



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20461

THIS IS THE BEGINNING OF MUR # 2981

DATE FILMED 11-8-93 CAMERA NO. 2

CAMERAMAN Jm H

93043501681

Luis A. Luna  
Post Office Box 2330  
Easton, Maryland 21601  
September 5, 1989

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MUR 2981

Lawrence M. Noble, Esq.  
General Counsel  
Federal Election Commission  
999 E Street, NW  
Washington, D.C. 20463

Dear Mr. Noble:

I have obtained information leading me to believe that Congressman Roy Dyson of Maryland and his campaign treasurer Marion Fedas have, in a total of five instances, violated Federal Election Commission regulations covering the solicitation, receipt and disclosure of campaign contributions.

I request that the Federal Election Commission investigate whether Congressman Dyson and Mrs. Fedas violated the law. Information supporting this request follows.

Count 1: I believe Congressman Dyson solicited campaign contributions from a Federal contractor in violation of 11 CFR 115.2(c).

Unisys is a company that enters into contracts with the Department of Defense for the furnishing of materials, supplies and equipment. It thus falls within the meaning of a "Federal contractor" under 11 CFR 115.1. Unisys is a major supplier to the Defense Department and is generally known to be a defense contractor. Moreover, Congressman Dyson serves on the House Armed Services Committee and thus should know of the extensive amount of Federal contract work done by Unisys.

In July of 1987, Congressman Dyson made a trip to a Unisys facility in New York. While there, according to later press accounts and admissions by his staff, Congressman Dyson obtained \$1,000 campaign contributions totaling at least \$17,000. Although the donations were supposedly from individuals, these checks were bundled and handed over to the Dyson campaign at the Unisys site by a Unisys official. There was no fundraising event accompanying the receipt of the contributions. (See Attachment A for copies of newspaper articles describing the donations and the conflicting stories as to the true source of the money.)

Later Justice Department investigations confirmed that at least some of this money was not from the individuals who wrote the checks, but instead from Unisys. The company channeled its funds through employees and contractors, who in turn wrote the checks given to Congressman Dyson. (See Count 2 below for an explanation of this process.)



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Many of the same names appearing on the list of contributors to Congressman Dyson as a result of his New York trip had already been listed as contributors by the late Congressman Bill Chappell of Florida. Based on his campaign reports, Congressman Chappell apparently received a similar bundle of checks from Unisys in September of 1986. The donations Congressman Chappell got at that time were, like those to Congressman Dyson, in the form of \$1,000 checks dated within a week of each other. Congressman Chappell served as Chairman of the House Defense Appropriations Subcommittee. Both he and Congressman Dyson were implicated in a scheme to force the Pentagon to buy Unisys-supplied equipment that the military did not need or want. (See Attachment B for copies of articles detailing efforts by Congressmen Dyson and Chappell to force the military to buy Unisys products.)

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Circumstances suggest that Congressman Dyson solicited funds from Unisys, a defense contractor. Given their work together to support Unisys projects, it is conceivable Congressman Dyson knew that Congressman Chappell had collected large sums of money from Unisys and sought similar funds for his own campaign. There is therefore reason to believe Congressman Dyson traveled to the Unisys facility in New York with the purpose of collecting money from Unisys. He also knew he could not accept corporate money directly from Unisys, so there is also reason to believe Congressman Dyson at least tacitly agreed to the bundling scheme Unisys used to evade the restriction on corporate contributions.

The funds Congressman Dyson received from Unisys in July of 1987 were deposited in the Dyson for Congress campaign account and disclosed in the committee's report of January 31, 1988.

Count 2: I believe Congressman Dyson knowingly accepted a contribution made by one person in the name of another, in violation of 11 CFR 110.4(b)(1)(iii).

As of July 14, 1989, according to publicly-available court records, five individuals had pleaded guilty to and been convicted of involvement in a Unisys scheme to make illegal campaign contributions to Members of Congress. (See Attachment C for copies of the plea agreements for the five individuals.) These persons were employed by Unisys or served as consultants to the company. At the company's direction, they laundered Unisys money and diverted it to Members of Congress.

Four of the five made contributions in their own names to Congressman Dyson during his July, 1987 trip to the Unisys facility in New York. The fifth made a donation to Congressman Dyson in 1986. All have since been convicted of participation in elements of a scheme to influence Members of Congress by giving

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them illegal campaign contributions. This money was given to the five persons by Unisys. They, in turn, donated the money in their own names, in the guise of lawful individual donations.

The Dyson for Congress campaign has returned the money given it by one of these five, acknowledging it was an illegal donation, but it has kept the rest. (See Attachment D for a copy of an article describing the return of one illegal donation.)

Count 3: I believe Congressman Dyson knowingly accepted a contribution from a corporation, in violation of 11 CFR 114.2(c)

Because corporate contributions are illegal, Unisys did not make a direct donation to Congressman Dyson, but instead gave him money through the mechanism described in Count 2 above.

Later investigations by the U.S. Department of Justice confirmed that Unisys had, indeed, been funneling money to Members of Congress through persons who made what appeared to be individual contributions. As already noted, four persons whose checks Congressman Dyson received from Unisys in July of 1987 have pleaded guilty to participation in an illegal scheme to funnel corporate contributions to Members of Congress. A fifth individual has pleaded guilty to involvement in the same scheme, although his check reached Congressman Dyson in August of 1986.

Count 4: I believe Marion Fedas failed to make best efforts to determine the legality of contributions that presented genuine questions as to whether they were made by corporations or Federal contractors, and then failed to refund the contributions within 30 days after failing to determine whether they were legal, in violation of 11 CFR 103.3(b)(1).

The circumstances surrounding the donations that Congressman Dyson received during his July, 1987 trip to New York should have raised doubts in the treasurer's mind as to whether the contributions were illegal donations made by a corporation or a Federal contractor. For instance, the money was given to Congressman Dyson in a bundle by a representative of Unisys. It did not come through any kind of fundraising activity or event. Also, the donors were not residents of Congressman Dyson's district or state and had no apparent ties to Congressman Dyson (although all contributed the maximum amount allowed by law).

The Dyson for Congress committee's report of January 31, 1988, which lists these contributions, casts doubt on whether Marion Fedas made "best efforts" to determine the legality of the contributions. In one instance, the treasurer did not even find an address for one of the \$1,000 contributors, much less an

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occupation, and reported the donation to the FEC with a notation that simply read "N/A." (See Attachment E for a copy of the Dyson for Congress report covering the donations in question.)

Count 5: I believe Marion Fedas failed to refund contributions made by a corporation or Federal contractor within 30 days after discovering the illegality, based on new evidence not available at the time of receipt and deposit, in violation of 11 CFR 103.3(b)(2).

As treasurer, Marion Fedas has a continuing duty to ensure that contributions to the campaign were not made illegally. On March 9, 1989, one of the persons whose check Congressman Dyson received at the Unisys facility in New York in 1987 pleaded guilty to making illegal campaign contributions, including one to Congressman Dyson. This news appeared the next day in the media, including the front page of the Washington Post. (See Attachment F for a copy of the Post article.) Mrs. Fedas has yet to return his donation.

In fact, according to publicly-available court records, five persons had been convicted as of July 14, 1989 of involvement in a conspiracy to make illegal corporate campaign contributions to Members of Congress. (See Attachment C for copies of those pleas.) All five are listed in Dyson for Congress campaign reports as having made contributions to Congressman Dyson.

Mrs. Fedas has returned the donation of one of the five convicted individuals. To date, however, nothing in the public record or in news accounts shows that Mrs. Fedas has returned the donations of the other four.

I ask the Federal Election Commission to investigate each of these five counts to determine whether Congressman Roy Dyson and his campaign treasurer, Marion Fedas, violated the law.

Sincerely,

  
Luis A. Luna

Subscribed and sworn before me this 5<sup>th</sup> day of SEPTEMBER, 1989

(Signed) Gary K. Ball

My commission expires 7-1-90

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ATTACHMENT A

# Dyson alters story on money

## Donations tied to defense firm

From staff and wire reports

Rep. Roy P. Dyson is now offering a different explanation for \$17,000 in campaign donations he received last summer from people affiliated with a New York defense contractor.

Two weeks after telling reporters they believed the money came from a fund-raiser held in New York by a defense industry lobbyist, the Southern Maryland congressman's staff now says there was no fund-raiser.

Dyson said that on July 10, 1987, he took a plane chartered by Unisys, a large defense contractor, to Long Island, N.Y. There, he took a tour of the company's weapons testing plant, listened to company officials, had a late lunch, attended a Yankee baseball game and stayed overnight in Manhattan before returning to Washington.

Katie Tucker, spokeswoman for Dyson, said today it took the staff almost two weeks to reconstruct the events of that weekend and to determine that the money apparently was collected by Dennis Mitchell, an official at the time with Unisys.

"Over the course of the weekend, our [campaign] treasurer, Marian Fedas, was handed a number of those checks," said Tucker. Some of the 14 or so checks were mailed to Dyson's office in Washington, but the "majority" were hand-delivered to Fedas by Dyson's chief aide, the late Tom M. Pappas, "closely around coming back from that trip."

"We don't know how they got into Mr. Pappas' hands," Tucker said. The sums later were shown in campaign finance reports as individual donations.

THE EVENING SUN

FRIDAY, JULY 15, 1988

D3

# Dyson changes story on donations

DYSON, From D1

The checks, totaling at least \$17,000, were written by people with connections to Unisys, although the campaign reports did not show that.

Exactly who solicited the checks and how they got to New York has not been explained by the congressman or his staff.

Unisys also gave Dyson a \$2,000 honorarium for his plant tour.

This funneling of cash to Dyson, which apparently is legal, came soon after Dyson had proposed additional funding for a weapons system, over the objections of the Navy, that would bring Unisys \$78 million in work.

The relationship between Dyson and Unisys is not unique in Congress, nor with Dyson. Unisys was just one of several firms whose officers, consultants or lobbyists provided Dyson with direct payments called "honorariums" in Congress of expenses-paid trips or campaign contributions.

Relationships between defense contractors and the government have come under scrutiny in the continuing federal investigation of alleged bribery and influence-peddling

in the award of military contracts.

And although investigators have indicated that no member of Congress is a target of the investigation, key figures involved in Dyson's relationship with Unisys reportedly are under scrutiny.

FBI agents have served search warrants on three of the people who were with Dyson on his July trip last year to New York City: the pilot of the charter plane, the Unisys lobbyist who accompanied Dyson and a company official who allegedly handed over the campaign checks.

Pappas, the congressman's chief aide, died in May when he fell from a 24th-floor window at the Helmsley Palace hotel.

Tucker said Dyson's office has had "no contact whatsoever" with the FBI, "no calls, no subpoenas, nothing."

All the press attention the defense contractors' campaign contributions have drawn to Dyson has not caused the congressman to change his attitude toward accepting such donations, which he regards as proper.

"I honestly believe it's a tempest in a teapot," Tucker said, "but everybody's doing their job."

# \$17,000 for Dyson

## From Unisys Probed

### Donors' Offices Searched in Justice Probe

By John Lancaster  
and Robert Barnes  
Washington Post Staff Writers

A year ago this month, Rep. Roy P. Dyson (D-Md.), his chief aide and several associates took a trip to New York, courtesy of Unisys Corp.

The huge defense contractor chartered a private plane to fly them to a testing facility on Long Island, where they took a tour and attended a briefing. They ate lunch at a German restaurant, attended a baseball game at Yankees stadium, and the next day met for hot dogs at a waterfront tourist attraction in Manhattan, according to Dyson campaign manager Chris Robinson.

Unisys wrote Dyson a check for \$2,000 for his trouble.

Members of Congress do that all the time, Robinson explained. But later, a Unisys executive apparently presented the congressman's then chief aide, Tom Pappas, with \$17,000 in checks, Robinson said. The money was collected from Unisys consultants and others with ties to the defense contractor, according to campaign reports and interviews.

"We can't control the generosity of contributors," Robinson said. "It's perfectly ethical to receive contributions from individuals who wish to contribute to a member of Congress who is strong on national defense." Dyson was campaigning yesterday and could not be reached for comment.

The four-term Maryland Democrat has said he has used his position on the House Armed Services Committee to further that goal, and that he sees nothing wrong with accepting honoraria and contributions from companies whose causes he has championed.

But the massive U.S. Justice Department investigation into alleged contracting fraud at the Pentagon has focused attention on Dyson's close ties to defense contractors. While Dyson has not been named as a target of the probe, several of those who helped raise the \$17,000 have had their offices searched or otherwise been linked to the investigation.

Richard Seelmeyer, the charter pilot who flew them to New York, turned over records from his company to the FBI. William Roberts, a Unisys electronics subcontractor, who along with his wife Evelyn accompanied Dyson and Pappas on the New York trip, has told The Washington Post that he is a target of the probe.

William Galvin, a defense consultant who contributed \$1,000, is under scrutiny from investigators who want to know whether he sold proprietary information to competing defense firms.

Charles Gardner, a former officer in one of Galvin's companies and a former Unisys executive, contributed \$1,000; he, too, has been named as a target of the investigation.

In addition to contributing money, Galvin apparently also helped gather the \$17,000. One Dyson contributor said he was asked by Galvin to make a contribution. He wrote out a check to Dyson for \$1,000 and gave it to Galvin, he said.

The contributor, who asked not to be named, said he was not reimbursed and made the contribution as a favor to his friend Galvin, who had helped him in the past.

R.H. Littlefield, a retired Unisys employee who lives in Alexandria and works as a market research analyst in the defense industry, said he gave \$1,000, but cannot remember who solicited the contribution.

"I delivered it to some individual who was going to deliver it to Dyson," he said.

The defense industry is a key component of Dyson's huge 1st Congressional District, composed of the Eastern Shore and most of Southern Maryland, and he has championed several defense systems over the objections of the Pentagon.

Dyson and Rep. Bill Chappell (D-Fla.), for example, repeatedly defeated efforts by the Navy to cancel a shipboard electronic system manufactured by Unisys.

"To think that the Navy is always right is to be oblivious to things that a veteran on the Hill finds very obvious," Robinson said, adding that Dyson backed the MK92 Coherent Receiver/Transmitter (CORT) system because it was cheaper than a proposed alternative.

Dyson has received a barrage of unwelcome publicity in recent months, starting with disclosures last spring of a Federal Elections Commission inquiry into his reelection campaign fund.

Soon after, Pappas apparently leaped to his death from a Manhattan hotel room on the day that The Washington Post published a story detailing complaints from former staff members about unorthodox social demands he made on them. At the time, Dyson, Pappas and a legislative aide were on another Unisys-sponsored trip that included a meeting with Gardner, free theater tickets, hotel rooms and limousines.

Despite the questions generated by Pappas' death and the FEC investigation, Dyson remains popular in his district and appears to be in a good position for the fall election. Federal campaign finance reports released yesterday show that he raised more than \$103,000 in the second quarter of this year, \$98,000 of which came from political action committees. Unions and defense contractors accounted for most of the money.

Dyson's office has been somewhat fuzzy on the details of his fund-raising activities.

This month, in response to media inquiries, a Dyson spokeswoman said that the \$17,000 was collected last July at a fund-raiser in New York, although she said then that Dyson could not recall the name of the hotel and was unfamiliar with the details of how it was organized.

On Thursday, however, he told the Baltimore Sun that there was no fund-raiser. Robinson said the mixup occurred because Dyson's staff had assumed that, because the checks had all been written on or around July 9, 1987, there had been a campaign event on that day.

Robinson said he now assumes that the checks were collected by Unisys executive Dennis Mitchell, then passed along to Pappas, either during the trip to New York or after Dyson's return to Washington. Mitchell could not be reached for comment.

Dyson staff members said they have tried unsuccessfully to reach Mitchell to ask him about the money and that they remain unsure of his exact role in raising the funds.

A Unisys spokesman said yesterday that he had no knowledge of how the money was gathered and could not comment on whether the company was involved.

Robinson said that Unisys organized the trip to Long Island so that Dyson could become familiar with a shipboard radar air defense system called the MK-92 gunfire control system. Dyson and the others toured the facility, then attended a briefing with Unisys executives, in which Dyson was paid \$2,000. Robinson said.

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# Dyson changes story on \$17,000 donation

By Doug Struck  
and Doug Birch

Washington Bureau of The Sun



THE SUN/BARBARA HADDOCK

*"I have never traveled  
anywhere and received  
an honorarium for  
a project or a program  
which I did not support.  
I think it would be  
very inconsistent or  
unethical to do that."*

ROY P. DYSON

WASHINGTON — Two weeks ago, the staff of Representative Roy P. Dyson sought to explain a quick infusion of cash into his campaign fund last year as the proceeds of a fund-raiser held in New York.

There was no fund-raiser.

This is how the 1st District Maryland Democrat now says he got the money: On July 10, 1987, he took a plane chartered by Unisys, a large defense contractor, to Long Island, N.Y. There, he took a tour of the company's weapons testing plant, listened to company officials, and retired to a German restaurant for lunch before heading to Yankee Stadium to watch New York beat the Chicago White Sox, 9-5.

Before that weekend was over, a stack of checks that Mr. Dyson's staff now says was "probably" gathered by a Unisys official was given to his chief aide. They were later shown in campaign finance reports as individual donations. Checks shown on those reports — totaling at least \$17,000 — were written by people with connections to Unisys, although the campaign reports did not show that.

Exactly who solicited the checks and how they got to New York has not been explained by the congressman or his staff.

Unisys also gave Mr. Dyson a \$2,000 honorarium for his plant tour.

This funneling of cash to Mr. Dyson, which is apparently legal, came soon after Mr. Dyson had proposed additional funding for a weapons system, over the objections of the Navy, that would bring Unisys \$78 million in work.

The relationship between Mr. Dyson and Unisys is not unique in Congress, nor with Mr. Dyson. Unisys was just one of several firms whose officers, consultants or lobbyists provided Mr. Dyson with direct pay-

See **DYSON**, 2A, Col. 1

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# Dyson outpaces his colleagues in con-

DYSON, from 1A

ments — called "honorariums" in Congress — of expenses-paid trips or campaign contributions.

However, some of Mr. Dyson's colleagues said it is unusual for a congressman of his mid-ranking seniority to get large blocks of contributions in that manner.

Unisys was only one of several defense contractors whose hardware Mr. Dyson has championed, sometimes over Pentagon opposition, through his seat on the House Armed Services Committee.

Relationships between defense contractors and the government have come under scrutiny in the continuing federal investigation of alleged bribery and influence peddling in the award of military contracts.

And though investigators have indicated that no congressman is a target of the investigation, key figures involved in Mr. Dyson's relationship with Unisys clearly are under scrutiny.

FBI agents have served search warrants on three of the people who were with Mr. Dyson on his July trip last year to New York City: the pilot of the charter plane, the Unisys lobbyist who accompanied Mr. Dyson, and a company official who allegedly handed over the campaign checks.

The FBI also has wiretapped the telephone of another Unisys official, a man Mr. Dyson had breakfast with May 4 just hours before Thomas M. Pappas, the congressman's chief aide, committed suicide by jumping from a 24th-floor window at the Helmsley Palace hotel.

Employees at that hotel said they were interviewed by FBI agents a short time after Mr. Pappas' body was discovered. And FBI agents later searched the New Jersey travel agency where Unisys purchased tickets for the Broadway hit "The Phantom of the Opera" for Mr. Dyson and two aides.

Mr. Dyson said in an interview yesterday that newspaper articles describing his relationships with military contractors distorted the true picture. He said his dealings with defense contractors are part of his job as a congressman to nurture industry in his district.

"We have in Maryland an economy that is heavily dependent on national defense [spending]," he said. "I became a member of the Armed Services Committee to promote those industries."

Mr. Dyson said he has sometimes directed the Pentagon to buy weapons it has not asked for because military budget planners are not the best judges of how to equip fighting forces. "I'm elected here as a policy-maker for the government," he

said. He said he consults defense contractors because "they know if the system will work or won't work."

Among those systems Mr. Dyson believes will work are several made by corporations whose political action committees (PACs) and officials have given him money. Not all of these companies have plants in his district. Some examples of these relationships have come to light in recent articles; others have not. They include:

□ On March 5, 1987, Mr. Dyson left Washington on a chartered plane with four other congressmen headed for Fort Worth, Texas. There, a group of local businessmen fed the congressmen a dinner of lamb chops and paid each a \$2,000 honorarium for short remarks.

The group, called the Business Development Association of Texas, consisted of officials "interested in the development and betterment of Fort Worth," according to J. Doug Canatsey, an aide who accompanied his boss, Representative J. Marvin Leath, D-Texas, on the trip.

The next morning, Mr. Dyson visited the Fort Worth General Dynamics plant, where the F-16 fighter is made, and then stopped by the Textron plant where Bell Helicopters are made. At each stop, the congressman was paid a \$2,000 honorarium for a speech, he said. He flew back to Washington on a plane chartered by Textron, having collected \$6,000 in less than 24 hours.

□ From July 10 to Aug. 4, 1987, Mr. Dyson received a total of \$9,500 in campaign contributions from donors apparently connected to Cal-Surance Benefit Plans Inc., a large insurance brokerage based in Torrance, Calif.

Mr. Dyson said yesterday that he could not recall the donations and was never lobbied by Cal-Surance officials or their representatives. He said he did not know why individuals connected with the California firm decided to give him \$1,000 each — the maximum donation per person per election permitted under federal law.

At the time, the Armed Services personnel subcommittee on which Mr. Dyson sits was overseeing changes in health insurance provided to military dependents and retirees.

□ Since 1986, Mr. Dyson has taken three wintertime trips to Southern California on the tab of Litton Industries. During those trips in 1987 and 1988, Mr. Dyson and Mr. Pappas attended Super Bowl football games with tickets provided by Litton and were escorted to Hollywood parties by a Litton consultant. Mr. Dyson has conceded.

Since 1985, Litton's political action committee has become one of

## A look at Dyson's

Excerpts from Congressman Dyson

### PAGE 1 ENTRIES

• **John Metrishyn** .....  
Mr. Metrishyn, whose last name is misspelled in the report, is also a campaign contributor to Representative William Chappell Jr., D-Fla. Mr. Chappell July 1987 Federal Election Commission filing identifies Mr. Metrishyn as a Unisys executive. Mr. Metrishyn refused to talk about his contribution to Mr. Dyson.

• **Robert Q. Old** .....  
At the time of his contribution, Mr. Old said, he was a defense industry consultant working for Unisys. Jean R. Old is his wife.

### PAGE 2 ENTRIES

• **Charles F. Gardner** .....  
At the time of his donation, Mr. Gardner was a vice president with Unisys. He retired from Unisys earlier this year and accompanied Mr. Dyson, Thomas M. Pappas and a second aide during their weekend in New York that ended May 1 with Mr. Pappas' suicide. Mr. Gardner's office has been searched in connection with the Pentagon investigation and, reportedly, his phone has been tapped.

• **Stanley L. Sommer** .....  
Mr. Sommer, president of S.L. Sommer & Associates, is a longtime friend of William Galvin, whose Watergate office has been searched by the FBI.

• **Kenneth F. Brooke** .....  
Mr. Brooke is a Vienna, Va., defense consultant and stepson of Mr. Galvin. He is also an officer of Mr. Galvin's Locus Ltd. His home was searched by the FBI on June 14.

• **Joseph E. Hill** .....  
Mr. Hill is a consultant to Unisys who has been interviewed by the FBI.

• **Frederick P. Somers** .....  
Mr. Somers, now assistant director of government affairs for the American Occupational Therapy Association, once worked for Evergreen Associates. An Evergreen executive has refused to say whether the firm worked for Unisys.

• **Don L. Lynch and Violet J. Lynch** .....  
Both contributed to Representative Chappell's campaign. In Mr. Chappell's July 1987 Federal Election Commission report, Mr. Lynch is identified as president of D.L. Lynch & Associates of Alexandria. Phone calls to Mr. Lynch's office were not returned.

Source: Washington Bureau of The Sun

Mr. Dyson's biggest PAC contributors.

Mr. Dyson counts himself among the champions of Litton's BLD-1 electronic warfare system, a device used by submarines to locate surface ships by tracking their microwave transmissions. Since 1985, he has joined his Armed Services col-

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ATTACHMENT B

## OPERATION ILL WIND MAY HAVE SCARED UP A CANARY

A plea bargain could crack the Unisys-Pentagon connection wide open

**W**hen Charles F. Gardner retired in 1988 after 32 years with what is now Unisys Corp., he had a reputation as a man who excelled at winning defense contracts against long odds. During his tenure, Unisys and one of its predecessors, Sperry Corp., raked in military work and even kept alive programs that top Defense Dept. officials didn't want.

But federal prosecutors believe more than mere negotiating skill was involved. Gardner is a key target of the spreading grand jury investigation into the alleged sale of inside information by Pentagon consultants. Prosecutors in the case, dubbed Operation Ill Wind, believe that he headed a network of consultants and lobbyists who helped him obtain Pentagon acquisition plans and copies of competitors' bids.

Gardner isn't talking to investigators, but U.S. Attorney Henry E. Hudson may soon get a major break in his efforts to find out what the former Unisys official was up to as vice-president in charge of Unisys' Surveillance & Fire Control Div. in Great Neck, N.Y. In a sealed Justice Dept. affidavit **BUSINESS WEEK** has seen, prosecutors indicate that former Unisys official Robert D. Barrett may agree to plead guilty to a minor charge and tell Hudson what he knows about Gardner's activities. Gardner, through his lawyer, denies wrongdoing.

Barrett worked with Gardner for 24 years, ending up as a top executive in the Unisys Defense Systems branch in Arlington, Va. Barrett's office was in Crystal City, a high-rise cluster filled with defense contractors, consultants, and Navy acquisition officials. Part of his job was to provide Gardner with easy access to the Navy bureaucrats.

After being placed on administrative leave along with five other Unisys officials, Barrett retired abruptly last October at age 55. A year before—13 months after Unisys was created by the merger of Sperry and Burroughs Corp.—the company had started an internal review of inflated expense accounts and excessive payments to Washington consultants by Gardner's division.

Unisys held Barrett partially responsible for the irregularities uncovered. Chairman W. Michael Blumenthal said last July he was "appalled" that some Sperry employees and consultants "appear to have had a history of engaging



**DID REPRESENTATIVE DYSON ACCEPT FREE FLIGHTS IN RETURN FOR FAVORS?**



**FORMER FLORIDA REPRESENTATIVE CHAPPELL DENIES ANY WRONGDOING**

in activities which are contrary to" Unisys policy. On Jan. 25 the company disclosed that it was in talks with the Navy about possible sanctions.

Barrett's lawyer, James A. Bensfield, won't comment on any plea agreement. The affidavit, filed with the U.S. District Court in Alexandria, Va., states that prosecutors expect Barrett's guilty plea by the end of January. It also asks the court to keep his anticipated cooperation secret until investigators have fully debriefed him.

According to other affidavits, Hud-

son's investigators hope that Barrett will shed light on numerous Unisys activities involving members of Congress and Navy officials. These include:

■ **Charter air service.** Court documents show that Gardner controlled an airplane service that was used to fly members of Congress to the Great Neck plant and possibly to other places around the country. The owner of record was Richard Seelmeyer, an aide to the late Representative Joseph P. Addabbo (D-N.Y.), a power in defense appropriations. The affidavit quotes Gardner, whose home phone was tapped, as saying that if Seelmeyer "was to talk, he could do a lot of damage."

Investigators believe Representatives Roy Dyson (D-Md.), a member of the Armed Services Committee, and William Chappell (D-Fla.) accepted free flights on the Unisys plane. Chappell was defeated for reelection in November. Both he and Dyson, who retained his seat in a tight race, have denied any wrongdoing. Such flights are illegal if they are provided in return for favors.

■ **Missile system lobbying.** Both Chappell and Dyson supported Unisys' efforts to keep the \$190 million Mk. 92 Coherent Receiver/Transmitter (Cort) project alive. Cort is a radar guidance system for missiles fired from frigates. Then-Navy Secretary John F. Lehman Jr. wanted to end the project in 1987, but Chappell and Dyson made sure money kept flowing.

■ **Aegis lobbying.** Until 1986, RCA Corp. had billions of dollars in electronics work for the Aegis cruiser all to itself. According to documents obtained by **BUSINESS WEEK**, Melvyn R. Paisley, then Navy research chief, ordered the service to find a second contractor. Then Paisley changed the Navy's acquisition strategy by consolidating six components of the Aegis work into one contract and imposing tight new deadlines for the work. Sperry, the only company that had bid on all six sections, got the job. After leaving the Navy in 1987, Paisley joined Gardner's consultant network. Paisley, through his lawyer, denies wrongdoing.

Gardner was skilled at pulling Washington's levers of power. And Unisys must have valued his services highly. Even after he retired last March, he was retained as a consultant.

Top Unisys executives say they were on their way to cleaning up Sperry before the FBI moved in. But by not making a clean break with Gardner, Unisys in effect allowed the FBI to monitor his phone calls during the five months he worked as a Unisys consultant. That surveillance, and Barrett's possible cooperation, could spread Ill Wind's ripples even further into the defense industry.

*By Paula Dwyer in Washington, with Joseph Weber in Philadelphia*

# The New York Times

NEW YORK, FRIDAY, AUGUST 19, 1988

## Legislator and Contractor: A Case of Mutual Benefit

By DAVID JOHNSTON

Special to The New York Times

WASHINGTON, Aug. 18 — Thirteen months ago, Representative Roy P. Dyson of Maryland visited the military electronics plant of the Unisys Corporation in Great Neck, L.I. The visit, he said later, was typical of those that members of the House Armed Services Committee make to the plants and offices of military contractors.

Apparently it was typical in more ways than one. The day before the visit, July 9, 1987, Mr. Dyson's campaign received \$15,000 in contributions of \$1,000 each from 15 individuals, according to reports filed with the Federal Election Commission. Most of these individuals were associated with Unisys in one way or another. And Mr. Dyson received a \$2,000 honorarium from the company, according to a disclosure report he filed.

### Helpful Back-Scratching

No one has accused the Democratic Congressman, who had previously introduced legislation beneficial to Unisys, of anything illegal in connection with the July visit, the contributions or the honorarium. But his dealings with Unisys illustrate the mutually useful ties that have become commonplace between companies eager for Congressional help in selling to the Pentagon and legis-



The New York Times

Representative Roy P. Dyson

lators seeking campaign money for themselves or military manufacturing for their home districts.

Federal investigators are looking into Mr. Dyson's affairs in connection with the widespread investigation of weapons procurement practices at the Pentagon, though Justice Department officials declined to say exactly what prompted the inquiry related to the lawmaker. Search warrants have been served on several people who knew Mr. Dyson and were

Continued on Page A13, Column 1

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# A Lawmaker's Ties to a Contractor

Continued From Page A1

involved in his trips to the Unisys plant.

A search warrant served on one Unisys employee and released last month by a Federal court in Brooklyn said that investigators were seeking records related to "the conferral of benefits or things of value" on Federal officials "known to have been involved in the authorization of defense contracts."

In an interview, Mr. Dyson said he had conducted himself in an ethical and lawful manner in his dealings with Unisys and other military contractors. He has not been charged with any wrongdoing. Indeed, he said that although his name had been mentioned as someone under scrutiny, he is not a target of the investigation.

"I would think that if we were targets, and we've been told we are not, we would have received an indication," he said. "We would have at least received a postcard, but there's nothing."

Mr. Dyson said that Unisys and other military contractors routinely sought to familiarize him with their products and sometimes invited him on inspection tours of their facilities. "That's not unusual," he said. "They all do. If they don't, they're not doing their job."

In 1987 Mr. Dyson also received honorariums from military contractors including the Oshkosh Truck Corporation and Textron Inc.

Mr. Dyson's district spans counties on both the eastern and western shores of Chesapeake Bay. Within the district are the Aberdeen Proving Ground, a large Army test site, and the Patuxent River Naval Air Station, an air base and testing site. Many important Army and Navy weapons undergo testing at these locations.

## In Search of Contracts

Mr. Dyson, a four-term House member who serves on the Armed Services Committee, said that part of his job as a Representative was to seek military contracts for his district, which he described as economically distressed and dependent on the employment that Pentagon contracts provide to about 200 military concerns operating there.

"Whatever happens to defense nationally really has a direct economic impact right in my hometown," he said. "I will see these people the minute it happens. I'll see them at the gas station. I'll see them in the grocery store. I'll see them where I shop."

Mr. Dyson said that at the Unisys plant on Long Island he had received a briefing that was typical for such sessions. "There was a group of professional engineers and they went through a number of programs," he said. "They basically went through all of them and I took notes. And I was also doing my pitch that I would like you better if you were more located in my district. We were there a couple of hours."

Mr. Dyson's first trip to the Unisys plant took place on Friday, July 10,

## Congressmen and arms makers can scratch each other's backs.

1987. A day earlier, his campaign had received the 15 campaign contributions of \$1,000 and the legal \$2,000 honorarium.

Some of the contributors to Mr. Dyson's campaign on the eve of his first visit to the Unisys plant were retired employees of the Sperry Corporation, which joined with Burroughs to form Unisys in 1986. Several others were spouses of the former Sperry employees.

## 2 Consultants Among Donors

Two of the contributors have emerged as prominent figures in the Pentagon fraud and bribery inquiry. They are Charles F. Gardner, a former Unisys executive at the Great Neck plant who resigned to become a military consultant, and William Galvin, a military consultant who was retained by Unisys. Last June, investigators seized records from both men in the investigation.

Mr. Dyson said that at the time of the contributions he did not know Mr. Gardner or Mr. Galvin. He said he did not know how the contributions had reached his campaign or whether they had been transmitted to him in a block

by anyone connected to the company.

Mr. Dyson flew from Washington to the Unisys plant in a small plane, accompanied by William W. Roberts and his wife, Evelyn. In the two months since the investigation became publicly known, Mr. Roberts has become another prominent figure in the investigation. He worked for Sperry for more than 20 years before retiring four years ago. After his retirement, he worked as a consultant to Unisys and other military contractors. He also helped found Armtec Inc., the small Florida military supplier that is under investigation. Unisys was Armtec's main source of business.

Mr. Roberts's activities included persuading members of Congress to support an upgrading for the Unisys MK-92 fire control radar system, although top Navy officials regarded the system as unnecessary. Mr. Dyson said Mr. Roberts was effective because, unlike some representatives of military contractors, he was intimately familiar with technical details of his program. "His style was out of the past," Mr. Dyson said. "He could tell you about his program."

## Dyson's Push for Unisys System

In 1985 Mr. Dyson introduced an amendment to the military authorization bill that included money for the purchase of the upgraded MK-92 system. Last May, Unisys was awarded a contract for the system.

"It enjoyed support on our committee," Mr. Dyson said of his support for the MK-92 upgrading. "If I hadn't introduced it, someone else would have."

Another person who has interested the authorities was also on the trip. The pilot of the plane was Richard Seelmeyer, a former aide to the late Representative Joseph P. Addabbo, a New York Democrat who until his death in 1986 was chairman of the House Subcommittee on Military Appropriations. After Mr. Addabbo's death Mr. Seelmeyer opened an air charter service.

Last June, Mr. Seelmeyer's home was searched in the inquiry. The Justice Department has declined to disclose the nature of evidence it was seeking in the search.

## Tragedy During Second Trip

On Saturday, April 30, Mr. Dyson made a second trip to the Unisys plant on Long Island, accompanied by his chief aide, Thomas M. Pappas. The two attended a briefing and spent part of their time in the company of Mr. Gardner. By then Mr. Gardner had resigned from Unisys as an employee, but continued to work for the company as a consultant.

The trip ended tragically the next day, when Mr. Pappas jumped to his death from a window of the Helmsley Palace Hotel in New York.

Mr. Dyson said that Mr. Pappas probably took his life not because of the procurement investigation but because of news accounts that Mr. Pappas had mismanaged Mr. Dyson's Congressional office.

# Pentagon Probe Said To Involve Billions

*No Indictments Expected Before Late August*

Washington Post 6/23/89

## 2 Lawmakers Kept Alive Navy Project

By Dan Morgan  
and Eric Pianin

Washington Post Staff Writers

A Unisys plant in Great Neck, N.Y., that was searched last week as part of the FBI's Pentagon fraud investigation has received at least \$194 million in contracts for a ship-board electronic warfare system that the Navy does not want but that two key House members repeatedly helped keep alive, it was learned this week.

Reps. Bill Chappell (D-Fla.), chairman of the House Appropriations defense subcommittee, and Roy Dyson (D-Md.), a member of the Armed Services Committee, confirmed yesterday that they had proposed amendments to continue funding the project, which involves a radar system for guiding missiles fired from frigates.

In 1986, Secretary of the Navy John F. Lehman urged Congress to cancel the program in order to redirect the money to another electronic warfare system the Navy strongly supports.

Justice Department, Federal Bureau of Investigation and Naval Investigative Service (NIS) officials, who last week searched more than a dozen defense contracting firms and issued nearly 300 subpoenas, have not disclosed what weapons systems, procurement programs or specific defense contracts generated the alleged fraudulent activity and bribery.

It is unknown whether the controversial Unisys project is a subject of the widening Justice Department inquiry. However, information gathered by The Washington Post in recent days from federal records, congressional testimony and reports, and interviews with lawmakers, consultants, and other knowledgeable sources regarding the Unisys procurement, sheds light on the close relationships between key legislators, consultants and defense contractors and how

See TIES, A12, Col. 1

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## 2 Lawmakers Overrode Navy, Funded Project

TIES, From A1

those relationships center on specific programs.

Justice Department officials reported last week that they are looking into ties between Chappell and Dyson and Charles F. Gardner, a former Unisys vice president who worked at Great Neck. Justice Department officials have cautioned that no member of Congress is a target of the probe.

Chappell and Dyson said separately yesterday that they had discussed the MK92 Coherent Receiver/Transmitter (CORT) project with William W. Roberts, then a consultant for Sperry, which became Unisys at the end of 1986. Chappell has said he has known Roberts for at least 10 years, and a member of his office described Roberts as the congressman's "personal friend."

Roberts said in an interview last week that he worked in Crystal City until four years ago for Sperry Defense Products, the division whose Great Neck plant makes the electronic systems for MK92 CORT and other Navy systems. Roberts said he was one of the consultants visited by the FBI last week and informed that he was a subject of the Pentagon investigation.

Records show that Roberts is a business partner of William M. Galvin, a former Unisys consultant the FBI has identified as a subject of the probe. Florida state corporate records show that Galvin is a director of Armtec, a Palatka, Fla., company headed by Roberts.

Roberts said last week that the FBI had questioned him about his relationship with Galvin, and with Melvyn R. Paisley, a Washington consultant who served as assistant secretary of the Navy for research, engineering and systems from December 1981 to April 1987. Paisley has been served with warrants by the FBI.

The Senate has sided with the Navy in opposing continued spending for MK92 CORT, but for the last two years, the House-Senate conference on the military procurement bill has deferred to the House.

Testifying last year before the House Armed Services seapower subcommittee on which Dyson serves, Lehman said: "We oppose any further authorization of CORT systems." Since 1986, Lehman and the Navy have favored strengthening the FFG7 frigate's antisubmarine warfare role, and waiting for an upgrading of the Navy's missile defense capability in the bigger Aegis program.

The Navy's initial MK92 program had serious problems, including susceptibility to heavy rainfall and jamming. Thus, the Navy turned to CORT to solve the problem. However, the Navy concluded the system cost too much.

Unisys's electronic warfare ambitions previously had a powerful House sponsor in Chappell's predecessor as chairman of the Appropriations subcommittee, the late Rep. Joseph P. Addabbo (D-N.Y.), Hill sources said.

The New York delegation reportedly supported the continuation of the MK92 CORT program; Chappell said that after he became subcommittee chairman, a good many defense contractors and subcon-

tractors had been "concerned about a change in contract opportunities."

Dyson said yesterday that he was under the impression that Roberts was "essentially a lobbyist." However, his name does not appear on the House's list of registered lobbyists. Beckham of Unisys said one of Roberts' Unisys assignments was to track congressional activities, including "programs related to our operations, primarily in Great Neck."

He said this included CORT. Beckham said Roberts worked under a registered Unisys lobbyist.

Some Unisys officials and other consultants have contributed to campaigns of Dyson and Chappell. Gardner gave \$1,000 each to their campaigns in 1987. Galvin gave \$1,000 to the Dyson campaign that year. Roberts gave \$2,000 and \$1,000 respectively in 1985 and 1986 to Chappell and Dyson, Federal Election Commission records show.

United Press International reported that, according to FEC records, present or former employees of and consultants to Unisys have made more than \$90,000 in campaign contributions to members of Congress since 1985, about a third of it to Chappell and Dyson.

UPI said Chappell received at least \$20,000 in the last four years from a maze of consultants linked to Unisys.

Dyson's campaign received at least \$14,500 in contributions from many of the same donors between 1985 and 1987, including \$10,000 last year, UPI reported.

*Staff writer Elizabeth Tucker contributed to this report.*

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According to Roberts, supplies small, unsophisticated electronic assemblies to several companies, including Unisys in Great Neck. A Unisys spokesman said yesterday that Armetec supplies a "wrong harness" to that facility.

"As I understand it, some of that product, if not most of it, is used in the CORT program," said Bill Beckman, a spokesman for Unisys.

Roberts did not return a call to his office yesterday.

Since at least the mid-'70s, the Unisys plant in Great Neck has been involved in designing and manufacturing "high-tech" computer and radar naval systems. In addition to the MK92 CORT, of which it is the only supplier, it was added in 1987 as an "alternate" supplier for Aegis, the Navy's advanced system to protect cruisers and destroyers from incoming missiles.

The first \$116 million for MK92 CORT was added to the Navy's fiscal 1987 budget by Congress, despite Lehman's request to cancel the program. The money outfitted the last six FFG-7-class frigates.

Dyson, a member of the seapower subcommittee of the House Armed Services Committee, said yesterday he had submitted the amendment to add \$78 million to outfit six more frigates in fiscal 1988. He said he also proposed an amendment in the seapower subcommittee to add another \$78 million this year. Supporters of the system argue that without it the vessels will be vulnerable to incoming missiles.

Dyson pointed out that CORT initially had Navy support and that he disagreed with Lehman's decision to cancel the program. "I did it because the Navy has always admitted there was nothing to replace it with. There was always my sense that they were banking on a NATO-wide program some day but that was many years away from production."

Dyson, whose Southern Maryland district includes the Patuxent River Naval Air Test Center, said he has championed Unisys's causes because the company has contracts there and contributes to the local economy. The base helps research and test new aircraft designs, and there are 80 Unisys employees at the test center who work with computer software and systems.

Former Unisys vice president Gardner was with Dyson in New York City May 1 when Dyson's chief of staff Tom Pappas fell to his death from a 24th-floor window of the Helmsley Palace Hotel. Dyson toured Unisys's Great Neck plant the previous day, and that night dined with Gardner and attended the theater with Pappas and another aide at Unisys's expense. Dyson said he plans to repay Unisys for the tickets.

Chappell acknowledged yesterday he had pressed for the addition of funds for the MK92 CORT frigate program in the House Appropriations Committee, and had discussed it with Roberts and possibly with Gardner, whom he said has "been in my office on occasions."

"We've been trying to get some capability into that class of ships," Chappell said. "The services are not always right. When we see voids that they seem to pay no attention to, we do something."



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ATTACHMENT C

United States District Court

FOR THE  
EASTERN DISTRICT OF VIRGINIA  
Alexandria Division

in open court  
MAR 9 1989

UNITED STATES OF AMERICA

v.

KENNETH F. BROOKE

No. CR84-00080-A

KENNETH F. BROOKE

the above named defendant, who is accused of

violating Title 26, United States Code, Section 7201, to wit:

Income Tax Evasion

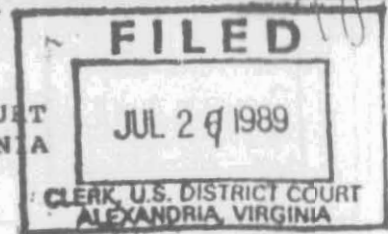
being advised of the nature of the charge and of his rights, hereby waives in open court prosecution  
by indictment and consents that the proceeding may be by information instead of by indictment.

Date

[Signature] Defendant.  
Daniel P. Flaherty Witness.  
F. Joseph Sparin Counsel for Defendant.

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UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF VIRGINIA  
Alexandria Division



ORIGINAL

UNITED STATES OF AMERICA,

vs.

Cr. No. 89-80-A

KENNETH F. BROOKE,  
Defendant.

SENTENCING HEARING

July 14, 1989

Before: Claude M. Hilton, Judge

APPEARANCES:

Joseph Aronica and Pamela Bethel, Counsel for the United States  
F. Joseph Warin and Daniel Flaherty, Counsel for the Defendant  
The defendant, Kenneth Brooke, in person

DATE: July 14, 1989 JUDGE: Hilton REPORTER france

TIME: 9:17 TO 9:26  
COUNSEL FOR U.S. Joseph Aronica  
CASE NUMBER: Cr 89-80-A

DOCKET BOOK  
DOCKET SHEET  
BENCH WARRANT  
J & C  
PROB. COPIES  
Joseph Warin

Kenneth Brooke  
DEFENDANT

CASE MOTIONS ( ) SETTING TRIAL DATE ( )  
CALLED ARRAIGNMENT ( ) APPEAL FROM USMC ( )  
FOR: non guidelines PROB VIOLATION ( ) PRE-INDICTMENT PLEA ( )  
CHANGE OF PLEA ( ) SENTENCING (X)  
INFO & PLEA ( ) OTHER ( )  
DEFENDANT APPEARED IN PERSON: YES (✓) NO ( )  
WITH COUNSEL: YES (✓) NO ( )  
FILED IN OPEN COURT: INFORMATION ( ) WAIVER OF INDICTMENT ( )  
PLEA AGREEMENT ( ) STATEMENT OF FACTS ( )

RECEIVED BY RULE 20 FROM USDC

ARRAIGNMENT & PLEA: WFA ( ) FA ( ) PG ( ) PNG ( )  
TRIAL BY JURY ( ) TRIAL BY COURT ( )

2 DAYS TO FILE MOTIONS WITH ARGUMENTS ON e

DEFENDANT ENTERED PLEA OF GUILTY AS TO COUNTS  
MOTION FOR DISMISSAL OF COUNTS BY U.S. ( ) BY DEPT ( )  
ORDER ENTERED IN OPEN COURT ( ) ORDER TO FOLLOW ( )  
MOTIONS: (see listing on reverse)  
DEFENDANT DIRECTED TO REPORT TO P.O. FOR PSI: YES ( ) NO ( )  
CASE CONTINUED TO FOR: JURY TRIAL ( ) COURT TRIAL ( )  
GUIDELINES SENTENCING ( ) NON-GUIDELINES SENTENCING ( )

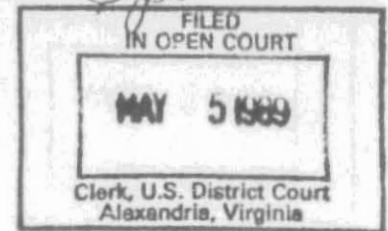
DEFENDANT COMMITTED TO THE CUSTODY OF THE ATTORNEY GENERAL FOR A PERIOD OF:  
2 yrs + 10,000 fine during prob @  
↑ susp. 2 yrs. prob. sc. 100 CS  
\$50.00

COURT RECOMMENDS INCARCERATION AT:  
FINE IMPOSED: \$ PAYABLE STAND COMMITED FOR NON-PAYMENT ( )  
BOND SET AT: \$ SURETY ( ) PERSONAL RECOGNIZANCE ( )  
RELEASE ORDER ENTERED ( ) DEFENDANT REMANDED ( )  
DEFENDANT RELEASED ON BOND ( ) NO BOND/DETAINED ( )  
GUIDELINES SENTENCING POLICY GIVEN ( )

ALL EXHIBITS AND/OR CHARTS MUST BE FILED WITH THE CLERK WITHIN WORKING  
DAYS BEFORE TRIAL. ANY EXHIBIT AND/OR CHART NOT FILED WILL NOT BE ADMITTED  
INTO EVIDENCE.

if ll wind investigation

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
Alexandria Division



UNITED STATES OF AMERICA

v.

KENNETH F. BROOKE

)  
)  
) No. CR-87-80  
26 U.S.C., Sec. 7201

SUPERSEDING  
CRIMINAL INFORMATION

THE UNITED STATES ATTORNEY CHARGES THAT:

On or about the 8th day of July, 1987, in the Eastern District of Virginia, Kenneth F. Brooke, a resident of McLean, Virginia, who during the calendar year 1985 was married, did willfully attempt to evade and defeat a large part of the income tax due and owing by him and his spouse to the United States of America for the calendar year 1985, by preparing and causing to be prepared, and by signing and causing to be signed, a false and fraudulent joint U.S. Individual Income Tax Return, Form 1040, on behalf of himself and his spouse, which was filed with the Internal Revenue Service, wherein it was stated that their joint taxable income for said calendar year was the sum of \$2,733.83, and that the amount of tax due and owing thereon was the sum of \$0, whereas, as he then and there well knew and believed, their

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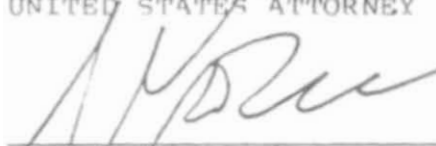
joint taxable income for the said calendar was the sum of \$102,954, upon which said joint taxable income there was owing to the United States of America an income tax of \$32,661.70.

In violation of Title 26, United States Code, Section 7201.


Respectfully submitted,

HENRY E. HUDSON  
UNITED STATES ATTORNEY

By:

  
Joseph J. Aronica  
Assistant United States Attorney

  
Pamela Joy Bethel  
Assistant United States Attorney

  
Cecilia L. Reid  
Special Attorney  
U.S. Department of Justice

93043501704

EASTERN DISTRICT OF VIRGINIA  
Alexandria Division

*in open court*  
MAR 9 1989  
*RF*

UNITED STATES OF AMERICA

V.

KENNETH F. BROOKE

CRIMINAL NO. *CR89-06080-A*

PLEA AGREEMENT

The United States and the defendant, KENNETH F. BROOKE, through his attorneys, F. Joseph Warin and Daniel Flaherty, have heretofore engaged in plea discussions and pursuant to Rule 11(e)(1)(A), Federal Rules of Criminal Procedure, have reached a plea agreement, the terms and conditions of which are as follows:

1) The defendant, KENNETH F. BROOKE, agrees to waive indictment and plead to a one count criminal information filed with this Court, charging the defendant with tax evasion in violation of Title 26, United States Code, Section 7201. The offense carries a maximum period of confinement of five years and a fine of \$250,000. The defendant will also be obligated to pay court costs in the amount of fifty dollars (\$50.00) to the Crime Victims Fund.

2) If the Court accepts this plea and the defendant, KENNETH F. BROOKE, fulfills the terms and conditions specified herein, the United States agrees not to further charge the defendant with the activities set forth in the Information, any other tax violation for 1984 and 1986 as well as any other offenses of which the United States Attorney's Office for the

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Eastern District of Virginia has knowledge except that this Agreement does not preclude the United States from bringing a prosecution for perjury or false statements arising out of the defendant's cooperation.

3) It is understood and agreed that the defendant KENNETH F. BROOKE, shall fully and truthfully disclose all information with respect to the activities of himself and others including William M. Galvin, concerning all matters about which federal law enforcement personnel, including Government attorneys, inquire of him. This shall include truthfully testifying before grand juries and at any trials or other judicial proceedings with respect to any matter about which the United States Attorney's Office may request his testimony. The defendant shall submit to any and all polygraph examinations that the Government may seek to administer to him during the course of his cooperation at the time(s) and place(s) designated by the Government.

4) If KENNETH F. BROOKE, intentionally does anything to impede the Government's investigation, this agreement will be null and void.

5) It is further understood that the defendant must at all times give complete, truthful and accurate information and testimony. Should it be determined that KENNETH F. BROOKE, has given materially false, incomplete or misleading testimony or information, or has omitted any material fact, or has otherwise violated any provision of this Agreement, KENNETH F. BROOKE shall thereafter be subject to prosecution for any federal criminal



violation of which this office has knowledge, including, but not limited to, perjury and obstruction of justice. Any such prosecution may be premised upon any information provided by KENNETH F. BROOKE, and such information will be used against him.

6) It is expressly agreed that all statements made by KENNETH F. BROOKE to any federal officer or law enforcement agent or any testimony given by KENNETH F. BROOKE before a grand jury or other tribunal made subsequent to this Agreement, shall be admissible in evidence in any and all criminal prosecutions hereafter brought against KENNETH F. BROOKE. KENNETH F. BROOKE shall assert no claim under Rule 11(e)(6), Fed. R. Crim. P. or Rule 410, Fed. R. Evid., that statements made by him subsequent to this Agreement or in connection herewith should be suppressed. The defendant shall not assert any claim under the United States Constitution, any statute, Rule 11(e)(6) of the Federal Rules of Criminal Procedure, Rule 410 of the Federal Rules of Evidence, or any other provision of law to attempt to bar such use of the information.

7) It is understood that the sentence to be imposed upon KENNETH F. BROOKE is within the sole discretion of the sentencing Judge. This is a Rule 11(e)(1)(A) plea and the United States Attorney's Office cannot and does not make any promise or representation as to what sentence KENNETH F. BROOKE will receive. The United States Attorney's Office reserves the right to allocute as to the nature and seriousness of the offense. In all events, this office will inform the sentencing Judge and the Probation Department of, (1) this Agreement; (2) the nature and

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extent of KENNETH F. BROOKE's activities with respect to this case; (3) the full nature and extent of KENNETH F. BROOKE's cooperation with the United States Attorney's Office and the date when such cooperation commenced; and (4) all other information in its possession relevant to sentencing.

8) It is further understood that this Agreement is limited to the United States Attorney's Office for the Eastern District of Virginia and cannot bind other federal, state or local prosecuting authorities, although this office will bring the cooperation of KENNETH F. BROOKE to the attention of other prosecuting officials. At this time the United States Attorney's Office for the Eastern District of Virginia is not aware of any other United States Attorney who is investigating KENNETH F. BROOKE or considering prosecuting him for the scheme set forth in the Information or other matters of which the United States is aware arising out of his involvement with William F. Galvin.

9) It is understood and agreed that in the event the Court does not accept KENNETH F. BROOKE's plea of guilty to the Information, this Plea Agreement shall be null and void.

10) It is further understood and agreed that if KENNETH F. BROOKE attempts to withdraw from any part of this Agreement or fails to comply with any provisions contained herein, this Agreement is null and void , except Paragraph 6 of this Agreement shall remain in full force and effect; and the United States is free to seek a multiple count Indictment charging KENNETH F. BROOKE with multiple violations of any federal statute including but not limited to the statute set forth in Paragraph 1.

11) KENNETH F. BROOKE acknowledges that no threats have been made against him to secure this plea of guilty and that he is pleading guilty freely and voluntarily because he is guilty.

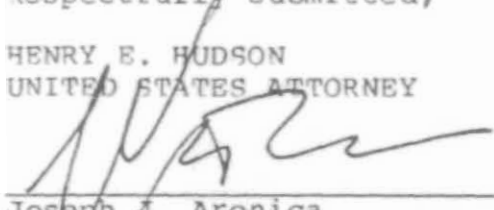
12) This Plea Agreement confirms the entire Agreement between the United States and KENNETH F. BROOKE with respect to the aforesaid guilty plea and no other promises or representations have been made to the defendant or his attorney with regard to such guilty plea, and none will be entered into unless in writing and signed by all parties.


This 27<sup>th</sup> day of February 1989.


Respectfully submitted,


HENRY E. HUDSON  
UNITED STATES ATTORNEY

By:


  
Joseph J. Aronica  
Assistant United States Attorney

  
Pamela Joy Bethel  
Assistant United States Attorney

  
Cecilia Reid  
Special Attorney  
U.S. Department of Justice

  
KENNETH F. BROOKE  
Defendant

  
F. Joseph Warin  
Counsel for Defendant

  
Daniel Flaherty  
Counsel for Defendant

MAR 9 1989

STATEMENT OF FACTS

The government's evidence would show that Kenneth F. Brooke was the President of K & G Enterprises, a real estate development firm, during 1984 through 1986. Brooke failed to report any of the compensation he received as an officer of K & G Enterprises on his 1985 federal income tax return.

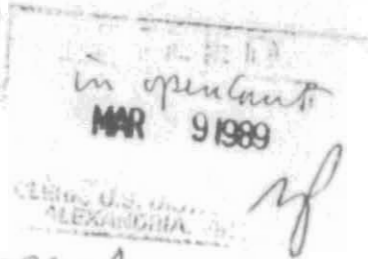
K & G Enterprises, Inc. was formed in August 1984. Kenneth Brooke owned 50% of the company and his two partners, Drs. Gary Dresden and Harold Tickton, each owned 25%. Brooke ran the day to day operation of the business and had control over the corporation's bank accounts.

K & G Enterprises, Inc. specialized in completing construction projects that had gone into foreclosure. K & G bought two projects in Norfolk, Virginia after the banks financing the projects had been forced to foreclose on the previous developer's loans. K & G received financing from construction loans provided by Pioneer Mortgage and Lincoln Mortgage in Richmond.

In 1985 Brooke withdrew from K & G Enterprises, Inc.'s bank account \$102,954 and deposited these monies directly into his personal bank account at McLean Bank. Brooke reported no income from K & G Enterprises on his 1985 federal income tax return. The additional tax due and owing for 1985 is \$32,661.70.

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IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
Alexandria Division



UNITED STATES OF AMERICA

v.

KENNETH F. BROOKE

CR 89-00080-A

No.

26 U.S.C., Sec. 7201

CRIMINAL INFORMATION

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On or about the 8th day of July, 1987, in the Eastern District of Virginia, Kenneth F. Brooke, a resident of McLean, Virginia, who during the calendar year 1985 was married, did willfully attempt to evade and defeat a large part of the income tax due and owing by him and his spouse to the United States of America for the calendar year 1985, by preparing and causing to be prepared, and by signing and causing to be signed, a false and fraudulent joint U.S. Individual Income Tax Return, Form 1040, on behalf of himself and his spouse, which was filed with the Internal Revenue Service, wherein it was stated that their joint taxable income for said calendar year was the sum of \$2,733.83, and that the amount of tax due and owing thereon was the sum of \$0, whereas, as he then and there well knew and believed, their

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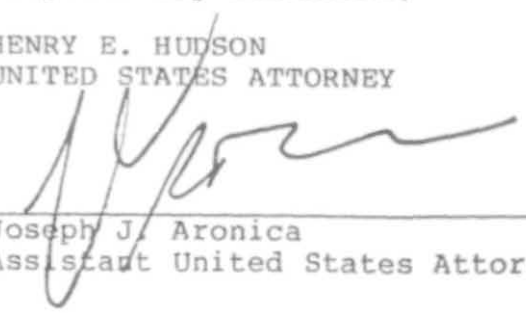
joint taxable income for the said calendar was the sum of \$174,028.36, upon which said joint taxable income there was owing to the United States of America an income tax of \$66,549.22.


In violation of Title 26, United States Code, Section 7201.


Respectfully submitted,

HENRY E. HUDSON  
UNITED STATES ATTORNEY

By:

  
Joseph J. Aronica  
Assistant United States Attorney

  
Pamela Joy Bethel  
Assistant United States Attorney

  
Cecilia L. Reid  
Special Attorney  
U.S. Department of Justice

93043501712

## United States District Court

FOR THE

EASTERN DISTRICT OF VIRGINIA

UNITED STATES OF AMERICA

v.

CHARLES F. GARDNER

No. CR89-00081-A

CLERK, U.S. DISTRICT COURT  
ALEXANDRIA

MAR 9 1989

CHARLES F. GARDNER

the above named defendant, who is accused of

Title 18 U.S.C. Section 371 - conspiracy to commit bribery and file false statements.

Title 18 U.S.C. Section 201 - Bribery of a Public Official

Title 26 U.S.C. Section 7206(2) - Aiding and Assisting in the preparation of a false tax return.

being advised of the nature of the charge and of his rights, hereby waives in open court prosecution by indictment and consents that the proceeding may be by information instead of by indictment.

*Charles F. Gardner*

CHARLES F. GARDNER

Defendant.

*Gary P. Wafford*

Witness.

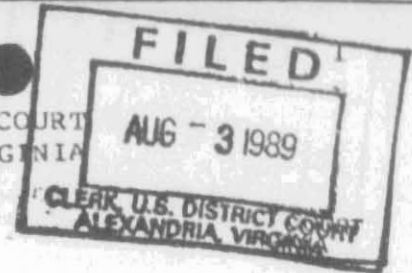
Date

FPI-MI-7-17-75-200 PADS-4091

Counsel for Defendant.

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1 UNITED STATES DISTRICT COURT  
2 EASTERN DISTRICT OF VIRGINIA  
3 Alexandria Division



4  
5  
6 UNITED STATES OF AMERICA,

7 vs.

8 CHARLES F. GARDNER,  
9 Defendant.

Cr. No. 89-81-A

10  
11  
12 GUILTY PLEA

13  
14 March 9, 1989

15 Before: Claude M. Hilton, Judge  
16  
17  
18  
19  
20

21 APPEARANCES:

22 Henry Hudson and Joseph Aronica, Counsel for the United States

23 Gary Naftalis and Michael Dell, Counsel for the Defendant

24 The defendant, Charles F. Gardner, in person  
25



IN THE UNITED STATES DISTRICT COURT FOR THE  
EASTERN DISTRICT OF VIRGINIA

Alexandria Division

UNITED STATES OF AMERICA

v.

CHARLES F. GARDNER

)  
)  
) CRIMINAL NO.

CR 89-00081-A

in open court  
MAR 9 1989

RF

PLEA AGREEMENT

The United States of America by and through its attorney Henry E. Hudson, United States Attorney, and the defendant CHARLES F. GARDNER through his attorneys, have heretofore engaged in plea discussions and pursuant to Rule 11, Federal Rules of Criminal Procedure, have reached a plea agreement, the terms and conditions of which are as follows:

1. The defendant, CHARLES F. GARDNER, agrees to waive indictment, to appear in open court in the Eastern District of Virginia, and to plead guilty to the three count criminal Information filed with this Court. The Information charges the defendant with violating Title 18, United States Code, Section 371, a conspiracy to commit bribery and file false statements, Title 18, United States Code, Section 201, bribery of a public official and Title 26, United States Code, Section 7206(2), aiding and assisting in the presentation of a false tax return. The defendant admits and avers that he is, in fact guilty of the

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Information. Count One carries a maximum period of confinement of 5 years and/or a fine of \$250,000. Count Two carries a maximum period of confinement of fifteen years and/or a fine of \$250,000. Count Three carries a maximum period of confinement of 3 years and/or a fine of \$250,000. The defendant will also be obligated to pay court costs in the amount of fifty dollars (\$50.00) on each count to the Crime Victims Fund. In addition, if the defendant is sentenced to a term of imprisonment of more than one year, he shall serve a term of supervised release of at least two but not more than three years; if the defendant is sentenced to a term of imprisonment of less than one year, he may be required to serve a term of supervised release of at least two but not more than three years; if imprisonment is not imposed, the defendant may be required to serve a period of probation of at least one and not more than five years.

2. If the Court accepts this plea and the defendant, CHARLES F. GARDNER, fulfills the terms and conditions specified herein, the United States agrees not to further charge the defendant nor any member of his family with any violation of federal criminal law in connection with the activities set forth in the Information and Statement of Facts, the subject matter involved in the Illwind investigation, or with any other violation of federal criminal law now known to the United States. Nothing in this Agreement precludes the United States from bringing a prosecution for perjury or false statements arising out of the defendant's cooperation.

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3. The defendant shall cooperate with the United States by providing truthful, complete, and forthright information whenever and wherever an attorney for the United States requests with respect to the activities of himself and others concerning all matters about which federal law enforcement, including government attorneys, inquire of him regarding the crimes set forth in the Information, Statement of Facts, any information related thereto and any information he may have regarding the subject matter involved in the Illwind investigation. This cooperation includes, but is not limited to, oral responses to questions; sworn, written statements; interrogatories; sworn testimony before a grand jury; sworn testimony in court; and documentary materials. The defendant shall assist the government in determining the truth and veracity of any information or statement he discloses to the government, by cooperating in any manner requested by the government.

4. If CHARLES F. GARDNER intentionally does anything to impede the Government's investigation, this agreement, with the exception of Paragraph 6, will be voidable at the option of the United States.

5. It is further understood that the defendant must at all times give complete, truthful and accurate information and testimony. Should it be determined that CHARLES F. GARDNER intentionally has given materially false, incomplete or misleading testimony or information, or has omitted any material fact, or has

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otherwise violated any provision of this Agreement, CHARLES F. GARDNER shall there after be subject to prosecution for any federal criminal violation of which this office has knowledge, including, but not limited to, perjury and obstruction of justice.

6. The defendant further understands and agrees that if he should fail to fulfill completely each and every one of his obligations under this plea agreement, then the United States will be free from its obligations under the plea agreement and the defendant shall be fully subject to criminal prosecution as if this plea agreement had never existed. In any such prosecution, the prosecuting authorities shall be free to use against him, without limitation, any and all information, in whatever form, that he has provided pursuant to this plea agreement or otherwise; the defendant shall not assert any claim under the United States Constitution, any statute, Rule 11(e)(6) of the Federal Rules of Criminal Procedure, Rule 410 of the Federal Rules of Evidence, or any other provision of law to attempt to bar such use of the information.

7. It is understood that the sentence to be imposed upon CHARLES F. GARDNER is within the sole discretion of the sentencing Judge. The defendant understands and agrees that even if he should not be satisfied with the sentence, he shall have no right to withdraw his guilty plea after acceptance of his plea by the sentencing Judge. This is a Rule 11(e)(1)(B) plea and the United

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States Attorney's Office cannot and does not make any promise or representation as to what sentence CHARLES F. GARDNER will receive. The United States Attorney's Office reserves the right to allocute as to the nature and seriousness of the offenses. In all events, this office will inform the sentencing Judge and the Probation Department of (1) this Agreement; (2) the nature and extent of CHARLES F. GARDNER's activities with respect to this case; (3) the full nature, extent, timing and value of CHARLES F. GARDNER's cooperation with the United States Attorney's Office; and (4) all other information in its possession relevant to sentencing.

8. As a further condition of this Agreement, the defendant expressly waives his right to appeal any sentence imposed by the Court, except as provided below. The defendant is aware that his sentence has not yet been determined and that the sentencing Judge will ultimately determine his sentence. The defendant is also aware that any estimate of the probable sentencing range in his case under the Sentencing Guidelines and Policy Statements that the defendant may have received from his attorney, the government or the probation office, is a prediction, not a promise, and is not binding on the government, the probation office or the Court. The defendant is also aware that the sentencing Court may depart from the Sentencing Guidelines and Policy Statements in imposing sentencing. Realizing the uncertainty in estimating what sentence he will ultimately receive from the Court, the defendant knowingly

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waives his right to appeal his sentence in exchange for the concessions made by the government in this agreement. However, the defendant does not waive his right to appeal a sentence imposed in violation of law.

9. The United States reserves the right to carry out its responsibilities under this Court's Policy Regulating Procedures to be followed in Guidelines Sentencing. Specifically, the United States reserves the right to (1) bring its version of the facts of this case, both orally and in writing, to the attention of the probation office in connection with that office's preparation of a presentence report; (2) dispute sentencing factors or facts material to sentencing in the presentence report; and (3) seek resolution of such factors or facts in conference with opposing counsel and the United States Probation Office, as contemplated in the Court's Policy Regarding Procedures to be followed in Guidelines Sentencing. Moreover, the United States reserves the right to file a pleading entitled "Positions of Parties With Respect to Sentencing Factors," in accordance with §5A1.2 of the Sentencing Guidelines and Policy Statements (Oct. 1987) and paragraphs 5 and 6 of this Court's Policy Regarding Procedure to be Followed in Guidelines Sentencing.

10. For the purposes of this Agreement, the United States recommends that the specific characteristics for Count One of the Information under Section 2X1.1 of the Sentencing Guidelines are as follows:

9 3 0 4 3 5 0 1 7 2 1

A. 2C1.1

- (1) the value of the action received by Sperry/Unisys in return for the bribe was over \$5 million, and as such the offense level should be no more than 21.

The defendant however, recommends that the offense level should be determined on the basis of the value of the bribe or the value of the action received by the defendant and as such the offense level should be no more than 18.

Both parties agree that if the defendant's theory regarding the computation of the offense level of paragraph A above is correct, then the offense level is 18. Similarly, both parties agree that if the government's theory regarding the computation of the offense level is correct then the offense level is 21.

B. 2F1.1 - False statements

- (1) loss was over \$5 million; and
- (2) more than minimal planning involved, and as such the offense level should be no more than 19.

The defendant however, recommends that the United States did not sustain any monetary loss as the result of the defendant's conduct and as such the offense level should be no more than 10.

Both parties agree that if the defendant's theory regarding the computation of the offense level of paragraph B above is correct, then the offense level is 10. Similarly, both parties agree that if the government's theory regarding the computation of the offense level is correct then the offense level is 19.



C. 3D1.4(a). The total combined offense level should be no more than 21.

Both parties agree that if the defendant's theory regarding the computation of the offense level of paragraph C above is correct, then the total combined offense level is 18. Similarly, both parties agree that if the government's theory regarding the computation of the offense level is correct then the total combined offense level is 21

The United States further agrees to recommend that if Counts Two and Three of the Information fell under the provisions of the Sentencing Guidelines

D. The specific characteristics of Count Two would be the same as those stated in paragraph 10(A) above.

E. The specific characteristics of Count Three would be that the tax loss under Section 2T1.4 was \$114,073. The specific characteristics of Section 2T1.4(b) are inapplicable. The total offense level should be no more than 12.

11. For purposes of this Plea Agreement, the United States and the defendant agree to jointly recommend that the Information offenses are closely related offenses within the meaning of 3D1.1. The United States further agrees to recommend that the total combined offense level under that Section if all counts of the Information fell under the Sentencing Guidelines should therefore be no more than 21.

2. The United States and the defendant further agree to jointly recommend that upward adjustments if any should not be

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made under any Section of Chapter Three of the Sentencing Guidelines other than Section 3B1; nor under any Section of part K of Chapter Five. The United States agrees to make no recommendation as to whether any upward adjustments should be made under Section 3B1. The United States, however, reserves the right to bring all the facts relevant to such a determination to the attention of the United States Probation Office and the Court.

13. For the purposes of this Plea Agreement, the United States and the defendant agree to jointly recommend that the United States Probation Office and the Court find under Section 3E1.1 of the Sentencing Guidelines that the defendant has clearly demonstrated a recognition and affirmative acceptance of personal responsibility for his criminal conduct, such as to reduce his offense level by two levels.

14. The United States and the defendant agree that if the United States Probation Office does not accept any or all of the joint recommendations under the Sentencing Guidelines, each party will follow the procedures necessary to be able to recommend at the time of sentencing that the Court follow all of the joint recommendations contained in this agreement. Furthermore, the United States agrees to take those same steps necessary to bring to the Court's attention the recommendations of the United States.

15. The United States agrees to advise the Court that if the Court and the Bureau of Prisons believe that it would be appropriate for the defendant to serve his sentence, if the Court

imposes a period of incarceration, at a minimum security institution, the United States does not oppose such a designation.

16. The United States agrees to advise the court that it does not oppose the defendant surrendering himself voluntarily to begin his sentence after an institution has been designated, should the Court impose a period of incarceration.

17. The United States does not oppose the defendant's request to remain on a personal recognizance bond between plea and designation of an institution, should the Court impose a period of incarceration.

18. The United States reserves the right under the Sentencing Guidelines and Policy Statements to request a downward departure from the Guidelines if the United States believes that based upon the defendant's cooperation, such a departure is appropriate.

19. Although Counts Two and Three do not fall under the Sentencing Guidelines and Policy Statements, the United States agrees to recommend that for purposes of this Plea Agreement, the defendant's sentence on these counts should not be greater than it would have been if these counts fell under the provisions of the Sentencing Guidelines and Policy Statements.

20. It is further understood that this Agreement is limited to the United States Attorney's Offices for the Eastern Districts of Virginia and New York, and cannot bind other federal, state or local prosecuting authorities, although this office will bring the cooperation of CHARLES F. GARDNER to the attention of other prosecuting officials. At this time the United States Attorney's Office for the Eastern District of Virginia is not aware of any

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other United States Attorney who is investigating or considering prosecuting the defendant for the schemes set forth in the Information or in connection with the subject matter of the Illwind investigation.

21. It is understood and agreed that in the event the Court does not accept CHARLES F. GARDNER's plea of guilty under this Agreement to the Information, this Plea Agreement shall be null and void.

22. It is further understood and agreed that if CHARLES F. GARDNER attempts to withdraw from any part of this Agreement or fails to comply with any provisions contained herein, this Agreement is voidable at the option of the United States, except Paragraph 6 of this Agreement shall remain in full force and effect; and the United States is free to seek a multiple count Indictment charging the defendant with multiple violations of any federal statute including but not limited to the statutes set forth in Paragraph 1.

23. CHARLES F. GARDNER, acknowledges that no threats have been made against him to secure this plea of guilty and that he is pleading guilty freely and voluntarily because he is guilty.

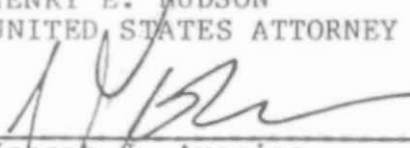
24. This Plea Agreement constitutes the entire Agreement between the United States and CHARLES F. GARDNER, with respect to the aforesaid guilty plea and no other promises, agreements or representations exist nor have been made to the defendant or his attorney with regard to such guilty plea, and none will be entered

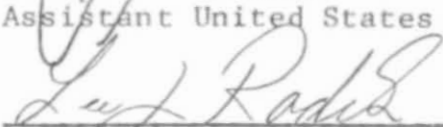
into unless in writing in an amendment attached to this document  
and signed by all parties.

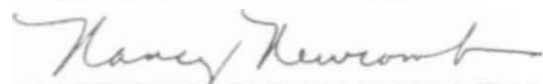
Respectfully submitted,

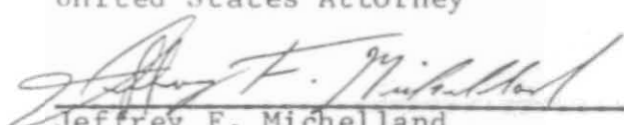
HENRY E. HUDSON  
UNITED STATES ATTORNEY

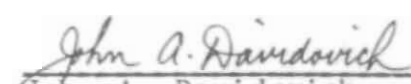
By:

  
Joseph J. Aronica  
Assistant United States Attorney

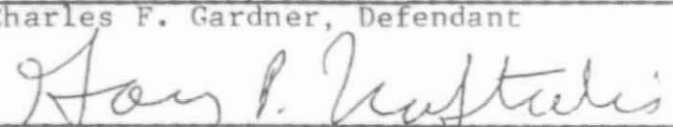
  
Lee Radek  
Deputy Chief,  
Public Integrity Section,  
Department of Justice


  
Nancy Newcomb  
Special Assistant  
United States Attorney

  
Jeffrey F. Michelland  
Special Attorney  
Tax Division  
U.S. Department of Justice

  
John A. Davidovich  
Trial Attorney  
Fraud Section  
Department of Justice

  
Charles F. Gardner, Defendant

  
Gary Naftalis, Counsel for Defendant

  
Michael Dell, Counsel for Defendant

IN THE UNITED STATES DISTRICT COURT FOR THE  
EASTERN DISTRICT OF VIRGINIA  
Alexandria Division

UNITED STATES OF AMERICA )

v. )

CHARLES F. GARDNER )

CRIMINAL NO.

CR 89-60081-A

CLERK, U.S. DISTRICT COURT  
ALEXANDRIA

MR 9 1989

CRIMINAL INFORMATION

THE UNITED STATES ATTORNEY CHARGES THAT:

INTRODUCTION

At all times material to this Information:

1. CHARLES F. GARDNER was an employee of Sperry Corporation, and its successor, Unisys Corporation and served as vice-president and from August, 1985 through March 1988, served as general manager of Surveillance and Fire Control Systems, a division of Shipboard and Ground Systems Group which was a part of Unisys Defense Systems.

2. Unisys Corporation is a major defense contractor formed in November, 1986 as a result of a takeover of Sperry Corporation by Burroughs Corporation. The Surveillance and Fire Control Systems Division of Unisys was located in Great Neck, New York. This division manufactured and supplied the government with certain kinds of radars and fire control systems on Navy ships as well as radar ground systems for the Air Force.

3. James G. Neal was a private consultant for Sperry/Unisys and resided in the Eastern District of Virginia. He conducted his business through eight Virginia corporations: James Neal

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Associates, Inc., Anchorage International of Northern Virginia, Inc., Orion Tech, Inc., Tech Plans, Inc., Polaris Tech, Inc., Jay Dee Tech, Inc., Dubhe Associates, Inc., and Deltech, Inc.

4. Melvyn R. Paisley was Assistant Secretary of the Navy, Research, Engineering and Systems, and a public official from November, 1981 to April, 1987

5. William M. Galvin is a defense procurement and management consultant who conducts his business through various companies.

The above introductory allegations are realleged and incorporated in Counts One through Three of this Information as though fully set out in each count.

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COUNT ONE

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

From in or about January, 1981 through on or about June 14, 1988, in the Eastern District of Virginia and elsewhere,

CHARLES F. GARDNER

defendant herein, and others did unlawfully, willfully, and knowingly conspire, combine, confederate, and agree with each other to commit offenses against the United States, to wit:

a. bribery of a public official, in violation of Title 18, United States Code, Section 201(b), by: knowingly, willfully, and corruptly, directly, and indirectly, giving, offering, and promising a thing of value to a public official, with intent to influence an official act, to violate his official duties and to influence such official to allow, commit, aid in committing, and collude in a fraud, and make opportunity for the commission of a fraud, on the United States.

b. the making of false statements, in violation of Title 18, United States Code, Section 1001, by, in a matter within the jurisdiction of agencies of the United States, knowingly and willfully making and causing to be made, materially false, fictitious, and fraudulent statements and representations, and making and using, and causing to be made and used, false writings and documents, knowing the same contained materially false, fictitious, and fraudulent statements and entries; to wit:

- (1) by causing Sperry/Unisys to make and present to the Departments of the Navy and Air Force

false, fictitious, and fraudulent claims upon and against the United States.

- (2) by causing the treasurers of various congressional campaign committees to file and report to the Federal Election Commission that contributions were made by individuals, whereas CHARLES F. GARDNER knew that the contributions had been made by Sperry/Unisys in violation of the prohibition against corporate contributions imposed by the Federal Election Campaign Act.

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MANNER AND MEANS

1. It was a part of the conspiracy that the Surveillance and Fire Control Systems Division (S&FC) of Sperry/Unisys received contracts from the federal government.

2. It was a part of the conspiracy that many of these contracts were obtained or maintained through the use of bribes and illegal campaign contributions in order to obtain undue influence in the awarding of the contracts and their subsequent funding.

3. It was a part of the conspiracy that S&FC would contract with outside persons referred to as "consultants" to perform services. These contracts were billed to the government either directly or as overhead.

4. It was a part of the conspiracy that CHARLES F. GARDNER as vice-president and from August, 1985 through March, 1988, general manager of S&FC, would authorize technical service agreements calling for the "consultants" to perform a specific task, generally technical in nature, with the understanding that portions of funds received by the "consultants" would be made available for GARDNER to direct by placing these funds in bank accounts, both domestic and foreign, for purposes of bribery, illegal campaign contributions and in part for GARDNER's personal use.

5. It was a part of the conspiracy that although CHARLES F. GARDNER could authorize technical service agreements up to \$1,000,000, he limited such authorizations to \$100,000 per "consultant" in order to avoid close scrutiny.

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6. It was a part of the conspiracy that CHARLES F. GARDNER directed Sperry/Unisys employees to issue purchase orders to "consultants" requesting that technical reports be submitted to Sperry/Unisys.

7. It was a part of the conspiracy that CHARLES F. GARDNER directed "consultants" to submit reports, which were of little or no value to the United States, along with invoices to Sperry/Unisys in return for payments.

8. It was a part of the conspiracy that CHARLES F. GARDNER requested James G. Neal to set up companies for the purpose of receiving monies from Sperry/Unisys through technical service agreements. Neal set up the following companies: James Neal Associates, Inc., Anchorage International of Northern Virginia, Inc., Orion Tech, Inc., Tech Plans, Inc., Polaris Tech, Inc., Jay Dee Tech, Inc., and Dubhe Associates, Inc.

9. It was a part of the conspiracy that CHARLES F. GARDNER set up a Virginia corporation called AVC Associates, Inc., in order to receive money from James G. Neal, through Deltech, Inc., another Neal company which did not contract with Sperry/Unisys.

10. It was a part of the conspiracy that in 1983 James Neal purchased Surrey Investments, Ltd., a corporation organized and located in the Cayman Islands.

11. It was a part of the conspiracy that William M. Galvin requested that CHARLES F. GARDNER purchase a condominium in Idaho owned by Melvyn R. Paisley at the asking price of \$149,000.

12. It was a part of the conspiracy that in or about May, 1986, CHARLES F. GARDNER directed James G. Neal to buy Paisley's

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condominium for \$149,000. Neal suggested using Surrey Investments and CHARLES F. GARDNER agreed. Neal then transferred a total of approximately \$180,000 from James Neal Associates, Inc., Anchorage International of Northern Virginia, Inc., Tech Plans, Inc., Orion Tech, Inc., Jay Dee Tech, Inc., and Polaris Tech, Inc. to Weighbridge Trust, a Guernsey Island Company having a bank account in the Isle of Man, U.K., and then directed that the money be transferred from the Weighbridge Trust Isle of Man account to Surrey Investments, Ltd. in the Cayman Islands.

13. It was a part of the conspiracy that James G. Neal had Surrey Investments, Ltd. purchase through Pathway Investments, which was an Idaho corporation owned by Surrey Investments, Ltd, a condominium in Sun Valley, Idaho that was owned by Melvyn R. Paisley, who at that time was Assistant Secretary of the Navy, Research, Engineering and Systems.

14. It was a part of the conspiracy that CHARLES F. GARDNER instructed James Neal to direct that the Paisley condominium be purchased for \$149,000 and that no negotiation or attempts to lower the price of the condominium were to be undertaken, despite the fact that the condominium was known by CHARLES F. GARDNER to be of a value substantially less than \$149,000.

15. It was a part of the conspiracy that the Paisley condominium was in fact purchased for \$149,000 on approximately August 27, 1986 by Pathway Investments from funds sent from James Neal's companies through Weighbridge Trust to Surrey Investments, Ltd.

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16. It was a part of the conspiracy to permit Sperry/Unisys through CHARLES F. GARDNER and others at his direction to make illegal contributions to political campaign committees supporting candidates for federal office without detection by the Federal Election Commission (the Commission) or by the public, to permit said illegal contributions to be received and accepted by the political campaign committee to which they were made without detection by the Commission or by the public, and to prevent the Commission from imposing sanctions for such violations of the Federal Election Campaign Act.

17. It was a part of the conspiracy that CHARLES F. GARDNER would direct Sperry/Unisys employees to further instruct certain individuals to make campaign contributions in their own name and in the name of others.

18. It was a part of the conspiracy that the said individuals would and did make campaign contributions as instructed by CHARLES F. GARDNER.

19. It was a part of the conspiracy that CHARLES F. GARDNER would cause treasurers of the political campaign committees to which these illegal contributions were made to report them to the Commission as small and lawful contributions made by the individuals rather than as large and illegal contributions made by Sperry/Unisys.

OVERT ACTS

In furtherance of the conspiracy and to effect its objects, the defendant, CHARLES F. GARDNER, and others committed and caused to be committed overt acts within the Eastern District of Virginia and elsewhere, including but not limited to, the following:

1. On or about the dates set forth below, James G. Neal incorporated the following corporations in the Commonwealth of Virginia:

James Neal Associates, Inc.	4/1/79
Deltech, Inc.	10/1/81
Anchorage International of Northern Virginia, Inc.	2/1/83
Orion Tech, Inc.	4/1/84
Tech Plans, Inc.	5/1/84
Polaris Tech, Inc.	9/1/84
Jay Dee Tech, Inc.	10/1/84
Dubhe Associates, Inc.	10/1/84

2. On or about April 25, 1983, James G. Neal purchased Surrey Investments, Ltd., a corporation organized and located in the Cayman Islands.

3. On or about August 24, 1984, Sperry/Unisys paid \$20,000 for work invoiced by James Neal Associates, Inc., and James G. Neal deposited this \$20,000 to the bank account of James Neal Associates, Inc.



4. On or about September 1, 1984, James G. Neal deposited \$20,000 into the bank account of Deltech, Inc. from the bank account of James Neal Associates, Inc.

5. On or about May 18, 1986, Sperry/Unisys paid James Neal Associates, Inc. \$20,000 for work invoiced by James Neal Associates, Inc

6. On or about May 26, 1986, James Neal Associates, Inc., issued a check in the amount of \$10,000 to Weighbridge Trust for deposit to the Weighbridge Trust account located in the Isle of Man, U.K.

7. On or about June 22, 1986, Sperry/Unisys paid James Neal Associates, Inc. \$15,000 for work invoiced by James Neal Associates, Inc.

8. On or about July 9, 1986, James Neal Associates, Inc. issued a check in the amount of \$15,000 to Weighbridge Trust for deposit to the Weighbridge Trust account located in the Isle of Man, U.K.

9. On or about July 23, 1986, Surrey Investments, Ltd. received \$10,000 from Weighbridge Trust.

10. On or about August 19, 1986, Surrey Investments, Ltd. received \$150,000 from Weighbridge Trust.

11. From July 23, 1986 to August 19, 1986, Surrey Investments, Ltd. sent \$185,000 to Pathway Investments in Idaho.

12. On or about August 15, 1986, Pathway sent \$155,000 to The Brokerage for the purchase of a condominium in Sun Valley, Idaho owned by Melvyn R. Paisley, Assistant Secretary of the Navy, Research, Engineering and Systems.

13. On or about November 16, 1987, Surrey sold the Idaho condominium for \$100,000.

14. In or about December, 1986, CHARLES F. GARDNER contacted Robert D. Barrett and instructed him to contact certain individuals who had technical service agreements with Unisys and to obtain campaign contributions for the Bill Chappell Campaign Committee.

15. In or about December, 1986, Robert D. Barrett contacted Robert H. Littlefield and instructed him to make a campaign contribution to the Bill Chappell Campaign Committee.

16. On or about December 10, 1986, Robert H. Littlefield wrote a check for one thousand dollars (\$1,000) to the Bill Chappell Campaign Committee and left the check undated.

17. On or about July 1, 1987, CHARLES F. GARDNER caused the treasurer for the Bill Chappell Campaign Committee to file with the Federal Election Commission a Report of Receipts and Disbursements for the period January 1, 1987 to June 30, 1987 which reported the \$1,000 contribution from Robert H. Littlefield.

18. In or about July, 1987, CHARLES F. GARDNER contacted Robert D. Barrett and instructed him to contact certain individuals who had technical service agreements with Unisys and to obtain campaign contributions for the Dyson For Congress Campaign Committee

19. In or about July, 1987, Robert D. Barrett contacted John Roberts, a Unisys employee, and instructed him to obtain a campaign contribution for the Dyson For Congress Campaign Committee.

20. On or about July 9, 1987, Don L. Lynch wrote a check for one thousand dollars (\$1,000) to the Dyson For Congress Campaign Committee and left the check undated.

21. In or about July, 1987, Robert D. Barrett received the check from Don L. Lynch and gave it to an agent of Unisys.

22. In or about July, 1987, an agent of Unisys dated the check and gave it to the Dyson For Congress Campaign Committee.

23. On or about January 31, 1988, CHARLES F. GARDNER caused the treasurer for the Dyson For Congress Campaign Committee to file with the Federal Election Commission a Report of Receipts and Disbursements for the period July 1, 1987, to December 31, 1987, which reported the \$1,000 contribution from Don L. Lynch.

(In violation of Title 18, United States Code, Section 371).

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COUNT TWO

[18 U.S.C. § 201 (b)(1)(A)(B) and (C)]

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

On or about August 27, 1986 in the Eastern District of Virginia and elsewhere,

CHARLES F. GARDNER

did knowingly, willfully, and corruptly, directly, and indirectly, give, offer and promise a thing of value, namely a sum of United States currency, to Melvyn R. Paisley, a public official, who was Assistant Secretary of the Department of the Navy, Research, Engineering and Systems, a department of the United States government, with intent to:

1. influence Melvyn R. Paisley in the performance of official acts, to wit: decisions and actions pertaining to the ongoing Aegis and MATCAL contracts.

2. influence Melvyn R. Paisley to allow, commit, aid, and collude in committing a fraud, and make opportunity for the commission of a fraud, on the United States.

3. induce Melvyn R. Paisley to do and omit to do acts in violation of his official duties, to wit: his duty to avoid actions that might result in, or be expected to create, the giving of preferential treatment.

(In violation of Title 18, United States Code, Section 201 b)(1)(A)(B) and (C).)

COUNT THREE

[26 U.S.C. § 7206(2)]

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

On or about the 3rd day of December, 1986, in the Eastern District of Virginia,

CHARLES F. GARDNER

the defendant, did willfully aid and assist in connection with the presentation to the Internal Revenue Service, of a U.S. Corporation Income Tax Return, Form 1120, for Deltech, Inc., a corporation, for the fiscal year ended September 30, 1986, which was filed with the Internal Revenue Service, which was false and fraudulent as to a material matter, in that it represented that Deltech, Inc. was entitled under the provisions of the Internal Revenue laws to claim contract services deductions in the total sum of \$292,020, whereas the total contract services deductions which Deltech, Inc. was entitled to claim for the fiscal year

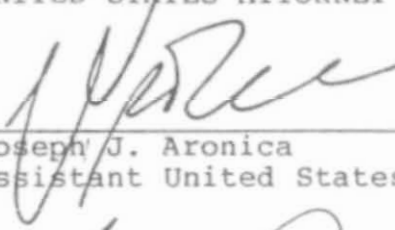
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ended September 30, 1986, were in an amount substantially less than the amount claimed.


(In violation of Title 26, United States Code, Section 7206(2).)

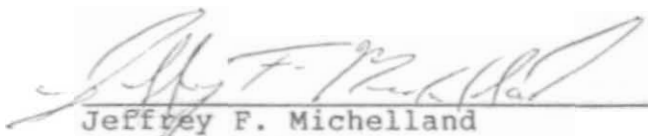
HENRY E. HUDSON  
UNITED STATES ATTORNEY


By:

  
Joseph J. Aronica  
Assistant United States Attorney

  
Lee Radek  
Deputy Chief  
Public Integrity Section  
U.S. Department of Justice

  
Nancy Newcomb  
Special Assistant  
United States Attorney

  
Jeffrey F. Michelland  
Special Attorney  
Tax Division  
U.S. Department of Justice

  
John A. Davidovich  
Trial Attorney  
Fraud Section  
U.S. Department of Justice

MAR 9 1989

STATEMENT OF FACTS

CLERK, U.S. DISTRICT COURT  
ALEXANDRIA, VIRGINIA

The government's evidence would show that CHARLES F. GARDNER was employed by Sperry Corporation, and its successor, Unisys Corporation and served as vice-president and general manager of Surveillance and Fire Control Systems, a division of Shipboard and Ground Systems Group which was a part of Unisys Defense Systems.

