



FEDERAL ELECTION COMMISSION

WASHINGTON, D C 20463

THIS IS THE BEGINNING OF MUR # 2921

DATE FILMED 2/7/91 CAMERA NO. 4

CAMERAMAN AS

91040322214

CONGRESS
MARCHISELLI
INTEGRITY

GCC#100
RECEIVED
FEDERAL ELECTION COMMISSION

88 AUG 12 AM 9:57
-turn 2671

August 9, 1988

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

Gentlemen:

Re: Complaint against:

Elliot L. Engel
15B Adler Place
Bronx, New York 10475
Candidate for Congress

Engel '88 #128805
c/o Charlotte B. Friedman
140-25 Asch Loop
Bronx, New York 10475

In accordance with 5111.4 of the Code of Federal Regulations dated 1/1/88, I hereby file a formal complaint against the above captioned candidate for congress, Eliot Engel, and his authorized committee, Engel '88, in that they violated statutes and regulations over which your commission has jurisdiction. In evidence, I have attached the Report of Receipts and Disbursements, certificate #128805, dated 7/13/88, and a Financial Disclosure Statement dated 7/14/88, filed with the New York State Board of Elections by Friends of Eliot Engel, each committee having the same treasurer, one Charlotte B. Friedman. In addition, I site evidence garnered by an individual who will be fully referenced in the allegations.

Allegation 1: Schedule A-Itemized receipts-A-page 1, line 12, entry A-Report R & D, a \$15,000 in kind contribution from Friends of Eliot Engel. This is in effect a transfer from a local committee and must list original donors' contributions exceeding \$200.00 as outlined in page 4, F.E.C. Campaign Guide 1985. No listing is attached.

Allegation 2: That Friends of Eliot Engel did not contain sufficient funds acceptable under federal standards to transfer \$15,000. Those items clearly not acceptable are designated by a star (*)--Friends of Eliot Engel.

Allegation 3: While an announced candidate for congress and circulating designation petitions for same, Mr. Engel was reimbursing himself (\$549.59) and campaign staff from Friends of Eliot Engel (\$807.42)--Friends of Eliot Engel, pages 15 and 17, designation "A".

1435 East Gunhill Road, Bronx, NY 10469

9104032215

88 AUG 12 PM 12:17

FEDERAL ELECTION COMMISSION

General Counsel
August 9, 1988
Page Two

Allegation 4: Friends of Eliot Engel reports a \$15,000 loan from candidate Engel, but does not give the exact date and terms of the loan as required--Friends of Eliot Engel, page 19, section 2D, designation "B".

Allegation 5: That said loan was made to the Friends of Eliot Engel rather than the authorized congressional account to allow repayment from non federally accepted monies. 75% of monies raised to date would not meet federal standards--see reference, allegation 2.

Allegation 6: Testing the waters activity (a congressional district poll) must be reported and only permissible funds may be used to pay for it--\$100.8, Code of Federal Regulations.

Allegation 7: Even if the loan arrangement (however flagrant) is deemed acceptable, using accepted accounting practices starting from the last entry of Friends of Eliot Engel and working back, deducting contributions, expenditures and non allowable funds, the account did not contain sufficient acceptable monies on 6/2 to make the last \$7,500 polling payment--Friends of Eliot Engel, page 15, designation "C"--making the in kind transfer illegal.

Allegation 8: In addition to the \$15,000 reported on Friends of Eliot Engel for a poll, \$10,023.04 was expended for consulting/vendor services and should be, we believe, attributable to his congressional campaign--Friends of Eliot Engel, pages 13 and 14, designation "D". It should be noted that the vendors noted in schedule D, Report of Receipts and Disbursements, items A and B, are vendors D1 and D2--Friends of Eliot Engel, page 15.

Allegation 9: To be an appropriate expenditure, funds can only be expended for lawful practices--Friends of Eliot Engel, pages 11 and 17, designation "E".

Allegation 10: During the period covered by the Report of Receipts and Disbursements, an unmarked trailer was towed to Co-op City, Bronx, New York and illegally parked on Asch Loop. When questioned, the two individuals in the trailer stated they were part of the Engel congressional campaign. Expenditures reflecting a trailer were not listed on either report, nor was there a mention of an outstanding or in kind contribution. I was driving by and spotted the trailer and a campaign aide went inside to ask the question. His name is Vincent De Pasquale, residing at 756 St. Owen Street, Bronx, New York 10470, and he can be reached at 212-324-2491.

Allegation 11: While operating a seemingly full scale campaign, including numerous press references to campaign aides, neither committee lists an expenditure nor obligation to pay said aides. What funds are being used for said purposes?

21040322216

General Counsel
August 9, 1988
Page Three

I trust that this matter will receive your usual prompt and efficient investigation.

Respectfully,


Vincent A. Marchiselli

VAM/pg

Enclosures

CC: Executive Director
New York State Board of Elections
One Commerce Plaza
Albany, New York 12260

*Shown to me this 10th
day of August 1988*

EUGENE GUARINO
COMMISSIONER OF DEEDS
City of New York 3-1097
Certificate Filed in Bronx County
Commission Expires Mar. 31, 1989

Eugene M. Guarino

21040322217

JUL 15 1988

CERTIFIED MAIL

REPORT OF RECEIPTS AND DISBURSEMENTS

For An Authorized Committee
(Summary Page)

USE PREC MAILING LABEL

TYPE OR PRINT

NAME OF COMMITTEE IN FULL
Engel 188

ADDRESS (number and street) Check if different than previously reported
40 Charlotte Friedman
140-25 Astor Loop

CITY, STATE and ZIP CODE
Bloomington, NY 10475

STATE/DISTRICT
NY/19

1. IDENTIFICATION NUMBER
1772-8981 128805

2. TYPE OF REPORT AND DATE
X

4. TYPE OF REPORT

April 15 Quarterly Report
☒ July 15 Quarterly Report
October 15 Quarterly Report
January 31 Year End Report
July 31 Mid-Year Report (Non-election Year Only)
Termination Report

Tenth day report preceding election on _____
Tenth day report following the election on _____
on the _____ date of _____
Type of Election: ☒ Primary Election ☐ General Election ☐ Special Election ☐ Runoff Election

This report contains activity for: ☒ Primary Election ☐ General Election ☐ Special Election ☐ Runoff Election

SUMMARY

	COLUMN A This Period	COLUMN B Calendar Year-to-Date
5. Covering Period 4/1/88 through 6/30/88		
6. Net Contributions (other than loans):		
(a) Total Contributions (other than loans) (from Line 11(a))	5,610	5,610
(b) Total Contribution Refunds (from Line 20(d))	-0-	-0-
(c) Net Contributions (other than loans) (subtract Line 6(b) from 6(a))	5,610	5,610
7. Net Operating Expenditures:		
(a) Total Operating Expenditures (from Line 17)	15,000	15,000
(b) Total Offsets to Operating Expenditures (from Line 14)	-0-	-0-
(c) Net Operating Expenditures (subtract Line 7(b) from 7(a))	15,000	15,000
8. Cash on Hand at Close of Reporting Period (from Line 27)	5,610	
9. Debts and Obligations Owed TO the Committee (Report all on Schedule C and/or Schedule D)	-0-	
10. Debts and Obligations Owed BY the Committee (Report all on Schedule C and/or Schedule D)		

For further information contact:
Federal Election Commission
999 E Street, NW
Washington, DC 20463
Toll Free 800-426-6530
Local 202-376-3130

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

Type or Print Name of Treasurer **Charlotte B. Friedman**Signature of Treasurer
Charlotte B. FriedmanDate
7/13/88

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. §437g.

FEC FORM 3
(revised 4/87)

DETAILED SUMMARY PAGE

of Receipts and Disbursements
(Page 2, REC FORM 2)

Name of Committee (in full)		Reporting Period	Page
Engel 188		6/30/88	6/30/88
C 0022 P 9 R 1			
I. RECEIPTS		Column A Total This Period	Column B Calendar Year To Date
11 CONTRIBUTIONS (including in-kind)			
(a) Individuals/Persons Other Than Political Party		1,500	
(i) Reported (see Schedule A)		110	
(ii) Unreported		6,610	4,610
(b) Total of contributions from individuals		6,610	4,610
(c) Political Party Committees		0	0
(d) Other Political Committees (such as PACs)		1,000	1,000
(e) The Candidate			
(f) TOTAL CONTRIBUTIONS (other than loans) (add 11(a)(ii), 11(c), 11(d) and 11(e))		8,610	5,610
12 TRANSFERS FROM OTHER AUTHORIZED COMMITTEES		15,000	15,000
13 LOANS			
(a) Made or Guaranteed by the Candidate		0	0
(b) All Other Loans		0	0
(c) TOTAL LOANS (add 13(a) and 13(b))		0	0
14 OFFSETS TO OPERATING EXPENDITURES (Refunds, Rebates, etc.)		0	0
15 OTHER RECEIPTS (Dividends, Interest, etc.)		0	0
16 TOTAL RECEIPTS (add 11(f), 12, 13(c), 14 and 15)		20,610	20,610
II. DISBURSEMENTS			
17 OPERATING EXPENDITURES		15,000	15,000
18 TRANSFERS TO OTHER AUTHORIZED COMMITTEES		0	0
19 LOAN REPAYMENTS			
(a) Of Loans Made or Guaranteed by the Candidate		0	0
(b) Of All Other Loans		0	0
(c) TOTAL LOAN REPAYMENTS (add 19(a) and 19(b))		0	0
20 REFUNDS OF CONTRIBUTIONS TO			
(a) Individuals/Persons Other Than Political Committees		0	0
(b) Political Party Committees		0	0
(c) Other Political Committees (such as PACs)		0	0
(d) TOTAL CONTRIBUTION REFUNDS (add 20(a), 20(b) and 20(c))		0	0
21 OTHER DISBURSEMENTS		0	0
22 TOTAL DISBURSEMENTS (add 17, 18, 19(c), 20(d) and 21)		15,000	15,000
III. CASH SUMMARY			
23 CASH ON HAND AT BEGINNING OF REPORTING PERIOD			0
24 TOTAL RECEIPTS THIS PERIOD (from Line 16)			20,610
25 SUBTOTAL (add Line 23 and Line 24)			20,610
26 TOTAL DISBURSEMENTS THIS PERIOD (from Line 22)			15,000
27 CASH ON HAND AT CLOSE OF THE REPORTING PERIOD (Subtract Line 26 from 25)			5,610

301351607

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P.P.

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SCHEDULE A

ITEMIZED RECEIPTS

Use separate schedules for each category of the Detailed Summary Page

PAGE 1 OF 1
FOR LINE NUMBER 12

Any information reported from such Reports and Statements may not be sold or used by any person for the purpose of collecting contributions or for commercial purposes, other than using the name and address of any political committee to collect contributions from such committee.

NAME OF COMMITTEE IN FULL Engel' PP : 228981

A. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
<u>Friends of Eliot Engel</u> <u>60 Ch. 100, Friedman</u> <u>Brooklyn, NY 11205</u> Receipt For <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General (Other specify)	<u>A.A.</u> Occupation <u>A.A.</u> Aggregate Year-to-Date <u>\$15,000</u>	<u>6/1/85</u>	<u>15,000</u> <u>Contribution</u> <u>in-kind</u> <u>Poll</u>
B. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
Receipt For <input type="checkbox"/> Primary <input type="checkbox"/> General (Other specify)	Occupation Aggregate Year-to-Date <u>> \$</u>		
C. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
Receipt For <input type="checkbox"/> Primary <input type="checkbox"/> General (Other specify)	Occupation Aggregate Year-to-Date <u>> \$</u>		
D. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
Receipt For <input type="checkbox"/> Primary <input type="checkbox"/> General (Other specify)	Occupation Aggregate Year-to-Date <u>> \$</u>		
E. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
Receipt For <input type="checkbox"/> Primary <input type="checkbox"/> General (Other specify)	Occupation Aggregate Year-to-Date <u>> \$</u>		
F. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
Receipt For <input type="checkbox"/> Primary <input type="checkbox"/> General (Other specify)	Occupation Aggregate Year-to-Date <u>> \$</u>		
G. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
Receipt For <input type="checkbox"/> Primary <input type="checkbox"/> General (Other specify)	Occupation Aggregate Year-to-Date <u>> \$</u>		

SUBTOTAL of Receipts This Page (entire)
TOTAL This Period (last page this line number only)

15,000
15,000

101351010

SCHEDULE A

ITEMIZED RECEIPTS

Use separate schedules for each category of the Detailed Summary Page

PAGE 1 OF 1
Print name on page 1

116

Any information received from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE in Full

Engel 188

11/21/81

A. Full Name, Mailing Address and ZIP Code

Prochiro's Voter
47 Hamatoneck Ave.
White Plains, NY 10601

Receipt For

Other (specify)

Primary

General

Name of Employer

A.A.

Occupation

D.A.

Date (month, day, year)

6/2/88

Amount of Each Receipt (the Period)

1,000

Aggregate Year-to-Date

\$1,000

B. Full Name, Mailing Address and ZIP Code

Receipt For

Other (specify)

Primary

General

Occupation

Aggregate Year-to-Date

\$

C. Full Name, Mailing Address and ZIP Code

Receipt For

Other (specify)

Primary

General

Occupation

Aggregate Year-to-Date

\$

D. Full Name, Mailing Address and ZIP Code

Receipt For

Other (specify)

Primary

General

Occupation

Aggregate Year-to-Date

\$

E. Full Name, Mailing Address and ZIP Code

Receipt For

Other (specify)

Primary

General

Occupation

Aggregate Year-to-Date

\$

F. Full Name, Mailing Address and ZIP Code

Receipt For

Other (specify)

Primary

General

Occupation

Aggregate Year-to-Date

\$

G. Full Name, Mailing Address and ZIP Code

Receipt For

Other (specify)

Primary

General

Occupation

Aggregate Year-to-Date

\$

SUBTOTAL of Receipts This Page (attach all)

1,000

TOTAL This Period (last page this line number only)

1,000

901351609

SCHEDULE A

ITEMIZED RECEIPTS

Use separate schedule for each category of the (Schedule B) receipts page

Page 1 of 1
Form LINE NUMBER 11(a)(1)

Any information reported from such Reports and Statements may not be used in whole or in part for the purpose of any criminal, civil, or tax law or for purposes of any other law, except as provided in the Internal Revenue Code.

Name of Committee or Full

'Engel '82' . 0012141

A. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt (this Period)
Doris Violes Ferreri 2063 Henry Hudson Pkwy. Brooklyn, NY 10463 Receipt For <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General	NY State S. Comm Chk	6/10/88	1,000
B. Full Name, Mailing Address and ZIP Code Paul J. Elsham Duke Wood RD. Towson, MD 21204 Receipt For <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General	Elsham Corp Long Island City, N.Y. President Elsham Corp	6/23/88	500
C. Full Name, Mailing Address and ZIP Code Howard Polirstok 40-06 Brookside Ave. Ridgewood, NY 11370 Receipt For <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General	Slack Corp Executive	6/14/88	500
D. Full Name, Mailing Address and ZIP Code G. Oliver Koppell 28 W. 42nd St. New York, NY 10018 Receipt For <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General	Self Lawyer	6/14/88	500
E. Full Name, Mailing Address and ZIP Code Rolly Kohnstein Linden Ave. Purchase, NY 10577 Receipt For <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General	Wachovia Capital Corp Legal Advisor Director	6/11/88	500
F. Full Name, Mailing Address and ZIP Code Arthur Levine 470 W. 125th St. New York, NY 10024 Receipt For <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General	Self Insurance Agent	6/19/88	500
G. Full Name, Mailing Address and ZIP Code Raymond Campbell 1816 Wyoming Ave. Washington, D.C. 20009 Receipt For <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General	American Petroleum Institute Manager	6/15/88	1,000

SUBTOTAL of Receipts This Page (attach all)

TOTAL This Period (last page this line number only)

4,500

4,500

SCHEDULE B

ITEMIZED DISBURSEMENTS

Use separate schedule for each category of the Detailed Summary Page

PAGE 1 OF 1
FOR LINE NUMBER 17

Any information reported from such Reports and Statements may not be sold or used by any person for the purpose of collecting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE in Full

Engel '88 C00228981

A. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Friend of E. List Engel c/o Charlotte Foreman 400-75 1st Ave Cherry Hill, NJ 08035	Disbursement for <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General Other (specify):	6/1/88	15,000
B. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for <input type="checkbox"/> Primary <input type="checkbox"/> General Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
C. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for <input type="checkbox"/> Primary <input type="checkbox"/> General Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
D. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for <input type="checkbox"/> Primary <input type="checkbox"/> General Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
E. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for <input type="checkbox"/> Primary <input type="checkbox"/> General Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
F. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for <input type="checkbox"/> Primary <input type="checkbox"/> General Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
G. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for <input type="checkbox"/> Primary <input type="checkbox"/> General Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
H. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for <input type="checkbox"/> Primary <input type="checkbox"/> General Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
I. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for <input type="checkbox"/> Primary <input type="checkbox"/> General Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period

SUBTOTAL of Disbursements This Page (optional)

15,000

TOTAL This Period (fill page this line number only)

15,000

SCHEDULE D
(Revised 3/88)

DEBTS AND OBLIGATIONS
Excluding Loans

Page 1 of 1
LIFE NUMBER 20
Also attach schedule
for each individual listed

Name of Creditor or Debtor	Outstanding Balance Beginning This Period	Amount Received This Period	Paid This Period	Outstanding Balance at Close of This Period
Engel' 88 C00228981				
A. Full Name, Mailing Address and Zip Code of Debtor or Creditor East River Mail, Inc. 20 Jay St Brooklyn, NY 11201	-0-	\$ 107.17	-0-	\$ 107.17
Nature of Debt (Purpose): Printing Consultation re David Skol				
B. Full Name, Mailing Address and Zip Code of Debtor or Creditor Harsden Reproductions, Inc 301 52nd St New York, NY 10014	-0-	405.94	-0-	405.94
Nature of Debt (Purpose): Photography				
C. Full Name, Mailing Address and Zip Code of Debtor or Creditor Zale Luff Graphics 4116 Hudson St. NY NY 10014	-0-	768.17	-0-	768.17
Nature of Debt (Purpose): Printing				
D. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Nature of Debt (Purpose):				
E. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Nature of Debt (Purpose):				
F. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Nature of Debt (Purpose):				
11 SUBTOTALS This Period This Page Includes:				\$ 623.64
21 TOTAL This Period (See page 10a line only)				\$ 623.64
31 TOTAL OUTSTANDING LOANS from Schedule C (See page 10a line only)				-0-
41 ADD 21 and 31 and carry forward to appropriate line of Summary Page (See page 10a line only)				\$ 623.64

1612
135
135

NG DATE 7/18/88 tnf
 FINSUM 7/22/88 AUDIT
 FINENT _____ DETAIL _____

FOR BOARD USE ONLY

PS 1

FINANCIAL DISCLOSURE STATEMENT

IDENTIFICATION

Full name of Candidate or Committee — print or type Friends of Eliot Engel ID Number — if known 861A 25143
 Address — number and street 40 Charlotte B Friedman
 City 140-25 Ascl Long State BRONX Zip NY 10475
☐ Check box if address has changed since last report
 Office and District _____
 Name of Political Party _____

TYPE OF REPORT

Check Appropriate Boxes

Date of Election _____

Statement is being filed by: ☐ Candidate ☐ Political Committee ☐ Party Committee ☐ Constituted Committee

Statement reports activities for: ☐ One Candidate ☐ More than one Candidate

Statement is a Termination Report (you cannot terminate if any funds or debts remain): ☐

Statement is an Amendment Report ☐ Amends report previously submitted for period _____ Date _____ to _____ Date _____

Treasurer Resignation Report ☐

REPORTING PERIOD SCHEDULES

Statement period — from 1/15/88 to 7/15/88
 Date Date

Check Appropriate Box

☐ 32 day Pre Primary ☐ 32 day Pre General ☐ 32 day Pre Special ☐ Periodic Jan. 15, 19____
☐ 11 day Pre Primary ☐ 11 day Pre General ☐ 11 day Pre Special ☒ Periodic July 15, 1988
☐ 10 day Post Primary* ☐ 27 day Post General* ☐ 27 day Post Special*

*Campaign material must be submitted with Post-Election statements

VERIFICATION

Must have original signature — sign in pen

ITEMIZED STATEMENT

I state that the information contained in this statement pursuant to the Election Law, is in all respects true and complete to the best of my knowledge, information and belief.

Charlotte B Friedman
 Signature
Treasurer 7/14/88
 Title Date Signed

IN-LIEU-OF STATEMENT (IF APPLICABLE)

I state that neither the aggregate receipts nor the aggregate expenditures, has exceeded or will exceed one thousand dollars in connection with this campaign.

JUL 18 1988
 Signature
 Title NEW YORK STATE Date Signed
 (If you qualify to submit this IN-LIEU-OF STATEMENT, you may now STOP, SIGN and SUBMIT it as your report.)

(Proceed to complete this report on the following pages and schedules.)

Any false information made in this statement may be punishable as a Class A misdemeanor pursuant to Section 210.45 of the Penal Law. For further information, contact the New York State Board of Elections or your local Board of Elections.

NEW YORK STATE BOARD OF ELECTIONS
 P.O. BOX 4
 ONE COMMERCE PLAZA
 ALBANY, NEW YORK 12260

GENERAL INSTRUCTIONS

This financial statement must be prepared in ink or typed. A statement prepared in pencil may not be accepted for filing. The form is designed for use by either a Candidate or a Committee. Entries on the statement should come from the accounting records maintained by the preparer. Refer to the instructions in the financial disclosure guide booklet, regarding the jurisdiction to which this report must be filed.

The ID Number will be assigned by the State Board of Elections to all candidates and committees filing with the State Board. It should be shown on all reports filed and referred to on all correspondence and inquiries addressed to the State Board of Elections.

This statement must be submitted for each appropriate filing period, and must report the activities of each period itself — separate periods may not be combined into a single report.

All pertinent sections and supporting schedules must be completed — except that an "In-Lieu-Of" statement may be submitted in only the following cases:

- a. A Candidate may submit an "In-Lieu-Of" statement if less than \$1,000 will be expended for the entire campaign.
- b. A Committee may submit an "In-Lieu-Of" statement if less than \$1,000 will be expended for the entire campaign, and the committee is supporting only one candidate, and that Candidate has authorized the Committee to engage in the campaign.

The verification section, whether it be the Itemized Statement or the In-Lieu-Of Statement, must have an original signature.

Contributions: Monetary contributions include all cash, checks, money orders, etc., received, and they must be detailed in *Schedule 2A*.

Non-cash contributions are campaign contributions accepted via property received, certain personal services or facilities provided for campaign use. These must be detailed and valued in the appropriate section of *Schedule 2B*. Line 2B and Line 5B are offset against each other, so that the cash fund balance will not be distorted for purposes of reporting.

Transfers in and Transfers out: For purposes of financial statement reporting, transfers are deemed to occur by passing a sum of money from any campaign fund held by any Committee, to any campaign fund held by any other Committee or other Committee's Candidate. Certain of these interchanges, while considered transfers for reporting purposes, may effect maximum contribution limitations. Refer to the Election Law or to the instructional guide booklet for the legal considerations involved.

The Status of Campaign Costs section must be completed for each report submitted. It accumulates campaign costs for this election campaign, and should not accumulate costs of more than a single election campaign. This campaign is as indicated on the Date of Election line on Page 1, in the section captioned Type of Report.

The Allocation of Campaign Costs section must be completed for each report submitted. (Note that it need not be completed in the instance of supporting only one Candidate, as it is obvious that the entire cost of such campaign is chargeable to that single Candidate.) The campaign costs shall be allocated among the Candidates in accord with any percentage based upon reasonable standards established by the Committee. Inasmuch as this section allocates the accumulating totals of campaign costs throughout the campaign, from Line 31 of the Status of Campaign Costs section, it thereby represents the total financial support given to each Candidate from the beginning of the campaign through the period covered by this report. Only those expenditures which are totally non-campaign-related may be classified as non-allocable expenditures. Such costs are usually incurred by ongoing committees which have permanent staff. All such expenditures must be itemized on *Schedule 5A*.

SUMMARY OF RECEIPTS AND EXPENDITURES THIS PERIOD

1. Cash balance at beginning of period—must be same as ending balance
Line 7 of preceding report

718,46

2. Receipts during period:

A. Monetary contributions received (Schedule 2A) DO NOT include
Transfers in. Use Line 2E.

12,910-

B. Non-cash contributions—must be same as Line 5B (Schedule 2B)

C. Total contributions—Line 2A plus Line 2B

12,910-

D. Loan(s) received (Schedule 2D)

20,000.00

E. Transfers in (Schedule 2E)

22,000.00

F. Refunds of campaign expenditures (Schedule 2F)

-

G. Other receipts (Schedule 2G)

-

3. Add Lines 2C through 2G

35,160.00

4. Add Line 1 plus Line 3

35,878.46

5. Expenditures during period:

A. Campaign expenses paid (Schedule 5A) DO NOT include
Transfers Out. Use Line 5E.

29,244.56

B. Non-cash contribution adjustment—must be same as Line 2B

C. Contributions refunded to contributors (Schedule 5C)

D. Loan(s) repayments (Schedule 5D)

5,000.00

E. Transfers out (Schedule 5E)

1,400 =

F. Non-campaign housekeeping expenses—only a Party Committee or a
Constituted Committee may have an entry on this line—to report ordinary
activities which are not for the express purpose of promoting any Candidate

6. Add Line 5A through 5F

35,644.56

7. Cash balance at end of period—Line 4 less Line 6

233.90

STATUS OF LOANS

8. Loan(s) balance at beginning of period—must be same as ending balance
Line 14 of preceding report

9. Loan(s) received this period—from Line 2D

20,000 -

10. Add Line 8 plus Line 9

20,000 -

11. Loan(s) repayments this period—from Line 5D

5,000 -

12. Loan(s) forgiven this period (Schedule 12)

-

13. Add Line 11 plus Line 12

5,000 -

14. Loan(s) balance at end of period—Line 10 less Line 13

15,000 -

1/15/88

to

1/15/89

8.5

MONETARY CONTRIBUTIONS

SCHEDULE

DATE RECEIVED	Relative	Corp.	FULL NAME	MAILING ADDRESS	AMOUNT	PREVIOUS AMOUNTS -IF ANY
3/1/88			Seafield Center	7 Seafield Lane West Hempstead N.Y.	300-	*
"			NY Restaurant Industry	3686 Gardenia Drive Garden City N.Y. 11532	150-	*
3/17/88			General Contractors Assoc of NY	60 E 42nd St NY NY	300-	*
"			Mutual Life Ins Co of NY	1740 Broadway NY NY	300-	*
"			NY CTA	410 Ave N 138 State St	150-	*
"			Life Ins. Co. of NY	475 Park Ave So NY NY	150-	*
"			Vote/Kops Ctr on Political Education of NYS United Teachers	PO Box 5790 Albany NY	300-	*
"			Bronx Laborers Hospital	1276 Fulton Ave Bronx NY	300-	*
"			Montoya-Rodriguez	127 W 24th St	300-	*
"			Law Zetlin Assoc	641 Ave of the Americas	300-	*
"			Independent Insurance Agents Assoc	NY Inc 2 Spring St Albany NY	150-	*
"			Stephen M. Beckman Assoc	112 State St Albany NY	150-	*
3/17/88			The Jim Tollen State Assembly Ctr Transfer			1
"			Gene Burns	PO Box 414 Binghamton NY	150-	*
"			See/ye Stevenson	Voyle-Knecht 225 Park Ave So	300-	*
"			Marsden Reproduction	30 E 33rd St NY	150-	*
"			Castro-Blanco	62 Cooper Sq NY NY	300-	*
3/28/88			The Prudential NY Political Action Ctr.			
"			21 Prudential Plaza	Newark NJ	100-	*
"			Dr. Peter Lynne Silberstein	3680 Johnson Ave NY	100-	
TOTAL					3950-	

SUMMARY (To be completed on last page of schedule 2A)

Total unitemized contributions this period

Total itemized contributions this period — all pages

Total contributions received this period

DO NOT COMPLETE UNLESS THIS IS LAST CONTRIBUTION PAGE

Statement period — from

1/15/88

to

7/15/88

MONETARY CONTRIBUTIONS

SCHEDULE 2A

List all monetary contributions which exceed \$99. The date of receipt, full name and mailing address must be given. Do not report receipts from other political committees on this schedule.

Identify contributions from relatives or corporations by placing a check-mark in the appropriate column. For this purpose, a relative is the candidate's child, parent, grandparent, brother, sister, and the spouse of any of those.

It is not required that contributions of less than \$100 be individually listed. These contributors may be grouped together in a single amount and reported on the line provided in the summary section of this schedule. However, if a contributor in this period has contributed an amount, which when added to his previous contributions for this campaign now exceeds \$99, such contributor must now be individually listed.

For each listed contributor, who has made previous contributions to this campaign, show the total previous contributions in the box provided for this purpose. **DO NOT** report Transfers in, use Schedule 2E

DATE RECEIVED	Relative	Corp.	FULL NAME	MAILING ADDRESS	AMOUNT	PREVIOUS AMOUNTS -IF ANY
2/8/88			North S Savings Bank	185 W 231 st St Bk	150-	A
"			Molat Hears Ltd.	1 Blanningdale Rd New Rochelle NY 10523	200-	A
"			Hollywood Estates	1609 Mulford Ave Bk	200-	B
2/14/88			New York State Bankers	150 W 42 nd St New York NY 10036	150-	A
"			Sobagac	600 W 125 th St Bronx NY 10452	150-	A
"			NY Beer Wholesaler	2 Woodland Ave Larchmont NY 10538	150-	A
"			NY State Optometric Assoc	90 So. Swan St Albany NY	150-	A
"			Local 337 IFT	216 W 14 th St NY NY 10011	150-	B
"			NY State Professional Fire Fighters	111 Washington Ave Albany NY	150-	B
2/22/88			NY State Co. France Int'l Union of Operating Engineers	101 Executive Blvd Elmsford NY 10523	150-	A
"			NY State Building Projectors	1200 Irving Schenck Rd Latham NY	250-	B
"			UR. H. I. Association of NY State & Political Action C.H.	23 EIK ST Albany NY	300-	B
2/22/88			District Council 37 AFSCME	125 Barclay St NY NY	150-	A
2/19/88			NY State Food Industry	Suite 101 303 So. Albany Tulsa NY	300-	B
"			NEA/NY	217 York St Albany NY	150-	A
"			Wood Schenck Lamy	111 Washington Ave Albany NY	150-	B
TOTAL					2900-	

SUMMARY (To be completed on last page of schedule 2A)

Total unitemized contributions this period

Total itemized contributions this period — all pages

Total contributions received this period

DO NOT COMPLETE UNLESS THIS IS LAST CONTRIBUTION PAGE
Over

31040322230

Statement period — from

1/15/88 to

1/15/89

Pg 7

MONETARY CONTRIBUTIONS

SCHEDULE 2A

List all monetary contributions which exceed \$99. The date of receipt, full name and mailing address must be given. Do not report receipts from other political committees on this schedule.

Identify contributions from relatives or corporations by placing a check-mark in the appropriate column. For this purpose, a relative is the candidate's child, parent, grandparent, brother, sister, and the spouse of any of those.

It is not required that contributions of less than \$100 be individually listed. These contributors may be grouped together in a single amount and reported on the line provided in the summary section of this schedule. However, if a contributor in this period has contributed an amount, which when added to his previous contributions for this campaign now exceeds \$99, such contributor must now be individually listed.

