Treen for Congress Committee and William Nungesser, as treasurer, failed to properly report the $10,000 receipt from People for Dave Treen, Inc. as a partial repayment of the debt in violation of 2 U.S.C. § 434(b)(2).

4. Respondents made and accepted a partial repayment of the debt from funds that included corporate funds in violation

8904076125

of 11 C.F.R. § 100.7(a)(1)(i)(E).

VI. Respondents will pay a civil penalty to the Federal Election Commission in the amount of Seven Hundred and Fifty Dollars ($750) pursuant to 2 U.S.C. § 437g(a)(5)(A). The Treen for Congress Committee will also transfer out of its account the $5,859.40 in corporate funds received as part of the partial repayment of the debt.

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

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

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

X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or

8904076126

oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

Lawrence M. Noble
General Counsel

BY: _____ 7-10-89
Lois G. Lerner
Associate General Counsel
Date

FOR THE RESPONDENTS:

_____ May 31, 1989
(Name)
(Position)
Date

8904076111127

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 2535

DATE FILMED 8-16-89 CAMERA NO. 2

CAMERAMAN AS

8904076128