The Surveillance and Fire Control Systems Division (S&FC) of Sperry/Unisys received contracts from the federal government which were obtained or maintained through the use of bribes and illegal campaign contributions in order to obtain undue influence in the awarding of the contracts and their subsequent funding. S&FC contracted with outside persons referred to as "consultants", including James G. Neal, to perform services. These contracts were billed to the government either directly or as overhead.

CHARLES F. GARDNER, as vice-president and from August, 1985 through March, 1988 as general manager of S&FC, authorized technical service agreements calling for the "consultants" to perform a specific task, generally technical in nature, with the understanding that portions of funds received by the "consultants" would be made available for CHARLES F. GARDNER to direct by placing these funds in bank accounts, both domestic and foreign, for purposes of bribery, illegal campaign contributions and in part for CHARLES F. GARDNER's personal use. Although CHARLES F. GARDNER could authorize technical service agreements up to \$1,000,000, he limited such authorizations to \$100,000 per

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"consultant" in order to avoid close scrutiny. CHARLES F. GARDNER directed Sperry/Unisys employees to issue purchase orders to "consultants", including James G. Neal, requesting that technical reports be submitted to Sperry/Unisys. The "consultants", including James G. Neal, submitted reports which were of little or no value to the United States, along with invoices to Sperry/Unisys in return for payments.

CHARLES F. GARDNER requested James G. Neal to set up companies for the purpose of receiving monies from Sperry/Unisys through technical service agreements. Neal set up the following companies: James Neal Associates, Inc., Anchorage International of Northern Virginia, Inc., Orion Tech, Inc., Tech Plans, Inc., Polaris Tech, Inc., Jay Dee Tech, Inc., and Dubhe Associates, Inc. CHARLES F. GARDNER set up a Virginia corporation called AVC Associates, Inc., in order to receive money from James G. Neal, through Deltech, Inc., another Neal company which did not contract with Sperry/Unisys. In 1983 James Neal purchased Surrey Investments, Ltd., a corporation organized and located in the Cayman Islands.

William M. Galvin, a defense consultant, requested that CHARLES F. GARDNER purchase a condominium in Idaho owned by Melvyn R. Paisley, Assistant Secretary of the Navy, Research, Engineering & Systems, at the asking price of \$149,000.

In or about May 1986, CHARLES F. GARDNER directed James G. Neal to buy Paisley's condominium for \$149,000 and that no negotiation or attempts to lower the price of the condominium were to be undertaken, despite the fact that CHARLES F. GARDNER

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knew the condominium to be of a value substantially less than \$149,000. Neal suggested using Surrey Investments and CHARLES F. GARDNER agreed. Neal then transferred a total of approximately \$180,000 from James Neal Associates, Inc., Anchorage International of Northern Virginia, Inc., Tech Plans, Inc., Orion Tech, Inc., Jay Dee Tech, Inc., and Polaris Tech, Inc. to Weighbridge Trust, a Guernsey Island Company having a bank account in the Isle of Man, U.K., and then directed that the money be transferred from the Weighbridge Trust Isle of Man account to Surrey Investments, Ltd. in the Cayman Islands.

The Paisley condominium was purchased for \$149,000 on approximately August 27, 1986 by Surrey Investments from funds sent from James Neal's companies through Weighbridge Trust to Surrey Investments, Ltd. On or about November 16, 1987, Surrey Investments, Ltd. sold the Idaho condominium for \$100,000.

During the period of time in or about May 1986 through November 1986, Melvyn R. Paisley, while holding the position of Assistant Secretary of the Navy, Research, Engineering & Systems, performed certain official acts to benefit Sperry/Unisys with regard to the Navy's procurement of the AEGIS second source and the Marine Air Traffic Control and Landing Systems.

Sperry/Unisys, through CHARLES F. GARDNER, and others at his direction, made illegal contributions to political campaign committees supporting candidates for federal office without detection by the Federal Election Commission (the Commission). CHARLES F. GARDNER directed Sperry/Unisys employees to instruct certain individuals to make campaign contributions in their own name and in the name of others.

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In or about December, 1986, CHARLES F. GARDNER contacted Robert D. Barrett and instructed him to contact certain individuals who had technical service agreements with Unisys and to obtain campaign contributions for the Bill Chappell Campaign Committee. In or about December, 1986, Robert D. Barrett contacted Robert H. Littlefield and instructed him to make a campaign contribution to the Bill Chappell Campaign Committee. On or about December 10, 1986, Robert H. Littlefield wrote a check for one thousand dollars (\$1,000) to the Bill Chappell Campaign Committee and left the check undated. On or about July 1, 1987, the treasurer for the Bill Chappell Campaign Committee filed with the Federal Election Commission a Report of Receipts and Disbursements for the period January 1, 1987 to June 30, 1987 which reported the \$1,000 contribution from Robert H. Littlefield.

In or about July, 1987, CHARLES F. GARDNER contacted Robert D. Barrett and instructed him to contact certain individuals who had technical service agreements with Unisys and to obtain campaign contributions for the Dyson For Congress Campaign Committee. In or about July, 1987, Robert D. Barrett contacted John Roberts, a Unisys employee, and instructed him to obtain a campaign contribution for the Dyson For Congress Campaign Committee. On or about July 9, 1987, Don L. Lynch wrote a check for one thousand dollars (\$1,000) to the Dyson For Congress Campaign Committee and left the check undated. In or about July, 1987, Robert D. Barrett received the check from Don L. Lynch and gave it to an agent of Unisys. In or about July, 1987, an agent of Unisys dated the checks and gave them to the Dyson For

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Congress Campaign Committee. On or about January 31, 1988, the treasurer for the Dyson For Congress Campaign Committee filed with the Federal Election Commission a Report of Receipts and Disbursements for the period July 1, 1987 to December 31, 1987, which reported the \$1,000 contribution from Don L. Lynch.

The treasurers of the political campaign committees to which these illegal contributions were made would and did report them to the Commission as small and lawful contributions made by the individuals rather than as large and illegal contributions made by Sperry/Unisys.

On December 3, 1986 James G. Neal presented and filed the corporate income tax return for Deltech, Inc. for the fiscal year ending September 30, 1986. The return falsely claimed contract services deductions in the total sum of \$292,020, whereas the total contract services deductions which Deltech, Inc. was entitled to claim for the fiscal year ending September 30, 1986 were in an amount substantially less than the amount claimed.

Because CHARLES F. GARDNER had previously failed to provide James G. Neal with bogus invoices substantiating the contract services deductions, on May 24, 1988, during a telephone conversation, CHARLES F. GARDNER agreed with James G. Neal to provide Neal, for his submission during an Internal Revenue Service audit, bogus invoices to support the \$292,020 contract services deduction claimed on the Deltech, Inc. corporate income tax return filed on December 3, 1986, which was then under audit.

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF VIRGINIA  
Alexandria Division

ORIGINAL <sup>CM</sup>  
FILED  
JUN 30 1989  
CLERK, U.S. DISTRICT COURT  
ALEXANDRIA, VIRGINIA  
Cr. No. 89-35-A

UNITED STATES OF AMERICA,  
  
vs.  
  
JOSEPH E. HILL,  
Defendant.

GUILTY PLEA

January 27, 1989

Before: Claude M. Hilton, Judge

APPEARANCES:

Joseph Aronica and Nancy Newcomb, Counsel for the United States  
Hamilton P. Fox, III, Counsel for the Defendant  
The defendant, Joseph E. Hill, in person

April 7, 1989

JUDGE:

Hendon

REPORTER:

Linnell

TIME: 9:00 TO

COUNSEL FOR U.S. Joseph Aronica

CASE NO.: Cr 89-35

JOSEPH EDMUND HILL  
DEFENDANTDocket Book  
Docket Sheet  
Bench Warrant  
J & C  
Prob. Copies Ph  
Hamilton Fox  
COUNSEL FOR DEPT

CASE CALLED FOR: MOTIONS ( ) SETTING TRIAL DATE ( )  
ARRAIGNMENT ( ) APPEAL FROM USMC ( )  
PROB VIOLATION ( ) PRE-INDICTMENT PLEA ( )  
CHANGE OF PLEA ( ) SENTENCING (X)  
INFO & PLEA ( ) OTHER ( )

DEFENDANT APPEARED IN PERSON: YES (✓) NO ( )  
WITH COUNSEL: YES (✓) NO ( )

FILED IN OPEN COURT: INFORMATION ( ) WAIVER OF INDICTMENT ( )

RECEIVED BY RULE 20 FROM USDC

ARRAIGNMENT & PLEA: WFA ( ) FA ( ) PG ( ) PNG: ( )  
TRIAL BY JURY ( ) TRIAL BY COURT ( )

DAYS TO FILE MOTIONS WITH ARGUMENTS ON @

DEFENDANT ENTERED PLEA OF GUILTY AS TO COUNTS

MOTION FOR DISMISSAL OF BY UNITED STATES - GRANTED ( )

ORDER ENTERED IN OPEN COURT ORDER TO FOLLOW

MOTIONS: (See listing on reverse)

DEFENDANT DIRECTED TO REPORT TO P.O. FOR PSI - YES ( ) NO ( )

CASE CONTINUED TO JURY TRIAL ( ) COURT TRIAL ( ) SENTENCING ( )

DEFENDANT COMMITTED TO THE CUSTODY OF THE ATTORNEY GENERAL FOR A PERIOD OF:

ct 1

ct 2

ct 3

ct 4

wasup prob 1 yr + \$5000 fine + \$25.00 on each

2, 3, &amp; 4 concurrent with each other &amp; concurrent w/ 1

COURT RECOMMENDS INCARCERATION AT:

FINE IMPOSED: \$ PAYABLE STAND COMMITTED FOR NON-PAYMENT ( )

BOND SET AT: \$ SURETY ( ) PERSONAL RECOGNIZANCE ( )

DEFENDANT RELEASED ON BOND (✓) DEFENDANT REMANDED ( )

RELEASE ORDER EXECUTED ( ) NO BOND/DETAINED ( )

SPECIAL ASSESSMENT OF \$ ON EACH COUNT FOR A TOTAL OF \$

ALL EXHIBITS AND/OR CHARTS MUST BE FILED WITH THE CLERK WITHIN WORKING  
DAYS BEFORE TRIAL. ANY EXHIBIT AND/OR CHART NOT FILED WILL NOT BE ADMITTED  
INTO EVIDENCE.

wasupervised

AO82  
(Rev. 3/86)

ORIGINAL  
RECEIPT FOR PAYMENT  
UNITED STATES DISTRICT COURT  
for the  
EASTERN DISTRICT OF VIRGINIA

66212

*Alex*

RECEIVED FROM

*Joseph Hill*  
*277 Roselle St.*  
*Minerva, NY 11501*  
*FINE: \$5,000.00*  
*Asst: \$100.00*

Account Code

100 Deposit Fund  
101 Trustee Fees  
102 Restitution  
200 Registry Fund  
201 Cash Bail  
202 Land Condemnation  
General and Special Fund  
310 Immigration Fees  
320 Attorney Admission Fee  
330 Filing Fees  
331 Civil Cases  
332 Writ of Habeas Corpus  
333 Appeals  
334 Bankruptcy Cases (Clerk's Fee)  
340 Sale of Publications  
350 Copy Fees  
360 Miscellaneous Fees  
370 Interest Deposits to U.S.  
380 Court Costs to U.S.  
386 Restitution to U.S.  
391 Contributions to U.S.  
392 Misc. Gifts to U.S.  
400 Crime Victims Fund  
X600 Unclaimed Money

ACCOUNT	AMOUNT	
	5,000	00
	100	00
TOTAL \$ 5,100.00		
Case Number or Other Reference		
CR 89-35-A		

400 5100.00 CL  
5100.00 TL  
5100.00 CL  
1A  
000000

111 9402 4/27/89

Checks and drafts are accepted subject to collection and full credit will only be given when the check or draft has been accepted by the financial institution on which it was drawn.

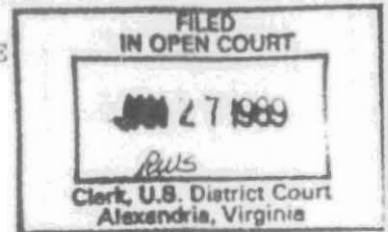
DATE	/	/	19	Cash	Check	M.O.
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DEPUTY CLERK

*Wilmar Abes*



IN THE UNITED STATES DISTRICT COURT FOR THE  
EASTERN DISTRICT OF VIRGINIA  
Alexandria Division



UNITED STATES OF AMERICA

v.

CRIMINAL NO. 89-00035-A

JOSEPH EDMUND HILL

CRIMINAL INFORMATION

THE UNITED STATES ATTORNEY CHARGES THAT:

1. At all times relevant to this information JOSEPH EDMUND HILL, the defendant herein, was self employed as a consultant and was a financial supporter of several candidates running for the United States House of Representatives and the United States Senate (hereinafter referred to as "federal offices").

2. The political committees referred to in this Information supported candidates for nomination and election to the federal offices referred to in paragraph 1 above, and as such were subject to the reporting provisions and the campaign financing limitations of the Federal Election Campaign Act (hereinafter referred to as the "FECA") described in paragraph 4 below.

3. Political committees which financially supported candidates for federal offices were required by Title 2 United States Code § 434 of the FECA to file periodic reports with the Federal Election Commission, which reports were to accurately reflect the identities of all individuals and entities which had contributed in excess of \$200.00 to each such political committee in any given calendar year.

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4. The FECA, and in particular Section 441f of Title 2, United States Code, forbade, and rendered illegal, contributions to the campaigns of federal candidates that were made in the names of individuals other than the person responsible for the contributions in question.

5. The Federal Election Commission (hereinafter referred to as "the Commission") was an agency of the United States Government pursuant to Section 437c of Title 2, United States Code; and was entrusted with the authority and responsibility pursuant to Section 437g(a) of Title 2, United States Code, to detect, investigate and take enforcement action against violations of the FECA, including the provisions referred to in paragraph 4 above.

6. In addition, the Commission was entrusted with the authority and responsibility pursuant to Section 438(a)(4) of Title 2, United States Code, to make available to the public specific information which had been filed with the Commission pursuant to the provisions described in paragraph 3 above concerning campaign contributions to political committees supporting candidates for federal office.

7. Beginning on or about July, 1987, and continuing thereafter through on or about June, 1988, in Mineola, New York, and within the Eastern District of New York, JOSEPH EDMUND HILL, the defendant herein, knowingly and willfully made contributions and expenditures in violation of the Federal Election Campaign

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Act, Sections 431 through 455 of Title 2, United States Code, in the manner specifically described in Counts One through Four of this Information.

8. During calendar year 1988, the violations of the Federal Election Campaign Act described in Counts One and Two of this Information aggregated \$2,000 with respect to the defendant named herein.

9. During calendar year 1987, the violations of the Federal Election Campaign Act described in Counts Three and Four of this Information aggregated \$2,000 with respect to the defendant named herein.

COUNT ONE

[2 U.S.C. §§ 441f; 437g(d)]

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

In or about June, 1988, in Mineola, New York, within the Eastern District of New York, JOSEPH EDMUND HILL, the defendant herein, did knowingly and willfully permit his name to be used to effect a contribution having a total value of \$1,000, to the Friends of Jim Sasser, in violation of Sections 441f and 437g(d) of Title 2, United States Code.

COUNT TWO

[2 U.S.C. §§ 441f; 437g(d)]

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

In or about May, 1988, Mineola, New York, within the Eastern District of New York, JOSEPH EDMUND HILL, the defendant herein, did knowingly and willfully permit his name to be used to effect a contribution having a total value of \$1,000 to the Richard Ray for Congress Campaign Committee, in violation of Sections 441f and 437g(d) of Title 2, United States Code.

COUNT THREE

[2 U.S.C. §§ 441f; 437g(d)]

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

In or about October, 1987 in Mineola, New York, within the Eastern District of New York, JOSEPH EDMUND HILL, the defendant herein, did knowingly and willfully permit his name to be used to effect a contribution having a total value of \$1,000 to the Dickenson Second District Congressional Committee, in violation of Sections 441f and 437g(d) of Title 2, United States Code.

COUNT FOUR

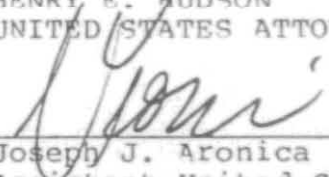
[2 U.S.C. §§ 441f; 437g(d)]

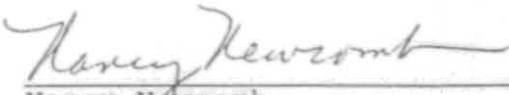
THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

In or about July, 1987, in Mineola, New York, within the Eastern District of New York, JOSEPH EDMUND HILL, the defendant herein, did knowingly and willfully permit his name to be used to effect a contribution having a total value of \$1,000 to the Dyson for Congress Committee, in violation of Sections 441f and 437g(d) of Title 2, United States Code.

HENRY E. HUDSON  
UNITED STATES ATTORNEY

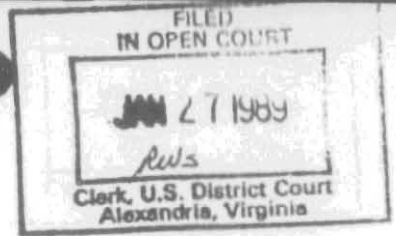
By:

  
Joseph J. Aronica  
Assistant United States Attorney

  
Nancy Newcomb  
Special Assistant  
United States Attorney

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STATEMENT OF FACTS



CR 89-00035-A

The government's evidence would show that from on or about 1977 to present JOSEPH EDMUND HILL was self-employed as a consultant and was working out of his home in Mineola, New York. Hill's primary client since 1977 has been Sperry Corporation and its successor company, Unisys.

Hill and Sperry Corporation, and subsequently Unisys, entered into a series of technical service agreements in which Hill was required to provide reports to Sperry/Unisys as detailed in the purchase order statement of work. Hill, in turn, was paid for the work reflected in these reports. In fact, from in or about 1982, these payments were provided with the understanding that an unspecified portion of these funds would be used for certain purposes, including political contributions for candidates identified by representatives of Sperry/Unisys at a later date.

Hill was, in fact, asked by representatives of Sperry/Unisys to make numerous contributions in his name. Specifically, Hill was asked by Dennis Mitchell, a Sperry/Unisys employee, to make contributions in the form of checks to candidates designated by Mitchell. In many instances, these checks were undated so that the date could later be filled in when such contributions by Sperry/Unisys representatives were directed to be made to certain candidates for office. Hill knowingly and willingly made these contributions to political committees, the total of such contributions from 1982-1988 being over \$25,000.

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In or about July, 1987, Hill knowingly and willing permitted his name to be used to effect a \$1,000 political contribution to "Dyson for Congress Committee"

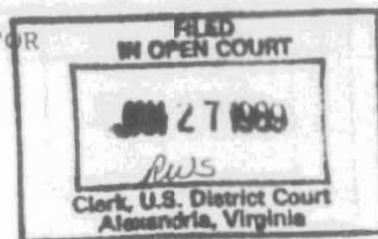
In or about October, 1987, Hill knowingly and willing permitted his name to be used to effect a \$1,000 political contribution to "Dickerson Second District Congressional Committee".

In or about May, 1988, Hill knowingly and willing permitted his name to be used to effect a \$1,000 political contribution to "Richard Ray for Congress Campaign Committee"

In or about June, 1988, Hill knowingly and willing permitted his name to be used to effect a \$1,000 political contribution to "Friends of Jim Sasser".

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IN THE UNITED STATES DISTRICT COURT FOR  
THE EASTERN DISTRICT OF VIRGINIA  
Alexandria Division



UNITED STATES OF AMERICA

v.

)  
) CRIMINAL NO. 89-0035-A

JOSEPH EDMUND HILL

PLEA AGREEMENT

The United States of America, by its counsel, Henry E. Hudson, United States Attorney for the Eastern District of Virginia, Joseph J. Aronica, Assistant United States Attorney, and Nancy Newcomb, Special Assistant United States Attorney, and the Defendant, Joseph Edmund Hill, and his attorney, Hamilton P. Fox, state the following plea agreement reached after negotiations pursuant to Rule 11, Federal Rules of Criminal Procedure:

1. The defendant agrees to appear in open court in the Eastern District of Virginia, Alexandria Division and plead guilty to the four count information filed with the Court. The defendant agrees to waive venue with respect to all counts. The information charges the defendant with violating Title 2, United States Code, Section 441(f), charging the making of political contributions in the name of another. The defendant recognizes that, with respect to Counts 1 and 2, he faces per count: a term of imprisonment of up to one year; and a fine of up to \$100,000, either or both; a term of supervised release of one year in the event imprisonment is imposed; a term of probation of at least

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one year and not more than five years if imprisonment is not imposed; and a special assessment of \$25. The defendant recognizes that with respect to Count 3 and 4, he faces, per count, a term of imprisonment of up to one year, a fine of up to \$100,000 and a special assessment of \$25. The Government recognizes, however, that although Counts 3 and 4 do not fall under the Sentencing Guidelines and Policy Statements, these counts are identical in nature to Counts 1 and 2, which do fall under the provisions of the Sentencing Guidelines and Policy Statements. Therefore, the Government does not object to Counts 3 and 4 being treated as if they fall under the provisions of the Sentencing Guidelines and Policy Statements. The defendant further recognizes that the terms of imprisonment, supervised release and/or probation on each count may be consecutive to those imposed on any other count, and the fines imposed on each count may be cumulative to those imposed on any other count.

2. The defendant agrees to fully and truthfully disclose all information about his activities and those of others about which federal law enforcement officials require. He agrees to testify fully and truthfully before all grand juries and all trials and other judicial proceedings as requested by the United States. The defendant further agrees to submit to all polygraph examinations requested by the United States Attorney's Office for the Eastern District of Virginia during the course of his cooperation.

3. If the defendant's pleas of guilty are accepted by the Court and not withdrawn and he fulfills the terms and conditions



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specified herein, the United States Attorney's Office for the Eastern District of Virginia and the United States Attorney for the Eastern District of New York agree not to bring additional criminal charges against the defendant arising out of or connected with the activities set forth in the Statement of Facts. But it is agreed that if the United States Attorney's Office for the Eastern District of Virginia determines that the defendant has failed to fulfill completely each and every one of his obligations under this agreement or has intentionally given materially false, incomplete or misleading testimony or information, the United States Attorney's Office for the Eastern District of Virginia will be free from its obligations under this agreement and may seek additional charges against the defendant arising out of or connected with the activities set forth in the Statement of Facts. The United States Attorney's Office may also prosecute the defendant for perjury, obstruction of justice, or other charges arising from his giving of any false testimony or statements to the government.

4. The defendant agrees that if he withdraws his guilty plea at any time, or otherwise violates this agreement, and subsequent criminal prosecution results, any and all information, in whatever form including any statement made by him to law enforcement agents, or any testimony given by him, subsequent to the date of this agreement shall be admissible in evidence against him. The defendant agrees to assert no claim under Rule 11(e)(6), Federal Rules of Criminal Procedure, or Rule 410,

Federal Rules of Evidence, that the statements should be excluded from evidence.

5. It is understood that the sentence to be imposed on the defendant is within the sole discretion of the sentencing judge, as prescribed by the Sentencing Guidelines and Title 18, United States Code, Section 1522 (c)(6). The defendant understands and agrees that even if he should later not be satisfied with his sentence, he shall have no right to withdraw his guilty pleas after acceptance of his pleas by the sentencing judge. The plea is entered into and presented to the Court under Rule 11, Federal Rules of Criminal Procedure, and the United States Attorney's Office cannot and does not make any promise or representation concerning what sentence the defendant will receive.

6. Both parties to the agreement reserve all rights of allocution at the time of sentencing. The United States further agrees that as part of its allocution, it will advise the Court of the full nature, value and extent of the defendant's cooperation with the United States.

7. As a further condition of this agreement, the defendant expressly waives his right to appeal any sentence imposed by the Court, including his right to appellate review of a sentence under Title 18, United States Code, Section 3742. The defendant is aware that his sentence has not yet been determined and that the sentencing judge will ultimately determine his sentence. The defendant is also aware that any estimate of the probable sentencing range in his case under the Sentencing Guidelines and Policy Statements that the defendant may have received from

his attorney, the government or the probation office, is a prediction, not a promise, and is not binding on the government, the probation office or the Court. Realizing the uncertainty in estimating what sentence he will ultimately receive from the Court, the defendant knowingly waives his right to appeal his sentence in exchange for the concessions made by the government in this agreement.

8. The United States reserves the right to carry out its responsibilities under this Court's Policy Regulating Procedures to be followed in Guidelines Sentencing. Specifically, the United States reserves the right to (1) bring its version of the facts of this case, both orally and in writing, to the attention of the probation office in connection with that office's preparation of a presentence report; (2) dispute sentencing factors of facts material to sentencing in the presentencing report; and (3) seek resolution of such factors or facts in conference with opposing counsel and the United States Probation Office, as contemplated in this Court's Policy Regarding Procedures to be followed in Guidelines Sentencing. Moreover, the United States reserves the right to file a pleading entitled "Positions of Parties With Respect to Sentencing Factors," in accordance with §5A1.2 of the Sentencing Guidelines and Policy Statements (Oct. 1987) and paragraphs 5 and 6 of this Court's Policy Regarding Procedure to be Followed in Guidelines Sentencing.

9. The United States reserves its right under the Sentencing Guidelines and Policy Statements to request a downward

departure from the Guidelines if the United States believes that based upon the defendant's cooperation, such a departure is appropriate.

10. It is understood that the United States Attorney's Office for the Eastern District of Virginia cannot bind other federal, state or local prosecuting authorities except as stated in paragraph 3 above. It is further understood that the United States Attorney for the Eastern District of Virginia is not waiving the enforcement jurisdiction of the Federal Election Commission. Furthermore, the United States Attorney's Office for the Eastern District of Virginia represents that it is not aware of any other prosecuting official who is investigating the defendant or considering prosecuting him.

11. The attached Statement of Facts is hereby incorporated into this Plea Agreement and the defendant does not disagree with those facts in any material respect.

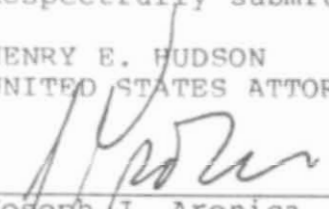
12. This written agreement constitutes the complete plea agreement between the United States, the defendant, and his counsel. No promises or representations have been made by the

United States except as set forth in writing in this plea agreement. Any modification of this plea agreement shall be valid only as set forth in writing in a supplemental or revised plea agreement signed by all parties.

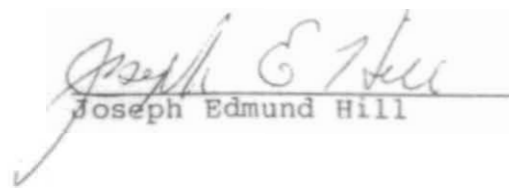
Respectfully submitted,

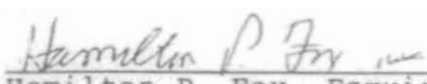
HENRY E. HUDSON  
UNITED STATES ATTORNEY

By:

  
Joseph J. Aronica  
Assistant United States Attorney

  
Nancy Newcomb  
Special Assistant  
United States Attorney

  
Joseph Edmund Hill

  
Hamilton P. Fox, Esquire  
Counsel for the Defendant

93043501763

United States District Court

FOR THE

In Open Court

14 1989

RWS

CLERK, U.S. DISTRICT COURT  
ALBANY, NEW YORK

UNITED STATES OF AMERICA

v.

No.

89-243-A

GERARD J. SCARANO

the above named defendant, who is accused of

18 U.S.C. 1001 and 2 aiding and abetting the making of false statements to the government.

being advised of the nature of the charge and of his rights, hereby waives in open court prosecution by indictment and consents that the proceeding may be by information instead of by indictment.

*Gerard J. Scarano*  
Defendant.  
*Kathleen N. Hillier*  
Witness.  
*AS*  
Counsel for Defendant.

Date

93043501764

DATE: July 14, 1989 JUDGE: Nieto REPORTER Linnell

TIME: 9:27 TO \_\_\_\_\_

COUNSEL FOR U.S. Nancy Newcome

CASE NUMBER: 89-243

Gerard J. Scaroni (74)

DEPENDANT 15yr.

CASE MOTIONS ( ) SETTING TRIAL DATE ( )

CALLED ARRAIGNMENT ( ) APPEAL FROM USMC ( )

FOR: PROB VIOLATION ( ) PRE-INDICTMENT PLEA ( )

CHANGE OF PLEA ( ) SENTENCING ( )

INFO & PLEA ( ) OTHER ( )

DEPENDANT APPEARED IN PERSON: YES (✓) NO ( )

WITH COUNSEL: YES (✓) NO ( )

FILED IN OPEN COURT: INFORMATION (✓) WAIVER OF INDICTMENT (✓)

PLEA AGREEMENT (✓) STATEMENT OF FACTS (✓)

RECEIVED BY RULE 20 FROM USDC \_\_\_\_\_

ARRAIGNMENT & PLEA: WFA ( ) FA ( ) PG (✓) PNG ( )

TRIAL BY JURY ( ) TRIAL BY COURT ( )

5 DAYS TO FILE MOTIONS WITH ARGUMENTS ON \_\_\_\_\_ @ \_\_\_\_\_

DEPENDANT ENTERED PLEA OF GUILTY AS TO COUNTS 1 count information

MOTION FOR DISMISSAL OF COUNTS \_\_\_\_\_ BY U.S. ( ) BY DEPT ( )

ORDER ENTERED IN OPEN COURT ( ) ORDER TO FOLLOW ( )

MOTIONS: (see listing on reverse)

DEPENDANT DIRECTED TO REPORT TO P.O. FOR PSI: YES (✓) NO ( )

CASE CONTINUED TO 9/29/89 @ 9:00 FOR: JURY TRIAL ( ) COURT TRIAL ( )

5 GUIDELINES SENTENCING ( ) NON-GUIDELINES SENTENCING (✓)

3 DEFENDANT COMMITTED TO THE CUSTODY OF THE ATTORNEY GENERAL FOR A PERIOD OF:

4 \_\_\_\_\_

0 \_\_\_\_\_

3 \_\_\_\_\_

9 \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

COURT RECOMMENDS INCARCERATION AT: \_\_\_\_\_

FINE IMPOSED: \$ \_\_\_\_\_ PAYABLE \_\_\_\_\_ STAND COMMITED FOR NON-PAYMENT ( )

BOND SET AT: \$ \_\_\_\_\_ SURETY ( ) PERSONAL RECOGNIZANCE ( )

RELEASE ORDER ENTERED ( ) DEFENDANT REMANDED ( )

DEPENDANT RELEASED ON BOND ( ) NO BOND/DETAINED ( )

GUIDELINES SENTENCING POLICY GIVEN ( )

DEPENDANT ASSESSED \_\_\_\_\_ AS TO COUNT(S) \_\_\_\_\_ TOTAL \_\_\_\_\_

ALL EXHIBITS AND/OR CHARTS MUST BE FILED WITH THE CLERK WITHIN \_\_\_\_\_ WORKING

DAYS BEFORE TRIAL. ANY EXHIBIT AND/OR CHART NOT FILED WILL NOT BE ADMITTED

INTO EVIDENCE.

41 - 5<sup>+</sup>250K + 50.00

IN THE UNITED STATES DISTRICT COURT FOR THE  
EASTERN DISTRICT OF VIRGINIA

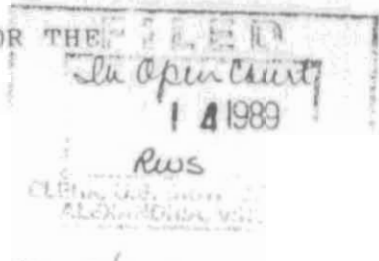
Alexandria Division

UNITED STATES OF AMERICA )

v. )

GERARD J. SCARANO )

CRIMINAL NO. 89-243-A



PLEA AGREEMENT

The United States of America by and through its attorney, Henry E. Hudson, United States Attorney, and the defendant GERARD J. SCARANO through his attorney, have heretofore engaged in plea discussions and pursuant to Rule 11, Federal Rules of Criminal Procedure, have reached a plea agreement, the terms and conditions of which are as follows:

1. The defendant, GERARD J. SCARANO, agrees to waive indictment, to appear in open court in the Eastern District of Virginia, and to plead guilty to the one count criminal Information filed with this Court. The Information charges the defendant with violating Title 18, United States Code, Sections 1001 and 2, aiding and abetting the making of false statements to the Government. The defendant admits and avers that he is, in fact, guilty of the charge contained in the Information. The Information carries a maximum period of confinement of 5 years and/or a fine of \$250,000. The defendant will also be obligated to pay a special assessment in the amount of fifty dollars (\$50.00).

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2. If the Court accepts this plea and the defendant, GERARD J. SCARANO, fulfills the terms and conditions specified herein, the United States agrees not to further charge the defendant with any violation of federal criminal law in connection with the activities set forth in the Information and Statement of Facts or with any other violation of federal criminal law now known to the United States Attorney's Office, Eastern District of Virginia. Nothing in this Agreement precludes the United States from bringing a prosecution for perjury or false statements arising out of the defendant's cooperation.

3. The defendant shall cooperate with the United States by providing truthful, complete, and forthright information whenever, wherever, to whomever, and in whatever form an attorney for the United States reasonably requests. The term "whatever form" includes, but is not limited to, oral responses to questions; sworn, written statements; interrogatories; sworn testimony before a grand jury; sworn testimony in court; and documentary materials. The term "whomever" includes, but is not limited to, federal, state and local criminal law enforcement agencies. The defendant shall assist the government in determining the truth and veracity of any information or statement he discloses to the government, by cooperating in any manner requested by the government.

4. If GERARD J. SCARANO intentionally and knowingly does anything to impede the government's investigation, this Agreement, with the exception of Paragraph 6, will be voidable at the option of the United States, but not prior to consultation with counsel for the defendant.

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5. It is further understood that the defendant must at all times give complete, truthful and accurate information and testimony. Should it be determined that GERARD J. SCARANO has given materially false, incomplete or misleading testimony or information, or has omitted any material fact, or has otherwise violated any provision of this Agreement, GERARD J. SCARANO shall thereafter be subject to prosecution for any federal criminal violation of which this office has knowledge, including, but not limited to, perjury and obstruction of justice.

6. The defendant further understands and agrees that if he should fail to fulfill completely each and every one of his obligations under this Plea Agreement, then the United States will be free from its obligations under the Plea Agreement and the defendant shall be fully subject to criminal prosecution as if this Plea Agreement had never existed. In any such prosecution, the prosecuting authorities, whether federal, state or local, shall be free to use against him, without limitation, any and all information, in whatever form, that he has provided pursuant to this plea agreement or otherwise. The defendant shall not assert any claim under any statute, Rule 11(e)(6) of the Federal Rules of Criminal Procedure, Rule 410 of the Federal Rules of Evidence, or any other provision of law, to attempt to bar such use of the information.

7. It is understood that the sentence to be imposed upon GERARD J. SCARANO is within the sole discretion of the sentencing Judge. The defendant understands and agrees that even if he should not be satisfied with the sentence, he shall have no right

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to withdraw his guilty plea after acceptance of his plea by the sentencing Judge. This is a Rule 11(e)(1)(B) plea and the United States Attorney's Office cannot and does not make any promise or representation as to what sentence GERARD J. SCARANO will receive. The United States Attorney's Office reserves the right to allocute as to the nature and seriousness of the offense. In all events, this office will inform the sentencing Judge and the Probation Department of (1) this Agreement; (2) the nature, and extent of GERARD J. SCARANO's activities with respect to this case; (3) the full nature, extent, timing and value of GERARD J. SCARANO's cooperation with the United States Attorney's Office; and (4) all other information in its possession relevant to sentencing.

8. As a further condition of this Agreement, the defendant expressly waives his right to appeal any sentence imposed by the Court. The defendant is aware that his sentence has not yet been determined and that the sentencing Judge will ultimately determine his sentence.

9. It is understood and agreed that in the event the Court does not accept GERARD J. SCARANO's plea of guilty under this agreement to the Information, this Plea Agreement shall be null and void.

10. It is further understood and agreed that if GERARD J. SCARANO attempts to withdraw from any part of this Agreement or fails to comply with any provisions contained herein, this Agreement is voidable at the option of the United States, except Paragraph 6 of this Agreement shall remain in full force and

effect; and the United States is free to seek a multiple count Indictment charging the defendant with multiple violations of any federal statute including but not limited to the statutes set forth in Paragraph 1.


11. GERARD J. SCARANO acknowledges that no threats have been made against him to secure this plea of guilty and that he is pleading guilty freely and voluntarily.


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12. This Plea Agreement constitutes the entire Agreement between the United States and GERARD J. SCARANO with respect to the aforesaid guilty plea and no other promises, agreements or representations exist nor have been made to the defendant or his attorney with regard to such guilty plea, and none will be entered into unless in writing in an amendment attached to this document and signed by all parties

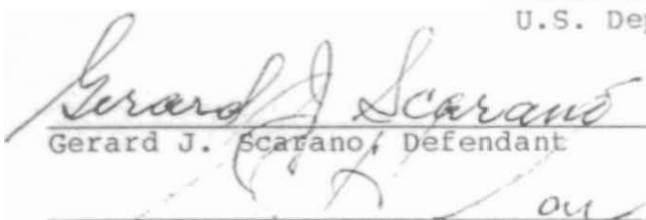
Respectfully submitted,  
HENRY E. HUDSON  
UNITED STATES ATTORNEY

By:

  
Lee Radek  
Deputy Chief  
Public Integrity Section  
U.S Department of Justice

  
Nancy Newcomb  
Special Assistant  
United States Attorney

  
John A. Davidovich  
Trial Attorney  
Fraud Section  
U.S. Department of Justice

  
Gerard J. Scarano, Defendant

  
Stephen H. Sachs, Counsel for Defendant

IN THE UNITED STATES DISTRICT COURT FOR THE  
EASTERN DISTRICT OF VIRGINIA

Alexandria Division

UNITED STATES OF AMERICA )  
 )  
 v. )  
 )  
 GERARD J. SCARANO )

CRIMINAL NO. 89-243-A

CLERK, U.S. DISTRICT COURT  
ALEXANDRIA, VIRGINIA

in Open Court  
1 4 1989

lws

CRIMINAL INFORMATION

THE UNITED STATES ATTORNEY CHARGES THAT:

INTRODUCTION

At all times material to this Information:

1. GERARD J. SCARANO, the defendant herein, was self-employed as a consultant.
2. The Bill Chappell Campaign Committee was a Political Committee which supported a candidate for nomination and election to federal office, and as such was subject to the reporting provisions and the campaign financing limitations of the Federal Election Campaign Act (hereinafter referred to as the "FECA") described in paragraphs 3 through 6 below.
3. Political committees which financially supported candidates for federal offices were required by Title 2, United States Code, Section 434 of the FECA to file periodic reports with the Federal Election Commission, which reports were to accurately reflect the identities of all individuals and entities which had given in excess of \$200.00 to each such political committee in any given calendar year.
4. The FECA and, in particular Section 441a of Title 2, United States Code, prohibited, and rendered illegal,

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contributions to any federal candidate from any given individual that exceeded \$1,000 in connection with any given elective contest.

5. The FECA, and in particular Section 441b of Title 2, United States Code, forbade, and rendered illegal, contributions and expenditures from the treasury assets of corporations made in connection with the nomination or election of candidates to federal elective offices.

6. The FECA, and in particular Section 441f of Title 2, United States Code, forbade and rendered illegal, contributions to the campaigns of federal candidates that were made in the names of individuals other than the person responsible for the contribution in question.

7. The Federal Election Commission (hereinafter referred to as "the Commission") was an agency of the United States Government pursuant to Section 437c of Title 2, United States Code; and was entrusted with the authority and responsibility pursuant to Section 437g(a) of Title 2, United States Code, to detect, investigate, and take enforcement action against violations of the FECA, including the provisions referred to in paragraphs 4 through 6 above.

8. In addition, the Commission was entrusted with the authority and responsibility pursuant to Section 438(a)(4) of Title 2, United States Code, to make available to the public specific information concerning campaign contributions to political committees supporting candidates for federal office which had been filed with it pursuant to the provisions described in paragraph 3 above.

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THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

In or about September 1987, in the Eastern District of Virginia, and elsewhere, in a matter within the jurisdiction of the Federal Election Commission, an agency of the United States,

GERARD J. SCARANO

the defendant herein, did knowingly and willfully cause to be made a materially false, fictitious, and fraudulent statement and representation by causing the Treasurer for the Bill Chappell Campaign Committee to report to the Federal Election Commission that a contribution of approximately one thousand dollars (\$1,000) had been made by GERARD J. SCARANO to the Bill Chappell Campaign Committee, whereas in truth and in fact, GERARD J. SCARANO, the defendant, then and there well knew and believed, said contribution had been made by the defendant at the express request and direction of Unisys Corporation from funds provided to the defendant by Unisys Corporation for that purpose, in violation of the prohibition against corporate contributions imposed by the Federal Election Campaign Act and specifically by

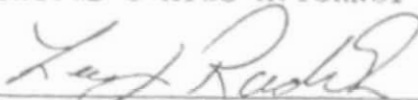


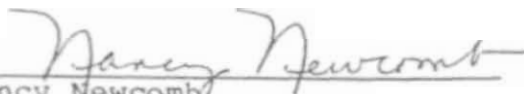
Title 2, United States Code, Section 441b.

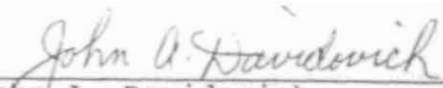
(In violation of Title 18, United States Code, Sections  
1001 and 2).

HENRY F. HUDSON  
UNITED STATES ATTORNEY

By:

  
Lee J. Radek  
Deputy Chief, Public Integrity  
Section  
U.S. Department of Justice

  
Nancy Newcomb  
Special Assistant  
United States Attorney

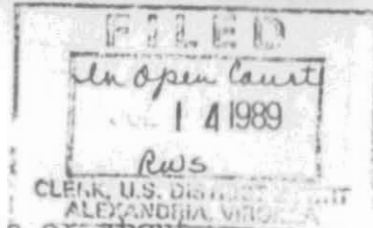
  
John A. Davidovich  
Trial Attorney  
U.S. Department of Justice

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89-243-A

U.S. v. Scarano

STATEMENT OF FACTS



The government's evidence would show that from in or about

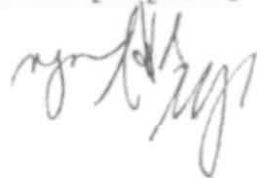
1974 to June 1988 GERARD J. SCARANO was self-employed as a consultant and was working out of his home in Connecticut. His primary client since 1974 has been Sperry Corporation and its successor company, Unisys Corporation.

Scarano and Sperry Corporation, and subsequently Unisys Corporation, entered into a series of technical service agreements in which Scarano was required to provide reports to Sperry/Unisys as detailed in the purchase order statement of work. Scarano, in turn, was paid for the work reflected in these reports. In fact, from 1986, these payments were provided with the expectation that an unspecified portion of these funds would be used for certain purposes, including political contributions for candidates identified by representatives of Sperry/Unisys at a later date.

Scarano was, in fact, asked by representatives of Sperry/Unisys to make numerous contributions in his name. Specifically, Scarano was asked by Robert Barrett, a Sperry/Unisys employee located in the Eastern District of Virginia, to make contributions in the form of checks to candidates designated by Barrett. In many instances, these checks were undated so that the date could later be filled in when such contributions by Sperry/Unisys representatives were directed to be made to certain candidates for office. Scarano knowingly and willingly made these contributions to political committees

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In September 1987, Scarano wrote a check for \$1,000 to the Bill Chappell Campaign Committee, thereby knowingly and willingly causing the Treasurer for the Bill Chappell Campaign Committee to report to the Federal Election Commission that a contribution of \$1,000 had been made by Gerard J. Scarano to the Bill Chappell Campaign Committee at the express request and direction of Unisys Corporation from corporate funds provided to him for that purpose. ~~when he knew the contribution had been made by Unisys Corporation.~~



93043501777

# United States District Court *in open Court*

EASTERN DISTRICT OF VIRGINIA

14 1989

RWS

UNITED STATES OF AMERICA  
v.

## WAIVER OF INDICTMENT

JOSEPH S. ZUBA

CASE NUMBER: 89-243-A

I, JOSEPH S. ZUBA, the above named defendant, who is accused of 18 United States Code, Section 371, conspiracy to defraud the United States and 2 United States Code, Section 441f, making a political contribution in the name of another.

being advised of the nature of the charge(s), the proposed information, and of my rights, hereby waive in open court on July 14, 1989 Date prosecution by indictment and consent that the proceeding may be by information rather than by indictment.

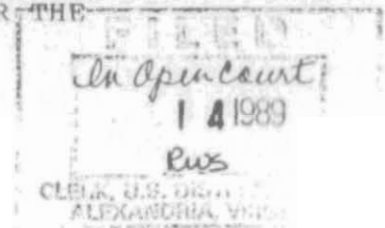
Joseph S. Zuba  
Defendant JOSEPH S. ZUBA

Paul J. Killion  
Counsel for Defendant PAUL J. KILLION

Before \_\_\_\_\_  
Judicial Officer

93043501778

IN THE UNITED STATES DISTRICT COURT FOR THE  
EASTERN DISTRICT OF VIRGINIA  
Alexandria Division



UNITED STATES OF AMERICA )

v. )

JOSEPH S. ZUBA )

CRIMINAL NO. )

89-242-A

CRIMINAL INFORMATION

THE UNITED STATES ATTORNEY CHARGES THAT:

INTRODUCTION

At all times material to this Information:

1. JOSEPH S. ZUBA the defendant herein, was self-employed as a consultant.
2. The political committees referred to in this Information supported candidates for nomination and election to federal offices, and as such were subject to the reporting provisions and the campaign financing limitations of the Federal Election Campaign Act (hereinafter referred to as the "FECA") described in paragraphs 3 through 6 below.
3. Political committees which financially supported candidates for federal offices were required by Title 2, United States Code, Section 434 of the FECA to file periodic reports with the Federal Election Commission, which reports were to accurately reflect the identities of all individuals and entities which had given in excess of \$200.00 to each such political committee in any given calendar year.
4. The FECA and, in particular Section 441a of Title 2, United States Code, prohibited, and rendered illegal,

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contributions to any federal candidate from any given individual that exceeded \$1,000 in connection with any given elective contest. For the purpose of this limitation on campaign contributions, the FECA, and in particular Section 441a(a)(7) of Title 2, United States Code, provided that any and all payments made by an individual to third parties in consultation and coordination with agents of a candidate or political committee, or on behalf of a political committee or candidate, were to be treated as contributions to that political committee.

5. The FECA, and in particular Section 441b of Title 2, United States Code, forbade, and rendered illegal, contributions and expenditures from the treasury assets of corporations made in connection with the nomination or election of candidates to federal elective offices.

6. The FECA, and in particular Section 441f of Title 2, United States Code, forbade and rendered illegal, contributions to the campaigns of federal candidates that were made in the names of individuals other than the person responsible for the contribution in question.

7. The Federal Election Commission (hereinafter referred to as "the Commission") was an agency of the United States Government pursuant to Section 437c of Title 2, United States Code; and was entrusted with the authority and responsibility pursuant to Section 437g(a) of Title 2, United States Code, to detect, investigate, and take enforcement action against violations of the FECA, including the provisions referred to in paragraphs 4 through 6 above.

8. In addition, the Commission was entrusted with the authority and responsibility pursuant to Section 438(a)(4) of Title 2, United States Code, to make available to the public specific information concerning campaign contributions to political committees supporting candidates for federal office which had been filed with it pursuant to the provisions described in paragraph 3 above.

The above introductory allegations are realleged and incorporated in Counts One through Four of this Information as though fully set out in each count.

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COUNT ONE

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

From in or about January 1982, through in or about October 1987, in the Eastern District of Virginia, and elsewhere,

JOSEPH S. ZUBA

defendant herein, and others did unlawfully, willfully and knowingly conspire, combine, confederate, and agree with others to defraud the United States, and in particular the Federal Election Commission, by intentionally obstructing and impeding the Commission in the lawful discharge of its statutory duties, namely:

a. The duty imposed on the Commission by Title 2, United States Code, Section 438(a)(4) to make available to the public accurate information concerning the identities of contributions to federal campaigns, and the dates and amounts of such contributions.

b. The duty imposed on the Commission by Title 2, United States Code, Section 437(g) to detect violations of the limitations on excessive campaign contributions, and corporate campaign contributions, and to seek civil and administrative sanctions against individuals who made illegal contributions in violations of these limits.



MANNER AND MEANS

1. It was part of this conspiracy to permit Unisys Corporation through defendant JOSEPH S. ZUBA to make illegal contributions to political campaign committees supporting candidates for federal office without detection by the Commission or by the public, to permit said illegal contributions to be received and accepted by the political campaign committee to which they were made without detection by the Commission or by the public, and to prevent the Commission from imposing sanctions for such violations of the FECA.

2. It was a part of this conspiracy that Unisys Corporation and certain individuals would enter into technical service agreements calling for the individuals to perform specific tasks, generally technical in nature, with the understanding that portions of funds received by the individuals would be made available for campaign contributions as directed by Unisys Corporation.

3. It was part of this conspiracy that employees of Unisys Corporation would ask the defendant, JOSEPH S. ZUBA, to make campaign contributions in his own name and in the name of others.

4. It was a further part of this conspiracy that JOSEPH S. ZUBA would prepare checks for the campaign contributions in his own name, leave the date on the check blank, and provide them to agents of Unisys.

5. It was a further part of this conspiracy that the agents of Unisys would collect the undated checks and give them to

another agent of Unisys Corporation who would provide them to the political campaign committees.

6. It was a further part of this conspiracy that the Treasurers of the political campaign committees to which these illegal contributions were made would and did report them to the Commission as small and lawful contributions made by the individuals rather than as large and illegal contributions made by Unisys Corporation.

7. It was a further part of this conspiracy that the Commission would make available to the public inaccurate information concerning the illegal contributions provided by Unisys Corporation through the defendant, JOSEPH S. ZUBA, in the manner described above; that the Commission would not impose sanctions against the said JOSEPH S. ZUBA and Unisys Corporation for making illegally large, and illegal corporate contributions.

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OVERT ACTS

In the furtherance of the conspiracy, and to effect its objects, the defendant, JOSEPH S. ZUBA, and others committed and caused to be committed overt acts within the Eastern District of Virginia and elsewhere, including but not limited to the following:

1. In or about September 1987, an agent of Unisys contacted JOSEPH S. ZUBA and instructed him to make a campaign contribution to the Bill Chappell Campaign Committee.

2. In or about September 1987, JOSEPH S. ZUBA wrote a check for one thousand dollars (\$1,000) to the Bill Chappell Campaign Committee and left the check undated.

3. In or about September 1987, an agent of Unisys received the check from JOSEPH S. ZUBA and gave it to another agent of Unisys.

4. In or about September 1987, the agent of Unisys dated the check and gave it to the Bill Chappell Campaign Committee.

5. Subsequently, the Treasurer for the Bill Chappell Campaign Committee filed with the Federal Election Commission a Report of Receipts and Disbursements which reported the \$1,000 contributions as being from JOSEPH S. ZUBA.

(In violation of Title 18, United States Code, Section 371).

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COUNT TWO

[2 U.S.C. §§ 441f; 437g(d)]

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

On or about November 3, 1986, within the Eastern District of Virginia and elsewhere, JOSEPH S. ZUBA the defendant herein, did knowingly and willfully permit his name to be used to effect a contribution having a total value of \$500.00 to the Congressman Bill Young Campaign Committee, in violation of Sections 441f and 437g(d) of Title 2, United States Code.

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COUNT THREE

[2 U.S.C. §§ 441f; 437g(d)]

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

On or about June 29, 1987, within the Eastern District of Virginia and elsewhere, JOSEPH S. ZUBA the defendant herein, did knowingly and willfully permit his name to be used to effect a contribution having a total value of \$500.00 to the Friends of Congressman Hochbrueckner, in violation of Sections 441f and 437g(d) of Title 2, United States Code.

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COUNT FOUR


[2 U.S.C. §§ 441f; 437g(d)]

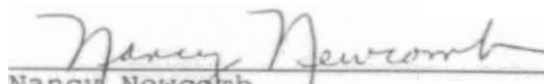
THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

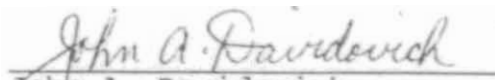
In or about September 22, 1987, within the Eastern District of Virginia and elsewhere, JOSEPH S. ZUBA, the defendant herein, did knowingly and willfully permit his name to be used to effect a contribution having a total value of \$1,000 to the Bill Chappell Campaign Committee, in violation of Sections 441f and 437g(d) of Title 2, United States Code.

HENRY E. HUDSON  
UNITED STATES ATTORNEY

By:

  
\_\_\_\_\_  
Lee J. Radek  
Deputy Chief, Public Integrity  
Section  
U.S. Department of Justice

  
\_\_\_\_\_  
Nancy Newcomb  
Special Assistant  
United States Attorney

  
\_\_\_\_\_  
John A. Davidovich  
Trial Attorney  
U.S. Department of Justice

93043501788

IN THE UNITED STATES DISTRICT COURT FOR THE  
EASTERN DISTRICT OF VIRGINIA

Alexandria Division

UNITED STATES OF AMERICA )

v. )

JOSEPH S. ZUBA )

CRIMINAL NO. 89-242-A

PLEA AGREEMENT

The United States of America by and through its attorney, Henry E. Hudson, United States Attorney, and the defendant JOSEPH S. ZUBA through his attorney, have heretofore engaged in plea discussions and pursuant to Rule 11, Federal Rules of Criminal Procedure, have reached a plea agreement, the terms and conditions of which are as follows:

1. The defendant, JOSEPH S. ZUBA, agrees to waive indictment, to appear in open court in the Eastern District of Virginia, and to plead guilty to the four count criminal Information filed with this Court. The Information charges the defendant with violating Title 18, United States Code, Section 371, a conspiracy to defraud the United States and Title 2, United States Code, Section 441f, making a political contribution in the name of another. The defendant admits and avers that he is, in fact, guilty of the charges contained in the Information. Count One carries a maximum period of confinement of five years and/or a fine of \$250,000. Counts Two through Four each carry a term of imprisonment of up to one year, and a fine of up to \$100,000. The defendant will also be obligated to pay a special assessment in the amount of fifty dollars (\$50.00) on Count One



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and twenty-five dollars (\$25.00) per count on Counts Two through Four.

2. If the Court accepts this plea and the defendant, JOSEPH S. ZUBA, fulfills the terms and conditions specified herein, the United States agrees not to further charge the defendant with any violation of federal criminal law in connection with the activities set forth in the Information and Statement of Facts or with any other violation of federal criminal law now known to the United States Attorney's Office, Eastern District of Virginia. Nothing in this Agreement precludes the United States from bringing a prosecution for perjury or false statements arising out of the defendant's cooperation.

3. The defendant shall cooperate with the United States by providing truthful, complete, and forthright information whenever and wherever an attorney for the United States requests with respect to the activities of himself and others concerning all matters about which federal law enforcement, including government attorneys, inquire of him regarding the crimes set forth in the Information, Statement of Facts, any information related thereto and any information he may have regarding the subject matter involved in this investigation. This cooperation includes, but is not limited to, oral responses to questions; sworn, written statements; interrogatories; sworn testimony before a grand jury; sworn testimony in court; and documentary materials. The defendant shall assist the government in determining the truth and veracity of any information or



statement he discloses to the government, by cooperating in any matter requested by the government.

4. If JOSEPH S. ZUBA intentionally does anything to impede the government's investigation, this Agreement, with the exception of Paragraph 6, will be voidable at the option of the United States

5. It is further understood that the defendant must at all times give complete, truthful and accurate information and testimony. Should it be determined that JOSEPH S. ZUBA has given materially false, incomplete or misleading testimony or information, or has omitted any material fact, or has otherwise violated any provision of this Agreement, JOSEPH S. ZUBA shall thereafter be subject to prosecution for any federal criminal violation of which this office has knowledge, including, but not limited to, perjury and obstruction of justice.

6. The defendant further understands and agrees that if he should fail to fulfill completely each and every one of his obligations under this Plea Agreement, then the United States will be free from its obligations under the Plea Agreement and the defendant shall be fully subject to criminal prosecution as if this Plea Agreement had never existed. In any such prosecution, the prosecuting authorities, whether federal, state or local, shall be free to use against him, without limitation, any and all information, in whatever form, that he has provided pursuant to this plea agreement or otherwise; the defendant shall not assert any claim under the United States Constitution, any statute, Rule 11(e)(6) of the Federal Rules of Criminal

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Procedure, Rule 410 of the Federal Rules of Evidence, or any other provision of law, to attempt to bar such use of the information.

7. It is understood that the sentence to be imposed upon JOSEPH S. ZUBA is within the sole discretion of the sentencing Judge. The defendant understands and agrees that even if he should not be satisfied with the sentence, he shall have no right to withdraw his guilty plea after acceptance of his plea by the sentencing Judge. This is a Rule 11(e)(1)(B) plea and the United States Attorney's Office cannot and does not make any promise or representation as to what sentence JOSEPH S. ZUBA will receive. The United States Attorney's Office reserves the right to allocute as to the nature and seriousness of the offense. In all events, this office will inform the sentencing Judge and the Probation Department of (1) this Agreement; (2) the nature, and extent of JOSEPH S. ZUBA's activities with respect to this case; (3) the full nature, extent, timing and value of JOSEPH S. ZUBA's cooperation with the United States Attorney's Office; and (4) all other information in its possession relevant to sentencing.

8. The United States agrees to advise the Court that if the Court and the Bureau of Prisons believe that it would be appropriate for the defendant to serve his sentence, if the Court imposes a period of incarceration, at a minimum security institution, the United States does not oppose such a designation.

9. The United States agrees to advise the Court that it does not oppose the defendant surrendering himself voluntarily to

begin his sentence after an institution has been designated, should the Court impose a period of incarceration.

10. The United States does not oppose the defendant's request to remain on a personal recognizance bond between plea and designation of an institution, should the Court impose a period of incarceration.

11. It is understood and agreed that in the event the Court does not accept JOSEPH S. ZUBA's plea of guilty under this agreement to the Information, this Plea Agreement shall be null and void.

12. It is further understood and agreed that if JOSEPH S. ZUBA attempts to withdraw from any part of this Agreement or fails to comply with any provisions contained herein, this Agreement is voidable at the option of the United States, except Paragraph 6 of this Agreement shall remain in full force and effect; and the United States is free to seek a multiple count Indictment charging the defendant with multiple violations of any federal statute including but not limited to the statutes set forth in Paragraph 1.

13. JOSEPH S. ZUBA acknowledges that no threats have been made against him to secure this plea of guilty and that he is pleading guilty freely and voluntarily because he is guilty.

14. This Plea Agreement constitutes the entire Agreement between the United States and JOSEPH S. ZUBA with respect to the aforesaid guilty plea and no other promises, agreements or representations exist nor have been made to the defendant or his attorney with regard to such guilty plea, and none will be

entered into unless in writing in an amendment attached to this document and signed by all parties.

Respectfully submitted,

HENRY E. HUDSON  
UNITED STATES ATTORNEY

By:

Lee Radek  
Lee Radek  
Deputy Chief  
Public Integrity Section  
U.S Department of Justice

Nancy Newcomb  
Nancy Newcomb  
Special Assistant  
United States Attorney

John A. Davidovich  
John A. Davidovich  
Trial Attorney  
Fraud Section  
U.S. Department of Justice

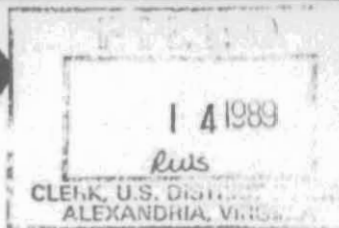
Joseph S. Zubair  
Joseph S. Zubair, Defendant

Paul J. Killion  
Paul J. Killion, Counsel for Defendant

US v. Zuba

CR89-242-A

STATEMENT OF FACTS



The government's evidence would show that from on or about 1980 to June, 1988, JOSEPH S. ZUBA was self-employed as a consultant and was working out of his home in Pennsylvania. His primary client since 1980 has been Sperry Corporation and its successor company, Unisys.

Zuba and Sperry Corporation, and subsequently Unisys, entered into a series of technical service agreements in which Zuba was required to provide reports to Sperry/Unisys as detailed in the purchase order statement of work. Zuba, in turn, was paid for the work reflected in these reports. In fact, these payments were provided with the understanding that a portion of these corporate funds would be used for certain purposes, including political contributions for candidates identified by representatives of Sperry/Unisys at a later date.

Zuba was, in fact, instructed by representatives of Sperry/Unisys to make numerous contributions in his name. Specifically, Zuba was told by Robert Barrett, a Sperry/Unisys employee, to make contributions in the form of checks to candidates designated by Barrett. In many instances, these checks were undated so that the date could later be filled in when such contributions by Sperry/Unisys representatives were directed to be made to certain candidates for office. Zuba knowingly and willingly made these contributions to political committees and mailed the checks to Barrett in the Eastern District of Virginia.

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In September 1987, Zuba was contacted by Robert Barrett and instructed to make a \$1000 campaign contribution to the Bill Chappell Campaign Committee. Zuba prepared the check, left it undated and sent it to Barrett in the Eastern District of Virginia. Subsequently the Treasurer for the "Bill Chappell Campaign Committee" filed with the Federal Election Commission a Report of Receipts & Disbursements which reported the \$1000 contribution from Zuba

In or about November 1986, Zuba knowingly and willingly permitted his name to be used to effect a \$500 political contribution to the "Congressman Bill Young Campaign Committee."

In or about June 1987, Zuba knowingly and willingly permitted his name to be used to effect a \$500 political contribution to the "Friends of Congressman Hochbrueckner."

In or about September 1987, Zuba knowingly and willingly permitted his name to be used to effect a \$1000 political contribution to the "Bill Chappell Campaign Committee."

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ATTACHMENT D

(Easton, MD) Star-Democrat 2/12/89

# Dyson says he'll return contribution

By LEM LLOYD  
Chesapeake Washington Bureau

Admitting he accepted an illegal campaign contribution by a former defense consultant who last month pleaded guilty to the federal offense, Rep. Roy Dyson (D-Md.) now says he will return the \$1,000 contribution. Dyson maintains he was unaware the money was given illegally and has no intention of keeping it.

"(Had I known) I certainly would have never accepted an illegal contribution," said Dyson. "We do everything in this office very much above board."

Joseph E. Hull, a former consultant to the New York-based defense firm Unisys Corp., pleaded guilty Jan. 27 in U.S. District Court to making political contributions in the name of others to several members of Congress, including a \$1,000 payment to Dyson in July 1987.

Hill was asked by Unisys officials to use money he was paid by the defense firm campaigns between 1982 and 1988, according to prosecutors. Also pleading

guilty in the FBI's on-going investigation into the Pentagon procurement scandal were Robert D. Barrett, a former Unisys executive, and Jack Sherman, a Marine Corps civilian purchasing agent. Barrett pleaded guilty to two counts of conspiracy to defraud, while Sherman pleaded guilty to two counts of bribery following his acceptance of \$43,500 from a defense consultant in exchange for releasing secret Pentagon contract information.

Hill's \$1,000 contribution was part of approximately \$17,000 in contributions Dyson received during a trip he and former chief aide Tom Pappas made to New York in July 1987, to tour Unisys' Great Neck defense plant.

During that weekend, Dyson met with several defense officials targeted in the federal investigation, including former Unisys' officials William Roberts and Dennis Mitchell, according to Dyson chief of staff, Christopher Robinson.

Robinson said following the tour of the Unisys facility, Dyson,

along with Pappas and Roberts went to a baseball game and then back to Washington, D.C. the next morning.

Katie Tucker, Dyson's former chief of staff, reportedly told reporters last summer that the \$17,000 was part of a New York fundraiser organized by Unisys official Dennis Mitchell. Robinson said the payments were made separately and that Dyson knew nothing about a fundraiser.

As news of the FBI probe surfaced last summer, Dyson came under scrutiny in the media for his close ties to Unisys.

In March 1987, Dyson, who sits on the powerful House Armed Services Committee, helped push through his committee an

amendment authorizing \$78 million to equip Navy ships with an electronic warfare system produced by Unisys.

But the five-term congressman maintains he shows no preference. "I treat them (Unisys) like all the constituents (in my district)," he said.

In addition to Dyson's campaign, Hill also contributed to members of Congress who sit on influential defense committees: Sen. Jim Sasser (D-Tenn.), and Reps. William Dickinson (R-Ala.) and Richard Ray (D-Ga.).

All members said they would return the contributions made illegally to their campaigns by Hill.



ATTACHMENT E

93043501799

**CERTIFIED MAIL**

**JAN 27 1988**

# REPORT OF RECEIPTS AND DISBURSEMENTS

For An Authorized Committee  
(Summary Page)

USE FEC MAILING LABEL  
OR  
TYPE OR PRINT

1. NAME OF COMMITTEE (in full)  
DYSON FOR CONGRESS  
ADDRESS (number and street) Check if different than previously reported  
318 N. Paradise Road  
CITY, STATE and ZIP CODE  
Aberdeen, Maryland 21001

2. FEID IDENTIFICATION NUMBER  
052105  
IS THIS REPORT AN AMENDMENT?  
YES ☐ NO ☒

## 4. TYPE OF REPORT

April 15 Quarterly Report ☐ Twelfth day report preceding  
July 15 Quarterly Report ☐ election on \_\_\_\_\_ (Type if Election  
October 15 Quarterly Report ☐ in the State of \_\_\_\_\_  
Thirtieth day report following the General Election on  
☒ January 31 Year End Report \_\_\_\_\_ in the State of \_\_\_\_\_  
July 31 Mid-Year Report (Non-election Year Only) ☐ Termination Report ☐  
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 July 1, 1987 through December 31, 1987		
6. Net Contributions (other than loans)		
(a) Total Contributions (other than loans) (from Line 11(a))	107225.00	187640.00
(b) Total Contribution Refunds (from Line 20(d))	500.00	500.00
(c) Net Contributions (other than loans) (subtract Line 6(b) from 6(a))	106725.00	
7. Net Operating Expenditures		
(a) Total Operating Expenditures (from Line 17)	90295.64	141017.64
(b) Total Offsets to Operating Expenditures (from Line 14)	-0-	868.69
(c) Net Operating Expenditures (subtract Line 7(b) from 7(a))	90295.64	140148.95
8. Cash on Hand at Close of Reporting Period (from Line 27)	53812.03	
9. Debts and Obligations Owed TO the Committee (Itemize all on Schedule C and/or Schedule D)	-0-	
10. Debts and Obligations Owed BY the Committee (Itemize all on Schedule C and/or Schedule D)	7089.02	

For further information contact:  
Federal Election Commission  
969 E Street, NW  
Washington, DC 20463  
Toll Free 800-424-9530  
Local 202-376-3120

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  
MARION R. FEDAS

Signature of Treasurer

*Marion R. Fedas*

Date

1/31/88

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)

**DUPLICATE**

**ITEMIZED RECEIPTS**

Use separate schedule for each category of the Detailed Summary Page

PAGE 1 OF 8  
FOR LINE NUMBER 11g

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 or other than using the name and address of any political committee to solicit contributions from such committee.

OF COMMITTEE TO

BYSON FOR CONGRESS

A. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
John McElrath 945 Birch Street Scranton, PA 18501	Giant Foods Dairy Manager	7-9-87	1000.00
Receipt For <input type="checkbox"/> Other (specify) <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General	Aggregate Year-to-Date > \$ 1000.00		
B. Full Name, Mailing Address and ZIP Code Robert Q. Old 1112 Gatewood Drive Alexandria, VA 22307	Self-employed Consultant	7-9-87	1000.00
Receipt For <input type="checkbox"/> Other (specify) <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General	Aggregate Year-to-Date > \$ 1000.00		
C. Full Name, Mailing Address and ZIP Code James J. Casak 1600 Addison Road Palos Verdes Estates, CA 90274	Cal-Surance Benefit Plans, Inc. 2790 Skypark Drive Torrance, CA 90505	7-15-87	1000.00
Receipt For <input type="checkbox"/> Other (specify) <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General	Occupation Insurance Broker Aggregate Year-to-Date > \$ 1000.00		
D. Full Name, Mailing Address and ZIP Code Jean R. Old 1112 Gatewood Drive Alexandria, VA 22307	Housewife	7-9-87	1000.00
Receipt For <input type="checkbox"/> Other (specify) <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General	Aggregate Year-to-Date > \$ 1000.00		
E. Full Name, Mailing Address and ZIP Code Jim Hall 3475 Torrance Boulevard Torrance, CA 90503	Cal-Surance Benefit Plans, Inc. 2790 Skypark Drive Torrance, CA 90505	7-10-87	1000.00
Receipt For <input type="checkbox"/> Other (specify) <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General	Occupation Sr. Vice President Aggregate Year-to-Date > \$ 1000.00		
F. Full Name, Mailing Address and ZIP Code John C. Mackerer 805 Valley Drive Manhattan Beach, CA 90266	Cal-Surance Benefit Plans, Inc. 2790 Skypark Drive Torrance, CA 90505	7-13-87	1000.00
Receipt For <input type="checkbox"/> Other (specify) <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General	Occupation Insurance Broker Aggregate Year-to-Date > \$ 1000.00		
G. Full Name, Mailing Address and ZIP Code Bruce R. Donley 22903 Madison Street Torrance, CA 90503	1000.00 Primary 1000.00 General Consultant	7-10-87	500.00
Receipt For <input type="checkbox"/> Other (specify) <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General	Aggregate Year-to-Date > \$ 2000.00		
H. ALL of Receipts This Page (optional)			6500.00
I. This Period (last page this line number only)			

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DUPLICATE

## ITEMIZED RECEIPTS

Use separate schedule  
for each category of the  
Detailed Summary Page

PAGE 2 OF 8

FOR LINE NUMBER

114

Information derived from such filings and statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial or other than using the name and address of any political committee to solicit contributions from such committee.

OF COMMITTEE (in Part)

## DYSON FOR CONGRESS

A. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Charles F. Gardner 30 Roosevelt Avenue Malverne, N.Y. 11565	Information requested	7-9-87	1000.00
Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General Other (specify):	Occupation		
	Aggregate Year-to-Date > \$ 1000.00		
B. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
S.L. Sommer 3129 Worthington Street, N.W. Washington, D.C. 20015	Information requested	7-9-87	1000.00
Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General Other (specify):	Occupation		
	Aggregate Year-to-Date > \$ 1000.00		
C. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Kenneth F. Brooke 7330 Eldorado Street McLean, Virginia 22102	Information requested	7-2-87	1000.00
Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General Other (specify):	Occupation		
	Aggregate Year-to-Date > \$ 1000.00		
D. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Joseph E. Hill 277 Roselle Street Mineola, N.Y. 11501	Information requested	7-9-87	1000.00
Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General Other (specify):	Occupation Retired		
	Aggregate Year-to-Date > \$ 1000.00		
E. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Frederick P. Somers 14426 Black Horse Court Centreville, VA 22020	Information requested	7-9-87	1000.00
Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General Other (specify):	Occupation		
	Aggregate Year-to-Date > \$ 1000.00		
F. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Violet J. Lynch 11100 Byrd Drive Fairfax, VA 22030	Information requested	7-9-87	1000.00
Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General Other (specify):	Occupation		
	Aggregate Year-to-Date > \$ 1000.00		
G. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Don L. Lynch 11100 Byrd Drive Fairfax VA 22030	Information requested	7-9-87	1000.00
Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General Other (specify):	Occupation		
	Aggregate Year-to-Date > \$ 1000.00		
TOTAL of Receipts This Page (optional)			7000.00
A1. This Period (last page this line number only)			



DULE A

## ITEMIZED RECEIPTS

Use separate schedule  
for each category of the  
Detailed Summary PagePAGE 3 OF 8  
FOR LINE NUMBER 11a

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

OF COMMITTEE (in Part)

A. Full Name, Mailing Address and ZIP Code Robert M. Brown 210-21st Street, S.E., Suite B-15 Washington, D.C. 20003 Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Name of Employer EVERGREEN ASSOCIATES 206 G Street, N.E. Washington, D.C. 20002 Occupation President Aggregate Year-to-Date > \$ 1000.00	Date (month, day, year) 7-9-87	Amount of Each Receipt this Period 1000.00
B. Full Name, Mailing Address and ZIP Code Mildred E. Hill 277 Roselle Street Mineola, N.Y. 11501 Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Name of Employer  Occupation Retired Aggregate Year-to-Date > \$ 1000.00	Date (month, day, year) 7-9-87	Amount of Each Receipt this Period 1000.00
C. Full Name, Mailing Address and ZIP Code Brenda Brooks 7511 Axton Street Springfield, VA 22151 Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Name of Employer U S Air, Inc. Occupation Accounting Clerk Aggregate Year-to-Date > \$ 1000.00	Date (month, day, year) 7-9-87	Amount of Each Receipt this Period 1000.00
D. Full Name, Mailing Address and ZIP Code R.H. Littlefield 5500 Holmes Run Pkwy #605 Alexandria, VA 22304 Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Name of Employer Merrilana Research LH Occupation President Aggregate Year-to-Date > \$ 1000.00	Date (month, day, year) 7-9-87	Amount of Each Receipt this Period 1000.00
E. Full Name, Mailing Address and ZIP Code Wilhelmina Littlefield 5500 Holmes Run Pkwy #605 Alexandria, VA 22304 Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Name of Employer  Occupation Housewife Aggregate Year-to-Date > \$ 1000.00	Date (month, day, year) 7-9-87	Amount of Each Receipt this Period 1000.00
F. Full Name, Mailing Address and ZIP Code William M. Galvin 600 New Hampshire Avenue, N.W. Washington, D.C. 20037 Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Name of Employer Information requested Occupation Aggregate Year-to-Date > \$ 1000.00	Date (month, day, year) 7-9-87	Amount of Each Receipt this Period 1000.00
G. Full Name, Mailing Address and ZIP Code Jeffrey F. Zorba Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Name of Employer N/A Occupation Aggregate Year-to-Date > \$ 1000.00	Date (month, day, year) 7-9-87	Amount of Each Receipt this Period 1000.00
TOTAL of Receipts This Page (optional)			7000.00
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## ITEMIZED RECEIPTS

PAGE	OF
4	8
FOR LINE NUMBER	

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

E OF CONFIDENTIAL (in Part)

A. Full Name, Mailing Address and ZIP Code		Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Samuel Ralph Preston 6314 Woodville Drive Falls Church, VA 22044		1000.00 Primary 1000.00 General		
Receipt For: <input checked="" type="checkbox"/> Other (specify): <input type="checkbox"/>		Occupation Consultant	7-18-87	2000.00
		Aggregate Year-to-Date > \$ 2000.00		
B. Full Name, Mailing Address and ZIP Code		Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Robert E.L. Eaton 5921 Ekrex Avenue Chevy Chase, MD 20815		Eaton Assoc. Inc. Suite 1111, 1725 K St. N.W. Washington, D.C. 20006	7-21-87	500.00
Receipt For: <input checked="" type="checkbox"/> Other (specify): <input type="checkbox"/>		Occupation Consultant		
		Aggregate Year-to-Date > \$ 1000.00		
C. Full Name, Mailing Address and ZIP Code		Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Barbara C. Mackerer 803 Valley Drive Manhattan Beach, CA 90266			7-31-87	1000.00
Receipt For: <input checked="" type="checkbox"/> Other (specify): <input type="checkbox"/>		Occupation Housewife		
		Aggregate Year-to-Date > \$ 1000.00		
D. Full Name, Mailing Address and ZIP Code		Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Famela Hall 26600 Honeycreek Road Rancho Palos Verdes, CA 90274			8-4-87	1000.00
Receipt For: <input checked="" type="checkbox"/> Other (specify): <input type="checkbox"/>		Occupation Housewife		
		Aggregate Year-to-Date > \$ 1000.00		
E. Full Name, Mailing Address and ZIP Code		Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Susan J. Donley 22903 Madison Street Torrance, CA 90505		Die Cast Products 621 W. Rossmore Ave. Gardena, CA 90248	8-4-87	500.00 1000.00
Receipt For: <input checked="" type="checkbox"/> Other (specify): <input type="checkbox"/>		Occupation Personnel Manager		
		Aggregate Year-to-Date > \$ 1500.00		
F. Full Name, Mailing Address and ZIP Code		Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Christine C. Cressak 1600 Addison Road Palos Verdes Estates, CA 90274			8-4-87	1000.00
Receipt For: <input checked="" type="checkbox"/> Other (specify): <input type="checkbox"/>		Occupation Housewife		
		Aggregate Year-to-Date > \$ 1000.00		
G. Full Name, Mailing Address and ZIP Code		Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Helen Koehler 6420 Blue Hill Lane Alexandria, VA 22307			7-31-87	1000.00
Receipt For: <input checked="" type="checkbox"/> Other (specify): <input type="checkbox"/>		Occupation Housewife		
		Aggregate Year-to-Date > \$ 1000.00		
TOTAL of Receipts This Page (optional)				8000.00
A1. This Period (last page this line number only)				

93043501805

ATTACHMENT F

## Former Executive, 2 Others In Defense Probe Plead Guilty

By Caryle Murphy  
Washington Post Staff Writer

A former top defense industry executive who is a key figure in the Pentagon corruption probe pleaded guilty yesterday to bribing former assistant Navy secretary Melvyn R. Paisley and illicitly funneling money to the congressional campaigns of Rep. Roy Dyson (D-Md.) and others.

Charles F. Gardner, who was fired last year as vice president of Unisys Corp., a leading military contractor, and consultant James G. Neal admitted paying an inflated price in 1986 for a Sun Valley, Idaho, condominium owned by Paisley to influence the then-Navy official

in the award of two lucrative military contracts. One of the contracts—a \$110 million Marine Corps air traffic control system—was awarded to Unisys a month before Gardner and Neal bought the ski resort condo.

Paisley, who left his Pentagon post as assistant secretary for research, engineering and systems in 1987, said yesterday he "unequivocally rejects the contention that he was bribed by Charles Gardner or anyone else while at the Navy."

In a statement issued through his attorneys, Paisley said he "had no knowledge that the [condo] sale . . . was anything other than a com-

See DEFENSE, A20, Col. 1



**CHARLES F. GARDNER**  
... bribery, election-law violations

Wash. Post 3/10/89

93043501806



# Key Figure Two Others Plead Guilty in Probe

DEFENSE, From A1

pletely legitimate arm's-length transaction at fair market value."

Papers filed in connection with the pleas of Gardner and Neal in Alexandria federal court outline an elaborate, seven-year effort headed by Gardner that used Virginia corporations, British front companies, Caribbean bank accounts and bogus "consulting" contracts worth more than \$5 million to funnel Unisys money into bribes, illegal campaign contributions and Gardner's personal use.

Neal, 64, also admitted sending, at Gardner's request, \$400,000 over a two-year period to the Bahamas-based company of a Navy engineer in exchange for his help in steering an electronics contract to the Long Island-based component of Unisys. The engineer, Garland L. Tomlin Jr., retired from the Navy's Space and Naval Warfare Command in 1985, a Navy spokesman said.

Also yesterday, Kenneth F. Brooke, 40, admitted evading taxes in 1985 when he underreported his income by nearly \$172,000. Brooke is the stepson and former accountant of defense consultant and Paisley associate, William M. Galvin. Paisley and Galvin are said by law enforcement sources to be targets of the investigation.

Yesterday's pleas, which require all three to cooperate with authorities, represent a bonanza for federal investigators in the long-running probe of fraud and bribery in military contracting because the men are said to have detailed information about others under investigation.

Gardner, 58, who also pleaded guilty to laundering \$1,000 each in corporate funds into the campaigns of Dyson and former representative Bill Chappell (D-Fla.), is described as a key source for federal agents looking into alleged attempts to influence legislators with defense procurement responsibilities.

The men's cooperation "will move this investigation forward at a tremendous pace," said U.S. Attorney Henry E. Hudson, who is directing the inquiry that began in the fall of 1986 under the codename "Ill Wind."

Hudson said yesterday that he has "no evidence at this time that either Chappell or Dyson knew" that the \$1,000 contributions organized by Gardner came from corporate funds. Under federal law, corporations cannot contribute to political campaigns.

"Unisys welcomes the guilty plea of Charles Gardner," the defense firm, formed in 1986 by a merger of Sperry Corp. and Burroughs Corp., said yesterday in a statement. "What has been uncovered is a deliberate fraud...carefully disguised by a small group of former Sperry employees and consultants that produced personal gain for Gardner and others," it said, adding it "plans legal action of its own against Gardner."

According to prosecutors, the condo buying scheme began with a suggestion from Galvin and was part of Gardner's efforts to influence Paisley in "his decisions and actions pertaining to the ongoing Aegis and MATCAL contracts."

Unisys received at least \$194 million in contracts for Aegis, a shipboard electronic warfare system which used radar to guide mis-

siles. Over Navy objections, Chappell, chairman of the House Appropriations defense subcommittee until his election defeat last fall, and Dyson, a member of the House Armed Services Committee, helped keep the project alive.

A Unisys spokesman said yesterday the firm won the MATCAL contract, a \$110 million Marine Corps air traffic control and landing system, in July 1986.

In May 1986, court papers show, Galvin asked Gardner to buy Paisley's condo for \$149,000 and Gardner instructed Neal to purchase the property, "despite the fact that the condominium was known by Gardner to be of a value substantially less than \$149,000."

Neal, who set up seven Virginia firms to help carry out Gardner's plans, transferred \$180,000 to a company on Britain's Isle of Man. The money was then sent to firms Neal controlled in the Cayman Islands and Idaho. The Idaho entity bought Paisley's condo in August 1986, and sold it a year later for \$100,000.

Galvin's lawyer, William D. Nussbaum, called "false" the allegations that Galvin, who has not been charged with any crime, conspired to bribe Paisley.

The \$400,000 bribe of Tomlin had its origin in a 1983 meeting with Gardner, court papers stated. Tomlin, an engineer with the testing division at the Navy's space command, asked Gardner for \$500,000 "in return for Tomlin using his influence to help Sperry/Unisys obtain a contract...worth several million dollars," the documents said.

At Gardner's request, Neal between January 1983 and December 1984 transferred about \$400,000 of Unisys money from his Virginia companies to Tomlin's Bahamas firm, Longwood International, the papers said. Tomlin could not be reached yesterday.

The contract Tomlin offered to help steer to Sperry was for an electronics testing system. A Unisys spokesman said Sperry and two other firms won a preliminary contract, but General Electric Co. got the final production contract.

Gardner, who was general manager of Unisys surveillance and fire control division in Great Neck, N.Y., until his dismissal in March 1988, requisitioned the \$5 million in company funds by setting up bogus "technical services" agreements with various "consultants," according to documents filed yesterday.

The consultants, who included Neal, understood that part of the money they got would be diverted for Gardner's purposes, the papers stated. Neal and Gardner used \$145,000 in Unisys consulting funds to buy a Reston townhouse and transferred \$1.7 million to a Virginia firm owned by Gardner.

Gardner pleaded guilty to bribery; conspiring to commit bribery and file false statements, and helping prepare a false income tax return for one of Neal's front companies. He faces up to 18 years in prison and \$750,000 in fines at his July 14 sentencing.

Neal of Oakton pleaded guilty to tax evasion, filing a false claim and conspiring to defraud the federal government through bribery. He also is to be sentenced July 14.



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

September 15, 1989

Gerard J. Scarano  
31 Tanger Lane  
Gales Ferry, CT 06224

RE: MUR 2981

Dear Mr. Scarano:

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 numbered this matter MUR 2981. 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 you 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 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 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.

93043507808

If you have any questions, please contact Mark Allen, the staff member assigned to this matter at (202) 376-5690. 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. Berner  
Associate General Counsel

Enclosures

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

93043501809



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20461

September 15, 1989

Robert D. Barrett  
2026 Lakebreeze Way  
Reston, VA 22091

RE: MUR 2981

Dear Mr. Barrett:

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 numbered this matter MUR 2981. 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 you 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.

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93043501810

If you have any questions, please contact Mark Allen, the staff member assigned to this matter at (202) 376-5690. 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. Berner  
Associate General Counsel

Enclosures

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

93043501811



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20461

September 15, 1989

Paul E. Wilson, Jr., Treasurer  
Bill Chappell Campaign Committee  
21 S.E. Wenona Avenue  
Ocala, FL 32671

RE: MUR 2981

Dear Mr. Wilson:

The Federal Election Commission received a complaint which alleges that the Bill Chappell Campaign Committee and you, as treasurer, 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 2981. 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 you 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.

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23043501812

If you have any questions, please contact Mark Allen, the staff member assigned to this matter at (202) 376-5690. 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. Berner  
Associate General Counsel

Enclosures

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

93043501813





FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

September 15, 1989

Mary M. Schumacher, Treasurer  
Friends of Congressman Hochbrueckner  
P.O. Box 426  
Coram, N.Y. 11727

RE: MUR 2981

Dear Ms. Schumacher:

The Federal Election Commission received a complaint which alleges that the Friends of Congressman Hochbrueckner and you, as treasurer, 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 2981. 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 you 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.

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23043501814



If you have any questions, please contact Mark Allen, the staff member assigned to this matter at (202) 376-5690. 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. Berner  
Associate General Counsel

Enclosures

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

93043501815



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20461

September 15, 1989

Michael A. Nemeroff, Treasurer  
Friends of Jim Sasser  
1722 Eye Street, N.W.  
Washington, D.C. 20006

RE: MUR 2981

Dear Mr. Nemeroff:

The Federal Election Commission received a complaint which alleges that the Friends of Jim Sasser and you, as treasurer, 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 2981. 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 you 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.


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If you have any questions, please contact Mark Allen, the staff member assigned to this matter at (202) 376-5690. 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. Berner  
Associate General Counsel

Enclosures

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

93043501817



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

September 15, 1989

Congressman Roy Dyson  
326 Cannon House Office Building  
Washington, D.C. 20515-2001

RE: MUR 2981

Dear Congressman Dyson:

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 numbered this matter MUR 2981. 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 you 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.

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93043501818

If you have any questions, please contact Mark Allen, the staff member assigned to this matter at (202) 376-5690. 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. Berner  
Associate General Counsel

Enclosures

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

93043501819



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

September 15, 1989

William M. Galvin  
600 New Hampshire Avenue, N.W.  
Washington, D.C. 20037

RE: MUR 2981

Dear Mr. Galvin:

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 numbered this matter MUR 2981. 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 you 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.

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93043501820

If you have any questions, please contact Mark Allen, the staff member assigned to this matter at (202) 376-5690. 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. Berner  
Associate General Counsel

Enclosures

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

93043501821



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

September 15, 1989

Joseph S. Zuba  
4815 Virginia Road  
Mechanicsburg, PA 17055

RE: MUR 2981

Dear Mr. Zuba:

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 numbered this matter MUR 2981. Please refer to this number in all future correspondence.

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93043501822



If you have any questions, please contact Mark Allen, the staff member assigned to this matter at (202) 376-5690. 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. Berner  
Associate General Counsel

Enclosures

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

93043501823



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

September 15, 1989

George L. Patterson, Treasurer  
Congressman Bill Young Campaign Committee  
P.O. Box 47025  
St. Petersburg, FL 33743

RE: MUR 2981

Dear Mr. Patterson:

The Federal Election Commission received a complaint which alleges that the Congressman Bill Young Campaign Committee and you, as treasurer, 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 2981. 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 you 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.

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93043501824

If you have any questions, please contact Mark Allen, the staff member assigned to this matter at (202) 376-5690. 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. Berner  
Associate General Counsel

Enclosures

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

93043501825



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

September 15, 1989

Robert H. Littlefield  
3500 Holmes Run Pkwy. #605  
Alexandria, VA 22304

RE: MUR 2981

Dear Mr. Littlefield:

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 numbered this matter MUR 2981. 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 you 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.

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93043501826

If you have any questions, please contact Mark Allen, the staff member assigned to this matter at (202) 376-5690. 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. Berner  
Associate General Counsel

Enclosures

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

93043501827



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

September 15, 1989

Joseph E. Hill  
277 Roselle Street  
Mineola, NY 11501

RE: MUR 2981

Dear Mr. Hill:

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 numbered this matter MUR 2981. 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 you 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.

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93043501828

If you have any questions, please contact Mark Allen, the staff member assigned to this matter at (202) 376-5690. 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. Berner  
Associate General Counsel

Enclosures

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

93043501829



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

September 15, 1989

Macy M. Skinner, Treasurer  
Richard Ray for Congress Campaign Committee  
P.O. Box 1352  
Perry, GA 31069

RE: MUR 2981

Dear Ms. Skinner:

The Federal Election Commission received a complaint which alleges that the Richard Ray for Congress Campaign Committee and you, as treasurer, 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 2981. 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 you 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.

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93043501830



If you have any questions, please contact Mark Allen, the staff member assigned to this matter at (202) 376-5690. 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. Berner  
Associate General Counsel

Enclosures

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

93043501831



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

September 15, 1989

Don L. Lynch  
11100 Byrd Drive  
Fairfax, VA 22030

RE: MUR 2981

Dear Mr. Lynch:

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 numbered this matter MUR 2981. 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 you 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.

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93043501832

If you have any questions, please contact Mark Allen, the staff member assigned to this matter at (202) 376-5690. 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. Berner  
Associate General Counsel

Enclosures

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

93043501833



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

September 15, 1989

Charles F. Gardner  
50 Roosevelt Avenue  
Malverne, NY 11565

RE: MUR 2981

Dear Mr. Gardner:

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 numbered this matter MUR 2981. 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 you 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 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 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.

93043501834

If you have any questions, please contact Mark Allen, the staff member assigned to this matter at (202) 376-5690. 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. Berner  
Associate General Counsel

Enclosures

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

93043501835



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

September 15, 1989

Lloyd Lancaster, Treasurer  
Dickinson Second District Congressional Committee  
P.O. Box 4539  
Montgomery, AL 36103

RE: MUR 2981

Dear Mr. Lancaster

The Federal Election Commission received a complaint which alleges that the Dickinson Second District Congressional Committee and you, as treasurer, 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 2981. 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 you 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 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 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.

93043501836

If you have any questions, please contact Mark Allen, the staff member assigned to this matter at (202) 376-5690. 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. Berner  
Associate General Counsel

Enclosures

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

93043501837



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

September 15, 1989

W. Michael Blumenthal  
Chief Executive Officer  
UNISYS Corporation  
1 Unisys Place  
Detroit, MI 48202

RE: MUR 2981

Dear Mr. Blumenthal:

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 numbered this matter MUR 2981. 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 you 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 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 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.