For each listed contributor, who has made previous contributions to this campaign, show the total previous contributions in the box provided for this purpose. DO NOT report Transfers in, use Schedule 2E

DATE RECEIVED	Relative	Corp.	FULL NAME	MAILING ADDRESS	AMOUNT	PREVIOUS AMOUNTS -IF ANY
3/28/88			Civil Service Employees Political Action Fund	P.O. Box 7285 Capitol Station Albany NY	300-	*
"			Frank T. Pericelli	1609 Mulford Ave Albany NY 12206	150-	
1/4/88			CH For Medical Eye Care	P.O. Box 7286 State Capital Bldg Albany NY	150-	*
"			Condello, Ryan	One Steuben Pl & Piscitelli Albany NY	150-	*
"			NY State Court	Clarks Ave 321 Bway Retailers Alliance	100-	*
"			NY State Court Officers Assoc	Local 585 SE 10 321 Bway Albany NY	100-	*
4/18/88			Maggie Beapple	322 Bway NY NY 12203	150-	
5/2/88			Metropolitan Package	Shore As 6820 Union Drive Yonkers NY	100-	*
"			Govt Secretaries Inc	60 Grand St NY NY 10014	150-	*
6/6/88			Lydie-Jean Stalean	200 North St New Hyde Park NY	500-	
"			Hanaa Fring Pergament	199 Koby Lane New Hyde Park NY	500-	
"			Pelham Gardens Development Corp	551 5th Ave NY NY 10017	500-	*
"			Pelham Estates Development Corp	551 5th Ave NY NY 10017	500-	*
5/11/88			Edward R Downer Jr	25 Sutherland Place NY	2000-	1/2
5/11/88			Howard Shuckhoff	124 Brainerd St Saratoga NY	100-	
TOTAL					5550-	

SUMMARY (To be completed on last page of schedule 2A)

Total unitemized contributions this period

Total itemized contributions this period — all pages

Total contributions received this period

DO NOT COMPLETE UNLESS THIS IS LAST CONTRIBUTION PAGE

Over

P38

91040322232

Pg 10

91040322234

Statement period — from

1/15/88

2/15/88

18 11

CAMPAIGN EXPENSES PAID

SCHEDULE SA

DATE PAID	FULL NAME	MAILING ADDRESS	AMOUNT	PURPOSE OF DISBURSEMENT
DO NOT report Transfers Out, use Schedule SE				
1/19/88	NYC Parking Violations Bureau	P.O. Box 2137 Rockledge St.	40-	Parking Ticket E
1/19/88	Office General Services	Albany N.Y.	38-	Flags
1/19/88	Rose Anne Greco	766 Van Nest Ave Bx	25-	Cleaning office
1/19/88	Loggia Pty Inc.	P.O. Box 175 Troy N.Y.	15-	Bills
1/22/88	Managerial Celebration	P.O. Box 466 Gray Stone Station Valhalla N.Y.	400-	
1/25/88	Brux Times Reporter	3711 E. Tremont Ave Bx	150	Ad in paper
1/25/88	Ernestine Green	766 Van Nest Ave Bx	26.40	Stamps
"	Pelham PK Hodman	Pelham PK Bx	25-	
"	Ed Feder	2825 Wabbe Ave Brooklyn N.Y.	156.96	Ptz
"	Sylvia Lask	140.8 Ascl Long Bx	9.70	Phone Call to Mr. Lask
1/26/88	Sylvia Lask	140.8 Ascl " "	88-	Stamps
1/26/88	Allerton Home Owner	1415 Allerton Ave	60-	Journal Ad
2/3/88	Hadassah	Pelham Phony. Bx	20-	Trees
2/3/88	Esther Kelle	100-21 Denovetti Pl Bx	29-	Cat Food for 2 cats
2/6/88	Tamara Community Circle	Co of City Dresden Long Island N.Y.	35-	Breakfast
2/10/88	Sylvia Lask	140.8 Ascl Long Bx	54.36	Stamps for Mr. Lask
2/10/88	Ed Walker	40 Walker Ave Brooklyn N.Y.	106-	Traffic Ticket E
2/12/88	Ed Feder	2825 Wabbe Ave Brooklyn	156.96	Ptz
2/14/88	Morris Park Assoc	1824 Briarcliff Ave N.Y.	225-	Fundraiser
2/18/88	Tamara War Veterans	Brooklyn 3410 Paul Ave Bx	50-	
2/19/88	Allerton Home Owners	1415 Allerton Ave Bx	100-	Fundraiser
2/19/88	Choral Society	Brooklyn Education P.O. Box 863 N.Y.C. 10025	100-	
TOTAL			1878.52	

SUMMARY (To be completed on last page of schedule SA)

Total unitemized expenses this period

Total itemized expenses this period — all pages

Total campaign expenses expended this period

DO NOT COMPLETE UNLESS THIS IS LAST CAMPAIGN EXPENSE PAGE

Statement period — from 1/15/88 to 1/15/88

SCHEDULE 2E

DATE RECEIVED	FULL NAME	MAILING ADDRESS	AMOUNT
5/2/88	Stein RJ		200.00
4/12/88	Scheuer for Congress	c/o Jeffrey King 1144 Lydig Ave Box 11.7	250 -
TOTAL			2250 -

SCHEDULE 58

DATE PAID	FULL NAME	MAILING ADDRESS	AMOUNT
3/2/88	Democratic Assembly Campaign	CP 60 E 42 nd St (Dinner)	2.00-
3/23/88	Westchester County Democratic Party	203 Main St. White Plains	1.50-
4/5/88	Ben Franklin Reform Democratic Club	216 W 233 rd St.	2.50-
5/2/88	Novaja Democratic		1.25-
3/17/88	Co op City Democratic Club	c/o Friedman 140-25 Astor Long Bx NY	70-
5/8/88	" " " "	c/o Friedman 140-25 Astor Long Bx NY	1.00-
5/17/88	Liberal Party	18 W. 56 th St. NY	2.50-
6/17/88	Morris Park Independent Dem Club		.50-
6/17/88	Bronx County Liberal Party	1925 Powell Ave. Bx	70-
6/17/88	Co op City Democratic Club	c/o Friedman 140-25 Astor Long Bx	.50-
3/22/88	Friends of Larry Leback		1.30-
TOTAL			14.00 ⁰⁰

Statement period — from

1/15/88 to

1/15/88

Pg 13

CAMPAIGN EXPENSES PAID

SCHEDULE

DATE PAID	FULL NAME	MAILING ADDRESS	AMOUNT	PURPOSE OF DISBURSEMENT
DO NOT report Transfers Out, use Schedule SE				
2/22/88	Bal Foyr Chapter of Hadassah	736 Atlantic Ave Brooklyn	250-	
"	Lions Club of the Bronx	2244 Westchester Ave Bronx	50-	
"	Williamsbridge Senior Citizens	3371 Westchester Rd	25-	
2/23/88	Gwan Spencer	180-3 Carver Long Rd	22-	
2/24/88	Pacom	1780 Bway NY	5442	Expenses D
2/24/88	John Cavelli	11 Island U. Ave. New Rochelle NY 10801	120-	Book of Reg. Voters D
"	Congregation Ohel Moshe	2149 Wallace Ave	65-	Journal/Ad
3/2/88	Pacom	1780 Bway NY	1935	Exp. W. H. O. D
3/10/88	DAKA		2044	
3/14/88	Greenbay Ambulance Corp	100-1 Deba Pl Bk	50-	
3/14/88	Congregation Ohel Moshe	2149 Wallace Ave	65-	Journal/Ad
3/17/88	Norman Adler	Stroft Rd NY	5000-	Consultation D
3/23/88	Bertor O'RT	C/o F. Friedman 140-21 Astor Long Bk	10-	Journal/Ad
3/23/88	St. Francis		50-	Journal/Ad
3/23/88	Friends of the Synagogue		12-	Ad
3/24/88	NY Firefighter Benpuent	2539 71st St Astoria Hq	65-	
4/14/88	Brantford Communication	321 Bway NY	2500-	Research D
4/14/88	John Cavelli	11 Island U. Ave New Rochelle NY	40-	Magraph
4/18/88	Pacom	1780 Bway NY	13230	
4/18/88	Grp City Tour Co. n. y. Council	Dwyer Long Bk	1250	
5/2/88	Hadassah	C/o Rose Gode Grp City Branch Bk NY	500	Tree's
TOTAL			862922	

SUMMARY (To be completed on last page of schedule 5A)

Total unitemized expenses this period

Total itemized expenses this period — all pages

Total campaign expenses expended this period

DO NOT COMPLETE UNLESS THIS IS LAST CAMPAIGN EXPENSE PAGE

P3 14

91040322238

Statement period — from 1/15/88 to 7/15/88

1315

CAMPAIGN EXPENSES PAID

SCHEDULE 3A

DATE PAID	FULL NAME	MAILING ADDRESS	AMOUNT	PURPOSE OF DISBURSEMENT
DO NOT report Transfers Out, use Schedule SE				
5/2/88	FIAME	c/o Mrs. Gay Spalla 1848 Yates Ave. Bx 11	35-	
5/2/88	Herbert H. Lehman College	Bronx NY	25-	Dinner
5/2/88	Hedassah	c/o R. G. Gade Coop City Bx NY	30-	Tree's
5/2/88	Esther Keller	100-21 Danivetti Pl.	17.00	
in	Phi Delta Kappa	c/o Sam Goldstein 722 Mecca Ave. Bx	25-	Dinner
5/9/88	Bronx NY Special Olympic	Dr. David Koplan 1200 Water Pl. Bx	25-	
5/10/88	Arnold Linhardt	280 Collins Ave. Mt Vernon	66.84	
5/10/88	Marsden Reproductions	30 E. 33rd St NY	1355.06	Dtg. D2
5/16/88	AIPAC		150-	
5/17/88	Rose Gang	980 Park Ave. Bx	15-	Trac G. Fr
5/18/88	Penna Schoen	245 E 92nd St NY	2500-	Poll
in	Beth Jacob, Beth Shalom	2126 Barnes Ave Bx	30-	Journal Ad
5/19/88	Community Center of Israel	2440 Esplanade Ave	100-	
5/23/88	Dept of State	162 W. Washington St Albany NY	20-	Notary stamp
5/26/88	Sylvia Lusk	140-8 Asch Long	15-	
in	Parents & Relations	Bx Danbury Ct	15-	
6/2/88	Penna Schoen	245 E 92nd St NY	2500-	C
6/7/88	Childrens Appreciations	1561 Ziegler Ave Bx	60-	Journal Ad
6/7/88	James Jennings	28 Cadman Pl. Bx	850-	List D1
6/7/88	Zerego Community Assoc	1551 Park St Bx	60-	Journal Ad
6/12/88	Eliot Engel	15 B Adler Pl Bx	139.60	A
6/15/88	Arnold Linhardt	280 Collins Ave Mt Vernon	40-	Transportation A
TOTAL			18,004.00	

SUMMARY (To be completed on last page of schedule 5A)

Total unitemized expenses this period

Total itemized expenses this period — all pages

Total campaign expenses expended this period

DO NOT COMPLETE UNLESS THIS IS LAST CAMPAIGN EXPENSE PAGE

Ps 16

91040322240

P 18

21040322242

Statement period — from

1/15/88
Date

to

11/15/88
Date

13 19

LOANS RECEIVED

SCHEDULE 2D

DATE RECEIVED	FULL NAME	MAILING ADDRESS	AMOUNT
---------------	-----------	-----------------	--------

SCHEDULE 2D — List any loans received during the reporting period. A copy of the evidence of indebtedness for each loan must be attached to the statement. If the loan was received from a lending institution, there must be included on the evidence of indebtedness the name and address of the obligor of the loan or any other person who endorses, co-signs, guarantees, or otherwise provides security for such loan. The name of this person should also be recorded on the schedule under the name of the lending institution.

2/29/88	Levy o Walker	1960 Bway NY	5000 ⁰⁰ - B
5/88	Eliot Engel	15 B Adler PI Bx	15000 - B
(EVIDENCE OF INDEBTEDNESS FOR LOANS LISTED ABOVE MUST BE ATTACHED)			TOTAL 20,000 -

LOAN REPAYMENTS

SCHEDULE 5D

DATE PAID	FULL NAME	MAILING ADDRESS	AMOUNT	DATE OF LOAN
5/10/88	Levy o Walker	1960 Bway	5000 ⁰⁰	2/29/88
TOTAL			5000 ⁰⁰	

LOANS FORGIVEN

SCHEDULE 72

DATE FORGIVEN	FULL NAME	MAILING ADDRESS	AMOUNT	DATE OF LOAN
(EVIDENCE FROM LENDERS INDICATING FORGIVENESS MUST BE ATTACHED)			TOTAL	

2104032243

Statement period — from _____ to _____
Date Date

NON-CASH CONTRIBUTIONS

SCHEDULE B

DATE	FULL NAME	MAILING ADDRESS	PURPOSE OF PAYMENT OR DESCRIPTION OF ITEM	AMOUNT PAID OR VALUE OF ITEM
Campaign expenses paid by:				
Property given by:				
Services or facilities provided by:				
(FORGIVENESS OF LOANS OR UNPAID BILLS SHOULD NOT BE SHOWN ON THIS SCHEDULE—SEPARATE SCHEDULES ARE USED FOR SUCH TRANSACTIONS)				TOTAL

REFUNDS OF CAMPAIGN EXPENDITURES

SCHEDULE C

DATE RECEIVED	FULL NAME	MAILING ADDRESS	AMOUNT REFUNDED
TOTAL			

OTHER RECEIPTS

SCHEDULE D

DATE RECEIVED	FULL NAME	MAILING ADDRESS	AMOUNT	TYPE OF RECEIPT
TOTAL				



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 19, 1988

Mr. Vincent Marchiselli
1435 E. Sunhill Road
Bronx, NY 10469

RE: MUR 2671

Dear Mr. Marchiselli:

This letter acknowledges receipt of your complaint, received on August 10, 1988, alleging possible violations of the Federal Election Campaign Act of 1971, as amended (the "Act"), by Elliot Engel, Engel '88, and Friends of Elliot Engel. The respondents will be notified of this complaint within five days.

You will be notified as soon as the Federal Election Commission takes final action on your complaint. Should you receive any additional information in this matter, please forward it to the Office of the General Counsel. Such information must be sworn to in the same manner as the original complaint. We have assigned this matter MUR 2671. Please refer to this number in all future correspondence. For your information, we have attached a brief description of the Commission's procedures for handling complaints. If you have any questions, please contact Retre Dixon, Pocket Chief, at (202) 376-3110.

Sincerely,

Lawrence M. Noble
General Counsel

By: Lois G. Lerner
Associate General Counsel

Enclosure
2000000000

9104032247



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

August 19, 1988

Engel '88
c/o Charlotte B. Friedman
140-25 Asch Loop
Bronx, NY 10475

RE: MUR 2671
Engel '88

Gentlemen:

The Federal Election Commission received a complaint which alleges that Engel '88 may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2671. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against Engel '88 in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 unless you notify the Commission in writing that you wish the matter to be made public. 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.

21040322248

If you have any questions, please contact Michael Marinelli, the attorney assigned to this matter, at (202) 776-8200. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble
General Counsel


By: Lois G. Lerner
Associate General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

91040322249



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

August 19, 1988

Friends Of Eliot Engel
c/o Charlotte B. Friedman
140-25 Asch Loop
Brooklyn, NY 10475

RE: MUR 2671
Friends Of Eliot
Engel

Seriousness:

The Federal Election Commission received a complaint which alleges that Friends Of Eliot Engel may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2671. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against Friends Of Eliot Engel in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.


This matter will remain confidential in accordance with Section 437g(a)(4)(B) and Section 437g(a)(12)(A) of Title 2 unless you notify the Commission in writing that you wish the matter to be made public. 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.

9104032250

If you have any questions, please contact Michael Marinelli, 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 complaints.

Sincerely,

Lawrence M. Noble
General Counsel


By: Lois G. Lerner
Associate General Counsel

Enclosures

- i. Complaint
- ii. Procedures
- iii. Designation of Counsel Statement

21040322251



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 19, 1988

Mr. Elliot Engel
100 Euler Place
Brooklyn, NY 10478

RE: MUF 2471
Elliot Engel

Dear Mr. Engel:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have reviewed this letter and the complaint. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate to the Commission that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. These submissions, statements and/or affidavits must be received by the Commission, and should be accompanied by the General Counsel's Review, within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.


This letter will remain confidential in accordance with Section 437a(a)(4)(B) and Section 437a(a)(2)(A) of Title 2, unless you notify the Commission in writing that you wish the matter to be made public. 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.

21040322252

If you have any questions, please contact Michael Marinelli, 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 complaints.

Sincerely,

Lawrence M. Noble
General Counsel


By: Lois G. Lerner
Associate General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

91040322253

Eliot Engel for Congress

2805 Middletown Road, Bronx, NY 10461 / 212-931-1115

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

SEP 15 AM 8:57

September 9, 1988

Lois G. Lerner
Associate General Counsel
Federal Election Commission
Washington, D.C. 20463

Re: MUR 2671
Eliot Engel

Dear Mr. Lerner:

The candidate responds to the complaint as follows:

1. Attached is the letter from Charlotte B. Friedman, Treasurer of the Friends of Eliot Engel and Engel '88 explaining that the source of the \$15,000 was a loan from the candidate. There were no contributions received by "Friends" between the date of the candidate's loan and the date "Friends" paid for the poll as plainly appears on the "Friends" Financial Disclosure Statement attached to the complaint. Therefore, there are no contributions to list.
2. The \$15,000 loan from the candidate is perfectly acceptable under federal standards.
3. These expenditures were unrelated to the Congressional campaign.
4. The \$15,000 loan from the candidate was to "Friends" not Engel '88 and is properly reported on "Friends" Financial Disclosure Statement.
5. The loan was made to "Friends" because Engel '88 did not exist at the time the loan was made. The loan has not been repaid.
6. The poll was reported and only permissible funds were used to pay for it.
7. On June 2, 1988, the account contained \$7,500 from the candidate's loan which could legally be used for the poll.
8. These expenditures were unrelated to the Congressional campaign.

88 SEP 15 AM 10:07

RECEIVED
FEDERAL ELECTION COMMISSION

91040322254

Page 2 (Re: MUR 2671, Eliot Engel)

9. These expenditures are perfectly lawful. (Indeed it would be unlawful not to make them.)

10. Engel '88 did not make any expenditures for any trailer or receive any in kind contribution of a trailer during the period covered by this report and has no knowledge concerning the two individuals referred to.

11. Engel '88 has no paid staff or campaign aides.

Very truly yours,

Charlotte B. Friedman

Charlotte B. Friedman

Enclosures

91040322255

Eliot Engel for Congress

2805 Middletown Road, Bronx, NY 10461 / 212-931-1115

2805 Middletown Road
Bronx, N.Y. 10461
August 15, 1988

Clerk of the House of Representatives
1036 Longworth House Office Building
Washington, D.C. 20515

I.D. # COO228981
Re: July Quarterly Report

To Whom it may concern:


This letter is in reply to the inquiry by Brian Morris,
Reports Analyst at the Federal Election Commission.

1) Transfer of funds from Friends of Eliot Engel: Mr. Engel currently serves as a member of the New York State Legislature and as such maintains a state campaign account. Prior to the establishment of his Federal campaign committee Engel '88, Mr. Engel, under the "testing the waters" provision of the Federal Election Law, personally loaned his State campaign \$15,000 to have a poll conducted relating to a possible candidacy for Federal office. I have enclosed copies of the withdrawal and deposit slips as well as a copy of Mr. Engel's last State financial report which reports both the loan as well as the expenditure of the money for the poll. At no time did Mr. Engel use any other State funds to have this poll conducted. No other monies from his State committee have been or are being used for this Federal election. After Mr. Engel became a candidate for federal office, the expenditure for the poll was reported by the Engel '88 Committee in the July Quarterly report.

2) An amended copy of the July Quarterly report was submitted on 7/25/88 (copy enclosed) which reflects the omission on Line 10 of the Summary Page.

I believe the above information adequately and accurately answers your questions.


Sincerely,


Charlotte B. Friedman
Treasurer

cc: Brian Morris, Reports Analyst
Reports Analyst Division
Federal Election Commission
Washington D.C. 20463

CBF:rg
Enclosures

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**MARINE MIDLAND BANK, N.A.**

SAVINGS WITHDRAWAL
NON-NEGOTIABLE

COOP COOP OFFICE DATE 5/17/88 Adler
OK

PAY THE SUM OF \$ 15,000.00

Fifteen thousand DOLLARS

MY ACCOUNT NUMBER IS


0	2	4	-	6	9	6	2	4	-	2
---	---	---	---	---	---	---	---	---	---	---

TO: Eliot L. Engel
ACCOUNT OWNER SIGNATURE

15 B Adler Place
ADDRESS

TDA 19 SF

CUSTOMER COPY

**AMALGAMATED BANK OF NEW YORK**
NEW YORK NEW YORK

DEPOSIT TICKET

CASH ☒ DOLLARS CENTS

CHECK	\$	15,000	00

BE SURE EACH ITEM IS PROPERLY ENDORSED LIST CHECKS SEPARATELY

DATE 5-17- 19 88

CHECKS AND OTHER ITEMS ARE RECEIVED FOR DEPOSIT SUBJECT TO THE PROVISIONS OF THE UNIFORM COMMERCIAL CODE OR ANY APPLICABLE COLLECTION AGREEMENT

Friends of Eliot Engel
c/o Charlotte B. Friedman
40-25 Asch Loop

TOTAL 15,000 00

ACCOUNT NUMBER

2	1	0	0	4	9	5	3
---	---	---	---	---	---	---	---

STATEMENT OF DESIGNATION OF COUNSEL

NR 2671
NAME OF COUNSEL: Edgar G. Walker
ADDRESS: 611 Broadway
NY NY 10012
TELEPHONE: 212-674-3000

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.

9-8-88
Date

Eliot L Engel
Signature

RESPONDENT'S NAME:

ADDRESS:

HOME PHONE:

BUSINESS PHONE:

Eliot Engel
153 Adler Place
Brooklyn, NY 10475
212-320-0817
212-931-1115

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88 NOV -3 AM 9:31

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

SENSITIVE
EXECUTIVE SESSION
NOV 15 1988

FIRST GENERAL COUNSEL'S REPORT

MUR# 2671
STAFF MEMBER Michael Marinelli

SOURCE: Vincent A. Marchiselli

RESPONDENTS: Engel '88, and Charlotte B. Friedman, as
treasurer (federal committee)
Friends of Eliot Engel, and
Charlotte B. Friedman, as treasurer
(non-federal committee)

RELEVANT STATUTES: 2 U.S.C. § 431(4)(A)
2 U.S.C. § 431(8)
2 U.S.C. § 431(9)
2 U.S.C. § 433(a)
2 U.S.C. § 434(a)
2 U.S.C. § 434(b)(2)
2 U.S.C. § 434(b)(3)(E)
2 U.S.C. § 434(b)(4)
2 U.S.C. § 439a
2 U.S.C. § 441b(a)
11 C.F.R. § 100.5
11 C.F.R. § 100.7(b)(1)(i)
11 C.F.R. § 100.8(b)(1)(i)
11 C.F.R. § 102.6(a)b
11 C.F.R. § 101.3
11 C.F.R. § 104.12
Advisory Opinion 1980-46
Advisory Opinion 1985-40
Advisory Opinion 1987-12
Advisory Opinion 1987-16

INTERNAL REPORTS CHECKED: None

FEDERAL AGENCIES CHECKED: None

I. GENERATION OF MATTER

On August 12, 1988, the Commission received a complaint filed by Vincent A. Marchiselli, a former New York State Assemblyman and candidate for Congress in the 19th Congressional district of New York. The complaint alleges that his opponent in the

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September 15, 1988, Democratic primary, State Assemblyman Eliot L. Engel, and two committees controlled by Mr. Engel, Friends of Engel ("Friends"), Mr. Engel's state committee, and Engel '88 (the "Committee"), Mr. Engel's principal campaign committee, were in violation of the Federal Election Campaign Act, as amended (the "Act").¹

II. FACTUAL AND LEGAL ANALYSIS

A. FACTUAL BACKGROUND

Friends is the state committee utilized by the candidate for his state legislative campaigns. Friends' filing with the New York State Board of Elections for the period covering January 15, 1988, to July 15, 1988, indicates that Friends had receipts of \$35,878.46 and disbursements of \$35,644.46. This report also indicates that, excluding a \$15,000 loan from Mr. Engel, Friends raised from January 4, 1988, to July 5, 1988, \$12,910 in contributions. Of this amount, \$10,410 comes from apparent corporate or union sources.

On May 17, 1988, Mr. Engel withdrew \$15,000 from his personal bank account and made a loan to Friends. The Committee has subsequently stated that the \$15,000 was used to finance a poll

1. Mr. Engel won the the September 15, 1988, primary with 50% of the vote. Mr. Marchiselli received 25% of the vote. The remaining 25% went to former incumbent Congressman Biaggi whose August 5, 1988, resignation from Congress and subsequent withdrawal from the race came too late to permit the removal of his name from the primary ballot. Mr. Biaggi's name will also be on the November ballot since, as was usual in his district, he received the Republican nomination and his withdrawal came too late to permit ballot changes for the general election. Mr. Engel will have both the Democratic and Liberal party lines in the general election. The other candidates who will be on the ballot will occupy the Conservative, Right to Life and Independent party lines.

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which the federal committee states was part of testing the waters activity conducted by the candidate. The amounts spent on this particular testing the waters activity were listed in Friends' New York State filing as two \$7,500 expenditures paid to Penn and Schoen on May 18, 1988, and June 2, 1988. The purpose of the disbursement was described as payment for a poll.

Mr. Engel filed his Statement of Candidacy with the Commission on June 13, 1988. On that same day Engel '88 filed its Statement of Organization. Engel '88 filed a 1988 July Quarterly Report on July 18, 1988. In this first report filed with the Commission, the Committee listed the poll as a \$15,000 in-kind contribution from Friends. Friends has not registered and reported as a federal committee.

B. THE ALLEGATIONS AND RESPONSE

1. The loan and testing the waters poll

The complainant alleges Engel '88 failed to provide a list identifying the original donors whose contributions financed the in-kind contribution poll from Friends. The complainant further alleges that the poll, which as a testing the waters activity could only be paid for by funds permissible under the Act, was paid for with impermissible funds. The complainant also alleges that not enough details are given of the May 17, 1988, loan, which is entered only in Friends' New York State filing and not listed in the Committee's 1988 July Quarterly Report, to satisfy federal reporting requirements. Further, since most contributions received by Friends up to the time of the loan were from prohibited sources, the complainant states that the loan was

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used as a means to sidestep the prohibitions of the Act. Specifically, the complainant alleges that, although the loan was made to the state committee, it was actually used to finance federal election activity. It is further alleged that the loan to the state committee could have been repaid by the state committee with sources prohibited under the Act.

On September 15, 1988, this Office received a response to the complaint from the Committee which addressed the allegations. The response stated that the May 15, 1988, loan to Friends was the source of the funds for the poll. The Committee includes in its response an August 23, 1988, letter to the Commission amending its 1988 July Quarterly Report and informing the Commission of the loan. Both the reply to the complaint and to the RFAI include documentation identifying the account out of which the funds to make the loan was drawn, the date of the withdrawal and the date and account in which the loan money was deposited for Friends. The Committee argues that both the making of the loan and the way it originally was reported were perfectly acceptable under federal standards.

2. Unreported expenditures on behalf of the Candidate

The complainant lists various expenditures which allegedly were made for, or on behalf of, Engel '88 but were not reported by the federal committee and may have been paid for from sources prohibited under the Act. The complainant states that Friends' state filing lists \$10,023.04 in expenditures that the complainant alleges were made on behalf of Engel '88. Another \$806.92 disbursement, the complainant alleges, was made to

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reimburse Engel '88 campaign staff (including the candidate) for Congressional campaign related activity.² Finally, the complaint alleges that certain Congressional campaign expenditures were not reported at all. These include the payment of campaign aides' salaries. The complainant does not allege where these payments came from. The complainant further states that with the assistance of an aide to the Marchiselli campaign, another undisclosed expenditure for a trailer allegedly used by Mr. Engel's Congressional campaign was discovered.

In its response to the complaint, the Committee states that the \$10,023.04 in expenditures were unrelated to the Congressional campaign as was the \$806.92 disbursement. The Committee further denies any knowledge of the use of a trailer for its campaign and declares that Engel '88 has no paid staff or campaign aides. Mr. Engel's state legislative seat was up for re-election and he had until July 14, 1988, to file his intention to run for re-election. The \$10,023.04 was spent during a period spanning from February 19, 1988, to June 7, 1988, and the \$806.92 was spent during the period from June 13, 1988, to July 7, 1988.

3. Use of state committee funds to pay traffic fines incurred by the federal committee

The complainant notes that the Act allows contributions to be used only for lawful purposes. The complainant states that the

2. Taking all the allegations in the complaint together, it is alleged that almost three quarters of Friends' expenditures or 73% were in fact used for Mr. Eliot's Congressional campaign. If one were to exclude from Engel '88's 1988 July Quarterly Report the \$15,000 in-kind contribution from Friends, the federal committee would have only \$5,610 in receipts and \$0 in expenditures for the period covered by the 1988 July Quarterly Report.

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state filing for Friends lists the payment of \$241 in traffic tickets. Implying that these were tickets incurred by the Congressional campaign, the complainant concludes use of funds for this purpose is not lawful under the Act. The Committee in its response asserts that the expenditures for the traffic fines were perfectly lawful.

C. STATEMENT OF THE LAW

All political committees must file reports listing the political committee's receipts and disbursements. 2 U.S.C. § 434(a). The Act requires that reports filed by a political committee disclose all contributions received from individuals and other political committees. 2 U.S.C. § 434(b)(2). A political committee is likewise required to disclose all expenditures it has made in a federal campaign. 2 U.S.C. § 434(b)(4). Under the Act, the term contribution includes 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. 2 U.S.C. § 431(8). The term expenditure includes any purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made by any person for the purpose of influencing any election for Federal office. 2 U.S.C. § 431(9). A political committee may not accept contributions made from the treasuries of national banks, corporations or labor organizations. 2 U.S.C. § 441b(a).

There are exemptions from the definitions of expenditure and contribution. Commission regulations permit an individual to

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receive funds and make payments if done solely for the purpose of determining whether he or she should become a candidate, without such funds being considered at that time a contribution to or an expenditure on behalf of that individual. Only funds permissible under the Act can be used for these "testing the waters" activities, and records must be kept of all the funds that are received for such purposes. 11 C.F.R. §§ 100.7(b)(1)(i) and 100.8(b)(1)(i). Nevertheless, if the individual subsequently becomes a candidate, the funds received or payments made in connection with testing the waters activities are then considered contributions and expenditures under the Act, and they must be reported in the first report filed by the candidate's principal campaign committee. 11 C.F.R. § 101.3. In-kind receipts and payments must be included in this first report. See Advisory Opinion 1985-40.

The Act defines a political committee as "any committee, club, association, or other group of persons which receives contributions aggregating in excess of \$1,000 during a calendar year or which makes expenditures aggregating in excess of \$1,000 a calendar year." 2 U.S.C. § 431(4)(A). All political committees are required to file Statements of Organizations. If the committee is an authorized committee, the filing must occur within 10 days of designation as an authorized committee. All other committees must file the Statement of Organization within 10 days of qualifying as a political committee. 2 U.S.C. § 433(a).

All committees controlled by the same corporation, labor

organization, person or group of persons are affiliated committees. 11 C.F.R. § 100.5. Transfers of funds may be made without limit between affiliated committees. 11 C.F.R. § 102.6(a). The Commission has determined that a candidate's state and federal committees are affiliated and that the state committee may make unlimited transfers to the federal candidate or committee so long as the funds are permissible under the Act. Id. Nevertheless, the state committee must register and report with the Commission as a political committee once its transfers or expenditures, in the aggregate, exceed \$1,000. See Advisory Opinion 1987-12. In registering and reporting, the state committee must also exclude from its cash-on-hand any impermissible funds. Id.; 11 C.F.R. § 104.12.

Under 2 U.S.C. § 439a, a candidate may use contributions in excess of any amount needed to cover expenditures to defray any expenses for any lawful purpose.

D. APPLICATION OF THE LAW TO THE FACTS

1. The loan and testing the waters poll

Before the complaint was filed, RAD sent a RFAI to the Committee on August 2, 1988, following its review of the Committee's 1988 July Quarterly Report. The RFAI requested that the Committee identify the sources of the funds making up the \$15,000 in-kind contribution from Friends. The Committee responded to the RFAI in an August 23, 1988, letter identifying the May 17, 1988, loan from the candidate's personal funds as the source of Friends in-kind contributions. Referring to its August 23, 1988, letter and its New York State filing, the

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Committee has stated in its response to the complaint that there were no contributions received by Friends between the date of the candidate's loan and the date the poll was paid for by Friends.

Staff from this Office have discussed the Committee's response with RAD. After reviewing with RAD the reply of the Committee both to the RFAI and the complaint, it was this Office's understanding that both these responses would be sufficient to satisfy RAD's concern that the Committee used only clean funds to make the in-kind contribution. Further, an examination of Friends' State filing indicates that while there were other disbursements made at the same time as the payments for the poll, the Committee had received enough non-corporate contributions directly before these disbursements to insure that no impermissible funds were used to pay for the poll. As the Committee stated, it received no contributions, corporate or otherwise, in-between the date the loan was paid and the dates the payment for polling were made. The chart below indicates the only activity recorded in Friends' State filing for this period.

- 05/11/88- Receipt of two non-corporate contributions totaling \$2,100.
- 05/17/88- Receipt of the \$15,000 loan from the candidate.
- 05/17/88- 05/26/88- varied expenditures made by the Friends totaling together \$175.
- 05/18/88- First payment of \$7,500 to Shoen and Penn for polling work done.
- 06/02/88- Last payment of \$7,500 to Shoen and Penn for polling work done.
- 06/06/88- Receipt of two corporate contributions totaling \$1,000.

Additionally, it was this Office's understanding that because

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the obligation to repay the May 17, 1988, loan was incurred by the state committee rather than the federal committee, RAD would not require the federal committee to report the loan. According to RAD, the Committee followed an acceptable procedure when it reported the in-kind contribution of the poll from Friends rather than the loan which was the source of contribution.