23043501838



If you have any questions, please contact Mark Allen, the staff member assigned to this matter at (202) 376-5690. 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. Berner  
Associate General Counsel

Enclosures

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

93043501839



FEDERAL ELECTION COMMISSION

WASHINGTON D.C. 20461

September 15, 1989

Marion R. Fedas, Treasurer  
Dyson for Congress Committee  
578 Paradise Road  
Aberdeen, MD 21001

RE: MUR 2981

Dear Ms. Fedas:

The Federal Election Commission received a complaint which alleges that the Dyson for Congress Committee and you, as treasurer, 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 2981. 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 you 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 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 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.

If you have any questions, please contact Mark Allen, the staff member assigned to this matter at (202) 376-5690. 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. Berner  
Associate General Counsel

Enclosures

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

93043501841



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

September 15, 1989

John Roberts, III  
4825 Red Fox Drive  
Annandale, VA 22003

RE: MUR 2981

Dear Mr. Roberts:

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 numbered this matter MUR 2981. 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 you 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 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 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.

23043501842

If you have any questions, please contact Mark Allen, the staff member assigned to this matter at (202) 376-5690. 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. Berner  
Associate General Counsel

Enclosures

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

93043501843



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

September 15, 1989

Mr. Luis A. Luna  
P.O. Box 2330  
Easton, MD 21601

RE: MUR 2981

Dear Mr. Luna:

This letter acknowledges receipt on September 8, 1989, of your complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended ("the Act"), by the Dyson for Congress Committee and Marion R. Fedas, as treasurer. 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 numbered this matter MUR 2981. 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 Retha Dixon, Docket Chief, at (202) 376-3110.

Sincerely,

Lawrence M. Noble  
General Counsel

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

BY: Lois G. Lerner  
Associate General Counsel

Enclosure  
Procedures

93043501844



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

September 20, 1989

Dennis Mitchell  
4 Silver Beech Court  
Poquott, NY 11733

RE: MUR 2981

Dear Mr. Mitchell:

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 numbered this matter MUR 2981. 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 you 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 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 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.

93043501845

If you have any questions, please contact Mark Allen, the staff member assigned to this matter, at (202) 376-5690. 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

93043501846



**STATEMENT OF DESIGNATION OF COUNSEL**

OGC 4076

RECEIVED  
FEDERAL ELECTION COMMISSION  
MAIL ROOM

89 SEP 21 PM 1:32

MUR 2981

NAME OF COUNSEL: Leonard N Bechick

ADDRESS: 1220 Nineteenth St., N.W., Suite 700  
Washington, D. C. 20036

TELEPHONE: 293-3207

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF LEGAL COUNSEL  
89 SEP 21 PM 4:07

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.

20 Sep 1989  
Date

Don L. Lynch  
Signature

ADDRESSEE'S  
RESPONDENT'S NAME: Don L Lynch

ADDRESS: 11100 Byrd Drive  
Fairfax, VA 22030

HOME PHONE: call counsel if you need to contact me.

BUSINESS PHONE:

93043501847

RECEIVED  
FEDERAL ELECTION COMMISSION  
MAIL ROOM

ROBERT H. LITTLEFIELD  
5500 HOLMES RUN PARKWAY, NO. 605  
ALEXANDRIA, VIRGINIA 22304

89 SEP 26 AM 11:01

9/24/89

RE: MUR 2981

LAWRENCE M. NOBLE  
FEDERAL ELECTION COMMISSION  
WASHINGTON DC 20463

DEAR MR. NOBLE:

THANK YOU FOR YOUR LETTER OF SEPT. 15 1989.  
I REJECT THE ALLEGATIONS IN THE ENCLOSURES  
TO YOUR LETTER.

I RETIRED FROM SPERRY/UNISYS IN APRIL 1983  
AFTER 41 YEARS. THEN I UNDERTOOK TO PROVIDE  
TECHNICAL SERVICES TO SPERRY, ON CONTRACT  
FOR A FIXED AMOUNT PER YEAR. MY PRINCIPAL DUTIES  
WERE TO PARTICIPATE IN THE PREPARATION OF  
MAJOR TECHNICAL PROPOSALS SEEKING OVERSEAS  
DEFENSE BUSINESS.

AT NO TIME WAS MY REMUNERATION ALTERED AS THE  
RESULT OF MAKING OR NOT MAKING POLITICAL  
CONTRIBUTIONS. IT THEREFORE CANNOT BE SAID  
THAT I WAS USED FOR CHANNELING CONTRACTOR  
MONEY TO CONGRESSMEN.

I AM A FIRM BELIEVER IN A STRONG CAPABLE NAVY.  
I DID MAKE CONTRIBUTIONS TO CONGRESSMEN WHOM  
I BELIEVED WERE SUPPORTIVE OF NAVY PROGRAMS I  
THOUGHT WERE NEEDED.

OVER THE YEARS I MADE CONTRIBUTIONS TO OTHERS  
THAT COULD NOT IN ANY SENSE BE SAID TO BE RELATED TO  
A DEFENSE CONTRACTOR. INCLUDED WERE HELMS,  
PARRIS, HART, SENATE RELECTION COMMITTEE, THE  
NATIONAL CONGRESSIONAL CLUB.

I AM RETIRED ON A FIXED INCOME. BOTH MY WIFE,  
WHO IS 82 AND I ARE IN ILL HEALTH. WE CAN NO LONGER  
AFFORD THE LUXURY OF POLITICAL CONTRIBUTIONS.

I SHALL APPRECIATE YOUR INFORMING ME HOW  
THIS MATTER MAY BE RESOLVED.

SINCERELY

Robert H. Littlefield

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF THE CLERK  
89 SEP 26 PM 12:05

93043501848

Paul E. Wilson Jr., P.A.  
CERTIFIED PUBLIC ACCOUNTANT

RECEIVED  
FEDERAL ELECTION COMMISSION  
MAIL ROOM

MEMBER  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
FEDERAL INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

89 SEP 27 AM 11:29

21 S. E. Wenona Avenue / Ocala, Florida 32671 / 904-629-8074

Paul E. Wilson, Jr., CPA

September 25, 1989

Lois G. Lerner  
Assoc. Election Counsel  
Federal Election Comm.  
1325 K Street, N.W.  
Washington, D.C. 20463

RE: MUR 2981

Dear Ms. Lerner

As you are aware, Mr. Chappell passed away this year and his staff to both Congressional and Campaign has been dissolved. As Campaign Treasurer, I have filed all the returns to your agency reflecting the end of this committee, and your office has received all of those filings.

As for the alleged actions of Mr. Chappell, he denied any wrongdoing until his death. As for myself as Campaign Treasurer, I am unaware of any violation that occurred in this or any other period of time. I acted in good faith and reported to the Federal Election Committee all contributions and expenditures, of which you have a copy. I was unaware of these charges against Mr. Dyson for I do not receive the Washington and Maryland newspapers.

As of this date, neither your office or any other Federal, State, or other agency has made any request for information about this or other matters concerning the Bill Chappell Campaign Committee.

If you have any questions, our records are open for your inspection.

If I can be of any further assistance, please do not hesitate to call.

Very truly yours,

Paul E. Wilson, Jr.  
Certified Public Accountant

PEW/vg

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF THE CLERK  
89 SEP 27 PM 3:12

93043501849

OGC 4116

RECEIVED  
FEDERAL ELECTION COMMISSION  
MAIL ROOM

# DICKINSON

89 SEP 27 AM 11:37

SECOND DISTRICT CONGRESSIONAL COMMITTEE

September 25, 1989

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
89 SEP 27 PM 3:13


General Counsel's Office  
Federal Election Commission  
999 E Steet, NW  
Washington, DC 20463

RE: MUR 2981

TO WHOM IT MAY CONCERN:

This letter is in response to a recent letter from your office dated September 15, 1989 regarding alleged violations of the Federal Election Campaign Act of 1971. The Dickinson Second District Congressional Committee has not violated this "ACT". As soon as we were advised by the Washington office that the contribution by Mr. Joseph Hill was a violation of the "ACT" we were instructed to make a contribution of \$2,000.00 to Charity. This was the total of the two Hill contributions as indicated in our 1987 Year End FEC Report. This is documented in the enclosed information.

I wish for this information to remain confidential. If I can be of further assistance, please contact me at PO Box 4539, Montgomery, Alabama 36104.

Sincerely,  
  
Lloyd Lancaster  
Treasurer

LL/ld

- enclosures:
- 1987 Year End FEC Report
  - Instructions from Washington Office
  - Copy of check for \$2,000.00 to Montgomery Charities
  - 1989 Mid-Year FEC Report

93043501850

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)

DICKINSON SECOND DISTRICT CONGRESSIONAL COMMITTEE I.D.#001899


A. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Joseph E. Hill 277 Roselle St. Mineola, N.Y. 11501	Self Employed	871005	1000
Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation Consultant	Aggregate Year-to-Date > \$ 1000	
B. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Mildred D. Hill 277 Roselle St. Mineola, N.Y. 11501	Housewife	871005	1000
Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	Aggregate Year-to-Date > \$ 1000	
C. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Donald P. Jenkins 109 Jackson Street Garden City, N.Y. 11530	Certified Van Service	870910	500
Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation Sales Manager	Aggregate Year-to-Date > \$ 500	
D. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Michael B. Joy 2758 N. Nelson St. Arlington, VA. 22207	Self Employed	871006	250
Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation Consultant	Aggregate Year-to-Date > \$ 250	
E. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Adolf Karl 26 Somerset Drive North Great Neck, N.Y. 11020	William Karl & Son	871018	500
Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation President	Aggregate Year-to-Date > \$ 500	
F. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Theodore Krause 204 Mariners Way Copiague, N.Y. 11726	TEK Precision Co.	870909	500
Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation President	Aggregate Year-to-Date > \$ 500	
G. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Albert Lee 505 South 24th St. Arlington, VA. 22202	Self Employed	870929	500
Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation Restaurateur	Aggregate Year-to-Date > \$ 500	
SUBTOTAL of Receipts This Page (optional)			4,250.00
TOTAL This Period (last page this line number only)			

January 30, 1989

Mr. Tom Bracewell  
C/O Cong. Dickinson  
Montgomery, Alabama

Since both Mr. and Mrs. Hill have stated that their \$1,000 contributions to the Dickinson Second District Congressional Committee, was in violation of FEC rules, Congressman Dickinson wishes to donate a like amount (total \$2,000) to Montgomery Charities.

Please ask Treasurer Lloyd Lancaster to prepare a check in that amount and forward to the correct address.

  
Clay Swanzey  
Washington, D.C.

93043501852

DICKINSON SECOND DISTRICT  
CONGRESSIONAL COMMITTEE  
PO BOX 4539  
MONTGOMERY, AL 36103

1733

51-38  
622

February 23 19 89

TO THE  
ORDER OF

Montgomery Charities

\$ 2000<sup>00</sup>

Two Thousand + 0/100

DOLLARS

UNION BANK & TRUST CO.

MONTGOMERY, ALABAMA

MAR 1 3 89

SECOND DISTRICT CONGRESSIONAL COMMITTEE

Ref: Hill contribution to Dickson Campaign

⑈001733⑈ ⑈062200385⑈ ⑈09 536⑈

⑈0000200000⑈

93 Montgomery Charities

STANDARD BANK - MONTGOMERY, ALABAMA  
POSTAL SERVICE AND TELEGRAPH COMPANY

02305244

MAR 1 3 89

13 MAR 89

STANDARD BANK - MONTGOMERY, ALABAMA  
POSTAL SERVICE AND TELEGRAPH COMPANY

SCHEDULE B

ITEMIZED DISBURSEMENTS

Separate schedule(s)  
for each category of the  
Detailed Summary Page

PAGE 3 OF 6  
FOR LINE NUMBER 17

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)

DICKINSON SECOND DISTRICT CONGRESSIONAL COMMITTEE

<p>A. Full Name, Mailing Address and ZIP Code Bondy's Ford Ross Clark Circle Dothan, AL 36303</p>	<p>Purpose of Disbursement purchase campaign car</p> <p>Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)</p>	<p>Date (month, day, year) 3-23-89</p>	<p>Amount of Each Disbursement This Period 12,148.87</p>
<p>B. Full Name, Mailing Address and ZIP Code Internal Revenue Service Birmingham District Birmingham, AL</p>	<p>Purpose of Disbursement taxes for 1988</p> <p>Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)</p>	<p>Date (month, day, year) 3-15-89</p>	<p>Amount of Each Disbursement This Period 9,965.00</p>
<p>C. Full Name, Mailing Address and ZIP Code EXXON OIL PO Box 4741 Houston, Texas 97210</p>	<p>Purpose of Disbursement gas credit card</p> <p>Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)</p>	<p>Date (month, day, year) 3-16-89</p>	<p>Amount of Each Disbursement This Period 343.99</p>
<p>D. Full Name, Mailing Address and ZIP Code Graceba Cellular Telephone Co. PO Box G 401 3rd Ave. Ashford, AL 36312</p>	<p>Purpose of Disbursement cellular phone bill</p> <p>Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)</p>	<p>Date (month, day, year) 3-6-89</p>	<p>Amount of Each Disbursement This Period 271.04</p>
<p>E. Full Name, Mailing Address and ZIP Code Jackson, Thornton &amp; Co. PO Box 96 Montgomery, AL 36195</p>	<p>Purpose of Disbursement accounting audit fee</p> <p>Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)</p>	<p>Date (month, day, year) 2-13-89</p>	<p>Amount of Each Disbursement This Period 250.00</p>
<p>F. Full Name, Mailing Address and ZIP Code State Farm Auto Ins. Birmingham, AL 35297-0001</p>	<p>Purpose of Disbursement insurance premium for campaign car</p> <p>Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)</p>	<p>Date (month, day, year) 2-23-89</p>	<p>Amount of Each Disbursement This Period 279.20</p>
<p>G. Full Name, Mailing Address and ZIP Code Montgomery Charities 2452 Brooks Court Montgomery, AL 36106</p>	<p>Purpose of Disbursement charity donation</p> <p>Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)</p>	<p>Date (month, day, year) 2-23-89</p>	<p>Amount of Each Disbursement This Period 2,000.00</p>
<p>H. Full Name, Mailing Address and ZIP Code L.M. Collins &amp; Assoc. 125 Autumn Drive Stafford, Va. 22554</p>	<p>Purpose of Disbursement advertising</p> <p>Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)</p>	<p>Date (month, day, year) 4-14-89</p>	<p>Amount of Each Disbursement This Period 790.00</p>
<p>I. Full Name, Mailing Address and ZIP Code Four Season Restaurant &amp; Hotel Washington, DC</p>	<p>Purpose of Disbursement deposit - fundraiser dinner</p> <p>Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)</p>	<p>Date (month, day, year) 4-12-89</p>	<p>Amount of Each Disbursement This Period 500.00</p>

SUBTOTAL of Disbursements This Page (optional) ..... 26,548.10

TOTAL This Period (last page this line number only) .....



0609111

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2981

NAME OF COUNSEL: Myles V. Lynk  
Dewey, Ballantine, Bushby, Palmer  
ADDRESS: & Wood  
1775 Pennsylvania Avenue, N.W.  
Washington, D.C. 20006  
TELEPHONE: 202-862-1047

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF THE CLERK  
89 SEP 27 AM 9:07

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.

Date

*Joseph E. Hill*  
Signature

RESPONDENT'S NAME: Joseph E. Hill

ADDRESS: 277 Roselle Street

Mineola, NY 11501

HOME PHONE:

BUSINESS PHONE:

93043501855



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20003

9-28-89

John Roberts, III  
4825 Red Fox Drive  
Annandale, VA 22003

RE: MUR 298

Dear Mr. Roberts:

On September 15, 1989, you were notified that the Federal Election Commission received a complaint from Luis A. Luna alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. At that time you were given a copy of the complaint and informed that a response to the complaint should be submitted within 15 days of receipt of the notification.

It has come to the Commission's attention that several of the newspaper articles included in attachments A, B, and F to the complaint were not reproduced in their entirety. Enclosed are copies of these articles.

If you have any questions, please contact Mark Allen, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble  
General Counsel

*Lois G. Lerner* (HL)  
BY: Lois G. Lerner  
Associate General Counsel

ENCLOSURE

93043501856



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 204

Jimmy Hendricks  
Office of Rep. Pay  
425 Cannon House Office Building  
Washington, D.C. 20515-1003

RE: NUR 2981

Richard Ray for Congress  
Campaign Committee

Dear Mr. Hendricks

On September 15, 1989, you were notified that the Federal Election Commission received a complaint from Luis A. Luna alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. At that time you were given a copy of the complaint and informed that a response to the complaint should be submitted within 15 days of receipt of the notification.

It has come to the Commission's attention that several of the newspaper articles included in attachments A, B, and F to the complaint were not reproduced in their entirety. Enclosed are copies of these articles.

If you have any questions, please contact Mark Allen, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble  
General Counsel

*Lois G. Lerner (gk)*

BY: Lois G. Lerner  
Associate General Counsel

ENCLOSURE

93043501857



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20541

Josh Grove  
Office of Rep. Hochbrueckner  
124 Cannon House Office Building  
Washington, D.C. 20515-3201

RE: MUR 2981

Friends of Congressman  
Hochbrueckner

Dear Mr. Grove:

On September 15, 1989, you were notified that the Federal Election Commission received a complaint from Luis A. Luna alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. At that time you were given a copy of the complaint and informed that a response to the complaint should be submitted within 15 days of receipt of the notification.

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If you have any questions, please contact Mark Allen, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble  
General Counsel

*Lois G. Lerner* (tek)  
BY: Lois G. Lerner  
Associate General Counsel

ENCLOSURE

93043501858



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20004

Dennis Mitchell  
4 Silver Beech Court  
Poquott, NY 11723

RE: MUR 7931

Dear Mr. Mitchell

On September 15, 1989, you were notified that the Federal Election Commission received a complaint from Luis A. Luna alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. At that time you were given a copy of the complaint and informed that a response to the complaint should be submitted within 15 days of receipt of the notification.

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If you have any questions, please contact Mark Allen, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble  
General Counsel

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

ENCLOSURE

93043501859



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20543

Robert Barrett  
12503 Sweet Leaf Terrace  
Fairfax, VA 22033

RE: MUR 2981

Dear Mr. Barrett:

On September 15, 1989, you were notified that the Federal Election Commission received a complaint from Luis A. Luna alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. At that time you were given a copy of the complaint and informed that a response to the complaint should be submitted within 15 days of receipt of the notification.

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If you have any questions, please contact Mark Allen, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble  
General Counsel

*Lois G. Lerner (HKL)*

BY: Lois G. Lerner  
Associate General Counsel

ENCLOSURE

93043501860



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20543

W. Michael Blumenthal  
Chief Executive Officer  
UNISYS Corporation  
1 Unisys Place  
Detroit, MI 48202

RE: MUR 2981

Dear Mr. Blumenthal:

On September 15, 1989, you were notified that the Federal Election Commission received a complaint from Luis A. Luna alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. At that time you were given a copy of the complaint and informed that a response to the complaint should be submitted within 15 days of receipt of the notification.

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If you have any questions, please contact Mark Allen, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble  
General Counsel

*Lois G. Lerner (LLK)*

BY: Lois G. Lerner  
Associate General Counsel

ENCLOSURE

93043501861



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20543

Gerard J. Scarano  
31 Tanquer Lane  
Gales Ferry, CT 06224

RE: NJR 290

Dear Mr. Scarano:

On September 15, 1989, you were notified that the Federal Election Commission received a complaint from Luis A. Luna alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. At that time you were given a copy of the complaint and informed that a response to the complaint should be submitted within 15 days of receipt of the notification.

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If you have any questions, please contact Mark Allen, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble  
General Counsel

*Lois G. Lerner (SLK)*

BY: Lois G. Lerner  
Associate General Counsel

ENCLOSURE

93043501862





FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20543

Paul E. Wilson, Treasurer  
Bill Chappell Campaign Committee  
21 S.E. Wenona Avenue  
Ocala, FL 32671

RE: MUR 2081

Bill Chappell Campaign Committee  
Paul E. Wilson, Treasurer

Dear Mr. Wilson:

On September 15, 1989, you were notified that the Federal Election Commission received a complaint from Luis A. Luna alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. At that time you were given a copy of the complaint and informed that a response to the complaint should be submitted within 15 days of receipt of the notification.

It has come to the Commission's attention that several of the newspaper articles included in attachments A, B, and F to the complaint were not reproduced in their entirety. Enclosed are copies of these articles.

If you have any questions, please contact Mark Allen, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble  
General Counsel

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

ENCLOSURE

93043501863



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20006

Michael A. Nemeroff, Treasure  
Friends of Jim Sasser  
1722 Eye Street, N.W.  
Washington, D.C. 20006

RE: MUR 2981

Friends of Jim Sasser  
Michael A. Nemeroff, Treasure

Dear Mr. Nemeroff

On September 15, 1989, you were notified that the Federal Election Commission received a complaint from Luis A. Luna alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. At that time you were given a copy of the complaint and informed that a response to the complaint should be submitted within 15 days of receipt of the notification.

It has come to the Commission's attention that several of the newspaper articles included in attachments A, B, and F to the complaint were not reproduced in their entirety. Enclosed are copies of these articles.

If you have any questions, please contact Mark Allen, the staff member assigned to this matter, at (202) 375-8200.

Sincerely,

Lawrence M. Noble  
General Counsel

BY: *Lois G. Lerner (ELK)*  
Lois G. Lerner  
Associate General Counsel

ENCLOSURE

93043501864



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20543

Mary M. Schumacher, Treasurer  
Friends of Congressman Hochbrueckner  
P.O. Box 426  
Coram, NY 11727

RE: MUR 2981

Friends of Congressman  
Hochbrueckner  
Mary M. Schumacher, Treasurer

Dear Ms. Schumacher:

On September 15, 1989, you were notified that the Federal Election Commission received a complaint from Luis A. Luna alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. At that time you were given a copy of the complaint and informed that a response to the complaint should be submitted within 15 days of receipt of the notification.

It has come to the Commission's attention that several of the newspaper articles included in attachments A, B, and F to the complaint were not reproduced in their entirety. Enclosed are copies of these articles.

If you have any questions, please contact Mark Allen, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble  
General Counsel

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

ENCLOSURE

93043501865



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20543

Marion R. Fedas, Treasurer  
Dyson for Congress Committee  
578 Paradise Road  
Aberdeen, MD 21001

RE: MUR 2981

Dyson for Congress Committee  
Marion R. Fedas, Treasurer

Dear Mr. Fedas:

On September 15, 1969, you were notified that the Federal Election Commission received a complaint from Luis A. Luna alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. At that time you were given a copy of the complaint and informed that a response to the complaint should be submitted within 15 days of receipt of the notification.

It has come to the Commission's attention that several of the newspaper articles included in attachments A, B, and F to the complaint were not reproduced in their entirety. Enclosed are copies of these articles.

If you have any questions, please contact Mark Allen, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble  
General Counsel

*Lois G. Lerner (RL)*

BY: Lois G. Lerner  
Associate General Counsel

ENCLOSURE

93043501866



FEDERAL ELECTION COMMISSION

Charles F. Gardner  
50 Roosevelt Avenue  
Halverne, NY 11565

RE: MUR 208

Dear Mr. Gardner:

On September 15, 1989, you were notified that the Federal Election Commission received a complaint from Luis A. Luna alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. At that time you were given a copy of the complaint and informed that a response to the complaint should be submitted within 15 days of receipt of the notification.

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If you have any questions, please contact Mark Allen, the staff member assigned to this matter, at (202) 376-8200.

Sincerely

Lawrence M. Noble  
General Counsel

*Lois G. Lerner (LGL)*  
BY: Lois G. Lerner  
Associate General Counsel

ENCLOSURE

93043501867



FEDERAL ELECTION COMMISSION

Robert W. Littlefield  
3500 Holmes Run Parkway #605  
Alexandria, VA 22304

RE: MUR 2001

Dear Mr. Littlefield

On September 15, 1989, you were notified that the Federal Election Commission received a complaint from Luis A. Luna alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. At that time you were given a copy of the complaint and informed that a response to the complaint should be submitted within 15 days of receipt of the notification.

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If you have any questions, please contact Mark Allen, the staff member assigned to this matter, at (202) 375-8200.

Sincerely,

Lawrence M. Noble  
General Counsel

*Lois G. Lerner* (sk)  
BY: Lois G. Lerner  
Associate General Counsel

ENCLOSURE

93043501868



FEDERAL ELECTION COMMISSION

WASHINGTON

20540

Joseph E. Hill  
277 Roselle Street  
Mineola, NY 11501

RE: MUR 2981

Dear Mr. Hill:

On September 15, 1989, you were notified that the Federal Election Commission received a complaint from Luis A. Luna alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. At that time you were given a copy of the complaint and informed that a response to the complaint should be submitted within 15 days of receipt of the notification.

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If you have any questions, please contact Mark Allen, the staff member assigned to this matter, at (202) 376-8200.

Sincerely

Lawrence M. Noble  
General Counsel

*Lois G. Lerner*  
(EX)

BY: Lois G. Lerner  
Associate General Counsel

ENCLOSURE

93043501869



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20543

Don L. Lynch  
11100 Byrd Drive  
Fairfax, VA 22030

RE: MUR 2981

Dear Mr. Lynch:

On September 15, 1989, you were notified that the Federal Election Commission received a complaint from Luis A. Luna alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. At that time you were given a copy of the complaint and informed that a response to the complaint should be submitted within 15 days of receipt of the notification.

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If you have any questions, please contact Mark Allen, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble  
General Counsel

*Lois G. Lerner (LGL)*

BY: Lois G. Lerner  
Associate General Counsel

ENCLOSURE

93043501870





FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20543

William M. Galvin  
600 New Hampshire Avenue, N.W.  
Washington, D.C. 20037

RE: MUR 2981

Dear Mr. Galvin:

On September 15, 1989, you were notified that the Federal Election Commission received a complaint from Luis A. Luna alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. At that time you were given a copy of the complaint and informed that a response to the complaint should be submitted within 15 days of receipt of the notification.

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If you have any questions, please contact Mark Allen, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble  
General Counsel

*Lois G. Lerner (LEK)*

BY: Lois G. Lerner  
Associate General Counsel

ENCLOSURE

93043501871



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20543

Joseph S. Zuba  
4815 Virginia Road  
Mechanicsburg, PA 17055

RE: MUR 2981

Dear Mr. Zuba:

On September 15, 1989, you were notified that the Federal Election Commission received a complaint from Luis A. Luna alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. At that time you were given a copy of the complaint and informed that a response to the complaint should be submitted within 15 days of receipt of the notification.

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If you have any questions, please contact Mark Allen, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble  
General Counsel

*Lois G. Lerner*  
(LEK)  
BY: Lois G. Lerner  
Associate General Counsel

ENCLOSURE

93043501872



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20543

Congressman Roy Dyson  
326 Cannon House Office Building  
Washington, D.C. 20515-2001

RE: MUR 2981

Dear Congressman Dyson:

On September 15, 1989, you were notified that the Federal Election Commission received a complaint from Luis A. Luna alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. At that time you were given a copy of the complaint and informed that a response to the complaint should be submitted within 15 days of receipt of the notification.

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If you have any questions, please contact Mark Allen, the staff member assigned to this matter, at (202) 376-8200.

Sincerely

Lawrence M. Noble  
General Counsel

*Lois G. Lerner*  
(LGL)  
BY: Lois G. Lerner  
Associate General Counsel

ENCLOSURE

93043501873



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20543

Congressman Roy Dyson  
326 Cannon House Office Building  
Washington, D.C. 20515-2001

RE: MUR 2981

Dear Congressman Dyson:

On September 15, 1989, you were notified that the Federal Election Commission received a complaint from Luis A. Luna alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. At that time you were given a copy of the complaint and informed that a response to the complaint should be submitted within 15 days of receipt of the notification.

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If you have any questions, please contact Mark Allen, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble  
General Counsel

*Lois G. Lerner*  
(LGL)  
BY: Lois G. Lerner  
Associate General Counsel

ENCLOSURE

93043501874



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20543

George L. Patterson, Treasurer  
Congressman Bill Young Campaign Committee  
P.O. Box 47025  
St. Petersburg, FL 33743

RE: MUR 2981

Congressman Bill Young  
Campaign Committee  
George L. Patterson, Treasurer

Dear Mr. Patterson:

On September 15, 1989, you were notified that the Federal Election Commission received a complaint from Luis A. Luna alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. At that time you were given a copy of the complaint and informed that a response to the complaint should be submitted within 15 days of receipt of the notification.

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If you have any questions, please contact Mark Allen, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble  
General Counsel

*Lois G. Lerner*  
(AL)  
BY: Lois G. Lerner  
Associate General Counsel

ENCLOSURE

93043501875



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20543

Lloyd Lancaster, Treasurer  
Tom Brycevell, Asst. Treasurer  
Dickinson Second District  
Congressional Committee  
P.O. Box 4539  
Montgomery, AL 36103

RE: MUR 2981

Dickinson Second District  
Congressional Committee  
Lloyd Lancaster, Treasurer  
Tom Brycevell, Asst. Treasurer

Dear Mr. Lancaster:

On September 15, 1989, you were notified that the Federal Election Commission received a complaint from Luis A. Luna alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. At that time you were given a copy of the complaint and informed that a response to the complaint should be submitted within 15 days of receipt of the notification.

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If you have any questions, please contact Mark Allen, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble  
General Counsel

*Lois Lerner (for)*

BY: Lois G. Lerner  
Associate General Counsel

ENCLOSURE

93043501876



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20541

Macy M. Skinner, Treasurer  
Richard Ray for Congress Committee  
P.O. Box 1352  
Perry, GA 31069

RE: MUR 2981

Richard Ray for Congress  
Committee  
Macy M. Skinner, Treasurer

Dear Ms. Skinner:

On September 15, 1989, you were notified that the Federal Election Commission received a complaint from Luis A. Luna alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. At that time you were given a copy of the complaint and informed that a response to the complaint should be submitted within 15 days of receipt of the notification.

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If you have any questions, please contact Mark Allen, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble  
General Counsel

BY: *Lois G. Lerner* (xk)  
Lois G. Lerner  
Associate General Counsel

ENCLOSURE

93043501877

06C 4127

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL

WILMER, CUTLER & PICKERING  
2445 M STREET, N. W.  
WASHINGTON, D. C. 20037-1420

89SEP 29 AM 9:43

SCOTT D. GODSHALL  
DIRECT LINE (202)  
663-6304

TELEPHONE (202) 663-6000  
FACSIMILE (202) 293-0074  
293-5929, 429-4930, 429-9893  
TELEX 440239 WCPH UI  
892402 WICRNG WSH  
ABA NET ABA1354  
SOURCE WCPH01

EUROPEAN OFFICE  
4 CARLTON GARDENS  
PALL MALL  
LONDON SW1Y 5AA, ENGLAND  
TELEPHONE 011 (44) 839-4466  
FACSIMILE 011 (44) 839-3537  
TELEX 8813918 WCP LDN

September 29, 1989

By Hand

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

Re: Gerard J. Scarano, File No. MUR 2981

Dear Mr. Allen:

We represent Gerard J. Scarano and have received your letter to Mr. Scarano, dated September 15, 1989, and reflecting the above-referenced file number.

I attempted to reach Mark Allen, the staff member assigned to this matter, by telephone on Thursday, September 28 and was informed that he would be out of the office until Monday, October 2. I would appreciate it if either you or Mr. Allen would call me.

Thank you.

Sincerely yours,

  
Scott D. Godshall

93043501878



HOGAN & HARTSON

COLUMBIA SQUARE  
555 THIRTEENTH STREET NW  
WASHINGTON, DC 20004-1109  
202/637-5600  
WILLIAM D. NUSSBAUM  
DIRECT DIAL 202/637-5722

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL

89 SEP 29 PM 3:35

6701 ROCKLEDGE DRIVE  
BETHESDA, MARYLAND 20817  
301/493-0030

111 SOUTH CALVERT STREET  
BALTIMORE, MARYLAND 21202  
301/659-2700

8300 GREENSBORO DRIVE  
MCLEAN, VIRGINIA 22102  
703/848-2800

September 29, 1989

BY HAND

Mark Allen  
Federal Election Commission  
999 E Street, N.W.  
Room 657  
Washington, D.C. 20463

Re: MUR 2981

Dear Mr. Allen:

This office represents William M. Galvin. Mr. Galvin has forwarded to me a copy of Lois G. Lerner's letter of September 15, 1989, which invites Mr. Galvin to respond in connection with the above-captioned matter. Mr. Galvin did not receive Ms. Lerner's letter until yesterday because he is no longer at 600 New Hampshire Avenue, N.W. Obviously, given the serious nature of the allegations described in the letter, Mr. Galvin is not in a position to respond on such short notice.

Accordingly, I would ask that you extend the time for Mr. Galvin's response until October 30, 1989.

Yours truly,

*William D. Nussbaum*  
William D. Nussbaum

WDN:lsw

KRAMER, LEVIN, NESSEN, KAMIN & FRANKEL  
919 THIRD AVENUE  
NEW YORK, N.Y. 10022

RECEIVED  
FEDERAL ELECTION COMMISSION  
MAIL ROOM

89 OCT -2 AM 10:52

(212) 715-9100

STEVEN T. ATKINS  
ARTHUR H. KUPFERS  
THOMAS D. HALLIETT  
MARTIN BALSAM  
STUART J. BASKIN  
BARRY S. BERGER  
MARK D. BRODSKY  
MICHAEL J. DELL  
RUDOLPH H. WINTER  
KENNETH H. ECKSTEIN  
CHARLOTTE M. FISCHMAN  
MARVIN E. FRANKEL  
ALAN R. FRIEDMAN  
ROBERT M. HELLER  
GEOFFREY M. KALMUS  
SHERWIN KAMIN  
PETER S. KOLEVZON  
KENNETH R. KOPELMAN  
MICHAEL PAUL KOROTAIN  
ARTHUR B. KRAMER  
DAVID P. LEVIN

EDRA G. LEVIN  
RICHARD MARLIN  
KENNETH J. McCULLOCH  
THOMAS H. MORELAND  
ELLEN R. NADLER  
GARY P. NAFTALIS  
MICHAEL U. NASSAU  
MICHAEL S. NELSON  
MAURICE N. NESSEN  
JAY A. NEVELOFF  
MICHAEL S. OBERMAN  
PAUL S. PEARLMAN  
WILLIAM S. PODO  
GERALD ROROFF  
PAUL S. SCHREIBER  
MAX J. SCHWARTZ  
HOWARD A. SOBEL  
STEVEN C. TOORYS  
HAROLD P. WEINBERGER  
RICHARD S. WEISBROAT  
JOEL S. ZWIBEL

JOSHUA M. BERMAN  
HARVEY L. FRIEDMAN  
ASA S. HERZOG  
COUNSEL  
M. FRANCES BUCHINSKY  
PINCHAS MENDELSON  
ASSOCIATE COUNSEL  
CABLE ADDRESS  
NICKRAL  
NICKRAL A  
TWX NUMBER  
FID 681-5340  
TELEX NUMBER  
845041  
AUTOMATIC TELECOPIER  
(212) 688-2119  
WRITER'S DIRECT NUMBER

September 28, 1989

(212) 715-9 129

Mark Allen, Esq.  
Office of the General Counsel  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

Re: MUR 2981

Dear Mr. Allen:

In keeping with our telephone conversation yesterday afternoon, I am writing, on behalf of Charles F. Gardner, to respond to Lois G. Lerner's September 15, 1989 letter to Mr. Gardner.

As I explained, we believe that, as a threshold matter, the Federal Election Commission should take no further action with respect to Mr. Gardner. In the first place, the September 5, 1989 letter of complaint of Luis A. Luna only requests that the Commission investigate Congressman Dyson and Marion Fedas; there is no request that Mr. Gardner be investigated. More important, as reflected in the criminal information attached to the Luna letter, Mr. Gardner has already been prosecuted. He pled guilty to that information last March, 1989, and was sentenced on September 15, 1989 to 32 months incarceration and a \$40,000 fine. Furthermore, as reflected in Mr. Gardner's Plea Agreement, also attached to the Luna letter, "the United States of America by and through its attorney, Henry E. Hudson, United States Attorney . . . agree[d] not to further charge the defendant nor any member of his family with any violation of federal criminal law in connection with the activities set forth in the Information and Statement of Facts, the subject matter involved in the Illwind investigation, or with any other violation of federal criminal law now known to the United States." See id. at introductory paragraph and ¶2. While

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
89 OCT -2 PM 12:53

03043501880

Mark Allen, Esq.  
September 28, 1989  
Page -2-

93043501881

paragraph 20 of the Plea Agreement goes on to state "that this Agreement is limited to the United States Attorney's Offices for the Eastern Districts of Virginia and New York, and cannot bind other federal, state or local prosecuting authorities", the United States Attorney's Office for the Eastern District of Virginia agreed to "bring the cooperation of Charles F. Gardner to the attention of other prosecuting officials." As stated by Assistant United States Attorney Joseph J. Aronica in Court on September 15, 1989, Mr. Gardner's cooperation has indeed been so remarkable that the United States applied for a downward departure from the Sentencing Guidelines, pursuant to Section 5K1.1. We understand that Mr. Gardner is the only person convicted in the Illwind investigation for whom the Government has requested a downward departure prior to the conclusion or near conclusion of his cooperation. Should you have any further questions about Mr. Gardner's cooperation, please contact Mr. Aronica (Tel. 703 557-9100).

In short, we respectfully urge that it is neither appropriate nor necessary for the Federal Election Commission now to spend any time or energy, in response to the Luna letter, on any inquiry into Mr. Gardner. We respectfully hope that you can inform us at the earliest possible time that this matter has been closed with respect to Mr. Gardner. If not, we respectfully request the opportunity to make further submissions on his behalf and to be informed of any and all matters relating to him.

Respectfully yours,

  
Michael J. Dell

cc: Mr. Charles F. Gardner

DGC 4150

LAW OFFICES

LEONARD N. BEBCHICK

RECEIVED  
FEDERAL ELECTION COMMISSION  
MAIL ROOM

89 OCT -2 AM 10:18

1220 NINETEENTH STREET, N. W., SUITE 700  
WASHINGTON, D. C. 20036

TEL. (202) 293-3207  
TELEX 3723487 BEBLAW  
TELEFAX (202) 223-8604

September 29, 1989

Federal Election Commission  
Washington, D. C. 20463

Attn: Mark Allen, Esq.

Re: MUR 2981

Dear Mr. Allen,

This responds to the Commission's letter of September 15 which treats our client, Don L. Lynch, as a respondent who has been named in the enclosed complaint of Luis A. Luna as one alleged to have violated the Act. The charging letter invites Mr. Lynch to demonstrate that no action should be taken against him. The Commission is proceeding under 2 USC §437g(a) and 11 CFR §111.4 - §111.6.

1. The Commission's letter should be withdrawn as improperly issued and without foundation in and contrary to the dictates of the Act and the Commission's own regulations which are binding upon it with the effect of law.

The statutory and regulatory provisions cited above reflect a carefully crafted regulatory format. One becomes a "respondent" only if a complaint is filed which alleges under penalty of perjury that such person has violated the Act. A respondent is a person specifically charged as an alleged lawbreaker by the sworn statements of the complainant.

Mr. Luna's Complaint is very clear in alleging his belief that the Act has been broken by Congressman Roy Dyson and his campaign treasurer, Marion Fedas. The five well-drafted counts of the Complaint recite in detail the allegedly unlawful acts of Congressman Dyson and Mr. Fedas. From its opening charging paragraph to its concluding prayer which are directed solely to Messrs. Dyson and Fedas, the Luna Complaint does not mention, let alone charge as a law breaker, Mr. Lynch or indeed any other person except the late Congressman Chappell.

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
89 OCT -2 PM 12:54

23043501882

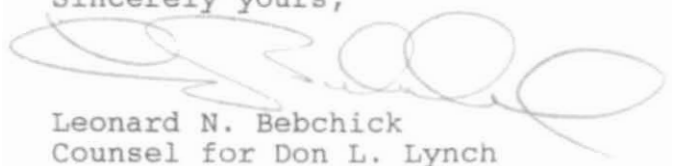
23943501883

The Commission ignores the requirements of law in treating Mr. Lynch as a respondent and thus in requiring him to respond to allegations of Mr. Luna which do not charge him with violating the Act and which provide no recitation, let alone the requisite clear recitation, of facts which describe any violation by our client. There is nothing in the complaint for our client to respond to. The Commission's letter is a legal nullity and should be withdrawn.

2. Our review of the numerous attachments to Mr. Luna's complaint discloses that the only mention of any action by Mr. Lynch is the assertion in the Gardner plea documents that-- "On or about July 9, 1987, Don L. Lynch wrote a check for one thousand dollars (\$1,000) to the Dyson for Congress Campaign Committee and left the check undated." But that unsworn statement of fact, even if taken at face value, hardly constitutes or evidences a violation of the Act. Nor would that assertion of fact support an allegation of some type of violation by Mr. Lynch had Mr. Luna undertaken to make one. Moreover, Mr. Lynch denies that he violated the Act in making this contribution to the Dyson campaign.

3. The matters complained of by Mr. Luna are the subject of an on-going Grand Jury Investigation. The conduct of Commission compliance proceedings can serve only to interfere with the prompt, effective and fair progress of the criminal process. The Commission thus should defer to the Department of Justice and should place this matter in suspense pending a conclusion of Grand Jury proceedings. Such a course would be wholly consistent with Commission's Memorandum of Understanding with the Justice Department as to such areas of jurisdictional overlap.

Sincerely yours,



Leonard N. Bebchick  
Counsel for Don L. Lynch

06C 4159

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL

WILMER, CUTLER & PICKERING

2445 M STREET, N.W.

WASHINGTON, D. C. 20037-1420

89 OCT -2 PM 4:09

SCOTT D. GODSHALL

DIRECT LINE (202)

863-6304

TELEPHONE (202) 663-6000  
FACSIMILE (202) 293-0074  
293-5929, 429-4930, 429-9893  
TELEX 440239 WCP: UI,  
892402 WICRNG WSH  
ABA NET ABA1354  
SOURCE WCP001

EUROPEAN OFFICE  
4 CARLTON GARDENS  
PALL MALL  
LONDON SW1Y 5AA, ENGLAND  
TELEPHONE 011 (44) 1 839-4466  
FACSIMILE 011 (44) 1 839-3537  
TELEX 6813918 WCP LON

October 2, 1989

By Hand

Mr. Mark R. Allen  
Office of General Counsel  
Federal Election Commission  
999 E Street, NW  
Washington, D.C. 20463

Re: Gerard J. Scarano, File No. MUR 2981

Dear Mr. Allen:

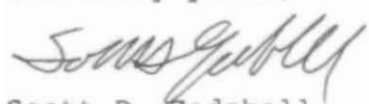
As we discussed today over the telephone, I am requesting an extension of one week to respond to your letter to my client, Gerard J. Scarano, dated September 15, 1989, and reflecting the above-referenced file number.

The reason for my request is as follows. I did not obtain a copy of the letter from Mr. Scarano until last week, and Mr. Scarano and I spent the week preparing him for grand jury testimony and sentencing in connection with the matters outlined in your September 15, 1989. In addition I leave this afternoon for a status conference to be held tomorrow morning before a U.S. Magistrate in the United States District Court for the Central District of California, in Los Angeles, California.

I would appreciate it if you would grant me an extension until Monday, October 9 to provide a responsive letter.

Thank you.

Sincerely yours,

  
Scott D. Godshall

93043501884



06C 4164

# FRIENDS OF CONGRESSMAN HOCHBRUECKNER



September 26, 1989

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

Dear Mr. Noble:

I am writing in response to notification of a complaint against the Friends of Congressman Hochbrueckner (MUR 2981) which I received on September 19, 1989.

First, I wish to state that the Friends of Congressman Hochbrueckner was never aware that the contribution made by Mr. Joseph Zuba was illegal or represented an unlawful gift through the Unysis Corporation at the time of the contribution, June 1987.

On July 18, 1989, an article was brought to Congressman Hochbrueckner's attention which indicated that the committee had received funds made in an unlawful manner (Newsday article enclosed). Congressman Hochbrueckner then wrote directly to the prosecuting attorney, Henry Hudson, to ask for specific information on which contributions involved his campaign committee (draft of letter enclosed). Mr. Hudson's response stated that Mr. Zuba had made an unlawful contribution of \$500 to the committee. Mr. Hudson also indicated that a contribution of \$1000 from Mr. Joseph Hill should be viewed with suspicion (copy of Mr. Hudson's response enclosed).

Mr. Hudson's letter arrived shortly after Congress recessed for August and was not read by Congressman Hochbrueckner until the first week of September. Upon reading Mr. Hudson's letter, Congressman Hochbrueckner began to search for a charity to donate the amount of unlawful and potentially unlawful contributions given to the committee (\$1500).

Upon receiving notification of complaint MUR 2981, the committee contacted the Democratic National Committee and was informed that the correct way to refund illegal contributions made by a corporation through an employee is to return the funds to the corporation (copy of Federal Election Commission opinion enclosed). The Friends of Congressman Hochbrueckner has since returned \$1500 to the Unysis Corporation (copy of check enclosed).

I hope that the information contained in this letter along with the enclosed attachments sufficiently indicates that neither myself nor any agent of the Friends of Congressman Hochbrueckner was aware of any illegality surrounding the contributions of Mr. Zuba and Mr. Hill until July 1989. Once made aware of the circumstances, the committee and Congressman Hochbrueckner acted in good faith to correct any improprieties. Given these facts, I do not believe any further action should be taken against the Friends of Congressman Hochbrueckner in this matter.

Sincerely,

*Mary M. Schumacher*

Mary M. Schumacher, Treasurer  
Friends of Congressman Hochbrueckner

MMS:jg

93043501886



# 5 Plead Guilty in Scheme Involving Defense Fraud

By Robert E. Kessler  
Newsday Staff Correspondent

Alexandria, Va. — Two former Navy officials, a former Unisys Corp. employee and two former Unisys consultants pleaded guilty in U.S. District Court yesterday to a variety of felony charges in the massive defense contracting scandal.

One of the former Navy officials admitted bribery charges, while the other pleaded guilty to bribery conspiracy. The three defendants connected with Unisys admitted taking part in a scheme based at the firm's Great Neck plant that illegally generated cash used to bribe at least one Navy official and provide illegal campaign contributions to seven congressmen.

The guilty pleas were part of a plea bargain in which all five defendants agreed to cooperate with the government probe.

The congressmen, who received contributions of \$500 to \$1,000, were not aware of the illegal source of the contributions, according to Henry Hudson, the U.S. attorney for eastern Virginia, who is the head of the 3-year-old probe, codenamed Illwind. Among those who received the contributions were U.S. Reps. George Hochbrueckner (D-Coram) and Les Aspin (D-Wis.), chairman of the House Armed Services Committee.

James Catterson, the attorney for one of the defendants who pleaded guilty yesterday, said: "When are congressmen going to wake up and do something about a campaign fund-raising system that aids and abets these activities? You don't have to be a rocket scientist to know that many people are contributing to congressmen to purchase influence."

Catterson's client, Dennis Mitchell of Poquott, a former \$55,000-a-year marketing employee at the Unisys plant in Great Neck, pleaded guilty to an information charging him with conspiracy to defraud the United States and aiding and abetting the filing of a false statement to the government.

According to the complaint, Mitchell arranged for Unisys consultants to contribute to congressmen who attended Long Island Aerospace Political Action Committee (Aeropac) luncheons.



AP Photo

Dennis Mitchell



AP Photo

Jerry L. Manning

The two former Unisys consultants who pleaded guilty yesterday were Joseph Zuber and Gerard Scarano. Scarano pleaded guilty to one count of aiding and abetting the making of a false statement and Zuba to one count of conspiracy to defraud the United States and three counts of being involved in concealing the source of campaign contributions.

Garland Tomlin Jr., a former Navy department engineering expert, pleaded guilty to receiving \$400,000 in bribes from Unisys and \$75,000 from Honeywell for separately feeding the firms inside information on a multibillion-dollar Navy electronics contract. The firms did not get the contract.

The fifth person to plead yesterday was another former Navy engineer, Jerry Manning, who unsuccessfully schemed with a consultant before Illwind became public to sell inside information to defense contractors on \$90 million worth of electronics equipment, according to his plea.

The defendants, who were released on \$10,000 bail apiece, face up to 15 years in prison when they are sentenced on Sept. 29.

93043501888  
Name Line  
Title  
Organization  
Address Line 1  
Address Line 2  
City, State ZIP

Dear HUDSON:

I read of additional indictments in Operation Ill Wind in a recent Newsday article (see enclosed). I was surprised to see my name listed as one of the congressmen who received contributions from an illegal source through Unysis officials. I checked my campaign's Federal Election Commission records to determine which of the defendants had made a contribution. I was unable to find any of them listed as having made a contribution of any size to my re-election campaign.

I would like to ascertain which contributions to my campaign were in any way connected to either the fundraising scheme administered by the Unysis officials mentioned in the article or any other source involved in the Ill Wind investigation. I still am not aware of which specific contributions were illegally made to my campaign. Therefore, I am asking that you provide me with a list of these contributions, to the extent that you are permitted by law. While your office has publicly acknowledged that the congressmen in receipt of these contributions were not aware of their illegal source, it is my intent to absolve my campaign of any current or future association with any targets of your investigation.

Thank you for your ongoing and excellent efforts with Operation Ill Wind and your assistance in this particular situation. I look forward to hearing from you.

Sincerely,

George J. Hochbrueckner  
Member of Congress

GJH:jg



U.S. Department of Justice

United States Attorney  
Eastern District of Virginia

1101 King Street  
Suite 502  
Alexandria, Virginia 22314

703/557-9100  
FTS/557-9100  
Group Number 1

August 2, 1989

Honorable George J. Hochbruechner  
United States Congress  
House of Representatives  
124 Canon House Office Building  
Washington, D.C. 20515

Dear Congressman Hochbruechner:

I have received your letter of July 21, 1989, and hasten to reply that I can only be of limited assistance. As a former elected official, I am very sensitive to your desire to cleanse your campaign committee of any potentially illegal or improper contributions. Unfortunately, to identify contributors to your campaign committee who may be subjects of the Illwind investigation would be a disservice to those individuals who may later be exonerated. At this point in time, there are a large number of individuals and corporations that are being scrutinized by our investigation. Obviously, not all these people and corporations will be the subject of future criminal action. Moreover, a substantial amount of the information in our investigation has been gathered by grand jury and its dissemination is consequently controlled by Rule 6(e) of the Federal Rules of Criminal Procedure.

In order to afford you some immediate relief, I am able to advise you that Joseph S. Zuba has pled guilty to making an illegal contribution to your campaign. That contribution is recorded in Federal Election Commission records as being from:

Joseph S. Zuba  
4815 Virginia Road  
Mechanicsburg, PA

The contribution was in the amount of \$500 and made on June 29, 1987.

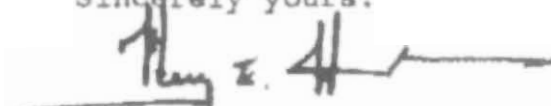
93043501889

Honorable George J. Hochbruechner  
August 2, 1989  
Page 2

Additionally, Joseph Hill, 277 Roselle Street, Mineola, New York, has admitted to making illegal contributions using Unysis funds to federal campaigns other than yours.

However, Mr. Hill did make a \$1,000 contribution to your campaign on June 30, 1987

Sincerely yours.

A handwritten signature in dark ink, appearing to read "Henry E. Hudson", with a long horizontal flourish extending to the right.

Henry E. Hudson  
Assistant United States Attorney

HEH:er

93043501890

11,540

## Advisory Opinions

173 8-3-88

In light of 11 CFR 103.3(b)(2) and Advisory Opinion 1984-52, the Commission concludes that your committee must refund the illegal contribution to the corporation that was its source, Sperry/Unaleys. According to the "Statement of Facts" that Mr. Hill did not dispute in pleading guilty, see n.2, *supra*, he used no personal funds for his "contribution" to the committee; instead, he used money that the corporation had given to him for the purpose of making the contributions that it wanted. Mr. Hill's personal funds "were not reduced as a result of this scheme." The \$1,000 contribution came from the corporation's treasury and thus a like amount should be refunded to the corporation.<sup>3/</sup>

This response constitutes an advisory opinion concerning application of the Act, or regulations prescribed by the Commission, to the specific transaction or activity set forth in your request. See U.S.C. §437f.

Dated: May 24, 1989.

- <sup>1/</sup> See 2 U.S.C. §§44b (prohibits making or knowingly accepting corporate contributions) and 441f (prohibits making a contribution in the name of another or knowingly accepting such a contribution). Also see 11 CFR 110.4(b) and 114.2(c).
- <sup>2/</sup> You and your staff rely on information found in the "Statement of Facts" and the "Plea Agreement" filed in Mr. Hill's criminal case. You note that Mr. Hill stated in his "Plea Agreement" that he did "not disagree with [the 'Statement of Facts'] . . . in any material respect."
- <sup>3/</sup> Commission Regulations require authorized committees to itemize contribution refunds and to identify the person who receives the refund. 11 CFR 104.3(b)(4)(v). Although your committee is not required to do so, it may in its next report, covering the period in which it makes and reports the refund, identify Mr. Hill as the individual in whose name the corporate contribution was made. The committee need not amend its prior reports. See Advisory Opinion 1984-52, n.2.

[15957] AD 1989-6: Donation of Shares of Stock

[A campaign committee may accept a contribution in the form of shares of stock in a corporation. Answer to Thomas Graziano, Treasurer, Friends of Sherwood Boehlert, P. O. Box C, Utica, New York 13503.]

This responds to your letter dated April 24, 1989, as supplemented by your letter dated May 9, requesting an advisory opinion on behalf of the Friends of Sherwood Boehlert ("the Committee") concerning the application of the Federal Election Campaign Act of 1971, as amended ("the Act"), and Commission regulations to the receipt and sale by a political committee of stock and the reporting of that receipt and sale.

Your request indicates that the Committee received a letter dated April 7, 1989, from Roger J. Sinnott stating that he had just made a contribution of 120 shares of stock that he owned in a corporation known as CONMED. The Committee had no previous knowledge that Mr. Sinnott, the contributor, had plans of donating the stock. The stock was valued at \$4.50 per share at the time of the donation for a total value of \$540. You state that the Committee "is unsure as to what to do with the stock." You inquire as to whether the donation to the Committee of stock in the CONMED corporation is permissible and how and where the donation of the stock and subsequent sale by the Committee should be reported. You also state that, if the Committee is advised that it cannot accept the stock, you wish to know how the stock should be returned and how the return should be reported.

15957

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93043501891

[45956] AO 1989-5: Refund of Illegal Contributions

[Illegal contributions made by a corporation through an employee should be refunded to the corporation, not the employee. Answer to Representative Richard Ray.]

This responds to your letter dated April 25, 1989, requesting an advisory opinion concerning the application of the Federal Election Campaign Act of 1971, as amended, ("the Act") and Commission regulations to the proposed refund of an unlawful contribution accepted without knowledge of its illegality by your principal campaign committee.

You explain that in May 1988, Joseph Edmund Hill sent the Richard Ray for Congress Campaign Committee ("committee") a \$1,000 check that was drawn on Mr. Hill's personal checking account. In late January 1989, you learned that Mr. Hill had recently pleaded guilty in the United States District Court for the Eastern District of Virginia to four counts of making political contributions in the name of another. Mr. Hill, it appears, had been acting as a conduit for unlawful corporate contributions by the Sperry Corporation and its successor company, Unisys.<sup>1/</sup> Since 1982, the corporation had been giving money from its treasury to Mr. Hill for the purpose of making political contributions. The \$1,000 received by your committee came from that impermissible source and was sent by Mr. Hill at the corporation's request.<sup>2/</sup>

You state that you mailed a refund check to Mr. Hill, the ostensible contributor, in care of his attorney of record. Both Mr. Hill and his attorney refused to accept the refund, however, and returned the check. Under these circumstances, you ask whether the Act and Commission regulations require your committee to repay the \$1,000 to Sperry/Unisys, the actual source of the illegal contribution.

As you know, under 11 CFR 103.3(b)(2),

[i]f the treasurer [of a political committee] . . . determined that at the time a contribution was received and deposited, it did not appear to be made by a corporation . . . or made in the name of another, but later discovers that it is illegal based on new evidence not available to the political committee at the time of receipt and deposit, the treasurer shall refund the contribution to the contributor within thirty days of the date on which the illegality is discovered. . . .

(Emphasis added.) The resolution of your inquiry turns on the interpretation of the phrase "to the contributor."

In Advisory Opinion 1984-52 [45797], Representative Marty Russo's campaign committee received and deposited certain contributions that appeared to come from the personal funds of corporate employees; in fact, they were financed by the corporation through sham employee bonuses. When Mr. Russo learned of the illegality, he asked the Commission whether his committee should refund the contributions to the corporate employees or to the corporation. The Commission stated that

the Criminal Information and the guilty plea of the corporation to the charges therein constitute an adequate factual basis for concluding that the corporation should receive the refunds. . . . [T]he employees were not the actual sources of the contributions . . . . Given the corporate payments received by the employees to make them whole for their initial "contributions" to the candidates, the employees' personal funds were not reduced as a result of this scheme. Accordingly, they should not receive refunds from your committee.

FRIENDS OF CONGRESSMAN HOCHBRUECKNER

P. O. BOX 428  
CORAM, NY 11727-0428

1915

9/25 19 87

PAY TO THE  
ORDER OF

UNISYS CORPORATION

\$ 1500.-

ONE THOUSAND FIVE HUNDRED + XX/100

DOLLARS

**CHEMICAL BANK**

108 Patchogue Road  
Port Jefferson Sta., N.Y. 11778

FOR

CONTRIBUTIONS RETURN

May M. Schumacher

⑈001915⑈ ⑆02800012⑆ 812⑈109813⑈

93043501893



United States Congress  
House of Representatives  
Washington, DC 20515

October 2, 1989

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
89OCT-3 PM 2:07

Mr. Lawrence M. Noble  
General Counsel  
The Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

Dear Mr. Noble

I am in receipt of your letter dated September 15, 1989,  
which was received in my office on September 20, 1989.

Enclosed is information which will assist you in your review  
of matter MUR 2981.

Please feel free to contact me or my General Counsel, Mr.  
James Hendricks, if any additional information would be helpful.

Sincerely,

RICHARD RAY  
Member of Congress

Enclosures

✓cc: Mr. Mark Allen  
Federal Election Commission



# RICHARD RAY

## U.S. Congress

P.O. Box 1352  
Perry, GA 31069  
912-987-2091

February 1, 1989

Mr. Hamilton P. Fox, Attorney of Record  
Dewey Ballantine Bushby Palmer & Wood  
1775 Pennsylvania Avenue, N.W.  
Washington, D.C. 20006

COPY

RE: Political contribution to Richard Ray Campaign  
Committee from Joseph E. Hill in May 1988.

Dear Mr. Fox:

The Code of Federal Regulations, Section 103.3 (b) (2) states that "if the treasurer.... later discovers that a contribution is illegal based on new evidence not available to the political committee at the time of receipt and deposit, the treasurer shall refund the contribution to the contributor within thirty days of the date on which the illegality is discovered."

Enclosed is a check for \$1,000.00 made payable to Joseph E. Hill.

Very truly yours,

Macy Skinner  
Campaign Treasurer

Encl: one (1) check for \$1,000.00 to  
Joseph E. Hill.

43501896

RAY FOR CONGRESS CAMPAIGN COMMITTEE  
P.O. BOX 1352  
PERRY, GEORGIA 31069

DATE	INVOICE	AMOUNT
REFUND		
		1000.00

64-464  
611

4383

PAY ONE THOUSAND AND NO 100 DOLLARS

DATE	TO THE ORDER OF	CHECK NO.	DESCRIPTION	CHECK AMOUNT
2-1-89	JOSEPH E. Hill	4383	REFUND OF CONTRIBUTION	1,000.00
			GROSS	
			DISCOUNT	

c/o HAMILTON P. Fox, ATTY  
1775 PENNSYLVANIA AVE. N.W.  
WASHINGTON DC 20006  
THE BANK OF PERRY  
PERRY, GEORGIA

RAY FOR CONGRESS CAMPAIGN COMMITTEE

Mary Skinner

0004383 0001101010101 001 10 110

APR 13 1989

DEWEY, BALLANTINE, BUSHBY, PALMER & WOOD  
1775 PENNSYLVANIA AVENUE, N.W.  
WASHINGTON, D. C. 20006

JOSEPH A. CALIFANO, JR.  
PHILIP W. BUCHEN  
HARRY K. SCHWARTZ  
O. NILE BELL  
FENTON J. BURKE  
ALAN WM. WOLFF  
FELIX B. LAUGHLIN  
CHARLES A. SEVERS, III  
DAVID H. BROCKWAY\*  
LAWRENCE F. O'BRIEN, III  
W. CLARK McFADDEN, II  
GERALD M. ROSBERG  
HAMILTON P. FOX, III  
JACK M. FEDER  
JOHN J. SALMON

R. MICHAEL GADBAW  
LARRY M. BERKOW  
MICHAEL H. STEIN  
MYLES V. LYNN  
JOSEPH R. DOWLEY  
KEVIN G. McANANEY\*  
THOMAS R. HOWELL  
LORRAINE SOSTOWSKI  
J. GOODWIN BENNETT  
MATT E. EGGER  
ALICIA M. KERSHAW  
MARTHA J. TALLEY  
DAVID C. GARLOCK  
HOWARD J. ROSENSTOCK

TELEPHONE: (202) 862-1000  
TELECOPIER: (202) 862-1093  
TELEX: 897070  
CABLE ALL OFFICES: DEWBALAW

April 5, 1989

140 BROADWAY, NEW YORK, N.Y. 10005  
101 PARK AVENUE, NEW YORK, N.Y. 10178  
TELEPHONE: (212) 820-1100  
TELEX: 961289 OR 12-6825  
TELECOPIER: (212) 820-1403

333 SOUTH HOPE STREET  
LOS ANGELES, CALIFORNIA 90071  
TELEPHONE: (213) 626-3399  
TELECOPIER: (213) 626-0562

5355 TOWN CENTER ROAD  
BOCA RATON, FLORIDA 33486  
TELEPHONE: (407) 391-8399  
TELECOPIER: (407) 391-8798

OF COUNSEL  
FREDERIC J. TRUSLOW

\*ADMITTED BY ONLY

Macy Skinner  
Ray for Congress Campaign Committee  
P.O. Box 1352  
Perry, GA 31069

Dear Mr. Skinner:

On February 1, 1989 you sent to me a letter returning a \$1,000 contribution made in the name of Joseph E. Hill to the Ray for Congress Campaign Committee. It has taken me some time to determine precisely what to do with this check. After checking with the Federal Election Commission, and reviewing Advisory Opinion 1984-52, a copy of which is enclosed, I have determined that the best course of conduct is to return to you this check. I believe that the money must be returned to Unisys and not to Mr. Hill personally.

Very truly yours,

*Hamilton P. Fox, III*  
Hamilton P. Fox, III

Enclosures

cc: Joseph E. Hill

93043501897



5 1989

United States Congress  
House of Representatives  
Washington, DC 20515

April 25, 1989

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

Dear Mr. Noble

I would like to request an Advisory Opinion on the return of money the "Richard Ray for Congress Campaign Committee" received.

As you may know, Mr. Joseph Edmund Hill pleaded guilty in the United States District Court for the Eastern District of Virginia to four counts of making political contributions in the name of another. "Richard Ray for Congress Campaign Committee" was one of the campaigns that received such funds, specifically a \$1,000.00 check drawn from Mr. Hill's personal checking account. I became aware of the violation only through a newsperson's call to my office on the morning of Mr. Hill's guilty plea.

Pursuant to language in 11 Code of Federal Regulations 103.3(b)(2), I mailed a refund check to Mr. Hill in care of his attorney of record, Mr. Hamilton P. Fox of Dewey Ballantine Bushby Palmer & Wood. I was recently informed by my campaign committee that this check was returned with a note stating that Mr. Fox and Mr. Hill would not accept such reimbursement.

I am aware of Advisory Opinion 1984-52, issued by the Federal Election Commission to the Honorable Marty Russo, in which Mr. Russo was advised to refund similarly tainted money to "the corporation that was the source...."

I respectfully direct the Commission's attention to the "Statement of Facts" and "Plea Agreement" in Criminal Case Number 89-0035-A of the Alexandria Division of the U.S. District Court, Mr. Hill's case. Within the "Statement of Facts", the government's evidence would show that money was apparently given to Mr. Hill by Sperry/Unisys for the purpose of making political

Mr. Lawrence Noble  
Page Two

campaign contributions. This was done under the guise of payment for work Mr. Hill performed by way of making reports. Later, an employee of Sperry/Unisys directed Mr. Hill to make checks out to candidates, one of which was received by my campaign committee. From the court documents, it appears that the money actually came from the treasury of Sperry/Unisys. In the "Plea Agreement", Mr. Hill "does not disagree with [the 'Statement of Facts']...in any material respect. I have enclosed a copy of the "Statement of Facts", as my staff found it in the case file, for use by the Commission.

I am hopeful that we can reach a timely resolution to this matter, and I appreciate any assistance you may be able to offer.

Sincerely,



RICHARD RAY  
Member of Congress

Enclosure

93043501899



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20543

COPY

May 26, 1989

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

ADVISORY OPINION 1989-5

The Honorable Richard Ray  
United States House of Representatives  
425 Cannon Office Building  
Washington, D.C. 20515

Dear Mr. Ray:

This responds to your letter dated April 25, 1989, requesting an advisory opinion concerning the application of the Federal Election Campaign Act of 1971, as amended, ("the Act") and Commission regulations to the proposed refund of an unlawful contribution accepted without knowledge of its illegality by your principal campaign committee.

You explain that in May 1988, Joseph Edmund Hill sent the Richard Ray for Congress Campaign Committee ("committee") a \$1,000 check that was drawn on Mr. Hill's personal checking account. In late January 1989, you learned that Mr. Hill had recently pleaded guilty in the United States District Court for the Eastern District of Virginia to four counts of making political contributions in the name of another. Mr. Hill, it appears, had been acting as a conduit for unlawful corporate contributions by the Sperry Corporation and its successor company, Unisys.<sup>1/</sup> Since 1982, the corporation had been giving money from its treasury to Mr. Hill for the purpose of making political contributions. The \$1,000 received by your committee came from that impermissible source and was sent by Mr. Hill at the corporation's request.<sup>2/</sup>

<sup>1/</sup> See 2 U.S.C. §§441b (prohibits making or knowingly accepting corporate contributions) and 441f (prohibits making a contribution in the name of another or knowingly accepting such a contribution). Also see 11 CFR 110.4(b) and 114.2(c).

<sup>2/</sup> You and your staff rely on information found in the "Statement of Facts" and the "Plea Agreement" filed in Mr. Hill's criminal case. You note that Mr. Hill stated in his "Plea Agreement" that he did "not disagree with [the 'Statement of Facts'] . . . in any material respect."

93043501900

You state that you mailed a refund check to Mr. Hill, the ostensible contributor, in care of his attorney of record. Both Mr. Hill and his attorney refused to accept the refund, however, and returned the check. Under these circumstances, you ask whether the Act and Commission regulations require your committee to repay the \$1,000 to Sperry/Unisys, the actual source of the illegal contribution.

As you know, under 11 CFR 103.3(b)(2)

[i]f the treasurer [of a political committee] . . . determined that at the time a contribution was received and deposited, it did not appear to be made by a corporation . . . or made in the name of another, but later discovers that it is illegal based on new evidence not available to the political committee at the time of receipt and deposit, the treasurer shall refund the contribution to the contributor within thirty days of the date on which the illegality is discovered. . . .

(Emphasis added.) The resolution of your inquiry turns on the interpretation of the phrase "to the contributor."

In Advisory Opinion 1984-52, Representative Marty Russo's campaign committee received and deposited certain contributions that appeared to come from the personal funds of corporate employees; in fact, they were financed by the corporation through sham employee bonuses. When Mr. Russo learned of the illegality, he asked the Commission whether his committee should refund the contributions to the corporate employees or to the corporation. The Commission stated that

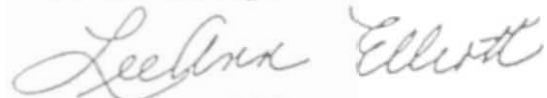
the Criminal Information and the guilty plea of the corporation to the charges therein constitute an adequate factual basis for concluding that the corporation should receive the refunds. . . . [T]he employees were not the actual sources of the contributions . . . . Given the corporate payments received by the employees to make them whole for their initial "contributions" to the candidates, the employees' personal funds were not reduced as a result of this scheme. Accordingly, they should not receive refunds from your committee.

93043501901

In light of 11 CFR 103.3(b)(2) and Advisory Opinion 1984-52, the Commission concludes that your committee must refund the illegal contribution to the corporation that was its source, Sperry/Unisys. According to the "Statement of Facts" that Mr. Hill did not dispute in pleading guilty, see n.2, supra, he used no personal funds for his "contribution" to the committee; instead, he used money that the corporation had given to him for the purpose of making the contributions that it wanted. Mr. Hill's personal funds "were not reduced as a result of this scheme." The \$1,000 contribution came from the corporation's treasury and thus a like amount should be refunded to the corporation.<sup>3/</sup>

This response constitutes an advisory opinion concerning application of the Act, or regulations prescribed by the Commission, to the specific transaction or activity set forth in your request. See 2 U.S.C. §437f.

Yours truly,



Lee Ann Elliott  
Vice Chairman for the  
Federal Election Commission

Enclosure (AO 1984-52)

<sup>3/</sup> Commission regulations require authorized committees to itemize contribution refunds and to identify the person who receives the refund. 11 CFR 104.3(b)(4)(v). Although your committee is not required to do so, it may in its next report, covering the period in which it makes and reports the refund, identify Mr. Hill as the individual in whose name the corporate contribution was made. The committee need not amend its prior reports. See Advisory Opinion 1984-52, n.2.

93043501902



# RICHARD RAY

## U.S. Congress

June 10, 1989

P.O. Box 1352  
Perry, GA 31069  
912-987-2091

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

COPY

Mr. John S. Autry  
Vice President  
Government Relations  
Unisys Corporation  
2001 L Street, N.W., Suite 1000  
Washington, D.C. 20036

Dear Mr. Autry:

In January of this year, Joseph Edmund Hill pleaded guilty to four counts of making political contributions in the name of another. "Richard Ray For Congress Campaign committee" was one of the campaigns that received such funds, specifically a \$1,000.00 check drawn from Mr. Hill's personal checking account.

Pursuant to the Federal Election Commission's Advisory Opinion 1989-5, a copy of which is attached, I have enclosed a check for \$1,000.00 made out to the Unisys Corporation. In complying with 11 CFR 104.3(b)(4)(v), the "Richard Ray for Congress" campaign committee will report your full name and address as: Mr. John S. Autry, Vice President, Government Relations, Unisys Corporation, 2001 L Street, N.W., Washington, D. C., 20036.

Sincerely,

Macy Skinner, Treasurer  
RICHARD RAY FOR CONGRESS

Encls.

cc: Congressman Richard B. Ray

93043501904

RAY FOR CONGRESS CAMPAIGN COMMITTEE  
P.O. BOX 1352  
PERRY, GEORGIA 31069

DATE	INVOICE	AMOUNT
REFUND CONTRIBUTION		
OF Joseph Hill		
MADE 5/6/89		
		\$1,000.00

84-464  
811

4499

PAY One Thousand AND No/100 DOLLARS

DATE	TO THE ORDER OF	CHECK NO.	DESCRIPTION	CHECK AMOUNT
6-12-89	UNISYS CORPORATION	4499	REFUND OF CONTRIBUTION	1,000.00
	2001 L STREET NW		GROSS	
	WASHINGTON DC 20036		DISCOUNT	

RAY FOR CONGRESS CAMPAIGN COMMITTEE

THE BANK OF PERRY  
PERRY, GEORGIA

Mary Skinner

Hand Delivered  
OGC 4166

**SIDLEY & AUSTIN**  
A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

ONE FIRST NATIONAL PLAZA  
CHICAGO, ILLINOIS 60603  
912/ 859-7000 FAX: 912/ 859-7912

9049 CENTURY PARK EAST  
LOS ANGELES, CALIFORNIA 90067  
213/ 559-8100 FAX: 213/ 559-6544

875 THIRD AVENUE  
NEW YORK, NEW YORK 10022  
212/ 419-2100 FAX: 212/ 419-2155

1722 EYE STREET, N.W.  
WASHINGTON, D.C. 20006  
TELEPHONE 202: 429-4000  
TELEX 89-463  
FACSIMILE 202: 429-6144

18 KING WILLIAM STREET  
LONDON, EC4N 3SA, ENGLAND  
441/ 661-1616 FAX: 441/ 661-7937

5 SHENTON WAY  
SINGAPORE 0106  
65/ 224-5000 FAX: 65/ 224-0530

ASSOCIATED OFFICE:  
HASHIDATE LAW OFFICE  
IMPERIAL TOWER, 7TH FLOOR  
1-1, UCHISAIWAICHO 1-CHOME  
CHIYODA-KU, TOKYO 100 JAPAN  
03/ 504-0800 FAX: 03/ 504-1009

Michael A. Nemeroff  
(202) 429-4235

October 3, 1989

Lois G. Lerner, Esquire  
Associate General Counsel  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

Re: MUR 2981

Dear Ms. Lerner:

On September 19, 1989, I received a letter from you requesting a response to the complaint designated as MUR 2981. The complaint alleged that Congressman Roy Dyson violated the Federal Election Campaign Act by soliciting and receiving contributions from Unisys Corporation. The complaint alleges that Congressman Dyson was aware of the source of the funds, although this was concealed by transmitting the contributions through various employees and consultants of Unisys. The complaint does not directly or indirectly allege that Friends of Jim Sasser, or anyone associated with the Sasser campaign, solicited or received any illegal campaign contributions. The complaint is directed solely at Congressman Dyson and his campaign.

Attached to the complaint, however, is a criminal information and plea agreement for Joseph Edward Hill in which Mr. Hill acknowledges transmitting an illegal \$1,000 contribution to Friends of Jim Sasser in his name from Unisys Corporation. Nothing in any of the documents attached to the complaint suggests that any representative of Friends of Jim Sasser had any knowledge at the time of its acceptance that the contribution from Mr. Hill was an illegal corporate contribution.

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
89 OCT -3 PM 12:21

23043501905

Lois G. Lerner, Esquire  
October 3, 1989  
Page 2

We have investigated the circumstances surrounding this contribution and have talked with the individuals from the Sasser campaign who received the contribution, and we continue to believe that no representative of Friends of Jim Sasser had any knowledge of the illegal nature of this contribution until after newspaper accounts of Mr. Hill's plea agreement. The contribution was received by the Committee on June 16, 1988, and it deposited the check on June 17, 1988. Neither Senator Sasser nor any representative of the Sasser campaign can recall ever meeting Mr. Hill. All who were involved believed that the check from Mr. Hill was a personal contribution because it was drawn on a personal bank account. A copy of the check is attached. The Committee reported the contribution in its normal FEC reports.

When the Committee learned of the illegal nature of the contribution, the Committee sought to return the contribution to Mr. Hill. By letter dated April 5, 1989, however, Mr. Hill's attorney returned the Committee's refund check and advised the Committee to refund the contribution directly to Unisys. See attached letter. This was done by letter dated May 9, 1989. See attached letter.

Because Friends of Jim Sasser had no knowledge that Mr. Hill's contribution was an illegal corporate contribution at the time it was accepted, the Committee's acceptance of the contribution did not violate the Federal Election Campaign Act. Furthermore, the Committee followed FEC policy in returning the contribution when it learned the true facts. As a result, there is no reason for the Commission to open a proceeding or take any action against Friends of Jim Sasser or any representative of the Committee based on the contribution from Mr. Hill.

Very truly yours,

  
Michael A. Nemeroff

23043501996

**SIDLEY & AUSTIN**  
A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

ONE FIRST NATIONAL PLAZA  
CHICAGO, ILLINOIS 60603  
312 853-7000 FAX 312 853-7312

2049 CENTURY PARK EAST  
LOS ANGELES, CALIFORNIA 90067  
213 553-8100 FAX 213 558-6544

875 THIRD AVENUE  
NEW YORK, NEW YORK 10022  
212 418-2100 FAX 212 418-2155

1722 EYE STREET, N.W.  
WASHINGTON, D.C. 20006  
TELEPHONE 202: 429-4000  
TELEX 89-463  
FACSIMILE 202: 429-6144

18 KING WILLIAM STREET  
LONDON, EC4N 7SA, ENGLAND  
441 621-1515 FAX 441 626-7937

3 SHENTON WAY  
SINGAPORE 0106  
65 224-5000 FAX 65 224-0530

**ASSOCIATED OFFICE**

HASHIDATE LAW OFFICE  
IMPERIAL TOWER, 7TH FLOOR  
1-1, UCHISAIWAICHO 1-CHOME  
CHIYODA-KU, TOKYO 100 JAPAN  
03-504-0800 FAX 03-504-1009

Michael A. Nemeroff  
(202) 429-4235

May 9, 1989

Mr. John S. Autry  
Vice President - Government Relations  
UNISYS Corporation  
Suite 1000  
2001 L Street, N.W.  
Washington, D.C. 20036

Dear Mr. Autry:

On behalf of Friends of Jim Sasser, I am enclosing a check in the amount of \$1,000 made out to UNISYS Corporation. Friends of Jim Sasser has learned through press accounts that Joseph Hill made an illegal contribution to the Committee utilizing the funds of UNISYS. In accordance with the procedures set out in FEC Advisory Opinion 1984-52, a copy of which is attached, we are returning this contribution to UNISYS.

Very truly yours,



Michael A. Nemeroff

Enclosure

FRIENDS OF JIM SASSER

SIDLEY & AUSTIN

1722 EYE STREET NW

WASHINGTON, D. C. 20006

354

May 9

19 89

87-123  
641

PAY TO THE  
ORDER OF

UNISYS Corporation

\$ 1,000.00

One Thousand and no/100 -----

DOLLARS



FIRST NATIONAL BANK  
OF LIVINGSTON  
LIVINGSTON, TENNESSEE 38570

FRIENDS OF JIM SASSER

FOR Contribution refund re Joseph Hill

*Michael Neweroff*

⑈000354⑈ ⑆⑆064101233⑆ 504 355 9⑈

9 3 0 4 3 5 0 1 9 0 8

DEWEY, BALLANTINE, BUSHBY, PALMER & WOOD  
1775 PENNSYLVANIA AVENUE, N.W.  
WASHINGTON, D. C. 20006

JOSEPH A. CALIFANO, JR.  
PHILIP W. BUCHEN  
HARRY K. SCHWARTZ  
O. NILE BELL  
FENTON J. BURKE  
ALAN WM. WOLFF  
FELIX B. LAUGHLIN  
CHARLES A. SEVERS, III  
DAVID H. BROCKWAY\*  
LAWRENCE F. O'BRIEN, III  
W. CLARK McFADDEN, II  
GERALD M. ROSEBERG  
HAMILTON P. FOX, III  
JACK M. FEDER  
JOHN J. SALMON

R. MICHAEL GADBRAW  
LARRY M. BERKOW  
MICHAEL H. STEIN  
MYLES V. LYNK  
JOSEPH K. DOWLEY  
KEVIN G. MCANANEY\*  
THOMAS R. HOWELL  
LORRAINE SOSTOWSKI  
J. GOODWIN BENNETT  
MATT E. EGGER  
ALICIA M. KERSHAW  
MARTHA J. TALLEY  
DAVID C. GARLOCK  
HOWARD J. ROSENSTOCK

TELEPHONE: (202) 862-1000  
TELECOPIER: (202) 862-1093  
TELEX: 897070  
CABLE ALL OFFICES: DEWBALAW

140 BROADWAY, NEW YORK, N.Y. 10005  
101 PARK AVENUE, NEW YORK, N.Y. 10178  
TELEPHONE: (212) 820-1100  
TELEX: 961289 OR 12-6825  
TELECOPIER: (212) 820-1403

333 SOUTH HOPE STREET  
LOS ANGELES, CALIFORNIA 90071  
TELEPHONE: (213) 626-3399  
TELECOPIER: (213) 625-0562

5355 TOWN CENTER ROAD  
BOCA RATON, FLORIDA 33486  
TELEPHONE: (407) 391-8399  
TELECOPIER: (407) 391-8798

April 5, 1989

OF COUNSEL  
FREDERIC J. TRUSLOW

\*ADMITTED BY ONLY

Dorothy Baker  
Friends of Jim Sasser  
P.O. Box 24723  
Nashville, TN 37202

Dear Ms. Baker:

On January 27, 1989 you returned to my client, Joseph E. Hill, a campaign contribution in the amount of \$1,000, which was made in Mr. Hill's name to the Friends of Jim Sasser. It has taken us some time to determine precisely what should be done with this contribution. After checking with the Federal Election Committee, and consulting Advisory Opinion #1984-52, a copy of which we have enclosed, we have determined that the best course of conduct is to return this check to you. If you wish to return the contribution, we suggest that you send it to Unisys.

Very truly yours,

*Hamilton P. Fox, III*  
Hamilton P. Fox, III

Enclosure

cc: Joseph E. Hill

93043501909

Joseph E. Hill  
President,  
Joseph E. Hill Consultants  
address same

JOSEPH E. HILL  
MILDRED D. HILL  
277 ROSELLE ST.  
MINNEOLA, NY 11801

189

50-1003  
214

19

PAY TO THE  
ORDER OF

*FRIENDS OF JAMES R. SASSER* \$ *1000.00*  
*One thousand and 00/100* DOLLARS

Long Island Trust Company 10

178 EAST JERICHO TURNPIKE  
MINNEOLA, NEW YORK 11801

MEMO

*Orville E. Hill*

93043501910



060 4171

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL

DEWEY, BALLANTINE, BUSHBY, PALMER & WOOD

1775 PENNSYLVANIA AVENUE, N.W.

89 OCT -3 PM 3:52

WASHINGTON, D.C. 20006

JOSEPH A. CALIFANO, JR.  
PHILIP W. BUCHEN  
HARRY M. SCHWARTZ  
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THOMAS R. HOWELL  
LORRAINE SOSTOWSKI  
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TELEX: 897070  
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TELECOPIER: (213) 625-0562

5355 TOWN CENTER ROAD  
BOCA RATON, FLORIDA 33486  
TELEPHONE: (407) 391-8399  
TELECOPIER: (407) 391-8798

OF COUNSEL  
FREDERIC J. TRUSLOW

\*ADMITTED BY ONLY

October 3, 1989

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

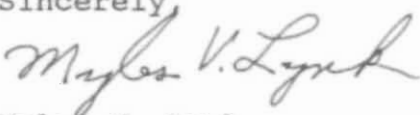
Re: MUR 2981  
Mr. Joseph E. Hill

Dear Mr. Noble:

I am writing in response to your letter dated September 15, 1989, to Joseph E. Hill. This response is being sent within fifteen (15) days of Mr. Hill's receipt of your letter. Mr. Hill requests that no action be taken against him in this matter for the following reasons.

Mr. Hill is not named as a respondent in the complaint filed by Luis A. Luna which initiated this MUR. It is a matter of public record that on or about January 27, 1989, Mr. Hill plead guilty to four counts of violating 2 U.S.C. §§ 437g(d) and 441f, that is, to making contributions to federal election candidates in his name on behalf of another. He was assessed a fine of \$5000 and an additional amount of \$100 in connection with his conviction. He has paid this \$5100 penalty. United States v. Hill, Cr. No. 89-35-A (E.D. Va. 1989).

Mr. Hill is now 77 years old. He is ill and lives in retirement. He has already been severely punished, and his punishment will serve as a deterrent to others. Therefore, in light of his conviction and fine, and considering his relatively insignificant and unwitting role in this activity, we believe that the interests of justice would not be served by proceeding against him in this MUR.

Sincerely,  
  
Myles V. Lynk

MVL:ao

93043501911

UNISYS

Unisys Corporation  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL

OGC 416  
4165

89 OCT -3 PM 12:34

Hand Delivered

Hand-Delivery

October 3, 1989

Mark Allen, Esquire  
Office of the General Counsel  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

Re: MUR 2981

Dear Mr. Allen:

Pursuant to our telephone conversation of October 2, Unisys Corporation formally requests an extension of 15 days to file a response to the Complaint in the above-referenced matter. The Complaint only recently was received in the office of the Unisys General Counsel. Further, the scope and nature of the allegations require a detailed review of various factual and legal matters. Thus, to properly prepare its response, Unisys requests an extension of 15 days, or until October 20, 1989, to respond to the Complaint.

Thank you for your consideration of our request. Please contact me (at 556-5526), or in my absence Jeffrey Metzger (at 556-5609), regarding this matter.

Very truly yours,

*Rebecca C. Smith*

Rebecca C. Smith  
Senior Counsel

RCS/pr

93043501912

JOHN S. AGLAR  
JOHN W. BIALER  
CLARENCE T. KIPPS, JR.  
PHILIP S. NEAL  
ROBERT L. MOORE, II  
DONALD E. CRAVEN  
PHILLIP L. MANN  
A. JOHN DABIG  
DENNIS F. BEDELL  
JOHN LLOYD RICE  
JAY L. CARLSON  
MARK L. EVANS  
HOMER E. MOYER, JR.  
LEONARD BICKWIT, JR.  
F. BROOK VOGHT  
FREDERICK H. ROBINSON  
JOHN S. WAGEE  
EMMETT S. LEWIS  
CRAIG D. MILLER  
ROBERT K. HUFFMAN  
ALEXANDER ZAKUPOWSKY, JR.  
JEFFREY H. HOWARD  
GERALD GOLDMAN  
C. FREDERICK OLIPHANT III  
RONALD D. ALCUTT  
EDWIN A. JAMES  
ALAN R. TUSPEH  
JAMES A. BENSFIELD  
TERRY SANCROFT DOWD  
THOMAS D. JOHNSTON  
JAMES P. TUITE  
CATHERINE T. PORTER  
JOANNE THOMAS ASSBILL  
ALAN C. BROWN  
DAVID S. CUBETA  
THOMAS W. MAHONEY, JR.

ANNE E. MORAN  
SCOTT E. PICKENS  
PATRICIA J. SWEENEY  
GRANT D. ALDONAS  
JAMES B. ALTMAN  
CATHERINE CURTISS  
J. BRADFORD ANWYLL  
PETER T. BEACH  
FRANCES J. HENDERSON  
SERENA G. SIMONS  
WILLARD L. BOYD III  
F. SCOTT FARMER  
CATHERINE VEIHMAYER HUGHES  
MARY LOU SOLLER  
KEVIN C. DWYER  
HAL L. GANN  
KEVIN L. KENWORTHY  
PAUL L. GLENCHUR  
ROBIN L. GREENHOUSE  
CHRISTOPHER S. RIZER  
KATHRYN BUCHER  
DANIEL F. DANELLO  
THOMAS D. DINACKUS  
CATHERINE L. CREECH  
ANTHONY F. SHELLEY  
KENDALL W. DAINES  
PHILIP J. FERNEAU  
WILLIAM M. MCGLOTH  
BARBARA H. DELICH  
MICHAEL R. GILES  
HARRY A. FRANKS, JR.  
JEAN A. CHMIELEWSKI  
PATRICIA A. MILLETT  
ANSLEY T. MOSES  
AHMAD A. PIRASTEH

\*NOT ADMITTED IN THE DISTRICT OF COLUMBIA

# MILLER & CHEVALIER

CHARTERED

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MAIL ROOM

METROPOLITAN SQUARE

655 FIFTEENTH STREET, N. 89 OCT -4 AM 9:04

SUITE 900

WASHINGTON, D. C. 20005-5701

(202) 626-5800

WRITER'S DIRECT LINE

(202) 626-6032

BERT N. MILLER  
1879-1988  
STUART CHEVALIER  
1879-1956

DAVID W. RICHMOND  
NUMA L. SMITH, JR.  
CHARLES T. AKRE  
BARRON K. GRIER  
RAPHAEL SHERFY  
WALTER D. HAYNES  
COUNSEL

CABLE: MILCHEV  
TELECOPIER: (202) 626-0858  
626-0859  
626-0861  
TELEX: 440250

October 3, 1989

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

Re: MUR 2981

Dear Ms. Lerner:

This is the response of Mr. Robert D. Barrett to the letter from the Federal Election Commission dated September 15, 1989 and received by Mr. Barrett on September 22, 1989. Enclosed with that letter was a Complaint filed with the Commission by Luis A. Luna, alleging violations of FEC regulations in connection with contributions by the Unisys Corporation to Congressman Roy Dyson of Maryland. As the attached Statement of Designation of Counsel indicates, we represent Mr. Barrett in this matter.

For the following reasons, Mr. Barrett requests that the Commission take no action against him with respect to this Complaint.

1. Mr. Barrett has already pleaded guilty to two felony charges in connection with improper campaign contributions made by his former employer, the Unisys Corporation. On January 27, 1989, in the United States District Court for the Eastern District of Virginia, Mr. Barrett entered pleas of guilty to one count of violating 18 U.S.C. § 371 (conspiracy) and one count of violating 18 U.S.C. § 2,100 (aiding and abetting the making of false statements). Both charges were predicated on violations of sections of the

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Lois G. Lerner  
Associate General Counsel  
October 3, 1989  
Page 2

Federal Election Campaign Act and grew out of the "Operation Ill-Wind" investigation being conducted by the United States Attorney's Office from the Eastern District of Virginia. (Copies of Mr. Barrett's Plea Agreement, Information, and Statement of Facts are attached hereto as Exhibit A.)

2. On May 5, 1989, Mr. Barrett was sentenced by Judge Claude M. Hilton to a period of probation and community service in connection with his guilty pleas. This sentence was imposed after the prosecutor in the case, Assistant United States Attorney Joseph Aronica, described Mr. Barrett's cooperation with investigators in the wake of his guilty plea as "substantial and extraordinary." (See Washington Post Article, May 6, 1989, attached as Exhibit B.)

3. Mr. Barrett, who is now retired from Unisys, currently faces severe financial and health problems. The full nature and extent of those problems, as well as additional information regarding Mr. Barrett's background, were detailed in a memorandum submitted to Judge Hilton at the time of Mr. Barrett's sentencing. (A copy of that memorandum is attached hereto as Exhibit C for the benefit of the Commission.)

4. Mr. Barrett stands ready to cooperate fully with the Commission in its investigation of this matter and is willing to discuss a mutually-agreeable arrangement for doing so.

For all of the above reasons, it is submitted that no purpose would be served by the Commission taking any additional action against Mr. Barrett in connection with events which have already been thoroughly investigated and disposed of by federal prosecutors.

Please do not hesitate to contact me if you have any questions or wish additional information.

Yours truly,

  
James A. Bensfield

Enclosures

cc: Mark Allen

93043501914

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2981

NAME OF COUNSEL: James A. Bensfield

ADDRESS: Miller & Chaevalier

655 15th Street, N.W., Suite 900

Washington, D.C. 20005-5701

TELEPHONE: (202) 626-5800

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.

October 3, 1989  
Date

  
Signature

RESPONDENT'S NAME:

ROBERT D. BARRETT

ADDRESS:

12603 SWEET HEART TERRACE

FAIRFAX, VA 22033

HOME PHONE:

BUSINESS PHONE:

703-378-8400

93043501915



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

October 4, 1989

William D. Nussbaum  
Hogan & Hartson  
Columbia Square  
555 Thirteenth Street NW  
Washington, D.C. 20004-1109

RE: MUR 2981  
William M. Galvin

Dear Mr. Nussbaum:

This is in response to your letter dated September 29, 1989, which we received that afternoon, requesting an extension until October 30 to respond to the Commission's Notification letter. 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 October 30.

If you have any questions, please contact Mark Allen, the staff member assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble  
General Counsel

BY:   
Lois G. Lerner  
Associate General Counsel

93043501916



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20461

October 4, 1989

Scott D. Godshall  
Wilmer, Cutler & Pickering  
2445 M Street NW  
Washington, D.C. 20037-1420

RE: MUR 2981  
Gerard J. Scarano

Dear Mr. Godshall:

This is in response to your letter dated October 2, 1989, which we received on October 3, requesting an extension until October 9 to respond to the Commission's Notification letter. 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 October 9.

If you have any questions, please contact Mark Allen, the staff member assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble  
General Counsel

BY:   
Lois G. Lerner  
Associate General Counsel

93043501917

RECEIVED  
FEDERAL ELECTION COMMISSION  
MAIL ROOM

89 OCT -5 AM 10:26

DGC 4185

Congressman Bill Young  
Campaign Committee  
Post Office Box 47025  
St. Petersburg, FL 33743  
October 4, 1989

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

RE: MUR 2981

Dear Ms. Lerner:

In response to your letter of September 15, 1989, which was just received by me, I respond on behalf of the Congressman Bill Young Campaign Committee as follows:

On November 3, 1986, the Congressman Bill Young Campaign Committee received a contribution in the amount of \$500.00 from J. S. Zuba, 6201 Pine Street, Harrisburg, PA 17112. His occupation was given as a self-employed consultant. The check was a personal check, and to the best knowledge of the Congressman Bill Young Campaign Committee there was no indication that this contribution was irregular or illegal. In fact, the Congressman Bill Young Campaign Committee has always returned any checks drawn on corporate accounts before depositing such contribution, and the Committee has verified records of address and employment of its contributors as required by law.

Since the Committee has just been informed that Mr. Zuba's 1986 contribution was in violation of Sections 441f and 437g(d) of Title 2, United States Code, the Congressman Bill Young Campaign Committee has returned this contribution to Mr. Zuba at 4815 Virginia Road, Mechanicsburg, PA 17055, as directed by Mr. Mark Allen of the Federal Elections Commission.

Additionally, a detailed search of our committee records indicates that Mr. Zuba of the same address as given in 1986 contributed \$500.00 to the Congressman Bill Young Campaign Committee on December 4, 1984. Again, there was no reason for the Committee to believe that this contribution was irregular or improper, and even though there is no reference to that contribution in the material you have provided the Committee, the Committee has returned that contribution to Mr. Zuba as well.

Sincerely,

  
George L. Patterson  
Treasurer

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
89 OCT -5 PM 1:00

93043501918



Congressman Bill Young  
Campaign Committee  
P.O. Box 47025  
St. Petersburg, FL 33743  
October 4, 1989

Mr. J. S. Zuba  
4815 Virginia Road  
Mechanicsburg, PA 17055

Dear Mr. Zuba:

On November 3, 1986, the Congressman Bill Young Campaign Committee deposited a \$500.00 contribution it had received from you.

The Federal Election Commission has advised the Congressman Bill Young Campaign Committee that this contribution was made in violation of Sections 441f and 437g(d) of Title 2, United States Code, and per the direction of the Federal Election Commission, the contribution made by you is being returned in full.

Additionally, the Committee received a \$500.00 contribution from you on December 4, 1984, and that contribution is being returned to you as well.

Sincerely,



George L. Patterson  
Treasurer

enclosures

93043501919

CONGRESSMAN BILL YOUNG 06-74  
CAMPAIGN COMMITTEE  
ST. PETERSBURG, FL 33731

1539

4 October 1989

PAY TO THE  
ORDER OF

-----J.S. Zuba-----

\$ \$500.00

---Five Hundred Dollars & No Cents---

DOLLARS

**FIRST  
FLORIDA**

FIRST FLORIDA BANK, N.A.  
9th Street North Office 7732  
716 9th Street North  
St. Petersburg, FL 33705

CONGRESSMAN BILL YOUNG  
CAMPAIGN COMMITTEE

FOR refund of contribution made in 1986

⑈001539⑈ ⑆063101535⑆ 588420490⑈

*George H. Patton*

CONGRESSMAN BILL YOUNG 06-74  
CAMPAIGN COMMITTEE  
ST. PETERSBURG, FL 33731

1540

4 October 1989

PAY TO THE  
ORDER OF

-----J.S. Zuba-----

\$ \$500.00

---Five Hundred Dollars & No Cents---

DOLLARS

**FIRST  
FLORIDA**

FIRST FLORIDA BANK, N.A.  
9th Street North Office 7732  
716 9th Street North  
St. Petersburg, FL 33705

CONGRESSMAN BILL YOUNG  
CAMPAIGN COMMITTEE

FOR refund of contribution made in 1984

⑈001540⑈ ⑆063101535⑆ 588420490⑈

*George H. Patton*

01920193043

06C 4188

# HOGAN & HARTSON

COLUMBIA SQUARE  
555 THIRTEENTH STREET NW  
WASHINGTON, DC 20004-1109  
202/637-5600  
WILLIAM D. NUSSBAUM  
DIRECT DIAL 202/637-5722

RECEIVED  
FEDERAL ELECTION COMMISSION  
MAIL ROOM

89 OCT -5 AM 11:05

6701 ROCKLEDGE DRIVE  
BETHESDA, MARYLAND 20817  
301/493-0030

111 SOUTH CALVERT STREET  
BALTIMORE, MARYLAND 21202  
301/659-2700

8300 GREENSBORO DRIVE  
MCLEAN, VIRGINIA 22102  
703/848-2600

October 4, 1989

Mark Allen  
Federal Election Commission  
999 E Street, N.W.  
Room 657  
Washington, D.C. 20463

Re: MUR 2981 (William M. Galvin)

Dear Ms. Allen:

Enclosed please find a Statement of Designation of  
Counsel, which Mr. Galvin has signed.

Yours truly,

*William D. Nussbaum*  
William D. Nussbaum

WDN:lsw

Enclosure

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF PUBLIC AFFAIRS  
89 OCT -5 PM 1:00

93043501921

STATEMENT OF DESIGNATION OF COUNSEL

FOR

2981

NAME OF COUNSEL:

William M. Calvert

ADDRESS:

Route 2, Box 970Bechtel, Inc.20000 N. 1st Ave.

TELEPHONE:

(202) 638-5552

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.

12/3/97

Date

  
 Signature

RESPONDENT'S NAME:

William M. Calvert

ADDRESS:

Route 2, Box 970Bechtel, Inc.

HOME PHONE:

BUSINESS PHONE:

93043501922

06C 4189

RECEIVED  
FEDERAL ELECTION COMMISSION  
MAIL ROOM

89 OCT -5 AM 11:17

KILLION & METZ  
ATTORNEYS AT LAW  
SUITE 600  
122 MARKET STREET

HARRISBURG, PENNSYLVANIA 17101  
(717) 232-0879

PAUL J. KILLION  
JOSEPH U. METZ

P.O. BOX 11070  
HARRISBURG, PA 17106

October 3, 1989

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

Re: MUR 2981

VIA CERTIFIED MAIL

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF THE CLERK  
89 OCT -5 PM 1:00

Dear Ms. Lerner:

I write in reply to your letter of September 15, 1989, concerning Joseph Zuba, in the above-referenced complaint. I have enclosed a copy of the designation of counsel executed by Mr. Zuba on September 29, 1989.


I have reviewed the materials that you forwarded to Mr. Zuba and am at a loss as to how to proceed at this time. It appears to me that no complaint has been made concerning Mr. Zuba, but rather numerous complaints concerning Congressman Dyson.

We would oppose any action whatsoever, being taken against Mr. Zuba at this time based upon complaints made against Congressman Dyson. As you know, Mr. Zuba has been before the federal district court in Alexandria, Virginia, and has been punished by the court for his participation in all of these activities.

I would appreciate your contacting me to see how we can handle the instant matter in the most expeditious manner possible.

Very truly yours,

KILLION & METZ

  
Paul J. Killion, Esq.

PJK/vph

93043501923

STATEMENT OF DESIGNATION OF COUNSEL

MUR

2981

NAME OF COUNSEL:

PAUL J. Killian Esq.

ADDRESS:

122 MARKET ST. Suite 600  
HARRISBURG, PA. 17101

TELEPHONE:

(717) 232-0877

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.

Date

9-29-89

Signature

Joseph S. Zuban

RESPONDENT'S NAME:

Joseph S. Zuban

ADDRESS:

485 Virginia Rd.

MEER HARRISBURG, PA. 17055

HOME PHONE:

BUSINESS PHONE:

\_\_\_\_\_  
\_\_\_\_\_

93043501924

00C 4/96  
RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL

WILMER, CUTLER & PICKER  
2445 M STREET, N. W.  
WASHINGTON, D. C. 20037-1420

89 OCT 5 PM 4:23

STEPHEN H. SACHS  
DIRECT LINE (202)  
663-8049

TELEPHONE (202) 663-6000  
FACSIMILE (202) 293-0074  
293-5929, 429-4930, 429-9893  
TELEX 440239 WCPH UI  
892402 WICRINO WSH  
ABA NET ABA1354  
SOURCE WCP001

EUROPEAN OFFICE  
4 CARLTON GARDENS  
PALL MALL  
LONDON SW1Y 5AA, ENGLAND  
TELEPHONE 011 (44) 839-4466  
FACSIMILE 011 (44) 839-3537  
TELEX 9813918 WCP LON

October 5, 1989

BY HAND

Mr. Mark Allen  
Office of General Counsel  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

Re: Gerard J. Scarano, File No. MUR 2981

Dear Mr. Allen:

As you know, we represent Gerard Scarano in connection with the above-referenced matter. This letter is provided in response to a letter of September 15, 1989, from Lois A. Lerner, attaching the letter of Mr. Luna and other materials.

As the attachments to Mr. Luna's letter demonstrate, Mr. Scarano in July 1989 pled guilty to one count of aiding and abetting the making of a false statement in connection with a political contribution to former Congressman William Chappell. Specifically, Mr. Scarano admitted that he made a political contribution to Congressman Chappell at the request of an agent of Unisys Corporation. The contribution, moreover, was made from funds provided to Mr. Scarano for the purpose of making a political contribution. Mr. Scarano failed to identify Unisys as the source of the contribution. On September 29, 1989, Mr. Scarano was sentenced to two years probation and to payment of a \$5,000.00 fine as a result of these actions.

Mr. Scarano has already paid an enormous price for his actions. In addition to a felony conviction and the payment of a substantial fine, he has endured the pain of loss of self-esteem and loss of standing within his community. Without denying the seriousness of his offense, we believe Mr. Scarano has already paid more than an appropriate price for that offense. We ask the

93043501925

Mr. Mark Allen  
October 5, 1989  
Page 2

Commission to take this price into account, and decline to impose an additional fine.

We would be happy to meet with you if you would like further information, or if we can answer any further questions.

Sincerely,

  
Stephen H. Sachs

93043501926



# MILLER & CHEVALIER

CHARTERED

METROPOLITAN SQUARE

655 FIFTEENTH STREET, N. W.

SUITE 900

WASHINGTON, D. C. 20005-5701

(202) 626-5800

WRITER'S DIRECT LINE

(202) 626-6032

ROBERT N. MILLER

1879-1988

STUART CHEVALIER

1879-1956

DAVID W. RICHMOND

NUMA L. SMITH, JR.

CHARLES T. AKRE

BARRON K. GRIER

RAPHAEL SHERFY

WALTER D. HAYNES

COUNSEL

CABLE: MILCHEV

TELECOPIER: (202) 626-0858

626-0859

626-0861

TELEX: 440250

JOHN S. NOLAN  
JOHN M. BIKLER  
CLARENCE T. KIPPS, JR.  
PHILIP S. REAL  
ROBERT L. MOORE, II  
DONALD B. CRAVEN  
PHILIP L. MANN  
A. JOHN GABIG  
DENNIS P. BEDELL  
JOHN LLOYD RICE  
JAY L. CARLSON  
MARK L. EVANS  
HOWARD E. MOYER, JR.  
LEONARD BICKWIT, JR.  
F. BROOK VOGHT  
FREDERICK H. ROBINSON  
JOHN B. MAGEE  
ENNETT B. LEWIS  
CRAIG D. MILLER  
ROBERT K. HUFFMAN  
ALEXANDER ZAKUPOWSKY, JR.  
JEFFREY H. HOWARD  
GERALD GOLDMAN  
C. FREDERICK OLIPHANT III  
RONALD D. AUCUTT  
EDWIN A. JAMES  
ALAN R. YUSPEH  
JAMES A. BENSFIELD  
TERRY SANCROFT DOWD  
THOMAS D. JOHNSTON  
JAMES P. TUTE  
CATHERINE T. PORTER  
JOANNE THOMAS ASBILL  
ALAN C. BROWN  
DAVID B. CUBETA  
THOMAS W. MAHONEY, JR.

ANNE E. MORAN  
SCOTT E. PICKENS  
PATRICIA J. SWEENEY  
GRANT O. ALDONAS  
JAMES B. ALTMAN  
CATHERINE CURTISS  
J. BRADFORD ANWYLL  
PETER T. BEACH  
FRANCES J. HENDERSON  
SERENA G. SIMONS  
WILLARD L. BOYD III  
F. SCOTT FARMER  
CATHERINE VEIHMAYER HUGHES  
MARY LOU SOLLER  
KEVIN C. DWYER  
HAL I. GANN  
KEVIN L. KENWORTHY  
PAUL L. GLENCHUR  
ROBIN L. GREENHOUSE  
CHRISTOPHER S. RIZER  
KATHRYN BUCHER  
DANIEL F. DANIELLO  
THOMAS D. DINACKUS  
CATHERINE L. CREECH  
ANTHONY F. SHELLEY  
KENDALL W. DAINES  
PHILIP J. FERNEAU  
WILLIAM M. MCGLOTHLIN  
BARBARA H. DELICH  
MICHAEL R. GILES  
HARRY A. FRANKS, JR.  
JEAN A. CHMIELEWSKI  
PATRICIA A. MILLETT  
ANSLEY T. MOSES  
AHMAD A. PIRASTEH

\*NOT ADMITTED IN THE DISTRICT OF COLUMBIA

October 6, 1989

BY HAND

Mark Allen, Esquire  
Federal Election Commission  
999 E Street, N.W.  
Room 657  
Washington, D.C. 20463

Re: Robert D. Barrett  
MUR 2981

Dear Mr. Allen:

I have obtained and enclosed copies of the Plea Agreement, Statement of Facts and Criminal Information pertaining to Mr. Barrett which were filed in the United States District Court for the Eastern District of Virginia on February 27, 1989. I have also enclosed a copy of the Judgment and Probation Order signed by Judge Hilton on May 5, 1989.

I apologize for the missing sections on page five of the Plea Agreement which was attached as part of Exhibit A to our original submission. That attachment was a copy of an unsigned version of the Agreement which contained handwritten marginal notes and underlining. As I discovered when you called yesterday, my secretary mistook my instructions to "white out the underlining" to mean the underlined text itself. As if that weren't bad enough, to my further horror I realized that the sentence which was inadvertently whited-out contained a reference to the enforcement jurisdiction of the Federal Election Commission! (Please note that a complete copy of the Plea Agreement was, in fact, included in our

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF FEDERAL COUNSEL  
89 OCT -6 AM 11:43

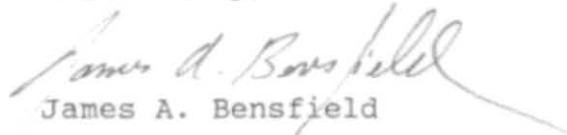
93043501927

Mark Allen, Esquire  
October 6, 1989  
Page 2

original submission. It appears as an attachment to Exhibit C, the sentencing memorandum.)

Please do not hesitate to contact me if I can be of any further assistance.

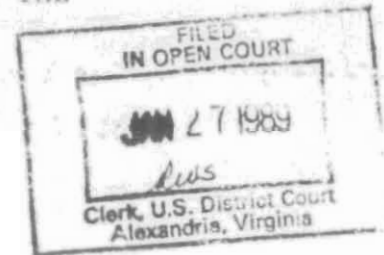
Yours truly,

  
James A. Bensfield

Enclosures

93043501928

IN THE UNITED STATES DISTRICT COURT FOR THE  
EASTERN DISTRICT OF VIRGINIA  
Alexandria Division



UNITED STATES OF AMERICA  
v.  
ROBERT BARRETT

CRIMINAL NO.

89-00034-A

PLEA AGREEMENT

The United States of America and the defendant ROBERT BARRETT, through his attorney, have heretofore engaged in plea discussions and pursuant to Rule 11, Federal Rules of Criminal Procedure, have reached a plea agreement, the terms and conditions of which are as follows:

1. The defendant, ROBERT BARRETT, agrees to waive indictment and to plead guilty to the two count criminal Information filed with this Court. The Information charges the defendant with violating Title 18, United States Code, Section 371, conspiracy to defraud the United States, and with violating Title 18, United States Code, Sections 1001 and 2, aiding and abetting the making of false statements to the Government. Each offense carries a maximum period of confinement of five years and/or a fine of \$250,000. The defendant will also be obligated to pay court costs in the amount of fifty dollars (\$50.00) per count to the Crime Victims Fund.

93043501929

2. If the Court accepts this plea and the defendant, ROBERT BARRETT, fulfills the terms and conditions specified herein, the United States agrees not to further charge the defendant with any violations of federal criminal law in connection with the activities set forth in the Information and Statement of Facts or with any other violation of federal criminal law now known to the United States. Nothing in this Agreement precludes the United States from bringing a prosecution for perjury or false statements arising out of the defendant's cooperation.

3. It is understood and agreed that the defendant, ROBERT BARRETT, shall fully and truthfully disclose all information with respect to the activities of himself and others concerning all matters about which federal law enforcement personnel, including Government attorneys, inquire of him regarding the crimes set forth in the Information, Statement of Facts, any information related thereto, and any information he may have regarding the subject matter involved in the Illwind investigation. This shall include truthfully testifying before grand juries and at any trials or other judicial proceedings with respect to any matter about which the United States Attorney's Office may request his testimony. The defendant shall submit to any and all polygraph examinations that the Government may seek to administer to him during the course of his cooperation at the time(s) and place(s) designated by the Government. The results of such an examination shall not be used by themselves to nullify this plea agreement or

any part thereof. Such results however may be considered along with other factors in assessing the defendant's overall compliance with the terms of this agreement.

4. If ROBERT BARRETT intentionally does anything to impede the Government's investigation, this agreement will be voidable at the option of the United States, except Paragraph 6. In other words, ROBERT BARRETT, will not directly or indirectly intentionally disclose anything he knows or has done concerning the Government's investigation during the course of the Government's investigation to anyone other than his attorney; he will take no steps directly or indirectly to "tip" or warn any subject of this investigation and his, ROBERT BARRETT's, cooperation with the Government until that time at which the plea is formally taken.

5. It is further understood that the defendant must at all times give complete, truthful and accurate information and testimony. Should it be determined that ROBERT BARRETT has given materially false, incomplete or misleading testimony or information, or has omitted any material fact, or has otherwise violated any provision of this Agreement, ROBERT BARRETT, shall thereafter be subject to prosecution for any federal criminal violation of which this office has knowledge, including, but not limited to, perjury and obstruction of justice.

6. It is expressly agreed that should this Agreement become void or inoperative for any reason, all statements made by ROBERT BARRETT to the United States Attorney' Office for the Eastern

93043501932  
District of Virginia or any other designated federal officer or law enforcement agent or any testimony given by ROBERT BARRETT before a grand jury or other tribunal made subsequent to this Agreement, shall be admissible in evidence in any criminal prosecution hereafter brought against ROBERT BARRETT and he shall assert no claim under Rule 11(e)(6), Fed. R. Crim. P. or Rule 410, Fed. R. Evid., that such statements should be suppressed.

7. It is understood that the sentence to be imposed upon ROBERT BARRETT is within the sole discretion of the sentencing Judge. The defendant understands and agrees that even if he should not be satisfied with the sentence, he shall have no right to withdraw his guilty plea after acceptance of his plea by the sentencing Judge. This is a Rule 11(e)(1)(B) plea and the United States Attorney's Office cannot and does not make any promise or representation as to what sentence ROBERT BARRETT will receive. The United States Attorney's Office reserves the right to allocute as to the nature and seriousness of the offense. In all events, this office will inform the sentencing Judge and the Probation Department of (1) this Agreement; (2) the nature and extent of ROBERT BARRETT'S activities with respect to this case; (3) the full nature, extent, timing and value of ROBERT BARRETT'S cooperation with the United States Attorney's Office; and (4) all other information in its possession relevant to sentencing.

8. It is understood that if the defendant, ROBERT BARRETT undergoes a medical examination administered by the Government which examination results in a finding that ROBERT BARRETT

930435019333  
currently suffers from phobias or other conditions making it hazardous to his psychological or physical health to serve a period of confinement, and ROBERT BARRETT's cooperation is in the opinion of the government substantial and extraordinary, the United States will not oppose ROBERT BARRETT's request for probation and a substantial amount of community service.

9. It is further understood that this Agreement is limited to the United States Attorney's Office for the Eastern District of Virginia and cannot bind other federal, state or local prosecuting authorities, although this office will bring the cooperation of ROBERT BARRETT to the attention of other prosecuting officials. Furthermore, the United States Attorney's Office for the Eastern District of Virginia is not waiving the enforcement jurisdiction of the Federal Election Commission. At this time the United States Attorney's Office for the Eastern District of Virginia is not aware of any other United States Attorney who is investigating ROBERT BARRETT or considering prosecuting him for the schemes set forth in the Information.

10. It is understood and agreed that in the event the Court does not accept ROBERT BARRETT'S plea of guilty to the Information, this Plea Agreement shall be null and void.

11. It is further understood and agreed that if ROBERT BARRETT withdraws from any part of this Agreement or fails to comply with any provisions contained herein, this Agreement is voidable at the option of the United States, except Paragraph 6 of this Agreement shall remain in full force and effect; and the

United States is free to seek a multiple count Indictment charging the defendant with multiple violations of any federal statute including but not limited to the statutes set forth in Paragraph 1

12. ROBERT BARRETT acknowledges that no threats have been made against him to secure this plea of guilty and that he is pleading guilty freely and voluntarily because he is guilty.

13. This Plea Agreement confirms the entire Agreement between the United States and ROBERT BARRETT with respect to the aforesaid guilty plea and no other promises or representations have been made to the defendant or his attorney with regard to such guilty plea, and none will be entered into unless in writing and signed by all parties.

Respectfully submitted,

HENRY W. HUDSON  
UNITED STATES ATTORNEY

By:

Joseph J. Aronica  
Assistant United States Attorney

Nancy Newcomb  
Special Assistant  
United States Attorney

Robert Barrett  
ROBERT BARRETT, Defendant

James D. Bensfield  
James Bensfield, Counsel for Defendant  
Robert Barrett



STATEMENT OF FACTS

The government's evidence would show that ROBERT D. BARRETT was employed, by Sperry Corporation and its successor company, Unisys and worked in the Eastern District of Virginia.

Sperry Corporation and subsequently Unisys, and certain individuals entered into a series of technical service agreements in which the individuals were required to provide reports to Sperry/Unisys as detailed in the purchase order statement of work. The individuals were paid for the work reflected in these reports. In fact, these payments were provided with the understanding that an unspecified portion of these funds would be used for certain purposes, including political contributions for candidates identified by representatives of Sperry/Unisys at a later date.

In fact other employees of Sperry/Unisys asked Barrett to instruct certain individuals to make campaign contributions in their own name and in the names of others. The individuals made campaign contributions in the form of checks as directed by Barrett. In many instances, these checks were undated so the date could later be filled in by representatives of Sperry/Unisys who, in turn, provided them to the political campaign committees

Barrett collected the undated checks and gave them to another agent of Unisys who provided them to the political campaign committees.

In or about December 1986, Charles Gardner, an agent of Unisys, contacted Barrett and instructed him to contact certain individuals who had technical service agreements with Unisys and to obtain campaign contributions for the Bill Chappell Campaign Committee.

93043501935

93043501936

In or about December 1986, Barrett contacted Robert H. Littlefield and instructed him to make a campaign contribution to the Bill Chappell Campaign Committee.

In or about December 1986, Barrett contacted Gerard J. Scarano and instructed him to make a campaign contribution to the Bill Chappell Campaign Committee.

In or about December 1986, Robert H. Littlefield wrote a check for one thousand dollars (\$1,000) to the Bill Chappell Campaign Committee and left the check undated.

In or about December 1986, Gerard J. Scarano wrote a check for one thousand dollars (\$1,000) to the Bill Chappell Campaign Committee and left the check undated.

In or about December 1986, Barrett received the checks from Robert H. Littlefield and Gerard J. Scarano and gave them to an agent of Unisys.

In or about January 1987, an agent of Unisys dated the checks and gave them to the Bill Chappell Campaign Committee.

On or about July 1, 1987, the Treasurer for the Bill Chappell Campaign Committee filed with the Federal Election Commission a Report of Receipts and Disbursements for the period January 1, 1987 to June 30, 1987 which reported the \$1,000 contributions from Robert H. Littlefield and Gerard J. Scarano.

From in or about December 1986, through in or about July 1987, Barrett knowingly and willfully caused the Treasurer for the Bill Chappell Campaign Committee to report to the Federal Election Commission that a contribution of approximately one thousand dollars (\$1,000) had been made by Robert H. Littlefield

to the Bill Chappell Campaign Committee. In fact, Barrett, then and there knew and believed, said contribution had been made by Unisys Corporation in violation of the prohibition against corporate contributions imposed by the Federal Election Campaign Act.

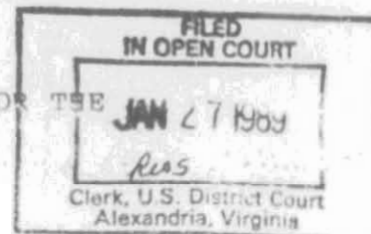
The government could prove its case through the testimony of witnesses including consultants and present and former employees of Unisys as well as through documents obtained from Unisys and the Federal Election Commission.

A True Copy, Teste:  
Doris R. Casey, Clerk

By *Kenneth C. White*  
Deputy Clerk

IN THE UNITED STATES DISTRICT COURT FOR THE  
EASTERN DISTRICT OF VIRGINIA

Alexandria Division



UNITED STATES OF AMERICA )

v. )

ROBERT D. BARRETT )

CRIMINAL NO. 89-00034-A

CRIMINAL INFORMATION

THE UNITED STATES ATTORNEY CHARGES THAT:

INTRODUCTION

At all times material to this Information:

1. ROBERT D. BARRETT was employed by Unisys Corporation in the Eastern District of Virginia.
2. The political committees referred to in this Information supported candidates for nomination and election to federal offices, and as such were subject to the reporting provisions and the campaign financing limitations of the Federal Election Campaign Act (hereinafter referred to as the "FECA") described in paragraphs 3 through 6 below.
3. Political committees which financially supported candidates for federal offices were required by Title 2, United States Code, Section 434 of the FECA to file periodic reports with the Federal Election Commission, which reports were to accurately reflect the identities of all individuals and entities which had given in excess of \$200.00 to each such political committee in any given calendar year.

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4. The FECA and, in particular Section 441a of Title 2, United States Code, prohibited, and rendered illegal, contributions to any federal candidate from any given individual that exceeded \$1,000 in connection with any given elective contest. For the purpose of this limitation on campaign contributions, the FECA, and in particular Section 441a(a)(7) of Title 2, United States Code, provided that any and all payments made by an individual to third parties in consultation and coordination with agents of a candidate or political committee, or on behalf of a political committee or candidate, were to be treated as contributions to that political committee.

5. The FECA, and in particular Section 441b of Title 2, United States Code, forbade, and rendered illegal, contributions and expenditures from the treasury assets of corporations made in connection with the nomination or election of candidates to federal elective offices.

6. The FECA, and in particular Section 441f of Title 2, United States Code, forbade and rendered illegal, contributions to the campaigns of federal candidates that were made in the names of individuals other than the person responsible for the contribution in question.

7. The Federal Election Commission (hereinafter referred to as "the Commission") was an agency of the United States Government pursuant to Section 437c of Title 2, United States Code; and was entrusted with the authority and responsibility pursuant to Section 437g(a) of Title 2, United States Code, to

detect, investigate, and take enforcement action against violations of the FECA, including the provisions referred to in paragraphs 4 through 6 above.

8. In addition, the Commission was entrusted with the authority and responsibility pursuant to Section 438(a)(4) of Title 2, United States Code, to make available to the public specific information concerning campaign contributions to political committees supporting candidates for federal office which had been filed with it pursuant to the provisions described in paragraph 3 above.

The above introductory allegations are realleged and incorporated in Counts One and Two of this Information as though fully set out in each count.

COUNT ONE

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

From in or about January 1982, through in or about September 1987, in the Eastern District of Virginia, and elsewhere,

ROBERT D. BARRETT

defendant herein, and others did unlawfully, willfully and knowingly conspire, combine, confederate and agree with each other to defraud the United States, and in particular the Federal Election Commission, by intentionally obstructing and impeding the Commission in the lawful discharge of its statutory duties, namely:

a. The duty imposed on the Commission by Title 2, United States Code, Section 438(a)(4) to make available to the public accurate information concerning the identities of contributors to federal campaigns, and the dates and amounts of such contributions.

b. The duty imposed on the Commission by Title 2, United States Code, Section 437(g) to detect violations of the limitations on excessive campaign contributions, and corporate campaign contributions, and to seek civil and administrative sanctions against individuals who made illegal contributions in violations of these limits

93043501941

MANNER AND MEANS

1. It was part of this conspiracy to permit Unisys Corporation through defendant ROBERT D. BARRETT and others at his direction to make illegal contributions to political campaign committees supporting candidates for federal office without detection by the FECA or by the public, to permit said illegal contributions to be received and accepted by the political campaign committee to which they were made without detection by the Commission or by the public, and to prevent the Commission from imposing sanctions for such violations of the FECA.

2. It was a part of this conspiracy that Unisys Corporation and certain individuals would enter into technical service agreements calling for the individuals to perform a specific task, generally technical in nature, with the understanding that portions of funds received by the individuals would be made available for campaign contributions as directed by Unisys Corporation.

3. It was part of this conspiracy that employees of Unisys Corporation would ask the defendant, ROBERT D. BARRETT, to instruct certain individuals to make campaign contributions in their own name and in the name of others.

4. It was further a part of this conspiracy that the said individuals would and did make campaign contributions as instructed by the defendant ROBERT D. BARRETT.



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5. It was a further part of this conspiracy that the individuals would prepare checks for the campaign contributions in their own names and in the names of others, leave the date on the check blank, and provide them to the defendant ROBERT D. BARRETT.

6. It was a further part of this conspiracy that the defendant ROBERT D. BARRETT would collect the undated checks and give them to another agent of Unisys Corporation who would provide them to the political campaign committees.

7. It was a further part of this conspiracy that the Treasurers of the political campaign committees to which these illegal contributions were made would and did report them to the Commission as small and lawful contributions made by the individuals rather than as large and illegal contributions made by Unisys Corporation.

8. It was a further part of this conspiracy that the Commission would make available to the public inaccurate information concerning the illegal contributions provided by Unisys Corporation through the defendant, ROBERT D. BARRETT, in the manner described above; that the Commission would not impose sanctions against the said ROBERT D. BARRETT and Unisys Corporation for making illegally large, and illegal corporate contributions.

OVERT ACTS

In the furtherance of the conspiracy, and to effect its objects, the defendant, ROBERT D. BARRETT, and others committed and caused to be committed overt acts within the Eastern District of Virginia and elsewhere, including but not limited to the following:

1. In or about December 1986, an agent of Unisys contacted the defendant, ROBERT D. BARRETT and instructed him to contact certain individuals who had technical service agreements with Unisys and to obtain campaign contributions for the Bill Chappell Campaign Committee.

2. In or about December 1986, defendant, ROBERT D. BARRETT contacted Robert H. Littlefield and instructed him to make a campaign contribution to the Bill Chappell Campaign Committee.

3. In or about December 1986, defendant, ROBERT D. BARRETT contacted Gerard J. Scarano and instructed him to make a campaign contribution to the Bill Chappell Campaign Committee.

4. On or about December 10, 1986, Robert H. Littlefield wrote a check for one thousand dollars (\$1,000) to the Bill Chappell Campaign Committee and left the check undated.

5. In or about December 1986, Gerard J. Scarano wrote a check for one thousand dollars (\$1,000) to the Bill Chappell Campaign Committee and left the check undated.

6. In or about December 1986, defendant, ROBERT D. BARRETT received the checks from Robert H. Littlefield and Gerard J. Scarano and gave them to an agent of Unisys.

7. In or about January 1987, an agent of Unisys dated the checks and gave them to the Bill Chappell Campaign Committee.

8. On or about July 1, 1987, the Treasurer for the Bill Chappell Campaign Committee filed with the Federal Election Commission a Report of Receipts and Disbursements for the period January 1, 1987 to June 30, 1987 which reported the \$1,000 contributions from Robert H. Littlefield and Gerard J. Scarano.

(In violation of Title 18, United States Code, Section 371).

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COUNT TWO.

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

From in or about December 1986, through in or about July 1987, in the Eastern District of Virginia, and elsewhere, in a matter within the jurisdiction of the Federal Election Commission, an agency of the United States,

ROBERT D. BARRETT

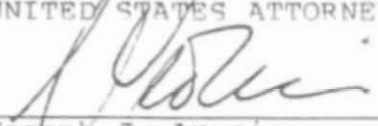
the defendant herein, did knowingly and willfully cause to be made a materially false, fictitious, and fraudulent statement and representation by causing the Treasurer for the Bill Chappel Campaign Committee to report to the Federal Election Commission that a contribution of approximately one thousand dollars (\$1,000) had been made by Robert H. Littlefield to the Bill Chappell Campaign Committee, whereas in truth and in fact, ROBERT D. BARRETT, the defendant, then and there well knew and believed, said contribution had been made by Unisys Corporation in violation of the prohibition against corporate contributions


imposed by the Federal Election Campaign Act and specifically by  
Title 2, United States Code, Section 441b.

(In violation of Title 18, United States Code, Sections 1001  
and 2).

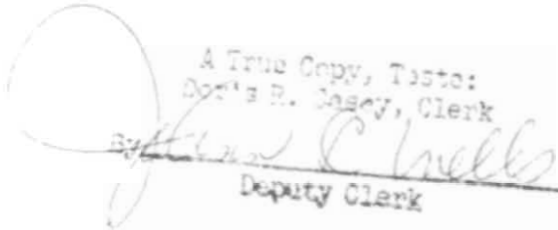
HENRY E. HUDSON  
UNITED STATES ATTORNEY

By:

  
Joseph J. Aronica  
Assistant United States Attorney

  
Nancy Newcomb  
Special Assistant  
United States Attorney

A True Copy, Teste:  
Dor's R. Jasey, Clerk

  
Deputy Clerk

THE EASTERN DISTRICT OF VIRGINIA

DEFENDANT

ROBERT DONALD BARRETT

ALEXANDRIA DIVISION

DOCKET NO

CR 89-00034-A(01)

## JUDGMENT AND PROBATION/COMMITMENT ORDER

AO-245 (9/82)

In the presence of the attorney for the government  
the defendant appeared in person on this date

MONTH	DAY	YEAR
05	05	89

COUNSEL

☐ WITHOUT COUNSEL

However the court advised defendant of right to counsel and asked whether defendant desired to have counsel appointed by the court and the defendant thereupon waived assistance of counsel.

☒ WITH COUNSEL

James Bensfield, Attorney at Law

(Name of Counsel)

PLEA

☒ GUILTY, and the court being satisfied that  
there is a factual basis for the plea,☐ NOLO CONTENDERE,☐ NOT GUILTYFINDING &  
JUDGMENT

There being a finding/verdict of

☐ NOT GUILTY. Defendant is discharged

☒ GUILTY.

Defendant has been convicted as charged of the offense(s) of Title 18 §371: conspiracy to defraud the United States, Count 1, and Title 18 §1001 & 2: aiding and abetting the making of false statements to the United States, Count 2.

SENTENCE  
OR  
PROBATION  
ORDER

The court asked whether defendant had anything to say why judgment should not be pronounced. Because no sufficient cause to the contrary was shown, or appeared to the court, the court adjudged the defendant guilty as charged and convicted and ordered that: The defendant is hereby committed to the custody of the Attorney General or his authorized representative for imprisonment for a period of three(3) years, with execution of sentence suspended, defendant placed on supervised probation for two(2) years and shall complete two hundred (200) hours of community service at the direction of the Probation Office. This sentence is as to each of Counts 1 and 2, with Count 2 running concurrently with Count 1.

A special assessment of \$50.00 is imposed on each count for a total of \$100.00, pursuant to Title 18 §3013.

SPECIAL  
CONDITIONS  
OF  
PROBATIONADDITIONAL  
CONDITIONS  
OF  
PROBATION

In addition to the special conditions of probation imposed above, it is hereby ordered that the general conditions of probation set out on the reverse side of this judgment be imposed. The Court may change the conditions of probation, reduce or extend the period of probation, and at any time during the probation period or within a maximum probation period of five years permitted by law, may issue a warrant and revoke probation for a violation occurring during the probation period.

COMMITMENT  
RECOMMEN-  
DATION

The court orders commitment to the custody of the Attorney General and recommends,

It is ordered that the Clerk deliver a certified copy of this judgment and commitment to the U.S. Marshal or other qualified officer.

SIGNED BY

☒ U.S. District Judge☐ U.S. Magistrate

CLAUDE M. HILTON

Date

May 5, 1989

A True Copy. Teste:

Paul A. Davis, Clerk

Deputy Clerk

89 OCT -5 PM 4:50

Count I fails to contain, "a clear and concise recitation of the facts" which describe a violation of the Act. Count 1 alleges that Congressman Dyson solicited campaign contributions

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from a federal contractor in violation of 11 C.F.R. 115.2(c) (1988). Yet, the Count fails to disclose any facts which substantiate this allegation. For example, the complaint states that in July 1987 Congressman Dyson traveled to a Unisys plant in New York and received numerous campaign contributions. Furthermore, the complaint alleges that Congressman Chappell received similar contributions in September 1986. Finally, the complaint charges that Dyson and Chappell were implicated in a scheme to compel the Pentagon to purchase equipment manufactured by Unisys. These allegations, however, do not prove that Congressman Dyson solicited any campaign contributions from Unisys. Moreover, none of the documentation attached to the complaint indicate that Congressman Dyson solicited contributions from Unisys. Count I is based on innuendo, and the general counsel and the FEC must find that there is no reason to believe Congressman Dyson solicited campaign contributions from a federal contractor.

Furthermore, the personal checks from employees of a federal contractor, as is the case here, do not implicate the prohibition of 11 C.F.R. § 115.2 (1988). There is nothing improper about receiving campaign contributions from employees of federal contractors. To the extent that the complaint implies that contributions from employees of defense contractors are per se illegal, it is simply wrong.



COUNT II

Count II alleges that Congressman Dyson knowingly accepted a contribution made in the name of another in violation of 11 C.F.R. § 110.4(b)(1)(iii). To support this allegation, five plea agreements of defendants convicted of illegal campaign contributions are attached to the complaint. A careful scrutiny of these plea agreements, however, will reveal that none of them indicate that Congressman Dyson knew he was receiving illegal contributions. In fact, the plea agreements fail to reveal any evidence indicating that Congressman Dyson knew of the illegal contributions. Finally, the complaint conveniently omits the fact that only two of the five plea agreements detail illegal contributions to Congressman Dyson, and that both of these tainted contributions have been returned.

In summary, there is absolutely no support for the allegation that Dyson knowingly received contributions in the name of another. The general counsel and the FEC must hold that there is no reason to believe Congressman Dyson knowingly received illegal contributions.

COUNT III

Count III contains the same defects as Count II. It simply fails to allege any facts indicating that Congressman Dyson knowingly received corporate contributions in violation of 11 C.F.R. § 114.2(c). Once again, the basis for the allegation that Congressman Dyson knowingly received an illegal contribution is

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the five plea agreements of individuals convicted of an illegal contribution scheme. Yet, the agreements fail to reveal any evidence indicating that Congressman Dyson knew the contributions emanated from a corporation. Moreover, the attached FEC report of receipts and disbursements also reveals no evidence of corporate contributions. Consequently, the general counsel and the FEC must hold that there is no reason to believe Congressman Dyson knowingly received corporate contributions.

#### COUNT IV

Count IV's allegation that Marion Fedes failed to use her best efforts to determine the legality of contributions that presented genuine questions about their illegality is frivolous. The contributions were made through personal checking accounts and were within applicable statutory limitations. Consequently, contrary to the assertions contained in Count IV, these contributions did not present genuine questions relating to their illegality. Furthermore, receiving numerous contributions at one time is not illegal. Indeed, receiving numerous contributions at one time is perfectly permissible as long as they comply with the applicable regulations. At the time Fedes received the subject contributions, they were "personal" contributions within the applicable limitations. Fedes, therefore, had no reason to investigate the contributions.

In addition, the claim in Count IV that Fedes failed to refund the contributions within thirty days after failing to

determine their legality is meritless. Fedes did not have an obligation to refund the contributions when they were made. As discussed above, the contributions were made through personal checks and within applicable statutory limitations. Thus, they were legal when made and Fedes was not required to return them.

Of course, Fedes is under a continuing obligation to return contributions which she learns are illegal, and she has complied with this obligation. As soon as she discovered that Joseph Hill's contribution was illegal she returned it. See Exhibit D, attached to the complaint. Moreover, the contribution by the only other defendant whose plea agreement mentions contributions to Congressman Dyson, Charles Gardner, has also been returned. Thus, Ms. Fedes has acted properly with respect to these contributions, and the general counsel and the FEC must find that there is no reason to believe that Marion Fedes failed to use her best efforts to determine the legality of the contributions.

#### COUNT V

The allegation in Count V is frivolous. First, Fedes has returned the contributions of the five individuals convicted of an illegal contribution scheme. Second, and more significantly, Fedes was only required to return Joseph Hill and Charles Gardner's contributions. A careful reading of the documents attached to the complaint reveal that contributions to Congressman Dyson are only mentioned in Hill and Gardner's plea agreements. The other agreements only mention contributions to

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"candidates." For example, Gerard J. Scarano's statement of facts states that Scarano was asked to contribute to "candidates." Fedes was only required to return those contributions which she knew were illegally contributed to Congressman Dyson. She was not required to return contributions based upon plea agreements disclosing that contributions were made to "candidates." "Candidates" could mean any representative or any senator. Instead, erring on the side of caution, Fedes returned the contributions of all five individuals whose plea agreements are attached to the complaint. Clearly, Fedes refunded all illegal contributions in a timely manner.

#### CONCLUSION

For the foregoing reasons, Roy Dyson, M.C. and his campaign treasurer, Marion Fedes, request the general counsel and the FEC to find that there is no reason to believe Dyson or Fedes violated the Act. There is absolutely no evidence indicating that Congressman Dyson solicited campaign contributions from a federal contractor or knew the contributions were illegal at the time they were made. Furthermore, Marion Fedes has acted properly at all times.

Respectfully submitted this 5<sup>TH</sup> day of October,

1989,

BRAND & LOWELL  
(A Professional Corporation)  
923 15th Street, N.W.  
Washington, D.C. 20005  
(202) 662-9700

By: 

Stanley M. Brand  
Ross A. Nabatoff

Attorneys for Roy Dyson

93043501955



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

October 6, 1989

Rebecca C. Smith  
Senior Counsel  
Unisys Corporation  
8008 Westpark Drive  
McLean, VA 22102

RE: MUR 2981  
Unisys Corporation

Dear Ms. Smith:

This is in response to your letter dated October 3, 1989, which we received that same day, requesting an extension until October 20 to respond to the Commission's Notification letter. 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 October 20.

If you have any questions, please contact Mark Allen, the staff member assigned to this matter, at (202) 376 5690.

Sincerely,

Lawrence M. Noble  
General Counsel

  
BY: Lois G. Lerner  
Associate General Counsel

93043501956



RECEIVED  
FEDERAL ELECTION COMMISSION  
MAIL ROOM

89 OCT -6 AM 11:11

OGC 4208  
RICHARD RAY  
3rd DISTRICT GEORGIA

United States Congress  
House of Representatives  
Washington, DC 20515

October 2, 1989

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
89 OCT -6 PM 1:38

Mr. Lawrence M. Noble  
General Counsel  
The Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

Dear Mr. Noble:

I am in receipt of your letter dated September 15, 1989, which was received in my office on September 20, 1989.

Enclosed is information which will assist you in your review of matter MUR 2981.

Please feel free to contact me or my General Counsel, Mr. James Hendricks, if any additional information would be helpful.

Sincerely,

RICHARD RAY  
Member of Congress

Enclosures

cc: Mr. Mark Allen  
Federal Election Commission

# RICHARD RAY

## U.S. Congress

P.O. Box 1352  
Perry, GA 31069  
912-987-2091

February 1, 1989

Mr. Hamilton P. Fox, Attorney of Record  
Dewey Ballantine Bushby Palmer & Wood  
1775 Pennsylvania Avenue, N.W.  
Washington, D.C. 20006

COPY

RE: Political contribution to Richard Ray Campaign  
Committee from Joseph E. Hill in May 1988.

Dear Mr. Fox:

The Code of Federal Regulations, Section 103.3 (b) (2) states that "if the treasurer.... later discovers that a contribution is illegal based on new evidence not available to the political committee at the time of receipt and deposit, the treasurer shall refund the contribution to the contributor within thirty days of the date on which the illegality is discovered."

Enclosed is a check for \$1,000.00 made payable to Joseph E. Hill.

Very truly yours,

Macy Skinner  
Campaign Treasurer

Encl: one (1) check for \$1,000.00 to  
Joseph E. Hill.

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RAY FOR CONGRESS CAMPAIGN COMMITTEE  
P.O. BOX 1352  
PERRY, GEORGIA 31069

DATE	INVOICE	AMOUNT
REFUND		
		1000.00

64-464  
611

4383

PAY ONE THOUSAND AND NO 100 DOLLARS

DATE	TO THE ORDER OF	CHECK NO.	DESCRIPTION	CHECK AMOUNT
2-1-89	JOSEPH E. Hill	4383	REFUND OF CONTRIBUTION	1,000.00
			GROSS	
			DISCOUNT	

c/o HAMILTON P. Fox, Atty  
1775 PENNSYLVANIA AVE. N.W.  
WASHINGTON DC 20006  
THE BANK OF PERRY  
PERRY, GEORGIA

RAY FOR CONGRESS CAMPAIGN COMMITTEE

Macy Skinner

⑈004383⑈ ⑈00110101⑈ 001 10 110⑈

APR 13 1989

DEWEY, BALLANTINE, BUSHBY, PALMER & WOOD  
1775 PENNSYLVANIA AVENUE, N.W.  
WASHINGTON, D.C. 20006

JOSEPH A. CALIFANO, JR.  
PHILIP W. BUCHEN  
HARRY K. SCHWARTZ  
O. NILE BELL  
FENTON J. BURKE  
ALAN WM. WOLFF  
FELIX B. LAUGHLIN  
CHARLES A. SEVERS, III  
DAVID H. BROCKWAY  
LAWRENCE F. O'BRIEN, III  
W. CLARK McFADDEN, II  
GERALD W. ROSEBERG  
HAMILTON P. FOX, III  
JACK M. FEDER  
JOHN J. SALMON

R. MICHAEL GADBAW  
LARRY M. BERKOW  
MICHAEL H. STEIN  
MYLES V. LYNK  
JOSEPH K. DOWLEY  
KEVIN G. MCANANEY  
THOMAS R. HOWELL  
LORRAINE SOSTOWSKI  
J. GOODWIN BENNETT  
MATT E. EGGER  
ALICIA M. KERSHAW  
MARTHA J. TALLEY  
DAVID C. GARLOCK  
HOWARD J. ROSENSTOCK

TELEPHONE: (202) 862-1000  
TELECOPIER: (202) 862-1093  
TELEX: 897070  
CABLE ALL OFFICES: DEWBALAW

140 BROADWAY, NEW YORK, N.Y. 10005  
101 PARK AVENUE, NEW YORK, N.Y. 10178  
TELEPHONE: (212) 820-1100  
TELEX: 981289 OR 12-8825  
TELECOPIER: (212) 820-1403

333 SOUTH HOPE STREET  
LOS ANGELES, CALIFORNIA 90071  
TELEPHONE: (213) 628-3399  
TELECOPIER: (213) 625-0582

5355 TOWN CENTER ROAD  
BOCA RATON, FLORIDA 33486  
TELEPHONE: (407) 391-8399  
TELECOPIER: (407) 391-8798

April 5, 1989

OF COUNSEL  
FREDERIC J. TRUSLOW

\*ADMITTED BY ONLY

Macy Skinner  
Ray for Congress Campaign Committee  
P.O. Box 1352  
Perry, GA 31069

Dear Mr. Skinner:

On February 1, 1989 you sent to me a letter returning a \$1,000 contribution made in the name of Joseph E. Hill to the Ray for Congress Campaign Committee. It has taken me some time to determine precisely what to do with this check. After checking with the Federal Election Commission, and reviewing Advisory Opinion 1984-52, a copy of which is enclosed, I have determined that the best course of conduct is to return to you this check. I believe that the money must be returned to Unisys and not to Mr. Hill personally.

Very truly yours,

*Hamilton P. Fox, III*  
Hamilton P. Fox, III

Enclosures

cc: Joseph E. Hill

93043501960

MAY 5 1989

United States Congress  
House of Representatives  
Washington, DC 20515

April 25, 1989

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

Dear Mr. Noble:

I would like to request an Advisory Opinion on the return of money the "Richard Ray for Congress Campaign Committee" received.

As you may know, Mr. Joseph Edmund Hill pleaded guilty in the United States District Court for the Eastern District of Virginia to four counts of making political contributions in the name of another. "Richard Ray for Congress Campaign Committee" was one of the campaigns that received such funds, specifically a \$1,000.00 check drawn from Mr. Hill's personal checking account. I became aware of the violation only through a newsperson's call to my office on the morning of Mr. Hill's guilty plea.

Pursuant to language in 11 Code of Federal Regulations 103.3(b)(2), I mailed a refund check to Mr. Hill in care of his attorney of record, Mr. Hamilton P. Fox of Dewey Ballantine Bushby Palmer & Wood. I was recently informed by my campaign committee that this check was returned with a note stating that Mr. Fox and Mr. Hill would not accept such reimbursement.

I am aware of Advisory Opinion 1984-52, issued by the Federal Election Commission to the Honorable Marty Russo, in which Mr. Russo was advised to refund similarly tainted money to "the corporation that was the source...."

I respectfully direct the Commission's attention to the "Statement of Facts" and "Plea Agreement" in Criminal Case Number 89-0035-A of the Alexandria Division of the U.S. District Court, Mr. Hill's case. Within the "Statement of Facts", the government's evidence would show that money was apparently given to Mr. Hill by Sperry/Unisys for the purpose of making political

Mr. Lawrence Noble  
Page Two

campaign contributions. This was done under the guise of payment for work Mr. Hill performed by way of making reports. Later, an employee of Sperry/Unisys directed Mr. Hill to make checks out to candidates, one of which was received by my campaign committee. From the court documents, it appears that the money actually came from the treasury of Sperry/Unisys. In the "Plea Agreement", Mr. Hill "does not disagree with [the 'Statement of Facts']...in any material respect. I have enclosed a copy of the "Statement of Facts", as my staff found it in the case file, for use by the Commission.

I am hopeful that we can reach a timely resolution to this matter, and I appreciate any assistance you may be able to offer.

Sincerely,



RICHARD RAY  
Member of Congress

Enclosure

93043501962



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

COPY

May 26, 1989

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

ADVISORY OPINION 1989-5

The Honorable Richard Ray  
United States House of Representatives  
425 Cannon Office Building  
Washington, D.C. 20515

Dear Mr. Ray:

This responds to your letter dated April 25, 1989, requesting an advisory opinion concerning the application of the Federal Election Campaign Act of 1971, as amended, ("the Act") and Commission regulations to the proposed refund of an unlawful contribution accepted without knowledge of its illegality by your principal campaign committee.

You explain that in May 1988, Joseph Edmund Hill sent the Richard Ray for Congress Campaign Committee ("committee") a \$1,000 check that was drawn on Mr. Hill's personal checking account. In late January 1989, you learned that Mr. Hill had recently pleaded guilty in the United States District Court for the Eastern District of Virginia to four counts of making political contributions in the name of another. Mr. Hill, it appears, had been acting as a conduit for unlawful corporate contributions by the Sperry Corporation and its successor company, Unisys.<sup>1/</sup> Since 1982, the corporation had been giving money from its treasury to Mr. Hill for the purpose of making political contributions. The \$1,000 received by your committee came from that impermissible source and was sent by Mr. Hill at the corporation's request.<sup>2/</sup>

<sup>1/</sup> See 2 U.S.C. §§441b (prohibits making or knowingly accepting corporate contributions) and 441f (prohibits making a contribution in the name of another or knowingly accepting such a contribution). Also see 11 CFR 110.4(b) and 114.2(c).

<sup>2/</sup> You and your staff rely on information found in the "Statement of Facts" and the "Plea Agreement" filed in Mr. Hill's criminal case. You note that Mr. Hill stated in his "Plea Agreement" that he did "not disagree with [the 'Statement of Facts'] . . . in any material respect."

93043501963

You state that you mailed a refund check to Mr. Hill, the ostensible contributor, in care of his attorney of record. Both Mr. Hill and his attorney refused to accept the refund, however, and returned the check. Under these circumstances, you ask whether the Act and Commission regulations require your committee to repay the \$1,000 to Sperry/Unisys, the actual source of the illegal contribution.

As you know, under 11 CFR 103.3(b)(2),

[i]f the treasurer [of a political committee] . . . determined that at the time a contribution was received and deposited, it did not appear to be made by a corporation . . . or made in the name of another, but later discovers that it is illegal based on new evidence not available to the political committee at the time of receipt and deposit, the treasurer shall refund the contribution to the contributor within thirty days of the date on which the illegality is discovered. . . .

(Emphasis added.) The resolution of your inquiry turns on the interpretation of the phrase "to the contributor."

In Advisory Opinion 1984-52, Representative Marty Russo's campaign committee received and deposited certain contributions that appeared to come from the personal funds of corporate employees; in fact, they were financed by the corporation through sham employee bonuses. When Mr. Russo learned of the illegality, he asked the Commission whether his committee should refund the contributions to the corporate employees or to the corporation. The Commission stated that

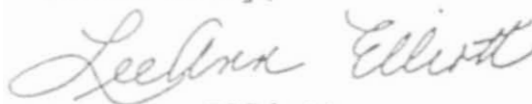
the Criminal Information and the guilty plea of the corporation to the charges therein constitute an adequate factual basis for concluding that the corporation should receive the refunds. . . . [T]he employees were not the actual sources of the contributions . . . . Given the corporate payments received by the employees to make them whole for their initial "contributions" to the candidates, the employees' personal funds were not reduced as a result of this scheme. Accordingly, they should not receive refunds from your committee.

93043501964

In light of 11 CFR 103.3(b)(2) and Advisory Opinion 1984-52, the Commission concludes that your committee must refund the illegal contribution to the corporation that was its source, Sperry/Unisys. According to the "Statement of Facts" that Mr. Hill did not dispute in pleading guilty, see n.2, supra, he used no personal funds for his "contribution" to the committee; instead, he used money that the corporation had given to him for the purpose of making the contributions that it wanted. Mr. Hill's personal funds "were not reduced as a result of this scheme." The \$1,000 contribution came from the corporation's treasury and thus a like amount should be refunded to the corporation.<sup>3/</sup>

This response constitutes an advisory opinion concerning application of the Act, or regulations prescribed by the Commission, to the specific transaction or activity set forth in your request. See 2 U.S.C. §437f.

Yours truly,



Lee Ann Elliott  
Vice Chairman for the  
Federal Election Commission

Enclosure (AO 1984-52)

<sup>3/</sup> Commission regulations require authorized committees to itemize contribution refunds and to identify the person who receives the refund. 11 CFR 104.3(b)(4)(v). Although your committee is not required to do so, it may in its next report, covering the period in which it makes and reports the refund, identify Mr. Hill as the individual in whose name the corporate contribution was made. The committee need not amend its prior reports. See Advisory Opinion 1984-52, n.2.

93043501965

# RICHARD RAY

## U.S. Congress

P.O. Box 1352  
Perry, GA 31069  
912-987-2091

June 10, 1989

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

COPY

Mr. John S. Autry  
Vice President  
Government Relations  
Unisys Corporation  
2001 L Street, N.W., Suite 1000  
Washington, D.C. 20036

Dear Mr. Autry

In January of this year, Joseph Edmund Hill pleaded guilty to four counts of making political contributions in the name of another. "Richard Ray For Congress Campaign committee" was one of the campaigns that received such funds, specifically a \$1,000.00 check drawn from Mr. Hill's personal checking account.

Pursuant to the Federal Election Commission's Advisory Opinion 1989-5, a copy of which is attached, I have enclosed a check for \$1,000.00 made out to the Unisys Corporation. In complying with 11 CFR 104.3(b)(4)(v), the "Richard Ray for Congress" campaign committee will report your full name and address as: Mr. John S. Autry, Vice President, Government Relations, Unisys Corporation, 2001 L Street, N.W., Washington, D. C., 20036.

Sincerely,

Macy Skinner, Treasurer  
RICHARD RAY FOR CONGRESS

Encls.

cc: Congressman Richard B. Ray



93043501967

RAY FOR CONGRESS CAMPAIGN COMMITTEE  
P.O. BOX 1352  
PERRY, GEORGIA 31069

DATE	INVOICE	AMOUNT
REFUND CONTRIBUTION		
OF JOSEPH HILL		
MADE 5/6/89		
		\$1,000.00

64-464  
611

4499

PAY ONE THOUSAND AND NO/100 DOLLARS

DATE	TO THE ORDER OF	CHECK NO.	DESCRIPTION	CHECK AMOUNT
6-12-89	UNISYS CORPORATION	4499	REFUND OF CONTRIBUTION	1,000.00
			GROSS	DISCOUNT

2001 L STREET NW  
WASHINGTON DC 20036

RAY FOR CONGRESS CAMPAIGN COMMITTEE

THE BANK OF PERRY  
PERRY, GEORGIA

Mary Skinner

0004499 0061104644 0004 19 119

COVINGTON & BURLING

1201 PENNSYLVANIA AVENUE, N. W.

P. O. BOX 7566

WASHINGTON, D.C. 20044

(202) 662-6000

FACSIMILE: (202) 662-6291

TELEX: 89-593 (COVLING WSH)

CABLE: COVLING

89 OCT 16 PM 4:39

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF THE GENERAL COUNSEL  
LONDON OFFICE  
46 HERTFORD STREET  
LONDON W1T7TF ENGLAND  
01-495-5655

DWIGHT C. SMITH III

DIRECT DIAL NUMBER

(202) 662-5528

October 16, 1989

BY HAND

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

Re: MUR 2981

Dear Sirs:

We represent Unisys Corporation in the above-captioned matter under review. We understand that our client has filed a designation of counsel with the Commission.

We are writing to request an additional 60-day extension in which to respond to the complaint filed in this matter. Such an extension will promote fairness and efficiency and conserve Commission resources for a number of reasons.

In addition, because we were retained by Unisys in this matter late last week, we have not had an opportunity to examine fully the allegations in the complaint. The complaint deals with a complex series of events involving persons no longer affiliated with Unisys, and preparation of a response that deals in a meaningful way with the allegations in the

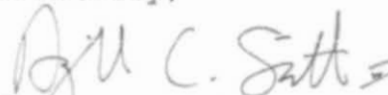
93043501968

Office of the General Counsel  
October 16, 1989  
Page 2

complaint will require several weeks. Without an extension, we will have to file a response that either deals in generalities or that provides a voluminous amount of documents without analysis. A response prepared over the next 60 days will narrow the facts in dispute and present clear-cut legal issues.

For these reasons, we respectfully ask that our request for a further 60-day extension of time be granted.

Sincerely,



Scott D. Gilbert  
Dwight C. Smith III  
Attorneys for Unisys  
Corporation

93043501969

UNISYS

RECEIVED  
FEDERAL ELECTION COMMISSION  
MAIL ROOM

89 OCT 17 AM 10:25

Unisys Corporation  
800 Westpark Drive  
McLean VA 22101

06C 4284  
Telephone 800-555-5000  
RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL

89 OCT 17 AM 11:52

October 13, 1989

Mark Allen, Esquire  
Office of the General Counsel  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

Re: MUR 2981 Unisys Corporation

Dear Mr. Allen:

Enclosed is a Statement of Designation of Counsel, designating both  
Covington & Burling and myself to represent Unisys in this matter.

Very truly yours,

*Rebecca C. Smith*

Rebecca C. Smith  
Senior Counsel

Enclosure

RCS:cwh

93043501970

89 OCT 17 AM 11:52

STATEMENT OF DESIGNATION OF COUNSEL

MUR: 2981

NAME OF COUNSEL: Scott Gilbert, Charles Ruff and Dwight Smith

ADDRESS OF COUNSEL: Covington & Burling  
Suite 1111-D  
1201 Pennsylvania Avenue., N.W.  
Washington, D.C. 20044

TELEPHONE: (202) 662-5498

NAME OF COUNSEL: Rebecca C. Smith, Esquire

ADDRESS OF COUNSEL: Unisys Corporation  
8008 Westpark Drive  
Third Floor, Law Department  
McLean, Virginia 22102

TELEPHONE: (703) 556-5526

The above named individuals are hereby designated as Unisys counsel and are authorized to receive any notifications and other communications from the Commission and to act on Unisys behalf before the Commission.

10/13/89

Date

Rebecca C. Smith

Signature

NAME OF RESPONDENT: Unisys Corporation

ADDRESS: 8008 Westpart Drive  
McLean, VA 22102

TELEPHONE: (703) 556-5526

93043501971

# HOGAN & HARTSON

COLUMBIA SQUARE  
555 THIRTEENTH STREET NW  
WASHINGTON, DC 20004-1109  
202/637-5600  
WILLIAM D. NUSSBAUM  
DIRECT DIAL 202/637-5722

6701 ROCKLEDGE DRIVE  
BETHESDA, MARYLAND 20817  
301/493-0030

111 SOUTH CALVERT STREET  
BALTIMORE, MARYLAND 21202  
301/659-2700

8300 GREENSBORO DRIVE  
MCLEAN, VIRGINIA 22102  
703/848-2600

October 18, 1989

## By Hand Delivery

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

Re: MUR 2981

Dear Ms. Lerner:

In your letter of September 15, 1989, you advised William M. Galvin that the Federal Election Commission had received a complaint alleging that he may have violated the Federal Election Campaign Act of 1971. You invited Mr. Galvin to demonstrate in writing within 15 days that no action should be taken against him, but subsequently agreed to extend the deadline for Mr. Galvin's response to October 30, 1989. On October 4, 1989, Mr. Galvin executed a statement designating me to act as his counsel in this matter. This is written in response to your letter of September 15.

I have had an opportunity to review Luis A. Luna's letter of September 5, 1989 to Lawrence M. Noble, which you describe as containing allegations that Mr. Galvin may have violated federal election campaign laws. Although Mr. Luna's letter specifically requests that the Federal Election Commission investigate allegations of illegal campaign financing activities on the part of Representative Roy P. Dyson and his campaign treasurer, Marion Fedas, I see no such allegation against Mr. Galvin in the letter or in the materials -- including newspaper articles and plea agreements -- that accompanied your letter of September 15. Under such circumstances, it appears neither possible nor even necessary to demonstrate that no action should be taken against Mr. Galvin; it does not appear that specific accusations are being made against him upon which any action by the Federal Election Commission could be based.

89OCT 18 PM 4:29

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OFFICE OF GENERAL COUNSEL

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Lois G. Lerner  
October 18, 1989  
Page 2

Mr. Luna's letter refers to five individuals who have entered pleas of guilty in connection with their involvement in a scheme by Unisys to make illegal campaign contributions. Mr. Galvin is not one of those individuals, and has never been convicted of or even charged with violating any law. Moreover, the documents you provided relating to the guilty pleas entered by Messrs. Brooke, Gardner, Hill, Scarano, and Zuba contain no reference whatsoever to Mr. Galvin's involvement in the unlawful activities described in Mr. Luna's letter. Similarly, documents which I obtained independently relating to a guilty plea entered by Robert D. Barrett -- who is described in the plea papers of Messrs. Gardner, Scarano, and Zuba and in various newspaper accounts as a Unisys employee who facilitated illegal campaign contributions -- contain no allegation of Mr. Galvin's involvement in such activities.

All that I am able to conclude from your letter and the materials which accompanied it is that Mr. Galvin made a contribution to Representative Dyson on or about the same date that individuals who have admitted violating campaign finance laws made such contributions. I hope you will agree that no action is warranted against Mr. Galvin on the basis of such information.

Yours truly,



William D. Nussbaum

WDN:lsw

93043501973

06C 4347

COVINGTON & BURLING

1201 PENNSYLVANIA AVENUE, N. W.

P. O. BOX 7566

WASHINGTON, D. C. 20044

(202) 662-6000

FACSIMILE: (202) 662-6291

TELEX: 89-593 (COVLING WSH)

CABLE: COVLING

LONDON OFFICE  
46 HERTFORD STREET  
LONDON W1T7TF ENGLAND  
01-495-5655

DWIGHT C. SMITH III  
DIRECT DIAL NUMBER  
(202) 662-5528

October 23, 1989

BY HAND

Mark Allen, Esq.  
Office of the General Counsel  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C.

Re: MUR 2981

Dear Mr. Allen:

We have tried without success to reach you by telephone regarding the status of our request on behalf of Unisys Corporation for a further extension of time in which to respond to the complaint in the above-captioned matter under review. Accordingly, we have taken the liberty of writing.

As we explained in our request of October 16, Unisys desires to respond to the complaint but requires an additional sixty days in order to present the most meaningful and timely answer. Because of the continued pendency of our request for a further extension of time, we trust that the Commission will take no action on the complaint in this matter before receiving a response from Unisys.

Sincerely,



Dwight C. Smith III  
Attorney for Unisys Corp.

89 OCT 24 AM 9:39

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL

93043501974



OGC 4393

# Heron, Burchette, Ruckert & Rothwell

Austin, Texas  
Sacramento, California  
Phoenix, Arizona  
Mesa, Arizona  
Omaha, Nebraska

Suite 700  
1025 Thomas Jefferson Street, N.W.  
P.O. Box 96670  
Washington, D.C. 20090

(202) 337-7700  
TWX 710-822-9270  
FAX (202) 898-7723

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FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL

89 OCT 27 PM 1:19

Lincoln, Nebraska  
Rapid City, South Dakota  
Denver, Colorado  
Colorado Springs, Colorado  
Moscow, U.S.S.R.

October 26, 1989

## VIA FEDERAL EXPRESS

Lois G. Lerner, Esq.  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

Re: MUR 2981

Dear Ms. Lerner

This letter is in response to the Commission's letters of September 15 and 28, 1989 to John Roberts. Mr. Roberts' response was delayed by the fact that the Commission's letters were incorrectly sent to Mr. Roberts' previous address. The letter of September 15, 1989 states that Mr. Roberts has the opportunity to demonstrate that no action should be taken against him in the above-captioned matter. However, it appears from the face of the enclosed complaint of Louis A. Luna that Mr. Roberts does not need to make any such demonstration.

The Luna complaint contains five counts, none of which assert a claim against Mr. Roberts. Counts one through three address Congressman Dyson's actions, and counts four and five address the actions of Marion Fedas, Dyson's campaign treasurer. The Luna complaint neither states facts concerning Mr. Roberts nor makes any allegations of wrongdoing by him. Clearly the complaint does not identify Mr. Roberts as a "respondent" as required by 11 C.F.R. § 111.4. Accordingly, Mr. Roberts need not respond to the Luna complaint. Indeed, it is unclear how Mr. Roberts could respond, since no allegation has been made against him.

Furthermore, some of the matters raised by Mr. Luna in his complaint are the subject of an on going federal grand jury investigation. Therefore, in addition to the fact that the Luna complaint makes no allegations against Mr. Roberts, it is inappropriate for Mr. Roberts to respond in the context of an FEC proceeding at this time to allegations concerning Congressman Dyson and his staff

89 OCT 27 AM 10:45

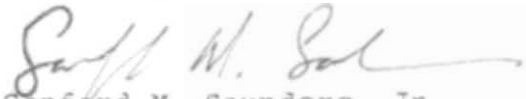
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MAIL ROOM

93043501975

Lois G. Lerner, Esq.  
October 26, 1989  
Page Two

For the foregoing reasons, on behalf of Mr. Roberts, we request that the FEC withdraw its September 15 and 28, 1989 letters. Furthermore, we request that the FEC make the appropriate correcting entry in its records to reflect that Mr. John Roberts is in fact not a respondent in the Luna matter. As a procedural matter, enclosed please find Mr. Roberts' statement of designation of counsel. Please address all future correspondence concerning Mr. Roberts to the undersigned.

Sincerely,



Sanford M. Saunders, Jr.  
Counsel for John Roberts

SMS/sm

93043501976

STATEMENT OF DESIGNATION OF COUNSEL

MUR

2981

NAME OF COUNSEL: Sanford M. Saunders, Jr.

ADDRESS: Heron, Burchette, Ruckert & Rothwell

1025 Thomas Jefferson Street, N.W.


Suite 700

Washington, D.C. 20007

TELEPHONE: (202) 898-2622

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.

10/17/89  
Date

  
Signature

RESPONDENT'S NAME: John Roberts

ADDRESS: 10929 Decatur Drive

Fairfax, VA 22030

HOME PHONE: \_\_\_\_\_

BUSINESS PHONE: \_\_\_\_\_

93043501977

89 OCT 31 AM 11:17

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

**SENSITIVE**

FIRST GENERAL COUNSEL'S REPORT

MUR # 2981  
DATE COMPLAINT RECEIVED  
BY OGC 9-12-89  
DATE OF NOTIFICATION TO  
RESPONDENTS 9-15-89  
STAFF MEMBER Mark Allen

COMPLAINANT: Luis A. Luna

RESPONDENTS: Congressman Roy Dyson  
Dyson for Congress Committee and Marion R. Fedas,  
as treasurer  
Unisys Corporation  
et. al.

RELEVANT STATUTES: 2 U.S.C. § 441f  
§ 441b(a)  
§ 441c  
RELEVANT REGULATIONS: 11 C.F.R. § 115.2  
§ 110.4(b)(1)(ii) and (iii)  
§ 114.2(c)  
§ 103.3(b)(1) and (2)

INTERNAL REPORTS CHECKED: Disclosure Reports

FEDERAL AGENCIES CHECKED: None

I. BACKGROUND

On September 8, 1989, Luis A. Luna filed a sworn complaint with the Commission. Based on a number of press reports and guilty pleas, the complaint alleged that Representative Roy Dyson, the Dyson Committee ("the Committee"), and Marion Fedas, as treasurer, and seventeen other persons violated the Federal Election Campaign Act of 1971, as amended (the "Act"). Specifically, the complaint makes five allegations. First, the complaint alleges that Representative Dyson solicited campaign contributions from a federal contractor, Unisys Corporation, in

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violation of 11 C.F.R. § 115.2(c). Second, it alleges that the Committee knowingly accepted a contribution made by one person in the name of another, in violation of 2 U.S.C. § 441f. Third, it alleges that the Committee knowingly accepted a contribution from a corporation, Unisys, in violation of 2 U.S.C. § 441b(a). Fourth, the complaint asserts that the Committee's treasurer failed to make best efforts to determine the legality of contributions that presented genuine questions as to whether they were made by Unisys, a corporation and federal contractor. Moreover, the treasurer is said to have failed to refund the contributions within 30 days thereafter, in violation of 11 C.F.R. § 103.3(b)(1). Fifth, the treasurer is alleged to have failed to refund contributions made by a Unisys, a corporation and federal contractor, within 30 days after discovering the illegality based on new evidence not available at the time of receipt and deposit, in violation of 11 C.F.R. § 103.3(b)(2).

The remaining seventeen respondents are implicated in the attachments to the complaint. According to these accounts, Charles Gardner, a Unisys vice-president, instructed other Unisys employees to ask Unisys consultants to contribute to certain candidates with monies that had been provided to the consultants as part of consulting fees. It is alleged that these portions of the fees were understood by the consultants and Unisys to be used for contributions. Thus, the consultants were allegedly contributing the corporation's money to the Dyson Committee and other committees named in the complaint. Several Unisys employees and consultants have pled guilty to violations of the Act or to

93043501979

violations of 18 U.S.C. § 1001 for causing false statements to be made by campaign committees to the Commission.

## II. EXTENSION REQUEST

At the this time, the Commission has received substantive responses from sixteen of the respondents. Additionally, on October 3, 1989, Unisys, through its in-house counsel, requested and received a fourteen day extension of time to respond until October 20, 1989. Subsequently, on October 13, 1989, outside counsel contacted this Office to request a second extension of time. When staff explained that this request must be approved by the Commission, the attached extension request was submitted.

In

addition, the request states that the firm was only retained by Unisys last week, and that the complexity of MUR 2981 is such that a meaningful response will require several weeks of preparation.

Under these circumstances, this Office recommends that the Commission grant the requested second extension of sixty days in order that a complete response will be provided. In the interim, this Office is preparing other aspects of the General Counsel's

93043501980

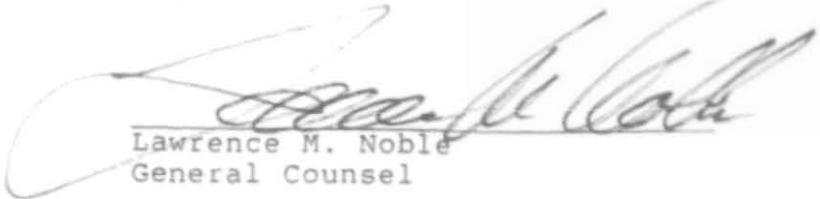
Report and will report to the Commission after all responses have been received.

### III. RECOMMENDATIONS

1. Approve an extension of time until December 19, 1989, for the response of Unisys Corporation.
2. Approve the attached letter

Date

10/30/89

  
Lawrence M. Noble  
General Counsel

#### Attachments:

1. Extension Request
2. Proposed Letter

93043501981

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MUR 2981

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on November 3, 1989, the Commission decided by a vote of 5-0 to take the following actions in MUR 2981:

1. Approve an extension of time until December 19, 1989, for the response of Unisys Corporation.
2. Approve the letter attached to the General Counsel's Report dated October 30, 1989.

Attest:

Date \_\_\_\_\_

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

Received in the Secretariat:	Tuesday, October 31, 1989	11:17
Circulated to the Commission:	Wednesday, November 1, 1989	11:00
Deadline for vote:	Friday, November 3, 1989	11:00





FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

November 13, 1989

Mr. Scott Gilbert  
Covington & Burling  
1201 Pennsylvania Avenue, N.W.  
Washington, D.C. 20044

RE: MUR 2981  
Unisys Corporation

Dear Mr. Gilbert:

This is in response to your letter dated October 16, 1989, which we received October 17, 1989, requesting an extension of sixty days to respond to the complaint in the above-captioned matter. After considering the circumstances presented in your letter, the Commission has granted the requested extension. Accordingly, your response is due no later than the close of business on December 19, 1989.

If you have any questions, please contact Mark Allen, the staff member assigned to this matter, at 376-5690.

Sincerely,

A handwritten signature in dark ink, appearing to read "Lawrence M. Noble", is written over the typed name.

Lawrence M. Noble  
General Counsel

93043501983

COVINGTON & BURLING

1201 PENNSYLVANIA AVENUE, N.W.

P. O. BOX 7566

WASHINGTON, D. C. 20044

(202) 662-6000

FACSIMILE: (202) 662-6291

TELETYPE: 89-593 (COVLING WSH)

CABLE: COVLING

BRUCE A. BAIRD

DIRECT DIAL NUMBER  
(202) 662-5122

VIRGINIA OFFICE  
2000 CORPORATE RIDGE  
MCLEAN, VIRGINIA 22102  
(703) 748-3860

LONDON OFFICE  
46 HERTFORD STREET  
LONDON W1P 7TF ENGLAND  
01-495-5655

January 9, 1990

Lois G. Lerner, Esq.  
Associate General Counsel  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

Re: MUR 2981  
Unisys Corporation

Dear Ms. Lerner:

Pursuant to 2 U.S.C. § 437g(a)(1) (1988) and 11 C.F.R. § 111.6(a) (1988), we submit this letter in the above-captioned matter on behalf of our client, Unisys Corporation, in response to your letter of September 15, 1989, enclosing a complaint of Luis A. Luna dated September 5, 1989. We request that this matter remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) (1988).

INTRODUCTION

This submission will present threshold reasons why an investigation of Unisys should not proceed. It is not intended to exhaustively respond to the allegations raised in the complaint. Further response may be appropriate, if required, at some later time. There are three interlocking threshold reasons why the Federal Election Commission (the "Commission") should not proceed with its investigation with respect to Unisys:

1. It would be improper to proceed against Unisys under 11 C.F.R. § 111.4(d)(1) because the complaint does not charge Unisys as a respondent, and does not allege that Unisys committed any violations of the Federal election laws.

2. Any need for corporate punishment is satisfied by ongoing Department of Justice criminal and civil cases, the conclusion of which will punish Unisys severely and constitutionally forbid Commission action under the double jeopardy clause.

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FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL

90 JAN -9 PM 4:22

93043501984

3. Equity and fairness dictate that Unisys not be penalized yet again for actions taken without corporate knowledge, and in violation of express corporate rules by persons who were terminated when caught by a corporation that was intent on complying not simply with the letter of the law, but with its spirit. Proceeding against Unisys would undermine both the purposes underlying the Federal Election Campaign Act and penalize corporate self-policing.

This letter will briefly describe the complaint, the nature of the decision the Commission is called on to make, and the relevant facts. The three reasons why the Commission should not proceed will then be outlined.

#### THE COMPLAINT

The Complaint charges two respondents. It charges Congressman Roy Dyson in three counts with illegally soliciting and accepting contributions, and it charges his campaign treasurer Marion Fedas in two counts with failing to make best efforts to determine the legality of contributions and failing to refund contributions determined to be illegal. The guilty pleas of several individuals, including one former Sperry and Unisys employee, Charles Gardner, are attached as are related news articles. The complaint does not allege that Unisys violated the Federal election laws and does not name Unisys as a respondent.

There are conclusory statements about the scheme being "a Unisys scheme," and money being given "by Unisys," but a reading of the factual materials supplied with the complaint does not give reason to believe that any corporate-approved scheme was afoot. Instead, the materials reflect a scheme centered on Charles Gardner, a Sperry employee who carried out his scheme without corporate knowledge or approval, and for his personal gain.

#### THE COMMISSION'S DECISION

The question now before the Commission is not whether there is reason to believe that anyone violated the Federal Election Campaign Act in the factual setting of MUR 2981. 2 U.S.C. § 437(a)(2) (1988); 11 C.F.R. § 111.9(a) (1988). The question, taking all the facts into account, see In re Federal Election Campaign Act Litigation, 474 F. Supp. 1044, 1046 (D.D.C. 1979), is whether the Commission should proceed with an investigation against Unisys.

93043501985

THE FACTS1. The Gardner Scheme

Over the past year, a number of persons have entered guilty pleas in connection with the making of unlawful political contributions and other unlawful acts connected to activities of Charles Gardner, who was, at the time he left Unisys, General Manager of the Surveillance & Fire Control Division ("SF&C"). The S&FC Division originally was a division of Sperry Corporation which became part of Unisys, then known as Burroughs, through a hostile takeover of Sperry by Burroughs. Gardner pleaded guilty to carrying out a scheme to siphon off corporate funds, first of Sperry and then of Unisys, for several purposes, including political contributions, payments to government officials, and personal gain.

Mr. Gardner carried out his scheme in a secretive and disguised manner to evade corporate controls and in contravention of corporate policies, according to the guilty pleas. To bypass corporate controls on outside contracts, Mr. Gardner confessed to entering into sham "technical service agreements" with a number of persons acting as consultants. By these agreements, Sperry and then Unisys appeared to be paying independent consultants for technical advice in connection with government contracting activities, but in fact the consultants engaged in several additional activities at Mr. Gardner's direction, including the making of political contributions.

2. Actions by Unisys Prior to Discovery of the Gardner Scheme

Well before Unisys was aware of the Gardner scheme and before any government investigation, Unisys had already shown its commitment to law and ethics in the conduct of its business. Prior to its acquisition by Unisys/Burroughs, the business groups and divisions of the Sperry Corporation operated with very little overall corporate oversight. While Sperry did have corporate policies against illegal and unethical activities in connection with corporate functions, the divisions had great autonomy to run their own show. The S&FC Division was one such independent fiefdom located in Great Neck, New York. It functioned as a self-contained organization, with its various departments reporting directly to the General Manager of S&FC, who had broad discretion to run the division. From 1985 to 1988, Charles Gardner was the General Manager of S&FC.

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Immediately following the acquisition of Sperry and the creation of Unisys in November 1986, Unisys management took several steps to bring all former Sperry defense units, including the S&FC Division, under stricter supervision. The Company created the Defense Systems Group and established more effective reporting relationships within the group.

In addition, Unisys moved shortly after the merger to impose tighter internal controls, in particular controls on the hiring of consultants. In July 1987, Unisys also issued and circulated to each employee a Code of Ethical Conduct. The Code provides express guidance to employees on ethics issues, specifically addressing such issues as political contributions, as well as contacts with government officials and business courtesies.

### 3. Unisys Actions After Discovery of the Gardner Scheme

Less than a year after its acquisition of Sperry and still well before any Government investigation, Unisys initiated an internal investigation into Gardner's activities. As a result of the investigation, Charles Gardner was relieved of his responsibilities and forced to retire on March 31, 1988, and a consulting agreement with him effective April 1, 1988 was terminated ten weeks later. Unisys also terminated all relationships with employees and consultants associated with Mr. Gardner. Unisys then made significant personnel changes, particularly in the S&FC Division, and further strengthened legal and financial controls to ensure adherence to corporate policy and legal requirements.

The policies implemented by Unisys are wide-ranging and detailed. Specifically in regard to political contributions and relations with elected officials, Unisys centralized all government relations activities at the corporate level, thus requiring all contacts with Congress to be approved and

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\*/ Beginning in April 1987, the Defense Systems Group required each of its constituent units to submit quarterly reports on consultants and to obtain prior approval by the President and Vice President (Contracts and Legal) of the Defense Systems Group for all new consultants. Consulting agreements for \$100,000 or more required the additional approvals of Unisys' President and Vice President (Procurement).

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coordinated through the corporate office. In addition, Unisys issued new corporate-wide policies and procedures, including a policy on political participation, and on honoraria, as well as policies in regard to gifts and entertainment and the payment of expenses for elected officials, and a policy on congressional relations. Copies of these policies are attached hereto as Exhibit A.

The new corporate policy on political participation provides that no corporate funds or resources may be contributed to elected officials or political candidates without the express approval of the Corporation's Vice President and General Counsel and the Chairman of the Board. The policy recognizes that individual employees are free to participate in the political process, but states clearly that "managers should not attempt to influence employee choices in any way" or to represent that individual contributions are sponsored by Unisys. Political contributions by Unisys employees are not reimbursed by the Corporation.

To ensure the proper use of honoraria, Unisys issued a policy which provides that honoraria may be conferred only for a "substantial presentation to Unisys employees, management or customers in a standard meeting setting." A request for payment of an honorarium may be made only by an employee of the Company and must be in writing. The request must state the name of the recipient, the date and location of the event, the number of attendees, a description of the planned presentation, the rationale for the invitation, the amount requested and the person responsible for the event. Requests for the payments of honoraria require the prior approval of the Corporation's Vice President and General Counsel, the Vice President of Government Affairs and International Trade, and the appropriate business unit executive.

In addition, Unisys issued a policy to make clear that the payment of expenses, gifts or entertainment for elected officials and staff may occur only in limited circumstances in accordance with the Unisys Code of Ethical Conduct and applicable federal, state and local laws. The new policy requires that any request for the payment of expenses, gifts or entertainment for elected officials and staff be made in writing and that it be approved by the Corporation's Vice President and General Counsel, the Vice President for Government Affairs and International Trade, and the appropriate business unit executive prior to any payment or reimbursement of expenses for elected officials. In addition, the Corporation's policies provide that "entertainment, such as tickets

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for shows and sport events, regardless of costs, may be provided only when the entertainment is part of a planned event involving Unisys employees."

Not only has Unisys put in place measures to guard against future abuse of election laws, but it has actively cooperated with and provided information to the Department of Justice in its criminal and civil investigations of Gardner and his associates. Unisys has also cooperated with inquiries by other agencies.

Unisys, moreover, is now well advanced in discussions with the United States Attorney in the Eastern District of Virginia and expects that there will be a criminal disposition of charges against Unisys arising out of the activities of Gardner and his associates, which will encompass Gardner's political contribution scheme. Unisys is also engaged in discussions with the Civil Division of the U.S. Department of Justice regarding a resolution of claims for civil damages, fines and penalties. The penalties provided for in the various criminal and civil statutes involved in the above discussions are many times greater than those provided for in the Federal Election Campaign Act.

THE COMMISSION SHOULD NOT PROCEED AGAINST UNISYS

In the factual setting outlined above, there are three reasons why the Commission should not proceed against Unisys.

1. Unisys Is Not Charged In the Complaint

First, the complaint under review alleges no violation of the federal election laws by Unisys. Under Commission regulations, a complaint is sufficient to generate a matter under review with respect to a respondent only if, inter alia, the complaint "clearly identif[ies] as a respondent each person or entity who is alleged to have committed a violation" and "contain[s] a clear and concise recitation of the facts which describe a violation[.]" 11 C.F.R. § 111.4(d)(1),(3) (emphasis supplied). Perhaps by design, the complaint here meets neither requirement with respect to Unisys. Unisys is not identified as a respondent, and the only violations alleged are ones assertedly committed by Mr. Dyson and his campaign committee treasurer. The Commission should not, therefore, proceed with respect to Unisys.

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The deficiencies in the complaint with respect to Unisys are not mere technicalities. The complaint refers to an ongoing criminal investigation of Unisys, and the complainant may have been mindful of the double jeopardy and fairness problems, which we outline below, that are inherent in a redundant Commission proceeding against Unisys.

Moreover, the complaint does not assert that Gardner acted within the scope of his duties for Unisys when he arranged the Dyson contributions. Indeed, Unisys has steadily and vigorously sought to comply with the federal election laws, and has taken disciplinary action against all employees and consultants who failed to do so. This is precisely the sort of corporate self-policing that the governing statutes encourage. It is an essential element of any assertion of liability against a corporation that the alleged wrongdoing was done by an agent acting within the scope of his duties. See, e.g., United States v. Demauro, 581 F.2d 50, 53-54 (2d Cir. 1978).

In In re Federal Election Campaign Act Litigation, supra, 474 F. Supp. at 1047, the district court affirmed the Commission's refusal to institute an investigation on the basis of complaints that failed to allege all elements of a violation. In this case, the complaint has omitted -- perhaps deliberately -- essential allegations: naming Unisys as a respondent and alleging a violation by the Corporation. There is no basis, therefore, for the Commission to proceed against Unisys.

2. Any Commission Proceeding Can Be Expected To Unconstitutionally Punish Unisys Twice for the Same Offense

Second, the Commission should not proceed against Unisys at this time because of the severe criminal and civil sanctions that can be imposed on Unisys long before any Commission action and that will relate to the activities of Gardner and his associates, including Gardner's political contributions scheme. An FEC penalty in addition to criminal and/or civil penalties already imposed for the same conduct would violate the double jeopardy clause of the fifth amendment.

The U.S. Supreme Court recently restated this principle in United States v. Halper, 109 S. Ct. 1892 (1989). In Halper, the defendant had been convicted of violating the criminal false-claims statute, 18 U.S.C. § 287, in connection

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with Medicare fraud, and had paid a \$5,000 fine and served a prison sentence. Thereafter, the government filed suit under the civil false-claims statute, 31 U.S.C. §§ 3729-3731, seeking judgment for \$130,000, the full amount of liquidated damages authorized by statute. The district court granted summary judgment in favor of the government but refused to grant the full recovery authorized by statute.

The Supreme Court affirmed.<sup>\*/</sup> The Court observed that it had held "many times" that the double jeopardy clause protects, inter alia, against "multiple punishments for the same offense," and that this doctrine "has deep roots in our history and jurisprudence." 109 S. Ct. at 1897.<sup>\*/</sup> The Court determined that the clause limited the federal government to "rough remedial justice," such as liquidated damages or a fixed sum plus double damages. 109 S. Ct. at 1900 (emphasis supplied). The Court further concluded that this rule was not limited to proceedings labelled "criminal" but extended to all sanctions that were intended to be punitive rather than compensatory. 109 S. Ct. at 1901. Accordingly, the Court

"therefore h[e]ld that under the Double Jeopardy Clause a defendant who already has been punished in a criminal prosecution may not be subjected to an additional civil sanction to the extent that the sanction may not fairly be characterized as remedial, but only as a deterrent or retribution." 109 S. Ct. at 1902.

In the circumstances of this matter, in which Unisys can be expected to already have paid many times over for Gardner's conduct by the time the Commission takes action, the double

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<sup>\*/</sup> It remanded to permit the government to submit evidence with respect to its actual loss in the civil action; the government originally had relied solely on the statute.

<sup>\*/</sup> The Court cited James Madison in 1 Annals of Cong. 434 (1789-1791) (J. Gales ed. 1834) ("[N]o person shall be subject, except in cases of impeachment, to more than one punishment or one trial for the same offense") and Ex parte Lange, 85 U.S. (18 Wall.) 163, 168 (1873).

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jeopardy clause of the fifth amendment to the Constitution precludes yet another federal proceeding.