Friends, a state committee controlled by Mr. Engel, would be considered affiliated with his federal committee. Once the federal committee was established, Friends could have made unlimited transfers to the Committee. The Commission has also concluded that just as the contribution limitations set forth at 2 U.S.C § 441a(a) do not apply to these transfers, they also do not apply to in-kind contributions between affiliated committees. See Advisory Opinion 1987-16. Thus, Friends could permissibly make the in-kind contribution to the Committee. Therefore, the making of the in-kind contribution does not violate 2 U.S.C § 441b and the manner it was reported does not violate 2 U.S.C. § 434(b).

The question remains, however, whether Friends was obligated to register and report with the Commission because of the in-kind contribution made to the Committee. Under the testing the waters regulations, initially, use of the loan for the poll would not be considered a contribution or expenditure under the Act. However once the Mr. Engel became a candidate then retroactively these transactions would fall under the reporting provisions of the Act. 11 C.F.R. §§ 100.7(b)(1)(i) and 100.8(b)(1)(i). Therefore, while Friends incurred no obligation to register and report at

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the time it made the \$15,000 in-kind contribution used for the testing the waters poll, when Mr Engel subsequently became a candidate Friends incurred an obligation to register and report with the Commission. This it has failed to do.

Therefore, the Office of the General Counsel recommends that the Commission find reason to believe that Friends of Eliot Engel and Charlotte B. Friedman, as treasurer, violated 2 U.S.C. §§ 433(a) and 434(a).

2. Unreported expenditures on behalf of the Candidate

Under the testing the waters regulations, Engel '88 was required to keep records to list all the funds received that were used to finance its testing the waters activities prior to the time Mr. Engel became a candidate under the Act. 11 C.F.R. §§ 100.7(b)(1)(i) and 100.8(b)(1)(i).

The Friends state filing provided by complainant shows that the \$10,023.04 allegedly spent for Engel's Congressional campaign was used for consulting fees, document reproduction and research during a period from February 19, 1988, to June 6, 1988. If these were part of the testing the waters activities being conducted by the Engel campaign, they should have been listed as expenditures in Engel '88's 1988 July Quarterly Report.

The state filing indicates that the \$806.92 allegedly used to reimburse Congressional campaign staff was spent from June 13, 1988 to July 7, 1988. Since, this came after the candidate had indicated that he was actively seeking Federal office by filing a Statement of Candidacy, the amount spent could not be considered part of testing the waters activity. Nonetheless, if these

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amounts were spent to reimburse congressional campaign staff, they would be considered in-kind contributions under Section 431(8) and should have been reported in the 1988 July Quarterly Report.

The other amounts the complainant maintains were completely unreported by either the state or federal committee, i.e., the salaries of campaign aides and the renting of a trailer, if they happened at all, should likewise have been included in the 1988 July Quarterly Report. If they were spent as part of testing the waters activities, Section 101.3 would require the subsequent reporting after Mr. Engel became a candidate. If sums were spent in this manner following Mr. Engel's entrance into the Democratic primary, Engel '88 should have listed such funds in its 1988 July Quarterly Report.

Although the Committee denies that any of the expenditures listed in the New York State filing for Friends were related to the federal campaign, the Committee has failed to produce any documentation indicating with which campaign, state or federal, that these expenditures were connected.

Therefore, the Office of the General Counsel recommends that the Commission find reason to believe that Engel '88 and Charlotte B. Friedman, as treasurer, violated 2 U.S.C. § 434(b). This Office has also prepared proposed questions directed to the Committee to provide documentation and proposed questions directed to Vincent De Pasquale as a non-respondent witness to provide further information regarding the use of the trailer by the Engel campaign.

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New York State law permits state political committees to accept contributions from corporate or union treasuries. The complainant has presented evidence that corporate or union contributions may have been used to finance testing the water and the other unreported federal activity. The state filing for Friends indicates that out of its total receipts of \$35,878.46, there are \$10,410 in gifts from contributors who appear to be union locals or corporations. Under the Act use of these funds to finance either the testing the waters activity or the federal campaign activity would constitute a violation of 2 U.S.C. § 441b(a).

Therefore, the Office of the General Counsel recommends that the Commission find reason to believe that Engel '88 and Charlotte B. Friedman, as treasurer; and Friends of Eliot Engel, and Charlotte B. Friedman, as treasurer, violated 2 U.S.C. § 441b.

3. Use of state committee funds to pay traffic fines incurred by the federal committee

The Complainant's contentions concerning the unlawful use of contributions to pay traffic tickets allege a violation of 2 U.S.C. § 439a. However, the use of excess federal campaign funds to pay traffic tickets would not be prohibited by 2 U.S.C. § 439a since the payment of a fine is not unlawful. Further, the Commission has taken the position that candidates and committees have wide discretion under the Act as to how campaign funds may be used. See Advisory Opinion 1980-49. The particular use of campaign funds complained of here, i.e. the payment of traffic tickets was not found to violate the Act. See Pre-MUR 183.

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However, to the extent that the \$241 listed on the Friends' state filing used for this purpose came from union or corporate contributions and was not reported as an in-kind contribution, it would constitute part of the Section 434(b) and Section 441b violations cited above. The proposed questions direct the Committee to provide information regarding this expenditure by Friends.

III. RECOMMENDATIONS

1. Find reason to believe that Engel '88 and Charlotte Friedman, as treasurer, violated 2 U.S.C. § 434(b) and 2 U.S.C. § 441b(a).
2. Find reason to believe that Friends of Eliot Engel, and Charlotte B. Friedman, as treasurer, violated 2 U.S.C. §§ 433(a), 434(a) and 441b.
3. Approve the attached letters and Factual and Legal Analyses and Interrogatories and Request for Documents.

Lawrence M. Noble
General Counsel

11/2/88

Date

BY: 
Lois G. Lerner
Associate General Counsel

Attachments:

1. Complaint
2. Response to Complaint and RFAI
3. Proposed Letters (2) and Factual and Legal Analysis (1)
4. Interrogatories and Request for Documents (2)

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/CANDACE M. JONES *my*
COMMISSION SECRETARY

DATE: NOVEMBER 7, 1988

SUBJECT: OBJECTIONS TO MUR 2671 - FIRST GENERAL COUNSEL'S RPT.
SIGNED NOVEMBER 2, 1988

The above-captioned document was circulated to the
Commission on Thursday, November 3, 1988 at 11:00 a.m.

Objection(s) have been received from the Commissioner(s)
as indicated by the name(s) checked below:

Commissioner Aikens	<u>X</u>
Commissioner Elliott	<u>X</u>
Commissioner Josefiak	<u>X</u>
Commissioner McDonald	<u> </u>
Commissioner McGarry	<u> </u>
Commissioner Thomas	<u>X</u>

This matter will be placed on the meeting agenda
for Tuesday, November 15, 1988.

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

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Engel '88, and Charlotte B. Friedman,)
as treasurer (federal committee)) MUR 2671
Friends of Eliot Engel, and)
Charlotte B. Friedman, as treasurer,)
(non-federal committee))

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the
Federal Election Commission executive session of November 15,
1988, do hereby certify that the Commission decided by a vote
of 4-2 to take the following actions in MUR 2671:

1. Find reason to believe that Engel '88 and
Charlotte Friedman, as treasurer, violated
2 U.S.C. § 434(b) and § 441b(a).
2. Find reason to believe that Friends of Eliot
Engel, and Charlotte B. Friedman, as treasurer,
violated 2 U.S.C. §§ 433(a), 434(a), and 441b.
3. Approve the letters, Factual and Legal Analyses,
and Interrogatories and Request for Documents
attached to the General Counsel's report dated
November 2, 1988.

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

Attest:

11/17/88
Date

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

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 22, 1988

Edgar G. Walker, Esquire
611 Broadway
New York, N.Y. 10012

RE: MUR 2671
Engel '88 and Charlotte B.
Friedman, as treasurer
Friends of Eliot Engel and
Charlotte B. Friedman, as
treasurer

Dear Mr. Walker:

On August 19, 1988, the Federal Election Commission notified your clients, Engel '88, ("Committee"), Friends of Eliot Engel ("Friends"), and Charlotte B. Friedman, as treasurer of both committees, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint was forwarded to your clients at that time.

Upon further review of the allegations contained in the complaint, and information supplied by your clients, the Commission, on November 15, 1988, found that there is reason to believe the Committee and Charlotte B. Friedman, as treasurer, violated 2 U.S.C. §§ 434(b) and 441b(a), provisions of the Act; and that Friends and Charlotte B. Friedman, as treasurer, violated 2 U.S.C. §§ 433(a), 434(a) and 441b. 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 your clients. 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 receipt of this letter. Where appropriate, statements should be submitted under oath.

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Edgar G. Walker, Esquire
Page 2

In the absence of any additional information demonstrating that no further action should be taken against your clients, 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 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.

This matter will remain 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 matter to be made public.

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

Sincerely,



Thomas J. Josefiak
Chairman

Enclosures
Questions
Factual & Legal Analysis

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: Engel '88, and MUR: 2671
Charlotte B. Friedman,
as treasurer
Friends of Eliot Engel
and Charlotte B. Friedman,
as treasurer

A. FACTUAL BACKGROUND

On August 12, 1988, the Commission received a complaint filed by Vincent A. Marchiselli, a former New York State Assemblyman and candidate for Congress in the 19th Congressional district of New York. The complaint alleges that his opponent in the September 15, 1988, Democratic primary, State Assemblyman Eliot L. Engel, and two committees controlled by Mr. Engel, Friends of Engel ("Friends"), Mr. Engel's state committee, and Engel '88 (the "Committee"), Mr. Engel's principal campaign committee, were in violation of the Federal Election Campaign Act, as amended (the "Act").

Friends is the state committee utilized by the candidate for his state legislative campaigns. Friends' filing with the New York State Board of Elections for the period covering January 15, 1988, to July 15, 1988, indicates that Friends had receipts of \$35,878.46 and disbursements of \$35,644.46. This report also indicates that, excluding a \$15,000 loan from Mr. Engel, Friends raised from January 4, 1988, to July 5, 1988, \$12,910 in contributions. Of this amount, \$10,410 comes from apparent corporate or union sources.

On May 17, 1988, Mr. Engel withdrew \$15,000 from his personal

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bank account and made a loan to Friends. The Committee has subsequently stated that the \$15,000 was used to finance a poll which the federal committee states was part of testing the waters activity conducted by the candidate. The amounts spent on this particular testing the waters activity were listed in Friends' New York State filing as two \$7,500 expenditures paid to Penn and Schoen on May 18, 1988, and June 2, 1988. The purpose of the disbursement was described as payment for a poll.

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B. THE ALLEGATIONS AND RESPONSE

1. The loan and testing the waters poll

The complainant alleges Engel '88 failed to provide a list identifying the original donors whose contributions financed the in-kind contribution poll from Friends. The complainant further alleges that the poll, which as a testing the waters activity could only be paid for by funds permissible under the Act, was paid for with impermissible funds. The complainant also alleges that not enough details are given of the May 17, 1988, loan, which is entered only in Friends' New York State filing and not listed in the Committee's 1988 July Quarterly Report, to satisfy federal reporting requirements. Further, since most

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contributions received by Friends up to the time of the loan were from prohibited sources, the complainant states that the loan was used as a means to sidestep the prohibitions of the Act. Specifically, the complainant alleges that, although the loan was made to the state committee, it was actually used to finance federal election activity. It is further alleged that the loan to the state committee could have been repaid by the state committee with sources prohibited under the Act.

On September 15, 1988, this Office received a response to the complaint from the Committee which addressed the allegations. The response stated that the May 15, 1988, loan to Friends was the source of the funds for the poll. The Committee includes in its response an August 23, 1988, letter to the Commission amending its 1988 July Quarterly Report and informing the Commission of the loan. Both the reply to the complaint and to the RFAI include documentation identifying the account out of which the funds to make the loan was drawn, the date of the withdrawal and the date and account in which the loan money was deposited for Friends. The Committee argues that both the making of the loan and the way it originally was reported were perfectly acceptable under federal standards.

2. Unreported expenditures on behalf of the Candidate

The complainant lists various expenditures which allegedly were made for, or on behalf of, Engel '88 but were not reported by the federal committee and may have been paid for from sources prohibited under the Act. The complainant states that Friends' state filing lists \$10,023.04 in expenditures that the

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complainant alleges were made on behalf of Engel '88. Another \$806.92 disbursement, the complainant alleges, was made to reimburse Engel '88 campaign staff (including the candidate) for Congressional campaign related activity.¹ Finally the complaint alleges that certain Congressional campaign expenditures were not reported at all. These include the payment of campaign aides' salaries. The complainant does not allege where these payments came from. The complainant further states that with the assistance of an aide to the Marchiselli campaign, another undisclosed expenditure for a trailer allegedly used by Mr. Engel's Congressional campaign was discovered.

In its response to the complaint, the Committee states that the \$10,023.04 in expenditures were unrelated to the Congressional campaign as was the \$806.92 disbursement. The Committee further denies any knowledge of the use of a trailer for its campaign and declares that Engel '88 has no paid staff or campaign aides. Mr. Engel's state legislative seat was up for re-election and he had until July 14, 1988, to file his intention to run for re-election. The \$10,023.04 was spent during a period spanning from February 19, 1988, to June 7, 1988, and the \$806.92 was spent during the period from June 13, 1988, to July 7, 1988.

1. Taking all the allegations in the complaint together, it is alleged that almost three quarters of Friends' expenditures or 73% were in fact used for Mr. Eliot's Congressional campaign. If one were to exclude from Engel '88's 1988 July Quarterly Report the \$15,000 in-kind contribution from Friends, the federal committee would have only \$5,610 in receipts and \$0 in expenditures for the period covered by the 1988 July Quarterly Report.

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3. Use of state committee funds to pay traffic fines incurred by the federal committee

The complainant notes that the Act allows contributions to be used only for lawful purposes. The complainant states that the state filing for Friends lists the payment of \$241 in traffic tickets. Implying that these were tickets incurred by the Congressional campaign, the complainant concludes use of funds for this purpose is not lawful under the Act. The Committee in its response asserts that the expenditures for the traffic fines were perfectly lawful.

C. STATEMENT OF THE LAW

All political committees must file reports listing the political committee's receipts and disbursements. 2 U.S.C. § 434(a). The Act requires that reports filed by a political committee disclose all contributions received from individuals and other political committees. 2 U.S.C. § 434(b)(2). A political committee is likewise required to disclose all expenditures it has made in a federal campaign. 2 U.S.C. § 434(b)(4). Under the Act, the term contribution includes 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. 2 U.S.C. § 431(8). The term expenditure includes any purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made by any person for the purpose of influencing any election for Federal office. 2 U.S.C. § 431(9). A political committee may not accept contributions made from the treasuries of national banks, corporations or labor

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organizations. 2 U.S.C. § 441b(a).

There are exemptions from the definitions of expenditure and contribution. Commission regulations permit an individual to receive funds and make payments if done solely for the purpose of determining whether he or she should become a candidate, without such funds being considered at that time a contribution to or an expenditure on behalf of that individual. Only funds permissible under the Act can be used for these "testing the waters" activities, and records must be kept of all the funds that are received for such purposes. 11 C.F.R. §§ 100.7(b)(1)(i) and 100.8(b)(1)(i). Nevertheless, if the individual subsequently becomes a candidate, the funds received or payments made in connection with testing the waters activities are then considered contributions and expenditures under the Act, and they must be reported in the first report filed by the candidate's principal campaign committee. 11 C.F.R. § 101.3. In-kind receipts and payments must be included in this first report. See Advisory Opinion 1985-40.

The Act defines a political committee as "any committee, club, association, or other group of persons which receives contributions aggregating in excess of \$1,000 during a calendar year or which makes expenditures aggregating in excess of \$1,000 a calendar year." 2 U.S.C. § 431(4)(A). All political committees are required to file Statements of Organizations. If the committee is an authorized committee, the filing must occur within 10 days of designation as an authorized committee. All other committees must file the Statement of Organization within

10 days of qualifying as a political committee. 2 U.S.C. § 433(a).

All committees controlled by the same corporation, labor organization, person or group of persons are affiliated committees. 11 C.F.R. § 100.5. Transfers of funds may be made without limit between affiliated committees. 11 C.F.R. § 102.6(a). The Commission has determined that a candidate's state and federal committees are affiliated and that the state committee may make unlimited transfers to the federal candidate or committee so long as the funds are permissible under the Act. Id. Nevertheless, the state committee must register and report with the Commission as a political committee once its transfers or expenditures, in the aggregate, exceed \$1,000. See Advisory Opinion 1987-12. In registering and reporting, the state committee must also exclude from its cash-on-hand any impermissible funds. Id.; 11 C.F.R. § 104.12.

Under 2 U.S.C. § 439a, a candidate may use contributions in excess of any amount needed to cover expenditures to defray any expenses for any lawful purpose.

D. APPLICATION OF THE LAW TO THE FACTS

1. The loan and testing the waters poll

Before the complaint was filed, RAD sent a Request For Additional Information to the Committee on August 2, 1988, following its review of the Committee's 1988 July Quarterly Report. The RFAI requested that the Committee identify the sources of the funds making up the \$15,000 in-kind contribution from Friends. The Committee responded to the RFAI in an

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August 23, 1988, letter identifying the May 17, 1988, loan from the candidate's personal funds as the source of Friends in-kind contributions. Referring to its August 23, 1988, letter and its New York State filing, the Committee has stated in its response to the complaint that there were no contributions received by Friends between the date of the candidate's loan and the date the poll was paid for by Friends. The Committee's response both to the RFAI and the complaint, it is sufficient to satisfy the concern that the Committee used only clean funds to make the in-kind contribution. Additionally, the manner in which the information on the May 17, 1988 loan was provided was sufficient.

Friends, a state committee controlled by Mr. Engel, would be considered affiliated with his federal committee. Once the federal committee was established, Friends could have made unlimited transfers to the Committee. The Commission has also concluded that just as the contribution limitations set forth at 2 U.S.C § 441a(a) do not apply to these transfers, they also do not apply to in-kind contributions between affiliated committees. See Advisory Opinion 1987-16. Thus, Friends could permissibly make the in-kind contribution to the Committee. Therefore, the making of the in-kind contribution does not violate 2 U.S.C § 441b and the manner it was reported does not violate 2 U.S.C. § 434(b).

Under the testing the waters regulations, initially, use of the loan for the poll would not be considered a contribution or expenditure under the Act. However once the Mr. Engel became a candidate then retroactively these transactions would fall under

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the reporting provisions of the Act. 11 C.F.R. §§ 100.7(b)(1)(i) and 100.8(b)(1)(i). Therefore, while Friends incurred no obligation to register and report at the time it made the \$15,000 in-kind contribution used for the testing the waters poll, when Mr. Engel subsequently became a candidate Friends incurred an obligation to register and report with the Commission. This it has failed to do.

Therefore, there is reason to believe that Friends of Eliot Engel and Charlotte B. Friedman, as treasurer, violated 2 U.S.C. §§ 433(a) and 434(a).

2. Unreported expenditures on behalf of the Candidate

Under the testing the waters regulations, Engel '88 was required to keep records to list all the funds received that were used to finance its testing the waters activities prior to the time Mr. Engel became a candidate under the Act. 11 C.F.R. §§ 100.7(b)(1)(i) and 100.8(b)(1)(i).

The Friends state filing provided by complainant shows that the \$10,023.04 allegedly spent for Engel's Congressional campaign was used for consulting fees, document reproduction and research during a period from February 19, 1988, to June 6, 1988. If these were part of the testing the waters activities being conducted by the Engel campaign, they should have been listed as expenditures in Engel '88's 1988 July Quarterly Report.

The state filing indicates that the \$806.92 allegedly used to reimburse Congressional campaign staff was spent from June 13, 1988 to July 7, 1988. Since, this came after the candidate had indicated that he was actively seeking Federal office by filing a

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Statement of Candidacy, the amount spent could not be considered part of testing the waters activity. Nonetheless, if these amounts were spent to reimburse congressional campaign staff, they would be considered in-kind contributions under Section 431(8) and should have been reported in the 1988 July Quarterly Report.

The other amounts the complainant maintains were completely unreported by either the state or federal committee, i.e., the salaries of campaign aides and the renting of a trailer, if they happened at all, should likewise have been included in the 1988 July Quarterly Report. If they were spent as part of testing the waters activities, Section 101.3 would require the subsequent reporting after Mr. Engel became a candidate. If sums were spent in this manner following Mr. Engel's entrance into the Democratic primary, Engel '88 should have listed such funds in its 1988 July Quarterly Report.

Therefore, there is reason to believe that Engel '88 and Charlotte B. Friedman, as treasurer, violated 2 U.S.C. § 434(b).

New York State law permits state political committees to accept contributions from corporate or union treasuries. The complainant has presented evidence that corporate or union contributions may have been used to finance testing the water and the other unreported federal activity. The state filing for Friends indicates that out of its total receipts of \$35,878.46, there are \$10,410 in gifts from contributors who appear to be union locals or corporations. Under the Act use of these funds to finance either the testing the waters activity or the federal

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campaign activity would constitute a violation of 2 U.S.C. § 441b(a).

Therefore, there is reason to believe that Engel '88 and Charlotte B. Friedman, as treasurer; and Friends of Eliot Engel, and Charlotte B. Friedman, as treasurer, violated 2 U.S.C. § 441b.

3. Use of state committee funds to pay traffic fines incurred by the federal committee

The Complainant's contentions concerning the unlawful use of contributions to pay traffic tickets allege a violation of 2 U.S.C. § 439a. However, the use of excess federal campaign funds to pay traffic tickets would not be prohibited by 2 U.S.C. § 439a since the payment of a fine is not unlawful. Further, the Commission has taken the position that candidates and committees have wide discretion under the Act as to how campaign funds may be used. See Advisory Opinion 1980-49. The particular use of campaign funds complained of here, i.e. the payment of traffic tickets was not found to violate the Act.

However, to the extent that the \$241 listed on the Friend's state filing used for this purpose came from union or corporate contributions and was not reported as an in-kind contribution, it would constitute part of the Section 434(b) and Section 441b violations cited above.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

) MUR 2671
)
)

**INTERROGATORIES AND REQUEST
FOR PRODUCTION OF DOCUMENTS**

TO: Charlotte B. Friedman, Treasurer
Engel '88
140 Asch Loop
Bronx, New York 10461

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, D.C. 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.

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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.

Unless otherwise indicated, the discovery request shall refer to the time period from January 1988 to the present.

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.

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DEFINITIONS

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

"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 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.

"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 of their scope.

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INTERROGATORIES

1. List all expenditures and in-kind contributions made by the Friends of Eliot Engel on behalf of or to Elliot Engel and his authorized committee with respect to the 1988 Democratic primary for the 19th Congressional district of New York. State the date, the amount and the purpose of each expenditure or in-kind contribution.

2. With regard to the following expenditures cited in the complaint and listed in Friends of Engel's Periodic July 15, 1988, Report filed with the New York State Board of Elections, provide all documents with respect to the following expenditures and identify the specific election (federal or state) for which these expenditures were made and, if an expenditure was for a federal election, identify the contributions used to make the expenditure:

(a) The \$10,023.04 identified in the complaint as used for consulting/vendor services.

(b) The \$806.92 identified in the complaint as used to reimburse federal campaign staff.

(c) The \$241 identified in the complaint and in Friends of Engel's Periodic July 15, 1988 Report as used to pay parking tickets.

2104032221



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 22, 1988

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Vincent De Pasquale
756 St. Ouen Street,
Bronx, New York 10470

RE: MUR 2671

Dear Mr. Pasquale:

The Federal Election Commission has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended, and Chapters 95 and 96 of Title 26, United States Code. The Commission has issued the attached interrogatories in connection with an investigation it is conducting. The Commission does not consider you a respondent in this matter, but rather a witness only.

Because this information is being sought as part of an investigation being conducted by the Commission, the confidentiality provision of 2 U.S.C. § 437g(a)(12)(A) applies. That section prohibits making public any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made. You are advised that no such consent has been given in this case.

Please submit the information under oath within 15 days of your receipt of this letter.


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Vincent De Pasquale
Page 2

If you have any questions, please direct them to Michael
Marinelli, the attorney handling this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel



BY: Lois G. Lerner
Associate General Counsel

Enclosure
Interrogatories

21040322293

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

) MUR 2671
)
)

**INTERROGATORIES AND REQUEST
FOR PRODUCTION OF DOCUMENTS**

TO: Vincent De Pasquale
756 St. Ouen Street,
Bronx, New York 10470

91040322294
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, D.C. 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.

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.

Unless otherwise indicated, the discovery request shall refer to the time period from January 1988 to the present.

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.

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INTERROGATORIES

With regard to your investigation of the alleged use of a trailer by the congressional campaign of Eliot Engel:

(a) State the time and place you witnessed the use of the trailer.

(b) Describe in detail the evidence indicating that the trailer was used by the congressional campaign of Eliot Engel.

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06C #1268

RECEIVED
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MAIL ROOM

88 DEC -5 AM 9:28

LEVY & WALKER

ATTORNEYS AT LAW
THE CABLE BUILDING
611 BROADWAY

NEW YORK, NEW YORK 10012

TELEPHONE: (212) OFR000 4-3000
TELECOPIER: (212) 674-4052

EDGAR G. WALKER
ROBERT E. LEVY
SANFORD GILBERT
OF COUNSEL

ROE JAN PLAZA
ROUTE 88
HILLSDALE, NEW YORK 12529
(518) 525-8625

December 2, 1988

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

Attention: Michael Marinelli, Esq.

Re: MUR 2671

Dear Mr. Marinelli:

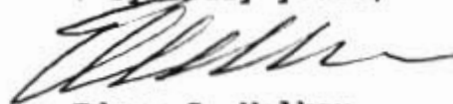
Thank you again for the courtesy you extended to me on the telephone today.

I am writing to request an extension of time to respond to the interrogatories and request for production of documents and other information. I have been out of town on business and only received the documents today.

Those members of the campaign who have actual knowledge concerning the questions you raise are currently in Washington attending freshmen orientation. Furthermore, time will be needed to collect the extensive documentation which will be needed to substantiate the answers.

Thank you for your consideration of this request.

Very truly yours,



Edgar G. Walker

EGW:alv

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RECEIVED
FEDERAL ELECTION COMMISSION

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 6, 1988

Edgar G. Walker, Esquire
611 Broadway
New York, N.Y. 10012

RE: MUR 2671
Engel '88 and Charlotte B.
Friedman, as treasurer
Friends of Eliot Engel and
Charlotte B. Friedman, as
treasurer

Dear Mr. Walker:

This is in response to your letter dated December 2, 1988, which we received on December 5, 1988, requesting an extension of 23 days until January 9, 1989, 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 the close of business on January 9, 1989.

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

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

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Vincent A. Marchiselli

1435 EAST GUN HILL ROAD
BRONX, NEW YORK 10469

January 5, 1989

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Lcis G. Lerner
Associate General Counsel
Federal Election Commission
Washington, D.C. 20463

Re: MUR 2671

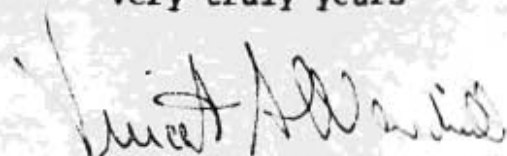
Dear Ms. Lerner:

Your request for an affidavit concerning the above captioned complaint was delayed in reaching me.

Attached is the affidavit requested.

Please address any further correspondence to 1435 East Gun Hill Road, Bronx, New York 10469.

Very truly yours



Vincent A. Marchiselli

VAM: ep

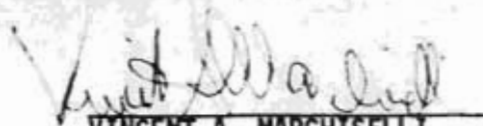
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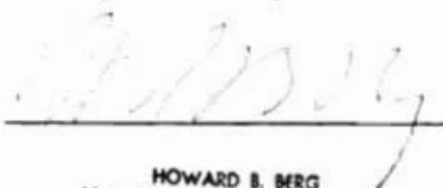
STATE OF NEW YORK)
) SS. :
COUNTY OF BRONX)

VINCENT A. MARCHISELLI, being duly sworn, deposes and says:

That he is a resident of the County of Bronx, City and State of New York, and that he has read the complaint dated November 4, 1988, and the amendment(s) thereto, said complaint designated MUR 2671, and that he knows the contents thereof and that the same are true to the best of his knowledge.


VINCENT A. MARCHISELLI

Sworn to before me this
5th day of January, 1989.


HOWARD B. BERG
Notary Public, State of New York
No. 4737850
Qualified in New York County
Certificate Filed in New York County
Commission Expires December 31, 1992

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MAIL ROOM

LEVY & WALKER

ATTORNEYS AT LAW

THE CABLE BUILDING

611 BROADWAY

NEW YORK, NEW YORK 10012

TELEPHONE: (212) 674-4000

TELECOPIER: (212) 674-4062

89 JAN 17 PM 2:30

EDGAR O. WALKER

ROBERT E. LEVY

SANFORD GILBERT
OF COUNSEL

ROE JAN PLAZA

ROUTE 22

HILLSDALE, NEW YORK 12529

(518) 826-8625

January 13, 1989

FEDERAL EXPRESS

Federal Election Commission
Office of the General Counsel
Room 659
999 E. Street N.W.
Washington, D.C. 20463

Attention: Michael Marinelli, Esq.

Re: MUR 2671

Dear Mr. Marinelli:

Enclosed is my own affidavit in response to the interrogatories. Because of the time constraints I have been unable to get an affidavit from Charlotte Friedman personally. I hope the documentation I have submitted will be sufficient to meet your concerns. If you need anything further, I will do my best to get it for you.

Please be advised that Engel '88 is interested in pursuing pre-probable cause conciliation.

As you are probably aware, neither congressman Engel nor anyone associated with Engel '88 has ever been involved in a federal campaign before. We have tried our best to comply with the law and regulations and will do whatever is necessary to bring ourselves into full compliance. I must admit that I am still somewhat bewildered at the complexity of the law and regulations.

Although the record keeping during the transition from Assembly campaign to Congressional campaign was, concededly, inadequate, it was due to inexperience rather than any intention to circumvent the law. You should be aware that Charlotte Friedman is an unpaid volunteer.

Although certain filings may have to be amended to reflect the actual purpose of some of the expenditures of Friends of Eliot Engel, it appears from my affidavit that there were sufficient funds available that could properly be used for the

89 JAN 17 PM 3:39

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Michael Marinelli, Esq.
Re: MUR 2671
January 13, 1989

Page Two

congressional campaign.

Again let me stress that it is, and always has been, our intention to comply fully with the law. We stand ready to do whatever is necessary toward that end.

Thank you for your assistance.

Very truly yours,


Edgar G. Walker

EGW:alv

Enclosure

91040322302

RESPONSE TO INTERROGATORIES

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

EDGAR G. WALKER, being duly sworn, deposes and says:

This response has been drafted by me based upon telephone conversations with CHARLOTTE FRIEDMAN as to what her records reflect concerning the contributions and expenses in question as well as my own investigation.

1. Either because my investigation has shown that they may have been related to the Congressional campaign, or because I have been unable to obtain documentation to the contrary, the following expenditures of the Friends of Eliot Engel may be considered to be in-kind contributions to Engel '88:

2/29/88	Pacom	\$ 54.47	Expenses
2/29/88	John Calvelli	120.00	Book of Voters
3/7/88	Pacom	143.51	Expenses
4/14/88	Branford Comm.	2,500.00	Research
5/18/88	Penn & Schoen	7,500.00	Poll
6/2/88	Penn & Schoen	7,500.00	Poll
6/7/88	James Jennings	800.00	List
6/13/88	Arnold Lindhart	40.00	Expenses
6/13/88	N.Y.S. P.V.B.	20.00	Ticket
6/15/88	Eliot Engel	390.59	Expenses
6/27/88	Eliot Engel	19.40	Expenses
6/27/88	Arnold Linhardt	15.58	Expenses
7/1/88	John Calvelli	165.25	Expenses
7/6/88	N.Y.C. P.V.B.	75.00	Ticket

Total.....\$19,343.80

2. As indicated in item 1, those expenditures may be considered to have been made for the Congressional election. The following expenditures were made in connection with state campaigns and/or State Assembly business:

- (a) I. 3/17/88 Norman Adler \$5,000.00
See materials attached as Exhibit I including letter

31040322303

from Mr. Adler and subsequent schedule submitted by Engel '88 showing an additional \$10,000.00 owing to Mr. Adler for his services in connection with the Congressional Campaign.

II. 5/10/88 Marsden Reproduction \$1,355.06.
See materials attached as Exhibit II.

(b) III. 6/13/88 Eliot Engel \$139.60.
See materials attached as Exhibit III.

IV. 6/15/88 Gwen Spencer \$17.50.
See letter attached as Exhibit IV.

V. 6/24/88 Roseanne Greco \$10.00.
See letter attached as Exhibit V.

VI. 6/24/88 Sylvia Lask \$5.00
7/7/88 Sylvia Lask \$4.50
See letter attached as Exhibit VI.

(c) VII 1/19/88 John Calvelli \$40.00
See letter attached as Exhibit VII.