Unisys anticipates severe criminal sanctions arising out of the ongoing investigation, and these penalties will encompass Gardner's political contributions. On top of this, very large civil penalties are expected to be levied. The pending complaint contains no conduct that will not be covered by these penalties. Moreover, the sanctions available to the Commission are explicitly labelled "penalties," 2 U.S.C. §§ 437g(a)(6)(B) and (C) (1988), and thus may not fairly be characterized as remedial, but rather as a deterrent or retribution. In cases under the Federal Election Campaign Act considerations of money lost by the government or gained by the defendant are irrelevant to an assessment of the appropriate penalty. See Federal Election Comm'n. v. Furgatch, 869 F.2d 1256, 1258 & n.1 (9th Cir. 1989). By contrast, in the three cases discussed in Halper in which the second civil proceeding was allowed, the civil actions sought to recover money improperly taken from the government, either through tax fraud, fraudulent bidding on government contracts, or fraud under a benefit program. See Helvering v. Mitchell, 303 U.S. 391 (1938) (tax fraud); United States ex rel. Marcus v. Hess, 317 U.S. 537 (1943) (fraudulent bidding on government contracts); Rex Trailer Co. v. United States, 350 U.S. 148 (1956) (fraudulent claim of rights under Surplus Property Act). Accordingly, the possible penalties that the Commission may seek can be expected to be barred by the double jeopardy clause.

3. It Would Not Be Fair To Proceed Against Unisys

Finally, the Commission should not proceed against Unisys because to do so would not be fair. Unisys has been vigilant in requiring that its employees comply with the federal election laws. On its own initiative and based on its own internal review, Unisys had begun to strengthen its corporate reporting requirements and its rules on political contributions. Yet for a time Gardner and others successfully concealed from Unisys the nature of their actions. Once the Gardner scheme was discovered, Unisys discharged Mr. Gardner and all employees and consultants associated with him who may have engaged in improper conduct. Unisys also promulgated additional strict standards regarding the retention of consultants, political contributions, and the payment of government officials' expenses.

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The Federal Election Campaign Act is intended to promote precisely this kind of self-policing activity. The Commission encourages the prompt remedy of erroneous conduct, cf. 11 C.F.R. § 103.3(b)(1), (2) (political committee must return forbidden contributions promptly upon discovery). When a person or organization has acted expeditiously to correct any arguably unlawful conduct, even the lighter civil penalties under 2 U.S.C. § 437g(a)(6)(B) are inappropriate. In FEC v. Ted Haley Congressional Comm., 654 F. Supp. 1120 (W.D. Wash. 1987), aff'd in part and rev'd in part on other grounds, 852 F.2d 1113 (9th Cir. 1988), certain contributors made loan guarantees in March 1983 to a congressional candidate. The loans were repaid in early 1984. Although the guarantees ultimately were deemed unlawful, 852 F.2d at 1116, the district court held, and the court of appeals affirmed, that no civil penalties were appropriate because the guarantees were reported and the loans were promptly repaid. 654 F. Supp. at 1127. See also FEC v. National Education Ass'n 457 F. Supp. 1102, 1112 (D.D.C. 1978) (declining to award civil penalties under predecessor to 2 U.S.C. § 437g(a)(6)(B) because expense involved in returning contributions wrongfully obtained was sufficient sanction); cf. AFL-CIO v. FEC 628 F.2d 97, 101-102 (D.C. Cir.), cert. denied, 449 U.S. 982 (1980) (vacating civil penalties under 2 U.S.C. § 437g(a)(6)(C) because union acted in good faith); National Right to Work Comm., Inc. v. FEC, 716 F.2d 1401, 1403 (D.C. Cir. 1983) (reversing civil penalties under 2 U.S.C. § 437g(a)(6)(C) because committee had attempted to seek guidance on compliance with federal election laws).

In addition, it bears emphasis that the wrongdoing of Mr. Gardner and others was without the knowledge and approval of Unisys' corporate management. Once Mr. Gardner's unlawful conduct had come to its attention, Unisys discharged him and his associates and further reviewed its internal controls to prevent any repetition of such misconduct. Unisys should not be the subject of a proceeding to investigate the unauthorized acts of Mr. Gardner. See Holland Furnace Co. v. United States, 158 F.2d 2, 6 (6th Cir. 1946), (reversing corporation's conviction for violation of War Production Board order where "the main office of the corporation

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\*/ Indeed, when interviewed in connection with the Unisys internal investigation, Mr. Gardner and others consistently denied that any corporate funds had been used to make political contributions.

frequently admonished in strongest terms branch managers and employees to comply truthfully with the regulations of the War Production Board"); cf. United States v. Demauro, 581 F.2d 50, 153-54 (2d Cir. 1978), (testimony about details of money laundering by bank employees was "material" because bank "could well have argued" that employees were acting in own interest and that bank's liability would depend on whether bank had properly supervised its employees and had knowledge of wrongdoing)

Unisys' good faith is reflected in its efforts to remedy unlawful actions. It unknowingly inherited ongoing improper conduct, immediately took steps to tighten standards further, and, upon discovering the wrongdoing, removed the offenders and implemented a strict monitoring program. Accordingly, the Commission should not undertake an investigation of Unisys.

#### CONCLUSION

The Commission should not proceed further against Unisys in this matter. The complaint does not charge Unisys; it relates to a scheme directed by a single former Unisys employee, who not only acted beyond the scope of his employment but aggressively hid his activities from management. Unisys will pay dearly for this unauthorized conduct and cannot constitutionally be penalized for it twice; and fairness and equity mandate that no action be taken against a corporation that has shown its good faith, has aggressively policed itself, and has instituted procedures that are a model of corporate citizenship.

For these reasons, the Commission should not take further action against Unisys in this matter. Unisys offers its cooperation to the Commission in pursuing other, more appropriate, subjects of MUR 2981.

Respectfully submitted,



Bruce A. Baird

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FEDERAL ELECTION COMMISSION  
MAIL ROOM

90 JAN 16 AM 10:49

066 5124  
P. O. Box 47025  
St. Petersburg, FL 33743  
January 11, 1990

Mr. Lawrence Noble  
General Counsel  
Federal Election Commission  
999 E Street NW  
Washington, D.C. 20463

MUR 2981

90 JAN 16 PM 4:04

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF LEGAL COUNSEL

Dear Mr. Noble

The Congressman Bill Young Campaign Committee (FEC ID 059927) has become aware of news reports that Mr. John B. G. Roberts, III pled guilty to a charge of making false statements to the Federal Election Commission in connection with arranging for campaign contributions to be made to ten federal campaign committees, including this one.

At the direction of Congressman Young, the committee has been attempting to ascertain whether any contributions made to it by Mr. Roberts or others where improper or illegal. The propriety and legality of contributions made by Mr. Roberts and others is still in question, but the committee has been able to learn from the U.S. Attorney's Office for the Eastern District of Virginia the identity of the contributions in question. At the direction of Congressman Young and in conformance with previous FEC guidance, the Congressman Bill Young Campaign Committee is today returning contributions it had received from the following individuals:

Mr. and Mrs. Don L. Lynch	\$1,000.00
Mr. and Mrs. Robert Q. Old	\$1,500.00
Mr. and Mrs. John Roberts	\$1,500.00

A review of our committee's records confirms that the checks the committee received from the above individuals were personal checks and there was no reason to believe that any of them were either improper or illegal. In fact, the Congressman Bill Young Campaign Committee has always returned any checks drawn on corporate accounts and has verified records of address and employment of its contributors as required by law.

Sincerely,

*George L. Patterson*

George L. Patterson  
Treasurer

Congressman Bill Young Campaign Committee  
FEC ID 059927

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# FRIENDS OF CONGRESSMAN HOCHBRUECKNER



NY 01

January 24, 1990

Lawrence M. Noble  
Federal Election Commission  
Washington, DC 20463

Re: MUR 2981

Dear Mr. Noble:

Recently my campaign committee received a letter from Unysis Corporation which acknowledged that they had accepted the return of \$1500 from my campaign. A copy of the letter is enclosed.

Could you please advise me if any additional action is necessary on the part of my committee. Thank you for your attention to this matter.

Sincerely,

  
George J. Hochbrueckner  
Member of Congress

GJH:jg  
enclosure

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FEDERAL ELECTION COMMISSION  
JAN 31 1990



UNISYS

Unisys Corporation  
8008 Westpark Drive  
Manassas, VA 22102

Telephone  
703 556 5000

January 11, 1990

Ms. Mary M. Schumacher  
Friends of Congressman Hochbrueckner  
P.O. Box 426  
Coram, N.Y. 11727-0426

Dear Ms. Schumacher:

Several months ago, Unisys received a check dated September 25, 1989, from Friends of Congressman Hochbrueckner in the amount of \$1,500. The check was represented to be for the return of certain campaign contributions made by Joseph Hill and Joseph Zuba. Please be advised that Unisys does not know the source of funds used by Mr. Hill or Mr. Zuba to make any contributions to the Hochbrueckner committee. Unisys, therefore, is holding the Hochbrueckner committee check in an escrow account pending further determination as to the proper disposition of the funds.

Sincerely,

*Rebecca C. Smith*

Rebecca C. Smith  
Senior Counsel

RCS/cwh

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90 JUN 22 PM 3:13

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 )  
Dyson for Congress Committee and )  
Marion R. Fedas, as treasurer )  
Congressman Roy Dyson )  
Bill Chappell Campaign Committee )  
and Paul E. Wilson, Jr., )  
as treasurer )  
Dickinson Second District )  
Congressional Committee and )  
Lloyd Lancaster, as treasurer )  
Friends of Congressman )  
Hochbrueckner and Mary M. )  
Schumacher, as treasurer )  
Richard Ray for Congress Campaign )  
Committee and Macy M. Skinner, )  
as treasurer )  
Friends of Jim Sasser and Michael )  
A. Nemeroff, as treasurer )  
Congressman Bill Young Campaign )  
Committee and George L. )  
Patterson, as treasurer )  
Unisys Corporation and W. Michael )  
Blumenthal, as CEO )  
Robert D. Barrett, Unisys Corp. )  
employee )  
Charles F. Gardner, Unisys Corp. )  
vice-president )  
Dennis Mitchell, Unisys Corp. )  
employee )  
John Roberts III, Unisys Corp. )  
employee )  
William M. Galvin, consultant )  
Joseph E. Hill, consultant )  
Robert H. Littlefield, consultant )  
Don L. Lynch, consultant )  
Gerard J. Scarano, consultant )  
Joseph S. Zuba, consultant )

**SENSITIVE**

MUR 2981

GENERAL COUNSEL'S REPORT

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I. BACKGROUND

On September 8, 1989, Luis A. Luna filed a sworn complaint with the Federal Election Commission ("Commission"). Based on a number of press reports and guilty pleas, the complaint alleged that Representative Roy Dyson, the Dyson Committee, and Marion Fedas, as treasurer, and seventeen other persons violated the Federal Election Campaign Act of 1971, as amended (the "Act"). Specifically, the complaint made five allegations. First, the complaint alleges that Representative Dyson solicited campaign contributions from a federal contractor, Unisys Corporation, in violation of 11 C.F.R. § 115.2(c). Second, it alleges that the

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Committee knowingly accepted a contribution made by one person in the name of another, in violation of 2 U.S.C. § 441f. Third, it alleges that the Committee knowingly accepted a contribution from a corporation, Unisys, in violation of 2 U.S.C. § 441b(a). Fourth, the complaint asserts that the Committee's treasurer failed to make best efforts to determine the legality of contributions that presented genuine questions as to whether they were made by Unisys, a corporation and federal contractor, and then failed to refund the contributions within 30 days thereafter in violation of 11 C.F.R. § 103.3(b)(1). Fifth, the treasurer is alleged to have failed to refund contributions made by Unisys, a corporation and federal contractor, within 30 days after discovering the illegality based on new evidence not available at the time of receipt in violation of 11 C.F.R. § 103.3(b)(2).

The remaining respondents are implicated in the newspaper articles and guilty pleas included as attachments to the complaint. This Office has in its possession additional guilty pleas of respondents in responses to the complaint and through the public record. Finally, additional news articles have come to the attention of this Office. These subsequently-acquired pleas and articles are referred to throughout this report and are included as Attachments.

The Commission has now received substantive responses from all but one of the respondents. Respondent Dennis Mitchell has not responded, although facts relating to his activities are contained in his guilty plea, which this Office has obtained.

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II. FACTUAL AND LEGAL ANALYSIS

Pursuant to 2 U.S.C. § 441b(a), it is unlawful for a corporation to make a contribution in connection with a federal election. In addition, it is unlawful to knowingly accept such a contribution. This section also forbids corporate officers and directors to consent to a corporation's contribution. Section 441c prohibits government contractors from contributing to political committees and prohibits any person from knowingly soliciting such contributions. Section 441f prohibits the making of a contribution in the name of another person as well as the accepting of such a contribution. This provision also prohibits a person from knowingly permitting their name to be used to effect such a contribution. In addition, the Commission has interpreted § 441f to apply not only to persons who make contributions in the name of another, but also to those who assist in the making of such contributions. See FEC v. Rodriguez, No. 86-687 Civ-T-10(B) (M.D. Fla. May 5, 1987)(order denying summary judgment motion); 11 C.F.R. § 110.4(b)(1)(iii)

Pursuant to 2 U.S.C. § 441f, candidate committees may not knowingly accept contributions made by one person in the name of another person. Under 11 C.F.R. § 103.3(b)(1), the committee must make best efforts to determine the legality of contributions that present genuine questions as to their legality. Finally, under 11 C.F.R. § 103.3(b)(2), if the committee later discovers a contribution to be illegal based on evidence not available at the time of the contribution, it must return the contribution within 30 days of the discovery.

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According to the complaint and the subsequently-acquired guilty pleas, Unisys Corporation (formerly Sperry), through Charles Gardner, a vice-president, entered into a number of sham technical service agreements with a number of persons acting as consultants. By these agreements, Unisys appeared to be paying independent consultants for technical advice in connection with government contracting activities. In fact, however, the consultants allegedly engaged in additional activities at the direction of Gardner and other Unisys employees (also respondents in this matter), including the making of political contributions. Thus, the consultants were allegedly contributing the corporation's money in their own names to the campaign committees.

The specific contributions are described in the indictments issued and plea agreements concluded as part of the Department of Justice's "Ill Wind" criminal investigation. Several of the individuals involved in this scheme have pled guilty to violations of the Act or to violations of 18 U.S.C. § 1001 for causing false statements to be made by campaign committees to the Commission. The individuals who allegedly were indirectly reimbursed by Unisys for their contributions are John Roberts III, Robert Littlefield, Don Lynch, Gerard Scarano, Joseph Zuba, Joseph Hill, Joseph Zuba II, Jean Old, Robert Old, Samuel Ralph Preston, Maddie Preston, and Violet Lynch. A diagram is included at page 6A showing the persons who gave the orders and made the contributions for which this Office has specific, direct evidence of illegality from the guilty pleas. Page 6B lists the individuals noted on the diagram with their position as Unisys employee or consultant.

While the full extent of this reimbursement scheme is not yet known to us, the complaint focuses on certain specific transactions. According to the complaint, in July, 1987 Unisys sponsored a trip by Representative Dyson to New York. During this visit, approximately \$15,000 in individuals' contribution checks, apparently gathered by Unisys, were given to Representative Dyson's aide. Of the fifteen contributors, at least eight are described in the various materials available as themselves or their spouse having made corporate-reimbursed contributions to Representative Dyson and/or other federal candidates.<sup>1</sup> Contributions from all fifteen of these individuals to Dyson's Committee and to other committees are included at Attachment 3.

A. The Corporation

The allegations in the five counts of the complaint and the guilty pleas attached thereto name Unisys Corporation, a defense contractor, as the source of money for all of the contributions under review here.<sup>2</sup> The use of corporate money for contributions

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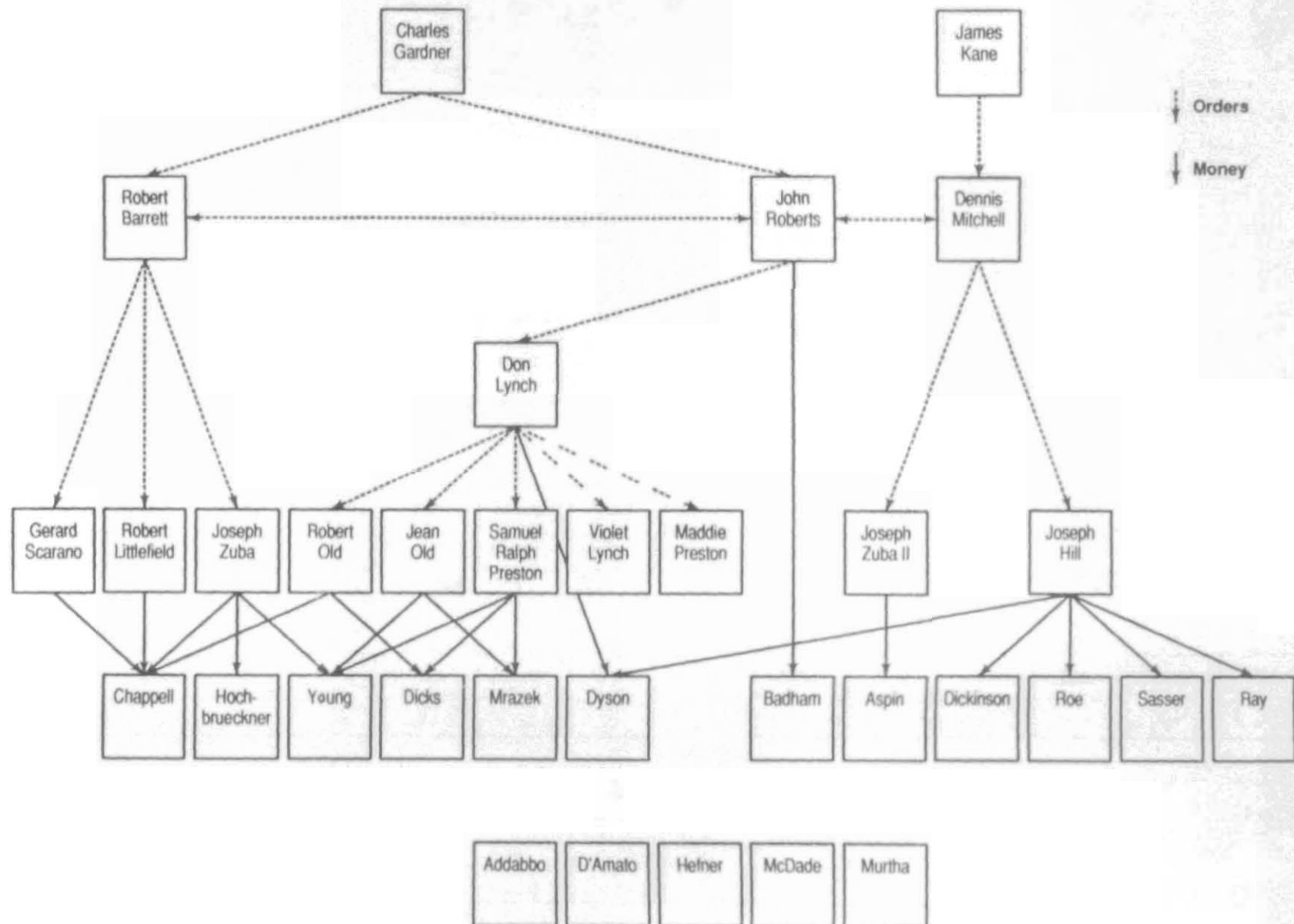
1. This pattern raises questions as well about the monies given by the other July 1987 contributors to the Dyson Committee, although we have no specific information at this time as to the propriety of their contributions. A list of the more than 400 federal campaign contributions (1982-1988) from these individuals as well as from those directly implicated (see p. 5, supra) is included at Attachment 3. Because most of this list was derived from the contributor index, which is incomplete, this Office may not be aware of all of the contributions by all of the Unisys-connected individuals.

2. Unisys, and its predecessor Sperry Corp., both maintained separate segregated funds. During the 1986 election cycle, Sperry Corporation PAC reported \$77,698 in receipts and \$82,203 in disbursements. During the 1988 election cycle, Sperry PAC reported no receipts while disbursing \$7,607 before the PAC terminated. Unisys Corporation Employees PAC was formed in early 1987, and for the 1988 election cycle reported \$69,687 in receipts

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# UNISYS Contribution Reimbursement Scheme: Direct Evidence





<u>Individual</u>	<u>Description</u>
Robert Barrett	Unisys senior field engineer
Charles Gardner	Unisys vice-president
Joseph Hill	consultant
James Kane	chairman, Long Island Aerospace Political Action Committee
Robert Littlefield	consultant
Don & Violet Lynch	consultant & spouse
Dennis Mitchell	Unisys marketing manager
Robert & Jean Old	consultant & spouse
Samuel Ralph & Maddie Preston	consultant & spouse
John Roberts	Unisys marketing manager
Gerard Scarano	consultant
Joseph Zuba	consultant
Joseph Zuba II	consultant

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to campaign committees violates 2 U.S.C. § 441b(a). As a government contractor, Unisys is also forbidden to make campaign contributions under 2 U.S.C. § 441c. Corporate funds were apparently channeled through consultants in the guise of individual contributions to the campaign committees under the direction of Unisys employees (see below). This channeling constitutes the making of contributions in the name of another person, which violates 2 U.S.C. § 441f.

In its response, Unisys does not deny that it made the corporate contributions, but rather argues that for other reasons, the Commission should not proceed.<sup>3</sup> Unisys asserts that the complaint does not charge Unisys Corporation as a respondent; rather, only Representative Dyson and his Committee treasurer Marion Fedas are specifically named. The complaint itself, along with the newspaper articles attached and incorporated by reference, however, clearly implicate Unisys as the source of a number of illegal contributions. Therefore, this Office properly notified Unisys as a respondent to the complaint.

Unisys also states in its response that the Double Jeopardy Clause of the 5th Amendment, as interpreted by the Supreme Court

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(Footnote 2 continued from previous page)  
and \$58,050 in disbursements. Neither of these two committees appear to have been involved in the reimbursement activity.

3. Counsel for Unisys have met with this Office and have represented that if the Commission does proceed against the corporation in this matter, Unisys will cooperate fully with a Commission investigation and that Unisys will seek a quick resolution of its liability.

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in United States v. Halper, 109 S. Ct. 1892, 104 L.Ed.2d 487 (1989), prevents the Commission from proceeding against the corporation. Halper involved the government incurring monetary losses through defendant's Medicare fraud. The defendant had paid a \$5,000 criminal fine and served a prison sentence under the criminal false claims statute, 18 U.S.C. § 287, and then faced a \$130,000 civil penalty in a civil suit brought by the government under the civil False Claims Act, 31 U.S.C. §§ 3729-3731. The Court announced:

We therefore hold that under the Double Jeopardy Clause a defendant who already has been punished in a criminal prosecution may not be subjected to an additional civil sanction to the extent that the second sanction may not be fairly characterized as remedial, but only as a deterrent or retribution.

....  
What we announce now is a rule for the rare case, the case such as the one before us, where a fixed-penalty provision subjects a prolific but small-gauge offender to a sanction overwhelmingly disproportionate to the damage he has caused.

109 S. Ct. at 1902; 104 L.Ed.2d at 502. Because Unisys is negotiating to plead guilty to criminal charges that it violated the Act by making corporate contributions, it argues, a subsequent civil proceeding by the Commission against Unisys for the same actions would constitute a violation of the Double Jeopardy clause of the Fifth Amendment.

Unisys' Halper defense is hypothetical at this point because thus far no indictment has been issued against Unisys and Unisys has not yet pled guilty to any criminal violations of the Act. In addition, subsequent Commission proceedings against Unisys may not be disturbed under the Court's narrow "rule for the rare case," 109 S. Ct. at 1902 104 L.Ed.2d at 502, because civil FECA

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penalties will not usually be disproportionate to the amount of money involved in a respondent's illegal activity. See 2 U.S.C. § 437g(a)(5) and (6)(penalty shall not exceed the greater of \$5,000 or an amount equal to any contribution or expenditure involved in such violation).<sup>4</sup> Finally, even if the Court's broader formulation applied to Commission civil prosecutions subsequent to a criminal conviction, this Office does not read Halper to affect the Commission's investigatory powers at this early stage of a matter; until the full scope of illegal activities, as well as any criminal convictions, are known, no determination on the reach of Double Jeopardy Clause preclusion, if any, could be made. With the foregoing in mind, it is this Office's view that Halper does not bar any Commission findings against Unisys.

Finally, Unisys responds that equity and fairness dictate that Unisys not be penalized a second time for actions taken by employees without corporate knowledge and in violation of express corporate rules. Unisys Corporation, however, was the alleged source of funds for all the illegal contributions in a scheme orchestrated by its vice-president, Charles Gardner, and thus is implicated in serious violations of the Act. At this stage, the Commission would be merely initiating an investigation of Unisys' role, not seeking penalties. Based on the allegations, the Office of the General Counsel recommends that the Commission find reason

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4. These subsections also state that for a knowing and willful violation, the penalty shall not exceed the greater of \$10,000 or an amount equal to twice any contribution or expenditure involved in such violation.

to believe that Unisys knowingly and willfully violated 2 U.S.C. §§ 441b(a), 441c, and 441f.

B. Corporation Employees: Corporate Officer

Respondent Charles Gardner is a former Unisys vice president. Gardner allegedly directed the Unisys campaign contribution scheme, instructing other corporate employees to tell the consultants to contribute to certain candidates with monies that Unisys had provided them as part of their consulting fees. It is alleged that these portions of the fees were understood by the consultants and the employees to be used for contributions. The complaint includes Gardner's guilty plea for violation of 18 U.S.C. § 1001 for causing false statements to be made by recipient campaign committees to the Commission. His role is also described in the guilty pleas of Unisys employees Dennis Mitchell and John Roberts, filed in October and November, 1989, respectively, as well as in the guilty plea of Unisys employee Robert Barrett, included in Barrett's response. Gardner is liable under 2 U.S.C. § 441b(a), which forbids "any officer or any director of any corporation . . . to consent to any contribution or expenditure by the corporation." In addition, by assisting in the making of contributions by one person in the name of another, Gardner violated 2 U.S.C. § 441f.

In his response, Gardner asserts that the complaint does not charge him as a respondent; rather, only Representative Dyson and his Committee treasurer Marion Fedas are specifically named. The newspaper articles and the guilty pleas, including Gardner's, attached and incorporated by reference, however, clearly implicate

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Gardner as a central participant in the illegal contribution scheme. Therefore, this Office properly notified Gardner as a respondent to the complaint. In addition, Gardner does not dispute his liability, but rather emphasizes that he has already been prosecuted for his illegal actions. He also notes his extensive cooperation in the Ill Wind investigation. As the director of the reimbursement scheme, however, Gardner certainly consented to illegal corporate contributions and assisted in the operation of this scheme, and so this Office recommends that the Commission find reason to believe that he knowingly and willfully violated §§ 441b(a) and 441f. These findings are particularly significant because as the mastermind behind the scheme, Gardner probably possesses information concerning other illegal contributions besides the two to which he pled guilty. This Office expects to obtain that information through the investigative process.

C. Corporation Employees: Non-Officers

Three other Unisys employees who do not appear to have been corporate officers are implicated in the contribution reimbursement scheme. They are John Roberts III, Robert Barrett, and Dennis Mitchell. John Roberts, a marketing manager, is named in Charles Gardner's guilty plea in the complaint as taking instruction from Robert Barrett to obtain a contribution for the Dyson for Congress Committee and that such contribution was

Barrett. Gardner's plea alleges that this contribution was made with Unisys funds. The complaint suggests that Roberts assisted in the making of a contribution by one person in the name of another, in violation of § 441f.

This Office has obtained Roberts' guilty plea of November 30, 1989 to conspiring to cause political committees to file false information with the Commission in a plot to steer approximately \$36,500 in corporate funds to various congressional campaigns over the past seven years.<sup>6</sup> In his plea, Roberts stated that he advised Gardner on the latter's idea to influence Members of Congress so as to benefit Sperry and later Unisys Corporation. Roberts suggested that the contributions be made and he prepared a list of representatives and senators with suggested amounts to be contributed to each. Roberts also prepared budgets for consultants which set out amounts of contributions to individuals campaigns. He acted as contact between various consultants and the corporation. He collected checks from the consultants, kept track of the checks, and sometimes delivered them to representatives of the recipient political committees. Roberts also submitted fraudulent invoices to Sperry/Unisys. In addition, Roberts was named in Dennis Mitchell's guilty plea (see p. 15-16, infra) as himself being reimbursed by Unisys for a \$1,000 contribution on November 17, 1987 to the Badham Campaign

6. Roberts' plea is included at Attachment 2, page 35.

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contribution on November 17, 1987 to the Badham Campaign Committee.<sup>7</sup>

In his response to the complaint, Roberts claims that the complaint contains no allegations against him. This Office, however, considers the complaint to have sufficiently implicated Roberts, who has not responded to the substance of the complaint. In addition, Roberts' own plea makes clear his extensive role in the Unisys illegal contribution scheme. Finally, Roberts was named as a contributor of Unisys-reimbursed funds in Mitchell's guilty plea.<sup>8</sup> On the basis of these allegations of Roberts' substantial role in the reimbursement scheme as set out in the complaint, his own guilty plea, and the guilty pleas of others, this Office recommends that the Commission find reason to believe that John Roberts knowingly and willfully violated 2 U.S.C. § 441f.

Unisys Senior Field Engineer Robert Barrett was named in Charles Gardner's guilty plea attached to the complaint. According to Gardner's plea, Barrett, upon instruction from

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7. Badham Committee reports list two \$1,000 contributions from Roberts on November 11, 1987, one designated for the primary election and one designated for the general election. Only one of these contributions is mentioned and described as illegal. For a discussion of the Badham Committee and other recipient committees not implicated in the complaint, see part F.

8. Mitchell's plea lists Roberts as a contributor to the Badham committee. Roberts, unlike the other contributors in this matter, was not an outside consultant to Unisys but rather was a Unisys employee. In contrast to the consultants, who received funds from Unisys for performing technical tasks with the understanding that portions of these funds would be made available for campaign contributions, it is not clear how Roberts was allegedly reimbursed for his contribution.

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Gardner, contacted consultants to Unisys for the purpose of obtaining contributions to federal candidates. These consultants were Robert Littlefield, Don Lynch (through intermediary Unisys employee John Roberts), Gerard Scarano, and Joseph Zuba. Barrett included his own guilty plea in his response to the complaint. His own plea notes his role in the reimbursement of only the Littlefield and Scarano contributions.

According to the pleas, Barrett played two distinct roles in the reimbursement scheme. His own plea notes that on orders from another Unisys employee, he instructed persons to make contributions; he collected the checks and delivered them to another Unisys employee. In addition, according to John Roberts' guilty plea, Barrett was involved in processing paperwork purportedly for technical service agreements with some of the respondent consultants but in fact for campaign contributions. This paperwork included purchase requisitions, purchase orders, statements of work, and sole source justifications. Barrett was apparently acting under orders from Roberts. The Gardner, Barrett and Roberts pleas thus describe Barrett's alleged role as a middleman in the Unisys contribution scheme.

In his response, Barrett states that he has already pled guilty to felony charges in connection with his participation in the illegal contribution scheme. He notes his substantial cooperation with the Ill Wind investigation and his willingness to cooperate with the Commission. In addition, he emphasizes that he currently faces severe financial and health problems. As an active participant in the scheme described above, Barrett assisted

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in the making of contributions by one person in the name of another, and so is liable under 2 U.S.C. § 441f. Thus, this Office recommends that the Commission find reason to believe that Robert Barrett knowingly and willfully violated 2 U.S.C. § 441f.

As alleged in Joseph Hill's guilty plea in the complaint, Unisys marketing manager Dennis Mitchell asked Joseph Hill, a consultant to Unisys, to contribute to the campaign committees of Representatives Dyson, Dickinson, and Ray, and Senator Sasser. These contributions allegedly were made with Unisys money, and so Mitchell assisted in the making of a contribution by one person in the name of another. This Office has not received a response from Mitchell, but this Office has obtained his guilty plea.<sup>9</sup> Mitchell pled guilty for arranging \$4,000 worth of illegal contributions and was sentenced on October 20, 1989. In his plea, Mitchell states that he helped arrange illegal contributions both at the request of Charles Gardner and at the request of Long Island Aerospace Political Action Committee (Aeropac) chairperson James T. Kane.<sup>10</sup> Mitchell's plea includes his involvement in a Joseph Hill contribution to the Ray committee that was noted in Hill's plea, as well as in a Hill contribution to the Campaign Fund for Congressman Bob Roe that was not included in Hill's plea. In addition, Mitchell pled guilty to requesting contributions from Joseph Zuba II (not the same Joseph Zuba whose guilty plea was included in the complaint) to the Aspin committee and from John

9. Mitchell's plea is included at Attachment 2, page 1.

10. For a discussion of internally-generated respondents such as Aeropac and James T. Kane, see part D.2.b.

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Roberts to the Badham committee. As with the above-noted contributions specified in Hill's plea, these contributions were allegedly made with Unisys money, and so Mitchell assisted in the making of a contribution by one person in the name of another. Mitchell is also named in John Roberts' guilty plea as facilitating Unisys contribution reimbursements to consultants in the guise of technical service agreements in the same manner as Robert Barrett, as noted above. Based on his role in the illegal contribution scheme, this Office recommends that the Commission find reason to believe that Dennis Mitchell knowingly and willfully violated 2 U.S.C. § 441f.

The four respondent Unisys employees, Robert Barrett, Charles Gardner, Dennis Mitchell, and John Roberts all themselves made contributions to federal candidates, but this Office's information at this time is incomplete regarding the source of funds for most of these contributions. The list of Unisys employee contributions is set out below.

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<u>contributor</u>	<u>date</u>	<u>amount</u>	<u>recipient committee</u>
Robert Barrett	12-20-85	\$500	Addabbo
Charles Gardner	5-24-82	\$500	Addabbo
	6-30-83	\$500	Tower (Sen)
	2-07-85	\$500	Hart (Sen)
	1-20-87	\$1000	Chappell
	7-09-87	\$1000	Dyson
	5-31-88	\$1000	Dukakis
Dennis Mitchell	9-02-86	\$1000	Daschle
John Roberts	10-22-85	\$1000	Chappell
	10-22-85	\$500	Chappell
	12-09-85	\$500	D'Amato
	12-20-85	\$1000	Addabbo
	12-30-85	\$1000	McDade
	5-20-86	\$1500	Democratic Congr Dinner Comm
	8-07-86	\$1000	Graham
	9-22-86	\$500	Chappell
	10-17-86	\$1000	DSCC
	11-03-86	\$500	Young
	3-03-87	\$1000	Shelby
	11-17-87	\$1000	Badham
	11-17-87	\$1000	Badham
	3-04-88	\$1000	Gore (Pres)

As disclosed above, Barrett and Mitchell made only one personal contribution each during the period of the reimbursement scheme. Roberts and Gardner, by contrast, each made a number of contributions during this period. One of Roberts' two contributions to the Badham Committee on November 17, 1987 was allegedly reimbursed by Unisys. (See Attachment 2, page 20). A focus of the investigation in this matter will be to determine the source(s) of all of the Unisys employee contributions.

#### D. Consultants/Contributors

##### 1. Guilty pleas

The individuals who made the contributions described in the complaint were consultants to Unisys Corporation. Three of them,

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Joseph Hill, Gerard Scarano, and Joseph Zuba, have pled guilty to criminal charges for their participation in the campaign contribution scheme. Hill and Zuba, in fact, specifically pled guilty to violations of § 441f; Scarano pled guilty to 18 U.S.C. § 1001, although the allegations in his case are very similar to Hill's. These three consultants violated 2 U.S.C. § 441f by knowingly letting their names be used to effect contributions with money that really belonged to Unisys. The specific contributions described in their plea materials are set out below.

<u>contributor</u>	<u>date of contribution</u>	<u>amount</u>	<u>recipient committee</u>
Joseph Hill	7-09-87	\$1,000	Dyson
	10-05-87	\$1,000	Dickinson
	5-06-88	\$1,000	Ray
	6-17-88	\$1,000	Sasser
Gerard Scarano*	9-22-87	\$1,000	Chappell
Joseph Zuba	11-03-86	\$ 500	Young
	6-29-87	\$ 500	Hochbrueckner
	9-22-87	\$1,000	Chappell

\* according to Unisys employee Robert Barrett's guilty plea, Scarano made another illegal contribution to the Chappell Committee on January 12, 1987. See Attachment 1, page 89.

The guilty pleas of Hill, Scarano, and Zuba all strongly imply that they funneled Unisys money to other campaign committees in addition to those committees specified in the pleas. Hill's guilty plea specifically identifies transactions amounting to \$4,000 worth of illegal contributions; one other \$1,000 illegal contribution by Hill, involving Long Island Aerospace Political Action Committee, is alleged in Dennis Mitchell's guilty plea (see infra pages 23-24). Hill's plea also states that he knowingly and

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willingly helped funnel Unisys funds to political committees, "the total of such contributions from 1982-1988 being over \$25,000." Thus, the remaining \$20,000 or more in illegal contributions may represent other campaign committees' receipt of illegal contributions and perhaps the involvement of Unisys employees other than those already named as respondents in this matter. The public record indicates that Hill contributed a total of \$22,600 during the 1982-88 period.<sup>11</sup> Hill's contributions are listed at Attachment 4, page 1.

Scarano and Zuba pled guilty to making illegal contributions to one and three committees, respectively. Their pleas employ the same language, that they were "asked by representatives of Sperry/Unisys to make numerous contributions in [their] name[s]." Scarano's plea states that he "knowingly and willingly made these contributions to political committees." The language used clearly implies that Scarano may have made illegal contributions to other committees besides the one for which he pled guilty. Similarly, it is possible that Zuba made illegal contributions to committees other than those three for which he pled guilty.<sup>12</sup>

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11. In addition, Hill's wife, Mildred Hill, contributed \$11,500 during this period. She was not named in the complaint, however, and this Office makes no recommendations at this time regarding Mildred Hill.

12. The contributor index lists a number of individuals with the last name Zuba who appear to be related based on address and employment. This General Counsel's Report makes recommendations regarding Joseph Zuba and Joseph Zuba II. It appears that at least one Zuba is listed on committee reports under two names, and there may have been an excessive contribution, masked by the use of multiple names on contributions. This Office, however, makes no recommendations at this time regarding any Zuba's excessive contributions.

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All three consultants in their responses state that they have already pled guilty to criminal charges for their involvement in the illegal contribution scheme, and therefore the Commission should not pursue them. Hill notes that he is 77 years old and in ill health. Hill and Zuba assert that the complaint does not name them as respondents. Their guilty pleas, attached and incorporated by reference, however, clearly implicate them as participants in the illegal contribution scheme. Therefore, this Office properly notified Hill and Zuba as respondents to the complaint. The guilty pleas clearly support a finding of reason to believe that consultants Joseph Hill, Gerard Scarano, and Joseph Zuba knowingly and willfully violated 2 U.S.C. § 441f. This Office will make recommendations at a later time regarding what further proceedings, if any, against these individuals are appropriate.

2. No Guilty Plea

a. Named respondents

Two other consultants, Robert Littlefield and Don Lynch, are named in Gardner's guilty plea as making campaign contributions upon the instruction of Unisys employees. The plea alleges that Littlefield's \$1,000 contribution in January 1987 to the Bill Chappell Campaign Committee and Lynch's \$1,000 contribution in July 1987 to the Dyson Committee were illegal because they were made with Unisys money: the funds had been provided by Unisys to the consultants as part of their consulting fee with the understanding that these portions were to be used for

contributions. In Littlefield's response to the complaint, he claims that his remuneration as a contractor to Unisys was at no time altered as the result of making or not making political contributions and thus he was not used for channeling contractor money to congressmen. Lynch cites in his response the Gardner plea as only referring to him as writing a check to the Dyson campaign committee and leaving the date blank, and thus no illegal action is alleged. Lynch also specifies that he did not violate the Act in making this contribution.

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Littlefield's and Lynch's broad denials are specifically contradicted by the statements in Gardner's guilty plea and also in the detailed Roberts materials.<sup>13</sup> According to Gardner and Roberts, the consultants understood that part of their consulting fees were to be used for political contributions as instructed by Unisys employees. Specifically, Roberts' plea sets out the substantial role Lynch played in the illegal contribution scheme.<sup>14</sup> According to the plea, Lynch, a former Senate Armed Services Committee staff member, was hired by Charles Gardner to perform legislative lobbying. Lynch, in turn, hired a number of individuals to assist him. At Gardner's direction, Lynch set up

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13. In the event that Roberts or Gardner included false information in their plea, they violated Paragraph 5 of their pleas, which would then subject them to criminal prosecution for perjury and obstruction of justice. Such falsity might also violate Paragraph 4 of the pleas, which states that if they do anything intentional to impede the government's investigation, then the plea agreement will be voidable at the United States' option.

14. Detailed allegations of Lynch's role is found in the Statement of Facts and the Criminal Information included with Roberts' plea (Attachment 2, pages 44-46, 51-52, and 56-70).



several companies to enter technical service agreements with Sperry/Unisys. Lynch paid his consultants through one of these companies. Roberts submitted invoices to Sperry/Unisys on behalf of Lynch and his companies indicating that they were to be paid for reports derived from or reflecting technical services. These invoices were fraudulent in that the real reason Don Lynch was compensated was for his lobbying activities and to supply funds to be used for individual campaign contributions. In view of the evidence provided in the pleas, this Office recommends that the Commission find reason to believe that Robert Littlefield and Don Lynch both knowingly and willfully violated 2 U.S.C. § 441f.

The last consultant implicated in the complaint, William Galvin, was identified in an attached 7-16-88 Washington Post article. The article stated that Galvin "apparently . . . helped gather the \$17,000." This sum constitutes the Unisys-bundled contributions that Dyson's campaign received in July, 1987, and includes the contributions of consultants Hill, Lynch, and Littlefield. The Post article also stated that Galvin asked a contributor to donate to the Dyson campaign; although the contributor referred to in the article claimed that he was not reimbursed for the contribution and made the contribution as a favor to his friend Galvin, there is at least an implication that Galvin did more than arrange one un-reimbursed contribution. Galvin's response emphasizes that nothing in the complaint or attachments implicates him in any wrongdoing.<sup>15</sup> Because we have no

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15. Galvin pled guilty March 28, 1990 to federal conspiracy and bribery charges unrelated to the Unisys contribution scheme.

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further information on Galvin's role in the Unisys scheme, this Office recommends that the Commission take no action at this time against William Galvin.

b. Internally-generated Individuals and Entities

A number of persons not named or directly implicated in the complaint and so not notified as respondents appear to have been involved in the Unisys illegal contribution scheme. These individuals include Unisys consultants and other contributors as well as a political action committee. This Office learned of these individuals' activities through the guilty pleas of two of the original respondents, Dennis Mitchell and John Roberts, which we obtained in December, 1989. See guilty pleas at Attachment 2, pages 1 and 35.

The Long Island Aerospace Political Action Committee (AEROPAC), an unconnected political committee, and its chairperson James T. Kane are implicated as participants in the forwarding of Unisys-reimbursed contributions to federal candidates.<sup>16</sup> In his guilty plea, former Unisys marketing manager Dennis Mitchell stated that Kane told Mitchell to obtain contributions from Unisys for Representatives Aspin and Roe to coincide with AEROPAC-sponsored luncheons that the Representatives would

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16. AEROPAC filed a statement of organization May 15, 1989, in which it announced a name change to Eastern Defense Political Action Committee. Its current chairperson is Fred Korb and its treasurer is Stanley Wolin.

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attend.<sup>17</sup> In June, 1986 Joseph S. Zuba II (not the Joseph Zuba already named as a respondent) made out a check to the Friends of Les Aspin and gave it to Mitchell who gave it to AEROPAC. In June, 1987 Joseph Hill made out a check to the Campaign Fund for Congressman Bob Roe and gave it to Mitchell who gave it to AEROPAC. Mitchell's plea states that these contributions were both made with Unisys funds, and thus constitute illegal corporate contributions.

Also according to Mitchell's plea another Unisys contribution in Hill's name occurred when Kane contacted Mitchell "about money for campaign contributions that Unisys owed to 'Aeropac' for the Richard Ray for Congress Campaign Committee."<sup>18</sup> Mitchell then instructed Joseph Hill to contribute to the Ray campaign. Hill wrote a check and gave it to Mitchell who gave it to AEROPAC. This contribution appears on the committee report as an individual contribution in May, 1988. Hill pled guilty to receiving reimbursement from Unisys for making this contribution. See p.18, supra.

AEROPAC registered as an unconnected political committee in 1982 and had multicandidate status during its activity noted in

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17. In both cases, Unisys vice-president Charles Gardner then told Mitchell to obtain contributions from Unisys consultants. The connection between Kane and Gardner is not specified in Mitchell's plea. A July 13, 1988 Baltimore Sun article (not included in the complaint) on an investigation of Aeropac noted that Kane is a "close associate" of Gardner's. See Attachment 2, pages 77-78.

18. Mitchell plea, Attachment 2, pages 21 and 30. This contribution is described in Mitchell's Statement of Facts and the Overt Acts section of the Criminal Information, but it is omitted from the Amended Statement of Facts.

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the Mitchell plea. The relationship between AEROPAC and Unisys is not clear from Mitchell's plea, but it does appear that AEROPAC and Kane knew of Unisys' illegal contribution scheme and participated therein. Therefore, this Office recommends that the Commission find reason to believe that James T. Kane and Eastern Defense Political Action Committee (f/k/a AEROPAC) and Stanley Wolin, as treasurer, knowingly and willfully violated 2 U.S.C. § 441f by knowingly assisting in the making of contributions in the name of others. With these findings, this Office will investigate the role of AEROPAC and James T. Kane in the Unisys contribution scheme.

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According to Mitchell's plea, Joseph S. Zuba II is a Unisys consultant who participated in the illegal contribution scheme; his contribution to Representative Les Aspin's committee in June, 1987 was allegedly made with Unisys funds. Based on these allegations, this Office recommends that the Commission find reason to believe that Joseph S. Zuba II violated 2 U.S.C. § 441f by knowingly allowing his name to be used to effect a contribution consisting of funds that belonged to another. Because the role and knowledge of Zuba II is not clear, this Office does not recommend knowing and willful findings against him at this time.

Another set of assertedly illegal contributions by individuals not notified as respondents is described in John Roberts' guilty plea. In his plea, he stated that he acted as the primary contact between Don Lynch's network of consultants and Sperry/Unisys, helping to arrange approximately \$36,500 in illegal contributions. The plea notes ten specific reimbursed

contributions by Unisys consultants and a spouse. These contributions are set out below.

<u>contributor</u>	<u>date of contribution</u>	<u>amount</u>	<u>recipient committee</u>
Robert Old	10-22-85	\$1,000	Chappell
	8-29-86	\$1,000	Chappell
	1-12-87	\$1,000	Chappell
	9-22-87	\$1,000	Chappell
	10-02-86	\$ 500	Dicks
Jean Old	9-30-86	\$1,000	Mrazek
	11-03-86	\$1,000	Young
Samuel Ralph Preston	10-02-86	\$ 500	Dicks
	9-30-86	\$1,000	Mrazek
	11-03-86	\$1,000	Young

Two other non-respondent contributors, Maddie Preston and Violet Lynch, were not involved in the specific transactions noted but are listed in Roberts' plea as having made Unisys-reimbursed contributions.

In summary, it appears that Samuel Ralph Preston, Maddie Preston, Jean Old, Robert Old, and Violet Lynch made contributions for which they were reimbursed by Unisys. Based on these allegations, this Office recommends that the Commission find reason to believe that Samuel Ralph Preston, Robert Old, Maddie Preston, Jean Old, and Violet Lynch all violated 2 U.S.C. § 441f by knowingly allowing their names to be used to effect a contribution by another. Because the role and knowledge of these individuals is not clear, this Office does not recommend knowing and willful findings against them at this time.

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E. Candidate Committees and Candidates

According to the complaint, seven campaigns received contributions in the course of the Unisys scheme.<sup>19</sup> According to the allegations in the complaint and the guilty pleas, all of the committees received contributions made by one person (Unisys) in the name of another person (consultants)

1. Dyson Committee and Representative Dyson

The complaint centers on the alleged violations of the Act by Representative Roy Dyson, the Dyson campaign committee, and Marion Fedas, as treasurer. These respondents submitted a joint response

The complaint focuses on the July, 1987 weekend in which Representative Dyson and an aide visited New York and collected approximately \$17,000 in Unisys-connected contributions and honoraria. The complaint asserts that at least four of these contributions were illegal, based on the DOJ investigation and the resulting guilty pleas. The complaint alleges that Representative Dyson solicited campaign contributions from a federal contractor, Unisys Corporation, in violation of 2 U.S.C. § 441c. Second, it alleges that Representative Dyson and the Committee knowingly accepted a contribution made by one person in the name of another, in violation of 2 U.S.C. § 441f. Third, it alleges that Representative Dyson and the Committee knowingly accepted a contribution from a corporation, Unisys, in violation of 2 U.S.C. § 441b(a). Fourth, the complaint asserts that the Committee's

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19. There are other recipient committees not named in the complaint in this matter. See Part F.

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treasurer failed to make best efforts to determine the legality of contributions that presented genuine questions as to whether they were made by Unisys, a corporation and federal contractor, and then failed to refund the contributions within 30 days thereafter, in violation of 11 C.F.R. § 103.3(b)(1). Fifth, the treasurer is alleged to have failed to refund contributions made by Unisys, a corporation and federal contractor, within 30 days after discovering the illegality based on new evidence not available at the time of receipt and deposit, in violation of 11 C.F.R. § 103.3(b)(2).

Representative Dyson's and Committee treasurer Fedas' joint response asserts that the allegation that Dyson solicited a contribution from a federal contractor is based on innuendo and that nothing in the complaint discloses any facts which substantiate the charge. The Dyson/Fedas response also states that nothing in the complaint indicates that Representative Dyson knew that his Committee received illegal contributions. The response does not, however, directly state that the Committee did not know of the illegality. In addition, the response states that all the contributions were written on personal accounts and thus the Committee was not under any notice of illegality. Finally, the response states that treasurer Fedas returned the contributions of the five individuals whose guilty pleas were included in the complaint.

The Dyson Committee did receive a number of allegedly illegal contributions. According to the guilty pleas included in the complaint, the July, 1987 Joseph Hill and Don Lynch contributions

received by the Dyson Committee were reimbursed by Unisys. That is, these two contributions are specifically alleged as illegal.

The guilty plea of respondent Unisys employee John Roberts III, concluded after the complaint was filed, names the Dyson Committee and other committees as the recipients of illegal contributions by Violet Lynch, Don Lynch, Maddie Preston, Samuel Ralph Preston, Jean Old, and Robert Old.<sup>20</sup> All six of these individuals made contributions to the Dyson Committee. Therefore some or all of their contributions to the Dyson Committee were illegal. The entire list of contributions to the Dyson Committee is included at Attachment 3, page 5.

The Dyson Committee received several additional contributions which have not been specifically identified as Unisys-funded but which likely were. The Committee received contributions from respondents Joseph Hill (in addition to the July, 1987 contribution for which he pled guilty), Gerard Scarano, Charles Gardner, and Robert Littlefield.<sup>21</sup> As noted above, the guilty pleas of consultants Hill and Scarano state that these two individuals made other Unisys-related illegal contributions besides those for which they pled guilty. Unisys vice-president Gardner, as described above, directed the illegal contribution scheme. Consultant Littlefield was named in Gardner's guilty plea

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20. Except for Don Lynch, the individuals in this group are all internally generated respondents, as discussed above.

21. William Galvin also contributed to the Dyson Committee. He was noted in news accounts as apparently having helped gather the Unisys-connected contributions, but his further role, if any, in the Unisys scheme, is not known at this time.

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as making an illegal contribution to another committee. The involvement or alleged involvement of these individuals in the Unisys illegal contribution scheme suggests that some or all of their contributions to the Dyson Committee were reimbursed by Unisys.

In summary, the Dyson Committee did receive a number of illegal contributions. A key issue in this matter is whether there is reason to believe that Representative Dyson and/or his Committee may have "knowingly accept[ed]" or "knowingly .. solicit[ed]" the prohibited contributions, in violation of 2 U.S.C. §§ 441b(a), 441f, and 441c(a)(2)

Commission regulations at 11 C.F.R. § 103.3(b) prescribe treatment of contributions of questionable legality. These regulations reflect the Commission's interpretation regarding circumstances in which committees are considered to have accepted prohibited contributions.<sup>22</sup> A committee treasurer who fails to comply with the § 103.3(b)(1) requirement to make best efforts to determine the legality of contributions that present genuine questions as to whether they were made by a corporation that is a federal contractor in the name of individuals is thus violating 2 U.S.C. §§ 441b(a), 441c, and 441f, if the contributions were, in fact, illegal. If the contribution appears to be permissible at the time of receipt, the treasurer remains under the obligation to

22. Because the regulations explain compliance with the Act's requirements, this Office makes no recommendations regarding violations of 11 C.F.R. § 103.3(b), but rather makes recommendations regarding violations of the Act. See MURs 2072, 2154; A.O. 1984-52.

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refund the contribution if later evidence shows that it was illegal. 11 C.F.R. § 103.3(b)(2). This obligation implicitly includes the duty to inquire into the circumstances of an earlier contribution when the later evidence shows that the contribution was of questionable legality. If the treasurer fails to comply with the § 103.3(b)(2) requirement to refund contributions within 30 days of discovering their illegality, he or she has knowingly accepted an illegal contribution, pursuant to 2 U.S.C. §§ 441b(a) 441c, and 441f. This report will consider the application of 11 C.F.R. §§ 103.3(b)(1) and (2) in turn.

The consideration of 11 C.F.R. § 103.3(b)(1) focuses on the circumstances at the time of the contributions. According to press accounts, Representative Dyson and his chief aide, the late Tom Pappas, flew to New York in a private plane chartered by Unisys in July, 1987.<sup>23</sup> Representative Dyson and Pappas visited Unisys' Long Island, New York facility, attended other events accompanied by Unisys marketing manager Dennis Mitchell, and

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23. The newspaper articles included in the complaint describe a close relationship between Representative Dyson and Unisys at the time of the July, 1987 contributions that are the subject of this matter. The July 16, 1988 Washington Post article recounted that Representative Dyson, a member of the Armed Services Committee, along with the late Representative Chappell, "repeatedly defeated efforts by the Navy to cancel a shipboard electronic system manufactured by Unisys." This system constituted a \$78 million contract for Unisys, according to the July 15, 1988 Baltimore Sun. In addition, a June 23, 1988 Post article noted that Unisys received a \$116 million dollar contract under similar circumstances in 1987.



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stayed overnight in a Manhattan hotel.<sup>24</sup> Chris Robinson, Representative Dyson's campaign manager, acknowledged that the expenses for all these activities were paid by Unisys. Representative Dyson received a \$2,000 honorarium from Unisys for his visit. No fundraising event took place during the visit; instead, it appears that during this trip, Pappas was handed fifteen \$1,000 individual contribution checks by Unisys marketing manager Dennis Mitchell. The addresses of most of these contributors, presumably on the face of the checks, ranged from Long Island, where the Unisys facility was located, to Washington, D.C. and Northern Virginia.<sup>25</sup> Representative Dyson returned to Washington in the Unisys-chartered plane. Pappas later delivered

24. One account of Representative Dyson's Unisys-sponsored trip in the press accounts is a July 15, 1988 Baltimore Sun article, part of which is included with the complaint. The last several paragraphs of the article, which contain the most detailed information about the trip that this Office possesses, were omitted from the complaint. A complete copy of the article is included at Attachment 2, Pages 86B-86D.

25. Although the contributors were connected with Unisys as employees, consultants, and spouses and were presented to Tom Pappas by a Unisys official, the Dyson Committee failed to report the occupations and employers of eight of the fifteen contributors.

The Act requires political committees to report the identification of contributors whose contributions exceed \$200 within a calendar year. 2 U.S.C. § 434(b)(3)(A). "Identification" is defined at 2 U.S.C. § 431(13) as including the occupation and employer of an individual. A treasurer who uses "best efforts" to obtain such information is deemed to comply with the disclosure requirement. 2 U.S.C. § 432(i); 11 C.F.R. § 104.7(a). "Best effort" requires that the committee document at least one effort per solicitation to obtain the contributor's occupation and name of employer. 11 C.F.R. § 104.7(b). There is no indication that the Dyson Committee made any such attempt, and thus it appears that the Committee and its treasurer may have violated 2 U.S.C. § 434(b)(3)(A).

the checks to Committee treasurer Fedas.

Numerous factual questions remain regarding the circumstances under which the contributions were delivered. Nonetheless, it is possible that the corporation's presentation to a Dyson campaign aide during a corporation-sponsored trip of \$15,000 in contributions assertedly from employees and contractors whose residences ranged from New York to Virginia may have given cause for the Dyson Committee to inquire about the propriety of the contributions. The contribution checks were deposited by the Dyson Committee treasurer and were reported on the Committee's 1987 Year-End report, but apparently no attempt was made to inquire into Unisys' role in the making of the contributions.

The fact that all the contribution checks are written on personal accounts does not, as the Committee argues, automatically absolve a committee from its duty to determine the legality of contributions received. Such an interpretation of 11 C.F.R. § 103.3(b) would be unduly narrow. Even if a contribution check on its face appears legitimate, a committee might receive accompanying information indicating that the ostensible contributor was not the actual source of the funds. Thus, the regulations require that the legality of a contribution must be viewed in the context of the surrounding circumstances.

Even if the Committee did not have sufficient basis at the time of the July, 1987 contributions to trigger an obligation to inquire as to the legality of the contributions, the Committee did allegedly acquire sufficient information later to obligate it to inquire and to refund. See 11 C.F.R. § 103.3(b)(2). According to

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the July 16, 1988 Washington Post, Dyson's staff had then only recently discovered that Dyson held no fundraiser in connection with the July, 1987 contributions, contrary to the staff's assumption at the time.<sup>26</sup> The Post article and the July 15, 1988 Baltimore Sun noted that spokespersons for Representative Dyson stated that Unisys marketing manager Dennis Mitchell apparently collected the contribution checks and gave them to Representative Dyson's aide Tom Pappas. The Post article further recounted that "Dyson staff members said they have tried unsuccessfully to reach Mitchell to ask him about the money and that they remain unsure of his exact role in raising the funds." It appears, then, that at least by July, 1988 Representative Dyson's staffers themselves questioned the July, 1987 contributions. Apparently, however, no further inquiry was made to determine the propriety of the contributions and no action was taken.

In succeeding periods, additional evidence of the questionable legality of the contributions was acknowledged by Representative Dyson in the press. Press reports in late January and February, 1989 noted Hill's guilty plea in connection with illegal contributions to several committees including Dyson's, and Representative Dyson's statement that he would refund Hill's contribution. Within a month of the January articles, the Dyson

26. In a newspaper article submitted as additional information by the complainant in MUR 2599, Dyson's Administrative Assistant Katherine Tucker was reported as stating that Representative Dyson held a fundraiser in July, 1987 organized by Unisys employee Dennis Mitchell. Later, Tucker stated under oath that her statement had been misreported and that there had been no fundraiser.

Committee did refund Hill's contribution. A March 10, 1989 Baltimore Sun article noted Charles Gardner's guilty plea for steering illegal contributions to Representative Dyson. No specific contributions were noted. Gardner's plea, included in the complaint, explicitly identifies Don Lynch's contribution to the Dyson Committee as illegal. The Sun article reported Representative Dyson as stating that he would return the illegal contributions.

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Notwithstanding the mounting evidence of impropriety and Representative Dyson's explicit reported promise to return illegal contributions, the Dyson Committee apparently made no further inquiry and no further refund of contributions. More than five months later, in an August 20, 1989 Baltimore Sun article, Luis Luna, the complainant, called on Representative Dyson to return the tainted contributions. A Dyson spokesman was quoted in the article that the Dyson staff was "reviewing the matter." On September 15, 1989, the Committee was notified of the complaint in this matter. Finally, according to the September 26, 1989 Washington Post and Baltimore Sun, Representative Dyson announced that he was returning \$18,000 in contributions from people with Unisys connections. The Dyson Committee's 1989 Year-End report confirms that on September 25, 1989 the Committee returned all of the July, 1987 contributions from Unisys-related individuals. It thus appears that only with the prospect of the Commission's enforcement process facing the Dyson Committee did it finally return the contributions.

Thus, from the July, 1987 illegal contributions to the Dyson

Committee, a year passed before the Committee publicly questioned the contributions. One contribution was refunded in February, 1989, but the balance of the contributions were not reported as returned until September, 1989. Significant questions were raised at least by July, 1988, when intensive press scrutiny was directed at the circumstances surrounding the July, 1987 contributions, but the Committee made no serious inquiry, and the bulk of the contributions were not refunded until fourteen months later.

In sum, this Office believes that at the time of the July, 1987 contributions, questions may have been raised regarding their propriety. In any event, subsequent to the receipt of the contributions, the Committee questioned the contributions but did not act finally until long beyond the 30-day period set out in 11 C.F.R. § 103.3(b)(2). By failing to act, and thereby keeping the contributions, the Committee may have accepted prohibited contributions. On this basis, the Office of the General Counsel recommends that the Commission find reason to believe that the Dyson Committee may have violated 2 U.S.C. §§ 441b(a), 441c, and 441f. This Office also recommends that the Commission find reason to believe that the Committee violated 2 U.S.C. § 434(b)(3)(A) by filing reports without contributors' occupations and employers listed. See footnote 25, supra. In addition, in light of Representative Dyson's personal involvement in the transactions at issue and his acknowledgment of the questionable legality of the contributions as described above, this Office recommends that the Commission find reason to believe that Representative Dyson violated 2 U.S.C. §§ 441b(a), 441c, and 441f.

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2. Chappell Committee and Representative Chappell

The Bill Chappell Campaign Committee received allegedly illegal contributions from Unisys consultants Robert Littlefield, Gerard Scarano, Joseph Zuba, and Robert Old. Scarano and Zuba have admitted in their guilty pleas that their contributions were illegal. Charles Gardner's plea identifies Littlefield's contribution as reimbursed. Old's four assertedly illegal contributions were noted in John Roberts' guilty plea (Attachment 2, pages 63-67). All of these contributions are set out below.

<u>Date of Contribution</u>	<u>Contributor</u>	<u>Amount</u>
10-22-85	Robert Old	\$1,000
8-29-86	Robert Old	\$1,000
1-12-87	Robert Littlefield	\$1,000
	Robert Old	\$1,000
9-22-87	Robert Old	\$1,000
	Gerard Scarano	\$1,000
	Joseph Zuba	\$1,000

In addition to these specifically alleged illegal contributions, there were numerous other contributions from Unisys-related individuals to the Chappell Committee that may have been reimbursed. Such contributions were from individuals who made reimbursed contributions to other committees as specifically noted in the guilty pleas as well as persons listed in John Roberts' plea as making illegal contributions to the Chappell Committee and to other committees but without allegations of specific transactions. Contributions were also made by other Unisys-related individuals whose contributions were included in the July, 1987 contributions to the Dyson Committee but who are

not yet implicated elsewhere. This Office will attempt to determine the legality of these contributions during the course of the investigation. All of these questionable contributions to the Chappell Committee are set out in Attachment 3, pages 2-4.

Questions were raised about the propriety of the Unisys-related contributions to Chappell in January, 1989 articles in the Washington Post and New York Times. These articles, one quoting Representative Chappell and the other quoting a spokesman for Chappell, discuss Unisys employee Robert Barrett's guilty plea regarding his role in two illegal contributions to the Chappell Committee, although the ostensible contributors Robert Littlefield and Gerard Scarano were not named.<sup>27</sup> (Attachment 2, pages 80-81). In addition, the Wall Street Journal published an account of Charles Gardner's guilty plea on March 10, 1989. (Attachment 2, page 86A). Gardner pled to directing Unisys employees to arrange an illegal contribution to the Chappell Committee. Such press accounts, two of which were acknowledged by the candidate or his representative, should have served to notify the Committee that Unisys-related contributions were suspect. This Office is not aware, however, of any actions taken by the Committee to investigate the propriety of the contributions received and make refunds, either at the time of receipt or later after the news articles.

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27. The Times quoted former Representative Chappell stating that he knew nothing about the illegality of the contributions until Barrett's plea was announced. The Post quoted an attorney for Representatives Chappell and Dyson stating that the Congressmen would not have any way of knowing that the contributions were from Unisys and therefore illegal.

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In response to the complaint, the former treasurer, Paul Wilson, states that he is unaware of any illegal contributions and notes that former Representative Chappell passed away on March 30, 1989.<sup>28</sup> For this reason, this Office recommends that the Commission take no action and close the file in this matter as it pertains to the Bill Chappell Campaign Committee and Paul E. Wilson, as treasurer

### 3. The Other Named Campaign Committees

With respect to the five other recipient committees named in the complaint, the information that this Office possesses at this time does not demonstrate that the other candidates or their committees had reason to suspect at the time of the contributions that the consultants contributed Unisys money. Each committee, since learning of the illegality, has taken steps to return the contribution(s), as required by 11 C.F.R. § 103.3(b)(2). The following discussion examines these committees' compliance with the requirements of § 103.3(b)(2).

The Congressman Bill Young Campaign Committee received three contributions specified as illegal in pleas. The Committee received these contributions from Joseph Zuba (\$500), Samuel Ralph Preston (\$1,000), and Jean Old (\$1,000) all on November 3, 1986. In addition to these specifically alleged illegal contributions, there were a number of other contributions from Unisys-related individuals to the Young Committee that may have been reimbursed.

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28. According to the public record, the Chappell Committee filed its 1989 Mid-Year Report as a termination report. The Reports Analysis Division accepted as valid the termination by letter dated July 21, 1989.

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Such contributions were from individuals who made reimbursed contributions to other committees as specifically noted in the guilty pleas, as well as from persons listed in John Roberts' plea as making illegal contributions to the Young Committee and to other committees but without allegations of specific transactions. Four contributors, for example, fall into the latter category: November 3, 1986 contributions from Violet and Don Lynch and November 6, 1984 contributions from Jean Old and Samuel Ralph Preston. (See Attachment 2, pages 55-56 and Attachment 3, page 7). This Office will attempt to determine the legality of these contributions during the course of the investigation. All of these questionable contributions to the Young Committee are set out in Attachment 3, pages 7-8.

Of the three contributions by Zuba, Preston, and Old specifically described as reimbursed, only the Zuba contribution was noted in the complaint; the latter two were included in John Roberts' guilty plea (Attachment 2, pages 64-65). The Young Committee's first notice of the illegality of the Zuba contribution, according to their response, was the receipt of the Commission's September 15, 1989 notification letter. On October 4, 1989, the Committee responded, returning \$1,000 to Zuba, a sum covering both his November 3, 1986 and his December 4, 1984 contributions.<sup>29</sup> Although the Commission's AOs 1984-52 and 1989-5

29. According to Young Committee reports, the December 4, 1984 contribution was made by "Jeffrey S. Zuba", not the Joseph S. Zuba who pled guilty in connection with his illegal November 3, 1986 contribution to the Young Committee. Because Joseph S. Zuba appears on the Committee's 1986 report as "J. S. Zuba" and the address is the same as for Jeffrey S. Zuba on the 1984 report, the

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specify that illegal contributions should be returned to the actual source of the contribution, the Young Committee has taken definite steps to comply with 11 C.F.R. § 103.3(b)(2), which requires the refunding of illegal contributions within 30 days of the discovery of the illegality.

With respect to the Preston and Old contributions, the Young Committee treasurer wrote to the Commission on January 11, 1990 stating that the Committee had become aware of John Roberts' guilty plea asserting that the Committee had received illegal contributions (See Attachment 1, page 52). Consequently, the letter states, the Committee returned the Unisys-reimbursed contributions totaling \$4,000.<sup>30</sup>

The Young Committee's return of the allegedly illegal

(Footnote 29 continued from previous page)  
Committee presumably thought that these two individuals were one and the same person and voluntarily returned the 1984 contribution. The result is that the Committee has refunded the illegal Joseph S. Zuba contribution as well as the suspect Jeffrey S. Zuba contribution. See the Suspect Contribution list at Attachment 3, page 7.

30. The Young Committee letter states that it has returned the \$4,000 in contributions from Violet and Don Lynch, Jean and Robert Old, and Robbie and John Roberts. This list omits Samuel Ralph Preston, who is named in Roberts' plea as making an illegal contribution to the Young Committee in November, 1986, and includes the Roberts, who are not named in the plea as making any illegal contributions. The Committee's letter, however, lists contribution totals for the Lynchs, Olds, and Roberts that equal the contribution totals to the Committee for the Lynchs, Olds, and Prestons as found on the Committee reports. Thus, assuming that the Committee returned the \$4,000 to Unisys, the actual source of the funds, the Committee would be returning a sum equal to the total contributions received by the Committee from the individuals named as contributors in John Roberts' plea. Thus, the Young Committee appears to have returned illegal contributions to the source of the funds within 30 days of the discovery of the illegality, pursuant to 11 C.F.R. § 103.3(b)(2).

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November 3, 1986 Zuba, Old, and Preston contributions appear to have been timely. Given the number of assertedly illegal contributions to the Committee and the existence of a number of other contributions likely to be illegal, however, this Office recommends that the Commission take no action at this time regarding the Congressman Bill Young Campaign Committee and George Patterson, as treasurer. This Office will make further recommendations upon determining the nature of the contributions in question and the role of the Committee.

The other remaining named committees received only one assertedly illegal contribution each, and few other contributions from Unisys-related individuals.

The Dickinson Second District Congressional Committee received Joseph Hill's \$1,000 contribution on October 5, 1987 that is identified as illegal in Hill's guilty plea included in the complaint. Within 30 days after the late January, 1989 press reports of Hill's guilty plea, the Dickinson Committee donated a sum equal to the contribution to charity. While this action does not conform with 11 C.F.R. § 103.3(b)(2), which states that an illegal contribution will be returned to the contributor, (and as clarified by A.O. 1989-5, "contributor" means the actual source of the money), the Committee did divest itself of the illegal contribution in a timely manner. Thus, this Office recommends that the Commission find reason to believe that the Dickinson Committee violated 2 U.S.C. §§ 441b(a), 441c, and 441f but that no further action be taken.

The Richard Ray for Congress Campaign Committee received

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Joseph Hill's \$1,000 contribution dated May 6, 1988 that is noted as illegal in Hill's guilty plea. This contribution was discussed in the January, 1989 news articles, and by a check dated February 1, 1989, the Ray Committee refunded the contribution to Hill. On April 5, 1989, Hill returned the check, citing A.O. 1984-52 for the proposition that the Committee should return the contribution to Unisys, the actual source of the contribution. On April 25, Representative Ray requested an advisory opinion from the Commission on this matter. The Commission's response, A.O. 1989-5, dated May 26, instructed Ray's Committee to refund the illegal contribution to Unisys. The Committee then sent a check, dated June 12, 1989, to Unisys. The Ray committee has clearly complied with the law in this matter and this Office recommends that the Commission find no reason to believe that the Committee violated any provision of the Act.

The Friends of Congressman Hochbrueckner Committee received Joseph Zuba's \$500 contribution dated June 29, 1987 that is identified as illegal in Zuba's guilty plea included in the complaint. The Hochbrueckner Committee's response stated that Representative Hochbrueckner was aware of a July 18, 1989 Long Island Newsday article naming a "Joseph Zuber" as a contributor to Hochbrueckner's campaign who pled guilty to a criminal FECA violation. Shortly thereafter, Rep. Hochbrueckner wrote to Henry Hudson, the U.S. Attorney in charge of the Ill Wind investigation, to ascertain whether any contributions to his campaign were illegal. (The name "Zuber" did not show up on the committee's contribution list). Shortly thereafter, Hudson replied in writing

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that Joseph Zuba had pled guilty to making an illegal contribution to Hochbrueckner's Committee; the Newsday article had misspelled his name and had not specified this connection. Hudson also noted that Joseph Hill contributed \$1,000 to Hochbrueckner's Committee on June 30, 1987 and had pled guilty to FECA violations for illegal contributions to other campaign committees.<sup>31</sup>

Because of the August congressional recess, Representative Hochbrueckner states, he did not read Hudson's letter, dated August 2, until early September. Upon reading the letter Representative Hochbrueckner began to search for a charity to which to donate an amount equal to the Hill and Zuba contributions. After receiving notification of MUR 2981, the Hochbrueckner committee asked the Democratic National Committee what would be the proper method of returning illegal contributions. On September 25, the committee sent a check to Unisys corporation, the actual source of the funds, to cover both the Zuba and the Hill contributions.

A committee must return illegal contributions within 30 days after the committee becomes aware of the illegality, pursuant to 11 C.F.R. § 103.3(b)(2). The Hochbrueckner Committee did not return Zuba's illegal contribution within 30 days of the Newsday article. This article, though, misspelled Zuba's name, and so did not provide accurate information regarding the Zuba contribution. The candidate did take action in response to the article, writing to the United States Attorney, and the August 2 letter from Hudson

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31. Hochbrueckner's Committee included Hudson's letter in their response to the complaint.

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provided clear notice to the Committee of the doubtful legality of both the Zuba and Hill contributions. These two contributions were not returned until September 25, well beyond the 30 day limit. The response contends that Representative Hochbrueckner did not read the letter until early September. In light of Representative Hochbrueckner's timely initial action on the matter, however, and the fact that the committee has since that time refunded Zuba's illegal contribution, this Office recommends that in regard to the Zuba contribution, the Commission should find reason to believe that the Friends of Congressman Hochbrueckner Committee and Mary M. Schumacher, as treasurer, violated 2 U.S.C. §§ 441b(a), 441c, and 441f, but take no further action.

Friends of Jim Sasser received an illegal \$1,000 contribution from consultant Hill on June 17, 1988 as set out in Hill's guilty plea. According to the committee's response, the contribution was refunded to Hill in January, 1989, the same month that Hill's plea was entered. In April, Hill returned the committee's check, noting that the Commission's A.O. 1984-52 instructed committees to refund illegal contributions to the actual source of the money, in this case Unisys. In early May, 1989, the Sasser committee did just that. Because the original attempted return was made within 30 days of the committee's discovery of the illegality and the committee promptly reimbursed Unisys upon Hill's rejection of the reimbursement, the Office of the General Counsel recommends that no reason to believe be found that Friends of Jim Sasser and

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Michael A. Nemeroff, as treasurer, violated any provision of the Act.

F. Non-respondent Recipient Committees

A number of campaigns not named in the complaint appear to have received Unisys-reimbursed contributions. These committees were noted in the guilty pleas of two of the Unisys employee respondents, Dennis Mitchell and John Roberts, submitted in October and November, 1989, respectively. See Attachment 2, pages 19-21, 28-31, 55-57, and 63-67. The two pleas note several committees' receipt of specifically identified illegal contributions, and the Roberts' plea notes several other committees that received illegal contributions without identifying any specific transactions. All of these committees' contributions from Unisys-related individuals are listed in Attachment 3.

1. Committees receiving contributions specifically identified as illegal

Each of the contributions specifically identified in the Roberts and Mitchell plea materials are set out below.

<u>Recipient Committee</u>	<u>Contributor</u>	<u>Date</u>	<u>Amount</u>
Aspin	Joseph Zuba II	6-13-86	\$1,000
Roe	Joseph Hill	6-17-87	\$1,000
Badham	John Roberts	11-17-87	\$1,000
Dicks	Robert Old	10-02-86	\$ 500
	Samuel Ralph Preston	10-02-86	\$ 500
Mrazek	Jean Old	9-30-86	\$1,000
	Samuel Ralph Preston	9-30-86	\$1,000

Mitchell's guilty plea sets out a scheme whereby Long Island

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Aerospace Political Action Committee (AEROPAC) and Unisys personnel arranged the reimbursement of Unisys consultants' contributions to the Friends of Les Aspin and the Campaign Fund for Congressman Bob Roe. In addition, a Unisys-reimbursed contribution to the Badham Campaign Committee was made by Unisys employee John Roberts and apparently did not involve AEROPAC personnel.

In addition to the one illegal contribution alleged in Mitchell's plea, another contribution on that same day by Jean Old is probably illegal based on John Roberts' plea. Serious questions are raised by both of John Roberts' November 17, 1987 contributions to the Badham Committee, one of which is alleged as illegal in the Mitchell plea. Finally, the Roe Committee received one illegal contribution alleged in Mitchell's plea.

Other recipient committees are identified in the Roberts plea. The plea materials set out a scheme where Unisys employees arranged for the corporate reimbursement of contributions to Norm Dicks for Congress Committee and People for Mrazek Campaign Committee. The plea describes four specific reimbursed contributions, two to the Mrazek Committee and two to the Dicks Committee. In addition, two other contributions to the Dicks Committee, both by Don Lynch, are probably illegal based on Roberts' plea.

This Office possesses no specific information at this time regarding the Aspin, Roe, Badham, Dicks, and Mrazek committees, and makes no recommendations for findings against them at this time. In order to assure that the illegal funds are expeditiously

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purged from these campaigns' accounts, however, this Office recommends that the Commission notify these five committees that according to publicly available court documents (plea materials), certain contributions they have received were reimbursed by a corporation (Attachment 6). Each committee will then have 30 days in which to refund those contributions pursuant to 11 C.F.R. § 103.3(b)(2).<sup>32</sup>

2. Other recipient committees

In addition to the committees listed above, the Roberts plea named the Committee for Congressman Joseph P. Addabbo, Friends of Senator D'Amato,<sup>33</sup> Hefner for Congress Committee, Keep McDade in Congress Committee, and the Murtha for Re-election Committee as having received illegal contributions but the plea identifies no specific transactions. The chart below lists the total number of

32. The Office of the General Counsel recommends that the Commission take this action in order to assure committee compliance, analogous to the Reports Analysis Division ("RAD") Requests for Additional Information to recipient committees triggered by review of a contributor committee's reports. Based on the public documents evidencing illegal contributions, this Office proposes that the Commission notify the non-respondent recipient committees in this matter of the contributions specifically alleged to be illegal. After listing the specific contributions, the letters would clarify that the recipient committee is not a respondent in this matter and would conclude with a confidentiality caution (Attachment 6).

33. A September 27, 1989 Washington Post article noted that the Sen. D'Amato campaign received allegedly illegal contributions from Unisys executives. See Attachment 2, page 86. The D'Amato campaign also allegedly received illegal contributions in another pending matter, MUR 2639, in which the contributions were allegedly funded by Wedtech, Inc.

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Unisys-related contributions for each committee; the entire list of contributions from Unisys-related individuals appears at Attachment 3.

<u>Committee</u>	<u>number of Unisys-related contributions</u>	<u>number most likely illegal</u> <sup>34</sup>
Addabbo	50	12
D'Amato	22	5
Hefner	6	4
McDade	14	3
Murtha	18	8

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In the course of the Commission's investigation, these five committees' specific illegal contributions received will be determined, and this Office will propose to notify them at that time, with the probable exception of the late Representative Addabbo's Committee.<sup>35</sup> In light of the lack of information on these five recipient committees other than the apparent illegality of at least some of their contributions received, the Commission's investigation will extend to these committees' contributions received, but this Office makes no recommendations for findings against the Addabbo, D'Amato, Hefner, McDade, and Murtha committees at this time.

34. This column contains contributions from the six individuals listed in Roberts' plea, the Lynchs, the Olds, and the Prestons, as making illegal contributions to a number of committees.

35. Former Representative Addabbo died April 10, 1986 and the Reports Analysis Division accepted as valid the Committee's termination by letter dated December 5, 1986.

III. INVESTIGATION

In order to flesh out the extent of the reimbursed contributions and the roles of the various parties involved, this Office will contact the persons who have expressed a desire to cooperate in the Commission's investigation. As it becomes clear what testimony and/or investigation requires compulsory process this Office will make further reports to the Commission.

IV. RECOMMENDATIONS

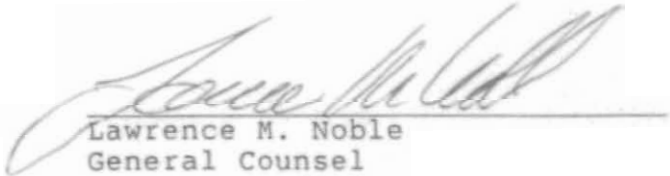
1. Find no reason to believe that the Richard Ray for Congress Campaign Committee and Macy Skinner, as treasurer; and Friends of Jim Sasser and Michael Nemeroff, as treasurer, violated any provision of the Act.
2. Close the file in this matter as it pertains to the Bill Chappell Campaign Committee and Paul Wilson, as treasurer.
3. Find reason to believe that Friends of Congressman Hochbrueckner and Mary Schumacher, as treasurer, violated 2 U.S.C. §§ 441b(a), 441c, and 441f, but take no further action.
4. Find reason to believe that Dickinson Second District Congressional Committee and Lloyd Lancaster, as treasurer, violated 2 U.S.C. §§ 441b(a), 441c, and 441f, but take no further action.
5. Take no action at this time regarding Congressman Bill Young Campaign Committee and George Patterson, as treasurer.
6. Find reason to believe that Charles Gardner knowingly and willfully violated 2 U.S.C. §§ 441b(a) and 441f.
7. Find reason to believe that Robert Barrett, Dennis Mitchell, and John Roberts III knowingly and willfully violated 2 U.S.C. § 441f.
8. Take no action at this time regarding William Galvin.
9. Find reason to believe that Joseph Hill, Robert Littlefield, Don Lynch, Gerard Scarano, and Joseph Zuba knowingly and willfully violated 2 U.S.C. § 441f.
10. Find reason to believe that Eastern Defense Political Action Committee (formerly Long Island Aerospace Political Action Committee), Stanley Wolin, as treasurer, and James T. Kane knowingly and willfully violated 2 U.S.C. § 441f.

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11. Find reason to believe that Joseph S. Zuba II violated 2 U.S.C. § 441f.
12. Find reason to believe that Samuel Ralph Preston, Maddie Preston, Jean Old, Robert Old, and Violet Lynch each violated 2 U.S.C. § 441f.
13. Find reason to believe that the Dyson for Congress Committee and Marion Fedas, as treasurer, violated 2 U.S.C. §§ 441c, 441f, 441b(a), and 434(b)(3)(A).
14. Find reason to believe that Representative Roy Dyson violated 2 U.S.C. §§ 441c, 441f, and 441b(a)
15. Find reason to believe that Unisys Corporation knowingly and willfully violated 2 U.S.C. § 441b(a), 441c, and 441f.
16. Approve the attached factual and legal analyses and the appropriate letters.

93043502050  
Date

6/22/90

  
Lawrence M. Noble  
General Counsel

Attachments:

- 1-Responses to the complaint
- 2-Other materials: Dennis Mitchell and John Roberts III guilty plea materials and newspaper articles
- 3-List of Unisys-related contributions by recipient committee
- 4-List of Unisys-related contributions by contributor
- 5-Factual and Legal Analyses (21)
- 6-Sample proposed letter to nonrespondent recipient committees

Staff Assigned:

Mark Allen  
Jonathan Bernstein



FEDERAL ELECTION COMMISSION  
WASHINGTON DC 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE  
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/DELORES HARRIS *WH*  
COMMISSION SECRETARY

DATE: JUNE 28, 1990

SUBJECT: MUR 2981 - GENERAL COUNSEL'S REPORT  
DATED JUNE 22, 1990

The above-captioned document was circulated to the  
Commission on Monday, June 25, 1990 at 4:00 p.m.

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

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

This matter will be placed on the meeting agenda  
for Tuesday, July 10, 1990.

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

93043502051

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

MUR 2981

Dyson for Congress Committee and  
Marion R. Fedas, as treasurer  
Congressman Roy Dyson  
Bill Chappell Campaign Committee  
and Paul E. Wilson, Jr.,  
as treasurer  
Dickinson Second District  
Congressional Committee and  
Lloyd Lancaster, as treasurer  
Friends of Congressman Hochbrueckner  
and Mary M. Schumacher, as treasurer  
Richard Ray for Congress Campaign  
Committee and Macy M. Skinner,  
as treasurer  
Friends of Jim Sasser and Michael  
A. Nemeroff, as treasurer  
Congressman Bill Young Campaign  
Committee and George L. Patterson,  
as treasurer  
Unisys Corporation and W. Michael  
Blumenthal, as CEO  
Robert D. Barrett, Unisys Corp. employee  
Charles F. Gardner, Unisys Corp.  
Vice-President  
Dennis Mitchell, Unisys Corp. employee  
John Roberts III, Unisys Corp. employee  
William M. Galvin, consultant  
Joseph E. Hill, consultant  
Robert H. Littlefield, consultant  
Don L. Lynch, consultant  
Gerard J. Scarano, consultant  
Joseph S. Zuba, consultant

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the  
Federal Election Commission executive session of July 10,  
1990, do hereby certify that the Commission decided by a  
vote of 4-1 to take the following actions in MUR 2981:

(continued)

93043502052



- 23043502053
1. Find no reason to believe that the Richard Ray for Congress Campaign Committee and Macy Skinner, as treasurer; and Friends of Jim Sasser and Michael Nemeroff, as treasurer, violated any provision of the Act.
  2. Close the file in this matter as it pertains to the Bill Chappell Campaign Committee and Paul Wilson, as treasurer.
  3. Find reason to believe that Friends of Congressman Hochbrueckner and Mary Schumacher, as treasurer, violated 2 U.S.C. §§ 441b(a), 441c, and 441f, but take no further action.
  4. Find reason to believe that Dickinson Second District Congressional Committee and Lloyd Lancaster, as treasurer, violated 2 U.S.C. §§ 441b(a), 441c, and 441f, but take no further action.
  5. Take no action at this time regarding Congressman Bill Young Campaign Committee and George Patterson, as treasurer.
  6. Find reason to believe that Charles Gardner knowingly and willfully violated 2 U.S.C. §§ 441b(a) and 441f.
  7. Find reason to believe that Robert Barrett, Dennis Mitchel, and John Roberts III knowingly and willfully violated 2 U.S.C. § 441f.
  8. Take no action at this time regarding William Galvin.

(continued)

9. Find reason to believe that Joseph Hill, Robert Littlefield, Don Lynch, Gerard Scarano, and Joseph Zuba knowingly and willfully violated 2 U.S.C. § 441f.
10. Find reason to believe that Eastern Defense Political Action Committee (formerly Long Island Aerospace Political Action Committee), Stanley Wolin, as treasurer, and James T. Kane knowingly and willfully violated 2 U.S.C. § 441f.
11. Find reason to believe that Joseph S. Zuba II violated 2 U.S.C. § 441f.
12. Find reason to believe that Samuel Ralph Preston, Maddie Preston, Jean Old, Robert Old, and Violet Lynch each violated 2 U.S.C. § 441f.
13. Find reason to believe that Dyson for Congress Committee and Marion Fedas, as treasurer, violated 2 U.S.C. §§ 441c, 441f, 441b(a), and 434(b)(3)(A).
14. Take no action at this time with respect to Representative Roy Dyson.
15. Find reason to believe that Unisys Corporation knowingly and willfully violated 2 U.S.C. §§ 441b(a), 441c, and 441f.

(continued)



16. Approve the factual and legal analyses and the appropriate letters as recommended in the General Counsel's report dated June 22, 1990

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

Attest:

93043502055  
7-11-90

Date

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



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

July 13, 1990

Myles V. Lynk, Esquire  
Dewey, Ballantine, Bushby,  
Palmer & Wood  
1775 Pennsylvania Avenue, N.W.  
Washington, D.C. 20006

RE: MUR 2981  
Joseph Hill

Dear Mr. Lynk:

On September 15, 1989, the Federal Election Commission notified your client 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 client at that time.

Upon further review of the allegations contained in the complaint, and information supplied by your client, Joseph Hill, the Commission, on July 10, 1990, found that there is reason to believe your client, knowingly and willfully violated 2 U.S.C. § 441f, a provision of 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 your client. 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 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 your client, 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

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Mr. Lynk, Esq.

Page 2

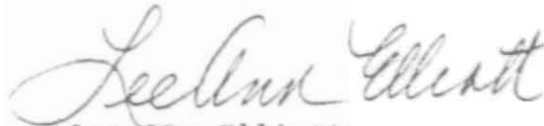
General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at 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 Mark Allen, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,



Lee Ann Elliott  
Chairman

Enclosure

Factual & Legal Analysis

93043502057

FEDERAL ELECTION COMMISSION  
FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Joseph Hill

MUR 2981

The Federal Election Commission ("Commission") received a complaint from Luis Luna on September 8, 1989. The complaint discussed a scheme where Unisys Corporation funneled corporate money through consultants to campaign committees. Identified as a respondent is Joseph Hill. The complaint alleges that Hill, a consultant to Unisys Corporation, made contributions to federal candidates and was reimbursed by Unisys. The Commission received a response from Joseph Hill on October 3, 1989.

In his response to the complaint, Hill asserts that the complaint does not name him as a respondent. Hill's guilty plea materials, attached and incorporated by reference, however, clearly implicate Hill as a participant in the illegal contribution scheme. Therefore, Hill was properly notified as a respondent to the complaint. In addition, Hill stated that he has already pled guilty to criminal charges for his involvement in the illegal contribution scheme, and therefore the Commission should not pursue him. Hill notes that he is 77 years old and in ill health.

Pursuant to 2 U.S.C. § 441f, no person may knowingly permit his or her name to be used to effect a contribution made in the name of another.

Hill has pled guilty to criminal charges for his participation in the campaign contribution scheme. Hill specifically pled guilty to knowingly letting his name be used to

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effect contributions with money that really belonged to Unisys. The specific contributions described in his plea materials are set out below.

<u>date of contribution</u>	<u>amount</u>	<u>recipient committee</u>
7-09-87	\$1,000	Dyson for Congress Committee
10-05-87	\$1,000	Dickinson Second District Congressional Committee
5-06-88	\$1,000	Richard Ray for Congress Campaign Committee
6-17-88	\$1,000	Friends of Jim Sasser

93043502059

The guilty plea materials of Hill strongly implies that he funneled Unisys money to other campaign committees in addition to those committees specified in his plea. Hill's plea specifically identifies transactions amounting to \$4,000 worth of illegal contributions; one other \$1,000 illegal contribution by Hill, on June 17, 1987 to the Campaign Fund for Congressman Bob Roe, is alleged in Unisys employee Dennis Mitchell's publicly-available guilty plea materials. Hill's plea also states that he knowingly and willingly helped funnel Unisys funds to political committees, "the total of such contributions from 1982-1988 being over \$25,000." The public record indicates that Hill contributed a total of \$22,600 to federal candidates during the 1982-88 period.

Hill's guilty plea materials clearly support a finding of reason to believe that he knowingly and willfully violated 2 U.S.C. § 441f.



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

July 13, 1990

Robert Littlefield  
5500 Holmes Run Parkway, No. 605  
Alexandria, VA 22304

RE: MUR 2981  
Robert Littlefield

Dear Mr. Littlefield:

On September 15, 1990, the Federal Election Commission notified you 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 you at that time.