VIII. 2/10/88 Ed Walker \$106.00.
This represents fine and towing fee which I incurred in Albany while on official Assembly business as Assistant Counsel to the Assembly Committee on Alcoholism and Drug Abuse which Assemblyman Engel chaired.

The following contributions and/or loans to Friends of Eliot Engel were properly used to finance the expenditures listed in item 1 (attributable to the Congressional campaign):

3/14/88	Stephen M. Bochnak (an individual doing business as Stephen M. Bochnak Assoc.)	\$ 150.00
3/17/88	The Jim Tallon State Assembly Ctt.	\$ 150.00
3/28/88	Dr. Peter Lynne Silverstein	\$ 100.00
2/29/88	Bond, Schoeneck & King (a partnership)	\$ 150.00
3/28/88	Frank T. Porco	\$ 150.00
4/4/88	Condello, Ryan & Piscitelli (A partnership)	\$ 150.00
4/18/88	Maggie Boepple	\$ 150.00
6/6/88	Lydia & Joni Shalem	\$ 500.00

91040322304

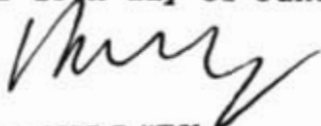
6/6/88	Hana & Irving Pergament	\$ 500.00
5/11/88	Edward R. Downe, Jr.	\$ 1,000.00
5/11/88	Howard Shookhoff	\$ 100.00
5/2/88	Stein 85	\$ 1,000.00
4/18/88	Scheuer for Congress	\$ 250.00
5/88	Eliot Engel	\$15,000.00
Total.....		\$19,350.00

This amount exceeds the amount expended by Friends of Eliot Engel attributable to the Congressional Campaign.

Although not requested by the interrogatories, attached as Exhibit VIII is a letter from Sylvia Lask Hershkowitz explaining the use of and payment for the trailer complained of and copies of subsequent schedules submitted by Engel '88 reporting expenditures for its use of the trailer.


EDGAR G. WALKER

Sworn to before me on
this 13th day of January, 1989


ROBERT E. LEVIN
Notary Public, State of New York
No. 31 529880
Qualified in New York County
Comm. Expires March 31, 1990

8/31/90

91040322305

21040322306

Ex. I

NORMAN M. ADLER
STRATEGIES
313 STRATFORD ROAD
BROOKLYN, NEW YORK 11218
(718) 941-4661

22 December 1988

Edgar Walker
% Arnold Linhart
12 Harding Parkway
Mount Vernon, New York 10552

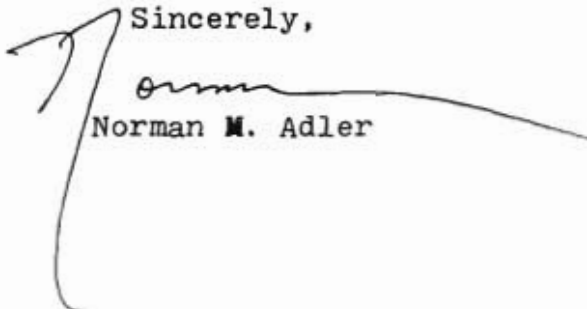
Dear Edgar,

In re: your request for a clarification of our agreement relating to the \$5,000 fee I received from Friends of Eliot Engel on March 17, 1988, the money was a retainer for my services in anticipation of a re-election campaign by Eliot.

I hope that this is helpful to you and the committee.

Happy New Year.

Sincerely,


Norman M. Adler

21040322307

LED

3/80)

DEBTS AND OBLIGATIONS

Excluding Loans

 Form 1041-1 for
 LINE NUMBER 10
 (Use separate schedules
 for each numbered line)

of Committee (In Full)	Outstanding Balance Beginning This Period	Amount Incurred This Period	Payment This Period	Outstanding Balance at Close of This Period
Engel 188				
Full Name, Mailing Address and Zip Code of Debtor or Creditor Zale S. Koff Graphics 435 Hudson Street New York, NY 10014	768.58	-0-	-0-	768.58
Nature of Debt (Purpose):				
B. Full Name, Mailing Address and Zip Code of Debtor or Creditor Norman Miller 2313 Stratford Road Brooklyn, N.Y. 11218	1-0-	10,000	-0-	10,000.00
Nature of Debt (Purpose): Consultant				
C. Full Name, Mailing Address and Zip Code of Debtor or Creditor John Cavelli 11 Island View Pl. New Rochelle, NY 10801	-0-	3,150	525	2,625.00
Nature of Debt (Purpose): Consultant				
D. Full Name, Mailing Address and Zip Code of Debtor or Creditor 2801 Property Corp. 2815 Middletown Rd. Bronx, N.Y. 10461	-0-	750	-0-	750.00
Nature of Debt (Purpose): Rent				
E. Full Name, Mailing Address and Zip Code of Debtor or Creditor Levy + Walker 611 Broadway New York, NY 10012	-0-	1,000	-0-	1,000.00
Nature of Debt (Purpose): Court Fees				
F. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Nature of Debt (Purpose):				
1. TOTAL OUTSTANDING DEBTS AND OBLIGATIONS				
2. TOTAL PAYMENTS				
3. TOTAL OUTSTANDING DEBTS AND OBLIGATIONS				
4. ADD 2) and 3) and enter full amount to be reported				

303
2
4032
31

91040322309

Ex. II



MARSDEN
REPRODUCTIONS, INC.

The nation's most comprehensive communications organization.

PHONE (212) 725-9220

THIRTY EAST THIRTY-THIRD STREET
NEW YORK, N.Y. 10016

Louis Zaforte

SOLD TO Friends of Eliot Engel
c/o Arnold Linhardt
280 Collins Avenue
Mt. Vernon, NY 10552

DATE 9/21/87

P.O. No.

JE# 6836

Re: Engel Mailing

A) Post Card - 11,000 pcs., 8 1/2 x 5 1/2, 65# white cover stock prints PMS 293 Both sides, phototype and mechanicals labeling	\$2,145.00
Less postal penalty	300.00
B) Sample Ballots - 30,000 pcs., 11 x 7 1/4, 60# white text, prints PMS 293, 2 sides phototype and mechanicals	1,668.00
C) Engel/Delegate Letter - 17,000 pcs., 1 backed 8.5x11, 60# white offset, PMS 293, art supplied	493.00
D) "They're Back" flyer - 17,000 pcs., 8.5x11 60# white offset, black ink, art supplied	662.00

Sub Total \$4,668.00

Sales tax at 5.75% 268.41

Grand Total

\$4,936.41

3936.41
1000

2936.41

INVOICE No.

DATE

PLEASE SEND COPY OF INVOICE WITH REMITTANCE

A-13975

9/21/87

TERMS: NET 10 DAYS -NO DISCOUNT ALLOWED
SERVICE CHARGE—
2% Per Month on Delinquent Accounts

A Certified Member

The National Business Council



MARSDEN
REPRODUCTIONS, INC.

The nation's most comprehensive communications organization.

PHONE (212) 725-9220

THIRTY EAST THIRTY-THIRD STREET
NEW YORK, N.Y. 10016

SOLD
TO

Assemblyman Eliot Engle - c/o District Office
171 Dreisen Loop
Coop City, Bronx, NY 10475
Attn: 2nd Floor/Room #3

DATE

8/31/87

P.O. No.

JE# 6707

Re: Independence That's What
It's All About"

Photo typography and camera-ready
mechanical for 8 1/2x11" flyer
(includes last-minute revision made
8/25/87)

\$95.00

Print 3000 flyers, 8 1/2x11
prints PMS #293, on 60# white
stock.

\$233.00

Sub Total

\$328.00

Sales tax at 8.25%

\$27.06

Grand Total

\$355.06

#1407
5/10/88

Marsden is a certified member of the National Minority Business Council.

INVOICE No.

DATE

PLEASE SEND COPY OF INVOICE WITH REMITTANCE

A-13480

8/31/87

TERMS: NET
SERVICE CHARGE—

10 DAYS

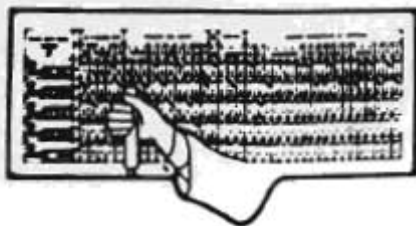
-NO DISCOUNT ALLOWED

A Certified Member of



The National Minority
Business Council

Democrats!



**HERE IS YOUR
GUIDE to GOOD GOVERNMENT**

**Take This with You into the Polls*
When You Vote on**

**Primary Day – Tues., Sept. 15
6 A.M. to 9 P.M.**

***IT'S LEGAL**



Sample Ballot



Democrats

**Help Give Bronx Politics
A Good Name**

Vote

**The
ENGEL
INDEPENDENT
TEAM**

**Primary Day – Tuesday, September 15th
Polls Open 6 a.m. – 9 p.m.**



**It's legal to take this sample ballot
with you into the Polls**



9 1 0 4 0 3 2 2 3 1 2

SAMPLE BALLOT

VOTE THE INDEPENDENT DEMOCRATIC TEAM

Column 1 DEMOCRATIC

Bronx Borough President

Fernando Ferrer ☒ 

Judge of the Civil Court

Douglas E. McKeon ☒ 

Column 2 DEMOCRATIC

Delegates to Judicial Convention

Vote for All

ELIOT ENGEL ☒ 

Eva Pellman ☒ 

Shirley Saunders ☒ 

Jay Goldman ☒ 

Sylvia Lask Hershkowitz ☒ 

Lewis Goldstein ☒ 

Charlotte Friedman ☒ 

Stewart Berman ☒ 

Marion Bass ☒ 

Joel Dannenberg ☒ 

Column 3 DEMOCRATIC

Alternate Delegates to Judicial Convention

Vote for All

Irving Berkowitz ☒ 

Larry Schreibman ☒ 

Susan Shapiro ☒ 

Audrey Feldstein ☒ 

Betty Kahn ☒ 

Frank Porco ☒ 

Melvin Hirsch ☒ 

David Leavitt ☒ 

Renee Morris ☒ 

Minna Dubinsky ☒ 

VOTE THE ENGEL TEAM



They're Back

And they're trying to tear our community apart

The Parness, Baez, City News gang have joined forces and are trying to take over Co-op City. If they succeed it means big financial contracts and high paying jobs for their friends.

This year Parness and Baez have made a deal with the corrupt Bronx Democratic Machine in an attempt to take over the Courts in Bronx County.

One group of community leaders and Independent Democrats are trying to stop them. The Independent Judicial Slate is led by Assemblyman Eliot Engel.

But they can only be successful with your help. On Tuesday, September 15th in the Democratic Primary — Vote for the people who care about Co-op City and are pledged to support Independent Judges.

Vote for the Engel Team

DELEGATES

ASSEMBLYMAN ELIOT ENGEL

Eva Pellman
Shirley Saunders
Jay Goldman
Sylvia Lask Hershkowitz
Lewis Goldstein
Charlotte Friedman
Stewart Berman
Marion Bass
Joel Dannenberg

ALTERNATES

Irving Berkowitz
Larry Schreiberman
Susan Shapiro
Audrey Feldstein
Betty Kahn
Frank Porco
Melvin Hirsch
David Leavitt
Renee Morris
Minna Dubinsky

**Vote like the future of Co-op City depends on it.
...It Just Might.**

INDEPENDENCE

That's What It's All About

One thing Co-op City residents have always prided themselves on is their independence.

This year our independence is being threatened again.

For months Assemblyman Eliot Engel and his allies have been constantly attacked in one of the dirtiest campaigns in Co-op City's history. Behind the attacks are Sandy and Charlie Parness, their District Leader Iris Baez, and Connecticut millionaire City News publisher Christopher Hagedorn. They want to get control of Riverbay and the Democratic Party.

They're trying to accomplish this by attacking those people who are politically independent, have stood up for Co-op City and have fought the bosses. People like Assemblyman Eliot Engel.

This year Parness and Baez have joined forces with the corrupt Bronx Democratic machine in an attempt to take over the courts in Bronx County.

HOW DO WE STOP THEM?

By voting for the only Independent Judicial Slate running in the
Tuesday, September 15th Democratic Primary.

Vote for the following people

Delegates

ASSEMBLYMAN ELIOT ENGEL
Eva Pellman
Shirley Saunders
Jay Goldman
Sylvia Lask Hershkowitz
Lewis Goldstein
Charlotte Friedman
Stewart Berman
Marion Bass
Joel Dannenberg

Alternates

Irving Berkowitz
Larry Schreiberman
Susan Shapiro
Audrey Feldstein
Betty Kahn
Frank Porco
Melvin Hirsch
David Leavitt
Renee Morris
Minna Dubinsky

Stop the Parness; Baez, City News, Democratic Machine gang now.

— Endorsed By: —

City Council President Andrew Stein
City Comptroller Harrison Goldin

Assemblyman G. Oliver Koppell
Assemblyman Jose Serrano

VOTE THE ENGEL TEAM



Douglas McKeon for Civil Court Judge
Fernando Ferrer for Bronx Boro President



21040322316

Ex. III

To: Edgar Walker
From: Eliot Engel
Re: Expenses

Jan. 11, 1989

I received \$139.60 from Friends of Eliot Engel on June 13th, 1988
as reimbursement for New York State Assembly expenses as follows:

\$74.60 for meals with Assembly staff

\$65.00 for a meal at the Legislative Pilots Association
(a group of former and present State Legislators)

Eliot L. Engel

22317

Date

6-13-88

Name

Address

Sold by

Am't Rec'd

36.60	
36.60	36 60
\$147.18 + 38.00	
Dar Fu Corp.	
Hsin Yu Restaurant	74 60
862 2nd Ave.	
New York, N. Y. 10017	
Tel. (212) 752-8943	
Legislative pilots + 65.00	
	139 60
38	

21040322318

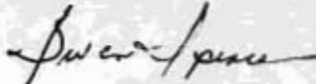
Ex. IV

January 12, 1989

To: Edgar Walker
From: Gwen Spencer
Re: Expenses

On June 15, 1988 I received \$17.50 from Friends of Eliot L. Engel for reimbursement of phone calls made from my home for Assembly/constituent business.

Yours truly,


Gwen Spencer

21040322319

91040322320

Ex I

To Ed Walker
From Rosanna Greco

Re: Expenses

On June 24, 1988 I received 10.00 from the Friends of Eliot L. Engel as reimbursement for stamps that we used in the Assembly District Office for Assembly/Constituent business.

Thank you,

Rosanna Greco
Rosanna Greco

91040322321

21040322322

Ex. 14

To: Edgar Walker
From: Sylvia Lask
Re: Expenses

Jan 11, 1989

Pleased be advised that I received \$5.00 on June 24, 1988 from Friends of Eliot Engel for cab fare to represent Assemblyman Engel at a local school graduation. I also received \$4.50 on July 7, 1988 from Friends of Eliot Engel to reimburse me for phone calls made from my home regarding Assembly/candidate business.

Sylvia Lask

91040322323

91040322324

John F. Calvelli
11 Island View Place
New Rochelle, N.Y. 10801

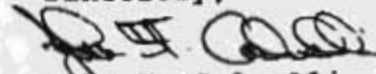
January 13, 1989

Mr. Edgar Walker, Esq.
611 Broadway
New York, N.Y. 10012

Dear Mr. Walker:

On January 19th, 1988, the Friends of Eliot Engel paid a parking ticket which I received while on official business as counsel for the New York State Assembly Committee on Alcoholism and Drug Abuse, which Assemblyman Engel chaired at the time.

Sincerely,



John F. Calvelli

21040322325

91040322326

Ex. VIII

CO-OP CITY DEMOCRATIC CLUB

140-8 Asch Loop
Bronx, N. Y. 10475
January 4, 1989

Engel "88"
c/o Charlotte Friedman
140-25 Asch Loop
Bronx, N. Y. 10475

To Whom It May Concern:

This letter is to inform you that the trailer that was parked on Asch Loon during the summer of 1988 was ordered and paid for by the Co-op City Democratic Club.

The purpose of this trailer was to act as a campaign office for the candidates of the 81st. Assembly District supported by the Co-op City Democratic Club for Assembly, State Committee, District Leaders, and Judicial Delegates.

Prior to July, 1988, the Engel 88 campaign did not make any use of the trailer and had no connection with it. Subsequently, the Engel "88" campaign did make some limited use of the trailer and paid the Co-op City Democratic Club its proportioned share of its expenses.

Yours truly,

Sylvia Lask Hershkowitz
SYLVIA LASK HERSHKOWITZ,
CAMPAIGN CO-ORDINATOR

21040322327

Information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE (in Full)

Engel 88 CH

A. Full Name, Mailing Address and ZIP Code Penn. Schoen 245 E 92nd St NYC	Purpose of Disbursement Poll Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 10/20/88	Amount of Each Disbursement This Period 7000.00
B. Full Name, Mailing Address and ZIP Code Election Computer Services 28 W 25th St NYC 10010	Purpose of Disbursement Phone List Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 10/20/88	Amount of Each Disbursement This Period 734.45
C. Full Name, Mailing Address and ZIP Code Andrea Olson 900 Palmer Rd Yonkers, NY	Purpose of Disbursement Gift for Luncheon Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 10/20/88	Amount of Each Disbursement This Period 10.00
D. Full Name, Mailing Address and ZIP Code New York Telephone Co Box 559001 BLK NY 11255	Purpose of Disbursement Phones Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 10/20/88	Amount of Each Disbursement This Period 150.00
E. Full Name, Mailing Address and ZIP Code Arnold Lynhardt Harding Pkway Mt Vernon NY 10552	Purpose of Disbursement Reimbursing Transportation Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 10/20/88	Amount of Each Disbursement This Period 35.65
F. Full Name, Mailing Address and ZIP Code Paul Stone PO Box 275 Monsey NY	Purpose of Disbursement STUFFING Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 10/25/88	Amount of Each Disbursement This Period 625.00
G. Full Name, Mailing Address and ZIP Code Co-op City Democratic Club C/O Charlotte Friedman 140-25 45th Ave Bx 10475	Purpose of Disbursement Telephone Service for Trailer Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 10/25/88	Amount of Each Disbursement This Period 179.20
H. Full Name, Mailing Address and ZIP Code Robert J. Lowenberg 7 Wilwood Court Clifton Park NY 12065	Purpose of Disbursement For Ag 11/3 Transcripts Supreme Court Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 10/27/88	Amount of Each Disbursement This Period 182.00
I. Full Name, Mailing Address and ZIP Code Tremont Offset Inc. 1805 Hunt Ave. Bronx NY 10462	Purpose of Disbursement COPIES Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 10/27/88	Amount of Each Disbursement This Period 21.65

JB TOTAL of Disbursements This Page (optional)

8988.45

TOTAL This Page (last page this number only)

ITEMIZED DISBURSEMENTS

Use separate schedule(s)
for each category of the
Summary PagePAGE 1 OF 3
FOR LINE NUMBER 17

Information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE (in Full)

Engel 88 Ctt.

A. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Co of City Democratic Club 140-25 Asch Loop 40 Charles Frickman Bx 10475	Telephone Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	10/3/88	36968
B. Full Name, Mailing Address and ZIP Code John Calocelli 11 Island View Pl. New Rochelle NY 10801	Purpose of Disbursement Consulting Fee Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	10/3/88	1050 ⁰⁰
C. Full Name, Mailing Address and ZIP Code Ed Feder 2825 West Ave Bronx N.Y. 10468	Purpose of Disbursement Printing Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	10/3/88	34623
D. Full Name, Mailing Address and ZIP Code Friends of Mel Miller 40 Andreo Weidman 211 Washington Ave. Albany NY	Purpose of Disbursement Contribution Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	10/3/88	25000
E. Full Name, Mailing Address and ZIP Code Marsden Reproductions 30 E. 33rd St NY NY 10016	Purpose of Disbursement Photocopying Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	10/3/88	37856
F. Full Name, Mailing Address and ZIP Code East River Mail Inc. 20 Jay St. Brooklyn NY 11207	Purpose of Disbursement Consultant Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	10/3/88	4000 ⁰⁰
G. Full Name, Mailing Address and ZIP Code East River Mail Inc. 20 Jay St Brooklyn NY 11207	Purpose of Disbursement Printing direct mail Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	10/3/88	4341.75
H. Full Name, Mailing Address and ZIP Code Zole S. Kraft 435 Hudson St NY NY 10014	Purpose of Disbursement Printing Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	10/3/88	76858
I. Full Name, Mailing Address and ZIP Code Bron Ford Communications 321 Bway Suite 201 NY NY 10007	Purpose of Disbursement Printing Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	10/3/88	12544

SUBTOTAL of Disbursements This Page (optional)

132591

TOTAL This Period (last page this line number only)

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NAME OF COMMITTEE (in Full)

A. Full Name, Mailing Address and ZIP Code NYC Parking Violations Bureau P.O. Box 2127 Peck Slip New York, N.Y. 10472	Purpose of Disbursement Parking ticket Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 9/17/88	Amount of Each Disbursement This Period \$ 20.00
B. Full Name, Mailing Address and ZIP Code Brenford Communications 321 Bway Suite 201 NY NY 10007	Purpose of Disbursement Printing Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 9/26/88	Amount of Each Disbursement This Period \$3098.75
C. Full Name, Mailing Address and ZIP Code Westchester County Democratic Committee	Purpose of Disbursement Contribution Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 9/26/88	Amount of Each Disbursement This Period \$ 250.00
D. Full Name, Mailing Address and ZIP Code New York Telephone N.Y., N.Y.	Purpose of Disbursement phone Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 9/26/88	Amount of Each Disbursement This Period \$ 25.00
E. Full Name, Mailing Address and ZIP Code Co-op City Democratic Club 140-25D Ach Loop 110 Charlotte Friedman Bx, N.Y. 10475	Purpose of Disbursement Expenses toward + travel Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 9/27/88	Amount of Each Disbursement This Period \$ 575.00
F. Full Name, Mailing Address and ZIP Code Co-op City Democratic Club 110 Charlotte Friedman 140-25D Ach Loop Bx, N.Y. 10475	Purpose of Disbursement Expenses toward sample ballot Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 9/27/88	Amount of Each Disbursement This Period \$1500.00
G. Full Name, Mailing Address and ZIP Code New York Telephone Box 5590c1 DRG NY 11255	Purpose of Disbursement phone Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 9/30/88	Amount of Each Disbursement This Period \$ 792.13
H. Full Name, Mailing Address and ZIP Code Cor Edison PO Box 3000 General Postoffice Bx 1045-1	Purpose of Disbursement FEV Electric 285m. 142m Rd Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 9/30/88	Amount of Each Disbursement This Period \$ 319.35
I. Full Name, Mailing Address and ZIP Code Amalgamated Bank of N.Y. 206 7th Ave Bronx NY 10475	Purpose of Disbursement Service Charge Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 9/30/88	Amount of Each Disbursement This Period 22.82

SUBTOTAL of Disbursements This Page (optional)

6603.05

TOTAL This Period (last page this line number only)

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NAME OF COMMITTEE (In Full)

ENGEL '88

A. Full Name, Mailing Address and ZIP Code Cash	Purpose of Disbursement: Refreshments for Volunteers Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 9/13/88	Amount of Each Disbursement This Period \$1000.00
B. Full Name, Mailing Address and ZIP Code Movers Supply House 1476 E. 222nd St. Bklyn N.Y. 10469	Purpose of Disbursement: Boxes for display purposes Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 9/14/88	Amount of Each Disbursement This Period \$155.00
C. Full Name, Mailing Address and ZIP Code Maestro's Caterers 1703 Bronxdale Ave. Bronx, N.Y. 10461	Purpose of Disbursement: Catering expenses Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 9/14/88	Amount of Each Disbursement This Period \$500.00
D. Full Name, Mailing Address and ZIP Code Co-op City Democratic Club C/O C. Friedman 140-250 Asch Loop Bklyn, N.Y. 10475	Purpose of Disbursement: Printing Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 9/14/88	Amount of Each Disbursement This Period \$375.00
E. Full Name, Mailing Address and ZIP Code Co-op City Democratic Club C/O C. Friedman 140-250 Asch Loop Bklyn, N.Y. 10475	Purpose of Disbursement: Electrician Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 9/14/88	Amount of Each Disbursement This Period \$275.00
F. Full Name, Mailing Address and ZIP Code Julie McGowan 231 W 254th St Bronx N.Y. 10471	Purpose of Disbursement: Repayment on loan Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 9/15/88	Amount of Each Disbursement This Period \$2000.00
G. Full Name, Mailing Address and ZIP Code Long River Communications NY NY	Purpose of Disbursement: phone Bank Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 9/15/88	Amount of Each Disbursement This Period \$479.80
H. Full Name, Mailing Address and ZIP Code Election Computer Services 28 W 25th Street New York, N.Y. 10010	Purpose of Disbursement: Labels Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 9/15/88	Amount of Each Disbursement This Period \$209.44
I. Full Name, Mailing Address and ZIP Code Maestro's Caterers 1703 Bronxdale Ave Bronx, N.Y. 10461	Purpose of Disbursement: Catering expenses Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 9/15/88	Amount of Each Disbursement This Period \$1500.00

TOTAL of Disbursements This Page (optional)

44942.4

AL This Period (last page this line number only)

89 APR -3 AM11:33

BEFORE THE FEDERAL ELECTION COMMISSION

SENSITIVE

In the Matter of)
Engel '88 and Charlotte B. Friedman,) MUR 2671
as treasurer (federal committee))
Friends of Eliot Engel, and)
Charlotte B. Friedman, as treasurer)
(non-federal committee))

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On November 15, 1988, the Commission found reason to believe that Engel '88 and Charlotte Friedman, as treasurer, violated 2 U.S.C. §§ 434(b) and 441b(a). The Commission also on the same date found reason to believe that Friends of Eliot Engel and Charlotte B. Friedman, as treasurer violated 2 U.S.C. §§ 433(a), 434(a) and 441b. Interrogatories and Requests for Documents were mailed to the respondents and Vincent De Pasquale, a non-respondent witness, on November 22, 1988.

On December 5, 1988, Respondents requested a 23-day extension of time, which was granted. On January 5, 1989, this Office received a response on behalf of Vincent De Pasquale submitted by Vincent A. Marchiselli, the complainant in this Matter. Respondents submitted a joint response received by this Office on January 17, 1989. In that response, Engel '88, the federal committee, requested pre-probable cause conciliation. In a March 20, 1989, phone conversation with staff from this Office, counsel representing both committees stated that the request was intended to include Friends of Eliot Engel, the state committee, as well.

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II. ANALYSIS

At this time the Office of the General Counsel recommends that the request should be denied.

The investigation is not yet complete and this Office is reviewing the information provided by the responses of Engel '88 and Friends. This matter and the responses involve the investigation of a complicated factual situation and an examination of both federal and state reports. On March 28, 1989, this Office received a RAD referral concerning the Engel '88's acceptance of an excessive \$13,105 individual contribution. Merger of this referral with the current matter is likely and will be a more efficient use of resources. Further, the current volume of investigatory work requires that there be additional time to complete the inquiry.

III. RECOMMENDATIONS

1. Decline, at this time, to enter into conciliation with Engel '88 and Charlotte B. Friedman, as treasurer; and Friends of Eliot Engel, and Charlotte B. Friedman, as treasurer, prior to a finding of probable cause to believe.
2. Approve the attached letter.

Lawrence M. Noble
General Counsel

March 31, 1989
Date

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

Attachments

1. Request for Conciliation
2. Letter

Staff Assigned: Michael Marinelli

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Engel '88 and Charlotte B. Friedman,) MUR 2671
as treasurer (federal committee))
Friends of Eliot Engel, and)
Charlotte B. Friedman, as treasurer)
(non-federal committee))

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on April 5, 1989, the Commission decided by a vote of 6-0 to take the following actions in MUR 2671:

1. Decline, at this time, to enter into conciliation with Engel '88 and Charlotte B. Friedman, as treasurer; and Friends of Eliot Engel, and Charlotte B. Friedman, as treasurer, prior to a finding of probable cause to believe.
2. Approve the letter, as recommended in the General Counsel's report signed March 31, 1989.

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

Attest:

4-5-89

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

Received in the Office of Commission Secretary:	Mon.,	4-3-89,	11:33
Circulated on 48 hour tally basis:	Mon.,	4-3-89,	4:00
Deadline for vote:	Wed.,	4-5-89,	4:00



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20461

April 11, 1989

Edgar G. Walker, Esquire
611 Broadway
New York, N.Y. 10012

RE: MUR 2671
Engel '88 and Charlotte B.
Friedman, as treasurer
Friends of Eliot Engel and
Charlotte B. Friedman, as
treasurer

Dear Mr. Walker:

On November 15, 1988, you were notified that the Federal Election Commission found reason to believe that your clients, Engel '88 and Charlotte Friedman, as treasurer, violated 2 U.S.C. §§ 434(b) and 441b(a). The Commission also on the same date found reason to believe that your clients, Friends of Eliot Engel and Charlotte B. Friedman, as treasurer, violated 2 U.S.C. §§ 433(a), 434(a) and 441b.

On January 17, 1989, you submitted on behalf of your clients a request to enter into conciliation negotiations prior to a finding of probable cause to believe. The Commission has considered your request and determined, because of the need to complete the investigation, to decline at this time to enter into conciliation prior to a finding of probable cause to believe.

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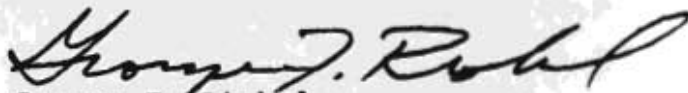
Edgar G. Walker, Esquire
Page 7

At such time when the investigation in this matter has been completed, the Commission will reconsider your request to enter into conciliation prior to a finding of probable cause to believe.

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

Sincerely,

Lawrence M. Noble
General Counsel



BY: George F. Rishel
Acting Associate
General Counsel

91040322336

REPORTS ANALYSIS REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: 24 March 1989

ANALYST: David Bailey

I. COMMITTEE:

Engel '88
(C00228981)
Charlotte B. Friedman, Treasurer
c/o Friedman
140-25 Asch Loop
Bronx, NY 10475

II. RELEVANT STATUTE: 2 U.S.C. §441a(f)

III. BACKGROUND:

Acceptance of an Apparent Excessive Contribution

The Engel '88 committee ("the Committee") has received an apparent excessive contribution of \$19,105 from an individual. Three repayments of \$6,000 were made within sixty (60) days of receipt, resulting in an apparent excessive contribution of \$13,105.

Schedule A of the Committee's 1988 12 Day Pre-Primary Report discloses the receipt of a \$105 contribution on July 25, 1988 from Judith McGowan. The contribution is designated for the Primary election (Attachment 2).

Schedules A and C of the Committee's 1988 October Quarterly Report disclose the receipt of a \$20,000 loan on September 6, 1988 from Judy McGowan. The loan is designated for the Primary election, has a due date of December 1988 and an interest rate of 10.5%. Schedule B of the same report discloses a \$2,000 loan repayment to Judy McGowan on September 15, 1988 (Attachment 3).

Schedule B of the Committee's 1988 12 Day Pre-General Report discloses two (2) loan repayments of \$2,000 each to Judy McGowan on October 3 and 11, 1988 (Attachment 4).

A Request for Additional Information ("RFAI") was sent to the Committee on November 29, 1988 (Attachment 5). The RFAI informed the Committee that there appeared to be a

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contribution made to the Committee that exceeded the limits set forth in the Act. The RFAI also noted the partial repayment of the loan. A Second Notice was sent on December 22, 1988, for failure to respond to the RFAI (Attachment 6).

A response was received on January 11, 1989 (Attachment 7). This response provided copies of three refund checks to Judy McGowan. One check was in the amount of \$10,517 and was dated December 20, 1988. Two checks were in the amount of \$2,000 each and dated October 3, 1988 and October 11, 1988. Reference was made to a fourth check a copy of which was not provided. The statement, "DON'T HAVE COPY OF CHECK" along with "9/15/88 #193 \$2,000.00" was provided in lieu of a copy of the check. In addition, a letter dated December 20, 1988 from Judy and Andy McGowan to the treasurer of the Committee was included in the response. The letter acknowledges repayment of \$16,210 plus \$307 in interest on the \$20,000 loan, leaving a balance of \$3,790. Of that amount, the letter asks that \$895 be attributed to Judy McGowan and designated for the Primary election; \$895 be reattributed to Andrew McGowan and redesignated for the Primary election; \$1,000 be attributed to Judy McGowan and redesignated to the General election; and \$1,000 be reattributed to Andrew McGowan and redesignated for the General election.

The Committee's 1988 Year End Report discloses the \$10,517 repayment on Schedule B; the reattributed and/or redesignated contributions on Schedules A and C; and the \$20,000 loan repaid on Schedule C (Attachment 8).

IV. OTHER PENDING MATTERS INITIATED BY RAD:

None.

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FEDERAL ELECTION COMMISSION
1987-1988
CANDIDATE INDEX OF SUPPORTING DOCUMENTS - (E)

DATE 2/20/89

PAGE 1

CANDIDATE/COMMITTEE/DOCUMENT	OFFICE BOUGHT/ PARTY	RECEIPTS		DISBURSEMENTS		COVERAGE DATES	# OF PAGES	MICROFILM LOCATION
		PRIMARY	GENERAL	PRIMARY	GENERAL			
ENGEL, ELIOT LANCE	HOUSE 19 DEMOCRATIC PARTY					1988 ELECTION	ID# HBNY1985B	
1. STATEMENT OF CANDIDATE								
1988 STATEMENT OF CANDIDATE						28JUN88	1	88HSE/351/5041
2. PRINCIPAL CAMPAIGN COMMITTEE								
ENGEL '88						ID #C08228981	HOUSE	
1988 STATEMENT OF ORGANIZATION						28JUN88	1	88HSE/351/5043
48 HOUR CONTRIBUTION NOTICE						15SEP88	4	88HSE/359/4683
48 HOUR CONTRIBUTION NOTICE						29OCT88	1	88HSE/368/3388
48 HOUR CONTRIBUTION NOTICE						7NOV88	1	88HSE/368/5419
JULY QUARTERLY		20,610		15,000		1APR88 -30JUN88	7	88HSE/354/1686
JULY QUARTERLY - AMENDMENT		-		-		1APR88 -30JUN88	1	88HSE/357/1137
JULY QUARTERLY - AMENDMENT		-		-		1APR88 -30JUN88	14	88HSE/358/1341
REQUEST FOR ADDITIONAL INFORMATION						1APR88 -30JUN88	1	88FEC/540/4412
REQUEST FOR ADDITIONAL INFORMATION						1JUL88 -25AUG88	2	88FEC/565/8508
REQUEST FOR ADDITIONAL INFORMATION 2ND						1JUL88 -25AUG88	3	88FEC/566/1727
PRE-PRIMARY		-		-		1JUL88 -26AUG88	25	88HSE/359/8623
PRE-PRIMARY - AMENDMENT		-		-		1JUL88 -26AUG88	5	88HSE/373/1854
OCTOBER QUARTERLY		116,076		116,865		1JUL88 -30SEP88	32	88HSE/364/5187
OCTOBER QUARTERLY - AMENDMENT		78,289		77,022		27AUG88 -30SEP88	9	89HSE/374/1892
REQUEST FOR ADDITIONAL INFORMATION						1JUL88 -30SEP88	5	88FEC/566/8635
REQUEST FOR ADDITIONAL INFORMATION 2ND						1JUL88 -30SEP88	6	89FEC/578/4638
PRE-GENERAL			24,925		23,769	1OCT88 -19OCT88	15	88HSE/368/2303
PRE-GENERAL - AMENDMENT			-		-	1OCT88 -19OCT88	3	88HSE/373/1859
NOTICE OF FAILURE TO FILE						1OCT88 -19OCT88	1	88FEC/564/2302
REQUEST FOR ADDITIONAL INFORMATION						1OCT88 -19OCT88	1	88FEC/566/8661
POST-GENERAL			46,910		49,927	20OCT88 -28NOV88	20	88HSE/372/3260
POST-GENERAL - AMENDMENT			-		50,739	20OCT88 -28NOV88	2	89HSE/377/1313
REQUEST FOR ADDITIONAL INFORMATION						20OCT88 -28NOV88	2	89FEC/578/2024
REQUEST FOR ADDITIONAL INFORMATION 2ND						20OCT88 -28NOV88	3	89FEC/584/4583
YEAR-END			16,354		17,427	29NOV88 -31DEC88	18	89HSE/375/5599
YEAR-END - AMENDMENT			16,354		17,427	29NOV88 -31DEC88	2	89HSE/377/1436
TOTAL		98,899	88,189	92,022	91,935		184	TOTAL PAGES
3. AUTHORIZED COMMITTEES								
4. JOINT FUNDRAISING COMMITTEES AUTHORIZED BY THE CAMPAIGN								

All reports except the original 1988 Year End and amended 30 Day Post-General and amended Year End Reports have been reviewed.

Ending cash-on-hand as of 12/31/89: \$1,123

Outstanding debts owed by the Committee as of 12/31/89: \$112,778

SCHEDULE A

ITEMIZED RECEIPTS

1988 12 DAY-PRE-PRIMARY REPORT

This schedule is
a separate category of the
General Summary PagePAGE 812
FOR LINE NUMBER
11(41)

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NAME OF COMMITTEE (in Full)

Engel '88

A. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Douglas L. Windover 128 Main Avenue Troy, NY 12180	D.L. Windover, Inc.	7/5/88	250
Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation: Executive	Aggregate Year-to-Date: \$ 250	
B. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Patricia M. Engel 153 Allen Place Bronx, NY 10475	N/A	7/7/88	1,000
Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation: Housewife	Aggregate Year-to-Date: \$ 1,000	
C. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Abraham Fuchsberg 100 Church Street New York, NY 10007	Fuchsberg & Fuchsberg	7/2/88	250
Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation: Lawyer	Aggregate Year-to-Date: \$ 250	
D. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Andrew & Judith K. Gowan 281 W. 54th Street New York, NY 10471	Self	7/25/88	210
Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation: Movie Producer	Aggregate Year-to-Date: \$ 210	
E. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Aliyah Howell 4602 La Grange Avenue Bronx, NY 10471	N/A	7/25/88	200
Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation: Retired	Aggregate Year-to-Date: \$ 200	
F. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Gilbert Kestlin 1000 1st Avenue Bronx, NY 10471	Shearman + Sterling	7/25/88	200
Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation: Lawyer	Aggregate Year-to-Date: \$ 200	
G. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Carol Bernstein 5333 Pkwy. Nelson Parkway New York, NY 10463	Carol Bernstein Assoc.	7/25/88	250
Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation: Market Research	Aggregate Year-to-Date: \$ 250	

SUBTOTAL of Receipts This P. : (optional)

2,360

TOTAL This Period (last page this line number only)

NO INFORMATION
FOR EACH OF THE
QUARTERLY REPORTS

135

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NAME OF COMMITTEE (in Full)

Engel's

<p>A. Full Name, Mailing Address and ZIP Code</p> <p>Judy Mc Green 231 16 Ave N Or MN 55412</p> <p>Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other Specify:</p>	<p>Name of Employer</p> <p>WY 91 of school</p> <p>Occupation</p> <p>Teacher</p> <p>Aggregate Year-to-Date > 1 20,000</p>	<p>Date (month, day, year)</p> <p>9/6/88</p>	<p>Amount of Each Receipt this Period</p> <p>20,000</p>
<p>B. Full Name, Mailing Address and ZIP Code</p> <p>Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other Specify:</p>	<p>Name of Employer</p> <p>Occupation</p> <p>Aggregate Year-to-Date > 0</p>	<p>Date (month, day, year)</p>	<p>Amount of Each Receipt this Period</p>
<p>C. Full Name, Mailing Address and ZIP Code</p> <p>Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other Specify:</p>	<p>Name of Employer</p> <p>Occupation</p> <p>Aggregate Year-to-Date > 0</p>	<p>Date (month, day, year)</p>	<p>Amount of Each Receipt this Period</p>
<p>D. Full Name, Mailing Address and ZIP Code</p> <p>Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other Specify:</p>	<p>Name of Employer</p> <p>Occupation</p> <p>Aggregate Year-to-Date > 0</p>	<p>Date (month, day, year)</p>	<p>Amount of Each Receipt this Period</p>
<p>E. Full Name, Mailing Address and ZIP Code</p> <p>Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other Specify:</p>	<p>Name of Employer</p> <p>Occupation</p> <p>Aggregate Year-to-Date > 0</p>	<p>Date (month, day, year)</p>	<p>Amount of Each Receipt this Period</p>
<p>F. Full Name, Mailing Address and ZIP Code</p> <p>Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other Specify:</p>	<p>Name of Employer</p> <p>Occupation</p> <p>Aggregate Year-to-Date > 0</p>	<p>Date (month, day, year)</p>	<p>Amount of Each Receipt this Period</p>
<p>G. Full Name, Mailing Address and ZIP Code</p> <p>Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other Specify:</p>	<p>Name of Employer</p> <p>Occupation</p> <p>Aggregate Year-to-Date > 0</p>	<p>Date (month, day, year)</p>	<p>Amount of Each Receipt this Period</p>

SUBTOTAL of Receipts This Page (optional) 20,000

TOTAL This Period from page 000 (the number only) 20,000

00073660353
91540322341
38013645206

SCHEDULE B

ITEMIZED DISBURSEMENTS

1988 OCTOBER QUARTERLY REPORT

Use separate schedule
for each category of the
(Detailed Summary Page)PAGE 01
111
FOR LINE NUMBER
19B

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NAME OF COMMITTEE (in Full)

Engel '88

A. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Judy McGowan 231 W 25th St. St. Louis, MO 63104	Repayment of loan. Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	11/1/88	\$200.00
B. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
C. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
D. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
E. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
F. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
G. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
H. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
I. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period

SUBTOTAL of Disbursements This Page (optional)

\$2,000

TOTAL This Period (list page this line number only)

\$2,000

Name of Committee (in Full)

Angel '88

A. Full Name, Mailing Address and ZIP Code of Loan Recipient

Judy McGowan
231 W. 254th St
Rm M/10471

\$20,000

\$2,000

18,000

DB

Election: ☒ Primary ☐ General ☐ Other (Specify)

Terms: Date Incurred 9/6/88 Date 12/88 10.5

List All Endorsers or Guarantors (if any) to Item A

1. Full Name, Mailing Address and ZIP Code

Name of Endorser

2. Full Name, Mailing Address and ZIP Code

3. Full Name, Mailing Address and ZIP Code

B. Full Name, Mailing Address and ZIP Code of Loan Recipient

Name of Endorser

Election: ☐ Primary ☐ General ☐ Other (Specify)

Terms: Date Incurred Date 10.5

List All Endorsers or Guarantors (if any) to Item B

1. Full Name, Mailing Address and ZIP Code

2. Full Name, Mailing Address and ZIP Code

3. Full Name, Mailing Address and ZIP Code

SUBTOTALS

TOTALS THIS

Carry over

\$18,000
\$18,000

31043685248

SCHEDULE B

ITEMIZED DISBURSEMENTS

1988 12 DAY PRE-GENERAL REPORT

Use separate schedule
for each category of the
Detailed Summary PagePAGE 1 OF 1
FOR LINE NUMBER 196

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NAME OF COMMITTEE (in Full)

Eagle's

A. Full Name, Mailing Address and ZIP Code

Judy McGowan
231 W 35th St
Box 1714

Purpose of Disbursement

Ref payment of loan

Disbursement for ☒ Primary ☐ General
(Other specify)

Date (month, day, year)

10/1/88

Amount of Each Disbursement This Period

2000.00

B. Full Name, Mailing Address and ZIP Code

Judy McGowan
231 W 35th St
Box 1714

Purpose of Disbursement

Ref payment of loan

Disbursement for ☒ Primary ☐ General
(Other specify)

Date (month, day, year)

10/1/88

Amount of Each Disbursement This Period

2000.00

C. Full Name, Mailing Address and ZIP Code

Purpose of Disbursement

Disbursement for ☐ Primary ☐ General
(Other specify)

Date (month, day, year)

Amount of Each Disbursement This Period

D. Full Name, Mailing Address and ZIP Code

Purpose of Disbursement

Disbursement for ☐ Primary ☐ General
(Other specify)

Date (month, day, year)

Amount of Each Disbursement This Period

E. Full Name, Mailing Address and ZIP Code

Purpose of Disbursement

Disbursement for ☐ Primary ☐ General
(Other specify)

Date (month, day, year)

Amount of Each Disbursement This Period

F. Full Name, Mailing Address and ZIP Code

Purpose of Disbursement

Disbursement for ☐ Primary ☐ General
(Other specify)

Date (month, day, year)

Amount of Each Disbursement This Period

G. Full Name, Mailing Address and ZIP Code

Purpose of Disbursement

Disbursement for ☐ Primary ☐ General
(Other specify)

Date (month, day, year)

Amount of Each Disbursement This Period

H. Full Name, Mailing Address and ZIP Code

Purpose of Disbursement

Disbursement for ☐ Primary ☐ General
(Other specify)

Date (month, day, year)

Amount of Each Disbursement This Period

I. Full Name, Mailing Address and ZIP Code

Purpose of Disbursement

Disbursement for ☐ Primary ☐ General
(Other specify)

Date (month, day, year)

Amount of Each Disbursement This Period

SUBTOTAL of Disbursements This Page (optional)

TOTAL This Period (last page this line number only)

4000.00



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

BQ-2

NOV 29 1988

Charlotte Friedman, Treasurer
Engel '88
c/o Friedman
140-25 Asch Loop
Bronx, NY 10475

Identification Number: C00228981

Reference: October Quarterly Report (7/1/88-9/30/88)

Dear Ms. Friedman:

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:

-Schedules A and C of your report (pertinent portion attached) discloses a contribution(s) which appears to exceed the limits set forth in the Act. An individual or a political committee other than a qualified multicandidate committee may not make a contribution to a candidate for Federal office in excess of \$1,000 per election. The term "contribution" includes 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. (2 U.S.C. §§441a(a) and (f); 11 CFR 110.1(b), (e) and (k))

If the contribution(s) in question was incompletely or incorrectly disclosed, you should amend your original report with the clarifying information. If the contribution(s) you received exceeds the limits, you should either refund to the donor the amount in excess of \$1,000 or get the donor to redesignate and/or reattribute the contribution in writing. All refunds, redesignations, and reattributions must be made within sixty days of the treasurer's receipt of the contribution. Copies of refund checks and copies of letters reattributing or redesignating the contributions in question may be used to respond to this letter. Refunds are reported on Line 20 of the Detailed Summary Page and on Schedule B of the report covering the period in which they are made. Redesignations and reattributions are reported as memo entries on Schedule A of the report covering the period in which the authorization for the redesignation and/or reattribution is received. (11 CFR 104.8(d)(2), (3) and (4))

Although the Commission may take further legal steps, prompt action by you to refund or seek redesignation and/or reattribution of the excessive amount will be taken into consideration. The Commission notes your partial repayment of this loan.

-Your report contains financial activity already disclosed on another report. Overlapping coverage dates create difficulties in accounting for cash flow from one report to another. Amend this report to include only the financial transactions which occurred between 8/27/88 and 9/30/88. (2 U.S.C. §434(b))

-When a committee reports receiving a loan from the candidate, it is necessary to clarify whether or not the candidate used his/her personal funds or borrowed the money from a lending institution or any other source. If the candidate borrowed funds from a lending institution, or any other source, please provide the name of the lending institution and the complete terms of the loan. If the loan(s) was from personal funds, please acknowledge that fact in an amendment to this report. It is important to note that "personal funds" is strictly defined by Commission regulations and may be found in 11 CFR 110.10. (11 CFR 100.7(a)(1) and 104.3(d))

-For future reports, please be advised that contributions from individuals and political committees should be itemized on separate Schedules A. Additionally, the total amount of these contributions should be reported on Line 11(a), 11(b) and Line 11(c) of the Detailed Summary Page, respectively.

-Schedule A of your report indicates that your committee may have failed to file one or more of the required 48 hour notices regarding "last minute" contributions received by your committee after the close of books for the 12 Day Pre-Primary report. A principal campaign committee must notify the Commission, in writing, within 48 hours of any contribution of \$1,000 or more received between two and twenty days before an election. These contributions are then reported on the next report required to be filed by the committee. To ensure that the Commission is notified of last minute contributions of \$1,000 or more to your campaign, it is recommended that you review your procedures for checking contributions received during the aforementioned time period. (11 CFR 104.5(f))

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A written response or 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,

David E. Bailey
David E. Bailey
Reports Analyst
Reports Analysis Division

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91040322347



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

EQ-3

December 22, 1988

Charlotte Friedman, Treasurer
Engel '88
c/o Friedman
140-25 Asch Loop
Bronx, NY 10475

Identification Number: C00228981

Reference: October Quarterly Report (7/1/88-9/30/88)

Dear Ms. Friedman:

This letter is to inform you that as of December 21, 1988, the Commission has not received your response to our request for additional information, dated November 29, 1988. That notice requested information essential to full public disclosure of your Federal election financial activity and to ensure compliance with provisions of the Federal Election Campaign Act (the Act). A copy of our original request is enclosed.

If no response is received within fifteen (15) days from the date of this notice, the Commission may choose to initiate audit or legal enforcement action.

If you should have any questions related to this matter, please contact David Bailey on our toll-free number (800) 424-9530 or our local number (202) 376-2480.

Sincerely,

A handwritten signature in cursive script, reading "John D. Gibson".

John D. Gibson
Assistant Staff Director
Reports Analysis Division

Enclosure

89035784638
21040322348

LEVY & WALKER

ATTORNEYS AT LAW

ONE WORLD BUILDING

300 BROADWAY

NEW YORK, NEW YORK 10006

TELEPHONE (212) 674-6000

TELEFAX (212) 674-6000

EDGAR G. WALKER
GREGORY S. LEVY
—
CAPTIONED CAUSE
OF COURT

OFFICE OF THE CLERK
U.S. HOUSE OF REPRESENTATIVES

ONE ONE PLAZA
SUITE 20
MELLIEN, NEW YORK 10006
—
(212) 600-0000

January 4, 1989

Clerk of the House of Representatives
1036 Longworth House Office Building
Washington, DC 20515

Re: FEC ID No. C00228981
October Quarterly Report
(7/1/88 - 9/30/88)

Dear Sir:

The following is submitted in response to letters from Mr. David E. Bailey, Reports Analyst, Federal Election Commission:

1. Amended Summary Page, Detailed Summary Page and Schedule D including only the financial transactions which occurred between 8/27/88 and 9/30/88.

2. Amended Schedule A for Line 13(a) showing source of loan to be personal funds.

3. Copies of refund checks and letter reattributing and redesignating balance of loan from Judy McGowan.

Very truly yours,



Edgar G. Walker

EGW:alv

89003470431239349

December 20, 1988

281 West 254th street
Bronx, New York 10471

Charlotte Friedman, treasurer
Engel '88
140-25 Asch Loop
Bronx, New York 10475

Dear Ms. Friedman:

We hereby acknowledge with thanks your repayment of a total to date of \$16,210.00 plus \$307.00 interest on the loan made to your committee in the amount of \$20,000.00 leaving a balance due of \$3790.00.

Of that amount, \$895.00 should be attributed to Judy McGowan and designated to the primary election and \$895.00 should be attributed to Andrew Mc Gowan and designated to the primary election; \$1000.00 should be attributed to Judy Mc Gowan and designated to the general election and \$1000.00 should be attributed to Andrew Mc Gowan and designated to the general election.

Sincerely,

Judy Mc Gowan

Andy Mc Gowan


89713741996

ENGEL IN COMMITTEE

12/26/17

PAY TO THE ORDER OF Judy McGowan \$ 12,517.85

Ten Thousand Five Hundred Seventeen & 85/100 DOLLARS

 AMALGAMATED BANK OF NEW YORK
267 Garden Avenue, New York, N.Y. 10013

FOR Deposit of Cash Charles B. Friedman

⑆026003379⑆ 21006999⑆ 0295

890137-1397

ENGEL IS COMMITTEE

10/3-88

PAY TO THE ORDER OF Judy Mc Gowan

Two Thousand Dollars DOLLARS

AMALGAMATED BANK OF NEW YORK
287 BATTERY AVENUE, NEW YORK, N.Y. 10013

FOR DEPOSIT OF Loan

Charlotte B. Friedman

0207

10000200000

10000200000

10000200000

ENGEL IS COMMITTEE

10/11-88

PAY TO THE ORDER OF Judy Mc Gowan

Two Thousand Dollars DOLLARS

AMALGAMATED BANK OF NEW YORK
287 BATTERY AVENUE, NEW YORK, N.Y. 10013

FOR DEPOSIT OF Loan

Charlotte B. Friedman

0220

10000200000

10000200000

10000200000

9/15/88 #193

2000⁰⁰

Dont have
Copy of Above
check

SCHEDULE A

ITEMIZED RECEIPTS

1988 YEAR END REPORT

See separate schedule for each category of the Qualified Summary Page

PAGE 1 OF 1
FOR LINE NUMBER 136

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE (in Full)

Ergel 88

Piedmontian Rental 1... of Loan

A. Full Name, Mailing Address and ZIP Code J. J. McGowan 231 West 25th St O, 43104	Name of Employer NY Bd of Education Date (month, day, year) 12/1/88 Amount of Each Receipt this Period \$ 895 Occupation Teacher Aggregate Year to Date \$ 1000
B. Full Name, Mailing Address and ZIP Code J. J. McGowan 231 West 25th St O, 43104	Name of Employer NY Bd of Education Date (month, day, year) 12/1/88 Amount of Each Receipt this Period \$ 1000 Occupation Teacher Aggregate Year to Date \$ 2000
C. Full Name, Mailing Address and ZIP Code Andrew McGowan 231 West 25th St O, 43104	Name of Employer self-employed Date (month, day, year) 12/1/88 Amount of Each Receipt this Period \$ 895 Occupation Movie Producer Aggregate Year to Date \$ 1000
D. Full Name, Mailing Address and ZIP Code Andrew McGowan 231 West 25th St O, 43104	Name of Employer self-employed Date (month, day, year) 12/1/88 Amount of Each Receipt this Period \$ 1000 Occupation Movie Producer Aggregate Year to Date \$ 2000
E. Full Name, Mailing Address and ZIP Code 	Name of Employer Date (month, day, year) Amount of Each Receipt this Period Occupation Aggregate Year to Date \$
F. Full Name, Mailing Address and ZIP Code 	Name of Employer Date (month, day, year) Amount of Each Receipt this Period Occupation Aggregate Year to Date \$
G. Full Name, Mailing Address and ZIP Code 	Name of Employer Date (month, day, year) Amount of Each Receipt this Period Occupation Aggregate Year to Date \$

SUBTOTAL of Receipts This Page (optional)

TOTAL This Period (last page this line number only)

SCHEDULE B

ITEMIZED DISBURSEMENTS

Use separate schedule
for each category of the
Detailed Summary PagePAGE 1 OF 1
FOR LINE NUMBER 1465

1988 YEAR END REPORT

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of collecting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE (in Full)

Engel '88

A. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
J. Michael McGowan 231 W. 254 th St Br N2 10471	Repayment of loan Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	12/12/88	\$ 10,517
B. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
C. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
D. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
E. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
F. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
G. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
H. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
I. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period

SUBTOTAL of Disbursements This Page (optional)

\$ 10,517

TOTAL This Period (last page this line number only)

SCHEDULE C
(Revised 3/80)

1988 YEAR END REPORT

LOANS

Page 1 of 3
LINE NUMBER 112
See separate schedules
for each numbered loan

Name of Contributor (in full)			
A. Full Name, Mailing Address and ZIP Code of Loan Source Judith McGowan 231 West 25th St New York, NY 10011			
Original Amount of Loan \$10,000	Payments Made To Date \$1,517	Balance Outstanding at Close of This Period \$8,483	
Election: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):			
Terms: Date Incurred 9/6/88 Date Due 12/88 Interest Rate 10% (Mort) <input type="checkbox"/> Secured			
List All Endorsers or Guarantors (if any) to Item A			
1. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding		
2. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding		
3. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding		
B. Full Name, Mailing Address and ZIP Code of Loan Source Judith McGowan 231 West 25th St New York, NY 10011			
Original Amount of Loan \$895	Payments Made To Date .00	Balance Outstanding at Close of This Period \$895	
Election: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):			
Terms: Date Incurred _____ Date Due _____ Interest Rate _____ (Mort) <input type="checkbox"/> Secured			
List All Endorsers or Guarantors (if any) to Item B			
1. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding		
2. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding		
3. Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Amount Guaranteed Outstanding		
SUBTOTALS This Period (and This Page (optional))			\$895
TOTALS This Period (not page in this list only)			
Carry outstanding balances only to LINE 3, Schedule D, to be filed. If no Schedule D, carry forward to appropriate line of Summary.			

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Name of Guarantor (in Full)			
Engel pp			
A. Full Name, Mailing Address and ZIP Code of Loan Source		Original Amount of Loan	Balance Outstanding at Close of This Period
Judith McGowan 231 West 25th St NY 10011		\$1000	\$1000
Election: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		Payments To Date	
Terms: Date Incurred _____ Date Due _____ Interest Rate _____ % (april) <input type="checkbox"/> Secured		-0-	
List All Endorsers or Guarantors (if any) to Item A			
1. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding \$		
2. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding \$		
3. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding \$		
B. Full Name, Mailing Address and ZIP Code of Loan Source		Original Amount of Loan	Balance Outstanding at Close of This Period
Andrew McGowan 231 West 25th St NY 10011		\$895	\$895
Election: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		Payments To Date	
Terms: Date Incurred _____ Date Due _____ Interest Rate _____ % (april) <input type="checkbox"/> Secured		-0-	
List All Endorsers or Guarantors (if any) to Item B			
1. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding \$		
2. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding \$		
3. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding \$		
SUBTOTALS This Period (This Page optional)			\$895
TOTALS This Period (Next page in this line only)			
Carry outstanding balances only to LINE 2, Schedule D, for this line. If no Schedule D, carry forward to appropriate line of Summary.			

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Name of Lender (or Filer)						
<p>A. Full Name, Mailing Address and ZIP Code of Loan Source</p> <p>Andrea McGowan 231 W. 25th St. New York, NY 10011</p>				<p>Original Amount of Loan</p> <p>\$1000</p>	<p>Outstanding Payments To Date</p> <p>0</p>	<p>Balance Outstanding at Close of This Period</p> <p>\$1000</p>
<p>Section: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)</p>				<p>Terms: Date Incurred _____ Date Due _____ Interest Rate _____ % (per year) <input type="checkbox"/> Secured</p>	<p>List All Endorsers or Guarantors (if any) to Item A</p>	
<p>1. Full Name, Mailing Address and ZIP Code</p>		<p>Name of Employer</p>		<p>Occupation</p>		<p>Amount Guaranteed Outstanding</p>
		<p>Occupation</p>				
		<p>Amount Guaranteed Outstanding</p>				
<p>2. Full Name, Mailing Address and ZIP Code</p>		<p>Name of Employer</p>		<p>Occupation</p>		<p>Amount Guaranteed Outstanding</p>
		<p>Occupation</p>				
		<p>Amount Guaranteed Outstanding</p>				
<p>3. Full Name, Mailing Address and ZIP Code</p>		<p>Name of Employer</p>		<p>Occupation</p>		<p>Amount Guaranteed Outstanding</p>
		<p>Occupation</p>				
		<p>Amount Guaranteed Outstanding</p>				
<p>B. Full Name, Mailing Address and ZIP Code of Loan Source</p>				<p>Original Amount of Loan</p>	<p>Outstanding Payments To Date</p>	<p>Balance Outstanding at Close of This Period</p>
<p>Section: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)</p>				<p>Terms: Date Incurred _____ Date Due _____ Interest Rate _____ % (per year) <input type="checkbox"/> Secured</p>	<p>List All Endorsers or Guarantors (if any) to Item B</p>	
<p>1. Full Name, Mailing Address and ZIP Code</p>		<p>Name of Employer</p>		<p>Occupation</p>		<p>Amount Guaranteed Outstanding</p>
		<p>Occupation</p>				
		<p>Amount Guaranteed Outstanding</p>				
<p>2. Full Name, Mailing Address and ZIP Code</p>		<p>Name of Employer</p>		<p>Occupation</p>		<p>Amount Guaranteed Outstanding</p>
		<p>Occupation</p>				
		<p>Amount Guaranteed Outstanding</p>				
<p>3. Full Name, Mailing Address and ZIP Code</p>		<p>Name of Employer</p>		<p>Occupation</p>		<p>Amount Guaranteed Outstanding</p>
		<p>Occupation</p>				
		<p>Amount Guaranteed Outstanding</p>				
<p>SUBTOTALS This Period (See Page 1 for instructions)</p>						<p>\$1000</p>
<p>TOTALS This Period (See page 1 in this line only)</p>						

817A073-253157

88 JUN 28 AM 9:35

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

SENSITIVE

FIRST GENERAL COUNSEL'S REPORT

RAD Referral # 89L-2
Staff Member: Michael
Marinelli

SOURCE: INTERNALLY GENERATED

RESPONDENTS: Engel '88 and Charlotte B. Friedman,
as treasurer

RELEVANT STATUTES:
2 U.S.C. § 431(8)(A)
2 U.S.C. § 431(8)(B).
2 U.S.C. § 441a(a)(1)(A)
2 U.S.C. § 441a(f)
11 C.F.R. § 103.3(b)(3)

INTERNAL REPORTS CHECKED: Referral Materials

FEDERAL AGENCIES CHECKED: None

I. BACKGROUND

In response to a complaint, the Commission found reason to believe on November 15, 1988 that Engel '88 (the "Committee") and Charlotte Friedman, as treasurer, had violated 2 U.S.C. §§ 434(b) and 441b(a). On the same date, the Commission also found reason to believe that Friends of Eliot Engel, a state committee, and Charlotte B. Friedman, as treasurer, had violated 2 U.S.C. §§ 433(a), 434(a) and 441b. This matter is before the Commission as MUR 2671. More recently, on March 3, 1989 the Reports Analysis Division ("RAD") made the present referral of the Committee's acceptance from an individual of an apparent excessive contribution totaling \$20,000

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II. FACTUAL AND LEGAL ANALYSIS

A. Acceptance of Excessive Contributions

The Federal Election Campaign of 1971, as amended, prohibits a candidate or committee from knowingly accepting any contribution in violation of the provisions of Section 441a. 2 U.S.C. § 441a(f). The limit for individuals and for political committees that are not multicandidate political committees is \$1,000 per election. 2 U.S.C. § 441a(a)(1)(A).

The Act defines "contribution" to include loans made to a political committee. 2 U.S.C. § 431(8)(A). Commission regulations include a guarantee, endorsement, and the provision of any other form of security in the term "loan". Loans made to candidates in the ordinary course of business by a State bank, a federally chartered depository institution, or a depository institution, the deposits or accounts of which are insured by the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, or the National Credit Union Administration, shall not be considered contributions. 2 U.S.C. § 431(8)(B).

If a committee accepts a contribution which on its face, or when aggregated with other contributions from the same contributor, exceeds the contribution limits of the Act, the contributor must redesignate or reattribute the contribution or it must be refunded within sixty days. 11 C.F.R. § 103.3(b)(3).

The Engel '88 is the principal campaign committee of Congressman Eliot Engel of New York. Charlotte Friedman is the treasurer of the Committee.

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A review of the Committee's 1988 12 Day Pre-Primary and 1988 October Quarterly Reports reveal that the Committee accepted two contributions from Judy Mc Gowan which together totaled \$20,105. The first contribution consists of half of a July 15, 1988 \$210 contribution which Mrs. Mc Gowan made jointly with Mr. Andrew Mc Gowan. The second contribution from Mrs. Mc Gowan is a September 6, 1988 \$20,000 loan to the campaign.¹ These were contributions made toward Congressman Engel's 1988 primary election campaign. The Committee refunded a total of \$6,000 within sixty days of the making of the loan.² An additional \$10,210 refund was made on December 20, 1988. The remaining \$3,790 owed to Mrs. Mc Gowan has not been repaid

In a December 20, 1988 letter to the Commission, Mr. and Mrs. Mc Gowan reattributed and redesignated the unpaid portion of the loan. \$1,895 of the unpaid amount was reattributed from Mrs. Mc Gowan to Mr. Mc Gowan and divided into a \$895 contribution for the primary and a \$1,000 contribution for the general election. Of the remaining unpaid amount, Mrs. Mc Gowan designated \$895 for the primary and \$1,000 for the general election. See Attachment 1 at 15. The reattributions and redesignations took place more than sixty days after the date of

1. According to the information provided in the Committee's 1988 October Quarterly Report, the interest on the loan was 10.5% with repayment due in December 1988.

2. These refunds were made as follows: a \$2,000 repayment made on September 15, 1988; a \$2,000 repayment on October 3, 1988 and a repayment on \$2,000 October 11, 1988. The September 15, 1988 repayment was reported on the Committee's 1988 Quarterly Report, while the October repayments were reported on the Committee's 12 Day Pre-General Election Report. See Attachment 1 at 7 and 9.

the loan.

Since the \$20,000 loan was made by an individual and not a bank, savings and loan, or credit union, it is not eligible for the exemption at Section 431(8)(B). Thus, the Committee accepted a total of \$13,105 in excessive contributions from Judy Mc Gowan, which were not refunded or otherwise rectified within the sixty-day period provided by Section 103.3(b)(3). Therefore, Mrs. Mc Gowan made contributions totaling \$13,105 in excess of the limit provided by Section 441a(a)(1)(A).

The Office of the General Counsel recommends that the Commission find reason to believe that Engel '88 and Charlotte Friedman, as treasurer, violated 2 U.S.C. § 441a(f) by knowingly accepting excessive contributions. The Office of the General Counsel also recommends that the Commission find reason to believe that Judy Mc Gowan violated 2 U.S.C. § 441a(a)(1)(A) by making excessive contributions.