Upon further review of the allegations contained in the complaint, and information supplied by you, the Commission, on July 10, 1990, found that there is reason to believe you knowingly and willfully violated 2 U.S.C. § 441f, a provision of 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 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

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Mr. Littlefield  
Page 2

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

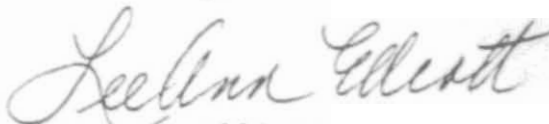
Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

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

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 Mark Allen, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,



Lee Ann Elliott  
Chairman

Enclosures  
Designation of Counsel Form  
Procedures  
Factual & Legal Analysis

93043502061

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Robert Littlefield

MUR 2981

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The Federal Election Commission ("Commission") received a complaint from Luis Luna on September 8, 1989. The complaint discussed a scheme where Unisys Corporation funneled corporate money through consultants to campaign committees. Identified as a respondent is Robert Littlefield. The complaint alleges that Littlefield, a consultant to Unisys Corporation, made a contribution to a federal candidate and was reimbursed by Unisys. The Commission received a response from Robert Littlefield on September 26, 1989.

Pursuant to 2 U.S.C. § 441f, no person may knowingly permit his or her name to be used to effect a contribution made in the name of another.

Littlefield is named in Unisys vice-president Charles Gardner's Criminal Information, to which Gardner pled guilty, included in the complaint, as being reimbursed by Unisys for a \$1,000 contribution to the Bill Chappell Campaign Committee on January 12, 1987. In Littlefield's response to the complaint, he claims that his remuneration as a contractor to Unisys was at no time altered as the result of making or not making political contributions and thus he was not used for channeling contractor money to congressmen.

Littlefield's broad denial is specifically contradicted by the statements in Gardner's Criminal Information. According to the Information, Littlefield understood that part of his



consulting fees were to be used for political contributions as instructed by Unisys employees.

In view of the evidence provided in Charles Gardner's Criminal Information, there is reason to believe that Robert Littlefield knowingly and willfully violated 2 U.S.C. § 441f.

93043502063



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

July 13, 1990

Joseph Zuba, II  
4815 Virginia Road  
Mechanicsburg, PA 17055

RE: MUR 2981  
Joseph Zuba, II

Dear Mr. Zuba:

On July 10, 1990, the Federal Election Commission found that there is reason to believe you violated 2 U.S.C. § 441f, a provision of 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 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.

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Mr. Zuba  
Page 2

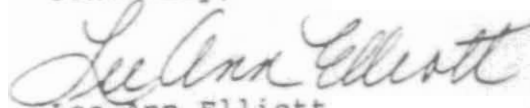
Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

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 Mark Allen, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

  
Lee Ann Elliott  
Chairman

Enclosures  
Factual and Legal Analysis  
Procedures  
Designation of Counsel Form

93043502065

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Joseph S. Zuba II

MUR 2981

In the ordinary course of carrying out its supervisory responsibilities, the Federal Election Commission has discovered that Joseph S. Zuba II may have violated the Federal Election Campaign Act of 1971, as amended ("the Act").

The Act provides that no person may knowingly permit his or her name to be used to effect a contribution made in the name of another. 2 U.S.C. § 441f.

Zuba, a consultant to Unisys Corporation, is named in former Unisys Corporation marketing manager Dennis Mitchell's publicly-available guilty plea and accompanying materials as being reimbursed by Unisys for a \$1,000 contribution Zuba made to the Friends of Les Aspin on June 6, 1986.

Based on the allegations in Dennis Mitchell's guilty plea materials, there is reason to believe that Joseph S. Zuba II violated 2 U.S.C. § 441f by knowingly allowing his name to be used to effect a contribution consisting of funds that belonged to another.

93043502066



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

July 13, 1990

Scott Gilbert, Esquire  
Dwight Smith, Esquire  
Covington & Burling  
Suite 1111-D  
1201 Pennsylvania Avenue, N.W.  
Washington, D.C. 20044

RE: MUR 2981  
Unisys Corporation

Dear Messrs. Gilbert and Smith:

On September 15, 1990, the Federal Election Commission notified your client, Unisys Corporation, 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 client at that time.

Upon further review of the allegations contained in the complaint, and information supplied by your client, the Commission, on July 10, 1990, found that there is reason to believe your client knowingly and willfully violated 2 U.S.C. §§ 441b(a), 441c and 441f, provisions of 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 your client. 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 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 your client, 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

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Mr. Gilbert, Esq.  
Mr. Smith, Esq.  
Page 2

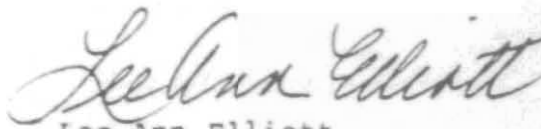
General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at 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 Mark Allen, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,



Lee Ann Elliott  
Chairman

Enclosure  
Factual & Legal Analysis

93043502068



FEDERAL ELECTION COMMISSION  
FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Unisys Corporation

MUR 2981

The Federal Election Commission ("Commission") received a complaint from Luis Luna on September 8, 1989. The complaint discussed a scheme where Unisys Corporation funneled corporate money through consultants to campaign committees. Named in the complaint is Unisys Corporation. The Commission received a response from Unisys on January 9, 1990.

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According to the complaint and the subsequently-acquired guilty pleas, Unisys Corporation (formerly Sperry), through Charles Gardner, a vice-president, entered into a number of sham technical service agreements with a number of persons acting as consultants. By these agreements, Unisys appeared to be paying independent consultants for technical advice in connection with government contracting activities. In fact, however, the consultants allegedly engaged in additional activities at the direction of Gardner and other Unisys employees, including the making of political contributions. Thus, the consultants were allegedly contributing the corporation's money in their own names to the campaign committees.

Pursuant to 2 U.S.C. § 441b(a), it is unlawful for a corporation to make a contribution in connection with a federal election. Section 441c prohibits government contractors from contributing to political committees. Section 441f prohibits the making of a contribution in the name of another person.

In its response, Unisys does not deny that it made the

corporate contributions, but rather argues that for other reasons, the Commission should not proceed. Unisys asserts that the complaint does not charge Unisys Corporation as a respondent; rather, only Representative Dyson and his Committee treasurer Marion Fedas are specifically named. The complaint itself, along with the newspaper articles attached and incorporated by reference, however, clearly implicate Unisys as the source of a number of illegal contributions. Therefore, Unisys was properly notified as a respondent to the complaint.

93043502070  
Unisys also states in its response that the Double Jeopardy Clause of the 5th Amendment, as interpreted by the Supreme Court in United States v. Halper, 109 S. Ct. 1892, 104 L.Ed.2d 487 (1989), prevents the Commission from proceeding against the corporation. Halper involved the government incurring monetary losses through defendant's Medicare fraud. The defendant had paid a \$5,000 criminal fine and served a prison sentence under the criminal false claims statute, 18 U.S.C. § 287, and then faced a \$130,000 civil penalty in a civil suit brought by the government under the civil False Claims Act, 31 U.S.C. §§ 3729-3731. The Court announced:

We therefore hold that under the Double Jeopardy Clause a defendant who already has been punished in a criminal prosecution may not be subjected to an additional civil sanction to the extent that the second sanction may not be fairly characterized as remedial, but only as a deterrent or retribution.

....  
What we announce now is a rule for the rare case, the case such as the one before us, where a fixed-penalty provision subjects a prolific but small-gauge offender to a sanction overwhelmingly disproportionate to the damage he has caused.

109 S. Ct. at 1902; 104 L.Ed.2d at 502. Because Unisys is



negotiating to plead guilty to criminal charges that it violated the Act by making corporate contributions, it argues, a subsequent civil proceeding by the Commission against Unisys for the same actions would constitute a violation of the Double Jeopardy clause of the Fifth Amendment.

93043502071  
Unisys' Halper defense is hypothetical at this point because thus far no indictment has been issued against Unisys and Unisys has not yet pled guilty to any criminal violations of the Act. In addition, subsequent Commission proceedings against Unisys may not be disturbed under the Court's narrow "rule for the rare case," 109 S. Ct. at 1902, 104 L.Ed.2d at 502, because civil FECA penalties will not usually be disproportionate to the amount of money involved in a respondent's illegal activity. See 2 U.S.C. § 437g(a)(5) and (6)(penalty shall not exceed the greater of \$5,000 or an amount equal to any contribution or expenditure involved in such violation).<sup>1</sup> Finally, even if the Court's broader formulation applied to Commission civil prosecutions subsequent to a criminal conviction, Halper could not affect the Commission's investigatory powers at this early stage of a matter; until the full scope of illegal activities, as well as any criminal convictions, are known, no determination on the reach of Double Jeopardy Clause preclusion, if any, could be made. Therefore, Halper does not bar any Commission findings against Unisys.

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1. These subsections also state that for a knowing and willful violation, the penalty shall not exceed the greater of \$10,000 or an amount equal to twice any contribution or expenditure involved in such violation.

Finally, Unisys responds that equity and fairness dictate that Unisys not be penalized a second time for actions taken by employees without corporate knowledge and in violation of express corporate rules. Unisys Corporation, however, was the alleged source of funds for all the illegal contributions in a scheme orchestrated by its vice-president, Charles Gardner, and thus is implicated in serious violations of the Act.

Unisys' use of corporate money for contributions to federal election campaigns violates 2 U.S.C. § 441b(a). As a government contractor, Unisys is also forbidden to make campaign contributions under 2 U.S.C. § 441c. Corporate funds were apparently channeled through consultants in the guise of individual contributions to the campaign committees under the direction of Unisys employees. This channeling constitutes the making of contributions in the name of another person, which violates 2 U.S.C. § 441f.

Based on the allegations, there is reason to believe that Unisys knowingly and willfully violated 2 U.S.C. §§ 441b(a), 441c, and 441f.

93043502072



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

July 13, 1990

Jean Old  
1112 Gatewood Drive  
Alexandria, VA 22307

RE: MUR 2981  
Jean Old

Dear Mrs. Old:

On July 10, 1990, the Federal Election Commission found that there is reason to believe you violated 2 U.S.C. § 441f, 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 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.

93043502073

Mrs. Old  
Page 2

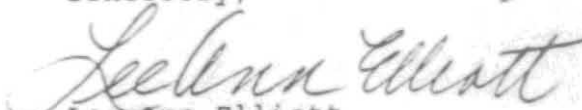
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This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

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 Mark Allen, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

  
Lee Ann Elliott  
Chairman

Enclosures

Factual and Legal Analysis  
Procedures  
Designation of Counsel Form

93043502074

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Jean Old

MUR 2981

In the ordinary course of carrying out its supervisory responsibilities, the Federal Election Commission has discovered that Jean Old may have violated the Federal Election Campaign Act of 1971, as amended ("the Act")

The Act provides that no person may knowingly permit his or her name to be used to effect a contribution made in the name of another. 2 U.S.C. § 441f.

Old is named in former Unisys Corporation marketing manager John Roberts' publicly-available guilty plea and accompanying materials as being reimbursed by Unisys for campaign contributions. The plea materials specify two reimbursed contributions, \$1,000 to People for Mrazek on September 30, 1986 and \$1,000 to the Congressman Bill Young Campaign Committee on November 3, 1986.

Based on the allegations in Roberts' plea materials, there is reason to believe that Jean Old violated 2 U.S.C. § 441f by knowingly allowing her name to be used to effect contributions made in fact with Unisys funds.

93043502075



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

July 13, 1990

Robert Old  
1112 Gatewood Drive  
Alexandria, VA 22307

RE: MUR 2981  
Robert Old

Dear Mr. Old:

On July 10, 1990, the Federal Election Commission found that there is reason to believe you violated 2 U.S.C. § 441f, 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 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.

93043502076



Mr. Old  
Page 2


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 Mark Allen, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

  
Lee Ann Elliott  
Chairman

Enclosures

Factual and Legal Analysis  
Procedures  
Designation of Counsel Form

93043502077

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Robert Old

MUR 2981

In the ordinary course of carrying out its supervisory responsibilities, the Federal Election Commission has discovered that Robert Old may have violated the Federal Election Campaign Act of 1971, as amended ("the Act")

The Act provides that no person may knowingly permit his or her name to be used to effect a contribution made in the name of another. 2 U.S.C. § 441f.

Old, a consultant to Unisys Corporation, is named in former Unisys Corporation marketing manager John Roberts' publicly-available guilty plea and accompanying materials as being reimbursed by Unisys for campaign contributions. The plea materials specify five reimbursed contributions:

<u>date of contribution</u>	<u>amount</u>	<u>recipient committee</u>
10-22-85	\$1,000	Bill Chappell Campaign Committee
8-29-86	\$1,000	Bill Chappell Campaign Committee
1-12-87	\$1,000	Bill Chappell Campaign Committee
9-22-87	\$1,000	Bill Chappell Campaign Committee
10-02-86	\$ 500	Norm Dicks for Congress Committee

Based on the allegations in Roberts' plea materials, there is reason to believe that Robert Old violated 2 U.S.C. § 441f by knowingly allowing his name to be used to effect contributions made in fact with Unisys funds.

93043502078





FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

July 13, 1990

Violet Lynch  
11100 Byrd Drive  
Fairfax, VA 22044

RE: MUR 2981  
Violet Lynch

Dear Mrs. Lynch:

On July 10, 1990, the Federal Election Commission found that there is reason to believe you violated 2 U.S.C. § 441f, 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 pursued. The Office of the General Counsel may recommend that

93043502079

Mrs. Lynch  
Page 2

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.

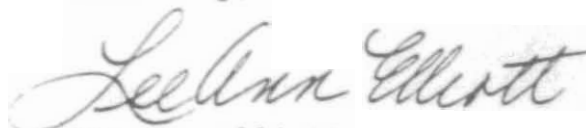
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This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

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 Mark Allen, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,



Lee Ann Elliott  
Chairman

Enclosures

Factual and Legal Analysis  
Procedures  
Designation of Counsel Form

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Violet Lynch

MUR 2981

In the ordinary course of carrying out its supervisory responsibilities, the Federal Election Commission has discovered that Violet Lynch may have violated the Federal Election Campaign Act of 1971, as amended ("the Act")

The Act provides that no person may knowingly permit his or her name to be used to effect a contribution made in the name of another. 2 U.S.C. § 441f

Lynch is named in former Unisys Corporation marketing manager John Roberts' publicly-available guilty plea and accompanying materials as being reimbursed by Unisys for her political contributions. Roberts' plea materials name ten recipient committees to which Unisys-reimbursed contributions were made:

Committee for Congressman Joseph P. Addabbo  
Bill Chappell Campaign Committee  
Friends of Senator D'Amato  
Norm Dicks for Congress Committee  
Dyson for Congress Committee  
Hefner for Congress Committee  
Keep McDade in Congress Committee  
People for Mrazek  
Murtha for Re-Election Committee  
Congressman Bill Young Campaign Committee

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Lynch reportedly made the following contributions:

<u>Recipient Committee</u>	<u>Date</u>	<u>Amount</u>
Addabbo	11-07-83	\$1000
	12-20-85	\$1000
Chappell	1-12-87	\$1000
	9-22-87	\$1000
D'Amato	8-26-85	\$500
Dyson	7-09-87	\$1000
Young	11-03-86	\$500

Based on the allegations in Roberts' plea materials, one or more of these contributions by Lynch was reimbursed. Thus, there is reason to believe that Violet Lynch violated 2 U.S.C. § 441f by knowingly allowing her name to be used to effect contribution(s) made in fact with Unisys funds.

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

July 13, 1990

James T. Kane  
2365 Milburn Avenue  
Baldwin, NY 11510

RE: MUR 2981  
James T. Kane

Dear Mr. Kane:

On July 10, 1990, the Federal Election Commission found that there is reason to believe you knowingly and willfully violated 2 U.S.C. § 441f, 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 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.

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James T. Kane  
Page 2

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.

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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 Mark Allen, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

  
Lee Ann Elliott  
Chairman

Enclosures

Factual and Legal Analysis  
Procedures  
Designation of Counsel Form

93043502084



FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: James T. Kane

MUR 2981

In the ordinary course of carrying out its supervisory responsibilities, the Federal Election Commission has discovered that James T. Kane may have violated the Federal Election Campaign Act of 1971, as amended ("the Act")

The Act provides that no person may make a contribution in the name of another person, and no person may knowingly permit their name to be used to effect such a contribution. 2 U.S.C. § 441f. Section 441f applies not only to persons who make contributions in the name of another, but also to those who assist in the making of such contributions. See FEC v. Rodriguez, No. 86-687 Civ-T-10(B) (M.D. Fla. May 5, 1987)(order denying summary judgment motion); 11 C.F.R. § 110.4(b)(1)(iii).

James T. Kane, former chairperson of Long Island Aerospace Political Action Committee (AEROPAC)(now known as Eastern Defense Political Action Committee), an unconnected political committee, is implicated as a participant in the forwarding of Unisys Corporation-reimbursed contributions to federal candidates during 1986-1988. Former Unisys Corporation marketing manager Dennis Mitchell stated in his publicly-filed guilty plea materials that Kane told Mitchell to obtain contributions from Unisys for Representatives Aspin and Roe to coincide with AEROPAC-sponsored luncheons that the Representatives would attend. In June, 1986 Unisys consultant Joseph S. Zuba II made out a check to the Friends of Les Aspin and gave it to Mitchell who gave it to

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AEROPAC. In June, 1987 Unisys consultant Joseph Hill made out a check to the Campaign Fund for Congressman Bob Roe and gave it to Mitchell who gave it to AEROPAC. These checks were later delivered to the campaigns. Mitchell's plea materials state that these contributions were both made with Unisys funds, and thus constitute illegal corporate contributions

Also according to Mitchell's plea materials, another Unisys contribution in Joseph Hill's name occurred when Kane contacted Mitchell "about money for campaign contributions that Unisys owed to 'Aeropac' for the Richard Ray for Congress Campaign Committee." Mitchell then instructed Joseph Hill to contribute to the Ray campaign. Hill wrote a check and gave it to Mitchell who gave it to AEROPAC. This contribution appears on the Richard Ray for Congress Committee's report as an individual contribution in May, 1988. Hill pled guilty to receiving reimbursement from Unisys for making this contribution.

The relationship between Kane and Unisys is not clear from Mitchell's plea materials, but it does appear that Kane knew of Unisys' illegal contribution scheme and participated therein. Therefore, there is reason to believe that James T. Kane knowingly and willfully violated 2 U.S.C. § 441f by knowingly assisting in the making of contributions in the names of others.

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

July 13, 1990

Samuel Ralph Preston  
6434 Woodville Drive  
Falls Church, VA 22044

RE: MUR 2981  
Samuel Ralph Preston

Dear Mr. Preston:

On July 10, 1990, the Federal Election Commission found that there is reason to believe you violated 2 U.S.C. § 441f, 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 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.

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Mr. Preston  
Page 2

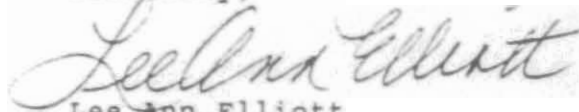
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For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Mark Allen, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,



Lee Ann Elliott  
Chairman

Enclosures

Factual and Legal Analysis  
Procedures  
Designation of Counsel Form

93043502088

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Samuel Ralph Preston

MUR 2981

In the ordinary course of carrying out its supervisory responsibilities, the Federal Election Commission has discovered that Samuel Ralph Preston may have violated the Federal Election Campaign Act of 1971, as amended ("the Act").

The Act provides that no person may knowingly permit his or her name to be used to effect a contribution made in the name of another. 2 U.S.C. § 441f.

Preston, a consultant to Unisys Corporation, is named in former Unisys Corporation marketing manager John Roberts' publicly-available guilty plea and accompanying materials as being reimbursed by Unisys for campaign contributions. The plea materials specify three reimbursed contributions:

<u>date of contribution</u>	<u>amount</u>	<u>recipient committee</u>
10-02-86	\$ 500	Norm Dicks for Congress Committee
9-30-86	\$1,000	People for Mrazek
11-03-86	\$1,000	Congressman Bill Young Campaign Committee

Based on the allegations in Roberts' plea materials, there is reason to believe that Samuel Ralph Preston violated 2 U.S.C. § 441f by knowingly allowing his name to be used to effect contributions made in fact with Unisys funds.

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

July 13, 1990

Maddie Preston  
6434 Woodville Drive  
Falls Church, VA 22044

RE: MUR 2981  
Maddie Preston

Dear Mrs. Preston:

On July 10, 1990, the Federal Election Commission found that there is reason to believe you violated 2 U.S.C. § 441f, 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 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.

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Mrs. Preston  
Page 2

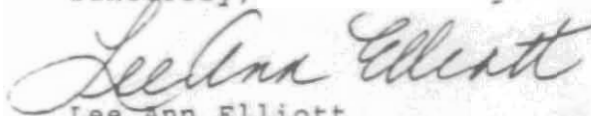
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If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other 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 Mark Allen, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,



Lee Ann Elliott  
Chairman

Enclosures

Factual and Legal Analysis  
Procedures  
Designation of Counsel Form

93043502091

FEDERAL ELECTION COMMISSION  
FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Maddie Preston

MUR 2981

In the ordinary course of carrying out its supervisory responsibilities, the Federal Election Commission has discovered that Maddie Preston may have violated the Federal Election Campaign Act of 1971, as amended ("the Act").

The Act provides that no person may knowingly permit his or her name to be used to effect a contribution made in the name of another. 2 U.S.C. § 441f.

Preston is named in former Unisys Corporation marketing manager John Roberts' publicly-available guilty plea and accompanying materials as being reimbursed by Unisys for her political contributions. Roberts' plea materials name ten recipient committees to which Unisys-reimbursed contributions were made:

Committee for Congressman Joseph P. Addabbo  
Bill Chappell Campaign Committee  
Friends of Senator D'Amato  
Norm Dicks for Congress Committee  
Dyson for Congress Committee  
Hefner for Congress Committee  
Keep McDade in Congress Committee  
People for Mrazek  
Murtha for Re-Election Committee  
Congressman Bill Young Campaign Committee

Preston reportedly made the following contributions:

<u>Recipient Committee</u>	<u>Date</u>	<u>Amount</u>
Addabbo	12-20-85	\$1000
	12-20-85	\$1000
Chappell	1-12-87	\$1000
Dyson	11-05-86	\$1000



Based on the allegations in Roberts' plea materials, one or more of these contributions by Preston was reimbursed. Thus, there is reason to believe that Maddie Preston violated 2 U.S.C. § 441f by knowingly allowing her name to be used to effect contribution(s) made in fact with Unisys funds.

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

July 13, 1990

Stanley M. Brand, Esquire  
Ross A. Nabatoff, Esquire  
Brand & Lowell  
923 15th Street, N.W.  
Washington, D.C. 20005

RE: MUR 2981  
Dyson for Congress Committee  
and Marion Fedas, as  
treasurer  
Representative Roy Dyson

Dear Messrs. Brand and Nabatoff:

On September 15, 1990, the Federal Election Commission notified your clients, Dyson for Congress Committee and Marion Fedas, as treasurer, and Representative Roy Dyson, 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 July 10, 1990, found that there is reason to believe that Dyson for Congress Committee and Marion Fedas, as treasurer violated 2 U.S.C. §§ 434(b)(3)(A), 441b(a), 441c, and 441f, provisions of the Act. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information. On the same date, the Commission decided to take no action regarding Representative Roy Dyson at this time.

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 within 15 days of receipt of this letter. Where appropriate, statements should be submitted under oath.

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Mr. Brand, Esq.  
Mr. Nabatoff, Esq.  
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 Mark Allen, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,



Lee Ann Elliott  
Chairman

Enclosure  
Factual & Legal Analysis

93043502095

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Dyson for Congress Committee and  
Marion R. Fedas, as treasurer

MUR 2981

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The Federal Election Commission ("Commission") received a complaint from Luis Luna on September 8, 1989. The complaint discussed the alleged violations of the Federal Election Campaign Act of 1971, as amended ("the Act"), by the Dyson for Congress Committee ("the Committee") in connection with a scheme where Unisys Corporation funneled corporate money through consultants to campaign committees. Named as a respondent is the Committee. The Commission received a response to the complaint on October 5, 1989.

The complaint focuses on the July, 1987 weekend in which Representative Dyson and an aide visited New York and collected approximately \$17,000 in Unisys Corporation-connected individual contributions and honoraria. The complaint asserts that at least four of these contributions were illegal, based on the Department of Justice's "Operation Ill Wind" investigation and the resulting guilty pleas.

The complaint alleges that Representative Dyson solicited campaign contributions from a federal contractor, Unisys Corporation, in violation of 2 U.S.C. § 441c. Second, it alleges that Representative Dyson and the Committee knowingly accepted a contribution made by one person in the name of another, in violation of 2 U.S.C. § 441f. Third, it alleges that Representative Dyson and the Committee knowingly accepted a

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contribution from a corporation, Unisys, in violation of 2 U.S.C. § 441b(a). Fourth, the complaint asserts that the Committee's treasurer failed to make best efforts to determine the legality of contributions that presented genuine questions as to whether they were made by Unisys, a corporation and federal contractor, and then failed to refund the contributions within 30 days thereafter in violation of 11 C.F.R. § 103.3(b)(1). Fifth, the treasurer is alleged to have failed to refund contributions made by Unisys, a corporation and federal contractor, within 30 days after discovering the illegality based on new evidence not available at the time of receipt and deposit, in violation of 11 C.F.R. § 103.3(b)(2).

Committee treasurer Fedas' response asserts that the allegation that Dyson solicited a contribution from a federal contractor is based on innuendo and that nothing in the complaint discloses any facts which substantiate the charge. The response also states that nothing in the complaint indicates that Representative Dyson knew that his Committee received illegal contributions. The response does not, however, directly state that the Committee did not know of the illegality. In addition, the response states that all the contributions were written on personal accounts and thus the Committee was not under any notice of illegality. Finally, the response states that treasurer Fedas returned the contributions of the five individuals whose guilty pleas were included in the complaint.

The Act provides that it is unlawful for a corporation to make a contribution in connection with a federal election.

2 U.S.C. § 441b(a). In addition, it is unlawful to knowingly accept such a contribution. Id. Section 441c prohibits government contractors from contributing to political committees and prohibits any person from knowingly soliciting such contributions. Section 441f prohibits persons from knowingly accepting contributions made in the name of another person.

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The Dyson Committee did receive a number of allegedly illegal contributions. According to the guilty pleas and accompanying materials included in the complaint, the July, 1987 Joseph Hill and Don Lynch contributions received by the Dyson Committee were reimbursed by Unisys. In addition, the accompanying materials to the publicly-filed guilty plea of respondent Unisys employee John Roberts III, concluded after the complaint was filed, names the Dyson Committee and other committees as the recipients of illegal contributions by Violet Lynch, Don Lynch, Maddie Preston, Samuel Ralph Preston, Jean Old, and Robert Old. All six of these individuals made contributions to the Dyson Committee. Therefore, some or all of their contributions to the Dyson Committee were illegal.

The Dyson Committee received several additional contributions which have not been specifically identified as Unisys-funded but which likely were. The Committee received contributions from respondents Joseph Hill,<sup>1</sup> Gerard Scarano, Charles Gardner, and Robert Littlefield, all but the last of whom have pled guilty in connection with the Unisys contribution scheme. The guilty pleas

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1. In addition to his above-noted July, 1987 contribution to the Dyson Committee for which he pled guilty.

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and accompanying materials of consultants Hill and Scarano state that these two individuals made other Unisys-related illegal contributions besides those for which they pled guilty. Unisys vice-president Gardner directed the illegal contribution scheme. Consultant Littlefield was named in Gardner's guilty plea and accompanying materials as making an illegal contribution to another committee. The involvement or alleged involvement of these individuals in the Unisys illegal contribution scheme suggests that some or all of their contributions to the Dyson Committee were reimbursed by Unisys. In summary, the Dyson Committee did receive a number of illegal contributions. The issue in this matter is whether there is reason to believe that the Committee may have "knowingly accept[ed]" or "knowingly ... solicit[ed]" the prohibited contributions. See 2 U.S.C. §§ 441b(a), 441c, 441f.

Commission regulations at 11 C.F.R. § 103.3(b) prescribe treatment of contributions of questionable legality. These regulations reflect the Commission's interpretation regarding circumstances in which committees are considered to have accepted prohibited contributions. A committee treasurer who fails to comply with the § 103.3(b)(1) requirement to make best efforts to determine the legality of contributions that present genuine questions as to whether they were made by a corporation that is a federal contractor in the name of individuals is thus violating 2 U.S.C. §§ 441b(a), 441c, and 441f, if the contributions were, in fact, illegal. If the contribution appears to be permissible at the time of receipt, the treasurer remains under the obligation to

refund the contribution if later evidence shows that it was illegal. 11 C.F.R. § 103.3(b)(2). This obligation implicitly includes the duty to inquire into the circumstances of an earlier contribution when the later evidence shows that the contribution was of questionable legality. If the treasurer fails to comply with the § 103.3(b)(2) requirement to refund contributions within 30 days of discovering their illegality, he or she has knowingly accepted an illegal contribution, pursuant to 2 U.S.C. §§ 441b(a), 441c, and 441f.

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The consideration of 11 C.F.R. § 103.3(b)(1) focuses on the circumstances at the time of the contributions. According to press accounts, Representative Dyson and his chief aide, the late Tom Pappas, flew to New York in a private plane chartered by Unisys in July, 1987.<sup>2</sup> Representative Dyson and Pappas visited Unisys' Long Island, New York facility, attended other events accompanied by Unisys marketing manager Dennis Mitchell, and stayed overnight in a Manhattan hotel. Chris Robinson, Representative Dyson's campaign manager, acknowledged that the expenses for all these activities were paid by Unisys. Representative Dyson received a \$2,000 honorarium from Unisys for

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2. The newspaper articles included in the complaint describe a close relationship between Representative Dyson and Unisys at the time of the July, 1987 contributions that are the subject of this matter. The July 16, 1988 Washington Post article recounted that Representative Dyson, a member of the Armed Services Committee, along with the late Representative Chappell, "repeatedly defeated efforts by the Navy to cancel a shipboard electronic system manufactured by Unisys." This system constituted a \$78 million contract for Unisys, according to the July 15, 1988 Baltimore Sun. In addition, a June 23, 1989 Post article noted that Unisys received a \$116 million dollar contract under similar circumstances in 1987.



his visit. No fundraising event took place during the visit; instead, it appears that during this trip, Pappas was handed fifteen \$1,000 individual contribution checks by Unisys marketing manager Dennis Mitchell. The addresses of most of these contributors, presumably on the face of the checks, ranged from Long Island, where the Unisys facility was located, to Washington, D.C. and Northern Virginia.<sup>3</sup> Representative Dyson returned to Washington in the Unisys-chartered plane. Pappas later delivered the checks to Committee treasurer Fedas.

Numerous factual questions remain regarding the circumstances under which the contributions were delivered. Nonetheless, it is possible that the corporation's presentation to a Dyson campaign aide during a corporation-sponsored trip of \$15,000 in contributions assertedly from employees and contractors whose residences ranged from New York to Virginia may have given cause for the Dyson Committee to inquire about the propriety of the

3. Although the contributors were connected with Unisys as employees, consultants, and spouses, and the contribution checks were presented to Tom Pappas by a Unisys official, the Dyson Committee failed to report the occupations and employers of eight of the fifteen contributors.

The Act requires political committees to report the identification of contributors whose contributions exceed \$200 within a calendar year. 2 U.S.C. § 434(b)(3)(A). "Identification" is defined at 2 U.S.C. § 431(13) as including the occupation and employer of an individual. A treasurer who uses "best efforts" to obtain such information is deemed to comply with the disclosure requirement. 2 U.S.C. § 432(i); 11 C.F.R. § 104.7(a). "Best effort" requires that the committee document at least one effort per solicitation to obtain the contributor's occupation and name of employer. 11 C.F.R. § 104.7(b). There is no indication that the Dyson Committee made any such attempt, and thus it appears that the Committee and its treasurer may have violated 2 U.S.C. § 434(b)(3)(A).

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contributions. The contribution checks were deposited by the Dyson Committee treasurer and were reported on the Committee's 1987 Year-End report, but apparently no attempt was made to inquire into Unisys' role in the making of the contributions.

The fact that all the contribution checks are written on personal accounts does not, as the Committee argues, automatically absolve a committee from its duty to determine the legality of contributions received. Such an interpretation of 11 C.F.R. § 103.3(b) would be unduly narrow. Even if a contribution check on its face appears legitimate, a committee might receive accompanying information indicating that the ostensible contributor was not the actual source of the funds. Thus, the regulations require that the legality of a contribution must be viewed in the context of the surrounding circumstances.

Even if the Committee did not have sufficient basis at the time of the July, 1987 contributions to trigger an obligation to inquire as to the legality of the contributions, the Committee did allegedly acquire sufficient information later to obligate it to inquire and to refund. See 11 C.F.R. § 103.3(b)(2). According to the July 16, 1988 Washington Post, Dyson's staff had then only recently discovered that Dyson held no fundraiser in connection with the July, 1987 contributions, contrary to the staff's assumption at the time.<sup>4</sup> The Post article and the July 15, 1988

4. In a July 1, 1988 Baltimore Sun article, Dyson's Administrative Assistant Katherine Tucker was reported as stating that Representative Dyson held a fundraiser in July, 1987 organized by Unisys employee Dennis Mitchell. Later, Tucker stated under oath that her statement had been misreported and that there had been no fundraiser.



Baltimore Sun noted that spokespersons for Representative Dyson stated that Unisys marketing manager Dennis Mitchell apparently collected the contribution checks and gave them to Representative Dyson's aide Tom Pappas. The Post article further recounted that "Dyson staff members said they have tried unsuccessfully to reach Mitchell to ask him about the money and that they remain unsure of his exact role in raising the funds." It appears, then, that at least by July, 1988 Representative Dyson's staffers themselves questioned the July, 1987 contributions. Apparently, however, no further inquiry was made to determine the propriety of the contributions and no action was taken.

In succeeding periods, additional evidence of the questionable legality of the contributions was acknowledged by Representative Dyson in the press. Press reports in late January and February, 1989 noted Joseph Hill's guilty plea in connection with illegal contributions to several committees including Dyson's, and Representative Dyson's statement that he would refund Hill's contribution. Within a month of the January articles, the Dyson Committee did refund Hill's contribution. A March 10, 1989 Baltimore Sun article noted Charles Gardner's guilty plea for steering illegal contributions to Representative Dyson. No specific contributions were noted. Gardner's plea materials, included in the complaint, explicitly identifies Don Lynch's contribution to the Dyson Committee as illegal. The Sun article reported Representative Dyson as stating that he would return the illegal contributions.

Notwithstanding the mounting evidence of impropriety and

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Representative Dyson's explicit reported promise to return illegal contributions, the Dyson Committee apparently made no further inquiry and no further refund of contributions. More than five months later, in an August 20, 1989 Baltimore Sun article, Luis Luna, the complainant, called on Representative Dyson to return the tainted contributions. A Dyson spokesman was quoted in the article that the Dyson staff was "reviewing the matter." On September 15, 1989, the Committee was notified of the complaint in this matter. Finally, according to the September 26, 1989 Washington Post and Baltimore Sun, Representative Dyson announced that he was returning \$18,000 in contributions from people with Unisys connections. The Dyson Committee's 1989 Year-End report confirms that on September 25, 1989 the Committee returned all of the July, 1987 contributions from Unisys-related individuals. It thus appears that only with the prospect of the Commission's enforcement process facing the Dyson Committee did it finally return the contributions.

Thus, from the July, 1987 illegal contributions to the Dyson Committee, a year passed before the Committee publicly questioned the contributions. One contribution was refunded in February, 1989, but the balance of the contributions were not reported as returned until September, 1989. Significant questions were raised at least by July, 1988, when intensive press scrutiny was directed at the circumstances surrounding the July, 1987 contributions, but the Committee made no serious inquiry, and the bulk of the contributions were not refunded until fourteen months later.

In sum, at the time of the July, 1987 contributions,

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questions may have been raised regarding their propriety. In any event, subsequent to the receipt of the contributions, the Committee questioned the contributions but did not act finally until long beyond the 30-day period set out in 11 C.F.R. § 103.3(b)(2). By failing to act, and thereby keeping the contributions, the Committee may have accepted prohibited contributions. On this basis, there is reason to believe that the Dyson Committee may have violated 2 U.S.C. §§ 441b(a), 441c, and 441f. There is also reason to believe that the Committee violated 2 U.S.C. § 434(b)(3)(A) by filing reports without contributors' occupations and employers listed. See footnote 3, supra.

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

July 13, 1990

Leonard N. Bebhick, Esquire  
1220 Nineteenth Street, N.W.  
Suite 700  
Washington, D.C. 20036

RE: MUR 2981  
Don Lynch

Dear Mr. Bebhick

On September 15, 1990, the Federal Election Commission notified your client, Don Lynch, 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 client at that time.

Upon further review of the allegations contained in the complaint, and information supplied by your client, the Commission, on July 10, 1990, found that there is reason to believe your client knowingly and willfully violated 2 U.S.C. § 441f, a provision of 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 your client. 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 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 your client, 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

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Mr. Bebachick, Esq.  
Page 2

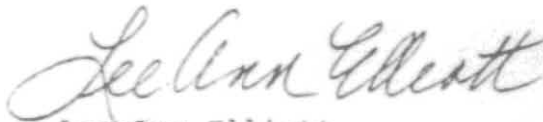
General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at 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 Mark Allen, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,



Lee Ann Elliott  
Chairman

Enclosure  
Factual & Legal Analysis

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Don Lynch

MUR 2981

The Federal Election Commission ("Commission") received a complaint from Luis Luna on September 8, 1989. The complaint discussed a scheme where Unisys Corporation funneled corporate money through consultants to campaign committees. Identified as a respondent is Don Lynch. The complaint alleges that Lynch, a consultant to Unisys Corporation, made a contribution to a federal candidate and was reimbursed by Unisys. The Commission received a response from Don Lynch on October 2, 1989.

Pursuant to 2 U.S.C. § 441f, no person may knowingly permit his or her name to be used to effect a contribution made in the name of another.

Lynch is named in Unisys vice-president Charles Gardner's Criminal Information, to which Gardner pled guilty, included in the complaint, as being reimbursed by Unisys for a \$1,000 contribution to the Dyson for Congress Committee Lynch made on July 9, 1987. Gardner's Criminal Information alleges that the funds for the contribution had been provided by Unisys to Lynch as part of his consulting fee with the understanding that this portion was to be used for a contribution.

The Commission also reviewed the publicly-filed guilty plea materials of Unisys employee John Roberts III. The Criminal Information to which Roberts pled guilty lists Lynch as an ostensible contributor of funds that were actually Unisys's. Roberts' Information also sets out the substantial role Lynch

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played in the illegal contribution scheme. According to the Information, Lynch was hired by Charles Gardner to perform legislative lobbying. Lynch, in turn, hired a number of individuals to assist him. At Gardner's direction, Lynch set up several companies to enter into technical service agreements with Sperry/Unisys. Lynch paid his consultants through one of these companies. John Roberts submitted invoices to Sperry/Unisys on behalf of Lynch and his companies indicating that they were to be paid for reports derived from or reflecting technical services. These invoices were fraudulent in that the real reason Don Lynch was compensated was for his lobbying activities and to supply funds to be used for individual campaign contributions.

In his response, Lynch asserts that the complaint does not charge him as a respondent; rather, only Representative Dyson and his Committee treasurer Marion Fedas are specifically named. Charles Gardner's Criminal Information, attached and incorporated by reference, however, implicates Lynch as a participant in the illegal contribution scheme. Therefore, Lynch was properly notified as a respondent to the complaint.

Lynch also asserts in his response that the Gardner Information included in the complaint only refers to him as writing a check to the Dyson campaign committee and leaving the date blank, and thus no illegal action is alleged. Lynch also specifies that he did not violate the Act in making this contribution.

Lynch's broad denial is specifically contradicted by the statements in the Criminal Informations of Unisys employees

Charles Gardner and John Roberts.

In view of the evidence provided in the pleas, there is reason to believe that Don Lynch knowingly and willfully violated 2 U.S.C. § 441f.

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

July 13, 1990

James A. Bensfield, Esquire  
Miller & Chevalier  
Metropolitan Square  
655 Fifteenth Street, N.W.  
Suite 900  
Washington, D.C. 20005

RE: MUR 2981  
Robert Barrett

Dear Mr. Bensfield:

On September 15, 1989, the Federal Election Commission notified your client, Robert Barrett, 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 client at that time.

Upon further review of the allegations contained in the complaint, and information supplied by your client, the Commission, on July 10, 1990, found that there is reason to believe your client knowingly and willfully violated 2 U.S.C. § 441f, a provision of 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 your client. 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 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 your client, 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

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Mr. Bensfield, Esq.  
Page 2

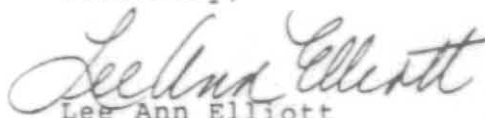
General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at 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 Mark Allen, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

  
Lee Ann Elliott  
Chairman

Enclosure  
Factual & Legal Analysis

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Robert Barrett

MUR 2981

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The Federal Election Commission ("Commission") received a complaint from Luis Luna on September 8, 1989. The complaint discussed a scheme where Unisys Corporation funneled corporate money through consultants to campaign committees. Identified as a respondent is Robert Barrett. The Commission received a response from Robert Barrett on October 4, 1989. Barrett, a Unisys Corporation Senior Field Engineer, was named in Unisys vice-president Charles Gardner's publicly-available guilty plea attached to the complaint. According to Gardner's plea materials, Barrett, upon instruction from Gardner, contacted consultants to Unisys for the purpose of obtaining contributions to federal candidates. The consultants were allegedly reimbursed by Unisys for their contributions. These consultants were Robert Littlefield, Don Lynch (through intermediary Unisys employee John Roberts), Gerard Scarano, and Joseph Zuba. Barrett included his own guilty plea in his response to the complaint. His own plea materials note his role in the reimbursement of only the Littlefield and Scarano contributions.

In his response, Barrett states that he has already pled guilty to felony charges in connection with his participation in the illegal contribution scheme. He notes his substantial cooperation with the Ill Wind investigation and his willingness to cooperate with the Commission. In addition, he emphasizes that he currently faces severe financial and health problems.

Pursuant to 2 U.S.C. § 441f, no person may make a contribution in the name of another person, and no person may knowingly permit their name to be used to effect such a contribution. Section 441f applies not only to persons who make contributions in the name of another, but also to those who assist in the making of such contributions. See FEC v. Rodriguez, No. 86-687 Civ-T-10(B) (M.D. Fla. May 5, 1987)(order denying summary judgment motion); 11 C.F.R. § 110.4(b)(1)(iii)

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According to the plea materials, Barrett played two distinct roles in the reimbursement scheme. His own plea notes that on orders from another Unisys employee, he instructed persons to make contributions; he collected the checks and delivered them to another Unisys employee. In addition, according to Unisys employee John Roberts' publicly-available guilty plea, Barrett was involved in processing paperwork purportedly for technical service agreements with the consultants but in fact for campaign contributions. This paperwork included purchase requisitions, purchase orders, statements of work, and sole source justifications. Barrett was apparently acting under orders from Roberts. The Gardner, Barrett and Roberts plea materials thus describe Barrett's alleged role as a middleman in the Unisys contribution scheme.

As an active participant in the illegal contribution scheme described above, Robert Barrett assisted in the making of contributions by one person in the name of another, and so there

is reason to believe that he knowingly and willfully violated  
2 U.S.C. § 441f.

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

July 13, 1990

Mary Schumacher, Treasurer  
Friends of Congressman Hochbrueckner  
P.O. Box 426  
Coram, NY 11727

RE: MUR 2981

Dear Ms. Schumacher:

On July 10, 1990, the Federal Election Commission found reason to believe that the Friends of Congressman Hochbrueckner ("Committee") and you, as treasurer, violated 2 U.S.C. §§ 441b(a), 441c, and 441f, provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to the Committee and you, as treasurer. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that failing to return a contribution within 30 days of discovering that it is illegal constitutes acceptance of the prohibited contribution. You should take immediate steps to insure that this activity does not occur in the future.

The file will be made part of the public record within 30 days after this matter has been closed with respect to all other respondents involved. Should you wish to submit any materials to appear on the public record, please do so within ten days of your receipt of this letter. Please send such materials to the General Counsel's Office.

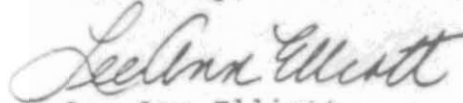
The confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed. In the event you wish to waive confidentiality under 2 U.S.C. § 437g(a)(12)(A), written notice of the waiver must be submitted to the Commission. Receipt of the waiver will be acknowledged in writing by the Commission.

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Mary Schumacher  
Page 2

If you have any questions, please contact Mark Allen, the staff member assigned to this matter, at (202) 376-5690.

Sincerely,



Lee Ann Elliott  
Chairman

Enclosure  
Factual and Legal Analysis

cc: Representative Hochbrueckner

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Friends of Congressman Hochbrueckner MUR 2981  
and Mary M. Schumacher, as treasurer

The Federal Election Commission ("Commission") received a complaint from Luis Luna on September 8, 1989. The complaint discussed a scheme where Unisys Corporation funneled corporate money through consultants to campaign committees. Identified as a respondent is the Friends of Congressman Hochbrueckner and Mary M. Schumacher, as treasurer ("the Committee"). The Commission received a response from the Committee on October 3, 1989.

The Act provides that it is unlawful for a corporation to make a contribution in connection with a federal election. 2 U.S.C. § 441b(a). In addition, it is unlawful to knowingly accept such a contribution. Id. Section 441c prohibits government contractors from contributing to political committees and prohibits any person from knowingly soliciting such contributions. Section 441f prohibits persons from knowingly accepting contributions made in the name of another person.

Commission regulations at 11 C.F.R. § 103.3(b) prescribe treatment of contributions of questionable legality. These regulations reflect the Commission's interpretation regarding circumstances in which committees are considered to have accepted prohibited contributions. A committee treasurer who fails to comply with the § 103.3(b)(1) requirement to make best efforts to determine the legality of contributions that present genuine questions as to whether they were made by a corporation that is a

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federal contractor in the name of individuals is thus violating 2 U.S.C. §§ 441b(a), 441c, and 441f, if the contributions were, in fact, illegal. If the contribution appears to be permissible at the time of receipt, the treasurer remains under the obligation to refund the contribution if later evidence shows that it was illegal. 11 C.F.R. § 103.3(b)(2). This obligation implicitly includes the duty to inquire into the circumstances of an earlier contribution when the later evidence shows that the contribution was of questionable legality. If the treasurer fails to comply with the § 103.3(b)(2) requirement to refund contributions within 30 days of discovering their illegality, he or she has knowingly accepted an illegal contribution, pursuant to 2 U.S.C. §§ 441b(a), 441c, and 441f.

On June 29, 1987, the Friends of Congressman Hochbrueckner Committee received a \$500 contribution from one Joseph Zuba that is identified as illegal in Unisys consultant Zuba's guilty plea materials included in the complaint. The Hochbrueckner Committee's response stated that Representative Hochbrueckner was aware of a July 18, 1989 Long Island Newsday article naming a "Joseph Zuber" as a contributor to Hochbrueckner's campaign who pled guilty to a criminal violation of the Federal Election Campaign Act of 1971, as amended ("the Act"). Shortly thereafter, Rep. Hochbrueckner wrote to Henry Hudson, the U.S. Attorney in charge of the investigation which led to Zuba's guilty plea, to ascertain whether any contributions to his campaign were illegal. (The name "Zuber" did not show up on the committee's contribution list). Shortly thereafter, Hudson replied in writing that Joseph

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Zuba had pled guilty to making an illegal contribution to Hochbrueckner's Committee; the Newsday article had misspelled his name and had not specified this connection. Hudson also noted that one Joseph Hill contributed \$1,000 to Hochbrueckner's Committee on June 30, 1987 and had pled guilty to violations of the Act for illegal contributions to other campaign committees.<sup>1</sup>

Because of the August congressional recess, Representative Hochbrueckner states, he did not read Hudson's letter, dated August 2, until early September. Upon reading the letter, Representative Hochbrueckner began to search for a charity to which to donate an amount equal to the Hill and Zuba contributions. After receiving notification of MUR 2981, the Hochbrueckner committee asked the Democratic National Committee what would be the proper method of returning illegal contributions. On September 25, the committee sent a check to Unisys corporation, the actual source of the funds, to cover both the Zuba and the Hill contributions.

The Hochbrueckner Committee did not return Zuba's illegal contribution within 30 days of the Newsday article. This article though, misspelled Zuba's name, and so did not provide accurate information regarding the Zuba contribution. The candidate did take action in response to the article, writing to the United States Attorney. Hudson's August 2 letter in response provided clear notice to the Committee of the doubtful legality of both the Zuba and Hill contributions. Because these two contributions were

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1. Hochbrueckner's Committee included Hudson's letter in their response to the complaint.

not returned until September 25, well beyond the 30 day limit, the Commission found reason to believe that the Friends of Congressman Hochbrueckner Committee and Mary M. Schumacher, as treasurer, violated 2 U.S.C. §§ 441b(a), 441c, and 441f. Under the circumstances of Representative Hochbrueckner's timely initial action on the matter, however, and the fact that the committee has since that time refunded Zuba's illegal contribution, the Commission has determined to take no further action against the Committee.

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

July 13, 1990

Lloyd Lancaster, Treasurer  
Dickinson Second District Congressional Committee  
P.O. Box 4539  
Montgomery, AL 36103

RE: MUR 2981

Dear Mr. Lancaster:

On July 10, 1990, the Federal Election Commission found reason to believe that the Dickinson Second District Congressional Committee ("Committee") and you, as treasurer, violated 2 U.S.C. §§ 441b(a), 441c, and 441f, provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to the Committee and you, as treasurer. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that upon discovery that a contribution you received was made in the name of another, the contribution must be refunded to the actual contributor, in this case Unisys Corporation. Failure to do so constitutes acceptance of a prohibited contribution. You should take immediate steps to insure that this activity does not occur in the future.

The file will be made part of the public record within 30 days after this matter has been closed with respect to all other respondents involved. Should you wish to submit any materials to appear on the public record, please do so within ten days of your receipt of this letter. Please send such materials to the General Counsel's Office.

The confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed. In the event you wish to waive confidentiality under 2 U.S.C. § 437g(a)(12)(A), written notice of the waiver must be submitted to the Commission. Receipt of the waiver will be acknowledged in writing by the Commission.

93043502122

Lloyd Lancaster  
Page 2

If you have any questions, please contact Mark Allen, the staff member assigned to this matter, at (202) 376-5690.

Sincerely,



Lee Ann Elliott  
Chairman

Enclosure  
Factual and Legal Analysis

cc: Representative Dickinson

93043502123

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Dickinson Second District                      MUR 2981  
                 Congressional Committee and  
                 Lloyd Lancaster, as treasurer

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The Federal Election Commission ("Commission") received a complaint from Luis Luna on September 8, 1989. The complaint discussed a scheme where Unisys Corporation funneled corporate money through consultants to campaign committees. Identified as a respondent is the Dickinson Second District Congressional Committee and Lloyd Lancaster, as treasurer ("the Committee"). The Commission received a response from the Committee on September 27, 1989.

Pursuant to 2 U.S.C. § 441b(a), it is unlawful for a corporation to make a contribution in connection with a federal election. In addition, it is unlawful to knowingly accept such a contribution. Id. Section 441c prohibits government contractors from contributing to political committees and prohibits any person from knowingly soliciting such contributions. Section 441f prohibits persons from knowingly accepting contributions made in the name of another person.

Commission regulations at 11 C.F.R. § 103.3(b) prescribe treatment of contributions of questionable legality. These regulations reflect the Commission's interpretation regarding circumstances in which committees are considered to have accepted prohibited contributions. A committee treasurer who fails to comply with the § 103.3(b)(1) requirement to make best efforts to

determine the legality of contributions that present genuine questions as to whether they were made by a corporation that is a federal contractor in the name of individuals is thus violating 2 U.S.C. §§ 441b(a), 441c, and 441f, if the contributions were, in fact, illegal. If the contribution appears to be permissible at the time of receipt, the treasurer remains under the obligation to refund the contribution if later evidence shows that it was illegal. 11 C.F.R. § 103.3(b)(2). This obligation implicitly includes the duty to inquire into the circumstances of an earlier contribution when the later evidence shows that the contribution was of questionable legality. If the treasurer fails to comply with the § 103.3(b)(2) requirement to refund contributions within 30 days of discovering their illegality, he or she has knowingly accepted an illegal contribution, pursuant to 2 U.S.C. §§ 441b(a), 441c, and 441f.

The Committee received a \$1,000 contribution from Joseph Hill on October 5, 1987 that is identified as illegal in Unisys consultant Joseph Hill's guilty plea materials included in the complaint.

Within 30 days after the late January, 1989 press reports of Hill's guilty plea, the Dickinson Committee donated a sum equal to Joseph Hill's contribution to charity. While this action does not conform with 11 C.F.R. § 103.3(b)(2), which states that an illegal contribution will be returned to the contributor, (and as clarified by the Commission's Advisory Opinion 1989-5, "contributor" means the actual source of the money), the Committee did divest itself of the illegal contribution in a timely manner.

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Thus, the Commission found reason to believe that the Dickinson Committee violated 2 U.S.C. §§ 441b(a), 441c, and 441f, but under the circumstances determined to take no further action against the Committee.

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

July 13, 1990

Stanley Wolin, Treasurer  
Eastern Defense Political Action  
Committee (fka Long Island Aerospace  
PAC FED)  
28 New York Avenue  
Westbury, NY 11590

RE: MUR 2981  
Eastern Defense Political  
Action Committee and  
Stanley Wolin, as treasurer

Dear Mr. Wolin:

On July 10, 1990, the Federal Election Commission found that there is reason to believe Eastern Defense Political Action Committee ("Committee") and you, as treasurer, knowingly and willfully violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against the Committee and you, as treasurer. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office 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

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Mr. Wolin  
Page 2

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

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

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

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 Mark Allen, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

  
Lee Ann Elliott  
Chairman

Enclosures  
Factual and Legal Analysis  
Procedures  
Designation of Counsel Form

93043502128

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: Eastern Defense Political Action Committee (f/k/a Long Island Aerospace Political Action Committee (AEROPAC)) and Stanley Wolin, as treasurer MUR 2981

In the ordinary course of carrying out its supervisory responsibilities, the Federal Election Commission has discovered that the Eastern Defense Political Action Committee (f/k/a Long Island Aerospace Political Action Committee (AEROPAC)) and Stanley Wolin, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended ("the Act").<sup>1</sup>

The Act provides that no person may make a contribution in the name of another person, and no person may knowingly permit their name to be used to effect such a contribution. 2 U.S.C. § 441f. Section 441f applies not only to persons who make contributions in the name of another, but also to those who assist in the making of such contributions. See FEC v. Rodriguez, No. 86-687 Civ-T-10(B) (M.D. Fla. May 5, 1987)(order denying summary judgment motion); 11 C.F.R. § 110.4(b)(1)(iii).

AEROPAC, an unconnected political committee, is implicated as a participant in the forwarding of Unisys Corporation-reimbursed contributions to federal candidates during 1986-1988. Former Unisys Corporation marketing manager Dennis Mitchell stated in his publicly-available guilty plea materials that AEROPAC chairperson

1. AEROPAC announced its name change in a statement of organization filed with the Commission May 15, 1989. Its current chairperson is Fred Korb.

James T. Kane told Mitchell to obtain contributions from Unisys for Representatives Aspin and Roe to coincide with AEROPAC-sponsored luncheons that the Representatives would attend. In June, 1986 Unisys consultant Joseph S. Zuba II made out a check to the Friends of Les Aspin and gave it to Mitchell who gave it to AEROPAC. In June, 1987 Unisys consultant Joseph Hill made out a check to the Campaign Fund for Congressman Bob Roe and gave it to Mitchell who gave it to AEROPAC. These checks were later delivered to the campaigns. Mitchell's plea materials state that these contributions were both made with Unisys funds, and thus constitute illegal corporate contributions.

Also according to Mitchell's plea materials, another Unisys contribution in Joseph Hill's name occurred when Kane contacted Mitchell "about money for campaign contributions that Unisys owed to 'Aeropac' for the Richard Ray for Congress Campaign Committee." Mitchell then instructed Joseph Hill to contribute to the Ray campaign. Hill wrote a check and gave it to Mitchell who gave it to AEROPAC. This contribution appears on the Richard Ray for Congress Committee's report as an individual contribution in May, 1988. Hill pled guilty to receiving reimbursement from Unisys for making this contribution.

The relationship between AEROPAC and Unisys is not clear from Mitchell's plea, but it does appear that AEROPAC knew of Unisys' illegal contribution scheme and participated therein. Therefore, there is reason to believe that Eastern Defense Political Action Committee (f/k/a AEROPAC) and Stanley Wolin, as treasurer,

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knowingly and willfully violated 2 U.S.C. § 441f by knowingly assisting in the making of contributions in the names of others.

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

July 13, 1990

Paul J. Killion, Esquire  
Killion & Metz  
122 Market Street  
Suite 600  
Harrisburg, PA 17101

RE: MUR 2981  
Joseph Zuba

Dear Mr. Killion:

On September 15, 1989, the Federal Election Commission notified your client, Joseph Zuba, 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 client at that time.

Upon further review of the allegations contained in the complaint, and information supplied by your client, the Commission, on July 10, 1990, found that there is reason to believe your client knowingly and willfully violated 2 U.S.C. § 441f, a provision of 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 your client. 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 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 your client, 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

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Mr. Killion, Esq.  
Page 2

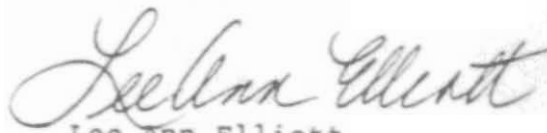
General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at 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 Mark Allen, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,



Lee Ann Elliott  
Chairman

Enclosure  
Factual & Legal Analysis

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Joseph Zuba

MUR 2981

The Federal Election Commission ("Commission") received a complaint from Luis Luna on September 8, 1989. The complaint discussed a scheme where Unisys Corporation funneled corporate money through consultants to campaign committees. Identified as a respondent is Joseph Zuba. The complaint alleges that Zuba, a consultant to Unisys Corporation, made contributions to federal candidates and was reimbursed by Unisys. The Commission received a response from Joseph Zuba on October 5, 1989.

Pursuant to 2 U.S.C. § 441f, no person may knowingly permit his or her name to be used to effect a contribution made in the name of another.

In his response to the complaint, Zuba asserts that the complaint does not name him as a respondent. Zuba's guilty plea materials, attached and incorporated by reference, however, clearly implicate Zuba as a participant in the illegal contribution scheme. Therefore, Zuba was properly notified as a respondent to the complaint. In addition, Zuba stated that he has already pled guilty to criminal charges for their involvement in the illegal contribution scheme, and therefore the Commission should not pursue him.

Zuba has pled guilty to criminal charges for his participation in the campaign contribution scheme. Zuba specifically pled guilty to knowingly letting his name be used to effect contributions with money that really belonged to Unisys.

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The specific contributions described in his plea materials are set out below.

<u>date of contribution</u>	<u>amount</u>	<u>recipient committee</u>
11-03-86	\$500	Congressman Bill Young Campaign Committee
6-29-87	\$500	Friends of Congressman Hochbrueckner
9-22-87	\$1,000	Bill Chappell Campaign Committee

Zuba's plea materials state that he was "asked by representatives of Sperry/Unisys to make numerous contributions in his name." Zuba's plea states that he "knowingly and willingly made these contributions to political committees." Therefore, the language used clearly implies that Zuba may have made illegal contributions to other committees besides the one for which he pled guilty. There is reason to believe that Joseph Zuba knowingly and willfully violated 2 U.S.C. § 441f.

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

July 13, 1990

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Dennis Mitchell  
4 Silver Beech Court  
Poquott, NY 11733

RE: MUR 2981  
Dennis Mitchell

Dear Mr. Mitchell:

On September 15, 1989, the Federal Election Commission notified you 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 you at that time.

Upon further review of the allegations contained in the complaint, the Commission, on July 10, 1990, found that there is reason to believe you knowingly and willfully violated 2 U.S.C. § 441f, a provision of 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 15 days of 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

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Mr. Mitchell  
Page 2

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

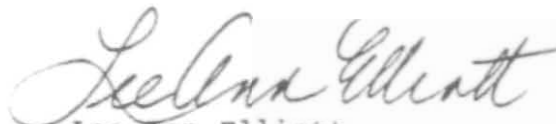
Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

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

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 Mark Allen, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

  
Lee Ann Elliott  
Chairman

Enclosures  
Designation of Counsel Form  
Procedures  
Factual & Legal Analysis

93043502137

FEDERAL ELECTION COMMISSION  
FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Dennis Mitchell

MUR 2981

The Federal Election Commission ("Commission") received a complaint from Luis Luna on September 8, 1989. The complaint discussed a scheme where Unisys Corporation funneled corporate money through consultants to campaign committees. Identified as a respondent is Dennis Mitchell. Mitchell, a Unisys Corporation marketing manager, is named in Unisys consultant Joseph Hill's publicly-available guilty plea in the complaint as having asked Hill to contribute to the campaign committees of Representatives Dyson, Dickinson, and Ray, and Senator Sasser. These contributions were allegedly made with Unisys money.

Pursuant to 2 U.S.C. § 441f, no person may make a contribution in the name of another person, and no person may knowingly permit their name to be used to effect such a contribution. Section 441f applies not only to persons who make contributions in the name of another, but also to those who assist in the making of such contributions. See FEC v. Rodriguez, No. 86-687 Civ-T-10(B) (M.D. Fla. May 5, 1987)(order denying summary judgment motion); 11 C.F.R. § 110.4(b)(1)(iii).

The Commission has not received a response from Mitchell, but the Commission has obtained his publicly-available guilty plea. Mitchell pled guilty for arranging \$4,000 worth of illegal contributions and was sentenced on October 20, 1989. In his plea materials, Mitchell states that he helped arrange illegal contributions both at the request of Unisys vice-president Charles

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Gardner and at the request of Long Island Aerospace Political Action Committee (Aeropac) chairperson James T. Kane. Mitchell's plea materials include his involvement in a Joseph Hill contribution to the Ray committee that was noted in Hill's plea, as well as in a Hill contribution to the Campaign Fund for Congressman Bob Roe that was not included in Hill's plea. In addition, Mitchell pled guilty to requesting contributions from Joseph Zuba II to the Aspin committee and from John Roberts to the Badham committee. As with the above-noted contributions specified in Hill's plea, these contributions were allegedly made with Unisys money. Mitchell is also named in Unisys employee John Roberts' publicly-available guilty plea materials as facilitating Unisys contribution reimbursements to consultants in the guise of technical service agreements.

As an active participant in the illegal contribution scheme described above, Dennis Mitchell assisted in the making of contributions by one person in the name of another, and so there is reason to believe that he knowingly and willfully violated 2 U.S.C. § 441f.





FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

July 13, 1990

Scott Godshall, Esquire  
Stephen H. Sachs, Esquire  
Wilmer, Cutler & Pickering  
2445 M Street, N.W.  
Washington, D.C. 20037

RE: MUR 2981  
Gerard Scarano

Dear Messrs. Godshall and Sachs:

On September 15, 1989, the Federal Election Commission notified your client, Gerard Scarano, 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 client at that time.

Upon further review of the allegations contained in the complaint, and information supplied by your client, the Commission, on July 10, 1990, found that there is reason to believe your client knowingly and willfully violated 2 U.S.C. § 441f, a provision of 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 your client. 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 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 your client, 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

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Mr. Godshall, Esq.  
Mr. Sachs, Esq.  
Page 2

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 Mark Allen, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,



Lee Ann Elliott  
Chairman

Enclosure  
Factual & Legal Analysis

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FEDERAL ELECTION COMMISSION  
FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Gerard Scarano

MUR 2981

The Federal Election Commission ("Commission") received a complaint from Luis Luna on September 8, 1989. The complaint discussed a scheme where Unisys Corporation funneled corporate money through consultants to campaign committees. Identified as a respondent is Gerard Scarano. The complaint alleges that Scarano, a consultant to Unisys Corporation, made a contribution to a federal candidate and was reimbursed by Unisys. The Commission received a response from Gerard Scarano on October 5, 1989.

Pursuant to 2 U.S.C. § 441f, no person may knowingly permit his or her name to be used to effect a contribution made in the name of another

In his response, Scarano stated that he has already pled guilty to criminal charges for his involvement in the illegal contribution scheme, and therefore the Commission should not pursue him.

Scarano pled guilty to 18 U.S.C. § 1001 for aiding and abetting the making of false statements to the government for his role in making a \$1,000 contribution to the Bill Chappell Campaign Committee on September 22, 1987 that was reimbursed by Unisys. According to Unisys employee Robert Barrett's publicly-available guilty plea materials, Scarano made another reimbursed contribution to the Chappell Committee on January 12, 1987.

Scarano's guilty plea materials state that he was "asked by representatives of Sperry/Unisys to make numerous contributions in

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his name." Scarano's plea states that he "knowingly and willingly made these contributions to political committees." Therefore, the language used clearly implies that Scarano may have made illegal contributions to other committees besides the one for which he pled guilty. There is reason to believe that Gerard Scarano knowingly and willfully violated 2 U.S.C. § 441f.

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

July 13, 1990

Michael J. Dell, Esquire  
Kramer, Levin, Nessen, Kamin & Frankel  
919 Third Avenue  
New York, N.Y. 10022

RE: MUR 2981  
Charles Gardner

Dear Mr. Dell:

On September 15, 1989, the Federal Election Commission notified your client, Charles Gardner, 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 client at that time.

Upon further review of the allegations contained in the complaint, and information supplied by your client, the Commission, on July 10, 1990, found that there is reason to believe your client knowingly and willfully violated 2 U.S.C. §§ 441b(a) and 441f, provisions of 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 your client. 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 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 your client, 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

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Mr. Dell, Esq.  
Page 2

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 Mark Allen, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,



Lee Ann Elliott  
Chairman

Enclosure  
Factual & Legal Analysis

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FEDERAL ELECTION COMMISSION  
FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Charles Gardner

MUR 2981

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The Federal Election Commission ("Commission") received a complaint from Luis Luna on September 8, 1989. The complaint discussed a scheme where Unisys Corporation funneled corporate money through consultants to campaign committees. Identified as a respondent is Charles Gardner. The Commission received a response from Charles Gardner on October 2, 1989. Respondent Gardner is a former Unisys Corporation vice president. Gardner allegedly directed the Unisys campaign contribution scheme, instructing other corporate employees to tell consultants to Unisys to contribute to certain candidates with monies that Unisys provided them as part of their consulting fees. It is alleged that these portions of the fees were understood by the consultants and the employees to be used for contributions. The complaint includes Gardner's guilty plea for violation of 18 U.S.C. § 1001 for causing false statements to be made by recipient campaign committees to the Commission. His role is also described in the publicly-available guilty pleas of Unisys employees Robert Barrett, Dennis Mitchell and John Roberts III.

Pursuant to 2 U.S.C. § 441b(a), no corporation may make a contribution in connection with a federal election. Also, no corporation officer may consent to such a prohibited contribution. Pursuant to 2 U.S.C. § 441f, no person may make a contribution in the name of another person, and no person may knowingly permit their name to be used to effect such a contribution. In addition,



§ 441f applies not only to persons who make contributions in the name of another, but also to those who assist in the making of such contributions. See FEC v. Rodriguez, No. 86-687 Civ-T-10(B) (M.D. Fla. May 5, 1987)(order denying summary judgment motion); 11 C.F.R. § 110.4(b)(1)(iii).

In his response, Gardner asserts that the complaint does not charge him as a respondent; rather, only Representative Dyson and his Committee treasurer Marion Fedas are specifically named. The newspaper articles and the guilty pleas, including Gardner's, attached and incorporated by reference, however, clearly implicate Gardner as a central participant in the illegal contribution scheme. Therefore, Gardner was properly notified as a respondent to the complaint. In addition, Gardner does not dispute his liability, but rather emphasizes that he has already been prosecuted for his illegal actions. He also notes his extensive cooperation in the Ill Wind investigation. As the director of the reimbursement scheme, however, Gardner certainly consented to illegal corporate contributions and assisted in the operation of this scheme, and so there is reason to believe that he knowingly and willfully violated 2 U.S.C. §§ 441b(a) and 441f.

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

July 13, 1990

Sanford M. Saunders, Jr., Esquire  
Akin, Gump, Strauss, Hauer & Feld  
1333 New Hampshire Avenue, N.W.  
Suite 400  
Washington, D.C. 20036

RE: MUR 2981  
John Roberts III

Dear Mr. Saunders:

On September 15, 1989, the Federal Election Commission notified your client, John Roberts III, 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 client at that time.

Upon further review of the allegations contained in the complaint, and information supplied by your client, John Roberts, the Commission, on July 10, 1990, found that there is reason to believe your client knowingly and willfully violated 2 U.S.C. § 441f, a provision of 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 your client. 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 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 your client, 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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Mr. Saunders, Esq.  
Page 2

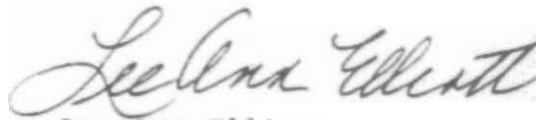
pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause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

If you have any questions, please contact Mark Allen, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,



Lee Ann Elliott  
Chairman

Enclosure  
Factual & Legal Analysis

93043502149

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: John Roberts III

MUR 2981

93043502150

The Federal Election Commission ("Commission") received a complaint from Luis Luna on September 8, 1989. The complaint discussed a scheme where Unisys Corporation funneled corporate money through consultants to campaign committees. Identified as a respondent is John Roberts III. The Commission received a response from Roberts on October 2, 1989. Roberts, a Unisys Corporation marketing manager, is named in Unisys vice-president Charles Gardner's publicly-available guilty plea materials in the complaint as taking instruction from Unisys employee Robert Barrett to obtain a contribution for the Dyson for Congress Committee and that such contribution was obtained from consultant Don Lynch.<sup>1</sup> Lynch delivered the check to Barrett. Gardner's plea alleges that this contribution was made with Unisys funds.

Pursuant to 2 U.S.C. § 441f, no person may make a contribution in the name of another person, and no person may knowingly permit their name to be used to effect such a contribution. Section 441f applies not only to persons who make contributions in the name of another, but also to those who assist in the making of such contributions. See FEC v. Rodriguez, No. 86-687 Civ-T-10(B) (M.D. Fla. May 5, 1987)(order denying summary judgment motion); 11 C.F.R. § 110.4(b)(1)(iii).

1. Gardner's plea states that Barrett instructed Roberts to obtain a contribution and then states that Lynch sent a check to Barrett. The plea omits any specific reference to Roberts contacting Lynch.

93043502151

The Commission has reviewed Roberts' publicly-available guilty plea of November 30, 1989 to conspiring to cause political committees to file false information with the Commission in a plot to steer approximately \$36,500 in corporate funds to various congressional campaigns over the past seven years. In his plea, Roberts stated that he advised Gardner on the latter's idea to have Unisys make campaign contributions through individuals to influence Members of Congress so as to benefit the corporation. Roberts suggested that the contributions be made and he prepared a list of representatives and senators with suggested amounts to be contributed to each. Roberts also prepared budgets for consultants which set out amounts of contributions to individuals campaigns. He acted as contact between various consultants and the corporation. He collected checks from the consultants, kept track of the checks, and sometimes delivered them to representatives of the recipient political committees. Roberts also submitted fraudulent invoices to Sperry/Unisys. In addition, Roberts was named in Unisys employee Dennis Mitchell's publicly-available guilty plea materials as being reimbursed by Unisys for a \$1,000 contribution he made on November 17, 1987 to the Badham Campaign Committee.

In his response to the complaint, Roberts claims that the complaint contains no allegations against him. The complaint, however, has sufficiently implicated Roberts, who has not responded to the substance of the complaint. In addition, Roberts' own plea makes clear his extensive role in the Unisys illegal contribution scheme. Finally, Roberts was named as a

contributor of Unisys-reimbursed funds in Mitchell's guilty plea. In summary, it appears that Roberts assisted in the making of a contribution by one person in the name of another and permitted his name to be used for a contribution by Unisys, in violation of § 441f. Thus, there is reason to believe that John Roberts knowingly and willfully violated 2 U.S.C. § 441f.

93043502152





FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

July 13, 1990

Mr. Michael A. Nemeroff  
Sidley & Austin  
1722 Eye Street, N.W.  
Washington, D.C. 20006

RE: MUR 2981  
Friends of Jim Sasser and  
Michael Nemeroff, as treasurer

Dear Mr. Nemeroff:

On September 15, 1989, the Federal Election Commission notified you of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act").


On July 10, 1990, the Commission found, on the basis of the information in the complaint and information provided by you that there is no reason to believe Friends of Jim Sasser and you, as treasurer, violated any provision of the Act. Accordingly, the Commission closed its file in this matter as it pertains to the Sasser Committee and you.

This matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. If you wish to submit any materials to appear on the public record, please do so within ten days. Please send such materials to the Office of the General Counsel.

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 is closed. The Commission will notify you when the entire file has been closed. In the event you wish to waive confidentiality under 2 U.S.C. § 437g(a)(12)(A), written notice of the waiver must be submitted to the Commission. Receipt of the waiver will be acknowledged in writing by the Commission.

Sincerely,

Lawrence M. Noble  
General Counsel

  
BY: Lois G. Derner  
Associate General Counsel

cc: Senator Sasser

93043502153





FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

July 13, 1990

Macy Skinner, Treasurer  
Richard Ray for Congress Committee  
P.O. Box 1352  
Perry, GA 31069

RE: MUR 2981

Dear Ms. Skinner:

On September 15, 1989, the Federal Election Commission notified you of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act").

On July 10, 1990, the Commission found, on the basis of the information in the complaint and information provided by you that there is no reason to believe Richard Ray for Congress Campaign Committee and you, as treasurer, violated any provision of the Act. Accordingly, the Commission closed its file in this matter as it pertains to the Ray Committee and you.

This matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. If you wish to submit any materials to appear on the public record, please do so within ten days. Please send such materials to the Office of the General Counsel.

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 is closed. The Commission will notify you when the entire file has been closed. In the event you wish to waive confidentiality under 2 U.S.C. § 437g(a)(12)(A), written notice of the waiver must be submitted to the Commission. Receipt of the waiver will be acknowledged in writing by the Commission.

Sincerely,

Lawrence M. Noble  
General Counsel

BY: Lois G. Lerner  
Associate General Counsel

cc: Representative Ray

93043502154



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

July 13, 1990

Mr. Michael A. Nemeroff  
Sidley & Austin  
1722 Eye Street, N.W.  
Washington, D.C. 20006

RE: MUR 2981  
Friends of Jim Sasser and  
Michael Nemeroff, as treasurer

Dear Mr. Nemeroff:

On September 15, 1989, the Federal Election Commission notified you of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act").

On July 10, 1990, the Commission found, on the basis of the information in the complaint and information provided by you that there is no reason to believe Friends of Jim Sasser and you, as treasurer, violated any provision of the Act. Accordingly, the Commission closed its file in this matter as it pertains to the Sasser Committee and you.

This matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. If you wish to submit any materials to appear on the public record, please do so within ten days. Please send such materials to the Office of the General Counsel.

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 is closed. The Commission will notify you when the entire file has been closed. In the event you wish to waive confidentiality under 2 U.S.C. § 437g(a)(12)(A), written notice of the waiver must be submitted to the Commission. Receipt of the waiver will be acknowledged in writing by the Commission.

Sincerely,

Lawrence M. Noble  
General Counsel

BY: Lois G. Lerner  
Associate General Counsel

cc: Senator Sasser

93043502155



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

July 13, 1990

Mr. Paul E. Wilson  
21 S.E. Wenona Avenue  
Ocala, FL 32671

RE: MUR 2981  
Bill Chappell Campaign  
Committee and Paul Wilson, as  
treasurer

Dear Mr. Wilson:

On September 15, 1989, the Federal Election Commission notified you of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act").

On July 10, 1990, the Commission decided, in light of the death of Representative Chappell, to close its file on the Bill Chappell Campaign Committee and you, as treasurer.

This matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. If you wish to submit any materials to appear on the public record, please do so within ten days. Please send such materials to the Office of the General Counsel.

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 is closed. The Commission will notify you when the entire file has been closed. In the event you wish to waive confidentiality under 2 U.S.C. § 437g(a)(12)(A), written notice of the waiver must be submitted to the Commission. Receipt of the waiver will be acknowledged in writing by the Commission.

Sincerely,

Lawrence M. Noble  
General Counsel

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

BY: Lois G. Lerner  
Associate General Counsel

93043502156

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2981

NAME OF COUNSEL: Joseph D. Crumlish

ADDRESS: Suite 304

1730 K Street N.W.

Washington, D.C. 20006

TELEPHONE: 202-463-0662

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.

July 19, 1990  
Date

Stanley Wolin  
Signature

RESPONDENT'S NAME: Stanley Wolin

ADDRESS: 28 New York Avenue

Westbury, New York 11590

HOME PHONE:                     

BUSINESS PHONE: 516-333-6220

93043502157

OCC 6989

MILLER & CHEVALIER

CHARTERED

METROPOLITAN SQUARE  
655 FIFTEENTH STREET, N. W.

SUITE 900

WASHINGTON, D. C. 20005-5701

(202) 626-5800

WRITER'S DIRECT LINE

(202) 626-6032

90 JUL 19 PM 12:29

ROBERT N. MILLER  
1879-1968

STUART CHEVALIER  
1879-1956

DAVID W. RICHMOND  
NUMA L. SMITH, JR.  
CHARLES T. AKRE  
BARRON K. GRIER  
WALTER D. HAYNES  
COUNSEL

CABLE: MILCHEV  
TELECOPIER: (202) 628-0858  
628-0859

TELEX: 440250

July 18, 1990

JOHN S. NOLAN  
JOHN M. BIZLER  
CLARENCE T. KIPPS, JR.  
PHILIP S. NEAL  
ROBERT L. MOORE, II  
DONALD B. CRAVEN  
PHILLIP L. MANN  
A. JOHN GABIG  
DENNIS P. BEDELL  
JOHN LLOYD RICE  
JAY L. CARLSON  
MARK L. EVANS  
HOMER E. MOYER, JR.  
LEONARD SICKWIT, JR.  
F. BROOK VOGHT  
FREDERICK H. ROBINSON  
JOHN B. MAGEE  
EMMETT S. LEWIS  
CRAIG D. MILLER  
ROBERT K. HUFFMAN  
ALEXANDER ZAKUPOWSKY, JR.  
GERALD GOLDMAN  
C. FREDERICK CLIPHANT III  
RONALD D. AUCUTT  
EDWIN A. JAMES  
ALAN R. YUSPEH  
JAMES A. BENSFIELD  
TERRY BANCROFT DOWD  
THOMAS D. JOHNSTON  
JAMES P. TUITE  
CATHERINE T. PORTER  
DAVID B. CUBETA  
THOMAS W. MAHONEY, JR.  
ANNE E. MORAN  
ROBERT E. LILES, II  
SCOTT E. PICKENS  
PATRICIA J. SWEENEY  
GRANT D. ALDONAS

T. TIMOTHY TUERFF  
JAMES S. ALTMAN  
CATHERINE CURTISS  
J. BRADFORD ANWYLL  
FRANCES J. HENDERSON  
SERENA G. SIMONS  
WILLARD J. BOYD III  
F. SCOTT FARMER  
CATHERINE VEIHMAYER HUGHES  
MARY LOU SOLLER  
KEVIN C. DWYER  
MAL I. GANN  
KEVIN L. KENWORTHY  
PAUL L. GLENCHUR  
ROBIN J. GREENHOUSE  
CHRISTOPHER S. RIZEK  
KATHRYN BUCHER  
PATRICIA M. LACEY  
THOMAS D. DINACKUS  
DANIEL F. DANELLO  
F. JEFFERSON HUGHES  
JOHN J. ROONEY  
CATHERINE L. CREECH  
ANTHONY F. SHELLEY  
PHILIP J. FERNEAU  
WILLIAM M. MCGLOONE  
BARBARA H. RYLAND  
MICHAEL R. GILES  
KENDALL W. DAINES  
HALVOR N. ADAMS III  
JULIA R. FINK  
DANIEL M. FLORES  
HARRY A. FRANKS, JR.  
JEAN A. CHMIELEWSKI  
PATRICIA A. MILLETT  
ANSLEY T. MOSES  
AHMAD A. PIRASTEH  
SUSAN G. WHITMAN  
DALE KEATS LIPNICK

\*NOT ADMITTED IN THE DISTRICT OF COLUMBIA

Mark Allen, Esquire  
Office of the General Counsel  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

Re: MUR 2981  
Robert Barrett

Dear Mr. Allen:

On July 17, 1990, we received a letter from Commission Chairman Lee Ann Elliott indicating that the Commission has found that there is reason to believe that our client, Robert Barrett, knowingly and willfully violated 2 U.S.C. § 441(f).

This is to inform you that Mr. Barrett would like to pursue pre-probable cause conciliation of this matter, in accordance with 11 C.F.R. § 111.18(d).

Mr. Barrett is anxious to resolve this matter as expeditiously as possible. It has been nearly a year since the complaint alleging election law violations by Mr. Barrett was filed with the Commission. In response to the original notice of that complaint, Mr. Barrett provided material to the Commission indicating that he has already pleaded guilty to criminal charges based on the very allegations in the complaint, that he has been sentenced to probation and community service based on that plea, that his cooperation with the government has been, in the opinion of the United States Attorney as stated on the court record, "substantial

90 JUL 19 PM 2:30  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL

93043502158

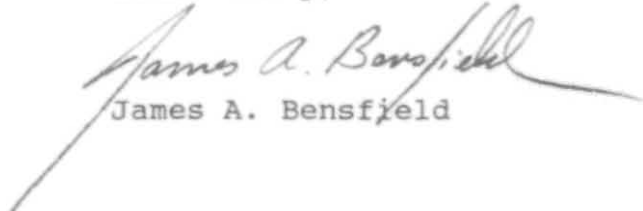
Mark Allen, Esquire  
July 18, 1990  
Page 2

and extraordinary," and that Mr. Barrett faces severe financial and health problems.

In our letter to the Commission of October 3, 1989, we expressed the view that, in light of the factors discussed above, "no purpose would be served by the Commission taking any additional action against Mr. Barrett in connection with events which have already been thoroughly investigated and disposed of by federal prosecutors." Nothing has occurred in the intervening months, we submit, to change this view.

I look forward to hearing from you.

Yours truly,

  
James A. Bensfield

93043502159



COVINGTON & BURLING

1201 PENNSYLVANIA AVENUE, N.W.

P. O. BOX 7566

WASHINGTON, D. C. 20044

(202) 662-6000

FACSIMILE: (202) 662-6291

TELEX: 89-593 (COVLING WSH)

CABLE: COVLING

BRUCE A. BAIRD

DIRECT DIAL NUMBER  
(202) 662-5122

06-C 7026  
RECEIVED  
FEDERAL ELECTION COMMISSION  
SECRETARIAT

VIRGINIA OFFICE  
2000 CORPORATE RIDGE  
MCLEAN, VIRGINIA 22102  
(703) 749-3880

LONDON OFFICE  
46 HERTFORD STREET  
LONDON W1T 7TF ENGLAND  
01-495-5655

July 20, 1990

Lee Ann Elliott  
Chairman  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

Re: MUR 2981 - Unisys Corporation

Dear Ms. Elliott:

We are in receipt of your letter dated July 13, 1990 informing us that that the Federal Election Commission, in response to our submission of January 9, 1990, has found that there is reason to believe that our client, Unisys Corporation, knowingly and willfully violated certain provisions of the Federal Election Campaign Act of 1971. Your letter requests that we make a submission demonstrating that no action should be taken against the Unisys Corporation within 15 days of our receipt of the letter.

Unisys Corporation is, of course, interested in moving forward as expeditiously as possible with the resolution of this matter. Unfortunately, however, we find that circumstances are such that it would impose a significant hardship on us to respond in proper fashion within the allotted period.

More than six months has passed since our last submission on January 9, 1990. In order to fully respond to your request for materials, it will be necessary for us to re-familiarize ourselves with the considerable details of the case, as well as with the Commission's factual and legal analysis. This review will require a significant amount of time and effort in addition to that required to prepare a submission.

I find that my own schedule will unavoidably hinder our efforts in this regard. My wife is scheduled to deliver our first child on Monday, July 23, and I will as a result be out of the office for a substantial period of time.

90 JUL 23 PM 12:46

90 JUL 23 PM 4:18  
RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL

93043502160

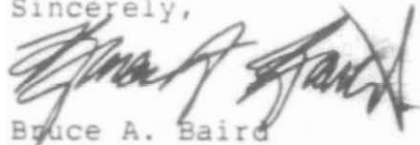


In light of these facts and the complexity of this matter, we respectfully request that the deadline for submission of the materials identified in the third paragraph of your letter of July 13, 1990 be extended to the week of September 2, 1990, following the labor day weekend. We would expect to be able to discuss this matter in detail during that week with your staff, and would be glad to arrange a time at your convenience.

In an attempt to expedite this request, I spoke with the contact attorney handling this matter in the General Counsel's office, Mark Allen, earlier today. Mr. Allen suggested that we submit this written request.

With kind thanks for your attention to this matter,

Sincerely,

A handwritten signature in dark ink, appearing to read "Bruce A. Baird", with a stylized flourish at the end.

Bruce A. Baird

93043502161

WILMER, CUTLER & PICKERING

2445 M STREET, N. W.

WASHINGTON, D. C. 20037-1420

TELEPHONE (202) 663-6000

FACSIMILE (202) 835-0819

429-9893, 429-4930, 293-5929

TELEX 440239 WCPH UI

ABA NET ABA1354

4 CARLTON GARDENS

LONDON SW1Y 5AA

TELEPHONE 011 (44) 839-4466

FACSIMILE 011 (44) 839-3537

TELEX 8613918 WCP LDN

15 RUE DE LA LOI

B-1040 BRUSSELS

TELEPHONE 011 (32) 231-0903

FACSIMILE 011 (32) 230-4322

SCOTT D. GODSHALL

DIRECT LINE (202)

663-6304

July 23, 1990

By Hand

Mr. Mark R. Allen  
Office of General Counsel  
Federal Election Commission  
999 E Street, NW  
Washington, D.C. 20463

Re: Gerard J. Scarano, File No. MUR 2981

Dear Mr. Allen:

I am writing in response to your letter of July 13, 1990 concerning the above-referenced matter.

We intend to make every effort to resolve this matter as expeditiously and amicably as possible. As you are aware, Mr. Scarano in July 1989 admitted to the making of a false statement in connection with a political contribution to Congressman Chappell. Your Factual and Legal Analysis makes it clear that the scope of your allegations involve possible contributions by Mr. Scarano to political committees other than Mr. Chappell's. In your view, these additional contributions, if any, were not explicitly a part of Mr. Scarano's guilty plea.

We will require more time in order to fully respond to your concerns. Specifically, responding to your Factual and Legal Analysis will require a broad review of Mr. Scarano's financial records. As I write today, I do not yet have these records in my hands. I expect to have them in my hands, and to be in a position to reply, by August 16. I therefore request an extension of twenty days, until August 16, 1990, to respond to your July 13 letter.

90 JUL 23 PM 12:54

FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL

23043502162

Mr. Mark R. Allen  
July 23, 1990  
Page 2

I would appreciate it if you would notify me promptly regarding your decision on my request for an extension.

Thank you.

Sincerely yours,



Scott D. Godshall

cc: Stephen H. Sachs, Esq.  
Mr. Gerard J. Scarano

93043502163



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

July 23, 1990

Robert W. Krone, Treasurer  
Badham Congressional Committee  
2237 Donnie Road  
Newport Beach, CA 92660

Re: MUR 2981

Dear Mr. Krone:

In the ordinary course of exercising its supervisory responsibilities, the Commission has examined publicly available criminal informations and plea agreements which state that a contribution you received was reimbursed by a corporation. Specifically, you received a \$1,000 contribution from John Roberts on November 17, 1987. This contribution allegedly was reimbursed by Unisys Corporation. The Commission is providing you with this notice for your information, and does not consider you a respondent in this matter.

If you have not already done so, please refund this contribution to the contributor (Unisys Corp.) within 30 days of receipt of this notice. 11 C.F.R. § 103.3(b)(2). Because this notice is being provided 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.

If you have any questions, please contact Mark Allen, the attorney assigned to this matter, at (800) 424-9530.

Sincerely,

Lawrence M. Noble  
General Counsel

BY: Lois G. Lerner  
Associate General Counsel

93043502164



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

July 23, 1990

Herb Simon, Treasurer  
Norm Dicks for Congress  
P.O. Box 1663  
Tacoma, WA 98401

Re: MUR 2981

Dear Mr. Simon:

In the ordinary course of exercising its supervisory responsibilities, the Commission has examined publicly available criminal informations and plea agreements which state that two contributions you received were reimbursed by a corporation. Specifically, you received a \$500 contribution from Robert Old and a \$500 contribution from Samuel Ralph Preston on October 2, 1986. These contributions allegedly were reimbursed by Unisys Corporation. The Commission is providing you with this notice for your information, and does not consider you a respondent in this matter.

If you have not already done so, please refund these contributions to the contributor (Unisys Corp.) within 30 days of receipt of this notice. 11 C.F.R. § 103.3(b)(2). Because this notice is being provided 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.

If you have any questions, please contact Mark Allen, the attorney assigned to this matter, at (800) 424-9530.

Sincerely,

Lawrence M. Noble  
General Counsel

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

BY: Lois G. Lerner  
Associate General Counsel

93043502165



FEDERAL ELECTION COMMISSION  
WASHINGTON D.C. 20461

July 23, 1990

Arthur Zuckerman, Treasurer  
Campaign Fund for Congressman Bob Roe  
P.O. Box 409  
Wayne, NJ 07474

Re: MUR 2981

Dear Mr. Zuckerman:


In the ordinary course of exercising its supervisory responsibilities, the Commission has examined publicly available criminal informations and plea agreements which state that a contribution you received was reimbursed by a corporation. Specifically, you received a \$1,000 contribution from Joseph Hill on June 17, 1987. This contribution allegedly was reimbursed by Unisys Corporation. The Commission is providing you with this notice for your information, and does not consider you a respondent in this matter.

If you have not already done so, please refund this contribution to the contributor (Unisys Corp.) within 30 days of receipt of this notice. 11 C.F.R. § 103.3(b)(2). Because this notice is being provided 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.

If you have any questions, please contact Mark Allen, the attorney assigned to this matter, at (800) 424-9530.