B. Merger

As stated above, the Committee is a respondent in MUR 2671. The violations which are subjects of MUR 2671 occurred during the same election period, the 1988 Democratic primary, as the activity which is the subject of the current recommendations. Merger of this referral with MUR 2671 would be a more efficient use of resources and would facilitate a complete investigation of the Committee's violations of the Act. Therefore, this Office

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recommends merger of the current referral with MUR 2671.

IV. RECOMMENDATIONS

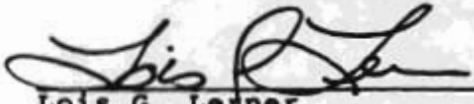
1. Open a MUR.
2. Find reason to believe that Engel '88 and Charlotte B. Friedman, as treasurer, violated 2 U.S.C. § 441a(f).
3. Find reason to believe that Mrs. Judy Mc Gowan violated 2 U.S.C. § 441a(a)(1)(A).
4. Merge the new matter with MUR 2671.
5. Approve the attached letters (2) and Factual and Legal Analyses (2).

Lawrence M. Noble
General Counsel

Date

6-19-89

BY:


Lois G. Lerner
Associate General Counsel

Attachments

1. Referral Materials
2. Letters (2) and Factual and Legal Analyses (2)

Staff Member: Michael Marinelli

91040322362

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Engel '88 and Charlotte B. Friedman,
as treasurer

RAD Ref. 89L-2

(MUR
2921)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on June 22, 1989, the Commission decided by a vote of 6-0 to take the following actions in RAD Ref. 89L-2:

1. Open a MUR.
2. Find reason to believe that Engel '88 and Charlotte B. Friedman, as treasurer, violated 2 U.S.C. § 441a(f).
3. Find reason to believe that Mrs. Judy McGowan violated 2 U.S.C. § 441a(a)(1)(A).
4. Merge the new matter with MUR 2671.

(Continued)

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5. Approve the letters (2) and Factual and Legal Analyses (2), as recommended in the First General Counsel's report signed June 19, 1989.

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

Attest:

June 22, 1989

Date

Hella Arnold
for Marjorie W. Emmons
Secretary of the Commission

Received in the Office of Commission Secretary:	Tues.,	6-20-89,	9:35
Circulated on 48 hour tally basis:	Tues.,	6-20-89,	4:00
Deadline for vote:	Thurs.,	6-22-89,	4:00

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 30, 1989

Edgar G. Walker, Esquire
611 Broadway
New York, N.Y. 10012

RE: MUR 2921
Engel '88 and Charlotte B.
Friedman, as treasurer

Dear Mr. Walker:

On June 22, 1989, the Federal Election Commission found that there is reason to believe that your clients, Engel '88 and Charlotte Friedman, as treasurer, violated 2 U.S.C. § 441a(f), 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. The Commission also determined to merge this matter with MUR 2671. Both matters will now be known as MUR 2921.

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 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 either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be

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Edgar G. Walker, Esquire
Page 2

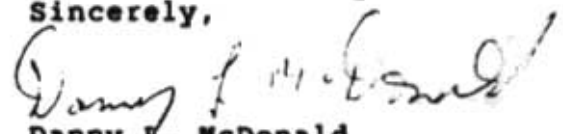
pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause 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

This matter will remain 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 Michael Marinelli, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,


Danny E. McDonald
Chairman

Enclosures
Factual and Legal Analysis
Procedures

91040322366

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: Engel '88 and MUR: 2921
Charlotte B. Friedman,
as treasurer

A. Acceptance of Excessive Contributions

The Federal Election Campaign of 1971, as amended, prohibits a candidate or committee from knowingly accepting any contribution in violation of the provisions of Section 441a.

2 U.S.C. § 441a(f). The limit for individuals and for political committees that are not multicandidate political committees is \$1,000 per election. 2 U.S.C. § 441a(a)(1)(A).

The Act defines "contribution" to include loans made to a political committee. 2 U.S.C. § 431(8)(A). Commission regulations include a guarantee, endorsement, and the provision of any other form of security in the term "loan". Loans made to candidates in the ordinary course of business by a State bank, a federally chartered depository institution, or a depository institution, the deposits or accounts of which are insured by the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, or the National Credit Union Administration, shall not be considered contributions. 2 U.S.C. § 431(8)(B).

If a committee accepts a contribution which on its face, or when aggregated with other contributions from the same contributor, exceeds the contribution limits of the Act, the

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contributor must redesignate or reattribute the contribution or it must be refunded within sixty days. 11 C.F.R. § 103.3(b)(3).

The Engel '88 is the principal campaign committee of Congressman Eliot Engel of New York. Charlotte Friedman is the treasurer of the Committee.

A review of the Committee's 1988 12 Day Pre-Primary and 1988 October Quarterly Reports reveal that the Committee accepted two contributions from Judy Mc Gowan which together totaled \$20,105. The first contribution consists of half of a July 15, 1988 \$210 contribution which Mrs. Mc Gowan made jointly with Mr. Andrew Mc Gowan. The second contribution from Mrs. Mc Gowan is a September 6, 1988 \$20,000 loan to the campaign.¹ These were contributions made toward Congressman Engel's 1988 primary election campaign. The Committee refunded a total of \$6,000 within sixty days of the making of the loan.² An additional \$10,210 refund was made on December 20, 1988. The remaining \$3,790 owed to Mrs. Mc Gowan has not been repaid

In a December 20, 1988 letter to the Commission, Mr. and Mrs. Mc Gowan reattributed and redesignated the unpaid portion of the loan. \$1,895 of the unpaid amount was reattributed from Mrs. Mc Gowan to Mr. Mc Gowan and divided into a \$895

1. According to the information provided in the Committee's 1988 October Quarterly Report, the interest on the loan was 10.5% with repayment due in December 1988.

2. These refunds were made as follows: a \$2,000 repayment made on September 15, 1988; a \$2,000 repayment on October 3, 1988 and a repayment on \$2,000 October 11, 1988. The September 15, 1988 repayment was reported on the Committee's 1988 Quarterly Report, while the October repayments were reported on the Committee's 12 Day Pre-General Election Report. See Attachment 1 at 7 and 9.

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contribution for the primary and a \$1,000 contribution for the general election. Of the remaining unpaid amount, Mrs. Mc Gowan designated \$895 for the primary and \$1,000 for the general election. See Attachment 1 at 15. The reattributions and redesignations took place more than sixty days after the date of the loan.

Since the \$20,000 loan was made by an individual and not a bank, savings and loan, or credit union, it is not eligible for the exemption at Section 431(8)(B). Thus, the Committee accepted a total of \$13,105 in excessive contributions from Judy Mc Gowan, which were not refunded or otherwise rectified within the sixty-day period provided by Section 103.3(b)(3). Therefore, Mrs. Mc Gowan made contributions totaling \$13,105 in excess of the limit provided by Section 441a(a)(1)(A).

Therefore, there is reason to believe that Engel '88 and Charlotte Friedman, as treasurer, violated 2 U.S.C. § 441a(f) by knowingly accepting excessive contributions.

B. Merger

The Committee is a respondent in MUR 2671. The violations which are subjects of Mur 2671 occurred during the same election period, the 1988 Democratic primary, as the activity which is the subject of the current recommendations. Therefore, these matters have been merged.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 30, 1989

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mrs. Judy Mc Gowan
281 West 254th Street
Bronx, New York 10471

RE: MUR 2921
Mrs. Judy Mc Gowan

Dear Mrs. Mc Gowan:

On June 22, 1989, the Federal Election Commission found that there is reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), 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 you. 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 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 you, 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 either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be

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Mrs. Judy Mc Gowan
Page 2

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.

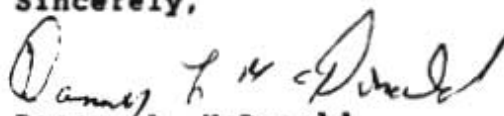
Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

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.

This matter will remain 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 Michael Marinelli, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,


Danny L. McDonald
Chairman

Enclosures
Factual and Legal Analysis
Procedures
Designation of Counsel Form

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: Mrs. Judy Mc Gowan

MUR: 2921

A. Acceptance of Excessive Contributions

The Federal Election Campaign of 1971, as amended, prohibits a candidate or committee from knowingly accepting any contribution in violation of the provisions of Section 441a. 2 U.S.C. § 441a(f). The limit for individuals and for political committees that are not multicandidate political committees is \$1,000 per election. 2 U.S.C. § 441a(a)(1)(A).

The Act defines "contribution" to include loans made to a political committee. 2 U.S.C. § 431(8)(A). Commission regulations include a guarantee, endorsement, and the provision of any other form of security in the term "loan". Loans made to candidates in the ordinary course of business by a State bank, a federally chartered depository institution, or a depository institution, the deposits or accounts of which are insured by the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, or the National Credit Union Administration, shall not be considered contributions. 2 U.S.C. § 431(8)(B).

If a committee accepts a contribution which on its face, or when aggregated with other contributions from the same contributor, exceeds the contribution limits of the Act, the contributor must redesignate or reattribute the contribution or

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it must be refunded within sixty days. 11 C.F.R. § 103.3(b)(3).

The Engel '88 is the principal campaign committee of Congressman Eliot Engel of New York. Charlotte Friedman is the treasurer of the Committee.

A review of the Committee's 1988 12 Day Pre-Primary and 1988 October Quarterly Reports reveal that the Committee accepted two contributions from Judy Mc Gowan which together totaled \$20,105. The first contribution consists of half of a July 15, 1988 \$210 contribution which Mrs. Mc Gowan made jointly with Mr. Andrew Mc Gowan. The second contribution from Mrs. Mc Gowan is a September 6, 1988 \$20,000 loan to the campaign.¹ These were contributions made toward Congressman Engel's 1988 primary election campaign. The Committee refunded a total of \$6,000 within sixty days of the making of the loan.² An additional \$10,210 refund was made on December 20, 1988. The remaining \$3,790 owed to Mrs. Mc Gowan has not been repaid

In a December 20, 1988 letter to the Commission, Mr. and Mrs. Mc Gowan reattributed and redesignated the unpaid portion of the loan. \$1,895 of the unpaid amount was reattributed from Mrs. Mc Gowan to Mr. Mc Gowan and divided into a \$895 contribution for the primary and a \$1,000 contribution for the

1. According to the information provided in the Committee's 1988 October Quarterly Report, the interest on the loan was 10.5% with repayment due in December 1988.

2. These refunds were made as follows: a \$2,000 repayment made on September 15, 1988; a \$2,000 repayment on October 3, 1988 and a repayment on \$2,000 October 11, 1988. The September 15, 1988 repayment was reported on the Committee's 1988 Quarterly Report, while the October repayments were reported on the Committee's 12 Day Pre-General Election Report. See Attachment 1 at 7 and 9.

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general election. Of the remaining unpaid amount, Mrs. Mc Gowan designated \$895 for the primary and \$1,000 for the general election. See Attachment 1 at 15. The reattributions and redesignations took place more than sixty days after the date of the loan.

Since the \$20,000 loan was made by an individual and not a bank, savings and loan, or credit union, it is not eligible for the exemption at Section 431(8)(B). Thus, the Committee accepted a total of \$13,105 in excessive contributions from Judy Mc Gowan, which were not refunded or otherwise rectified within the sixty-day period provided by Section 103.3(b)(3). Therefore, Mrs. Mc Gowan made contributions totaling \$13,105 in excess of the limit provided by Section 441a(a)(1)(A).

Therefore, there is reason to believe that Judy Mc Gowan violated 2 U.S.C. § 441a(a)(1)(A) by making excessive contributions.

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OFFICE SERVICES BRANCH

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LEVY & WALKER

ATTORNEYS AT LAW
THE CABLE BUILDING
611 BROADWAY

NEW YORK, NEW YORK 10012

TELEPHONE: (212) ORGON 4-8000
TELECOPIER: (212) 674-4082

EDGAR O. WALKER
ROBERT E. LEVY

ROE JAN PLAZA
ROUTE 22
HILLSDALE, NEW YORK 12520
(518) 825-8020

July 12, 1989

Federal Election Commission
Office of the General Counsel
999 E. Street N.W.
Room 659
Washington, D.C. 20463

Attention: Michael Marinelli, Esq.

Re: MUR 2921

Dear Mr. Marinelli:

Once again it appears that the maiden voyage of Congressman Engel's federal campaign committee has run aground in the difficult to navigate waters of the Federal Election Campaign Act.

Engel '88 and its treasurer Charlotte Friedman do not take issue with any aspect of the Commission's factual and legal analysis and are interested in pursuing pre-probable cause conciliation.

The affidavit of Arnold Linhardt is submitted herewith to explain the circumstances surrounding the acceptance of the loan. It is clear that at the time he accepted it he believed, although mistakenly, that loans, "regardless of amount," could be accepted by the committee as long as they were properly itemized.

As with MUR 2671, we request the Commission to take into account the committee's inexperience and good faith. In particular we wish to draw the Commission's attention to the following:

1. The loan was fully disclosed on all reports filed with the Commission. No attempt was made to hide or disguise the nature of the loan.

2. The loan was refunded, redesignated and reattributed within approximately two (2) weeks of the committee's receiving notice that the loan violated the Act. Although the Act provides that such steps be taken within sixty (60) days of receipt of the funds, the Committee was not aware of

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Mr. Michael Marinelli
Re: MUR 2921
July 12, 1989

Page Two

the necessity to do so until after the sixty day period had already passed.

The above is important for two reasons. Firstly, it demonstrates the committee's lack of intent to violate the Act and its good faith in promptly remedying the violation when brought to its attention.

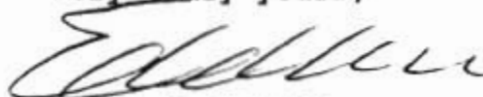
Secondly, it appears that under 11 C.F.R. §103.3(b)(3), it is not so much the acceptance of the excessive contribution as it is the failure to effectuate a redesignation, reattribution and/or refund within the sixty (60) day period which constitutes the violation. The fact that the committee was not aware that the loan constituted an excessive contribution until after sixty (60) days had elapsed made it impossible for it to comply with the letter of the law.

In this regard, although concededly not directly applicable to this matter, the provisions of 11 C.F.R. §103.3(b)(2) are instructive. That paragraph allows thirty (30) days from the date on which the illegality is discovered to refund the contribution. Engel '88 rectified the violation herein in far less than thirty (30) days from its discovery.

In this case, although the loan was excessive on its face, it did not appear that way to the committee, due to the inexperience of the people working for it and a misunderstanding of the applicable law. Under these circumstances, we ask the Commission to take into account that the committee acted within thirty (30) days from the date of discovery, as required by 11 C.F.R. §103.3(b)(2), even though 11 C.F.R. §103.3(b)(3) might technically be applicable.

As before, I wish to stress that it is, and always has been, the committee's intention to comply fully with the law and sincerely regret that its lack of familiarity with the law has led to an apparent violation.

Very truly yours,



Edgar G. Walker

EGW:alv

Enclosure

21040522376

STATE OF NEW YORK)
) ss.:
COUNTY OF BRONX)

ARNOLD LINHARDT, being duly sworn, deposes and says:

1. I was the campaign manager for Eliot Engel's 1988 election campaign for Congress.

2. Neither myself, nor anyone else connected with the campaign had previously been involved in a federal election campaign.

3. When Judy McGowan offered to lend the campaign \$20,000.00, I did not know such a loan would constitute an excessive contribution.

4. The loan was made less than two (2) weeks before the primary election and conditions at the campaign headquarters were extremely hectic and there was an enormous press of matters requiring my attention.

5. In the rush of trying to get so much done in so little time, I hurriedly consulted the June, 1985 Campaign Guide.

6. On page 16 of the Guide, immediately under the heading "Loans Received," the phrase "regardless of amount," printed in bold type, stood out and caught my eye. (A copy of page 16 is annexed hereto as Exhibit "A.")

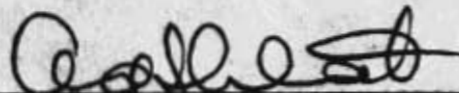
7. I jumped to the conclusion that there was no limit on the amount which may be loaned to the campaign without carefully reading the Guide any further.

8. It was my decision that Engel '88 could accept the loan.

9. It was not until we received a letter from the Federal


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Election Commission, dated November 29, 1988 and not received until the following week, that I learned that the loan was considered to be an excessive contribution. (A copy of the letter is annexed hereto as Exhibit "B.")



ARNOLD LINHARDT

Sworn to before me on
this 12 day of July, 1989



EDGAR G. WALKER
Notary Public, State of New York
No. 83-4130816
Qualified in Bronx County
Commission Expires Aug. 31, 1991

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Loans Received

General Reporting Procedures

- All loans received, regardless of amount, must be itemized. Itemized information must include the name, address, occupation and employer of the lender and any endorser or guarantor, the date the loan was made and the amount and terms of the loan. 104.3(a)(3)(vii) and 104.3(a)(4)(iv).
- At the end of the reporting period in which the loan was received, the committee must itemize the loan on Schedule A and Schedule C. 104.3(d).
- At the end of each subsequent reporting period, and until the balance of the loan is fully repaid, the committee must continue to itemize the outstanding balance of the loan on Schedule C. 104.3(d).

Bank Loans

A loan made by a bank* does not count as a contribution if it is made according to applicable banking laws and in the ordinary course of business, i.e., if it:

- Bears the bank's usual and customary interest rate for the category of loan involved;
- Is made on a basis which assures repayment;
- Is evidenced by a written instrument; and
- Is subject to a due date or amortization schedule. 100.7(b)(11).

Although they are not contributions, all such loans must be reported according to the general procedures described above.

Endorsements and Guarantees of Loans

Endorsements and guarantees of loans, including those made by the candidate's family to his/her campaign, do count as contributions to the extent of the outstanding balance of the loan. Information on each endorser or guarantor must be itemized on Schedule C. If a loan is endorsed or guaranteed by the candidate, itemized information on the candidate must be included on Schedule A as well as Schedule C. 100.7(a)(1)(i)(C), 104.3(a)(3)(vii)(B) and 104.3(a)(4)(iv).

Private Loans

Loans made by individuals, groups and committees count as contributions until they are repaid and are itemized on Schedules A and C according to the general reporting procedures described above.

Refunds, Rebates and Returns

Refunds, rebates and returns of deposits (such as the return of a telephone depos-

it) are reported as offsets to operating expenditures on Form 3, and those aggregating over \$200 from the same source must be itemized on Schedule A. 104.3(a)(3)(ix) and 104.3(a)(4)(v).

Other Receipts

"Other Receipts," which include interest, dividends and the sale of committee assets such as office equipment, are reported on Form 3. Other receipts aggregating over \$200 per year from the same source must be itemized on Schedule A. 104.3(a)(3)(x) and 104.3(a)(4)(vi).

3. Disbursements

Certain disbursements must be itemized on Schedule B, according to the rules listed below. Itemized information includes the name and address of the individual or organization to whom the disbursement was made, as well as the date, amount and "purpose" of the disbursement. "Purpose" means a brief description of why the disbursement was made (e.g., dinner expenses, salary, phone banks, etc.).

For reporting purposes, disbursements are divided into several categories. A separate Schedule B should be used for each category. Each of the following categories of disbursements has some additional reporting requirements.



Operating Expenditures

Operating expenditures that exceed \$200 or aggregate over \$200 per year to the payee must be itemized on Schedule B. In addition, in-kind contributions itemized on Schedule A are again itemized as expenditures on Schedule B. 104.3(b)(2)(i) and 104.3(b)(4)(i).

Transfers to Authorized Committees

Each transfer made by the principal campaign committee to another authorized committee must be itemized on Schedule B, regardless of amount. 104.3(b)(2)(ii) and 104.3(b)(4)(ii).

Loan Repayments and Loans Made by Committee

Each reporting period, all loans and loan repayments made by the authorized committee during that period are itemized on Schedules B and C regardless of amount. For each subsequent reporting period that a loan remains outstanding, it must be itemized on Schedule C. In addition, any loan repayment made directly by the candidate as an agent of the committee must be itemized. 104.3(b)(2)(iii) and 104.3(b)(4)(iii) and (iv).

Contribution Refunds

Total contribution refunds to persons or political committees must be reported on Form 3. Each refund to an individual of more than \$200, and all refunds, regardless of amount, to political committees must be itemized as disbursements on Schedule B. 104.3(b)(2)(v) and 104.3(b)(4)(v).

Other Disbursements

Other disbursements, when they aggregate over \$200 to the same payee, must be itemized on Schedule B. Contributions to other candidates are included in this category. 104.3(b)(2)(vi) and 104.3(b)(4)(vi).

* See Definitions in Appendix A.

† The "purpose" must be specific enough to meet reporting requirements. For additional information on how to specify the purpose of a disbursement, consult the instructions on the back of Schedule B.



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

NOV 29 1988

Charlotte Friedman, Treasurer
Engel '88
c/o Friedman
140-25 Asch Loop
Bronx, NY 10475

Identification Number: C00228981

Reference: October Quarterly Report (7/1/88-9/30/88)

Dear Ms. Friedman:

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:

-Schedules A and C of your report (pertinent portion attached) discloses a contribution(s) which appears to exceed the limits set forth in the Act. An individual or a political committee other than a qualified multicandidate committee may not make a contribution to a candidate for Federal office in excess of \$1,000 per election. The term "contribution" includes 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. (2 U.S.C. §§441a(a) and (f); 11 CFR 110.1(b), (e) and (k))

If the contribution(s) in question was incompletely or incorrectly disclosed, you should amend your original report with the clarifying information. If the contribution(s) you received exceeds the limits, you should either refund to the donor the amount in excess of \$1,000 or get the donor to redesignate and/or reattribute the contribution in writing. All refunds, redesignations, and reattributions must be made within sixty days of the treasurer's receipt of the contribution. Copies of refund checks and copies of letters reattributing or redesignating the contributions in question may be used to respond to this letter. Refunds are reported on Line 20 of the Detailed Summary Page and on Schedule B of the report covering the period in which they are made. Redesignations and reattributions are reported as memo entries on Schedule A of the report covering the period in which the authorization for the redesignation and/or reattribution is received. (11 CFR 104.8(d)(2), (3) and (4))

EXHIBIT B

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Although the Commission may take further legal steps, prompt action by you to refund or seek redesignation and/or reattribution of the excessive amount will be taken into consideration. The Commission notes your partial repayment of this loan.

-Your report contains financial activity already disclosed on another report. Overlapping coverage dates create difficulties in accounting for cash flow from one report to another. Amend this report to include only the financial transactions which occurred between 8/27/88 and 9/30/88. (2 U.S.C. §434(b))

-When a committee reports receiving a loan from the candidate, it is necessary to clarify whether or not the candidate used his/her personal funds or borrowed the money from a lending institution or any other source. If the candidate borrowed funds from a lending institution, or any other source, please provide the name of the lending institution and the complete terms of the loan. If the loan(s) was from personal funds, please acknowledge that fact in an amendment to this report. It is important to note that "personal funds" is strictly defined by Commission regulations and may be found in 11 CFR 110.10. (11 CFR 100.7(a)(1) and 104.3(d))

-For future reports, please be advised that contributions from individuals and political committees should be itemized on separate Schedules A. Additionally, the total amount of these contributions should be reported on Line 11(a), 11(b) and Line 11(c) of the Detailed Summary Page, respectively.

-Schedule A of your report indicates that your committee may have failed to file one or more of the required 48 hour notices regarding "last minute" contributions received by your committee after the close of books for the 12 Day Pre-Primary report. A principal campaign committee must notify the Commission, in writing, within 48 hours of any contribution of \$1,000 or more received between two and twenty days before an election. These contributions are then reported on the next report required to be filed by the committee. To ensure that the Commission is notified of last minute contributions of \$1,000 or more to your campaign, it is recommended that you review your procedures for checking contributions received during the aforementioned time period. (11 CFR 104.5(f))

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A written response or 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,

David E. Bailey
David E. Bailey
Reports Analyst
Reports Analysis Division

91040322382

For information only
This receipt is not valid
unless it is signed by the
Contributor

Page Line Number
136

Any information copied from such reports and documents may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF CONTRIBUTOR (in full)

Engel's

<p>A. Full Name, Mailing Address and ZIP Code</p> <p>Judy McConner 2316 25th St Or 97147</p> <p>Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):</p>	<p>Name of Employer</p> <p>NY. St. of Wash.</p> <p>Occupation</p> <p>Teacher</p> <p>Aggregate Year-to-Date > \$ 20,000</p>	<p>Date (month, day, year)</p> <p>9/6/87</p>	<p>Amount of Each Receipt this Period</p> <p>\$20,000</p>
<p>B. Full Name, Mailing Address and ZIP Code</p> <p>Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):</p>	<p>Name of Employer</p> <p>Occupation</p> <p>Aggregate Year-to-Date > \$</p>	<p>Date (month, day, year)</p>	<p>Amount of Each Receipt this Period</p>
<p>C. Full Name, Mailing Address and ZIP Code</p> <p>Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):</p>	<p>Name of Employer</p> <p>Occupation</p> <p>Aggregate Year-to-Date > \$</p>	<p>Date (month, day, year)</p>	<p>Amount of Each Receipt this Period</p>
<p>D. Full Name, Mailing Address and ZIP Code</p> <p>Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):</p>	<p>Name of Employer</p> <p>Occupation</p> <p>Aggregate Year-to-Date > \$</p>	<p>Date (month, day, year)</p>	<p>Amount of Each Receipt this Period</p>
<p>E. Full Name, Mailing Address and ZIP Code</p> <p>Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):</p>	<p>Name of Employer</p> <p>Occupation</p> <p>Aggregate Year-to-Date > \$</p>	<p>Date (month, day, year)</p>	<p>Amount of Each Receipt this Period</p>
<p>F. Full Name, Mailing Address and ZIP Code</p> <p>Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):</p>	<p>Name of Employer</p> <p>Occupation</p> <p>Aggregate Year-to-Date > \$</p>	<p>Date (month, day, year)</p>	<p>Amount of Each Receipt this Period</p>
<p>G. Full Name, Mailing Address and ZIP Code</p> <p>Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):</p>	<p>Name of Employer</p> <p>Occupation</p> <p>Aggregate Year-to-Date > \$</p>	<p>Date (month, day, year)</p>	<p>Amount of Each Receipt this Period</p>

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<p>SUBTOTAL of Receipts This Page (optional)</p>	<p>\$20,000</p>
<p>TOTAL This Period (see page 135 line number only)</p>	<p>\$20,000</p>

D.B

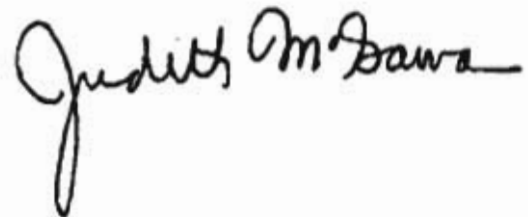
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Mur 2921RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE
JUL 21 1989281 West 254th Street
Bronx, NY 10471
July 21, 1989RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE
89 JUL 21 PM 3:38Federal Election Commission
Washington D.C. 20463
Attn: Mr. Michael Marinelli

Dear Mr. Marinelli:

I respectfully request a twenty day extension of time to submit
a statement in support of pre-probable cause conciliation.

Thank You,



Mrs. Judith McGowan

91040322385



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 24, 1989

Mrs. Judy McGowan
281 West 254th Street
Bronx, New York 10471

RE: MUR 2921
Mrs. Judy McGowan

Dear Mrs. McGowan:

This is in response to your letter dated July 21, 1989, which we received on July 21, 1989, requesting an extension of 20 days until August 10, 1989, 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 the close of business on August 10, 1989.

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

Sincerely,

Lawrence M. Noble
General Counsel

A handwritten signature in dark ink, appearing to be "LGL", is written over the typed name of Lois G. Lerner.

BY: Lois G. Lerner
Associate General Counsel

91040322386

August 89 AUG 14 PM 12:29

281 West 254th street
Bronx, New York 10471

To whom it may concern:

I, Judith (a.k.a. Judy) McGowan, am writing in response to your "Factual and Legal Analysis" of MUR 2921 because I wish to request pre-probable cause conciliation. While it appears that we, my husband Andrew and I, have violated a federal law in lending money to Candidate Elliot Engel, I want to state that not only did we not knowingly violate a law but more importantly (to us) we at no time did anything that we believed, or believe, to be unethical.

Because we are of relatively modest means I have chosen not to hire an attorney but rather to detail the history of MUR 2921 and how it came to be, in the hope that knowing the whole story you will not be overly harsh in your judgment of us.

I have been a civic activist for more than twenty years. Before I had children I was a volunteer youth leader at my local church, and assisted my husband in producing a "Talk to the Author" radio program for a local non-profit radio station. Since having children I have served as legislative representative (i.e. lobbyist) for parent associations for the various schools my kids attended. I have also organized food buying cooperatives, a save the public library group, a lobbying push to restore funding to school libraries from local funds in the wake of the elimination of federal funds, etc. I have served on the Board of Directors of the middle income apartment building in which we lived, and the Board of Directors of the Bronx High School of Science Foundation (I worked there, my kids attended). For the past fifteen years I have been active in local politics. In none of these positions have I ever been salaried. Most of the time I wasn't even reimbursed for expenses!

I was drawn to local politics as a result of an unpleasant experience. In 1974 I was new to my community and more attuned to changing diapers (with three toddlers) than community activity. I was hired to fill a one year vacancy in a local school. Soon after I started work I realized that public funds had been systematically stolen from the children of that school in a rather complex manner. The school was in a poor neighborhood and was supposed to be serving a minority population. For the preceding six years almost all library book money had been spent on rare books and highly sophisticated literary works which were far above the reading ability of our students. None of the materials were in the school.

I reported the situation to the people above me. By the end of a nightmare year (in which I was told by one high ranking union official that if I pursued the matter I would

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

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never get another teaching job in New York City -- which turned out not to be true) several assistant districts attorney had read my documentation with interest but were later transferred to other cases. No legal action was ever taken, although some of those involved might have missed a promotion here and there. Throughout the whole affair I was operating on a silly notion I'd cherished since childhood -- Thou shalt not steal.

What does all this 1974 stuff have to do with lending Elliot Engel money in 1988? Well, the miscreants began a campaign of character assassination which was as specific as to attempt to keep me out of my own children's P.T.A. board! I looked around to see if anyone opposed these people and met several local political activists. The people I met and began working with were those who opposed those Bronx politicians who are now in jail. They are friends and colleagues of Elliot Engel's. The people who were involved in the coverup of the theft of funds from that local school have a long record of supporting those Bronx politicians who are now in jail. In the course of time I became acquainted with Elliot. Over a ten year period we were frequently on the same side on local issues. When he declared his candidacy for congress against the then on trial Congressman Blaggi no one was surprised when I offered any help I could give. I have volunteered on many campaigns, more losers than winners, and I have always been proud of the record and character of the person I supported. I volunteered to help Elliot Engel, not because I thought he could win but because I thought he should win.

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The Engel loan. To the McGowan family the amount of time we gave to the Engel '88 campaign took much more commitment than writing a loan check from a home equity account! We had all been working hard and were getting a sense of possible victory. The 'good' guys might really have a shot against the 'bad' guys! When I realized that needed money was within my power to supply it was a strange feeling for one of my socioeconomic station as I speculated that our equity loan might help, in a small way to be sure, to change American History. It may appear a bit silly now, but to us it was, and is, very exciting.

It never occurred to us that the money would not be repaid, or was even at risk. Elliot and his wife gave my husband and me their word that whether he won or lost this money would be returned -- as it has been. They knew that it was earmarked for our boys' college bills, and that those bills were going to be coming soon. It would have been unthinkable -- and out of character -- not to pay it back.

Clearly, none of us were aware of the finer points of the law. This was not the kind of campaign that had federally trained attorneys at beck and call! Elliot's campaign manager looked up the rules on loans and said that there appeared to be no problem. And that was that. We all knew that the unindicted opponent (as opposed to Congressman Blaggi -- who was still on the ballot) was a wealthy person who was spending a large amount of his own money on the campaign. Why would it be alright for him to do that and not alright for a financially strapped young father of two to borrow money from a friend? I realize I am in no position to be asking questions so please, just consider that question as rhetorical.

I know that ignorance of the law is no excuse but I hope that this lengthy narrative will assist you in making a just decision. If you need any further information, I shall be at your disposal.

Sincerely,


Judith McGowan

89 OCT 25 AM 8:11

BEFORE THE FEDERAL ELECTION COMMISSION

SENSITIVE

In the Matter of)	
)	
Engel '88 and Charlotte B. Friedman,)	MUR 2921
as treasurer (federal committee))	
)	
Friends of Eliot Engel, and)	
Charlotte B. Friedman, as treasurer)	
(non-federal committee))	
)	
Judith McGowan)	

GENERAL COUNSEL'S REPORT

I. BACKGROUND

In response to a complaint, the Commission found reason to believe on November 15, 1988 that Engel '88 (the "Federal Committee") and Charlotte Friedman, as treasurer, had violated 2 U.S.C. §§ 434(b) and 441b(a). On the same date, the Commission also found reason to believe that Friends of Eliot Engel, a state committee, and Charlotte B. Friedman, as treasurer, had violated 2 U.S.C. §§ 433(a), 434(a) and 441b. On March 3, 1989 the Reports Analysis Division ("RAD") referred to this Office the Federal Committee's acceptance of excessive contributions totaling \$20,104 from Judith McGowan. The Commission then determined on June 22, 1989, that there was reason to believe that the Federal Committee had violated 2 U.S.C. § 441a(f) and that Mrs. McGowan had violated 2 U.S.C. § 441a(a)(1)(A). Letters were mailed to the respondents on June 30, 1989.

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On July 12, 1989 this Office received a response from the Federal Committee to the Commission's latest findings. The Federal Committee renewed an earlier request to enter into pre-probable cause conciliation. On July 24, 1989, Mrs. McGowan requested a 20-day extension of time, which was granted. On August 15, 1989, this Office received Mrs. McGowan's response. In that response, Mrs. McGowan requested pre-probable cause conciliation.

II. ANALYSIS

In their responses, Mrs. McGowan and the Federal Committee do not dispute the facts contained in the factual and legal analyses mailed to the respondents in June concerning Mrs. McGowan's contributions. The campaign manager for the Engel campaign, Arnold Linhardt, states in an affidavit that the violation arose from a misreading of federal law made during the hectic last days of the primary election. Mr. Linhardt states that, when reviewing the 1985 Campaign Guide for Congressional Candidates and Committees for information on loans, under the heading "Loans Received," the boldfaced words "regardless of amount" caught his attention. Looking at these words and without reading further, Mr. Linhardt states he concluded that the Committee could accept a \$20,000 loan which Mrs. McGowan was offering to make. Mrs. McGowan was then given this interpretation when she made the loan.

Mrs. McGowan's involvement in the campaign stemmed from 15 years of involvement in local New York City politics and a ten year association with candidate Engel during his state races.

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However, despite her involvement in local politics Mrs. McGowan states that she was "unaware of the finer points of [Federal Election] Law."

Since there is no dispute regarding the facts of the violation, this Office recommends that the Commission enter into preprobable cause conciliation with Mrs. McGowan. However, as regards the request made by the Federal Committee to enter into pre-probable cause conciliation, this Office recommends that the request be denied. The loan received from Mrs. McGowan is one of the many election year transactions conducted by the Engel campaign which this Office is investigating. That investigation is not yet complete. This Office is reviewing information provided in the responses received from Engel '88 and from Friends of Eliot Engel regarding the Federal Committee's financial activities. The responses reveal a complicated factual situation and require an examination of both federal and state reports. This Office believes it would be prudent to defer the drafting of a conciliation agreement with the federal committee until such time as a complete picture regarding all the apparent violations by Engel Campaign is obtained.

III. DISCUSSION OF CONCILIATION PROVISIONS AND CIVIL PENALTY

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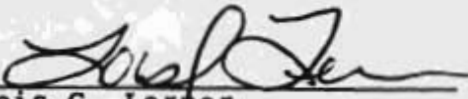
III. RECOMMENDATIONS

1. Enter into conciliation with Judith McGowan prior to a finding of probable cause to believe.
2. Decline, at this time, to enter into pre-probable cause conciliation with Engel '88 and Charlotte B. Friedman, as treasurer.
3. Approve the attached proposed conciliation agreement and letter.

Lawrence M. Noble
General Counsel

Date 10-23-89

BY:


Lois G. Lerner
Associate General Counsel

Attachments

1. July 12, 1989 Federal Committee response and request for conciliation
2. August 15, 1989 response by Judith McGowan and request for conciliation
3. Proposed conciliation agreement and letter.

Staff Assigned: Michael Marinelli

91040322394



FEDERAL ELECTION COMMISSION
WASHINGTON D C 20461

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS /DELORES HARRIS
COMMISSION SECRETARY

DATE: OCTOBER 27, 1989

SUBJECT: MUR 2921 - GENERAL COUNSEL'S REPORT
DATED OCTOBER 23, 1989

The above-captioned document was circulated to the
Commission on Wednesday, October 25, 1989 at 11:00 a.m.

Objection(s) have been received from the Commissioner(s)
as indicated by the name(s) checked below:

Commissioner Aikens	<u>XXXX</u>
Commissioner Elliott	<u> </u>
Commissioner Josefiak	<u> </u>
Commissioner McDonald	<u> </u>
Commissioner McGarry	<u> </u>
Commissioner Thomas	<u> </u>

This matter will be placed on the meeting agenda
for Tuesday, November 7, 1989 at 10:00 a.m.

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

21340322395

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)	
)	
Engel '88 and Charlotte B. Friedman,)	
as treasurer (federal committee))	MUR 2921
Friends of Eliot Engel, and Charlotte)	
B. Friedman, as treasurer)	
(non-federal committee))	
Judith McGowan)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on November 14, 1989, do hereby certify that the Commission decided by a vote of 5-1 to take the following actions in MUR 2921:

1. Enter into conciliation with Judith McGowan prior to a finding of probable cause to believe.
2. Decline, at this time, to enter into pre-probable cause conciliation with Engel '88 and Charlotte B. Friedman, as treasurer.

(continued)

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))))))))

MUR 2921

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the

1. Enter into conciliation with Judith McGowan prior to a finding of probable cause to believe.

(continued)

Federal Election Commission
Certification for MUR 2921
November 14, 1989

Page 2

3. Approve the proposed conciliation agreement and letter attached to the General Counsel's report dated October 23, 1989.

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

Attest:

November 16, 1989

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

21040322397



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20461

November 21, 1989

Mrs. Judith McGowan
281 West 254th Street
Bronx, New York 10471

RE: MUR 2921
Judith McGowan

Dear Mrs. McGowan:

On June 30, 1989, the Federal Election Commission found reason to believe that you have violated 2 U.S.C. § 441a(a)(1)(A). At your request, on November 14, 1989, 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 Michael Marinelli, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

A handwritten signature in dark ink, appearing to read "Lois G. Lerner", is written over the typed name.

BY: Lois G. Lerner
Associate General Counsel

Enclosure
Conciliation Agreement

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LEVY & WALKER

ATTORNEYS AT LAW

THE CABLE BUILDING

611 BROADWAY

NEW YORK, NEW YORK 10012

TELEPHONE: (212) ORZOOH 4-8000

TELECOPIER: (212) 674-4052

EDGAR G. WALKER
ROBERT E. LEVY

ROE JAN PLAZA
ROUTE 22

HILLSDALE, NEW YORK 12529

(518) 825-8625

January 17, 1990

BY FEDERAL EXPRESS

Federal Election Commission
Office of the General Counsel
999 E Street, N.W.
Room 659
Washington, D.C. 20563

Attention: Mr. Michael Marinelli

Re: MUR 2921
Judith McGowan

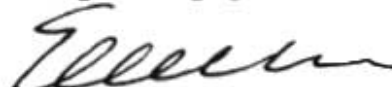
Dear Mr. Marinelli:

I hereby appear in this matter on behalf of Judith McGowan pursuant to the enclosed authorization. I would like to negotiate a settlement of the conciliation agreement.

Please call me when you receive this letter so that we may discuss the terms of the conciliation agreement.

Thank you for your consideration.

Very truly yours,



Edgar G. Walker

EGW:alv

Enclosure

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OFFICE OF GENERAL COUNSEL

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Judith McGowan
281 W. 254th Street
Bronx, New York 10471

January 9, 1990

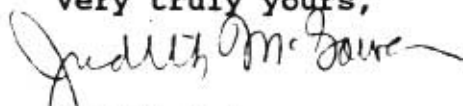
21040322400
Federal Election Commission
Office of the General Counsel
Room 659
Washington, DC 20463
Attn: Michael Marianelli, Esq.

Re: MUR 2921

Dear Mr. Marinelli,

I hereby authorize Edgar G. Walker to represent me with respect to the above referenced matter and to enter into negotiations on my behalf towards reaching a conciliation agreement in settlement of said matter.

Very truly yours,


Judith McGowan

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MAIL ROOM

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LEVY & WALKER
ATTORNEYS AT LAW
THE CABLE BUILDING
611 BROADWAY
NEW YORK, NEW YORK 10018

TELEPHONE: (212) ORegon 4-3000
TELESCOPIER: (212) 674-4062

EDGAR G. WALKER
ROBERT E. LEVY

ROE JAN PLAZA
ROUTE 22
HILLSDALE, NEW YORK 12529
(518) 525-5628

February 6, 1990

BY FEDERAL EXPRESS

Federal Election Commission
Office of the General Counsel
999 E Street, N.W.
Room 659
Washington, D.C. 20563

Attention: Mr. Michael Marianelli

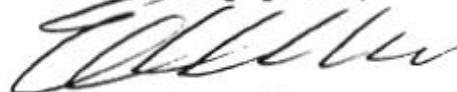
Re: MUR 2921
Judith McGowan

Dear Mr. Marianelli:

Enclosed is the proposed Conciliation Agreement in the above matter which I have signed on behalf of Judith McGowan. I have also enclosed her check in the amount of \$800.00 in payment of the Civil penalty agreed to therein.

Thank you for your consideration.

Very truly yours,



Edgar G. Walker

EGW:alv

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FEDERAL ELECTION COMMISSION
OFFICE OF THE GENERAL COUNSEL

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BEFORE THE FEDERAL ELECTION COMMISSION

SENSITIVE

In the Matter of

)

MUR 2921

Judith McGowan

)

)

GENERAL COUNSEL'S REPORT

I. BACKGROUND

Attached is a conciliation agreement which has been signed by counsel for Judith McGowan.

On March 3, 1989 the Reports Analysis Division ("RAD") referred to this Office Engel '88's acceptance of excessive contributions totaling \$20,104 from Judith McGowan. The Commission then determined on June 22, 1989, that there was reason to believe that Engel '88 ("the Committee") had violated 2 U.S.C. § 441a(f) and that Mrs. McGowan had violated 2 U.S.C. § 441a(a)(1)(A).

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II. RECOMMENDATIONS

1. Accept the attached conciliation agreement with Judith McGowan.
2. Close the file as to Judith McGowan.
3. Approve the attached letter.

Lawrence M. Noble
General Counsel

Date

2/20/90

BY:


Lois G. Berner
Associate General Counsel

Attachments

1. January 17, 1989 designation of Counsel
2. February 6, 1990 counter offer and check
3. Letter to Respondents

Staff Assigned: Michael Marinelli

2104032:403

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Judith McGowan) MUR 2921

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on February 26, 1990, the Commission decided by a vote of 6-0 to take the following actions in MUR 2921:

1. Accept the conciliation agreement with Judith McGowan, as recommended in the General Counsel's report dated February 20, 1990.
2. Close the file as to Judith McGowan.
3. Approve the letter, as recommended in the General Counsel's report dated February 20, 1990.

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

Attest:

2-26-90

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

Received in the Secretariat: Wed., Feb. 21, 1990 2:10 p.m.
Circulated to the Commission: Thurs., Feb. 22, 1990 11:00 a.m.
Deadline for vote: Mon., Feb. 26, 1990 11:00 a.m.

21540322404



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

February 28, 1990

Edgar G. Walker, Esquire
Levy & Walker
The Cable Building
611 Broadway
New York, New York 10012

RE: MUR 2921
Judith McGowan

Dear Mr. Walker:

On February 26, 1990, the Federal Election Commission accepted the signed conciliation agreement submitted on your client's behalf in settlement of a violation of 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter as it pertains to your client. This matter will become a part of the public record within 30 days after it has been closed with respect to all other respondents involved. 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.

The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

21040323405

Edgar G. Walker, Esquire
Page 2

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact Michael Marinelli, 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

31040322406

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of
Judith McGowan

)
) MUR 2921
)

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 reason to believe that Judith McGowan ("Respondent") violated 2 U.S.C. § 441a(a)(1)(A).

NOW, THEREFORE, the Commission and the Respondent, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondent enters voluntarily into this agreement with the Commission.

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

1. Judith McGowan is an individual who made contributions to the Engel '88, a principal campaign committee within the meaning of 2 U.S.C. § 431(5). Engel '88 is the principal campaign committee Congressman Eliot Engel of New York.

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2. Pursuant to 2 U.S.C. § 441a(a)(1)(A), no person shall make contributions to any candidate or his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$1,000 with respect to a federal election. Pursuant to 2 U.S.C. § 431(8)(A)(i), the term contribution includes any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing a federal election.

3. Pursuant to 11 C.F.R. § 103.3(b)(3), if a committee accepts a contribution which on its face, or when aggregated with other contributions from the same contributor, exceeds the contribution limits of the Act, the contributor must redesignate or reattribute the contribution or it must be refunded within sixty days.

4. On July 15, 1988, and September 6, 1988, Judith McGowan made \$20,105 in contributions to Engel '88 for the 1988 Democratic Congressional primary election campaign. This includes a \$20,000 loan made on September 6, 1988.

5. From September 9, 1988, to October 11, 1988, or within 60 days of receipt, Engel '88 refunded \$6,000 of the \$20,000 loan. Engel '88 refunded \$10,210 of the loan on December 20, 1988. On December 20, 1988, Mrs. McGowan reattributed and redesignated the remaining \$3,790 portion of the loan. \$1,895 of the unrefunded amount was reattributed from Mrs. McGowan to Mr. Andrew McGowan and divided into a \$895 contribution for the primary and a \$1,000 contribution for the

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general election. Of the remaining unpaid amount, Mrs. McGowan designated \$895 for the primary and \$1,000 for the general election. The amount of the loan that was reattributed and redesignated was repaid on May 23, 1989. These refunds, reattribution and redesignations occurred after sixty days of the receipt of the \$20,000 loan.

V. Respondent violated 2 U.S.C. § 441a(a)(1)(A) by making a total of \$13,105 in contributions in excess of the \$1,000 contribution limitation for the primary.

VI. Respondent will pay a civil penalty to the Federal Election Commission in the amount of eight hundred dollars (\$800), pursuant to 2 U.S.C. § 437g(a)(5)(A).

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 executed same and the Commission has approved the entire agreement.

IX. Respondent shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirement contained in this agreement and to so notify the Commission.

X. This Conciliation Agreement constitutes the entire


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agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or 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:


Lois G. Lerner
Associate General Counsel

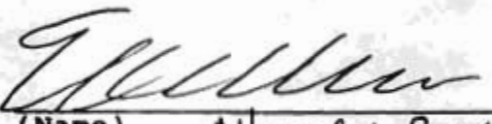
Date

2/28/90

FOR THE RESPONDENT:

(Name)

(Position)


Attorney for
Respondent

Date

2/6/90

91040322410

BEFORE THE FEDERAL ELECTION COMMISSION

PH 4:22

In the Matter of)
Engel '88 and)
Charlotte B. Friedman, as treasurer)
Friends of Eliot Engel and)
Charlotte B. Friedman, as treasurer)

MUR 2921

SENSITIVE

GENERAL COUNSEL'S REPORT

I. BACKGROUND

This matter was initiated by a signed, sworn, and notarized complaint by Vincent A. Marchiselli and a referral from the Reports Analysis Division. Based on the complaint and the referral, the Federal Election Commission (the "Commission") made reason to believe findings against Engel '88, the principal Campaign Committee of Congressman Eliot Engel, and Friends of Eliot Engel ("Friends"), a state committee under his control.¹ The Commission found reason to believe that Engel '88 violated 2 U.S.C. § 441b by accepting expenditures made on behalf of Engel's Congressional campaign by Friends which may have been funded by contributions made from corporate or union treasuries,

1. Friends is the state committee utilized by Congressman Engel for his state legislative campaigns.

Prior to his election to Congress, Congressman Engel had served eleven years in the New York State Assembly as representative of the 81st Assembly district. Mr. Engel's state legislative seat was up for re-election in 1988 and he had until July 14, 1988, to file his intention to run for re-election. When he announced in June of 1988 that he was seeking election to Congress in the September 15, 1988 Democratic primary, Congressman Engel also announced that he was not seeking re-election to the New York Assembly. On June 13, 1988 Congressman Engel filed his statement of candidacy with the Commission.

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2 U.S.C. § 434(b) when it failed to report these expenditures, and 2 U.S.C. § 441a(f) when Engel '88 accepted a total of \$13,105 in excessive contributions made by an individual contributor. The Commission further found reason to believe that Friends violated 2 U.S.C. § 441b in making the above expenditures and 2 U.S.C. §§ 433(a) and 434(a) by failing to register and report with the Commission following Congressman Engel's entrance into the Congressional campaign. Questions were sent both to respondents and to Vincent De Pasquale, a non-respondent witness who was named in the complaint as knowledgeable about the alleged violations.

Respondents have submitted two responses. The first response was a January 13, 1989 reply both to the Commissions initial reason to believe findings and the Commission's questions. Attachment 1. The second response was a July 12, 1989 reply to the Commission's subsequent finding of Engel '88's violation of 2 U.S.C. § 441a(f). Attachment 3. A response to the questions sent to Vincent De Pasquale was received on January 9, 1989. Attachment 2. Respondents previously made a request to enter into pre-probable cause conciliation, which was denied by the Commission on April 5, 1989, in order to permit the completion the investigation.

II. ANALYSIS

A. Acceptance of Prohibited Contributions

Under New York state law, local political committees are permitted to accept contributions made from corporate or union treasuries. According to Friends' State filing, from January 15,

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1988 to July 15, 1988, Friends had \$35,876.46 in receipts and made \$35,644.56 in disbursements.

The complainant listed expenditures totaling \$26,070.96 in Friends' filing with the New York State Board of Elections for the period covering January 15, 1988, to July 15, 1988, which allegedly were made for, or on behalf of, Engel '88 and may have been paid for from sources prohibited under the Federal Election Campaign Act of 1971, as amended (the "Act"). The complainant further alleged that certain Congressional campaign expenditures by Engel '88 were not reported at all. These included the payment of campaign aides' salaries and the use of a trailer by the Congressional campaign.² Evidence presented by the complainant raised the possibility that these unreported expenditures were also funded by prohibited sources.

In a January 13, 1989 response to the Commission's reason to believe findings, respondents, while not denying that Friends received corporate or union contributions, assert that Friends had received sufficient non-corporate or non-union contributions to finance the in-kind contributions made to Engel '88. Respondents' assertions that the amount of non-prohibited funds received exceeded the amount of the in-kind contributions does not preclude a violation of 2 U.S.C. § 441b by respondents. Advisory Opinion 1987-12, dealing with transfers between affiliated candidate state and federal committees, is relevant to

2. The complainant states that with the assistance of his aide, Vincent De Pasquale, during the summer of 1988, he discovered the use of the trailer by the Engel Congressional campaign.

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the discussion. That advisory opinion noted that the transfers between a federal candidate committee and an affiliated state committee were not subject to the contribution limitations of 2 U.S.C. § 441a(a). See Advisory Opinion 1987-12. However, as the Commission noted, "[t]he state committee would also be required to exclude any contribution not permissible under the Act from those funds proposed to be transferred to the Federal committee." Id.³

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The Commission noted that "in determining which funds would be excluded, [the state committee's] cash on hand balance would be presumed to be composed of those contributions most recently received by the state committee." Id. Applying this principal to the present situation, the question becomes not whether Friends raised sufficient non-corporate or non-union funds equal to the in-kind contributions made to Engel '88 during the reporting period; rather, the issue is whether at the time each in-kind contribution was made, Friends had sufficient funds legal under 2 U.S.C. § 441b to make that particular contribution. After examining the date of each expenditure, transfer and contribution made or received by Friends, this Office has determined that Friends used \$1,633.41 in contributions from corporate or union treasures to fund its in-kind contributions to

3. Advisory Opinion 1987-12 formed the basis for the new regulations found at 11 C.F.R. § 110.3(c)(6) which deal with the the transfer of funds between state and federal affiliated candidate committees. The regulations themselves took effect November 24, 1989, after the events which formed the basis for this matter.

Engel '88.⁴

B. Reporting violations

In the January 13, 1989 response to the Commission's reason to believe findings, respondents do not contest the reporting violations made by Friends and Engel '88. See Attachment 1 at 1. Respondents have admitted that, in all, \$19,393.80 of the \$26,070.96 cited by the complainant were in-kind contributions made to assist the 1988 Engel campaign. These in-kind contributions were made to further testing the waters activities and to assist the campaign itself after Congressman Engel became a candidate. Of the \$19,343.80 in in-kind contributions received from Friends, the Commission has previously determined that \$15,000 was properly reported by Engel '88. See First General Counsel's report dated November 3, 1988.

With regard to the remaining \$6,677.16, respondents have provided evidence that these expenditures were related either to Congressman Engel's state campaign or to his official duties as

4. The dates used for the analysis are those provided in Friends' filings with New York State. Using the analysis contained in Advisory Opinion 1987-12, and the evidence provided by respondents in their first response as well as other information publicly available, this Office determined that respondents raised a total of \$26,344.56 in non-union or non-corporate contributions. This figure includes committee or individual contributions which were in excess of the limitations of 2 U.S.C § 441a(1)(a) but which could nonetheless be used to make the in-kind contributions since they were accepted by Friends prior Congressman Engel's announcement of candidacy. See Advisory Opinion 1987-12. In determining how much of this amount was available for any in-kind contributions this Office utilized a "first in first out" (FIFO) accounting analysis. An alternate accounting analysis, "last in first out" (LIFO), would indicate that the Friends used \$2,016.94 in corporate or union contributions to fund its in-kind contributions.

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an Assemblyman. The largest of the expenditures is a March 3, 1988 \$5,000 payment by Friends to Norman Adler for consulting services. To verify that these were not related to the 1988 Congressional campaign, respondents have provided a signed letter from the vendor, Norman Adler, stating the consulting work was related to planning a possible Assembly re-election campaign. Respondents have also provided a letter from another vendor, Marsden Reproduction, stating that a May 10, 1988 \$1,355.06 payment was for printing work concerning 1988 state judicial races. Examples of the printing work are also provided. According to respondents, the remaining \$322.10 was used to compensate Assembly staff for travel and meals and to pay for traffic tickets incurred during the 1988 Assembly session. As documentation, respondents provided signed statements from the individuals who received the payments. See Attachment 1 at 7 to 25.

Respondents further admit that the campaign used a trailer but they also assert that the use was properly reported and paid for by Engel '88.⁵ Concerning the payment of salaries, Respondents have stated that the campaign had no paid staff, only

5. The respondents state that the trailer belonged to the Co-op City Democratic Club and was used before July 1988 as a campaign office for only state races. According to information provided by respondents, the trailer was used by the Congressional campaign subsequent to July 1988. A signed statement by the club's campaign coordinator states that Engel '88 paid the Co-op City Democrats for the campaign's proportioned share of the expenses. Respondents have also provided copies of Engel '88's October Quarterly Report which reported the use and payment for the trailer. The cost amounted to \$1,124.68. See Attachment 1 at 27 to 31.

volunteers.

It is the view of this Office that Respondents have provided adequate documentation of the state-related purposes of the remaining expenditures alleged by the complainant to have been used to assist Congressman Engel's 1988 campaign. With regards to the alleged undocumented use of a trailer by the Engel campaign, respondents have provided evidence that the use was properly reported in Engel 88's 1988 October Quarterly report.⁶

C. Acceptance of excessive contributions

In its July 12, 1989 second response, respondents provided information regarding their acceptance of excessive contributions from a contributor, Judith McGowan. See Attachment 3 at 34. According to an affidavit of the campaign manager for the Engel campaign, Arnold Linhardt, during the 1988 Democratic Congressional primary Mrs. McGowan, a long time supporter of Congressman Engel, wished to loan the Congressional campaign \$20,000. She had already made a \$105 contribution on July 15, 1988. Mr. Linhardt asserts in the affidavit that the violation arose from a misreading of federal law made during the hectic last days of the primary election. Mr. Linhardt states that, when reviewing the 1985 Campaign Guide for Congressional

6. As noted in footnote 2, the complainant had stated that an associate of Vincent A. Marchiselli, Vincent De Pasquale, had investigated the undocumented use of the trailer. This Office directed questions to Mr. De Pasquale to obtain further details regarding the details and timing of the use of the trailer by the Engel campaign. In response, this Office received a reply submitted by Mr. Marchiselli on behalf of Mr. De Pasquale which failed to provide any of the requested information. See Attachment 2 at 33.

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Candidates and Committees for information on loans, under the heading "Loans Received," the boldfaced words "regardless of amount" caught his attention. Looking at these words and without reading further, Mr. Linhardt states he concluded that the Committee could accept the \$20,000 loan which Mrs. McGowan was offering to make. Mrs. McGowan was then given this interpretation when she made loan on September 6, 1988 loan.

Within 60 days of receipt, Engel '88 refunded \$6,000 of the \$20,000 loan. Engel '88 refunded another \$10,210 of the loan on December 20, 1988. On December 20, 1988, Mrs. McGowan reattributed and redesignated the remaining \$3,790 portion of the loan. Of this amount, \$1,895 was reattributed from Mrs. McGowan to Mr. Andrew McGowan and divided into a \$895 contribution for the primary and a \$1,000 contribution for the general election. Mrs. McGowan designated the remaining \$895 for the primary and \$1,000 for the general election. The portions of the loan that were reattributed and redesignated were repaid on May 23, 1989. However, these subsequent refunds and the reattribution and redesignation occurred after sixty days of the receipt of the \$20,000 loan. Therefore, the refund and reattributions do not remove respondents' violation of 2 U.S.C. § 441a(f).

D. Request of Pre-probable Cause Conciliation

As previously noted, on April 5, 1989, the Commission declined to enter into pre-probable cause conciliation with respondents. Since respondents have now provided sufficient information to conclude the investigation, the Office of the General Counsel recommends that the Commission approve the

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request of Friends of Eliot Engel and Engel '88 to enter into conciliation prior to a finding of probable cause to believe.

III. DISCUSSION OF CONCILIATION PROVISIONS AND CIVIL PENALTY

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IV. RECOMMENDATIONS


1. Enter into conciliation prior to a finding of probable cause to believe with Friends of Eliot Engel and Charlotte B. Friedman, as treasurer; and Engel '88 and Charlotte B. Friedman, as treasurer.
2. Approve the attached conciliation agreement and the appropriate letter.

Lawrence M. Noble
General Counsel

Date

8/10/90

BY:


Lois G. Lerner
Associate General Counsel

Attachments

1. January 13, 1989 response by Engel '88 and Friends
2. January 5, 1989 response by Vincent Marchiselli
3. July 12, 1989 response by Engel '88 and Friends
4. Proposed conciliation agreement

Staff Assigned: Michael Marinelli

21040322421

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Engel '88 and Charlotte B. Friedman,
as treasurer; Friends of Eliot Engel
and Charlotte B. Friedman, as
treasurer.

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MUR 2921

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on August 16, 1990, the Commission decided by a vote of 6-0 to take the following actions in MUR 2921:

1. Enter into conciliation prior to a finding of probable cause to believe with Friends of Eliot Engel and Charlotte B. Friedman, as treasurer; and Engel '88 and Charlotte B. Friedman, as treasurer.
2. Approve the conciliation agreement and letter, as recommended in the General Counsel's Report dated August 10, 1990.

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

Attest:

8-17-90
Date

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

Received in the Secretariat:	Mon., August 13, 1990 4:22 p.m.
Circulated to the Commission:	Tues., August 14, 1990 11:00 a.m.
Deadline for vote:	Thurs., August 16, 1990 11:00 a.m.

dr

21040322422



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

August 22, 1990

Edgar G. Walker, Esquire
611 Broadway
New York, N.Y. 10012

RE: MUR 2921
Engel '88 and Charlotte B.
Friedman, as treasurer
Friends of Eliot Engel and
Charlotte B. Friedman, as
treasurer

Dear Mr. Walker:

On November 15, 1988, the Federal Election Commission (the "Commission") found reason to believe that Engel '88 and Charlotte B. Friedman, as treasurer, violated 2 U.S.C. §§ 434(b) and 441b(a), and that Friends of Eliot Engel and Charlotte B. Friedman, as treasurer, violated 2 U.S.C. §§ 433(a), 434(a) and 441b. On June 22, 1989, the Commission further found reason to believe that Engel '88 violated 2 U.S.C. § 441a(f). At your request, on August 16, 1990, 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 your clients 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.

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Edgar G. Walker, Esquire
page 2

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 Michael Marinelli, 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

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

Engel '88 and)
Charlotte B. Friedman, as treasurer)

MUR 2921

Friends of Eliot Engel and)
Charlotte B. Friedman, as treasurer)**SENSITIVE**

GENERAL COUNSEL'S REPORT

I. BACKGROUND

Attached is a conciliation agreement which has been signed by counsel for respondents Engel '88, Friends of Eliot Engel ("Friends") and Charlotte B. Friedman, the treasurer of both committees. These committees are both controlled by Congressman Eliot Engel of New York. Engel '88 is his federal campaign committee while Friends is the committee used by Congressman Engel in his state campaigns.

Based on a notarized complaint and a referral, the Federal Election Commission (the "Commission") found reason to believe that Engel '88 violated 2 U.S.C. §§ 441b, 434(b) and 441a(f). The Commission further found reason to believe that Friends violated 2 U.S.C. §§ 433(a), 434(a) and 441b. On August 16, 1990, the Commission approved respondents' request to enter into pre-probable cause conciliation.

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Therefore the Office of the General Council recommends that
the Commission accept the attached conciliation agreement with

Engel '88, Friends of Eliot Engel and Charlotte B. Friedman, the treasurer of both committees.

II. RECOMMENDATIONS

1. Accept the attached conciliation agreement with Engel '88, Friends of Eliot Engel and Charlotte B. Friedman as treasurer of both committees.
2. Close the file and approve the appropriate letter.

Lawrence M. Noble
General Counsel

Date

12/14/90

BY:



Lois G. Lerner
Associate General Counsel

Attachments
respondents' December 3, 1990 proposed agreement

Staff Assigned: Michael Marinelli

91040322428

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 2921
Engel '88 and Charlotte B.)
Friedman, as treasurer;)
Friends of Eliot Engel and)
Charlotte B. Friedman, as)
treasurer.)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on December 20, 1990, the Commission, decided by a vote of 4-0 to take the following actions in MUR 2921:

1. Accept the conciliation agreement with Engel '88, Friends of Eliot Engel and Charlotte B. Friedman as treasurer of both committees, as recommended in the General Counsel's Report dated December 14, 1990.
2. Close the file and approve the appropriate letter, as recommended in the General Counsel's Report dated December 14, 1990.

Commissioners Aikens, Elliott, Josefiak, and McGarry voted affirmatively for the decision; Commissioners McDonald and Thomas did not cast votes.

Attest:

12/20/90
Date

Hilda Arnold
for Marjorie W. Emmons
Secretary of the Commission

Received in the Secretariat: Mon., December 17, 1990 3:19 p.m.
Circulated to the Commission: Tues., December 18, 1990 11:00 a.m.
Deadline for vote: Thurs., December 20, 1990 11:00 a.m.

dh

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20541

January 8, 1991

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Vincent Marchiselli
1435 East Gunhill Road
Bronx, N.Y. 10469

RE: MUR 2921

Dear Mr. Marchiselli:

This is in reference to the complaint you filed with the Federal Election Commission on August 12, 1988, concerning possible violations of the Federal Campaign Act of 1971, as amended ("the Act"), by Eliot Engel, Engel '88 and Friends of Eliot Engel and Charlotte B. Friedman, the treasurer of both committees.

The Commission found that there was reason to believe that Engel '88 and Charlotte B. Friedman, as treasurer, violated 2 U.S.C. §§ 434(b), 441a(f) and 441b, provisions of the Act. The Commission also found reason to believe that Friends of Eliot Engel and Charlotte B. Friedman, as treasurer, violated 2 U.S.C. §§ 433(a), 434(a) and 441b. No findings were made against Eliot Engel. An investigation was conducted in this matter. On December 20, 1990, a conciliation agreement signed by the respondents was accepted by the Commission. Accordingly, the Commission closed the file in this matter on December 20, 1990. A copy of this agreement is enclosed for your information.

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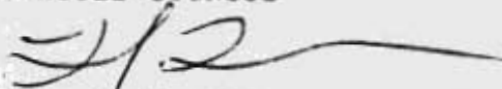
Mr. Vincent Marchiselli
page 2

The Federal Election Campaign Act of 1971, as amended, allows a complainant to seek judicial review of the Commission's dismissal of any portion of this action. See 2 U.S.C. § 437g(a)(8).