Sincerely,

Lawrence M. Noble  
General Counsel

BY:   
Lois G. Lerner  
Associate General Counsel

93043502166





FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

July 23, 1990

Charles Gonzales, Treasurer  
Friends of Les Aspin  
P.O. Box 1915  
Janesville, WI 53547

Re: MUR 2981

Dear Mr. Gonzales:

In the ordinary course of exercising its supervisory responsibilities, the Commission has examined publicly available criminal informations and plea agreements which state that a contribution you received was reimbursed by a corporation. Specifically, you received a \$1,000 contribution from Joseph Zuba II on June 13, 1986. This contribution allegedly was reimbursed by Unisys Corporation. The Commission is providing you with this notice for your information, and does not consider you a respondent in this matter.

If you have not already done so, please refund this contribution to the contributor (Unisys Corp.) within 30 days of receipt of this notice. 11 C.F.R. § 103.3(b)(2). Because this notice is being provided 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.

If you have any questions, please contact Mark Allen, the attorney assigned to this matter, at (800) 424-9530.

Sincerely,

Lawrence M. Noble  
General Counsel

BY: Lois G. Lerner  
Associate General Counsel

93043502167



OGC 7029

ANDREW M. LAWLER, P.C.

ATTORNEYS AT LAW

220 EAST 42ND STREET

NEW YORK, N.Y. 10017

ANDREW M. LAWLER

SHARON D. FELDMAN

MAURICE M. McDERMOTT  
OF COUNSEL

TELEPHONE: 212-687-8850  
TELECOPIER: 212-972-6367

July 19, 1990

Lee Ann Elliott, Chairman  
Federal Election Commission  
General Counsel Office  
999 E Street, N.W., Room 657  
Washington, D.C. 20463

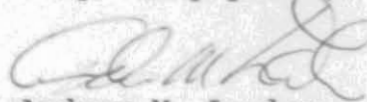
Re: MUR 2981  
James T. Kane

Dear Ms. Elliott:

I was the attorney for James T. Kane and am in receipt of your letter of June 13, 1990. Please be advised that after a lengthy illness, Mr. Kane passed away on February 1, 1990.

If you have any questions or require any documentation, please contact me.

Very truly yours,

  
Andrew M. Lawler

AML:nml

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
90 JUL 24 AM 11:17

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
90 JUL 23 PM 4:51

93043502168

06C 7030

# DICKINSON

**NOW, MORE THAN EVER**

July 20, 1990

Ms. Lee Ann Elliott  
Chairman  
Federal Election Commission  
Washington, DC 20463

Dear Madam Chairman:

Thank you for sending me a copy of your ruling, reference is  
MUR 2981.

I find your ruling frustrating, since my staff and I sought guidance  
from your staff vigorously as to what should be done with the money.  
I never received an answer.

We gave the money to charity, lacking any direction or response  
from you.

Sincerely,

  
WM. L. DICKINSON

WLD/mhg

90 JUL 24 AM 11:18  
FEDERAL ELECTION COMMISSION  
WASHINGTON

90 JUL 23 PM 4:52  
RECEIVED  
FEDERAL ELECTION COMMISSION  
WASHINGTON

93043502169

SECOND DISTRICT CONGRESSIONAL COMMITTEE

Paid for by the Dickinson Second District Congressional Committee. P. O. Box 4539, Montgomery, Alabama 36101

LAW OFFICES

LEONARD N. BEBCHICK

1220 NINETEENTH STREET, N. W., SUITE 700  
WASHINGTON, D. C. 20036

TEL. (202) 293-3207  
TELEFAX (202) 223-8604

July 24, 1990

Mr. Mark Allen  
Office of General Counsel  
Federal Election Commission  
999 E Street, N.W., 6th floor  
Washington, D. C.

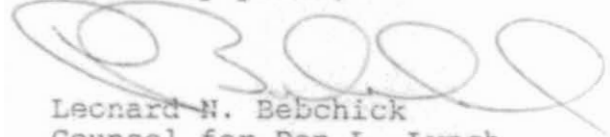
Re: MUR 2981  
Don Lynch

Dear Mr. Allen

As I advised you yesterday by phone, I returned to the office from vacation yesterday morning, and it was only then that Ms. Elliott's letter of July 13th was opened and read.

It is our intention to prepare and file a response, and we here formally reiterate our request for a 20 day extension to provide us the necessary time to do so. As you can appreciate, I find a backload of pressing matters upon my return to the office, and the full 20 days requested is required in these circumstances.

Sincerely yours,

  
Leonard N. Bebchick  
Counsel for Don L. Lynch

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

July 25, 1990

Scott Godshall, Esq.  
Wilmer, Cutler & Pickering  
2445 M Street  
Washington, D.C. 20037

RE: MUR 2981  
Gerard Scarano

Dear Mr. Godshall:

This is in response to your letter dated July 23, 1990, which we received on July 24, 1990, requesting an extension until August 16 to respond to the Commission's finding of reason to believe that your client violated the Federal Election Campaign Act of 1971, as amended. 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 16, 1990.

If you have any questions, please contact Mark Allen, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble  
General Counsel

A handwritten signature in dark ink, appearing to read "Jonathan Bernstein", is written over the typed name.

BY: Jonathan Bernstein  
Assistant General Counsel

93043502171



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

July 25, 1990

Leonard Bebchick, Esq.  
1220 Nineteenth Street, N.W.  
Suite 700  
Washington, D.C. 20036

RE: MUR 2981  
Don Lynch

Dear Mr. Bebchick

This is in response to your letter dated July 24, 1990, which we received that day, requesting an extension until August 20 to respond to the Commission's finding of reason to believe that your client violated the Federal Election Campaign Act of 1971, as amended. 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 20, 1990.

If you have any questions, please contact Mark Allen, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble  
General Counsel

A handwritten signature in dark ink, which appears to read "Jonathan Bernstein", is written over the typed name of the Assistant General Counsel.

BY: Jonathan Bernstein  
Assistant General Counsel

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KRAMER, LEVIN, NESSEN, KAMIN & FRANKE 60 JUL 25 PM 2:43

919 THIRD AVENUE

NEW YORK, N. Y. 10022

(212) 715-9100

STEVEN T. ATKINS  
ARTHUR H. AUFSSES III  
THOMAS D. BALLIETT  
MARTIN BALSAM  
BARRY S. BERGER  
MARK D. BRODSKY  
HAIO M. CASPARIAN  
MICHAEL J. DELL  
RUDOLPH WINTER  
KENNETH H. ECKSTEIN  
CHARLOTTE M. FISCHMAN  
MARVIN E. FRANKEL  
ALAN R. FRIEDMAN  
ROBERT M. HELLER  
GEOFFREY M. KALMUS  
SHERWIN KAMIN  
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KENNETH R. KOPELMAN  
MICHAEL PAUL KROTKIN  
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MICHAEL S. NELSON  
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MICHAEL S. OBERMAN  
PAUL S. PEARLMAN  
ALLAN E. REZNICK  
GERALD ROKOFF  
PAUL S. SCHREIBER  
MAX J. SCHWARTZ  
HOWARD A. SOBEL  
STEVEN C. TODRYS  
HAROLD P. WEINBERGER  
RICHARD S. WEISBERGAT

JOSHUA M. BERNAN  
HARVEY L. FRIEDMAN  
ASA S. HERZOG  
COUNSEL

PHILIP M. CEDAR  
SPECIAL COUNSEL

M. FRANCES BUCHINSKY  
PINCHAS MENDELSON  
ASSOCIATE COUNSEL

TELEX NUMBER  
6501306660

AUTOMATIC TELECOPIER  
(212) 686-2119

WRITER'S DIRECT NUMBER

129  
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FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL

(212) 715-9100

60 JUL 25 PM 4:41

July 23, 1990

Lee Ann Elliott  
Chairman  
Federal Election Commission  
999 E Street, N.W.  
Washington, DC 20463

Re: MUR 2981 Charles Gardner

Dear Ms. Elliott:

On behalf of Charles F. Gardner, we write to respond to your letter of July 13, 1990.

We respectfully submit that the Federal Election Commission should take no further action with respect to Mr. Gardner, for several reasons:

First, Mr. Gardner has already been punished substantially for his misdeeds and will continue to suffer enormously, irrespective of what the FEC decides to do. He pled guilty last March, 1989, and on September 15, 1989, received a sentence of 32 months incarceration and a \$40,000 fine. Mr. Gardner is presently serving his sentence in Allenwood, Pennsylvania. He has also been publicly and professionally shamed, and has had his business career destroyed. Unemployed since June 1988, he has limited finances, and his wife and the youngest of their nine children have had to live on his pension and their modest savings, which are gradually being depleted each month to cover necessary expenses. There can be no question, therefore, that Mr. Gardner has been more than amply punished for his wrongdoing.

Second, Mr. Gardner has already made further amends by providing extraordinary and exemplary cooperation to the United

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July 23, 1990  
Page -2-

States through the United States Attorney's office for the Eastern District of Virginia and the United States Attorney's office for the Eastern District of New York. Mr. Gardner has devoted hundreds of hours to meetings with numerous F.B.I. agents and Government attorneys, completely, reliably and truthfully telling all he knows and actively assisting in their "Ill Wind" investigation; he has even taken the initiative to call, offering advice and suggestions. Mr. Gardner has also spent many days testifying as a key witness in the Grand Jury. In the event the FEC decides to take no further action against Mr. Gardner, he would be prepared to offer his cooperation to the FEC as well. We invite you to contact Assistant United States Attorney Joseph Aronica  
Larry Noyer  
Assistant United States Attorney  
or FBI agents  
concerning Mr. Gardner's proven track record in this regard.

Third, Mr. Gardner has never sought public office, and is no longer involved in campaign contributions or other election activities. His genuine remorse and contrition, future intentions, community reputation and home environment reflect there is no threat that he will violate the federal election laws in the future.

Fourth, as set forth in the Government's Statement of Facts that accompanied the Criminal Information filed against Mr. Gardner, the illegal contributions to political campaign committees at issue here were made by "Sperry/Unisys", albeit "through Charles F. Gardner" and others. Mr. Gardner was an agent in this regard for his employer.

Finally, this is, above all, a tragic case. Mr. Gardner, an ex-Marine, is a 60 year-old first offender with no prior record of delinquency or criminal behavior. To the contrary, as church officials and friends, family members and business associates of Mr. Gardner attested before his sentencing last September 15, 1989, he has conducted an otherwise reproachless, and indeed praiseworthy, professional, social and personal life. He has a close, loving and devoted relationship with his wife, Alycemarye, their nine children and their grandchildren. He is a generous man in his parish and community, who has not lived lavishly, and whose basic priorities have always been to provide and care for his wife and children, and to succeed in his job. When Mr. Gardner's employer asked him to help ensure its success in obtaining defense contracts, he found himself surrounded by a corrupt environment. Driven by an intense need and desire to provide for his family and help

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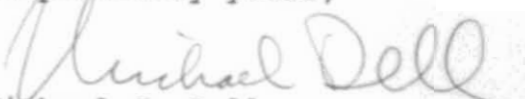


July 23, 1990  
Page -3-

protect the jobs of hundreds of co-employees at his company, he wrongfully became swept up in a culture where political favoritism and influence peddling was the accepted norm. To his eternal and heartfelt regret, his judgment became clouded and he succumbed.

In sum, we respectfully submit it would be a waste of the FEC's scarce resources and unfair and inappropriate to proceed any further against Mr. Gardner, who is already being severely punished for his wrongdoing and has made every effort to make amends by his abundant cooperation with the United States. In the event the FEC nevertheless wishes to proceed, we respectfully request the opportunity to pursue pre-probable cause conciliation, pursuant to 11 CFR §111.18(d).

Respectfully yours,

  
Michael J. Dell

93043502175

06C 7073

Robert H. Littlefield  
R.R. # 3 Box 501  
North Berwick, Me 03906

90 JUL 27 AM 10:51

7/25/90

RE: AOR 2981

FEDERAL ELECTION COMMISSION  
WASHINGTON DC 20463

DEAR SIR:

THANK YOU FOR YOUR LETTER OF JULY 13 1990

I HAVE NO FACTUAL OR LEGAL MATERIAL THAT WOULD BE  
RELEVANT TO THE COMMISSION'S CONSIDERATION OF THIS MATTER.

I AGREE THAT MY DENIAL THAT I WAS USED FOR  
CHANNELING CONTRACTOR MONEY TO CONGRESSMEN IS  
SPECIFICALLY CONTRADICTED BY STATEMENTS IN  
GARDNER'S CRIMINAL INFORMATION.

THERE WAS NEVER ANY UNDERSTANDING ON MY PART THAT  
PART OF MY FEES WERE TO BE USED FOR POLITICAL CONTRIBUTIONS.  
I AM - WAS - AWARE THAT SUCH WAS THE CASE WITH SOME  
OTHERS. I SPECIFICALLY AND INTENTIONALLY AVOIDED IT.

THE CIRCUMSTANCES OF MY EMPLOYMENT WERE TOTALLY  
DIFFERENT FROM ANY OF THE OTHER SO-CALLED CONSULTANTS.  
I UNDERTOOK IN THE SPRING OF 1983, UPON MY RETIREMENT  
FROM SPERRY/UNISYS, TO PERFORM CERTAIN FUNCTIONS IN  
CONNECTION WITH A SMALL COMPANY IN ALEXANDRIA VA. THEY  
WERE IN PART ADMINISTRATIVE AND IN PART PROFESSIONAL. I  
WAS TO AND DID RECEIVE A FIXED ANNUAL FEE FOR THE  
SERVICES.

I SPECIFICALLY DENY THAT I WAS REIMBURSED FOR A  
CONTRIBUTION TO THE CHAPPELL CAMPAIGN COMMITTEE  
MADE IN DECEMBER 1986.

I OFFER MY FULL COOPERATION TO THE COMMISSION  
IN RESOLVING THIS MATTER TO ITS SATISFACTION  
SINCERELY

Robert H. Littlefield

90 JUL 27 PM 2:40

FEDERAL ELECTION COMMISSION  
WASHINGTON DC 20463

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90 JUL 26 PM 12:45

July 26, 1990

Lee Ann Elliott, Chairman  
Federal Election Commission  
999 E. St., N.W.  
Washington, D.C. 20463

90 JUL 27 PM 2:40

RE: MUR 2981, Eastern Defense  
Political Action Committee and  
Stanley Wolin, as treasurer.

Dear Chairman Elliott:

Pursuant to the request of Stanley Wolin, former treasurer of the now terminated Eastern Defense Political Action Committee, ("Edpac"), I submit herewith Mr. Wolin's sworn denial that neither he nor, to his knowledge, anyone connected with the Long Island Aerospace Political Action Committee ("Aeropac"), Edpac's predecessor, ever violated 2. U.S.C. #441f (the Act). (Attachment A)

If the actions of Mr. James T. Kane, deceased founder and first chairman of Aeropac ever resulted in violations of the Act, they were not performed with the knowledge of the PAC members or its treasurer, and were ultra virus actions for which neither the treasurer nor the PAC can be shown to be accountable. (Attachment B) If Mr. Kane committed violations of the Act, as alleged, he did so on a "frolic and detour," acting beyond the scope of his authority as PAC chairman. To our knowledge, Mr. Kane was never indicted for his alleged activities.

Although it is difficult to prove a negative, at the suggestion of the Commission's general counsel I submit the following as evidence that the treasurer's conscientious conformity to FEC's regulations safeguarded the PAC and its members from violating the Act.

From the time the PAC was organized and on several subsequent occasions (see attachments C thru E) Chairman Kane and his associates were instructed that contributions by corporations to federal elections were contrary to federal law. Aeropac's reports and records show no such contribution was ever accepted by the PAC.

When Stanley Wolin accepted the job as treasurer of the PAC on or about May 20, 1986, a thorough audit was conducted to bring the bookkeeping and reporting procedures in conformity with the Commission's requirements.

The adopted procedures were as follows

1. Contributions were deposited by Mr. Wolin in the PAC's bank account. 2. Checks would be drawn from the account and made out to

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candidates or committees upon the written direction of Chairman Kane. Mr. Kane operated out of his office at the Kane Paper Company, 2365 Milburn Ave., Baldwin, N.Y. 11510 and Mr. Wolin operated out of his office at Kleebar Tool Co. Inc. 28 New York Ave., Westbury, N.Y. 11590. 3. Each month Mr. Wolin would send me a list of contributors, copies of checks drawn, and the PAC's bank statement. 4. The monthly report to the Commission would be drawn up by my bookkeeper and filed unsigned with the Commission. 5. By arrangement with the Commission, the cover page would be sent by me to Mr. Wolin for his signature and filed with the Commission as soon thereafter as possible. This procedure enabled the PAC to file on time and avoid late filing penalties. 6. The Commission would notify Mr. Wolin if the reports were in any way inadequate and we would comply with these additional requirements. 7. In addition to Commission scrutiny, the reports were scrutinized regularly by my bookkeeper and me.

It is difficult to respond to allegations without having seen the complaint. But it is our understanding that in administrative investigations this is not permitted but that we can rely on the good faith of the commission that the matters outlined in the Commission's factual and legal analysis contains all the pertinent facts. If so, they implicate only the deceased Mr. Kane, providing he knew that the amounts allegedly contributed through Aeropac were reimbursed by Unisys. Even if Mr. Kane did know that crucial fact, should the treasurer or any of the PAC members be penalized? Without further evidence, the answer should clearly be "No."

Although your analysis admits, "The relationship between AEROPAC and Unisys is not clear,..." you conclude, "...it does appear that AEROPAC knew of Unisys' illegal contribution scheme and participated therein." That could only be true if it could be proved that the deceased Mr. Kane "knew" and "participated therein." From those premises, the Commission's conclusion not only fails to fit the facts, it defies the laws of logic to deduce from those allegations that Aeropac and Mr. Wolin "knowingly and willfully" violated the Act "by knowingly assisting in the making of contributions in the names of others."

Only one case is cited as authority for the Commission's conclusion. But FEC v. Rodriguez, No. 86-687 Civ-T-10 (B) (M.D. Fla., May 5, 1987) was not a case against a PAC and/or its treasurer. Rather, it was a clear cut case against an individual who reimbursed the money he collected as contributions. Based on that precedent, the Commission's complaint should be directed against Unisys and its employees, not AEROPAC and its treasurer.

#### ALLEGED FACTUAL BASIS OF CHARGES AGAINST AEROPAC AND ITS TREASURER

Three incidents from the plea bargained testimony of Dennis Mitchell, an admitted felon, are cited as the basis of the charge against Aeropac and its treasurer of violating 2 U.S.C. #441f by knowingly assisting in the making of contributions in the names of

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others. The affidavit of Stanley Wolin, treasurer of Aeropac (Attachment A) categorically denies any such knowing behavior.

The specific allegation is that Aeropac participated in the forwarding of Unisys Corporation-reimbursed contributions to federal candidates during 1986-1988. There is no evidence that Aeropac and its treasurer knew that the contributions, made in the names of individuals, were reimbursed by Unisys. The named Aeropac participant in this matter, Chairman James Kane, being deceased, is not able to defend either himself or the PAC, and no record of his testimony has been presented.<sup>1</sup> Without proof, this charge against Aeropac and its treasurer must be dismissed.

It seems entirely possible that the luncheons specified were innocently used as a conduit through which checks of individuals were collected for the sake of convenience and delivered in a batch to a federal candidate or his campaign committee. The commission's factual and legal analysis admits that the candidates or their committees disclosed the names of the individual contributors as required by 2 U.S.C. #434 and that no attempt was made to avoid disclosure of names of individual contributors. All such contributions were within the limits prescribed by 2 U.S.C. #441a (a) and all other applicable federal laws. This practice is approved by the Commission. See AO 1976-51, September 2, 1976.

Aeropac records do not show the following: (1) The June 1986 contribution of Joseph S. Zuba II to the Friends of Les Aspin which was allegedly given to Mitchell who allegedly gave it to Aeropac; (2) the June 1987 contribution of Joseph Hill to the campaign fund for Congressman Bob Roe, allegedly given to Mitchell who allegedly gave it to Aeropac; and (3) the May 1988 contribution of Joseph Hill for the Richard Ray for Congress Campaign Committee, allegedly given to Mitchell who allegedly gave it to Aeropac.

Aeropac records do show a September 29, 1987 check requisitioned by James Kane and issued for a \$500.00 Aeropac contribution to Richard Ray for Congress, (See attachment F and Aeropac September 1987 report); and June 2, 1988 requisition by James Kane and a check issued by Aeropac in the amount of \$500.00 for Richard Ray for Congress, (See attachment G and Aeropac June 1988 report. The Commission is welcome to review Aeropac's files and to conduct a conference call with Mr. Stanley Wolin, former Aeropac treasurer, if such efforts seem necessary.

#### LEGAL ANALYSIS

In a preliminary search of the Commission's MUR files, no precise precedent was found for a finding of violations of the Act by Aeropac and or its treasurer. Conciliations have been made in

<sup>1</sup>Newspaper accounts also allege that Mr. Kane participated in bogus billing on government contracts. That is also a matter about which neither Aeropac nor its treasurer had any knowledge.



the following MURS, none of which involved violations of 2 U.S.C. #441f by a multi-candidate political action committee and its treasurer. The closest case was MUR 1706 in which a candidate's committee and its treasurer had to refund a \$2,500.00 contribution to an individual whose contribution exceeded the \$1,000.00 limitation and had been acknowledged by the candidate's committee as a contribution from the Western Intermountain Network Political Action Committee. Respondents also had to pay a civil penalty of \$2,500.00 for the two violations.

The Aeropac situation is clearly distinguishable from MUR 1706 in that: (1) violation of only one section of the code, not two, is alleged; and (2) Aeropac and its treasurer, rather than the candidate's committee which received the money, are the respondents.

Other MURs concerned with violations of 2 U.S.C. #441f are (1) 2104 in which a corporation flagrantly contributed \$11,600.00 through its employees and was penalized \$8,500.00; (2) 1713 in which a bank provided roughly \$14,432.03 to employees for contributions and was penalized \$10,000.00; and 1525 in which the donor of \$1,000.00 was reimbursed by her union and penalized a nominal \$250.00.

From the above cases it would appear that the donors and the recipients of the \$1500.00 in gifts alleged in the Commission's letter should be the respondents in this investigation rather than Aeropac and its treasurer.

As the court noted in Federal Election Commission v. National Ed. Ass'n, 457 F.Supp. 1102 (D.C.D.C.1978) at 1112, where violations were not in the nature of intentional disregard of rights of others, a civil penalty is unwarranted. In Nat. Right to Work Co. v. Fed. Elec. Comm'n, 716 F.2d 1401 (D.C.D.C. 1983), at 1403, the court found a civil penalty not appropriate because there was no finding "...of 'defiance' or 'knowing, conscious, and deliberate flaunting' [sic] of the act."

Citing with approval the National Ed. Ass'n case, the court in Pollgreen v. Morris, 579 F. Supp. 711 (E.D.Fla.1984) at 718 wrote:

And, even where a statutory scheme does impose liability for civil penalties regardless of the actor's intent...his state of mind may still be considered in mitigation of the penalty

#### CONCLUSION

BECAUSE Aeropac has terminated its activities and distributed all of its funds and because its Chairman is deceased, any penalty exacted by the Commission in this matter, in addition to attorney's fees, would be borne by the PAC's former treasurer, Stanley Wolin. In order to prevent this unfortunate result and to reduce his and the Commission's legal expenditures to the minimum, Aeropac and its treasurer respectfully request a

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conciliation agreement be entered into wherein the Commission finds that respondents Aeropac and its treasurer have not violated 2 U.S.C. #441f because they did not knowingly assist in the making of contributions in the name of another.

Respectfully Submitted,



Joseph D. Crumlish, Esq.  
Counsel for respondents  
1730 K St., N.W., Suite 304  
Washington, D.C. 20006  
(Tel.) 202-463-0662

93043502181



ATTACHMENT A

93043502182

AFFIDAVIT

I, Stanley Wolin, do hereby state and affirm as follows:

1. From May 20, 1986 I served as Treasurer of Long Island Aerospace Political Action Committee (the name of which was changed on May 15, 1989 to Eastern Defense Political Action Committee) until the committee's dissolution on May 31, 1990.
2. In the course of my term as Treasurer, I was never aware of the following alleged violations of the law:
  - A- That any person made a political contribution in the name of another person;
  - B- That any person permitted his name to be used to effect a political contribution in the name of another person; or
  - C- That any political contribution made by one person in the name of another person was accepted.
3. Nor, to my knowledge, was anyone connected with the Long Island Aerospace Political Action Committee, including Mr. James Kane, ever a party to any of the above alleged violations of the law.

*Stanley Wolin* 7-19-90

Stanley Wolin

*Marguerite M. Fink*  
MARGUERITE M. FINK  
NOTARY PUBLIC, State of New York  
No. 4912427  
Qualified in Nassau County  
Commission Expires Nov. 18, 1991

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ATTACHMENT B

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# Warrants in Fraud Probe

PROBE, From A1

investigation into possible diversion of money for improper purposes, and the use of outside defense consultants, company sources said this week.

The federal warrant for Kane Paper released yesterday states that Mitchell, a marketing manager at the Great Neck facility, "assists Gardner in conferring benefits on public officials."

Sources said the Unisys investigation is examining Gardner's dealings with Rep. Bill Chappell (D-Fla.), chairman of the House Appropriations subcommittee on defense, and Rep. Roy Dyson (D-Md.), a member of the House Armed Services Committee. Both legislators have denied wrongdoing.

The warrants for the search of Mitchell's Unisys office and Gardner's Malverne, N.Y., home, seek evidence of dealings "pertaining to schemes to defraud Unisys by diverting monies to other individuals and business entities to illegally influence the defense contracting process and for their own personal use."

The warrants seek documents involving Armtec, a Palatka, Fla., firm that supplies Unisys with wire harnesses for one of its major defense contracts. Armtec was founded by William W. Roberts, a former Unisys executive and friend of Chappell, and William M. Galvin, a military procurement consultant.

An inventory of items seized in the search of Kane Paper Co. and made public yesterday refers to a "political file . . . luncheons, parties etc. for politicians;" a "fund-raiser memo from Charlie Gardner;" "Christmas list;" "one blue folder marked . . . re: Fund-raising and Congressmen;" and "correspondence from R. Seelmeyer," an apparent reference to Richard Seelmeyer, a former aide to the late representative Joseph P. Addabbo (D-N.Y.), Chappell's predecessor as chairman of the key appropriations subcommittee.

The inventory also lists seizures of a files relating to a "Fla. condo;" a trust fund, with name blanked out; a \$125,000 loan, with name omitted; "land in Stuart;" and a "Franklin St.

blanked out on orders from [redacted] to omit references to individuals and companies that have not surfaced in the investigation.

Sources have said that Unisys' internal investigation is also focusing on Gardner's dealings with Armtec and the possibility that Unisys funds were improperly diverted to influence congressional deliberations on weapon systems.

The warrants also mention three consultants who have been searched in connection with the two-year investigation into fraud and corruption in military contracting—Galvin, Thomas Muldoon and William Sanda—and Victor Cohen, an Air Force official in charge of tactical systems and acquisition.

The Unisys plant in Great Neck that was searched has received at least \$194 million in contracts for a shipboard electronic warfare system, called the MK92 Coherent Receiver/Transmitter (CORT) project, that the Navy does not want.

Chappell and Dyson have confirmed that they proposed amendments to continue funding the project, which involves a radar system for guiding missiles fired from frigates. In 1986, Secretary of the Navy John F. Lehman Jr. urged Congress to cancel the program in order to redirect the money to another electronic warfare system the Navy strongly supports.

Roberts, a longtime friend of Chappell, and Galvin founded Armtec in the fall of 1986. At the urging of Chappell, they opened the plant in Palatka, a small town in Chappell's Florida district with a high unemployment rate.

The plant's initial business was to supply Unisys with wiring harnesses for the CORT project, but it mushroomed to a multimillion-dollar enterprise with about 100 employees.

One source familiar with Unisys' internal probe said Armtec "is a main part of the investigation."

Kane's lawyer, Vincent Fuller, declined comment and Gardner's lawyer, Gary Naftalis, could not be reached.

During 1987 and 1988, the Long Island Aerospace Political Action Committee headed by Kane donated \$44,738 to 27 senators and representatives from 15 states, according to Federal Election Commission contribution records. In 1985 and 1986, the PAC gave \$57,442 to 40 politicians, including 22 Democrats and 17 Republicans.

Staff writers Elizabeth Tucker and Dana Priest contributed to this report.

## N.Y. Firm<sup>13</sup> A Subject of Defense Probe Warrants Are Seeking Bribe-Plot Evidence

By Ruth Marcus and Eric Pianin  
Washington Post Staff Writers

Federal authorities are investigating whether a company headed by a politically active Long Island businessman extorted campaign contributions and joined with two defense industry executives in a plot to bribe public officials to gain defense contracts, according to search warrants unsealed yesterday in the national probe of alleged Pentagon procurement fraud.

The warrants, ordered unsealed in Brooklyn by U.S. District Court Judge Edward Korman in heavily edited versions, authorized searches last month of Kane Paper Co. of Baldwin, N.Y.; the home of Charles F. Gardner, a former Unisys Corp. vice president for marketing, and Dennis Mitchell, a Unisys marketing manager.

Kane Paper is headed by James Kane, who directs a Long Island political action committee that contributes heavily to members of Congress who oversee defense contracts.

The Kane Paper warrant seeks evidence of involvement by Kane Paper and others whose names are excised in "schemes to extort campaign contributions from companies doing business with" firms or persons whose identities are blanked out in the document.

It also asks for documents relating to Kane Paper's involvement with Unisys, Gardner, Mitchell and others in a plan to "corruptly give, offer and promise things of value to public officials to illegally influence the defense contracting business." The warrant seeks information on possible use of stock certificates and real estate in the alleged scheme.

Gardner was forced by Unisys to resign in March from the Surveillance and Fire Control Division in Great Neck, N.Y., after an internal

See PROBE, A11, Col. 1

ATTACHMENT C

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*Casey, Scott & Canfield, P.C.*  
*Attorneys at Law*

EDWARD F. CANFIELD  
ANDREW P. MURPHY, JR.  
JOSEPH D. CRUMLISH  
ROBERT E. HEGGESTAD

OF COUNSEL  
WILLIAM E. SAUSER

JOSEPH E. CASEY (1980)  
THOMAS B. SCOTT (1979)

420 Washington Building  
1435 G Street, N.W.  
Washington, D.C. 20005  
(202) 783-6490

July 1, 1982

Mr. James T. Kane  
Kane Paper Company  
2365 Milburn Avenue  
Baldwin, New York 11510

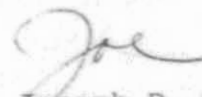
VIA FEDERAL EXPRESS

Dear Jim:

You have asked me for my opinion involving two possible situations in which Long Island Aerospace Political Action Committee ("AERO PAC") might find itself under the Federal Election Committee ("FEC") Regulations.

Enclosed are two memoranda summarizing my views. I would welcome any questions you may have and could make myself available to attend your forthcoming meeting should you so desire.

Sincerely,



Joseph D. Crumlish

JDC/geg

Enclosures

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C-1  
June 30, 1982

MEMORANDUM ON ASPECTS OF  
THE FEDERAL ELECTION CAMPAIGN ACT

by Joseph D. Crumlish, Esq.

I. A Fundraiser and Individual Contributions

Limits on Individuals: an individual is limited by the Federal law as to what he or she can give, as follows.

...To a candidate directly, or to the candidate's campaign committee - \$1,000.

...To a PAC - \$5,000.

...To a National political party committee - \$20,000.

The key as to which limit applies is - who are the individuals asked to contribute to, i.e. who do they make out their checks to?

Earmarking of Contributions: is done when an individual makes a contribution to a designated candidate, or to a candidate's authorized committee, and gives or sends this contribution through an intermediary. Therefore, when a PAC collects checks which are made out to a particular candidate, it becomes an intermediary and there are very specific reporting requirements which then apply.

Please note: if contribution checks from individuals are made out to a National political committee, the earmarking rules and reporting requirements do not apply. (See 2 USC 441a(a)(8); 11 CFR 110.6). The Senate or House Campaign Committees, for example, are specifically designated as national political committees. 11 CFR 110.1(b)(2)(i).

The PAC as a conduit: where a PAC simply collects checks for a national political committee and then forwards these

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checks to that committee, the PAC is merely a conduit for the national committee. The individual contributors also have to give the required information as to their name, address, etc., and the PAC must forward this data along with the checks to the national committee.

## II A PAC and Fundraiser Contributions

Individual Contributions to the PAC: are limited to \$5,000 per year. Individual checks made out to a PAC must be deposited in the PAC's bank account and reported properly as such.

This is true no matter what the purpose of a fundraiser might be which a PAC may hold. Thus, if the PAC wishes to hold a fundraiser for the ultimate benefit of a particular candidate or a specific national political committee, but the contribution checks are made out to the PAC, they must be reported as contributions to the PAC.

Contributions By a PAC: are limited to \$5,000 per candidate per year unless the PAC has not yet qualified as a "multi-candidate committee", in which case the limit is \$1,000.

[Note: The Long Island Aerospace Political Action Committee would not qualify as a multicandidate committee prior to July 20, 1982.]

PAC contributions have higher annual limits where the contribution (or disbursement) from the PAC is to a national political committee:

- (a) a PAC which qualifies as a multicandidate political committee has a \$15,000 aggregate

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yearly limit on its contributions to a national political committee;

- (b) a PAC which does not qualify as a multicandidate committee - and therefore falls into the same category as an individual person, has a \$20,000 aggregate yearly limit.

(Note: contributions from PACs to national political committees are labeled as "disbursements" on reporting forms.)

### III. Total Contribution Limits

Where a Pac has qualified as a multicandidate PAC, there is no limit on the total contributions the PAC can make to individual candidates or to other political committees. The sole limit is the practical one of how much money it can raise. (Specific contributions to candidates and committees, of course, must each fall within the limits outlined earlier.)

Where a PAC does not qualify as a multicandidate committee, there is a limit of \$25,000 per year on the total contributions which the PAC can make. This is the same limit which applies to individuals. 11 CFR 110.5(a). This limit applies only to political contributions made by the PAC; expenses of administration and solicitation of funds for the PAC are not counted towards this total limitation.

### IV. Payment of Fundraiser Expenses

General Comment: payment of the expenses of a fundraiser (a luncheon, dinner, reception or other party at which contributions are received for an individual candidate, a national political committee or a PAC), is in itself a contribution to the beneficiary of the fundraiser. The amount of these expenses must be reported as a contribution to the candidate or

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political committee.

Corporations: are prohibited from contributing to candidates for Federal elective office; it is also illegal for corporations to contribute to a national political committee. Therefore, the expenses of a fundraiser for either of these two purposes can not be paid by a corporation.

Occasionally, however, it is necessary or unavoidable for a corporation or its credit to be used in the course of raising funds or paying the expenses of fundraising, but in any such case the corporation should and must be reimbursed as quickly as possible. The expenses of fundraising should and must be reported accurately and properly by the person (whether an individual or a PAC) who ultimately pays the expenses of the fundraiser.

PAC Fundraisers, where the purpose is to raise money for the political action committee itself (the PAC), have different rules, as follows:

- (a) where the PAC is an independent PAC, not connected to any corporation or trade association, the PAC must pay all of the expenses of fundraising from its own treasury;
- (b) where the PAC is a connected PAC, tied to one corporation, trade or professional organization, its fundraising expenses can be paid by its connected corporation or trade association. 11 CFR 100.6

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Please note: The Long Island Aerospace Political Action Committee is an independent PAC. It must pay all of its own fundraising expenses and cannot accept corporate financial support.

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June 30, 1982

MEMORANDUM ON CONTRIBUTIONS  
MERGED WITH FUNDRAISING TOTALS

by Joseph D. Crumlish, Esq.

Sometimes a PAC or the individuals responsible for its operation seek to meet a pledge or a fundraising goal and must combine funds from more than one source to reach the targeted goal. This is perfectly possible and legal, providing all of the applicable limitations are observed. For example:

..Suppose a pledge of \$14,000 has been made to a national political committee;

...Assume the members of a PAC hold a fundraiser to meet the pledge, but manage to raise only \$8,000;

...Can an individual contribute the needed \$6,000 by adding his personal check to the fundraiser's total?

The answer is "Yes", and the total of \$14,000 can then be given to the national political committee.

Applicable Considerations: the limits involved here are simply those which flow from the general limits of the law (the Federal Election Campaign Act, 2 USC 431, et seq.). Thus,

(a) individuals can contribute personally up to \$20,000 per year to a national political committee (such as the House and Senate Campaign Committees);

(b) PACs can contribute up to \$15,000 per year to a national political committee, if a PAC is a qualified multi-candidate political committee. If the PAC is not so qualified, it is treated like an individual and has a \$20,000 limit.

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Warnings: it would be a mistake and it would be illegal, in the above example, for an individual to try to give the PAC a contribution of \$6,000. An individual can only give up to \$5,000 to a PAC. In this example, the individual's check should be made directly to the national political committee.

Another point to note is that individuals (and PACs which are treated as individuals) have a total contribution limit of \$25,000 per year. All contributions to individual candidates, to PACs and to national political committees are added together cumulatively in each year in reaching the \$25,000 overall limit.

Reporting: this depends on where the money comes from. In the example cited above,

...if all the checks from the fundraiser, plus the individual's check, are grouped together and handed over to the national political committee, there is no reporting required by the PAC, provided all the checks are made out directly to the national political committee; the reporting must then be done by the national political committee.

...if any or all of the checks are deposited in the PAC's bank account, or are made out to the PAC and endorsed over to the national political committee, the PAC itself must then properly report the contributions to its account and the subsequent disbursement of funds to the national political committee.

...if the PAC pays any of the expenses of the fundraiser in the above example, it must report the total of these expenses as a disbursement and contribution to the national political committee.

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ATTACHMENT D

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D

I. POLITICAL ACTION COMMITTEE (PAC) ISSUES AND  
RECOMMENDATIONS

The chief advantage of forming a PAC is to organize the efforts of individual contributors into a cohesive and effective means of accomplishing the contributors purposes.

A Political Action Committee (PAC) is the term usually given to a committee formed to raise money from contributors for the purpose of providing financial or other assistance to candidates running in an election for public office. Ordinarily this financial aid is given in the form of contributions from the PAC to a candidate's election campaign fund, but help may also be provided in other ways by the PAC through payment of bills, provision of services, advertising, etc.

If the candidates to be assisted are running for Congress, then all PAC operations are governed by the Federal Election Campaign (FEC) Act of 971, as amended (the Act), and related Federal laws (2 U.S.C. 431 et seq.). Further, all such PAC's must comply with extensive regulatory, oversight and public reporting requirements established by the FEC, the Federal Election Commission (11 CFR 1.1 et seq.).

Designation of the PAC as e.g. "The Long Island Aircraft Industry" also provides a strong clue to the recipient as to the groups reason for giving.

A PAC takes away the cloud of suspicion which often accompanies contributions from strangers. ("Why did those fellows up in New York give me a contribution?" What are they up to?")

Further, a PAC provides additional legal protection to both the contributors, and to the recipients in a sensitive area.

The majority of PACs are "connected" with Unions, Corporations or Associations. Because your group consists of none of these, you might want to consider qualifying as an "independent" PAC, i.e., not administered or used for political purposes by a corporation, trade association, cooperative or membership organization.

In that way your group would not need the added formality of incorporating or forming an association.

In addition, your PAC would probably not be subject to the legal constraints imposed upon PACs connected with such entities.

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For example, you would not be required to have annual written authority to request contributions from salaried employees.

An advantage which is spelled out for "connected" PACs is that the organization to which the PAC is connected can take care of the PAC's administrative expenses. But because your group is small, such expenses may not be significant, especially when contrasted with the amount of "red tape" an independent PAC can avoid.

Another issue is whether your PAC will be multicandidate as defined in 2 U.S.C. 441a(a)(4).

Most federal PACs are, or expect to become, "multicandidate political committees" because of the dollar limits which apply to the contributions a PAC can make. A PAC which does not qualify as a multicandidate political committee, for example, is limited to contributions of \$1000 per election and a total of \$25,000 in contributions per calendar year, as a "person" under the Act (2 U.S.C. 431(11), 441a (a)(1)). A qualified PAC, however, may contribute up to \$5000 to a candidate for each election (primary, run-off or general), up to \$15,000 per year to national party committees and up to \$5000 per year to any other political committee (U.S.C. 441a (a)(2); 11 CFR 110.2). There is not total limit on contributions from such a PAC.

To qualify as a multicandidate political committee, a PAC must be registered with the FEC and with the Clerk of the House of Secretary of the Senate for at least six months; it must also have received contributions for Federal elections from more than 50 persons, and (except for State political party organizations) it must have made contributions to five or more Federal candidates. See 2 U.S.C. 441a (a)(4); 11 CFR 100.5 (e)(3).

Tangential to this issue is whether your PAC will contribute to Presidential and local candidates.

Neither course is recommended. Agreement on contributions to candidates of both parties is usually reached by PAC members but the either/or nature of Presidential elections can cause a deep rift in the PAC. Contributions to local candidates would entail compliance with New York state laws and relating those laws with the federal laws - a sticky thicket.

In selection of officials, it is important to have a Treasurer and an assistant Treasurer in order to insure continuity in contributions, acceptance and expenditures. No contributions may be made unless a Treasurer is alive and on board. (FEC Regulation #102.7(a)).

Under the Act and FEC regulations, all political committees must comply with detailed notice requirements for solicitation of contributions (2 U.S.C. 441d; 11 CFR 102.16). This is obviously important to corporate officials, for otherwise it would be difficult to know when a personal contribution limit has been reached or for what specific purposes a contribution is being sought.

Solicitation literature from federally registered PACs must always state clearly the name of the political committee which is paying for the communication (11 CFR 110.11 (a) (iv)). Solicitation requests from PACs must also inform prospective contributors of the political purposes of the fund at the time of solicitation (11 CFR 114.5 (a) (3)). Corporate officials are always free to make voluntary contributions to PACs whether or not their corporation has agreed to a solicitation by a PAC (11 CFR 114.5 (j)). Finally, PACs are subject to all of the disclosure requirements of other political committees. (See 11CFR Part 104).

An important limitation on PAC contributions by corporate officials is the absolute prohibition against the contribution of corporate funds, directly or indirectly. (2 U.S.C. 441b). Enforcement penalties can be severe (2 U.S.C. 437g (d)). Moreover, the details of what constitutes a prohibited contribution or expenditure are extensive. (See 11CFR 114.1 (a), 114.2).

ATTACHMENT E

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E

*Joseph D. Crumlish*  
*Attorney at Law*  
*524 National Place*  
*1331 Pennsylvania Ave. N.W.*  
*Washington, D.C. 20004*

202-783-6490

September 11, 1987

Mr. Tom Avellina  
Kane Paper Corp.  
2365 Milburn Avenue  
Baldwin, L.I., NY 11510

Dear Tom:

In regard to your inquiry:

1. Contributions from corporate treasury funds are prohibited. This includes in-kind contributions, such as picking up costs for lunch. Contributions must be made by individuals or by a corporation's separate segregated fund.

2. If a person picks up the check for a political luncheon, that is an in-kind contribution to the PAC and should be reported by the PAC, in the same amount as received and disbursed.

Kindest Regards,

*Joseph D. Crumlish* / pdh  
Joseph D. Crumlish

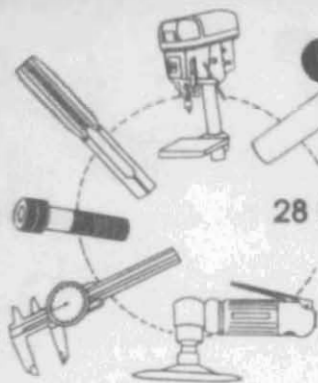
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ATTACHMENT F

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# Kleeban Tool Company, Inc.

28 New York Avenue, Westbury, N.Y. 11590 ■ 516/333-6220

October 9, 1987

RECEIVED OCT 16 1987

Mr. Joseph D. Crumlish  
534 National Place  
1331 Pennsylvania Avenue N. W.  
Washington, D. C. 20004

Attention: Mr. Joseph Crumlish

Dear Mr. Crumlish:

Enclosed please find the following:

- 1 - No receipts for September 1987.
- 2 - Copies of check numbers 1071, 1072, 1073, 1074, 1075, 1076, 1077, 1078, 1079 and 1080.
- 3 - Copy of bank statement of 9/30/87.

This covers all transactions for September.

Very truly yours,

KLEEBAN TOOL CO., INC.

*Stanley Wolin*  
Stanley Wolin

SW/ak  
Enc. 1

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## LONG ISLAND AEROPAC

### CHECK REQUISITION

TO: STAN WOLIN

DATE: 9-29-87

TREASURER

PLEASE ISSUE A CHECK FOR THE FOLLOWING:

\$ 500.00

RICHARD RAY FOR CONGRESS

## APPROVAL

James T. Kane  
JIM KANE

ORIGINAL INVOICE ATTACHED

[illegible]

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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)

Long Island Aerospace Political Action Committee

A. Full Name, Mailing Address and ZIP Code Bliley for Congress	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 9-29-87	Amount of Each Disbursement This Period \$ 200.00
B. Full Name, Mailing Address and ZIP Code Citizens for Joe Kennedy	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 9-11-87	Amount of Each Disbursement This Period \$1,500.00
C. Full Name, Mailing Address and ZIP Code Richard Ray for Congress	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 9-29-87	Amount of Each Disbursement This Period \$ 500.00
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)

\$2,200.00

TOTAL This Period (last page this line number only)

\$2,200.00

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ATTACHMENT G

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### CHECK REQUISITION

TO: STAN WOLIN

DATE: 6-2-88

TREASURER \_\_\_\_\_

PLEASE ISSUE A CHECK FOR THE FOLLOWING:

\$ 500

RICHARD RAY FOR CONGRESS

APPROVAL J. I. KANE  
JIM KANE

JIM KANE

ORIGINAL INVOICE ATTACHED

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[illegible]

June 88 rpt

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)

LONG ISLAND PROGRESSIVE Political Action Committee

A. Full Name, Mailing Address and ZIP Code PN 1985 Collection Committee	Purpose of Disbursement  Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 6-8-88	Amount of Each Disbursement This Period \$2,000.00
B. Full Name, Mailing Address and ZIP Code RICHARD RAY FOR CONGRESS	Purpose of Disbursement  Disbursement for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 6-2-88	Amount of Each Disbursement This Period \$500.00
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) ..... \$2,500.00

TOTAL This Period (last page this line number only) ..... \$2,500.00

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DEWEY, BALLANTINE, BUSHBY, PALMER & WOOD

1775 PENNSYLVANIA AVENUE, N.W.

WASHINGTON, D.C. 20006

JOSEPH A. CALIFANO, JR.  
PHILIP W. BUCHEN  
HARRY X. SCHWARTZ  
C. NILE BELL  
FENTON J. BURKE  
ALAN WM. WOLFF  
FELIX B. LAUGHLIN  
CHARLES A. SEEVERS, III  
DAVID H. BROCKWAY  
LAWRENCE F. O'BRIEN, III  
W. CLARK McFADDEN, II  
GERALD M. ROSBERG  
HAMILTON P. FOX, III  
JACK M. FEDER  
JOHN J. SALMON

R. MICHAEL GADBAW  
LARRY M. BERKOW  
MICHAEL H. STEIN  
MYLES V. LYNK  
JOSEPH K. DOWLEY  
KEVIN G. McANANEY  
THOMAS R. HOWELL  
LORRAINE SOSTOWSKI  
J. GOODWIN BENNETT  
MATT E. EGGER  
ALICIA M. KERSHAW  
MARTHA J. TALLEY  
DAVID C. GARLOCK  
HOWARD J. ROSENSTOCK

TELEPHONE: (202) 862-1000  
TELECOPIER: (202) 862-1093  
TELEX: 897070  
CABLE ALL OFFICES: DEWBALAW

July 27, 1990

140 BROADWAY, NEW YORK, N.Y. 10005  
101 PARK AVENUE, NEW YORK, N.Y. 10178  
TELEPHONE: (212) 820-1100  
TELEX: 961289 OR 12-6825  
TELECOPIER: (212) 820-1403

333 SOUTH HOPE STREET  
LOS ANGELES, CALIFORNIA 90071  
TELEPHONE: (213) 626-3399  
TELECOPIER: (213) 625-0562

5355 TOWN CENTER ROAD  
BOCA RATON, FLORIDA 33486  
TELEPHONE: (407) 391-8399  
TELECOPIER: (407) 391-8798

OF COUNSEL  
FREDERIC J. TRUSLOW

\*ADMITTED BY ONLY

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

Attn: Mark Allen, Esq.

Re: MUR 2981  
Joseph E. Hill

Dear Mr. Noble:

This Response is submitted on behalf of Mr. Joseph E. Hill in reply to the letter dated July 13, 1990, from Federal Election Commission ("the Commission" or "FEC") Chairman Lee Ann Elliott, informing us that on July 10, 1990, the Commission found reason to believe that Joseph E. Hill, had "knowingly and willfully" violated 2 U.S.C. § 441f. 11 C.F.R. § 111.9(a) (1990). Enclosed with the letter was the Factual and Legal Analysis which formed the basis for the Commission's finding.

Chairman Elliott indicated that Mr. Hill had the "opportunity to demonstrate that no action should be taken" by the FEC with respect to the complaint. Absent additional information, the Chairman stated the Commission's intent to proceed against Mr. Hill in this proceeding as authorized by the

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FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
90 JUL 27 PM 12:40

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Lawrence M. Noble, Esq.  
July 27, 1990  
Page 2

Federal Election Campaign Act of 1971, as amended, 2 U.S.C. § 431 et seq. (1983) ("the Act").

I. Facts

On January 27, 1989, Joseph E. Hill was criminally indicted by the Department of Justice for violating section 441f of the Act. This statute provides that:

"No person shall make a contribution in the name of another person or knowingly permit his name to be used to effect such a contribution, and no person shall knowingly accept a contribution made by one person in the name of another person."

2 U.S.C. § 441f (1983). Mr. Hill pleaded guilty, was convicted and sentenced. United States v. Hill, No. 89-00035-A (E.D. Va, Jan. 27, 1989).<sup>1/</sup>

On July 13, 1990 the Commission notified Mr. Hill that it had concluded there was reason to believe that he had knowingly and willfully violated 2 U.S.C. § 441f (1983). The FEC's Factual and Legal Analysis noted that Mr. Hill's guilty plea materials cited (i) \$4,000 in illegal aggregate contributions to four different campaign committees; and (ii) "Hill's plea also states that he knowingly and willingly helped funnel Unisys funds to

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<sup>1/</sup> I understand that Mr. Hill was paid certain sums by Unisys Corporation with the understanding that he would use these funds to make contributions to candidates identified by a Unisys representative.

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political committees, the total of such contributions from 1982-1988 being over \$25,000."<sup>2/</sup>

Mr. Hill has already been convicted and sentenced to unsupervised probation for one year and fined \$5,100 for this offense, pursuant to 2 U.S.C. § 437g(d)(1) (1983). If the Commission were to recommend criminal prosecution against Mr. Hill for a "knowing and willful" violation of this Act, this second proceeding would place Mr. Hill in jeopardy of being prosecuted twice for the same offense, in violation of the Fifth Amendment of the United States Constitution.

Thus, the issue here is not whether there is probable cause to believe Mr. Hill violated the Act -- he has already been convicted in a U.S. District Court for these violations -- but whether, in the words of Chairman Elliott's Notification Letter, "no action should be taken against" Mr. Hill. For the reasons stated below, we believe no action should be taken against Mr. Hill.

## II. This Respondent Was Not Named in the Complaint

The Factual and Legal Analysis states that Mr. Hill was named in a complaint from a Luis Luna dated September 8, 1989. This assertion is incorrect. Mr. Luna's complaint charged Congressman Ron Dyson and the treasurer of his campaign

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<sup>2/</sup> Included in this amount would be an alleged \$1,000 contribution also mentioned in the Factual and Legal Analysis.

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committee, Ms. Marian Fadas, with violating the Federal Election Campaign Act. The complaint contains no allegation against Mr. Hill. The complaint does not even mention Mr. Hill by name.

There is no legal authority for the proposition asserted in the Legal and Factual Analysis that, because Mr. Hill pled guilty in a separate proceeding to the same violations of the Act that are alleged by the Commission in this compliance proceeding, he had by that fact received legally adequate notice that he was, is, or would be, a respondent to a complaint filed with the Commission.

III. A Second Criminal Prosecution Against Mr. Hill Would Violate His Fifth Amendment Right Against Double Jeopardy

Mr. Hill has already pled guilty to knowingly and willfully violating 2 U.S.C. § 441f. The Act provides that "any person who knowingly and wilfully" commits a violation of any provision of the Act "which involves the making, receiving, or reporting of any contribution or expenditure aggregating \$2,000 or more during a calendar year" shall be fined or imprisoned or both. 2 U.S.C. § 437g(d)(1)(A). Pursuant to this section, Mr. Hill has been prosecuted and fined for this offense. Thus, this proceeding against Mr. Hill constitutes double jeopardy.

The Double Jeopardy Clause of the Fifth Amendment states that "No person shall ... be subject for the same offense to be twice put in jeopardy of life or limb ..." U.S. Const. amend. V. The Double Jeopardy Clause covers all actions which can

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Lawrence M. Noble, Esq.  
July 27, 1990  
Page 5

potentially result in criminal punishment. Breed v. Jones, 421 U.S. 519, 528-30, 44 L.Ed.2d 346, 354-56 (1975) (juvenile court proceedings followed by Superior Court trial violated Clause).

The purpose of the Double Jeopardy Clause is to prevent a person from being subject to more than one criminal proceeding for the same action. Id. at 532-33. It serves the important public policy function of protecting an accused from government harassment by multiple prosecutions for the same offense. Accord United States v. Wilson, 534 F.2d 76, 78-79 (6th Cir. 1976). United States v. Wilson, 420 U.S. 332, 343-45, 43 L.Ed.2d 232, 241-42 (1975).

The FEC is empowered under the Act to determine whether Mr. Hill "knowingly and willfully" committed a violation of a provision of the Act and to refer him to the Attorney General of the United States for criminal prosecution. 2 U.S.C. § 437g(d) (1983). If, however, the offenses charged by the Commission are the same as those already tried by the Attorney General, then the Double Jeopardy Clause prohibits a second criminal trial. United States v. Haygood, 502 F.2d 166, 168 n.4 (7th Cir. 1974) cert. denied, 419 U.S. 1114, 42 L.Ed.2d 812 (1975). In United States v. Myles, the court stated that once a person has pleaded guilty to a charge he may not subsequently be prosecuted on other charges that allege the same offense. 430 F. Supp. 98, 101 (D.C. Cir.), aff'd, 569 F.2d 161 (1977), quoting United States v. Ewell, 383 U.S. 116, 15 L.Ed.2d 627 (1966). When a person has

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been once convicted and punished for a particular crime, principles of fairness and finality require that he not be subjected to the possibility of further punishment for the same offense. United States v. Wilson, 420 U.S. at 343, 43 L.Ed.2d at 241, quoting Ex parte Lange, 18 Wall 163, 21 L.Ed 872 (1874).

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The Act provides that a defendant in a criminal proceeding brought under the Act may introduce a Conciliation Agreement entered into with the Commission as evidence of a lack of knowledge or intent to commit the alleged violation. 2 U.S.C. § 437g(d)(1)(C)(2) (1983). In fact, Chairman Elliott's July 13 Notification Letter inquires about entering whether Mr. Hill wants to enter into pre-probable cause Conciliation with the Commission. It is not clear that Conciliation is an available option here, either for the Commission or for Mr. Hill, since his criminal conviction for these offenses has preceded this investigation. Mr. Hill has already been convicted of the same violations of 2 U.S.C. § 441f that are alleged in the Factual and Legal Analysis. As a result of his conviction he was sentenced and fined pursuant to 2 U.S.C. § 437g(d)(1)(A). Therefore this MUR proceeding, as against Mr. Hill, is moot.

IV. Civil Penalties in This Proceeding Would Also  
Constitute Double Jeopardy

The Act authorizes the Commission to institute a "civil action" for relief in the United States district court for the district in which the violator is found or transacts business. 2

93043502214  
U.S.C. § 437g(a)(6)(A) (1983). Generally, the Double Jeopardy Clause does not preclude separate civil and criminal proceedings based on the same incident. Berdick v. United States, 612 F.2d 533, 538 (Ct. Cl. 1979) See also, Rex Trailer Co. v. United States, 350 U.S. 148, 150-51, 100 L.Ed 149, 154 (1956) (defendant who purchased trucks from government under fraudulent veteran claim, pleaded nolo contendere and paid fines under criminal charges was forced under civil charges to reimburse the government for losses); United States Ex Rel Marcus v. Hess, 317 U.S. 537, 549, 87 L.Ed 443, 452 (1943) (contractor who defrauded the government faced criminal charges and civil penalties to reimburse the loss to the government); Helvering v. Mitchell, 303 U.S. 391, 392, 82 L.Ed 917, 922 (1938) (defendant prosecuted for tax evasion was acquitted, but required in civil action to pay Government tax deficiency and costs).

The Supreme Court has, however, recognized that the labels of 'civil' and 'criminal' are not always of paramount importance in determining the applicability of a double jeopardy analysis, and recourse to strict statutory interpretation is not well suited to the "context of the humane interests." United States v. Halper, 490 U.S. \_\_\_, \_\_\_, 104 L.Ed.2d 487, 501 (1989) (defendant who was convicted and sentenced to a jail term and to pay \$5,000 for false claims was relieved of additional civil sanctions of \$130,000). Under certain circumstances a civil sanction which serves the goals of punishment may violate the

Double Jeopardy Clause. Id. Accord, United States v. One Assortment of Firearms, 465 U.S. 354, 362, 79 L.Ed.2d 361, 368; Helvering v. Mitchell, supra, 303 U.S. at 398, 82 L.Ed at 921.

Under the Double Jeopardy Clause, a defendant who has been punished in a criminal prosecution may be subjected to an additional civil sanction only to the extent that the second sanction may be fairly categorized as remedial, and not as a deterrent or retribution. United States v. Halper, supra, 490 U.S. at \_\_\_, 104 L.Ed.2d at 502. In United States v. Halper the Supreme Court narrowly held that where a fixed-penalty provision subjects a prolific but small-gauge offender to a sanction overwhelmingly disproportionate to the damages he had caused, the provision is punishment and not civil. Id.

Here, any civil penalty leveled against Mr. Hill by the Commission will not be remedial -- to reimburse the government for any damages suffered. Rather, it will be punitive -- to punish Mr. Hill for his violation of the Act. Since the FEC's proceedings against Mr. Hill will not result in (i) restitution to the government of money taken by virtue of his activities, or (ii) protect the government from financial loss, they are not civil in nature and would violate the Double Jeopardy Clause. Helvering v. Mitchell, supra, 303 U.S. at 401-02, 82 L.Ed at 923. The government is entitled to "rough" remedial justice in its demands for compensation, United States v. Halper, supra, 490 U.S. at \_\_\_, 104 L.Ed 2d at 500, but is not entitled to impose a



second set of punitive sanctions on Mr. Hill. Mr. Hill is a small-gauge offender who has already been punished, and under the narrow holding of Halper, he is protected from punitive civil sanctions by the Double Jeopardy Clause.

V. Administrative Economy and Simple Fairness Militate in Favor of Taking No Action Against Respondent

The purpose of the Act is to keep the electorate fully informed of the sources of a candidate's support and to deter or expose corruption, and thereby minimize the influence that unaccountable interest groups and individuals can have on elected federal officials. E.g., FEC v. Furgatch, 807 F.2d 857, 862 (9th Cir.) cert. denied, 484 U.S. 850, 98 L.Ed.2d 106 (1987). In order to further these goals the Act empowers the Commission to impose civil penalties on individuals who violate its provisions. 2 U.S.C. § 437g (1983).

In determining whether or not to assess a civil penalty under 2 U.S.C. § 437g the courts have considered (i) the good or bad faith of the defendant; (ii) the injury to the public; (iii) the defendant's ability to pay; and (iv) the necessity of vindicating the authority of the responsible federal agency. FEC v. Furgatch, 869 F.2d 1256, 1258 (9th Cir. 1989). In FEC v. Ted Haley Cong. Comm., the court refused to assess civil penalties against a defendant for a questionable post-election loan where the candidate had no intent to run again and agreed to repay the loan out of his personal income. 654 F. Supp. 1120 (W.D. Wash.

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Lawrence M. Noble, Esq.  
July 27, 1990  
Page 10

1987), rev'd on other grounds, 852 F.2d 1111 (9th Cir. 1988) (court affirmed civil penalties decision of lower court). See also FEC v. Gus Savage for Congress '82 Comm., 606 F. Supp. 541, 548 (N.D. Ill. 1985) (court found no grounds for imposing civil contempt penalties because defendant has already incurred great personal cost by hiring lawyer and accountant).

Application of the Furgatch criteria to the instant case indicates that there should not be an assessment of penalties in addition to those already imposed on Mr. Hill by virtue of his criminal trial. Mr. Hill has demonstrated his good faith by cooperating with the government in his criminal prosecution. His cooperation saved the government the cost and expense of a trial. He is 77 years old (he will turn 78 in August). He is in ill health. Most important, he is retired; that is, he is no longer involved in the activity for which he was convicted. His criminal prosecution will have a greater deterrent effect on others than any civil proceeding could ever have. He has paid a \$5,100 fine for his offenses. His ability to pay another fine is limited. Any loss suffered by the government as a result of Mr. Hill's actions has been more than compensated by the substantial fine already paid. Continued civil action by the Commission against Mr. Hill is not for purposes of restitution or deterrence, but can only be punitive, and should therefore be rejected.

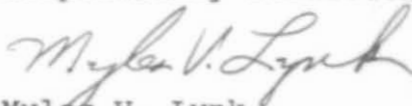
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Lawrence M. Noble, Esq.  
July 27, 1990  
Page 11

VI. Conclusion

Accordingly, we request that the General Counsel recommend to the Commission that no further action be taken against Mr. Hill in this matter.

Respectfully submitted,

  
Myles V. Lynk

MVL:ao

93043502218



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

July 27, 1990

Bruce Baird, Esq.  
Richard Shore, Esq.  
Covington & Burling  
1201 Pennsylvania Avenue, N.W.  
Washington, D.C. 20044

RE: MUR 2981  
Unisys Corporation

Dear Messrs. Baird and Shore:

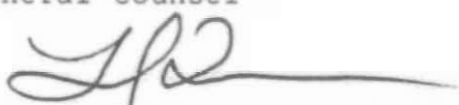
This is in response to your letter dated July 20, 1990, which we received on July 23, 1990, requesting an extension until September 4, 1990 to respond to the Commission's finding of reason to believe that your client violated the Federal Election Campaign Act of 1971, as amended. After considering the circumstances presented in your letter, I have granted the requested extension. Accordingly, your response is due by the close of business on September 4, 1990.

Please note that the Commission has relied on your previous representations that your client wished to cooperate fully in the Commission's investigation, and has not issued a subpoena to your client. Moreover, we note your desire to move forward expeditiously in this matter. Therefore, in the intervening period until your response to the Commission's findings is due, we would like to begin review of the documentary materials in Unisys' possession relating to this matter at whatever location would be convenient for your client.

Please contact Mark Allen of my staff as soon as possible regarding this request, at (202) 376-5690.

Sincerely,

Lawrence M. Noble  
General Counsel

  
BY: Lois G. Lerner  
Associate General Counsel

93043502219

06C 7134

BRAND & LOWELL

A PROFESSIONAL CORPORATION  
923 FIFTEENTH STREET, N.W.  
WASHINGTON, D.C. 20005

TELEPHONE: (202) 662-9700  
TELECOPIER: (202) 737-7565

August 1, 1990

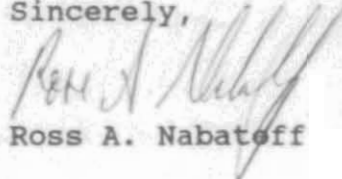
Mark Allen, Esquire  
General Counsel's Office  
Federal Election Commission  
999 E. Street, N.W.  
Room 657  
Washington, DC 20463

Re: MUR 2981

Dear Mr. Allen:

Enclosed for filing is the joint reply of Samuel Ralph Preston and Maddie Preston to the Commission's finding that "reason to believe" exists that the Prestons violated the Federal Election Campaign Act of 1971. Thank you for your attention to this matter.

Sincerely,



Ross A. Nabatoff

RAN:glr  
Enclosures

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
90 AUG -1 AM 11:24

93043502220

BEFORE THE  
FEDERAL ELECTION COMMISSION

In the Matter of )  
 )  
Samuel Ralph Preston )  
 )  
and ) MUR 2981  
 )  
Maddie Preston )  
 )

RESPONDENTS' REPLY TO THE FEDERAL ELECTION COMMISSION'S  
FINDING THAT THERE IS REASON TO BELIEVE THAT THE RESPONDENTS  
VIOLATED THE FEDERAL ELECTION CAMPAIGN ACT OF 1971

9304350221  
Respondents, Samuel Ralph Preston and Maddie Preston  
(collectively, the "Prestons"), submit this reply to the Federal  
Election Commission's (the "Commission") finding that there is  
"reason to believe" that the Prestons violated 2 U.S.C. § 441(f),  
a provision of the Federal Election Campaign Act of 1971 (the  
"Act") which prohibits contributions in the name of another. The  
Prestons respectfully submit that the Commission erred in  
concluding that "reason to believe" exists that they have  
violated § 441(f) of the Act of 1971.

The complaint's basis is John Roberts' guilty plea and its  
accompanying materials describing a scheme to funnel campaign  
contributions from Unisys Corporation ("Unisys") to certain  
Congressmen. According to the Roberts' plea materials, Unisys  
utilized defense consultants as campaign contribution "conduits."  
Unisys allegedly reimbursed these consultants for their  
contributions, thereby making Unisys the actual contributor.

The Prestons concede that a conduit scheme -- like the one  
described above -- would violate § 441(f). See also 11 C.F.R.

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§110.4(b)(1)(i). In this case, however, the Prestons submit that they have undertaken corrective measures such that the Commission should take no further action against them.

Specifically, in March, 1989, the Prestons retained counsel to represent them in matters relating to Mr. Preston's work, including reviewing their political contributions to ensure compliance with the Act. This review was undertaken pursuant to the Prestons' desire to ensure compliance with the Act and pursuant to media allegations that corporations were utilizing third parties to contribute to certain Congressmen.

Prior to John Roberts' guilty plea and the initiation of this action by the Commission, counsel thoroughly reviewed the Prestons' records, and determined that certain contributions to various Congressman raised questions under the Act. The Prestons believed that their contributions were entirely permissible and from their own discretionary funds, but to avoid even the appearance of impropriety, they decided to reimburse Unisys to remedy any implications that the contributions may have contravened federal election law. The reimbursement occurred on November 22, 1989, prior to John Roberts' guilty plea and the initiation of this action by the Commission. Moreover, all of the alleged illegal contributions described in the Commission's Factual and Legal Analysis and Roberts' guilty plea were refunded to Unisys.

When they made the contributions in question, the Prestons were unaware that the contributions might implicate the Act. As

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soon as they were informed of the potential issues surrounding the contributions, however, the Prestons immediately decided to redress -- and did redress -- any conceivable questions that arose. Indeed, they did not delay the reimbursement until the Roberts' guilty plea or the commencement of this action. The result of such appropriate conduct is that the Prestons set the record straight in November, 1989, instead of after any protracted Commission enforcement proceeding. Thus, any further action by the Commission would chill individuals who -- like the Prestons -- attempt to cure potential problems on their own initiative. Surely, the Commission does not want to halt such a self-policing mechanism.

Conclusion

For the foregoing reasons, respondents, Samuel Ralph Preston and Maddie Preston, respectfully request the Commission to take no further action against them.

Respectfully submitted,

Brand & Lowell, P.C.  
923 15th Street, N.W.  
Washington, D.C. 20005  
(202) 662-9700

BY:

Stanley M. Brand  
Stanley M. Brand  
Ross A. Nabatoff



BEFORE THE  
FEDERAL ELECTION COMMISSION

In the Matter of:

Samuel Ralph Preston

and

Maddie Preston

)  
)  
)  
)  
)  
)  
)

MUR No. 2981

AFFIDAVIT OF SAMUEL RALPH PRESTON

CITY OF WASHINGTON )

)

SS:

DISTRICT OF COLUMBIA )

Samuel Ralph Preston, being first duly sworn on oath, states as follows:

1. In March, 1989, I retained counsel to represent my wife, Maddie Preston, and me in certain matters related to my work, including reviewing our political contributions to ensure compliance with the Federal Election Campaign Act of 1971 (the "Act").

2. Counsel reviewed the contributions in response to our desire to ensure compliance with the Act and in response to extensive media coverage that corporations were utilizing third parties to contribute to certain Congressman.

3. Prior to John Roberts' guilty plea and the initiation of this action by the Commission, counsel reviewed our contributions and determined that certain of them raised questions under the Act.

4. My wife and I believed that the contributions in question were permissible and were from our own discretionary funds, but to avoid even the appearance of impropriety, we

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decided to reimburse Unisys to remedy the questionable contributions.

5. The reimbursement to Unisys occurred on November 22, 1989, prior to John Roberts' guilty plea and the initiation of this action by the Commission. In addition, the reimbursement encompassed all of the alleged illegal contributions described in the Commission's Factual and Legal Analysis and Roberts' guilty plea.

Samuel Ralph Preston  
SAMUEL RALPH PRESTON

Subscribed and sworn before me this 1st day of August, 1990.

Sally Jane M. Luckie  
Notary Public  
My Commission Expires:

My Commission Expires May 14, 1995

STATEMENT OF DESIGNATION OF COUNSEL

JUL 20 1990  
7 & 10 AM

MUR 2981

NAME OF COUNSEL:

Brand & Lowell, P.C.

ADDRESS:

923 15th Street, N.W.

Washington, DC 20005

TELEPHONE:

(202) 662-9700

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.

July 18, 1990  
Date

Maddie Preston  
Signature

RESPONDENT'S NAME:

Maddie Preston

ADDRESS:

6434 Woodville Drive

Falls Church, Virginia 22044

HOME PHONE:

BUSINESS PHONE:

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2981 Brand & Lowell, P.C.

NAME OF COUNSEL:

ADDRESS:

923 15th Street, N.W.

Washington, DC 20005

TELEPHONE:

(202) 662-9700

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.

July 18, 1990  
Date

Samuel Ralph Preston  
Signature

RESPONDENT'S NAME:

Samuel Ralph Preston

ADDRESS:

6434 Woodville Drive

Falls Church, VA 22044

HOME PHONE:

BUSINESS PHONE:

066 7159

90 AUG -2 AM 10:45

Campaign Fund for Congressman Bob Roe  
P. O. Box 409  
Wayne, N. J. 07474

July 31, 1990

Federal Election Commission  
Washington, D. C. 20463

Att: Mark Allen

Subject: MUR2981

Dear Mr. Allen:

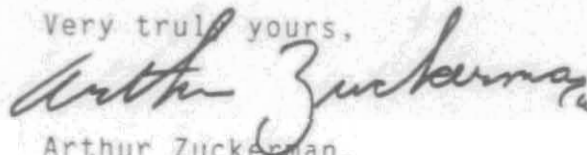
We wish to acknowledge receipt of your letter dated July 23, 1990 in regard to the above subject campaign account of Congressman Bob Roe

Your letter indicates that a contribution received from Joseph Hill on June 17, 1987 was reimbursed by a corporation; namely - Unisys Corporation, of which we would have no knowledge.

We wish to thank you for bringing this matter to our attention and are refunding this contribution immediately to Unisys Corporation - a copy of our check #1054 in the amount of \$1,000. and our letter of transmittal is enclosed herewith for your file.

We would appreciate your noting our records accordingly, in accordance with all rules and regulations of the Commission.

Very truly yours,



Arthur Zuckerman,  
Treasurer

90 AUG -2 AM 11:51

FEDERAL ELECTION COMMISSION  
RECEIVED

93043502228

Campaign Fund for Congressman Bob Roe  
P. O. Box 409  
Wayne, N. J. 07474

July 31, 1990

Unisys Corporation  
8008 W. Part Drive  
Mc Lean, Virginia 22102

Att: Mr. Harry Traylor

Gentlemen:

We wish to advise you it is our understanding that a \$1,000. contribution which our campaign committee received from Joseph Hill on June 17, 1987, was reimbursed by your corporation.

In that this transaction is against the rules and regulations of the Federal Election Commission, we are refunding this contribution immediately to you. Enclosed you will find our check # 1054 in the amount of \$1,000. covering this matter.

We would appreciate your adjusting your records to indicate that this refund was received from our campaign committee.

Very truly yours,

  
ARTHUR ZUCKERMAN  
Treasurer

93043502229

RE - ELECT ROE TO CONGRESS - 1990

1054

7/31/ 1990

55-723/212

PAY TO THE  
ORDER OF

Unisys Corporation

\$ 1,000.00

One Thousand -----00/100

DOLLARS



The Ramapo Bank

WAYNE, N.J. 07470

MEMO Contribution Refund

*Arthur J. Zuckerman*

⑆021207235⑆ ⑆07 214906 01⑆ 1054

93043502230



OGC 7164

LAW OFFICES

BISHOP, COOK, PURCELL & REYNOLDS

1400 L STREET, N.W.  
WASHINGTON, D.C. 20005-3502  
(202) 371-5700

WRITER'S DIRECT DIAL  
(202) 371-5787

TELEX 440574 INTLAW UI  
TELECOPIER (202) 371-5950

August 2, 1990

HAND-DELIVERED

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

Re: MUR 2981  
John B.G. Roberts, III

Dear Mr. Allen:

I am writing in response to the letter of Federal Election Commission ("FEC") Chairman, Lee Ann Elliott, to my client, John Roberts, dated July 13, 1990. In that letter, Ms. Elliott alleges that there is evidence that Mr. Roberts violated the Federal Election Campaign Act of 1971. Ms. Elliott's letter was accompanied by a Factual and Legal Analysis of the allegations. This letter, and the attachment hereto, is our response to those allegations.

As I advised you on the telephone last week, on November 30, 1989, John Roberts pled guilty to the precise FEC violations that you are now investigating. On February 9, 1990, Mr. Roberts was sentenced to twelve (12) months imprisonment and a \$10,000.00 fine. He is currently serving his sentence of imprisonment at Maxwell Federal Prison Camp, Montgomery, Alabama. Although his fine was not due until the completion of his period of probation, i.e., two years from the conclusion of his prison sentence, he paid his fine several months ago as a result of pressure from the prison authorities.

Mr. Roberts has fully acknowledged his mistakes regarding his violation of the FEC laws, and he has been more than severely punished. Additionally, he cooperated fully with the government, having been debriefed for over fifty (50) hours. These debriefing sessions contained full discussion and disclosures on the matters of FEC interest. I advised you, and have also advised Joseph Aronica, the Assistant U.S. Attorney handling the

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FEDERAL ELECTION COMMISSION  
OFFICE OF THE CLERK

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Mark Allen  
August 2, 1990  
Page 2

"Ill Wind" investigation, that we have no objection to your reviewing the memoranda and report of interviews of Mr. Roberts. Mr. Aronica should be contacting you soon on this issue.

Additionally, if you wish to interview Mr. Roberts at Maxwell Federal Prison Camp, we have no objection to such a meeting, however, the details of the same will need to be worked out by me and Mr. Roberts.

Finally, you should know that Mr. Roberts has become severely ill in prison, and may need to be hospitalized. Although he was disabled for two years prior to his sentencing (a disability accepted by the Social Security Administration), his health has deteriorated rapidly while in prison due to a lack of adequate medical care.

Considering the above, I would recommend that no further action be taken against Mr. Roberts. He has been prosecuted and punished for the allegations which you are now investigating beyond the fullest extent of the law. He is ill, impecunious, and with little employment opportunity on the outside when he is released from prison, providing he survives his sentence.

I have enclosed a copy of a letter from Mr. Roberts addressing many of the same points I have covered, as well as others. Your consideration of this response will be greatly appreciated.

Sincerely,

*Thomas M. Buchanan*

Thomas M. Buchanan

Enclosure

cc: Joseph J. Aronica, Esquire (w/encl.)  
Robbie Roberts (w/encl.)

93043502232

P.O. Box 1000  
Loretto, PA 15940  
July 20, 1990

Ms. Lee Ann Elliott  
Federal Election Commission  
Washington, D.C. 20463

Dear Ms. Elliott:

Thank you for allowing me to submit a response to the FEC allegation that I knowingly and willfully violated a provision of the FEC Act of 1971. I respectfully submit the following response:

(1) I do not understand why the FEC is attempting to implicate me in this allegation at this time. It was my understanding that my plea agreement prevented any further charges to be filed against me by the Federal Government in this matter. If this were not the case, I may not have decided to make the guilty plea.

(2) Because of my actions in this matter, I have already been severely punished by the United States government, as I am currently serving a twelve month sentence in Federal prison and was slapped with a very large fine of \$10,000. Any action the FEC could take now would be redundant and seems to me to be akin to double jeopardy.

(3) As I explained to the U.S. Attorney's Office in the course of my debriefings, it was never my intention to break the law in any way, and did not knowingly or willfully violate the FEC Act. I studied the FEC rules and regulations and consulted with experienced people who worked on the Hill before we undertook our fundraising activities. I fully believed at the time that we were within all FEC rules and regulations, and in fact I took great pains to ensure that we were, which is one of the reasons I took such meticulous records of all funds collected in our fundraising.

(4) The Sperry consultants who made campaign contributions made it clear to me from the beginning that the decision of who to contribute money to and in what amounts was their own personal decision, not mine or the company's. None of the consultants were ever cajoled, coerced, or intimidated by me in any way to make any contribution. It was not unusual for them to decline my requests for contributions, and when this occurred the matter was not pursued. Similarly, I believe the consultants made many contributions that were not instigated by me in any way. I had no way of knowing what the consultants did with the money they were paid by Sperry/Unisys after they received it, and to this day I have no first-hand knowledge as to the source of the funds used by the consultants to make campaign contributions.

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(5) The activity described in paragraph one on page two of the FEC's Factual and Legal Analysis describes some of my various fundraising activities. To my knowledge at that time, all of these activities were perfectly legal, normal, and usual in the everyday course of fundraising. The fact that certain individuals would choose to make campaign contributions because they believed the contributions could ultimately help a given corporation, group, or interest is hardly unusual, and indeed, all campaign contributions are made with exactly this purpose in mind. No one gives campaign contributions to someone that does not represent their interests.

(6) The method of paying consultants through invoices submitted for work done according to a particular purchase order was in place long before I arrived at Sperry. When it was explained to me by the senior officials of the company that this was the normal way of doing business, I had no reason to question it, as I had no other comparable experience in this area.

(7) The Factual and Legal Analysis contains at least two factual errors that I must cite. First, despite Charlie Gardner's allegations, Don Lynch never had direct contact with Bob Barrett and could never have delivered any check to him. Gardner's allegation that Lynch made a campaign contribution with Unisys funds is pure presumption and conjecture on Gardner's part, as he had no possible way of knowing the source of the funds used by Lynch to make this donation.

Second, Dennis Mitchell's accusation that I was reimbursed by Unisys for a contribution to the Badham Campaign Committee is patently false. As I explained to the U.S. Attorney's Office in debriefings, the check I gave to the Badham Campaign Committee was for \$2000, not \$1000. Also, I have in the past and continue to categorically deny that I was ever reimbursed by Unisys for this, or any contribution in any way.

(8) It was for the above reasons that I refused to plead guilty to anything for so long after the Ill Wind investigation became public. I was completely convinced that I had done nothing wrong. However, in hindsight I came to realize that I had unwittingly violated a provision of the FEC Act. It was an honest mistake, but it was explained to me that ignorance of the law is no excuse. For that reason, I felt I had no choice but to plead guilty to such action.

In conclusion, I ask that you consider the fact that I was extremely young and inexperienced when this occurred. I was advised by others much more experienced than I that what we were doing was not improper. My boss, Charlie Gardner, clearly wanted to engage in this fundraising activity, and I informed him that I could find no reason not to proceed. This was a horrible mistake on my part, but one for which I have paid dearly. I realize now that I was far too "green" to have passed judgment on what was proper fundraising and what was not. If I had investigated further and found that I was doing anything improper, I would have recommended against it, and refused to do it.

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This one mistake in judgment on my part has ruined my life completely. I have lost my health, my home, my job, my career, my savings, and my self-respect because of this matter. It has been, and continues to be, a living nightmare for me. I still cannot believe that I am in jail because I misinterpreted the FEC rules and regulations nearly ten years ago. I believe I have paid for my crime many times over already. I respectfully request that the FEC recognize this, and allow me to try to put the pieces of my life back together in peace.

Yours truly,



John Roberts

93043502235

OGC 7186

BRAND & LOWELL

A PROFESSIONAL CORPORATION  
923 FIFTEENTH STREET, N.W.  
WASHINGTON, D.C. 20005

TELEPHONE: (202) 662-9700  
TELECOPIER: (202) 737-7565

August 3, 1990

HAND DELIVERED

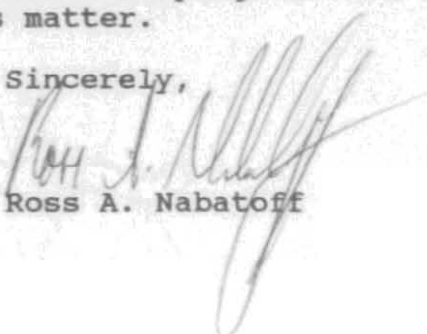
Mark Allen, Esquire  
General Counsel's Office  
Federal Election Commission  
999 E. Street, N.W.  
Room 657  
Washington, DC 20463

Re: MUR 2981

Dear Mr. Allen:

Enclosed for filing is the reply of the Dyson for Congress Committee and Marion Fedas, its Treasurer, to the Commission's finding that "reason to believe" exists that the Committee and Fedas violated the Federal Election Campaign Act of 1971. Thank you for your attention to this matter.

Sincerely,

  
Ross A. Nabatoff

RAN:glr  
Enclosures

50 AUG -3 PM 5:04

RECEIVED  
FEDERAL ELECTION COMMISSION  
AUG 3 1990

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BEFORE THE  
FEDERAL ELECTION COMMISSION

In the Matter of:

Dyson for Congress Committee

and

Marion Fedas, as Treasurer

)  
)  
)  
)  
)  
)

MUR 2981

RESPONDENTS' REPLY TO THE FEDERAL  
ELECTION COMMISSION'S FINDING THAT THERE IS REASON  
TO BELIEVE THAT RESPONDENTS  
VIOLATED THE FEDERAL ELECTION CAMPAIGN ACT OF 1971

Respondents, the Dyson for Congress Committee (the "Committee") and Marion Fedas ("Fedas"), its treasurer, respectfully submit this reply to the Federal Election Commission's (the "Commission") finding that "reason to believe" exists that the Committee and Fedas violated various provisions of the Federal Election Campaign Act of 1971 ("the Act"). The Committee and Fedas dispute the Commission's conclusion. To the contrary, the Committee and Fedas contend that they have complied with the Act's rules and regulations, and therefore, the Commission should take no further action against them.

The complaint's basis is Congressman Dyson's receipt of contributions totalling approximately \$15,000 from defense consultants, who have admitted their participation in an illegal scheme to funnel corporate contributions to various Congressmen using the defense consultants as "conduits." By utilizing this scheme, according to the complaint, the corporations, including Unisys Corporation ("Unisys"), allegedly concealed the true identity of the actual contributor, the corporation, in violation of § 441(f).

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The Commission contends that the circumstances surrounding these contributions, including the fact that they were received as 15 \$1,000 checks from contributors around the country not in connection with a formal fundraising event but during a corporate sponsored fact finding, should have prompted the Committee and Fedas to inquire into the legality of the contribution under both §§ 103.3(b)(1) and (b)(2). In addition, the Commission contends that even if the circumstances surrounding the initial receipt of the contributions were insufficient to trigger an inquiry into their legality, certain subsequent events, including the extensive media scrutiny of the contributions and the guilty pleas of various individuals involved in the conduit scheme, should have caused the Committee to discover the illegality of the contributions and to refund them within thirty days of discovery. See 11 C.F.R. § 103.3(b)(2).<sup>1</sup>

The Commission's arguments lack merit. First, despite the Commission's assertions to the contrary, the circumstances surrounding the receipt of the contributions did not -- and should not -- have imposed upon the Committee or Fedas a duty to inquire into their legality at the time of receipt of thereafter. The Commission's contrary determination is based upon an inaccurate interpretation of the regulations and thus creates a

---

<sup>1</sup> In a new allegation, the Commission also contends the Committee did not use its "best efforts" to obtain each contributor's occupation and name of employer. 11 C.F.R. § 104.7(b). The Committee is currently compiling the response to this allegation, and will supplement its answer as soon as this information is collected.

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new obligation -- not imposed by the Act -- for all campaign committees to abide by in the future. Second, none of the subsequent events referred to by the Commission compelled the Committee and Fedas to refund the contributions. In fact, a thorough review of the subsequent events reveals that only two individuals, John Roberts and Joseph Hill, pled guilty to making illegal contributions to Congressman Dyson, and the Committee and Fedas refunded those two contributions within the appropriate time period.

Finally, the Commission's Factual and Legal Analysis reveals that the Commission disregarded its regulations in making its "reason to believe" finding. The Act provides a respondent with the opportunity, prior to a "reason to believe" finding, to demonstrate that no action should be taken on the basis of a complaint. 11 C.F.R. § 111.6. In this case, the Commission utilized material extrinsic to the complaint to support its "reason to believe" finding. Since such evidence was not contained in the complaint, neither the Committee nor Fedas have had the opportunity, prior to the "reason to believe" finding, to challenge the extrinsic evidence. Indeed, the only opportunity for Fedas and the Committee to contest the extrinsic evidence is in this reply which is subsequent to the "reason to believe" finding. This type of procedure directly contravenes § 111.6, and effectively abolishes a respondent's right to prevent a "reason to believe" finding.

A. The Contributions Contained No Indication of Illegality

Title 11 C.F.R. §§ 103.1(b)(1)-(5) describe the requirements and obligations campaign committees must adhere to upon receiving contributions. §§ 103.3(b) and (b)(1) contain the requirements pertaining to the initial receipt of contributions:

(b) The treasurer shall be responsible for examining all contributions received for evidence of illegality and for ascertaining whether contributions received, when aggregated with other contributions from the same contributor, exceed the contribution limitations of 11 CFR 110.1 or 110.2.

By its express language, § 103.3(b) only requires the treasurer or campaign committee to examine contributions to determine their propriety, i.e., within applicable limits and from individuals. This provision does not mandate any further examination of contributions which appear to be permissible on their face.

If, however, the initial examination reveals that genuine questions exist as to whether the contributions were from corporations, labor organizations, foreign nationals, or a federal contractor, the regulations impose additional requirements. Specifically, 11 C.F.R. § 103.3(b)(1) states:

(1) Contributions that present genuine questions as to whether they were made by corporations, labor organizations, foreign nationals, or Federal contractors may be, within ten days of the treasurer's receipt, either deposited into a campaign depository under 11 CFR 103.3(a) or returned to the contributor. If any such contribution is deposited, the treasurer shall make his or her best efforts to determine the legality of the contribution. The treasurer shall make at least one written or oral request for evidence of the legality of the contribution. Such evidence includes, but is not limited to, a written statement from the contributor explaining why the contribution is

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legal, or a written statement by the treasurer memorializing an oral communication explaining why the contribution is legal. If the contribution cannot be determined to be legal, the treasurer shall, within thirty days of the treasurer's receipt of the contribution, refund the contribution to the contributor.

The event triggering this additional examination into the propriety of certain contributions is the existence of a "genuine question". If no "genuine question" exists, § 103.3(b)(1) is rendered inapplicable.

In this case, there was no "genuine question" -- or any question -- as to the legality of the \$15,000 in contributions. The contributions received by Congressman Dyson were written on personal checks and within applicable limitations. Consequently, contrary to the Commission's argument, there was no evidence of illegality at the time the contributions were received and nothing unusual to place an ordinary person on notice of a duty to inquire. In addition, the factors allegedly proving the questionable legality of the contributions, -- receipt of a large number of contributions at one time; contributors from different states; contributions donated without the conduct of a formal "fundraiser" -- are all entirely proper, and simply do not trigger the additional inquiry mandated by § 103.3(b)(1). Indeed, that these contributions were apparently "bundled" does not, standing alone, raise any such "genuine question." Bundling in this fashion is entirely legal and under current law quite widespread. Indeed, public generic criticism of such a

practice does not -- and cannot -- change a committee's duty as defined by statute and regulations.

Moreover, federal law does not circumscribe an individual's right to contribute to any Congressman, regardless of the contributor or Congressman's state of residence. The First Amendment guarantees this, and, today, when individuals have personal and business connections that span not only the nation but also the world, inter-state political activity is legitimate and an accepted practice throughout the federal campaign landscape.

Finally, the Act does not mandate that campaign fundraising occur only at recognized or purported "fundraisers". Indeed, while no empirical studies are available, it is clear that substantial sums of money are raised under the Act without resort to "fundraising" events. There is absolutely nothing in the Act or regulations prohibiting contributions without the benefit of a fundraiser. Individuals can contribute on their own or through fundraisers, but there is nothing improper about receiving or giving contributions without the prompting of a fundraiser. Therefore, the above factors, cited by the Commission to prove that the contributions were questionable, actually support the Committee's and Fedas' proposition that no indicia of illegality existed at the time Congressman Dyson received the contributions. Consequently, the Committee and Fedas acted properly under § 103.3 (b)(1) in accepting and depositing the contributions. Indeed, if the Commission takes further action in this case, it



will create a burdensome obligation not required by the Act: the Commission would create a presumption of "illegality," requiring a committee to routinely investigate potential hundreds of contributions it receives annually.

B. The Subsequent Events Did Not Create a Duty to Refund the Contribution

The Commission contends that, even if the Committee and Fedas acted properly at the time the contributions were received, they acquired sufficient information subsequent to the receipt of the contributions to obligate them to inquire and to refund the contributions. The Commission cites 11 C.F.R. § 103.3(b)(2) to support its conclusion. Title 11 C.F.R. § 103.3(b)(2) states:

(2) If the treasurer in exercising his or her responsibilities under 11 CFR 103.3(b) determined that at the time a contribution was received and deposited, it did not appear to be made by a corporation, labor organization, foreign national or Federal Contractor, or made in the name of another, but later discovers that it is illegal based on new evidence not available to the political committee at the time of receipt and deposit, the treasurer shall refund the contribution to the contributor within thirty days of the date on which the illegality is discovered. If the political committee does not have sufficient funds to refund the contribution at the time the illegality is discovered, the political committee shall make the refund from the next funds it receives.

11 C.F.R. § 103.3(b)(2) (emphasis added). The crucial factor triggering the refund requirement of § 103.3(b)(2) is the discovery of the actual illegality of the contributions. Treasurers or committees who discover that certain contributions are questionable do not have to refund them: contributions must be illegal for the mandatory refund obligations of § 103.3(b)(2) to be implicated. Moreover, the regulations impose no

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affirmative duty on treasurers to look for violations. A committee's duty is triggered when it discovers the illegality.