If you have any questions, please contact Michael Marinelli, 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

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 8, 1991

CLOSED

Edgar G. Walker, Esquire
Levy & Walker
The Cable Building
611 Broadway
New York, New York 10012

RE: MUR 2921
Judith McGowan

Dear Mr. Walker:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with Judith McGowan's involvement in this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

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

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 8, 1991

Edgar G. Walker, Esquire
611 Broadway
New York, N.Y. 10012

RE: MUR 2921
Engel '88 and
Charlotte B. Friedman,
as treasurer
Friends of Eliot Engel
and Charlotte B. Friedman,
as treasurer

Dear Mr. Walker:

On December 20, 1990, the Federal Election Commission accepted the signed conciliation agreement submitted on your clients' behalf in settlement of violations of 2 U.S.C. §§ 434(a), 434(a), 434(b) 441a(f) and 441b, provisions of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter.

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.

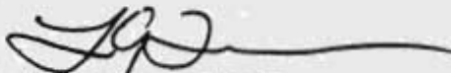
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Edgar G. Walker, Esquire
page 2

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact Michael Marinelli, 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

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FEDERAL ELECTION COMMISSION

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Engel '88 and)
Charlotte B. Friedman, as treasurer) MUR 2921
Friends of Eliot Engel and)
Charlotte B. Friedman, as treasurer)

CONCILIATION AGREEMENT

This matter was initiated by a signed, sworn, and notarized complaint by Vincent A. Marchiselli and on the basis of information ascertained by the Federal Election Commission ("Commission") in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe that Engel '88 and Charlotte B. Friedman, as treasurer, violated 2 U.S.C. §§ 434(b), 441a(f) and 441b. The Commission also found reason to believe that Friends of Eliot Engel and Charlotte B. Friedman, as treasurer, violated 2 U.S.C. §§ 433(a), 434(a) and 441b.

NOW, THEREFORE, the Commission and the Respondents, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C.

§ 437g(a)(4)(A)(i).

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

III. Respondents enter voluntarily into this agreement with

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OFFICE OF GENERAL COUNSEL
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the Commission.

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

1. The Engel '88 is the principal campaign committee within the meaning of 2 U.S.C. § 431(5) of Congressman Eliot Engel, a candidate in 1988 for election to Congress as United States Representative from the New York 19th Congressional District.

2. Friends of Eliot Engel, the state committee utilized by the Congressman Eliot Engel for his state legislative campaigns, is a political committee within the meaning of 2 U.S.C. § 431(4).

3. Charlotte Friedman is the treasurer of Engel '88 and of Friends of Eliot Engel.

4. Pursuant to 2 U.S.C. § 431(4)(A), a political committee is defined as "any committee, club, association, or other group of persons which receives contributions aggregating in excess of \$1,000 during a calendar year or which makes expenditures aggregating in excess of \$1,000 a calendar year." Pursuant to 2 U.S.C. § 433(a), all committees are required to file a Statement of Organization within 10 days after becoming a political committee within the meaning of 2 U.S.C. § 431(4).

5. Pursuant to 2 U.S.C. § 434(a), all political committees must file reports listing the political committee's receipts and disbursements. Pursuant to 2 U.S.C. § 434(b), reports filed by a political committee must disclose all contributions received from individuals and other political committees. Pursuant to 2 U.S.C. § 431(8), the term contribution

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includes 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.

6. Pursuant to 11 C.F.R. §§ 100.7(b)(1)(i) and 100.8(b)(1)(i), an individual may receive funds and make payments if done solely for the purpose of determining whether he or she should become a candidate, without such funds being considered at that time a contribution to or an expenditure on behalf of that individual. Only funds permissible under the Federal elections laws can be used for these "testing the waters" activities, and records must be kept of all the funds that are received. Pursuant to 11 C.F.R. § 101.3, if the individual subsequently becomes a candidate, the funds received or payments made in connection with testing the waters activities are then considered contributions and expenditures and they must be reported in the first report of receipts and expenditures filed by the candidate's principal campaign committee.

7. Between February 29, 1988 and July 6, 1988, Friends of Eliot Engel made a total of \$19,343.80 in in-kind contributions to Engel '88. Of these in-kind contributions, \$18,677.98 were payments made toward assisting Eliot Engel's testing the waters activities.

8. Eliot Engel filed a Statement of Candidacy with the Commission on June 13, 1988 for election to Congress as United States Representative from the New York 19th Congressional District.

9. Since Friends of Eliot Engel had made more than

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\$1,000 in payments for the testing the waters activities of Eliot Engel, it was required to register with the Commission by June 23, 1988, ten days after Eliot Engel filed his statement of candidacy with the Commission and became a candidate. Upon becoming a political committee, Friends of Eliot Engel was also required to begin filing reports with the Commission. The first reports, the July and October Quarterly Reports which were due on July 15 and October 15, 1988, should have listed Friends of Eliot Engel's financial activity to date including its \$19,343.80 in in-kind contributions made to Engel '88.

10. Respondent Friends of Eliot Engel did not register with the Commission until May 2, 1989 and has not filed the July and October Quarterly Reports for 1988.

11. Since the \$18,677.98 of the \$19,343.80 received from Friends of Eliot Engel constituted contributions under 2 U.S.C. § 431(8) once Eliot Engel became a candidate, Engel '88 was obligated to report the \$18,677.98 on its July or October Quarterly Reports, as appropriate.

12. Engel '88 did not report \$4,343.80 of the \$18,677.98 in in-kind contributions from Friends of Eliot Engel on its 1988 July Quarterly report or on its 1988 October Quarterly Report.

13. Pursuant to 2 U.S.C. § 441b(a), a political committee may not accept contributions made from the treasuries of national banks, corporations or labor organizations.

14. Between January 4, 1988 and July 7, 1988, Friends of Eliot Engel received \$9,300 in contributions made from corporate or union treasuries.

15. In making its payments to assist Eliot Engel's testing the waters activities and the subsequent in-kind contributions, Friends of Eliot Engel was required to exclude all of the \$9,300 in contributions received from corporate or union treasuries.

16. \$1,633.41 of the corporate and treasury funds received by Friends of Eliot Engel was used to fund the \$19,343.80 in in-kind contributions made by Friends of Eliot Engel to Engel '88.

17. During the same period, Friends of Eliot Engel received a total of \$26,300.00 from sources which could properly be used to fund said in-kind contributions to Engel '88. Respondents therefore contend that Friends of Eliot Engel ultimately received sufficient legal funds to fund all in-kind contributions made by Friends of Eliot Engel to Engel '88.

18. Engel '88 was prohibited from accepting payments or in-kind contributions from Friends of Eliot Engel funded by any of the \$9,300 in contributions received from corporate or union treasuries.

19. Pursuant to 2 U.S.C. § 441a(a)(1)(A), the contribution limit for individuals is \$1,000 per election. Pursuant to 11 C.F.R. § 103.3(b)(3), if a committee accepts a contribution which on its face, or when aggregated with other contributions from the same contributor, exceeds the contribution limits of 2 U.S.C § 441a, the contributor must redesignate or reattribute the contribution or it must be refunded within sixty days. Pursuant to 2 U.S.C. § 441a(f), a candidate or committee

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may not knowingly accept any contribution in violation of the provisions of 2 U.S.C. § 441a.

20. On July 15, 1988, and September 6, 1988, Judith McGowan made \$20,105 in contributions to Engel '88. These contributions include a \$20,000 loan made on September 6, 1988. These contributions were made to Engel '88 for the 1988 Democratic Congressional primary election campaign.

21. Upon receipt of the September 6, 1988 \$20,000 loan from Mrs. McGowan which was in excess of the limits permitted her under 2 U.S.C. § 441a(a)(1)(a), Engel '88 was obligated to seek the reattribution, redesignation or to refund \$19,105 of the loan by November 9, 1988, within 60 days of receipt of the loan.

22. Within 60 days of receipt, Engel '88 refunded \$6,000 of the \$20,000 loan from Mrs. McGowan. Engel '88 refunded another \$10,210 of the loan on December 20, 1988. On December 20, 1988, Mrs. McGowan reattributed and redesignated the remaining \$3,790 portion of the loan. Of this amount, \$1,895 was reattributed from Mrs. McGowan to Mr. Andrew McGowan and divided into a \$895 contribution for the primary and a \$1,000 contribution for the general election. Mrs. McGowan designated the remaining \$895 for the primary and \$1,000 for the general election. The portions of the loan that were reattributed and redesignated were repaid on May 23, 1989. However, these subsequent refunds and the reattribution and redesignation occurred after sixty days of the receipt of the \$20,000 loan.

V. 1. Respondent Friends of Eliot Engel failed to register with the Commission within ten days of becoming a political

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committee, in violation of 2 U.S.C. § 433(a).

2. Respondent Friends of Eliot Engel failed to file reports with the Commission reporting the \$19,343.80 in in-kind contributions made to Engel '88, in violation of 2 U.S.C. § 434(a).

3. Respondent Friends of Eliot Engel used \$1,633.41 in contributions received from corporate or union treasuries to fund the \$19,343.80 in in-kind contributions made to Engel '88, in violation of 2 U.S.C. § 441b.

4. Respondent Engel '88 failed to report on its 1988 July Quarterly report or its 1988 October Quarterly Report, \$4,343.80 of the \$19,343.80 in in-kind contributions received from Friends of Eliot Engel, in violation of 2 U.S.C. § 434(b).

5. Respondent Engel '88 accepted the in-kind contributions made by Friends of Eliot Engel which were funded by \$1,633.41 in contributions received from corporate or union treasuries, in violation of 2 U.S.C. § 441b.

6. Respondent Engel '88 accepted a total of \$13,105 in excessive contributions from Judy Mc Gowan, which were not refunded or otherwise rectified within the sixty-day period provided by 11 C.F.R. § 103.3(b)(3), in violation of 2 U.S.C. § 441a(f).

7. Respondent contend that the above violations were not knowing and willful.

VI. 1. Respondents will pay a civil penalty to the Federal Election Commission in the amount of six thousand five hundred dollars (\$6,500), pursuant to 2 U.S.C. § 437g(a)(5)(A).

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2. Respondent, Friends of Eliot Engel, will file reports of receipts and expenditures disclosing its financial activity from February 29, 1988 to December 31, 1988.

3. Respondent, Engel '88, will amend its 1988 July Quarterly Report and its 1988 October Quarterly Report to report the \$4,343.80 of the in-kind contributions received from Friends of Eliot Engel.

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 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

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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

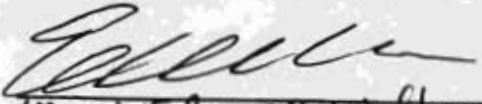
BY:


Lois G. Lerner
Associate General Counsel

Date

1/7/91

FOR THE RESPONDENTS:


(Name) Edgerly B. Walker
(Position) Attorney

Date

11/30/90

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # B921

DATE FILMED 2/2/91 CAMERA NO. 4

CAMERAMAN AS

91040322444



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THE FOLLOWING DOCUMENTATION IS ADDED TO

THE PUBLIC RECORD IN CLOSED MUR 2921.

21040325465

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

91 FEB -7 AM 9:42

Engel '88
c/o Friedman
140-25 Asch Loop
Bronx N.Y. 10475

February 4, 199

CLOSED

Michael Marinelli, Esq.
Federal Election Commission
99 E. Street, N.W.
Washington, DC 20463

Re: MUR2921

Dear Mr. Marinelli,

Enclosed please find a check for six thousand five hundred dollars (\$6,500.00) to cover the civil penalty as per our conciliation agreement with the Federal Election Commission.

In addition, please be aware that both Friends of Engel and Engel '88 have filed all corrected financial reports with the appropriate agencies.

Very truly yours

Charlotte B. Friedman

Charlotte B. Friedman
Treasurer

21040325466



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

91 FEB -7 PH 3:59

Feb. 7, 1991

TWO WAY MEMORANDUM

TO: Fabrae Brunson
OGC, Docket

FROM: Philomena Brooks *RB*
Accounting Technician

SUBJECT: Account Determination for Funds Received

We recently received a check from Engel 88 Committee, check number 370, dated Feb. 4, 1991, and in the amount of \$ 6,500.00. Attached is a copy of the check and any correspondence that was forwarded. Please indicate below the account into which it should be deposited, and the MUR number and name.

TO: Philomena Brooks
Accounting Technician

FROM: Fabrae Brunson *DB*
OGC, Docket

In reference to the above check in the amount of \$ 6,500, the MUR number is 2921 and in the name of Engel 88 Committee. The account into which it should be deposited is indicated below:

- ☐ Budget Clearing Account (OGC), 95F3875.16
- ☒ Civil Penalties Account, 95-1099.160
- ☐ Other: _____

Fabrae Brunson
Signature

2/7/91
Date

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7 1 0 4 0 3 2 4 6 8
ENGEL 88 COMMITTEE 371

PAY TO THE ORDER OF Federal Election Commission \$ 6500 ⁰⁰/₁₀₀
Six Thousand Five Hundred Dollars ⁰⁰/₁₀₀ DOLLARS

2/4 91 1-337/280

AB AMALGAMATED BANK OF NEW YORK
2067 Barlow Avenue, Bronx, N.Y. 10475

FOR Chet B. Friedman

⑆026003379⑆ 24006999⑆ 0371



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THE FOLLOWING DOCUMENTATION IS ADDED TO
THE PUBLIC RECORD IN CLOSED MUR 2671.

2104031235

06C 0619

Vincent A. Marchiselli

1435 EAST GUN HILL ROAD
BRONX, NEW YORK 10469

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

91 APR -3 AM 11:38

March 28, 1991

Lois G. Lerner, Esq.
Associate General Counsel
Federal Election Commission
Washington, D.C. 20463

REC-1
IN COMING
MUR 2671
91 APR -3 PM
CLOSED

Dear Ms. Lerner:

Thank you for sending me copies of the findings against the Campaign Committees of Congressman Eliot Engel and Judy McGowan, a contributor.

While I am in general agreement with your findings, I believe they should also address the specific involvement of Congressman Engel. Mr. Engel violated the Federal Election Law by soliciting a twenty thousand dollar loan from Judy McGowan. I have enclosed a number of newspaper articles which clearly indicate that Congressman Engel, not his campaign committee or his treasurer, negotiated the twenty thousand dollar loan. I would like to bring your particular attention to an article in the November 3, 1988 issue of the Riverdale Press written by Tom Watson. Ms. McGowan stated that "...She offered Mr. Engel the loan in September when the candidate told her he needed the money for mailings to potential voters." As was stated before, this was no ordinary loan. On the same day a check for twenty thousand dollars was issued to the Bronx Postmaster. This covered postage for two hundred thousand pieces of mail which represents sixty percent of all the mail he sent during the 1988 primary campaign.

While Mr. Engel and his staff have complained about the complicated technical nature of the FEC regulations, Mr. Engel served ten years in the New York State Legislature, has been a Democratic District Leader and has been involved in political campaigns for more than twenty years. In addition to that, their

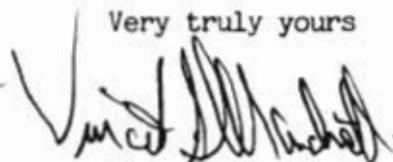
campaign was represented by attorney Edgar Walker who is now a Civil Court Judge and both Mr. Engel and John Cavelli, his campaign spokesman, are law school graduates. In any case, as a matter of law, ignorance is no defense.

I am also furnishing copies of this letter to the U.S. Attorney for the Southern District of New York and to the Bronx County District Attorney, as I believe that Congressman Eliot Engel was willful in his disregard of the law in order to insure his best chance for victory.

If any further information is needed or if it is necessary to file an additional formal complaint, please advise.

Thank you for your continued attention to these matters.

Very truly yours



Vincent A. Marchiselli

VAM:ep

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Political arena

By Bernard L. Stein

Guilty with an explanation

Congressman Eliot Engel has admitted that he violated the Federal Election Law in 1988, when he used funds from his Assembly campaign committee to help finance his run for the House and accepted a loan of more than \$20,000 from a politically-active Bronxite.

The Congressman's campaign committee agreed to pay a \$6,500 fine, but continued to contend that the violations "were not knowing and willful." The Federal Election Commission made the agreement public last week.

"This is indicative of how difficult it is for somebody who's not a millionaire to run for Congress," said Mr. Engel's chief of staff, Arnold Linhardt, in an interview. "The first thing you have to do is hire Washington lawyers and accountants who know their way 'round the federal election law before you talk to the voters."

Mr. Engel's opponent in the Democratic primary, former Assemblyman Vincent Marchiselli, complained to the Federal Election Commission in November, 1988, when Mr. Engel's campaign disclosure forms showed that he had used more than \$18 thousand from his Assembly war-chest to "test the waters" for the Congressional race. Some of the transfers should have been reported in July, in time for Mr. Marchiselli to make them an issue in the primary race, according to the Commission findings. Mr. Linhardt said the expenditures were disclosed in the state forms filed by the Assembly committee but that the "amateurs" running the campaign didn't know they needed to be disclosed in federal forms as well.

The Engel Assembly committee also spent more than \$9 thousand given it by national corporate and union contributors, who are barred from participating in federal campaigns.

Judith McGowan, a supporter who is now Mr. Engel's unpaid advisor on Irish affairs and a Democratic district leader for Riverdale, Kingsbridge, and Woodlawn, loaned him \$20,105. The Election Commission fined her \$800. She, too, insists the violation of the election law was unintentional.

"I certainly feel vindicated, but it's not the same as being elected to Congress," said Mr. Marchiselli. When he brought the action, a spokesman for Mr. Engel dismissed his complaint as pure partisan, and insisted that Mr. Engel had not violated the law.

In a phone interview, Mr. Marchiselli bemoaned the length of time it took to resolve the case, saying, "This is an incumbent's law."

Mr. Linhardt called Mr. Engel's rival "a little hypocritical." The Congressman's aide said he has filed charges that Mr. Engel's 1990 opponent, Dominick Fusco, whom Mr. Marchiselli backed, had misused the mailing permit of the Committee of 100 Democrats in violation of the election law.

Mrs. McGowan recalled that she offered Mr. Engel the proceeds of a home equity loan she had taken to pay her children's tuition when Mr. Engel's wife worried aloud that he might not be able to afford to make the race.

"I had nothing to gain except to help elect someone to Congress," she explained, adding, "Not one dime has come to this family, and that's fine with me."

She said the Engel campaign was too poor to afford a lawyer, and that's why it failed to realize that the loan exceeded federal limits and had to be refunded within 60 days.

Both Mr. Engel and Mrs. McGowan were represented before the FEC by Edgar B. Walker, who became a judge this year with the support of both the reform and regular wings of the Bronx Democratic Party.

Greening the city

Parts of New York City's new fair-housing law are expected to be implemented by the end of the year.

Association at the NYBSA convention in Manhattan Friday.

Nevertheless, said Mr. Ferrer, the law's shortcomings and the city's fiscal crisis don't give the Department of Sanitation "license to sit back and do nothing, or take the easier but less environmentally sound route and build incinerators."

Mr. Ferrer said the city, which has targeted just 18 percent of all trash for recycling, needs to rethink what it recycles, replace the present system of separate pickups for recyclable and ordinary trash with a single-stop collection procedure, and adapt its programs to the "special features of different neighborhoods, especially those with low incomes."

Citing R2B2, the Bronx recycling center, as an example, the Borough President called for members of minority groups to set their sights on jobs in the new industries being spawned by environmentalism.

Offering what he called a "Greening of Urban America campaign," he said, "the key to its success is the degree to which we involve our youth in environmental efforts," and called for a revival of the Depression-era Civilian Conservation Corps.

Growing philosophical, he spoke of the parks that surround the Bronx County building as "the only saving grace" for "this fortress," and added "On those really bad days . . . I think about the Grand Canyon, or Yosemite National Park, or the proposed Bronx Greenway."

"The truth is," he continued, "I've never been to those parks, and for all I know the Greenway might never materialize. What matters . . . is a dream that lives. Those thoughts alone soothe the soul."

Anti-war pickets

Opponents of the fighting in the Gulf continued to demonstrate their displeasure with Congressman Eliot Engel last week.

Ten demonstrators from a trade union peace group in Co-op City picketed Mr. Engel's Bronx office, 3250 Westchester Avenue.

The Congressman broke ranks with most New York Democrats when he voted for the use of force in a resolution authorizing President Bush to begin the attack on Iraq. Less than a week before the vote, Mr. Engel had said he favored imposing sanctions more time to work.

A spokesman for the Congressman, Frank Pizzurro, said of the demonstration, "People have the right to express themselves. We've tried to make it clear that Eliot Engel isn't pleased that we are at war."

His vote, he continued, was "cast with the fervent hope that war could be averted." His rationale was that perhaps Saddam Hussein "could understand the resolve of the forces against him and back down."

Mr. Pizzurro said mail on the issue has been very light since the fighting began and that the trickle of letters is divided 50-50 on the necessity of war. Before the vote, he said, Mr. Engel was flooded with mail that ran eight or 10 to one in favor of giving sanctions more time before resorting to force.

Targeting the elderly

State Senator Jeffrey Korman has been named to the Senate Standing Committee on Aging, where, he says, he intends to work to insure "the rights and entitlements of our senior population."

With Assemblyman George Friedman, Mr. Korman has introduced a bill to expand a tax abatement for New Yorkers over 62 years old. The bill would raise the income eligibility limits from \$15,000 to \$20,000.

The Senator said the tax break would help seniors to continue to live independently in their own homes.

He has also introduced a bill to permit the elderly to defer part of their Social Security benefits for as long as they

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A6-THE RIVERDALE PRESS-Thursday, January 31, 1991

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Thursday, November 3, 1988

Political arena

By Tom Watson

Did Engel break law?

On Sept. 6, Riverdalean Judith McGowan lent \$20,000 to Assemblyman Elliot Engel for his campaign for the 19th Congressional seat. Mr. Engel's Federal financial disclosure forms show.

One of Mr. Engel's opponents in the September Democratic primary, former Assemblyman Vincent Marchiselli, is charging that Mr. Engel broke the Federal Election Law by accepting the loan.

The law states that no individual may contribute or loan a Federal candidate more than \$1,000, according to Federal Election Commission spokesman Fred Eiland.

Mr. Eiland confirmed that Mr. Marchiselli has filed a complaint with the Commission. Federal law, he said, prohibits him from commenting on the content of the complaint, any other complaints, or the possible consequences.

Engel spokesman John Calvelli said the campaign has received no word from the Commission stating anything improper took place. He said several times during the campaign the Commission had routinely notified the campaign of any mistakes it had made on its forms.

Ms. McGowan explained that the loan came from an equity line of credit on her home. She offered Mr. Engel the loan in September when the candidate told her he needed money for mailings to potential voters.

Mr. Calvelli said because the loan in question actually came from a bank—through Ms. McGowan—it was legal. That the original lender was not identified on the form is a technicality that can easily be corrected if the Commission requires it, he said.

What's more, Mr. Engel's spokesman said, Federal law prohibits one candidate from making public accusations about another's alleged failure to adhere to the law.

"He's just impugning our credibility," said Mr. Calvelli. "This is ridiculous. He is in direct violation of election law himself."

"I would never consciously do anything illegal," said Ms. McGowan, a public school librarian and vice president of the Benjamin Franklin Reform Democratic Club, adding, "I'm not a rich person." She said the Engel campaign has been repaying the loan, and had already repaid \$6,000 including interest.

Mr. Engel defeated Mr. Marchiselli and former Congressman Mario Biaggi in the Democratic primary. He is virtually assured of election to Congress in the general election Nov. 8.

Bashing bias crime

Recent cases of bias-related crime have "given New York a black eye in the eyes of the nation,"

said from a Class A misdemeanor to a Class 1 felony.

"We can no longer sit back and wring our hands in distress as more and more heinous, violent crimes are committed purely out of hate," said Mr. Bernstein.

The Bias Incident Investigating Unit of the New York City Police Department has reported an increase in such incidents.

The Assembly has already passed the companion bill to the one Mr. Bernstein is co-sponsoring, but the Senate's Republican leadership has balked at passing a bill that makes homosexuals a protected class.

Sour regulations

Angered by a Board of Health ruling that extended the shelf-life of milk from four to nine days, Councilwoman Jane Eiland pressed Health Commissioner Stephen Joseph to take responsibility for addressing consumer complaints about sour milk.

Ms. Eiland poured it on during a Council Consumer Affairs Committee hearing at City Hall, noting the sharp rise in complaints from consumers in her district.

She said consumers often don't know where to complain and suggested they be able to call Mr. Joseph.

"The Health Department has told us the shelf-life extension has not infringed on the public's health and it has received only 38 complaints in the year since the regulation has gone into effect," said Ms. Eiland. "From my own personal experience and those of many of my constituents, milk turning sour is not uncommon. This tells me few people know to complain to the Health Department, and that the department has no idea how widespread the problem is."

She suggests calling the Commissioner at 566-7150, the central office for complaints at the Health Department at 285-9500, or the Department of Consumer Affairs hotline at 577-0111. Consumers should also call Ms. Eiland's office so she can compile a master list of complaints, she said.

One-liners...

•The state Department of Agriculture and Markets will hold hearings on the state's kosher laws on Nov. 10 and 17 from 10 a.m. to 4 p.m. at the department's offices at Two World Trade Center, 27th Floor. Those interested in presenting testimony should contact Assemblyman Oliver Koppell's office at 796-5345.

•Councilwoman Ruth Messinger, who says she will run for one of the three citywide offices next year, will speak on "One City, One Future: New York in the 1990s," on Tuesday, Nov. 15, at 3:30 p.m. in Smith Auditorium of Manhattan College.

NEW
Paper!

THE ALL-BRONX NEWSPAPER — ONE OF AMERICA'S GREAT WEEKLIES

per
copy

Vol. XLVIII, No. 36
USPS 7058-60

November 8, 1988

Second Class Postage Paid at Bronx, N.Y.

Engel Hit Hard Before Election

Was His Staff Subpoenaed?

By Chris Ryan

Assemblyman Eliot Engel's staff refused to comment this week on allegations that they were all subpoenaed to appear before a grand jury investigating Engel's hiring of Ted Teah in a "no-show" job while Teah ran convicted former Borough President Stanley Simon's tough 1985 re-election campaign.

Reports suggest that the subpoenas came from State Attorney Rudolph Giuliani's office, although a spokesman for that office refused to confirm or deny that subpoenas had been issued, explaining that grand jury proceedings are confidential.

However, it is believed that the U.S. Postal Service's Inspectors' Department was also investigating Engel, the Democratic candidate for the 19th congressional district seat who will oppose former congressman Mario Biaggi, who is the Republican candidate in next week's general election despite resigning after being convicted

(Continued on Page 10)

Did Loan Violate Fed Law?

By Chris Ryan

Assemblyman Eliot Engel's race for the 19th Congressional District seat may have included a \$20,000 Federal Election Law violation, described as a "loan" by the candidate although FEC experts state that any money contributing to a campaign's progress is considered a contribution, and cannot exceed \$1,000.

Vincent A. Marchiselli, who was a candidate for congress against Engel in the Sept. 15 Democratic primary, has charged the Co-op City Assemblyman with "flagrantly violating Federal Election Laws restricting the size and source of campaign loans by individuals."

Contained in Engel's third campaign financial report is an "itemized receipts" entry listing Judy McGowen, a Board of Education librarian at the Bronx Regional High School, vice president of the Ben Franklin Reform Democratic Club and pro-Irish activist, as giving Engel \$20,000 on Sept. 6. Pages later, the

(Continued on Page 11)

HELP Coming to Boro Ferrer Okays Shelters After Tour

By Chris Ryan

Governor Mario Cuomo, Mayor Ed Koch and Borough President Fernando Ferrer joined the Governor's son, Andrew Cuomo, this Sunday to announce two homeless shelters planned for The Bronx under the HELP program which has already shown an ability to succeed where welfare hotels and other homeless shelter plans have failed.

The leaders, who have differed on their beliefs concerning the best method to house the homeless, announced the plans to build two parcels in the borough, providing transitional housing for a total of 300 families, plans for which were unanimously approved by the Board of Estimate on Friday.

HELP is a not for profit organization formed approximately two years ago to find an alternative to the use of welfare hotels as homeless housing. The



The HELP Center will look like this.

sectors such as developers families' return to the Tishman Speyer Properties and Cooper, Robertson and Partners, who provide architectural services, but at cost.

Andrew Cuomo, president of HELP, has left his law practice to devote his full energies to the

City Recurrects Hart

Marchiselli: Engel Campaign 'Loan' Exceeded Legal Limit

(Continued from Page 11)

\$20,000 shows up as a payment to the Bronx postmaster for postage, also on Sept. 6.

McGowen, interviewed by the Bronx Press Review at the Bronx Regional High School's library, confirmed the transaction, saying she loaned Engel money she and her husband had in their home equity loan account.

"We are not people who have that kind of money to throw around, but our house in Riverdale has tripled in value in the last few years," McGowen said. "We opened a home equity account to redo parts of our house and help put our children through college. So when I discovered that Eliot, whom I've known for ten years and believe in strongly, was in need of funds to get him through a tough spot in the campaign, both my husband and I said we wanted to lend him the money. It felt good for us to be able to contribute to history."

Marchiselli is charging the McGowens contributed too much. "This is no ordinary personal loan; victory may have hinged on it. Eliot Engel's report reveals that his campaign did not have the money for 200 thousand pieces of mail without the loan. If Eliot Engel doesn't stop circumventing the law and play by the

rules he may not make it to congress."

During a phone interview on Saturday, Engel denied any wrongdoing. "I'm so sick of all these people who can't win at the ballot box attacking me with these ridiculous charges. It is a waste of my time and your time."

When it was suggested that Engel may have violated the Federal Election Law by accepting the \$20,000, Engel was adamant. "I think you are wrong; a loan is a loan, there isn't a limitation on it. On individual contributions the \$1,000 limitation applies, but not on loans. We listed this openly and the election law clearly states there are no limits on loans as long as we report it."

"I could have gone to the bank or loaned the money to myself, but in this case a friend loaned it to me," Engel continued. "These are decent people who live in the district, by the way, fine people who wanted to help. And they helped, no doubt about it. So did everyone else. It is interesting to note, too, that I spent a lot less on my campaign than most candidates vying for congress."

Despite Engel's protests, a spokesman for the Federal Election Commission in Washington, D.C., Fred Island, made it clear that a situation like Engel's would most probably be in direct violation of the law.

Although he refused to speak specifically about any candidate's campaign, Island agreed to assess an abstract situation fitting the Engel question closely.

"Any individual can contribute no more than \$1,000, that's the contribution limit," Island said. "A loan is considered a contribution and a loan of \$20,000 would be in violation of Federal Election Regulation 110.1."

Island also cited Federal Election Campaign Law 441a. It reads: "(a) Dollar limits on contributions. (1) No person shall make contributions - (A) to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceeds \$1,000."

Interestingly, Engel's campaign spokesman John Cavelli issued the following statement on Monday. "The loan in question is from a financial institution and fully disclosed in every FEC report we filed. If there is an error, it is technical in nature and understandable due to the incredible length and complexity of FEC regulations. When there were any technical errors in the past, the FEC immediately notified us and the necessary corrections were made. The FEC to this date has not notified us that this is in fact an error or viola-

tion, but if they do, we will correct it immediately as we have in the past."

Several questions arise from the statement. Since when is a private citizen considered a financial institution? How often does one consider a \$20,000 violation a "technical error" and who decided it was understandable? If the candidate is not expected to master the "incredible length and complexity of FEC regulations" how well can constituents expect that candidate to fare in mastering his contribution to governing the United States? Why is it suggested that FEC should have the responsibility of catching the error and notifying the candidate "as it has in the past"? How does the candidate expect to correct an error that allowed him to finance 200,000 pieces of campaign mail? Can the influence of that mailing be withdrawn?

Cavelli insists the loan was from a financial institution because it came directly from the McGowens' home equity loan account. However, "Judy McGowen" is listed as giving that money, not a bank and not "Judy McGowen's Home Equity Account."

Cavelli also insists that Marchiselli is in violation of several

Federal Election Regulations for going public with what should be a confidential complaint.

"He has violated FEC number 211SC-437G-A12, section 111.21B, which states, 'Except as provided in 110FR 11 2001, no complaint filed by this Commission or by any person shall be made public by the Commission or by any person or entity without the written consent of the respondent with respect to whom the complaint was filed,' Cavelli said.

"These are confidential complaints that have not been processed or decided. It is impugning Eliot's integrity to make them public before they are proven fact. He is in direct violation of the law and could face civil penalties up to \$10,000. If they want to play hardball the law is clearly on our side on this."

Ironically, describing Engel's potential misdoing as a symbolic abuse of the public trust, especially in the 19th congressional district, where voters' confidences are still recovering from the Buggs/Wedutch affair, were shrugged off as just that.

"If there is a violation, it is a civil violation, a technical error, not a federal crime. This shouldn't hinder his credibility, that's taking it too far," Cavelli said.

No excuse

To the editor:

I do not know how Congressman Eliot Engel (who has already finished law school and who had Mr. Cavelli, Edgar Walker, and an Assembly staff, some PACs to consult, and the Federal Election Commission 800 number available 24 hours a day) can justify using ignorance of the law to break the law (Political arena, Jan. 31).

Give me a break Eliot! One lie on top of another.

JAMES COLEMAN

**Fiorello LaGuardia Independent
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