In support of its contention that the contributions were illegal and should have been refunded, the Commission cites numerous newspaper articles pertaining to the \$15,000, and also refers to the guilty pleas of certain individuals, including Joseph Hill, John Roberts III, Charles Gardner, Gerard Scarano, and Robert Littlefield. The Commission's argument, however, fails for one simple reason. The newspaper articles and the guilty pleas do not prove that the contributions to Congressman Dyson were illegal. To the contrary, they establish that only one contribution to Congressman Dyson's campaign was illegal, Joseph Hill's; and the Committee refunded that contribution within the appropriate thirty day time period.<sup>2</sup>

The media allegations are simply that, just allegations. A newspaper report that an individual has made illegal contributions does not constitute legally sufficient evidence that the contributions were, in fact, illegal, and therefore, must be refunded. Newspapers often print allegations based upon suspicion and innuendo, and if committees were compelled to refund contributions based on such media reports, a voluminous amount of permissible contributions would be refunded.

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<sup>2</sup> The Commission's statement that § 103.3(b)(2) implicitly "includes the duty to inquire into the circumstances of an earlier contribution when the later evidence shows that the contribution was of questionable legality" disregards the explicit language of the regulation. Section 103.3(b)(2) applies only to illegal contributions, not contributions of questionable legality. See 11 C.F.R. §103.3(b)(2) (1988).



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Furthermore, § 103.3(b)(2) does not obligate a committee to inquire into the legality of certain contributions simply because of media reports about the contributions.<sup>3</sup> This provision only obligates the committee to refund -- not to inquire into -- contributions which are illegal. It certainly does not mandate a global search of the media to discover questionable contributions and then to conduct a further inquiry.

The guilty pleas and accompanying material of the "Operation Ill Wind" defendants also fail to support the Commission's theory that the Committee and Fedas knew the contributions were illegal. Kenneth Brooke's guilty plea indicates that he pled guilty to an income tax count, not to making illegal contributions to Congressman Dyson. The only reference to Brooke's campaign contributions was an article depicting Congressman Dyson's FEC report which identified Brooke as a contributor. Brooke, however, has not pled guilty to any illegal contribution scheme, and therefore, the Committee and Fedas were not obligated to refund any of his contributions. Reduced to essentials, there simply is no indication that his contribution was illegal or that the Committee or Fedas knew of its alleged illegality. Moreover, there is no obligation that a committee must return a contribution from any person adjudged criminal.

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<sup>3</sup> Indeed, under the Commission's theory, an unscrupulous opponent could throw a candidate's committee into disarray by planting allegations of questionable campaign contributions in hopes a journalist may print a story.

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A similar situation surrounds the Gerard J. Scarano plea materials. While Scarano pled guilty to making illegal contributions, the illegal contributions were to the late Rep. William Chappell, not Congressman Dyson. No evidence exists proving that Mr. Scarano made any illegal contributions to Congressman Dyson. A contrary assertion is based simply on innuendo. Thus, the Committee and Fedas did not know of the alleged illegality of Scarano's contribution, and they were not required to refund the contribution pursuant to § 103.3(b)(2)

The guilty pleas of other individuals also refute the Commission's claim that Fedas and the Committee should have known that certain contributions were illegal and must be refunded. For example, James Neal's plea materials, which were not exhibits to the complaint, do not refer to any illegal contributions to Congressmen, much less a contribution to Congressman Dyson. Similarly, Robert Barrett's plea materials indicate that he participated in illegal contributions to the late Rep. William Chappell, not Congressman Dyson. Thus, the Committee and Fedas could not have known of any illegal contributions to Congressman Dyson from Barrett's plea materials.

Charles F. Gardner's plea materials indicate that Congressman Dyson may have received an illegal contribution resulting from Gardner's participation in a scheme to funnel contributions to Congressman Dyson through conduits. The issue, however, with respect to the Gardner plea materials is not whether the Gardner-related contributions were illegal, but when

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Fedas and the Committee were -- or are -- aware that these contributions were illegal. Gardner's plea materials indicate that Gardner contacted Robert D. Barrett and asked Barrett to obtain contributions for Congressman Dyson. Barrett, in turn, contacted John Roberts who solicited Don L. Lynch to make the contribution. Lynch made the contribution. All of the above, on their face, are proper, accepted and commonplace.

Lynch, however, has not pled guilty to making any illegal contributions to Congressman Dyson or any other Congressman. Consequently, to this day, the Committee and Fedas do not know whether the Gardner-related contributions are illegal. Lynch is still cloaked with the presumption of innocence (as is Barrett vis a vis Congressman Dyson), and until he pleads guilty, his contribution to Congressman Dyson is presumed legal. In addition, as discussed above, the Commission would impose on the Dyson Committee an obligation to review all plea agreements and media stories to ensure that none of its contributions are mentioned.

The Roberts guilty plea lends little support to the Commission's argument. First, none of the individuals identified in the Roberts materials have pled guilty to any criminal activity, much less making illegal contributions to Congressman Dyson. Thus, their contributions, like Lynch's, must be presumed legal. Second, Roberts pled guilty after the initiation of this action and after Congressman Dyson's refund of the numerous contributions on September 25, 1989. Consequently, even if the

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contributions are illegal--an erroneous assumption at this point--  
- Congressman Dyson has complied with the regulations by  
refunding the contributions of all the individuals identified in  
the Roberts material. Such conduct reflects Congressman Dyson's  
desire to comply with the spirit and the letter of the Act.<sup>4</sup>

Finally, Joseph Hill's plea materials indicate he made an  
illegal contribution to Congressman Dyson. Pursuant to the Act's  
requirements, Congressman Dyson refunded Hill's illegal  
contributions within the thirty day period. Such conduct by  
Fedas and the Committee again reflects their adherence to the  
letter and the spirit of the law.

C. The Commission Ignored its Regulations

By reviewing evidence extrinsic to the complaint, the  
Commission has ignored its regulations, thereby denying Fedas and  
the Committee an opportunity to refute the Commission's  
allegations prior to the "reason to believe" finding. After the  
receipt of a complaint, but prior to a "reason to believe"  
finding, a respondent is permitted to demonstrate that the  
complaint lacks merit and that the Commission should take no  
further action. 11 C.F.R. § 111.6(a). In this case, the  
Commission made a "reason to believe" finding based upon certain  
extrinsic evidence, i.e., John Roberts' guilty plea. Since the  
Roberts material was not contained in the complaint, Fedas and  
the Committee could not contest such evidence prior to the

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<sup>4</sup> Furthermore, Roberts never contributed to Congressman  
Dyson's campaign.

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Commission's decision to issue a "reason to believe" finding. Instead, they must now attempt to challenge this evidence after the "reason to believe" finding. The Commission's actions in this case deprived the Committee and Fedas of an opportunity provided by the explicit language of the Act.

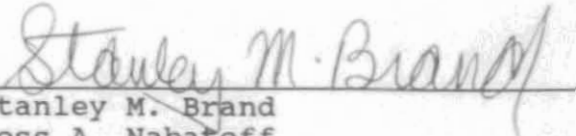
Conclusion

For the foregoing reasons, respondents, Dyson for Congress Committee and Marion Fedas, its Treasurer, respectfully request the Commission to take no further action in this case and dismiss this action.

Respectfully submitted,

Brand & Lowell, P.C.  
923 15th Street, N.W.  
Washington, D.C. 20005  
(202) 662-9700

By:

  
Stanley M. Brand  
Ross A. Nabatoff

LAW OFFICES

LEONARD N. BEBCHICK

90 AUG -6 AM 11:02

1220 NINETEENTH STREET, N. W., SUITE 700  
WASHINGTON, D. C. 20036

TEL (202) 293-3207  
TELEX 3723487 BEBLAW  
TELEFAX (202) 223-8604

August 3, 1990

Mr. Mark Allen  
Office of General Counsel  
Federal Election Commission  
999 E Street, N.W., 6th floor  
Washington, D. C.

Re: MUR 2981  
Violet Lynch

Dear Mr. Allen,

As I advised you by phone on Wednesday, your letter of July 13th was received by Mrs. Lynch on Monday of this week (July 30th) and was forwarded to me on Wednesday. The delay in delivery is attributable to the mistaken zip code used by you (it should have been 22030) and the move of Mr. & Mrs. Lynch to another address in Fairfax. A xerox the face of your envelope confirming the above is enclosed.

We transmit a completed form by which Mrs. Lynch designates the undersigned as her counsel. All FEC communications should hereafter be directed to me.

We are unable at this time to respond to the Commission's findings because of errors and insufficiencies in the Factual and Legal Analysis. Once these are rectified, we will be enabled to go forward.

1. The Analysis recites: "Lynch is named in...John Roberts' publicly-available guilty plea and accompanying materials as being reimbursed by Unisys for her political contributions." We find no basis for this assertion in the Roberts' materials available to us. These are comprised by a Plea Agreement, Criminal Information and Statement of Facts. The only mention of Violet Lynch in these materials is the appearance of her name in paragraph 19(a) of the Criminal Information, and that reference hardly seems to constitute a proper or sufficient basis for the key recitation of the Analysis quoted above.

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RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL

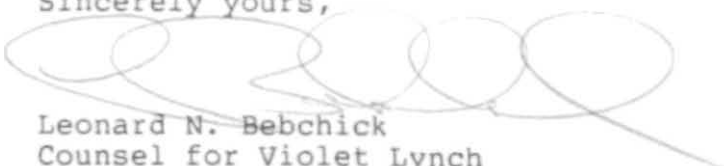
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2. The Analysis lists seven alleged political contributions made by our client, but neither she nor we have any knowledge of her having made two of those listed, and the amount of a third seem in error.

We ask that we be given access to all the materials including FEC's referenced Roberts' plea and accompanying materials upon which FEC relies in making the statements recited in its Analysis and in reaching its "reason to believe" finding. Once we are able to examine the materials to which the Commission and its Staff make reference and on which they rely, we will be in a position to meaningfully address the Commission's letter and its Analysis. If the materials in question are voluminous, we would be happy to preliminarily review them at your office in lieu of asking that you now copy them in their entirety for our study.

Sincerely yours,



Leonard N. Bebachick  
Counsel for Violet Lynch

cc: Violet Lynch

93043502251



**STATEMENT OF DESIGNATION OF COUNSEL**

MUR 2981

NAME OF COUNSEL: Leonard N. Bebchick

ADDRESS: 1220 Nineteenth Street, NW  
Washington, DC 20036

TELEPHONE: (202) 293-3207

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.

July 30, 1990  
Date

Violet Lynch  
Signature

RESPONDENT'S NAME: Violet Lynch

ADDRESS: 10929 Decatur Dr.  
Fairfax, VA 22030

HOME PHONE: \_\_\_\_\_

BUSINESS PHONE: \_\_\_\_\_

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90 AUG -6 AM 11:00

2237 Donnie Road  
Newport Beach, CA 92660  
August 3, 1990

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
90 AUG -6 PM 12:52

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

Re: MUR 2981

Dear Mr. Noble:

As the former treasurer of the Badham Congressional Committee, I received your July 23, 1990 letter notifying me of the possibility that a \$1,000 contribution received by the Committee on November 17, 1987 from John Roberts allegedly was reimbursed by Unisys Corporation.

It has been requested, under 11 C.F.R. §103.3(b)(2), that the \$1,000 be refunded to Unisys Corporation.

To the best of my knowledge, at the time of receipt it did not appear that the contribution was made by a corporation or was made in the name of another. I had no information other than that it was an acceptable contribution from an individual.

The Committee was terminated early in 1989 and is now without funds. Congressman Badham has retired. If the Committee is ever re-activated, as soon as funds are available the \$1,000 will be refunded.

Yours very truly,



Robert W. Krone  
Former Treasurer  
Badham Congressional Committee

cc: Hon. Robert E. Badham  
Mr. Darryl R. Wold, Esq.

93043502253

06L 7222

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2981  
NAME OF COUNSEL: MARVIN LOEWY  
ADDRESS: 6 DAIRYFIELD CT  
ROCKVILLE, MD 20852  
TELEPHONE: 301 468 0849

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.

July 31, 1990  
Date

Sean R. Old  
Signature

RESPONDENT'S NAME: SEAN R. OLD  
ADDRESS: 3010 SCHILLING AV  
MONUMENT, CO 80132  
HOME PHONE: \_\_\_\_\_  
BUSINESS PHONE: \_\_\_\_\_

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF CLERICAL COUNSEL  
90 AUG -7 PM 12:33

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066 722/

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2981

NAME OF COUNSEL: MARVIN LOEWY

ADDRESS: 6 DAIRYFIELD CT  
ROCKVILLE, MD 20852

TELEPHONE: 301 468 0849

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
90 AUG -7 PM 12:43

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.

JULY 31, 1990  
Date

[Signature]  
Signature

RESPONDENT'S NAME: ROBERT OLD

ADDRESS: 3010 SCHILLING AV  
MONUMENT, CO 80132

HOME PHONE: \_\_\_\_\_

BUSINESS PHONE: \_\_\_\_\_

93043502255

Robert H. Littlefield  
R.R. # 3 Box 501  
North Berwick, Me 03906

OGC 7230

90 AUG -8 AM 11:09

MR MARK ALLEN  
FEDERAL ELECTION COMMISSION  
WASHINGTON, DC 20543

8/5/90

MUR 2981

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
90 AUG -8 PM 12:13

DEAR MR. ALLEN:

I FOUND SOME RECORDS THAT THE FBI DID NOT TAKE. THE  
ENCLOSED ZEROED SHEETS STARTING WITH "608 AND ENDING  
WITH "634 ARE DEPOSIT RECORDS FROM THE MERRILL AND  
RESEARCH LTD CHECK BOOK. THE SINGLE SHEET IS COPY  
OF MERRILL AND MONEY MARKET A/C FOR 1987-1988.  
I NORMALLY ENTERED ALL RECEIPTS IN CHECK BOOK AND  
LATER TRANSFERRED SURPLUS FUNDS TO THE MONEY MARKET  
A/C. APPARENTLY I DID NOT DO THAT WITH THE 7/1/87 RECEIPT.  
THE SINGLE SHEET IS A SUMMARY LIST OF RECEIPTS RECORDED  
ON THE ABOVE ENCLOSURES.

I DO NOT REMEMBER WHY THE ONE PAYMENT OF 1/3/87  
WAS REDUCED TO 15000

I APPRECIATE THAT ENCLOSURES ARE NOT CONCLUSIONS  
FROM YOUR POINT OF VIEW. THEY DO HOWEVER CORROBORATE  
WHAT WE DISCUSSED ON THE PHONE

SINCERELY

R.H. Littlefield

93043502256

LAW OFFICES

LEONARD N. BEBCHICK

90 AUG -9 AM 10:42

1220 NINETEENTH STREET, N.W., SUITE 700  
WASHINGTON, D. C. 20036

TEL. (202) 293-3207  
TELEX 3723487 BEBLAW  
TELEFAX (202) 223-8604

August 8, 1990

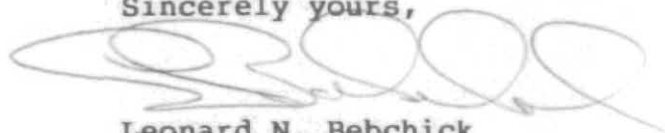
Mr. Mark Allen  
Office of General Counsel  
Federal Election Commission  
999 E Street, N.W., 6th floor  
Washington, D. C.

Re: MUR 2981  
Violet Lynch

Dear Mr. Allen,

My letter of August 3rd incorrectly stated that the amount of one of the contributions listed in the FEC Analysis was in error. That misstatement was due to a typing error in a tabulation which I consulted.

Sincerely yours,



Leonard N. Bechick  
Counsel for Violet Lynch

90 AUG -9 PM 12:21

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL

93043502257

06C 7364

MILLER & CHEVALIER

CHARTERED

METROPOLITAN SQUARE

655 FIFTEENTH STREET, N. W.

SUITE 900

WASHINGTON, D. C. 20005-5701

(202) 626-5800

WRITER'S DIRECT LINE

(202) 626-6032

ROBERT N. MILLER  
1879-1968  
STUART CHEVALIER  
1879-1958

DAVID W. RICHMOND  
NUMA L. SMITH, JR.  
CHARLES T. AKRE  
BARRON K. GRIER  
WALTER D. HAYNES  
COUNSEL

CABLE: MILCHEV  
TELECOMPAR: (202) 628-0858  
628-0859  
TELEX: 440260

JOHN S. NOLAN  
JOHN M. SIXLER  
CLARENCE T. KIPPS, JR.  
PHILIP S. NEAL  
ROBERT L. MOORE, II  
DONALD B. CRAVEN  
PHILLIP L. MANN  
AL JOHN GABIG  
DENNIS P. SEDELL  
JOHN LLOYD RICE  
JAY L. CARLSON  
MARK L. EVANS  
ROMER E. MOYER, JR.  
LEONARD BICKWIT, JR.  
BROOK VOGHT  
FREDERICK H. ROBINSON  
JOHN B. WAGEE  
WILMETT B. LEWIS  
CRAIG D. MILLER  
ROBERT K. HUFFMAN  
ALEXANDER ZAKUPOWSKY, JR.  
GERALD GOLDMAN  
FREDERICK OLIPHANT III  
RONALD D. AUCUTT  
EDWIN A. JAMES  
ALAN R. YUSPEH  
JAMES A. BENSFIELD  
TERRY BANCROFT DOWD  
THOMAS D. JOHNSTON  
JAMES P. TUITE  
CATHERINE T. PORTER  
ALAN C. BROWN  
DAVID B. CUBETA  
THOMAS W. MAHONEY, JR.  
ANNE E. MORAN  
ROBERT E. LILES, II  
SCOTT E. PICKENS  
PATRICIA J. SWEENEY  
GRANT D. ALDONAS

T. TIMOTHY TUERFF  
JAMES B. ALTMAN  
CATHERINE CURTISS  
J. BRADFORD ANWYLL  
FRANCES J. HENDERSON  
SERENA G. SIMONS  
WILLARD L. BOYD III  
F. SCOTT FARMER  
CATHERINE VEIHMAYER HUGHES  
MARY LOU SOLLER  
KEVIN C. DWYER  
HAL I. GANN  
KEVIN L. KENWORTHY  
PAUL L. GLENCHUR  
ROBIN L. GREENHOUSE  
CHRISTOPHER S. RIZER  
KATHRYN BUCHER  
PATRICIA M. LACEY  
THOMAS D. DINACKUS  
DANIEL F. DANIELLO  
F. JEFFERSON HUGHES  
JOHN J. ROONEY  
CATHERINE L. CREECH  
ANTHONY F. SHELLEY  
PHILIP J. FERNEAU  
WILLIAM M. MCCLONE  
BARBARA H. RYLAND  
MICHAEL R. GILES  
KENDALL W. DAINES  
HALVOR N. ADAMS III  
JULIA R. FINK  
DANIEL M. FLORES  
HARRY A. FRANKS, JR.  
JEAN A. CHMIELEWSKI  
PATRICIA A. MILLETT  
ANSLEY T. MOSES  
AHMAD A. PIRASTEH  
SUSAN G. WHITMAN  
DALE KEATS LIPNICK

\*NOT ADMITTED IN THE DISTRICT OF COLUMBIA

August 9, 1989

90 AUG 10 AM 8:47

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL

BY HAND

Mark Allen, Esquire  
Federal Election Commission  
999 E Street, N.W.  
Room 657  
Washington, D.C. 20463

Re: Robert D. Barrett  
MUR 2981

Dear Mr. Allen:

Enclosed please find material which I believe to be pertinent to our discussions regarding a conciliation agreement in the above matter.

The material consists of a bankruptcy petition filed jointly by Robert Barrett and his wife in the United States Bankruptcy Court for the Eastern District of Virginia. The petition, which was filed on August 8, 1990, sets forth in considerable detail the current precarious financial position of our client.

I look forward to meeting you on Thursday, August 9.

Yours truly,

James A. Bensfield

Enclosure

93043502258



OGC 7368

BRAND & LOWELL

A PROFESSIONAL CORPORATION  
923 FIFTEENTH STREET, N.W.  
WASHINGTON, D.C. 20005

TELEPHONE: (202) 662-9900  
TELECOPIER: (202) 737-7865

RECEIVED  
FEDERAL ELECTION COMMISSION  
GENERAL COUNSEL  
96 AUG 10 PM 2:32

August 10, 1990

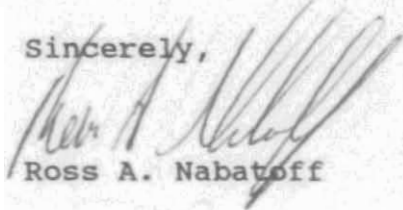
VIA MESSENGER

Mark Allen, Esquire  
General Counsel's Office  
Federal Election Commission  
999 E. Street, N.W.  
Room 657  
Washington, DC 20463

Re: MUR 2981

Dear Mr. Allen:

Enclosed for filing is a Notice of Supplemental Filing and attachments in the above referenced matter. Thank you for your attention to this matter.

Sincerely,  
  
Ross A. Nabatoff

RAN:glr  
Enclosure

93043502259

93043502260

MUR 2981

By:

Stanley M. Brand  
Ross A. Nabatoff

BEFORE THE  
FEDERAL ELECTION COMMISSION

In the Matter of:

Dyson for Congress Committee

and

Marion Fedas, as Treasurer

MUR 2981

AFFIDAVIT OF MARION FEDAS

STATE OF MARYLAND )

) SS

COUNTY OF HARFORD )

Marion Fedas, being first duly sworn on oath, states as follows:

1. I am the treasurer of the Dyson for Congress Committee.

2. I am authorized to, and do, execute this affidavit on behalf of the Dyson for Congress Committee, and on the basis of my personal knowledge.

3. I have reviewed and am familiar with the Federal Election Commission's finding that "reason to believe" exists that the Dyson for Congress Committee and myself, as treasurer of the Committee, did not use "best efforts" to ascertain the July 7, 1987 contributors' occupations, and identity of employers.

4. I have researched the July 7, 1987 contributions and have determined that the Committee and myself, as treasurer of the Committee, sent letters to each of the contributors requesting their occupation and place of employment.

5. I signed the letters mailed to the contributors. I have attached unsigned carbon copies of these letters to this

93043502261

affidavit.

Marion Fedas  
Marion Fedas

Subscribed and sworn before me this 8<sup>th</sup> day of August, 1980

Constance E. Bailey  
Notary Public  
My Commission Expires: 09-01-91



93043502262

ROY DYSON FOR CONGRESS

Democrat - 1st Congressional District  
P.O. Box 5  
Great Mills, Maryland 20634

July 27, 1987

93043502263  
Mr. Robert M. Brooks  
210-7th Street, S.E.  
Suite B-15  
Washington, D.C. 20003

Dear Mr. Brooks:

Thank you for your recent contribution to the Dyson for Congress Committee. Your support towards Roy's endeavors was very much appreciated.

However, I will need to know your occupation and place of employment. Due to federal regulations this information is required by law for any contribution over \$200. Please mail this information to me at 518 N. Paradise Road, Aberdeen, Maryland 21001.

Thanks again, and with warmest regards.

Sincerely,

MARION R. FEDAS  
Treasurer

MBF:rh

ROY DYSON FOR CONGRESS

Democrat - 1st Congressional District  
P.O. Box 5  
Great Mills, Maryland 20634

July 27, 1987

Mr. William M. Galvin  
600 New Hampshire Avenue, N.W.  
Washington, D.C. 20037

Dear Mr. Galvin:

Thank you for your recent contribution to the Dyson for Congress Committee. Your support towards Roy's endeavors was very much appreciated.

However, I will need to know your occupation and place of employment. Due to federal regulations this information is required by law for any contribution over \$200. Please mail this information to me at 518 N. Paradise Road, Aberdeen, Maryland 21001.

Thanks again, and with warmest regards.

Sincerely,

MARION R. FEDAS  
Treasurer

MMF:rh

ROY DYSON FOR CONGRESS

Democrat - 1st Congressional District  
P.O. Box 5  
Great Mills, Maryland 20634

July 27, 1987

Ms. Violet J. Lynch  
11100 Byrd Drive  
Fairfax, Virginia 22030

Dear Ms. Lynch:

Thank you for your recent contribution to the Dyson for Congress Committee. Your support towards Roy's endeavors was very much appreciated.

However, I will need to know your occupation and place of employment. Due to federal regulations this information is required by law for any contribution over \$200. Please mail this information to me at 518 N. Paradise Road, Aberdeen, Maryland 21001.

Thanks again, and with warmest regards.

Sincerely,

MARION R. FEDAS  
Treasurer

MRP:rh



ROY DYSON FOR CONGRESS

Democrat - 1st Congressional District  
P.O. Box 5  
Great Mills, Maryland 20634

July 27, 1987

10-1-87  
Mrs. Wilhelmina Littlefield  
5500 Holmes Run Parkway #605  
Alexandria, Virginia 22304

Dear Mrs. Littlefield:

Thank you for your recent contribution to the Dyson for Congress Committee. Your support towards Roy's endeavors was very much appreciated.

However, I will need to know your occupation and place of employment. Due to federal regulations this information is required by law for any contribution over \$200. Please mail this information to me at 518 W. Paradise Road, Aberdeen, Maryland 21001.

Thanks again, and with warmest regards.

Sincerely,

MARION R. FEDAS  
Treasurer

MRF:rh

ROY DYSON FOR CONGRESS

Democrat - 1st Congressional District  
P.O. Box 5  
Great Mills, Maryland 20634

July 27, 1987

Mr. R.H. Littlefield  
5500 Holmes Run Parkway #605  
Alexandria, Virginia 22304

Dear Mr. Littlefield:

Thank you for your recent contribution to the Dyson for Congress Committee. Your support towards Roy's endeavors was very much appreciated.

However, I will need to know your occupation and place of employment. Due to federal regulations this information is required by law for any contribution over \$200. Please mail this information to me at 518 N. Paradise Road, Aberdeen, Maryland 21001.

Thanks again, and with warmest regards.

Sincerely,

MARION R. FEDAS  
Treasurer

MRF:rh

ROY DYSON FOR CONGRESS

Democrat - 1st Congressional District  
P.O. Box 5  
Great Mills, Maryland 20634

July 27, 1987

Mr. & Mrs. Charles F. Gardner  
50 Roosevelt Avenue  
Malverne, N.Y. 11565

Dear Mr. & Mrs. Gardner;

Thank you for your recent contribution to the Dyson for Congress Committee. Your support towards Roy's endeavors was very much appreciated.

However, I will need to know your occupation and place of employment. Due to federal regulations this information is required by law for any contribution over \$200. Please mail this information to me at 518 N. Paradise Road, Aberdeen, Maryland 21001.

Thanks again, and with warmest regards.

Sincerely,

MARION R. FEDAS  
Treasurer

MRF:rh

ROY DYSON FOR CONGRESS

Democrat - 1st Congressional District  
P.O. Box 5  
Great Mills, Maryland 20634

July 27, 1987

Ms. Jean R. Old  
1112 Gatewood Drive  
Alexandria, Virginia 22307

Dear Ms. Old:

Thank you for your recent contribution to the Dyson for Congress Committee. Your support towards Roy's endeavors was very much appreciated.

However, I will need to know your occupation and place of employment. Due to federal regulations this information is required by law for any contribution over \$200. Please mail this information to me at 518 N. Paradise Road, Aberdeen, Maryland 21001.

Thanks again, and with warmest regards.

Sincerely,

MARION R. FEDAS  
Treasurer

MRF:rh

ROY DYSON FOR CONGRESS

Democrat - 1st Congressional District  
P.O. Box 5  
Great Mills, Maryland 20634

July 27, 1987

Mr. Robert Q. Old  
1112 Gatewood Drive  
Alexandria, Virginia 22307

Dear Mr. Old:

Thank you for your recent contribution to the Dyson for Congress Committee. Your support towards Roy's endeavors was very much appreciated.

However, I will need to know your occupation and place of employment. Due to federal regulations this information is required by law for any contribution over \$200. Please mail this information to me at 518 N. Paradise Road, Aberdeen, Maryland 21001.

Thanks again, and with warmest regards.

Sincerely,

MARION R. FEDAS  
Treasurer

MRF:rh

ROY DYSON FOR CONGRESS

Democrat - 1st Congressional District  
P.O. Box 5  
Great Mills, Maryland 20634

July 27, 1987

23043502271  
Mrs. Mildred E. Hill  
277 Rosella Street  
Mineola, N.Y. 11501

Dear Mrs. Hill:

Thank you for your recent contribution to the Dyson for Congress Committee. Your support towards Roy's endeavors was very much appreciated.

However, I will need to know your occupation and place of employment. Due to federal regulations this information is required by law for any contribution over \$200. Please mail this information to me at 518 N. Paradise Road, Aberdeen, Maryland 21001.

Thanks again, and with warmest regards.

Sincerely,

MARION R. PEDAS  
Treasurer

MRF:rh

ROY DYSON FOR CONGRESS

Democrat - 1st Congressional District  
P.O. Box 5  
Great Mills, Maryland 20634

July 27, 1987

Ms. Brenda Brooks  
7511 Axton Street  
Springfield, Virginia 22151

Dear Ms. Brooks:

Thank you for your recent contribution to the Dyson for Congress Committee. Your support towards Roy's endeavors was very much appreciated.

However, I will need to know your occupation and place of employment. Due to federal regulations this information is required by law for any contribution over \$200. Please mail this information to me at 513 N. Paradise Road, Aberdeen, Maryland 21001.

Thanks again, and with warmest regards.

Sincerely,

MARION R. FEDAS  
Treasurer

MRF:rh



ROY DYSON FOR CONGRESS

Democrat - 1st Congressional District  
P.O. Box 5  
Great Mills, Maryland 20634

July 27, 1987

Mr. Kenneth P. Brooke  
7330 Eldorado Street  
McLean, Virginia 22102

Dear Mr. Brooke:

Thank you for your recent contribution to the Dyson for Congress Committee. Your support towards Roy's endeavors was very much appreciated.

However, I will need to know your occupation and place of employment. Due to federal regulations this information is required by law for any contribution over \$200. Please mail this information to me at 518 N. Paradise Road, Aberdeen, Maryland 21001.

Thanks again, and with warmest regards.

Sincerely,

MARION R. FEDAS  
Treasurer

MRF:rh

ROY DYSON FOR CONGRESS

Democrat - 1st Congressional District  
P.O. Box 5  
Great Mills, Maryland 20634

July 27, 1967

1540-12  
9304350227A  
Mr. & Mrs. Joseph E. Hill  
277 Roselle Street  
Mineola, N.Y. 11501

Dear Mr. & Mrs. Hill:

Thank you for your recent contribution to the Dyson for Congress Committee. Your support towards Roy's endeavors was very much appreciated.

However, I will need to know your occupation and place of employment. Due to federal regulations this information is required by law for any contribution over \$200. Please mail this information to me at 518 N. Paradise Road, Aberdeen, Maryland 21001.

Thanks again, and with warmest regards.

Sincerely,

MARION R. FEDAS  
Treasurer

MRF:rh

ROY DYSON FOR CONGRESS

Democrat - 1st Congressional District  
P.O. Box 5  
Great Mills, Maryland 20634

July 27, 1967

93043502275  
100-02  
S. L. Sommer  
3129 Worthington Street, N.W.  
Washington, D.C. 20015

Dear S.L. Sommer:

Thank you for your recent contribution to the Dyson for Congress Committee. Your support towards Roy's endeavors was very much appreciated.

However, I will need to know your occupation and place of employment. Due to federal regulations this information is required by law for any contribution over \$200. Please mail this information to me at 518 N. Paradise Road, Aberdeen, Maryland 21001.

Thanks again, and with warmest regards.

Sincerely,

MARION R. FEDAS  
Treasurer

MRF:rb

ROY DYSON FOR CONGRESS

Democrat - 1st Congressional District  
P.O. Box 5  
Great Mills, Maryland 20634

July 27, 1987

23043502276  
1/24/87  
Mr. Don L. Lynch  
11100 Byrd Drive  
Fairfax, Virginia 22030

Dear Mr. Lynch:

Thank you for your recent contribution to the Dyson for Congress Committee. Your support towards Roy's endeavors was very much appreciated.

However, I will need to know your occupation and place of employment. Due to federal regulations this information is required by law for any contribution over \$200. Please mail this information to me at 518 N. Paradise Road, Aberdeen, Maryland 21001.

Thanks again, and with warmest regards.

Sincerely,

MARION R. FEDAS  
Treasurer

MRF:rh

ROY DYSON FOR CONGRESS

Democrat - 1st Congressional District  
P.O. Box 5  
Great Mills, Maryland 20634

July 27, 1987

Mr. Frederick P. Somers  
14426 Black Horse Court  
Centreville, Virginia 22020

Dear Mr. Somers:

Thank you for your recent contribution to the Dyson for Congress Committee. Your support towards Roy's endeavors was very much appreciated.

However, I will need to know your occupation and place of employment. Due to federal regulations this information is required by law for any contribution over \$200. Please mail this information to me at 513 N. Paradise Road, Aberdeen, Maryland 21001.

Thanks again, and with warmest regards.

Sincerely,

MARION R. FEDAS  
Treasurer

MRF:rh

ROY DYSON FOR CONGRESS

Democrat - 1st Congressional District  
P.O. Box 5  
Great Mills, Maryland 20634

July 27, 1987

Mr. & Mrs. John Metrishyn  
945 Birch Street  
Scranton, Pennsylvania 18505

Dear Mr. & Mrs. Metrishyn:

Thank you for your recent contribution to the Dyson for Congress Committee. Your support towards Roy's endeavors was very much appreciated.

However, I will need to know your occupation and place of employment. Due to federal regulations this information is required by law for any contribution over \$200. Please mail this information to me at 518 N. Paradise Road, Aberdeen, Maryland 21001.

Thanks again, and with warmest regards.

Sincerely,

MARION R. FEDAS  
Treasurer

MRF:rh

PAUL J. KILLION  
JOSEPH U. METZ

KILLION & METZ  
ATTORNEYS AT LAW  
SUITE 600  
122 MARKET STREET  
HARRISBURG, PENNSYLVANIA 17101  
(717) 232-0879

OGC 7435  
RECEIVED  
FEDERAL ELECTION COMMISSION

90 AUG 14 PM 4:39

P.O. BOX 11670  
HARRISBURG, PA 17108

August 13, 1990

Federal Election Commission  
Lee Ann Elliott, Chairman  
Washington, D.C. 20463

90 AUG 15 AM 11:57

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF LEGAL COUNSEL

MUR 2981

Dear Ms. Elliott:

I am writing in response to your letter of July 13, 1990 to Mr. Paul Killion.

Mr. Killion has been on vacation since mid-July and should return to the office on August 16, 1990. We would appreciate the opportunity to respond to your letter sometime after that date.

Thank you very much for your consideration.

Very truly yours,

KILLION & METZ

*Joe Metz*

Joseph U. Metz, Esq.

JUM/vph

VIA FEDERAL EXPRESS

93043502279





FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

August 16, 1990

Paul J. Killion, Esq.  
Killion & Metz  
122 Market Street  
Suite 600  
Harrisburg, PA 17101

RE: MUR 2981  
Joseph Zuba

Dear Mr. Killion:

This is in response to your letter dated August 13, 1990, which we received on August 14, requesting an extension of time to respond to the Commission's finding of reason to believe that your client violated the Federal Election Campaign Act of 1971, as amended. 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 31, 1990.

If you have any questions, please contact Mark Allen, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble  
General Counsel

A handwritten signature in dark ink, which appears to read "Jonathan Bernstein", is written over the typed name of the Assistant General Counsel. The signature is fluid and cursive.

BY: Jonathan Bernstein  
Assistant General Counsel

93043502280

LAW OFFICES

LEONARD N. BEBCHICK

1220 NINETEENTH STREET, N. W., SUITE 700  
WASHINGTON, D. C. 20036

TEL. (202) 293-3207  
TELEFAX (202) 223-8604

August 20, 1990

Mr. Mark Allen  
Office of General Counsel  
Federal Election Commission  
999 E Street, N.W., 6th floor  
Washington, D. C. 20463

Re: MUR 2981  
Don Lynch

Dear Mr. Allen,

This is in response to your letter of July 13th and the attached Factual and Legal Analysis.

The materials referenced simply do not support the allegation that Mr. Lynch violated 2 USC 441h in knowingly permitting his name to be used to effect political contributions by Sperry/Unisys. We can find nothing in either the Gardner or Roberts criminal informations as would establish such a violation by Mr. Lynch.

So far as we can ascertain, there presently is available to the Commission no competent evidence which could be adduced to a trier of fact as would support any finding of a 441h violation by Mr. Lynch. We would be surprised if your further investigation would develop any such competent evidence. We note that certain of the statements made by Mr. Roberts in this proceeding (see paragraphs 4-8 of Roberts' letter to Chairman Elliott and appended to counsel's response of August 2) are quite at odds with the assertions advanced in your Factual and Legal Analysis. We also believe that a review of the Government's report of post plea debriefing interviews with Roberts (whose substance obviously is not reflected in the Roberts' criminal information and plea documents) should serve to demonstrate that no evidentiary basis exists for the assertion the Analysis levels against Mr. Lynch. We also think you should find it significant, as we do, that while Mr. Lynch was originally notified that he was a subject of the Grand Jury

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FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL

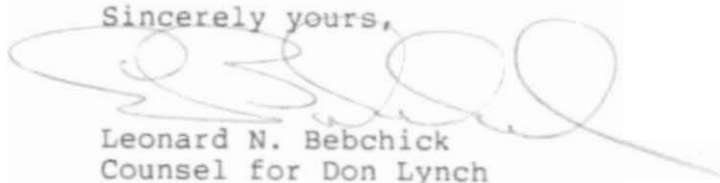
93043502281

investigation, he to date has not been charged or otherwise proceeded against.

The ultimate facts are that Mr. Lynch, based upon his considerable experience with the legislative process, made his own personal decisions as to each and every campaign contributions he chose to make, and that he used his own funds earned by highly productive legislative intelligence activities on behalf of many clients. That state of affairs is corroborated by what Mr. Roberts says in paragraph 4 of his letter of the Chairman of July 20, 1990. Mr. Lynch was no one's cat's paw.

Should you hereafter develop specific facts supported by competent evidence which appears to demonstrate that Mr. Lynch violated §441h by knowingly permitting himself to be used as a mere pawn of Unisys, we would appreciate being advised of them and having the opportunity of discussing this subject with you further. But given what is said above, we hardly can credit, nor properly should the Commission, unwarranted inferences drawn from the bald allegations of somewhat stale criminal informations directed at third parties.

Sincerely yours,

A handwritten signature in dark ink, appearing to read 'Leonard N. Bebachick', is written over a rectangular area. The signature is fluid and cursive, with a large loop at the end.

Leonard N. Bebachick  
Counsel for Don Lynch

93043502282

LAW OFFICES

LEONARD N. BEBCHICK

1220 NINETEENTH STREET, N. W., SUITE 700  
WASHINGTON, D. C. 20036

TEL. (202) 293-3207  
TELEFAX (202) 223-8604

August 20, 1990

Mr. Mark Allen  
Office of General Counsel  
Federal Election Commission  
999 E Street, N.W., 6th floor  
Washington, D. C. 20463

Re: MUR 2981  
Violet Lynch

Dear Mr. Allen,

In response to my letter of August 3rd, you have advised that the only Roberts' plea materials reviewed and relied upon by the Commission in formulating its Factual and Legal Analysis are those three documents specified in my letter. In addition, you have supplied me with a selection of report materials filed with the Commission by various political committees.

The Analysis is incorrect insofar as it lists a \$500 contribution to Congressman Young's Committee in November 1986 and a \$1000 contribution to Congressman Chappell's Committee in September 1987. Based upon my personal investigation and my review of the checks and records of Mr. & Mrs. Lynch, I am able to advise you that Mrs. Lynch made no contribution for Congressman Young in November 1986 or any other time. In fact, the contribution reported was one for \$1,000 (as reported) and was made by Mr. Lynch. Furthermore, I can advise you that neither Mr. nor Mrs. Lynch made any contribution for Congressman Chappell in September 1987 or at any other time during that year except for a \$1,000 contribution made by each of them in January 1987. To the extent that the reports filed with the Committee state otherwise, they are in error. Thus, if one looks back at the past five years, what is at issue are three contributions made by Mrs. Lynch which aggregate \$3,000.

The Analysis asserts that Mrs. Lynch was reimbursed for one or more of these contributions, and that she violated 2 USC §441f by knowingly allowing her name to be used to effect contributions made in fact with Unisys funds. These assertions are simply wrong. Indeed, they are not even alleged, let alone established, by the plea materials upon which the Analysis relies. Nor can such assertions be established by any competent evidence known to us which the Commission would be able to adduce to a trier of fact. If the Commission has any such

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
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competent evidence, we ask that it now be produced or at least identified.

As the Commission should know, the bald assertions in a criminal information hardly constitutes competent evidence. Moreover, the Roberts Information and other plea materials provide no basis for the assertions which the Commission makes against Mrs. Lynch.

The only mention of Mrs. Lynch, as we noted in our earlier letter, appears in paragraph 19(a) of the Roberts Information. Significantly, there is no mention whatsoever of Mrs. Lynch either in the "Manner and Means" or the "Overt Acts" portions of the Information or in the "Statement of Facts" accompanying the Roberts Plea Agreement.

Paragraph 19 (a) alleges that Roberts and Gardner conspired to cause political committee officials to falsely report that contributions had ostensibly been made from lawful sources by individual contributors including Mrs. Lynch when they had in fact been made from the corporate assets of Unisys in violation of 441a, 441b and 441c of Title 2. There is no allegation here or elsewhere that Mrs. Lynch was a knowing participant in this conspiracy or had the knowledge or otherwise took actions which would constitute a violation by her of 2 USC §441h.

The facts are that Mrs. Lynch made the contributions in question from her own or family funds as a consequence of her own decisions as to what political candidates she favored and wished to support; that she was never reimbursed by Unisys or anyone else for these contributions; and that the only monies she ever received from her husband companies was a modest salary for bookkeeping and secretarial work she performed. Indeed, as someone who has examined the companies' books and records, I am impressed with her capabilities in that regard.

If the Commission has any competent evidence which supports its allegations or which suggests that anything said above is incorrect, we ask that it now be disclosed to us. Clearly, there is no basis for any further Commission action on the basis of the record as it now stands, and there can be no justification for the Commission to proceed further against Mrs. Lynch. We note that despite several years of investigation by the Grand Jury, there has never been a suggestion by the U.S. Attorney's Office or the Justice Department that Mrs. Lynch engaged in any improper, let alone unlawful, conduct.

We ask that this matter be terminated.

Sincerely yours,

Leonard N. Bebachick  
Counsel for Violet Lynch

93043502284



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20461

90 AUG 22 AM 10:44

July 23, 1990

Arthur Zuckerman, Treasurer  
Campaign Fund for Congressman Bob Roe  
P.O. Box 409  
Wayne, NJ 07474

Re: MUR 2981

Dear Mr. Zuckerman:

In the ordinary course of exercising its supervisory responsibilities, the Commission has examined publicly available criminal informations and plea agreements which state that a contribution you received was reimbursed by a corporation. Specifically, you received a \$1,000 contribution from Joseph Hill on June 17, 1987. This contribution allegedly was reimbursed by Unisys Corporation. The Commission is providing you with this notice for your information, and does not consider you a respondent in this matter.


If you have not already done so, please refund this contribution to the contributor (Unisys Corp.) within 30 days of receipt of this notice. 11 C.F.R. § 103.3(b)(2). Because this notice is being provided 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.

If you have any questions, please contact Mark Allen, the attorney assigned to this matter, at (800) 424-9530.

Sincerely,

Lawrence M. Noble  
General Counsel

UNISYS CORP.

BY:   
Lois G. Lerner  
Associate General Counsel



UNISYS

August 9, 1990

Mr. Arthur Zuckerman, Treasurer  
Campaign Fund for Congressman Bob Roe  
P.O. Box 409  
Wayne, N.J. 07474

Dear Mr. Zuckerman:

By letter dated July 31, 1990, Unisys received a check from the Campaign Fund for Bob Roe in the amount of \$1,000. Your letter represented that the check was for the purpose of refunding a campaign contribution made by Joseph Hill. Please be advised that Unisys does not know the source of funds used by Mr. Hill in making any contributions to the Roe committee. Unisys, therefore, is holding the Roe committee check in an escrow account pending further determination as to the proper disposition of the funds.

Sincerely,



Rebecca C. Smith

93043502286



06C 7552

90 AUG 22 AM 10:44

Campaign Fund for Congressman Bob Roe  
P.O. Box 409  
Wayne, N. J. 07474

August 20, 1990

Federal Election Commission  
Washington, D. C. 20463

Att: Mark Allen

Subject: MUR2981  
Unisys Corporation  
8008 Westpark Drive  
McLean Va 22102

Dear Mr. Allen:

In regard to the above subject corporation and our reimbursement check to them, please be advised that we received the enclosed letter from Unisys Corporation, acknowledging receipt of our check, which was returned in accordance with your letter of July 23, 1990 (copy enclosed).

Unisys further advises our Committee that they do not know the source of funds used by Mr. Hill in making a contribution to the above campaign committee.

Please note that Unisys Corporation is holding the Roe Committee check in an escrow account pending further determination as to the disposition of these funds.

We would appreciate your advising us what further course of action you wish our committee to take on this matter.

Thank you for your attention to the above matter.

Very truly yours,

*Arthur Zuckerman*  
Arthur Zuckerman

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
90 AUG 22 PM 12:54

93043502287

Campaign Fund Congressman Bob Roe  
P.O. Box 409  
Wayne, N. J. 07470

August 20, 1990

Unisys Corporation  
8008 Westpark Drive  
Mc Lean Virginia 22102

Att: Rebecca C. Smith  
Assistant General Counsel

Subject: Campaign Fund Congressman  
Bob Roe - CK. # 1054

Dear Ms. Smith:

We wish to acknowledge receipt of your letter dated August 9, 1990, in regard to the above subject campaign account and our check #1054, in the amount of \$1,000. which was forwarded to you, in accordance with the rules and regulations of the Federal Campaign Law.

As you know, we were advised by the Federal Election Commission that a \$1,000. contribution received from Joseph Hill to our above campaign committee was allegedly reimbursed by your corporation, and therefore, must be returned to you.

We have forwarded a copy of your letter dated August 9, 1990 to the Federal Election Commission requesting they advise us what further action, if any, to take in regard to this matter and the disposition of funds which you are now holding in escrow.

Very truly yours,

ARTHUR ZUCKERMAN  
Treasurer

93043502288

Campaign Fund for Congressman Bob Roe  
P. O. Box 409  
Wayne, N. J. 07474

July 31, 1990

Federal Election Commission  
Washington, D. C. 20463

Att: Mark Allen

Subject: MUR2981

Dear Mr. Allen:

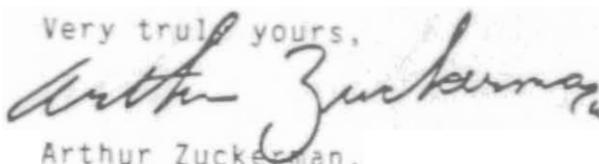
We wish to acknowledge receipt of your letter dated July 23, 1990 in regard to the above subject campaign account of Congressman Bob Roe.

Your letter indicates that a contribution received from Joseph Hill on June 17, 1987 was reimbursed by a corporation; namely - Unisys Corporation, of which we would have no knowledge.

We wish to thank you for bringing this matter to our attention and are refunding this contribution immediately to Unisys Corporation - a copy of our check #1054 in the amount of \$1,000. and our letter of transmittal is enclosed herewith for your file.

We would appreciate your noting our records accordingly, in accordance with all rules and regulations of the Commission.

Very truly yours,



Arthur Zuckerman,  
Treasurer

93043502289

RE - ELECT ROE TO CONGRESS - 1990

1054

7/31/

1990

65-723/212

PAY TO THE  
ORDER OF

Unisys Corporation

\$1,000.00

One Thousand -----00/100

DOLLARS



The Ramapo Bank

WAYNE, N.J. 07470

MEMO Contribution Refund

*Arthur J. Zuckerman*

⑆02⑆207235⑆ ⑈07 214906 01⑈1054

93043502290

Campaign Fund for Congressman Bob Roe  
P. O. Box 409  
Wayne, N. J. 07474

July 31, 1990

Unisys Corporation  
8008 W. Part Drive  
Mc Lean, Virginia 22102

Att: Mr. Harry Traylor

Gentlemen:

We wish to advise you it is our understanding that a \$1,000. contribution which our campaign committee received from Joseph Hill on June 17, 1987, was reimbursed by your corporation.

In that this transaction is against the rules and regulations of the Federal Election Commission, we are refunding this contribution immediately to you. Enclosed you will find our check # 1054 in the amount of \$1,000. covering this matter.

We would appreciate your adjusting your records to indicate that this refund was received from our campaign committee.

Very truly yours,

  
ARTHUR ZUCKERMAN  
Treasurer

93043502291

WILMER, CUTLER & PICKERING

2445 M STREET, N. W.

WASHINGTON, D. C. 20037-1420

TELEPHONE (202) 663-6000  
FACSIMILE (202) 835-0819,  
429-9893, 429-4930, 293-5929  
TELEX 440239 WCPH UI  
ABA NET ABA1354

SCOTT D. GODSHALL

DIRECT LINE (202)

663-6304

90 AUG 28 AM 10:53

4 CARLTON GARDENS  
LONDON SW1Y 5AA  
TELEPHONE 011 (441) 839-4466  
FACSIMILE 011 (441) 839-3537  
TELEX 8813916 WCP LON

15 RUE DE LA LOI  
B-1040 BRUSSELS  
TELEPHONE 011 (322) 81-0903  
FACSIMILE 011 (322) 21-4322

August 23, 1990

Mr. Mark R. Allen  
Office of General Counsel  
Federal Election Commission  
999 E Street, NW  
Washington, D.C. 20463

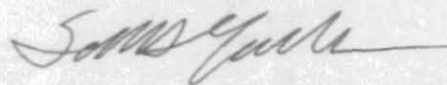
Re: Gerard J. Scarano, File No. MUR 2981

Dear Mr. Allen:

On behalf of Gerard J. Scarano, we hereby request pre-probable cause conciliation in connection with the above-referenced matter.

Thank you.

Sincerely yours,



Scott D. Godshall

cc: Stephen H. Sachs, Esq.

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
AUG 28 PM 2:37

93043502292

00C7668

KILLION & METZ  
ATTORNEYS AT LAW  
SUITE 600  
122 MARKET STREET  
HARRISBURG, PENNSYLVANIA 17101  
(717) 232-0879

PAUL J. KILLION  
JOSEPH U. METZ

90 AUG 30 AM 11:15

P.O. BOX 11670  
HARRISBURG, PA 17106

MUR 2981

August 28, 1990

Mark Allen, Esq.  
Federal Election Commission  
Washington, D.C. 20463

Re: Joseph Zuba II

90 AUG 30 PM 2:48

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF THE CLERK  
WASHINGTON, D.C.

Dear Mr. Allen:

I contest the proposed action against Joseph Zuba II by the Federal Election Commission.

It should be noted that the factual and legal analysis presented in this matter indicates that Joseph S. Zuba II was a consultant to the Unisys Corporation. This fact is specifically denied by Joseph Zuba II.

Moreover, Joseph Zuba II had nothing whatsoever to do with any of the matters referred to in the Federal Election Commission proposed violation notice.

Without surrendering any of my rights to contest this matter completely, I am interested in pursuing a pre-probable cause conciliation.

Very truly yours,

KILLION & METZ

Paul J. Killion, Esq.

PJK/vph

93043502293



06C7667

KILLION & METZ

ATTORNEYS AT LAW

SUITE 600

122 MARKET STREET

HARRISBURG, PENNSYLVANIA 17101

(717) 232-0879

90 AUG 30 AM 11:15

PAUL J. KILLION  
JOSEPH H. METZ

P. O. BOX 11070  
HARRISBURG, PA 17108

August 28, 1990

Mark Allen, Esq.  
Federal Election Commission  
Washington, D.C. 20463

Re: Joseph Zuba

Dear Mr. Allen:

This is in response to your letter, dated July 13, 1990, under your Reference No. MUR 2981, regarding Joseph Zuba.

With regard to Mr. Zuba, I'm interested in pursuing a pre-probable conciliation with your office. I make this request without surrendering any rights whatsoever which we have to contest these charges completely, since we firmly believe that Mr. Zuba's plea agreement in the Eastern District of Virginia resolved all matters between Mr. Zuba and any branches of the United States government.

Please contact me at your convenience with regard to this pre-probable cause conciliation procedure.

Very truly yours,

KILLION & METZ



Paul J. Killion, Esq.

PJK/vph

90 AUG 30 PM 2:48

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF THE ATTORNEY GENERAL

93043502294



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

September 11, 1990

Arthur Zuckerman, Treasurer  
Campaign Fund for Congressman Bob Roe  
P.O. Box 409  
Wayne, NJ 07474

Re: MUR 2981


Dear Mr. Zuckerman:

This is in response to your letter dated August 20, 1990 regarding your refund of the June 17, 1987 \$1,000 Joseph Hill contribution to Unisys Corporation. In your letter you state that Unisys informed you that it does not know the source of the funds used by Mr. Hill and that it is holding your refund check in escrow pending further determination as to the disposition of these funds.

The Commission takes notice of your refund, and does not consider your refund to be affected by its placement in an escrow account. If you have any questions, contact Mark Allen, the attorney assigned to this matter, at (800) 424-9530.

Sincerely,

Lawrence M. Noble

  
BY: Lois G. Lerner  
Associate General Counsel

93043502295

06C 7878

COVINGTON & BURLING

1201 PENNSYLVANIA AVENUE, N.W.

P.O. BOX 7566

WASHINGTON, D.C. 20044

(202) 662-6000

TELEFAX: (202) 662-6291

TELEX: 89-593 (COVLING WSH)

CABLE: COVLING

90 SEP 17 AM 10:14

ACHESON HOUSE

46 HERTFORD STREET

LONDON W1T 7TF ENGLAND

TELEPHONE: 44-71-495-5655

TELEFAX: 44-71-495-3101

BRUSSELS CORRESPONDENT OFFICE

44 AVENUE DES ARTS

BRUSSELS 1040 BELGIUM

TELEPHONE: 32-2-512-9890

TELEFAX: 32-2-512-1598

BRUCE A. BAIRD

DIRECT DIAL NUMBER

(202) 662-5122

September 12, 1990

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

Re: MUR 2981 - Unisys Corporation

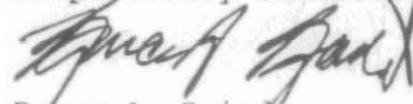
Dear Mr. Noble:

By letter dated July 13, 1990, Unisys Corporation was notified that the FEC had found "reason to believe" that Unisys had knowingly and willfully violated various provisions of the Federal Election Campaign Act. In the weeks since, Unisys has provided a number of documents to the Commission in connection with the Commission's investigation of this matter and counsel for Unisys has met with representatives of the Commission to discuss the documents and related issues.

Unisys believes that it would be beneficial to commence conciliation of this matter at an early date. We therefore request, pursuant to Commission regulations and the above-referenced letter, the opportunity to pursue conciliation negotiations in this matter prior to briefing on the issue of probable cause pursuant to 2 U.S.C. § 437g(a)(3). See 11 C.F.R. § 111.18(d).

We appreciate your kind attention to this request

Respectfully submitted,



Bruce A. Baird

BAB/aa j

90 SEP 17 PM 12:38

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL

93043502296

90 SEP 27 PM 4: 01

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )

Unisys Corporation )

Dyson for Congress Committee )

Charles Gardner )

et al )

MUR 2981

**SENSITIVE**

GENERAL COUNSEL'S REPORT

I. BACKGROUND

This matter concerns an alleged contribution reimbursement scheme operated by employees of Unisys Corporation and involving company consultants. On July 10, 1990, the Commission found reason to believe that Charles Gardner, Gerard Scarano, Joseph Zuba, Joseph Zuba II, and Unisys Corporation violated provisions of the Federal Election Campaign Act of 1971, as amended. On July 25, August 28, August 30, August 30, and September 17, respectively, this Office received requests from these respondents for pre-probable cause conciliation.

II. ANALYSIS

None of these five respondents has yet provided this Office with information detailing their role in the Unisys Corporation contribution reimbursement scheme.<sup>1</sup> On August 28, 1990, Unisys Corporation submitted documentary materials to this Office (cover letter at Attachment Page 7), and in its conciliation request notes that it has provided a number of documents to the Commission

1. One respondent strongly urges that the Commission take no further action. Once this Office has full information regarding this individual's activities, we will address this request in a report to the Commission.

93043502297

in connection with the Commission's investigation in this matter (Attachment Page 8). The only documents submitted, however, are all the guilty plea materials available on the public record, which were attached to the General Counsel's Report in this matter dated June 22, 1990. This Office is continuing to investigate this matter, and we expect to receive additional materials from Unisys Corporation and other respondents.

Therefore, this Office recommends that the Commission decline, at this time, to enter into conciliation with Charles Gardner, Gerard Scarano, Joseph Zuba, Joseph Zuba II, and Unisys Corporation.

III. RECOMMENDATIONS

1. Decline, at this time, to enter into conciliation with Charles Gardner, Gerard Scarano, Joseph Zuba, Joseph Zuba II, and Unisys Corporation prior to a finding of probable cause to believe.
2. Approve the appropriate letters.

Date

9/27/90

Lawrence M. Noble  
General Counsel

Attachments

Requests for Conciliation (5)  
Cover letter to Unisys Corporation document submission

Staff Assigned: Mark Allen

93043502298

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 )  
Unisys Corporation; ) MUR 2981  
Dyson for Congress Committee; )  
Charles Gardner, et al. )

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on October 2, 1990, the Commission decided by a vote of 5-0 to take the following actions in MUR 2981:

1. Decline, at this time, to enter into conciliation with Charles Gardner, Gerard Scarano, Joseph Zuba, Joseph Zuba II, and Unisys Corporation prior to a finding of probable cause to believe.
2. Approve the appropriate letters, as recommended in the General Counsel's Report dated September 27, 1990.

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

Attest:

10-3-90  
Date

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

Received in the Secretariat: Thurs., Sept. 27, 1990 4:01 p.m.  
Circulated to the Commission: Fri., Sept. 28, 1990 12:00 p.m.  
Deadline for vote: Tues., Oct. 2, 1990 4:00 p.m.

dh





FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

October 18, 1990

Bruce Baird, Esq.  
Covington & Burling  
1201 Pennsylvania Avenue, N.W.  
P.O. Box 7566  
Washington, D.C. 20044

RE: MUR 2981  
Unisys Corporation

Dear Mr. Baird:

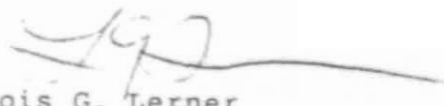
On July 13, 1990, you were notified that the Federal Election Commission found reason to believe that your client, Unisys Corporation, violated 2 U.S.C. §§ 441b(a), 441c, and 441f. On September 12, 1990, you submitted a request to enter into conciliation negotiations prior to a finding of probable cause to believe.

The Commission has reviewed your request and determined to decline at this time to enter into conciliation prior to a finding of probable cause to believe because additional information is necessary. On September 11, 1990, this Office sent you a letter listing information sought in the investigation of this matter. We expect to receive a response from you shortly.

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 Mark Allen, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble  
General Counsel

BY:   
Lois G. Lerner  
Associate General Counsel

93043502300





FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

October 18, 1990

Jim Carr, Esq.  
Stephen Sachs, Esq.  
Wilmer, Cutler & Pickering  
2445 M Street, N.W.  
Washington, D.C. 20037-1420

RE: MUR 2981  
Gerard Scarano

Dear Messrs. Carr and Sachs

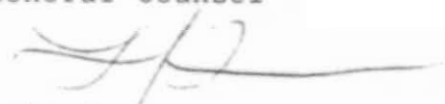
On July 13, 1990, you were notified that the Federal Election Commission found reason to believe that your client, Gerard Scarano, violated 2 U.S.C. § 441f. On August 23, 1990, you submitted a request to enter into conciliation negotiations prior to a finding of probable cause to believe.

The Commission has reviewed your request and determined to decline at this time to enter into conciliation prior to a finding of probable cause to believe because additional information is necessary. On August 30, 1990, this Office sent a letter to former counsel Scott Godshall listing the information sought in the investigation of this matter. Such information should be submitted to the Office of the General Counsel as soon as possible.

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 Mark Allen, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble  
General Counsel

BY:   
Lois G. Lerner  
Associate General Counsel

93043502301



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

October 18, 1990

Michael J. Dell, Esq.  
Kramer, Levin, Nessen, Kamin & Frankel  
919 Third Avenue  
New York, NY 10022

RE: MUR 2981  
Charles Gardner

Dear Mr. Dell:

On July 13, 1990, you were notified that the Federal Election Commission found reason to believe that your client, Charles Gardner, violated 2 U.S.C. §§ 441b(a) and 441f. On July 23, 1990, you submitted a request to enter into conciliation negotiations prior to a finding of probable cause to believe.

The Commission has reviewed your request and determined to decline at this time to enter into conciliation prior to a finding of probable cause to believe because additional information is necessary. In a telephone conversation with Mark Allen of this Office on July 20, 1990, you stated that you desired an agreement with the Commission whereby your client would cooperate with the Commission's in its investigation in exchange for the Commission applying no sanction against your client. Mr. Allen at that time stated that such an agreement would be very unusual, but that this Office would be willing to consider a written proposal. In your letter of July 23, 1990, you presented arguments asserting that the Commission should apply no sanction against your client, but you did not state what sort of information Charles Gardner could provide to the Commission in exchange for no sanction. Such information should be provided to the Office of the General Counsel within 15 days of receipt of this letter.

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 Mark Allen, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble  
General Counsel

BY:   
Lois G. Lerner  
Associate General Counsel

93043502302



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

October 18, 1990

Paul J. Killion, Esq.  
Killion & Metz  
Suite 600  
122 Market Street  
Harrisburg, PA 17101

RE: MUR 2981  
Joseph Zuba

Dear Mr. Killion:

On July 13, 1990, you were notified that the Federal Election Commission found reason to believe that your client, Joseph Zuba, violated 2 U.S.C. § 441f. On August 28, 1990, you submitted a request to enter into conciliation negotiations prior to a finding of probable cause to believe.

The Commission has reviewed your request and determined to decline at this time to enter into conciliation prior to a finding of probable cause to believe because additional information is necessary. In a telephone conversation with Mark Allen of this Office on August 16, 1990, you stated that Joseph Zuba made political contributions at the request of Unisys Corporation and that his consultant fees were increased to compensate him for such contributions.

Please provide the following materials:

- 1) check copies and check registers for each federal contribution made by your client between January 1, 1982 and December 31, 1988;
- 2) the content of your client's consulting and contribution agreement with Unisys and documentary evidence thereof, including all documents reflecting all consulting payments received;
- 3) all other documents in any way relating to your client's contributions, including notes, invitations, and correspondence.
- 4) a list of your client's contributions listed in response to question 1 above that were reimbursed by Unisys;
- 5) the identity and roles of Unisys employees as well as candidates and campaign committee personnel who were involved in the contribution process;

93043502303

Paul J. Killion, Esq.  
Page 2


6) the identities of other individuals who wrote contribution checks at Joseph Zuba's request and the circumstances of those contributions, including but not limited to the dates and the recipient committees.

Such information should be submitted to the Office of the General Counsel within 15 days of receipt of this letter. In addition, this Office would like to conduct an informal interview of your client by telephone conference call. Please contact Mark Allen, the attorney assigned to this matter, to arrange an interview date and time. We appreciate your client's cooperation in the Commission's investigation, in order to obviate the need for the issuance of compulsory process. See 2 U.S.C. § 437d(a)(3).

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 Mark Allen, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble  
General Counsel

BY:  Lois G. Lerner  
Associate General Counsel

93043502304



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

October 18, 1990

Paul J. Killion, Esq.  
Killion & Metz  
Suite 600  
122 Market Street  
Harrisburg, PA 17101

RE: MUR 2981  
Joseph Zuba II

Dear Mr. Killion:

On July 13, 1990, you were notified that the Federal Election Commission found reason to believe that your client, Joseph Zuba II, violated 2 U.S.C. § 441f. On August 28, 1990, you submitted a request to enter into conciliation negotiations prior to a finding of probable cause to believe.

The Commission has reviewed your request and determined to decline at this time to enter into conciliation prior to a finding of probable cause to believe because additional information is necessary. In a telephone conversation with Mark Allen of this Office on August 16, 1990, you stated that Joseph Zuba II would sometimes write contribution checks at the request of his father, Joseph Zuba. Please provide the following materials:

1) check copies and check registers for each federal contribution made by your client between January 1, 1984 and December 31, 1988;

2) bank statements for the period covering January through December 1984, November 1985 through February 1987, and November 1987 through January 1988;

3) all other documents in any way relating to your client's contributions, including notes, invitations, and correspondence.

Such information should be submitted to the Office of the General Counsel within 15 days of receipt of this letter. In addition, this Office would like to conduct an informal interview of your client by telephone conference call. Please contact Mark Allen, the attorney assigned to this matter, to arrange an interview date and time. We appreciate your client's cooperation in the Commission's investigation, in order to obviate the need for the issuance of compulsory process. See 2 U.S.C. § 437d(a)(3).

93043502305




Paul J. Killion, Esq.  
Page 2

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, Mr. Allen may be reached by telephone at (202) 376-5690.

Sincerely,

Lawrence M. Noble  
General Counsel

  
BY: Lois G. Zerner  
Associate General Counsel

93043502306

86-5578

KRAMER, LEVIN, NESSEN, KAMIN & FRANKEL  
919 THIRD AVENUE  
NEW YORK, N.Y. 10022  
(212) 715-9100

90 NOV -5 AM 11:41

STEVEN T. ATKINS	DAVID P. LEVIN
ARTHUR H. AUFSES II	EZRA G. LEVIN
THOMAS D. BALLIETT	MONICA C. LORD
MARTIN BALSAM	RICHARD MARLIN
BARRY S. BERGER	THOMAS H. MORELAND
MARK D. BRODSKY	ELLEN R. NADLER
HAIG M. CASPARIAN	GARY P. NAFTALIS
MICHAEL J. DELL	MICHAEL J. NASSAU
RUDDOLPH GWINTER	MICHAEL S. NELSON
KENNETH H. ECKSTEIN	MAURICE N. NESSEN
CHARLOTTE M. FISCHMAN	JAY A. NEVELOFF
MARVIN E. FRANKEL	MICHAEL S. OBERMAN
ALAN R. FRIEDMAN	PAUL S. PEARLMAN
ROBERT M. HELLER	ALLAN E. REZNICK
GEOFFREY M. KALMUS	GERALD ROKOFF
SHERWIN KAMIN	PAUL S. SCHREIBER
PHILIP S. KAUFMAN	MAX J. SCHWARTZ
PETER S. KOLEVZON	HOWARD A. SOBEL
KENNETH R. KOPELMAN	STEVEN C. TODRYS
MICHAEL PAUL KOROTKIN	HAROLD P. WEINBERGER
ARTHUR B. KRAMER	RICHARD S. WEISBROT

JOSHUA M. BERMAN  
HARVEY L. FRIEDMAN  
COUNSEL  
—  
PHILIP M. CEDAR  
SPECIAL COUNSEL  
—  
M. FRANCES BUCHINSKY  
PINCHAS MENDELSON  
ASSOCIATE COUNSEL  
—  
TELEX NUMBER  
6501306660  
—  
AUTOMATIC TELECOPIER  
(212) 688-2119  
—  
WRITER'S DIRECT NUMBER

October 31, 1990

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
90 NOV -5 PM 2:42  
(212) 715-9120

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

Re: MUR 2981 - Charles Gardner

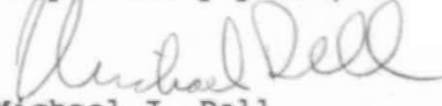
Dear Ms. Lerner:

Thank you for your letter of October 18, 1990. I have spoken today to Mark Allen about the sort of information Charles Gardner could provide to the Commission.

I also respectfully urged that his situation be resolved as soon as possible. As noted in my prior letters, Mr. Gardner has already been punished severely and provided extraordinary cooperation to the Government. I do not believe it fair or just that he should have to have continuing inquiries about the very same subject matter hanging over his head.

I look forward to hearing from you at your earliest convenience.

Respectfully yours,

  
Michael J. Dell

93043502307



DEWEY BALLANTINE

1775 PENNSYLVANIA AVENUE, N.W.  
WASHINGTON, D.C. 20006-4605

TELEPHONE 202 862-1000 FACSIMILE 202 862-1093

91 MAY 10 AM 11:05

JOSEPH A. CALIFANO, JR.  
PHILIP W. BUCHEN  
HARRY K. SCHWARTZ  
O. NILE BELL  
ALAN W.M. WOLFF  
FELIX B. LAUGHLIN  
CHARLES A. SEVERS, III  
DAVID H. BROCKWAY  
LAWRENCE F. O'BRIEN, III  
W. CLARK MCFADDEN, II  
GERALD M. ROSBERG  
JACK M. FEDER  
JOHN J. SALMON  
LARRY M. BERKOW

MICHAEL H. STEIN  
MYLES V. LYNK  
JOSEPH K. DOWLEY  
KEVIN G. MCANANEY\*  
THOMAS R. HOWELL  
LORRAINE SOSTOWSKI  
J. GOODWIN BENNETT  
MATT E. EGGER  
ALICIA M. KERSHAW  
MARTHA J. TALLEY  
DAVID C. GARLOCK  
HOWARD J. ROSENSTOCK

\*ADMITTED NY ONLY

May 9, 1991

Mark Allen, Esq.  
Office of the General Counsel  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

Re: MUR 2981  
Joseph E. Hill

Dear Mr. Allen:

In reviewing my files in connection with the aforementioned MUR 2981, I note that on July 27, 1990 I sent to the Commission a response to the Commission's July 13, 1990 "reason to believe" letter to Mr. Hill.

Please be advised that I have no record of ever receiving a reply from the Commission to my July 27, 1990 letter\memorandum. We look forward to receiving a response from the Commission at your earliest convenience.

Sincerely,

*Myles V. Lynk*  
Myles V. Lynk

MVL:ao

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF THE GENERAL COUNSEL  
91 MAY 10 PM 3:29



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

July 16, 1991

Myles V. Lynk, Esq.  
Dewey Ballantine  
1775 Pennsylvania Avenue, N.W.  
Washington, D.C. 20006

RE: MUR 2981  
Joseph Hill

Dear Mr. Lynk:

This is in response to your letter dated May 9, 1991 in which you inquire into the status of the Commission's reply to your July 27, 1990 letter on behalf of your client, Joseph Hill. That July 27, 1990 letter responded to the Commission's finding that Joseph Hill had violated a provision of the Federal Election Campaign Act of 1971, as amended, by asserting that the Commission should take no further action regarding your client. You have received no reply to your response because the Commission's investigation is still ongoing. In connection with this investigation, we would be interested in meeting with your client to ascertain the following information.

- 1) A description and/or documentary evidence of the consulting fees that Joseph Hill received from Sperry/Unisys.
- 2) Evidence of the understanding(s), verbal or written, between Sperry/Unisys and Joseph Hill regarding the relationship between the consulting fees and the political contributions and other payments.
- 3) Each payment that Joseph Hill made at the request of Unisys, including but not limited to contributions to federal political committees and payments to other consultants, by date, amount, and recipient.
- 4) Documentary evidence of such payments such as canceled checks, check registers, bank statements, etc.

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Myles V. Lynk, Esq.  
Page 2

- 5) The name and role of each individual Joseph Hill had contact with in connection with the requests he received to make political contributions and other payments, by name, employer, and position, if known, including who requested the payment and to whom Joseph Hill delivered the payment
- 6) The names, employers, and positions of any other individuals connected with the Sperry/Unisys scheme, their roles in the scheme, and how Joseph Hill acquired this information.
- 7) By name and position any individuals connected with recipient political committees that Joseph Hill had contact with in connection with the contributions, and the substance of these contacts.
- 8) To Joseph Hill's knowledge, all other individuals or entities who made payments including political contributions at the request of Sperry/Unisys, all such payments made, how Joseph Hill acquired this information, and the nature of his relationship to these individuals.

The Office of the General Counsel is interested in obtaining this information through informal means rather than compulsory process. If you are interested in cooperating with the informal process, please contact this Office within 10 days in order to arrange a meeting with your client. If you have any questions, please contact Mark Allen, the attorney handling this matter, at 376-5690.

Sincerely,

Lawrence M. Noble  
General Counsel

  
BY: Lois G. Lerner  
Associate General Counsel

DEWEY BALLANTINE

1775 PENNSYLVANIA AVENUE, N.W.  
WASHINGTON, D.C. 20006-4605  
TELEPHONE 202 862-1000 FACSIMILE 202 862-1093

MYLES V. LYNK  
202 862-1047

September 11, 1991

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

Attn: Mark Allen, Esq.

Re: MUR 2981  
Joseph Hill

Dear Mr. Allen:

As we discussed, please find enclosed Mr. Hill's affidavit in response to the request for information from the Office of the General Counsel.

As we have also discussed, and in light of Mr. Hill's cooperation with this investigation, we again request that the General Counsel recommend to the Commission that no further action be taken against Mr. Hill in this MUR.

Sincerely,

*Myles V. Lynk*  
Myles V. Lynk

MVL:ao  
Enclosure

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RECEIVED  
FEDERAL ELECTION COMMISSION  
SEP 11 1991

BEFORE THE  
FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C.

In the Matter of  
Joseph E. Hill

)  
)  
) In Re: MUR No. 2981  
)

Affidavit of Joseph E. Hill

Now comes your deponent who, being duly sworn, deposes and says:

1. My name is Joseph E. Hill and I reside at 277 Rosell Street, Mineola, New York 11501.

2. The following information is provided in response to a request for information from the Office of the General Counsel of the Federal Election Commission.

3. I began working as a consultant for what was then known as Sperry Gyroscope after I retired from the company on or about August 31, 1977. I do not recall the amount of my consulting fees between 1977 and 1980. To the best of my recollection, beginning in approximately 1980 or 1981, I was authorized to receive as consulting fees quarterly payments in an amount not to exceed \$20,000 per quarter. This continued through 1986, although the quarterly amounts may have varied. To the best of my recollection, in 1987, I was authorized to receive an amount that was not to exceed \$96,000 in consulting fees.

4. I received verbal instructions from Sperry/Unisys employees Robert (Bob) Barrett and, beginning in approximately

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1984, Dennis Mitchell, that some of the monies I received as consulting fees may be used to make donations to election campaign committees, and that they would tell me which committees to contribute to. At their instruction, I would make out checks to political committees and give the checks to them. As far as I knew, they would send the checks to the political committees. I understood that Mr. Barrett and Mr. Mitchell reported to Charles F. Gardner and that their instructions to me were made on his behalf.

5. I cannot now recall each payment that I made to election campaign committees. I did not make any payments to other consultants with the understanding that they would use those payments to make contributions to political campaign committees.

6. I understood through conversations with Dennis Mitchell and Joseph Zuba of Harrisburg, Pennsylvania, that Mr. Zuba had also been asked by Mr. Mitchell to make payments to election campaign committees from his consulting fees and did so.

7. I do not have any firsthand or direct information or knowledge regarding any other individuals connected with Sperry/Unisys, or any individuals connected with recipient election campaign committees, in connection with these contributions. I did not have any contacts with any individuals

from any recipient political committee to which these  
contributions were made.

Further your deponent sayeth not.

Joseph E. Hill  
Joseph E. Hill

The foregoing was subscribed and sworn to before me this  
10 day of September, 1991.

Kathryn Blanco  
Notary Public

My commission expires: 9/30/92

KATHRYN BLANCO  
Notary Public, State of New York  
No. 30-4718565  
Qualified in Nassau County  
Commission Expires Sept 30, 1992



RECEIVED  
F.E.C.  
SECRETARIAT

BEFORE THE FEDERAL ELECTION COMMISSION 92 FEB 7 AM 10:17

In the Matter of )  
 )  
Unisys Corporation )  
Dyson for Congress Committee and )  
Marion R. Fedas, as treasurer )  
et al )

MUR 2981

**SENSITIVE**

### GENERAL COUNSEL'S REPORT

#### I. BACKGROUND

This matter concerns a contribution reimbursement scheme operated by employees of Unisys Corporation and involving company consultants. On July 10, 1990, the Commission found reason to believe that Unisys Corporation, several employees, a number of consultants, and several campaign committees violated provisions of the Federal Election Campaign Act of 1971, as amended. This Office now recommends that the Commission find reason to believe regarding two individuals, issue a number of Orders and Subpoenas, deny a no further action request, and close the file as to one respondent.

#### II. ANALYSIS

##### A. Status of the Investigation

Through the U.S. Attorney's Office in Alexandria, Virginia, this Office has obtained the redacted FBI statements of a number of individuals who pled guilty in connection with the FBI/DOJ Ill Wind investigation (Attachment 1). After numerous attempts, this Office received the FBI statements of respondent Unisys employees Dennis Mitchell and John Roberts, two key players in the Unisys

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contribution reimbursement scheme (Attachment 1, page 84).<sup>1</sup>

This Office has also obtained the redacted June 13, 1988 affidavit for search warrants for the house of former Unisys vice president Charles Gardner and the house and office of Dennis Mitchell, then a Unisys employee (Attachment 2). The affidavit is based upon information derived from wiretaps during 1987 and 1988.

The FBI statements and the search warrant affidavit contain much information regarding the reimbursement of Unisys consultants for their contributions. The affidavit describes the scheme by Gardner, Mitchell, William Galvin and other individuals seeking to influence the defense contracting process by conferring benefits on public officials, including the making of campaign contributions to members of Congress (Attachment 2, pages 10 and 22).<sup>2</sup> Unisys purchase orders ("POs") were provided to a number of consultants and companies, some of which were front companies controlled by respondents Gardner, Galvin, and others, including consultants. These POs were for the purchase of reports which are believed to be contrived or overvalued -- the companies performed little, if any, substantive analytical services. The companies billed Unisys for services rendered and were usually paid on a quarterly basis. The affidavit listed numerous companies and individuals participating in Gardner's purchase order schemes.

The contribution scheme involved massive funds. In his FBI

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1. Mitchell's FBI statement contains very little information on the contribution scheme and is not attached. Roberts' contains some relevant material and those portions are attached.

2. Although the affidavit states that the scheme also defrauded Unisys, the corporation benefited by obtaining sizable contracts.

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statement, respondent Robert Barrett, who functioned as the Unisys scheme's bookkeeper, noted the size of the contribution scheme: in 1984, \$217,000 of the funds "rat holed" in the network of Sperry marketing consultants were earmarked for campaign contributions (Attachment 1, page 4). Gardner noted in his FBI statement that under the plan where consultants would use half of the Unisys funds they received for contributions, \$100,000 per year was filtered to congressional campaigns through the Don Lynch group of consultants (Attachment 1, page 78).

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According to Barrett, the Sperry/Unisys contribution scheme included two networks, both overseen by vice-president Charles Gardner and both involving John Roberts' and Don Lynch's group of consultant/contributors (Attachment 1, pages 8-13).<sup>3</sup> John Roberts and Don Lynch submitted to Gardner an annual contribution budgets for the consultants (Attachment 1, pages 9-10 and 84-86). One network was run by William Roberts, who concentrated on the chairman of the Appropriations Subcommittee of the House Armed Services Committee (Rep. Addabbo until 1986, then Rep. Chappell).<sup>4</sup> He also "worked" subcommittee members William Murtha and Roy Dyson. William Roberts would place the appropriate requests for campaign contributions with Barrett after approval by Charles

3. In addition to these two networks, Barrett himself would personally contact a number of individuals who assertedly participated in the contribution scheme, such as respondents Gerard Scarano, Joseph Zuba, and Robert Littlefield.

4. Barrett told Charles Gardner at one point that Sperry (later merged with another corporation to form Unisys) provided the late Rep. Addabbo with about \$2,000,000 in contributions, labor and expenses.

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Gardner. Barrett would tell John Roberts that he needed a certain amount of money out of the Don Lynch organization. John Roberts would then contact the consultants and obtain checks made out to the particular congressperson's campaign committee. John Roberts would collect the checks and give them to Barrett, who handed them over to William Roberts, who in turn gave the checks to Charles Gardner when the latter needed them. Barrett stated that he did not know how these checks ended up with the campaign committees.<sup>5</sup> Barrett estimated that 85% of William Robert's requests would be designated for the subcommittee chairman. Barrett stated that he recalled the bundling of numerous \$1,000 checks usually totaling between \$15,000 and \$20,000.<sup>6</sup>

The other network involved passing contributions through consultants to all the members that William Roberts did not "work," such as Reps. Young, Dicks, and Mrazek (Attachment 1, pages 8-9, 66). Like William Roberts, John Roberts and Don Lynch submitted contribution requests to Gardner for his consideration.

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5. In his FBI statement, Gardner said that William Roberts passed the contributions on to Reps. Dyson and Chappell (Attachment 1, page 65). Barrett noted that the checks were indited, and were later dated by William Roberts or John Roberts, or possibly someone on the recipient committee (Attachment 1, page 9).

6. The General Counsel's Report dated June 22, 1990 included as an attachment a list compiled by this Office of contributions by individuals we knew (based on guilty pleas) or suspected had participated in the Sperry/Unisys scheme. The list included the Addabbo Committee's receipt of 13 \$1,000 contributions on November 7, 1983, and 20 \$1,000 contributions on December 20, 1985. The list also included the Chappell Committee's receipt of 16 \$1,000 contributions on January 12, 1987 and 15 \$1,000 contributions on September 22, 1987. Gardner stated that his network raised approximately \$40,000 in \$1,000 contributions for an Addabbo fundraiser (Attachment 1, page 63).

Under this scheme, John Roberts formulated a list of campaign contributions needed at a particular time, and passed it on to Barrett. John Roberts obtained checks from the consultant/contributors, and then passed them to individuals such as Robert Brooks, George Foster (neither yet a respondent in this matter), Samuel Ralph Preston, Robert Old, and Don Lynch who were close to certain Members of Congress. John Roberts identified in his FBI statement which consultants acted as Sperry/Unisys contacts with specific candidates and staffers (Attachment 1 pages 103, 105-06)

Barrett noted that John Roberts' network was tied in with other contribution networks operated by other corporations (Attachment 1, page 21). Barrett explained that Roberts would obtain a check from an individual in his campaign contribution network made out to a candidate committee in another network, and would receive one in return from a contributor in the other network. Roberts provided Barrett with an accounting of this procedure, but Barrett stated that he never heard the names of any corporations with networks similar to that of Unisys. Barrett stated that Roberts had these connections himself on Capitol Hill, or through Robert Brooks.<sup>7</sup>

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7. Barrett assumed that Brooks used his position as treasurer at the Democratic Campaign Congressional Committee to obtain names for John Roberts' tradeoffs, but Dennis Mitchell and John Roberts in their FBI statements note that Brooks worked for Rep. Dicks and then became a Unisys consultant (See Attachment 1, pages 92-94). This Office has examined the DCCC's disclosure reports, which do not include disbursements of paychecks to Brooks. Thus, Robert Barrett may be mistaken in his statement regarding Brooks' employment at the DCCC.

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The search warrant affidavit notes an intercepted conversation on July 8, 1987 between respondents Charles Gardner and William Galvin discussing putting together \$20,000 in campaign contributions for then-Congressman Roy Dyson (Attachment 2, page 13). Gardner stated that he needed the contributions by July 10, 1987, when Rep. Dyson would be visiting New York. Gardner asked Galvin for "as much as we can get out of Ridge" [a front company partly financed by Unisys purchase orders] and the two individuals agreed that the money would have to be in personal names for \$1,000 each. Gardner then said, "I'll have about 20 . . . and that's a nice lunch, I'll give him [Dyson]." Galvin was among the ostensible contributors. In his FBI statement, Gardner listed this Dyson event as an occasion where congresspersons received campaign contributions generated through Sperry/Unisys, i.e., coming indirectly from corporate funds (Attachment 1, pages 64-65).<sup>8</sup>

Finally, on September 6, 1991, Unisys Corporation pled guilty in connection with its defense contract influence-peddling and agreed to pay a \$190 million fine. This Office has obtained the plea materials which describe the scheme set out above and list a number of specific contributions to Representatives Chappell and Dyson that were funded by Sperry/Unisys. Respondent William Roberts is noted as passing a number of contribution checks, including his own to the Chappell campaign in December

8. Gardner also listed a March, 1988 fundraiser for Rep. Murtha in which William Roberts provided \$10,000 in contributions. This Office does not yet have any other information regarding this event.

1986/January 1987. These contributions were all reimbursed by Unisys. The contributions noted in the plea materials represent only a fraction of the total contributions funded by Unisys.

**B. Reason to Believe Recommendations**

The Commission has made reason to believe findings regarding most of the individuals noted above. This Office now makes recommendations regarding William Galvin and William Roberts, whose significant roles in the Unisys contribution scheme are noted above. Galvin was notified as a respondent to the complaint in this matter on September 15, 1989. In his response to the complaint, Galvin stated that nothing in the complaint implicated him in any wrongdoing (Attachment 3, page 1). On July 10, 1990, the Commission took no action regarding Galvin pending further investigation.<sup>9</sup> In light of the roles Galvin and Roberts played in the Unisys contribution reimbursement scheme as set out above, including receiving reimbursement for their own contributions, this Office recommends that the Commission find reason to believe that William Galvin and William Roberts knowingly and willfully violated 2 U.S.C. § 441f.

**C. Orders and Subpoenas**

At this point in the investigation, this Office recommends that the Commission issue subpoenas to several respondents. Two such respondents, Gerard Scarano and Joseph Zuba, are noted above. Below we discuss the information we seek through subpoenas, from

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9. Galvin pled guilty on March 28, 1990 to federal conspiracy and bribery charges not directly related to the Unisys contribution scheme.

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Mr. Scarano and Mr. Zuba as well as from Joseph Zuba II, the Dyson Committee, and former Representative Dyson. Also in this section we discuss the no further action request of one of the consultants.

On July 10, 1990, the Commission found reason to believe that several Unisys consultants had violated 2 U.S.C. § 441f for their roles as conduits in the contribution scheme. Some of these findings were knowing and willful. Also on that date the Commission found reason to believe that the Dyson for Congress Committee and Marion Fedas, as treasurer, violated 2 U.S.C. §§ 441c, 441f, 441b(a), and 434(b)(3)(A) for its knowing receipt of corporate contributions in the name of individuals and its failure to report the identification of a number of contributors. This Office did not send respondents interrogatories and document requests at the time of the reason to believe notifications, but rather planned to obtain information from respondents through informal means. These particular respondents have not proved cooperative, and we now recommend that the Commission issue subpoenas.

1. Unisys consultants and employees

Respondent Gerard Scarano responded to the Commission's reason to believe finding by expressing a desire to cooperate (Attachment 3, pages 11-12). This Office met with counsel for respondent Gerard Scarano on August 22, 1990. At this meeting counsel stated that his client intended to cooperate with the Commission's investigation and agreed to provide information regarding his role in the contribution scheme. Counsel also told

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this Office that Scarano made a number of reimbursed contributions besides the one noted in his guilty plea. This Office wrote to counsel shortly thereafter to list the information requested (Attachment 4, page 1). This Office has not received a response to date

Respondents Joseph Zuba and Joseph Zuba II both responded to the Commission's reason to believe finding by stating that the Commission should not pursue them in this matter (Attachment 3, pages 13-14). On October 18, 1990, this Office sent questions and document requests to Joseph Zuba and Joseph Zuba II regarding their roles in the Unisys contribution scheme (Attachment 4, pages 3-6). Neither individual has responded to date.

In light of the failure of respondents Gerard Scarano, Joseph Zuba, and Joseph Zuba II to respond to our questions and document requests, this Office now recommends that the Commission issue these questions and document requests under Order and Subpoena.<sup>10</sup> We also ask that the Commission approve subpoenas for depositions of these individuals.

Regarding the respondent Unisys employees who have pled guilty, this Office will contact these respondents in an attempt to obtain their cooperation in the investigation of this matter. These individuals should possess information to flesh out the full extent of the reimbursed contributions. Although we intend to first attempt to meet with these respondents informally, we ask the Commission to approve subpoenas for depositions of Charles

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10. The Commission denied these three individuals' requests for pre-probable cause conciliation on October 2, 1990.

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Gardner, Dennis Mitchell, John Roberts, and Robert Barrett.<sup>11</sup> If these respondents do not cooperate, we will forward the subpoenas for depositions.

2. Dyson Committee

On July 10, 1990, the Commission found reason to believe that the Dyson for Congress Committee and Marion Fedas, as treasurer, violated 2 U.S.C. §§ 441c, 441f, 441b(a), and 434(b)(3)(A) for its knowing receipt of corporate contributions in the name of individuals and its failure to report the identification of a number of contributors. Also on that date the Commission took no action regarding Representative Dyson. The allegations against the candidate and the Committee involve the receipt of at least \$15,000 in contributions from Unisys-related individuals during Rep. Dyson's July 1987 company-sponsored trip. This Office has information, as set out above, that all of these contributions consisted of corporate funds.

The Dyson for Congress Committee responded to the Commission's reason to believe finding on August 3 and August 10, 1990 (Attachment 3, pages 15-48). The Committee asserted that it had violated no provision of the Act or regulations. In December 1990, Dyson's administrative assistant contacted this Office regarding cooperating with this investigation, but has not come

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11. This Office has attached the responses of Gardner and Roberts to the Commission's reason to believe finding (Attachment 3, pages 3-10). Robert Barrett provided this Office with a copy of his Chapter 7 bankruptcy petition filed August 8, 1990. Dennis Mitchell did not respond.

forward since that time.<sup>12</sup> Thus, rather than seeking information through informal means, we recommend that the Commission authorize an Order and Subpoena to the Committee and its treasurer in order to obtain contribution check copies, an accounting of the events during then-Representative Dyson's 1987 and 1988 Unisys-sponsored trips, his interactions with Unisys employees and consultants, and other information.

3. Joseph Hill

Unisys consultant Joseph Hill pled guilty to making contributions with Sperry/Unisys funds. Hill provided to this Office a short affidavit regarding his activities in the contribution scheme (Attachment 3, page 60). Hill also has requested that no further action be taken regarding his activity in this matter, in light of the criminal conviction and \$5,000 fine, his cooperation with the criminal investigation, his ill health, and his age (79)(Attachment 3, page 58). In light of this Office's need to flesh out the details of his involvement, this Office recommends that the Commission deny Joseph Hill's request. The factors noted by Mr. Hill will be taken into account by this Office regarding the ultimate recommendation regarding Mr. Hill, but do not justify a no further action ruling at this point in the investigation. Finally, this Office may need to depose Mr. Hill if he does not cooperate with the investigation, and so we

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12. The Dyson Committee is represented by counsel. This Office informed the assistant to this effect and told him that he should consult counsel before speaking with us. This Office has not heard from the assistant or counsel since that time.

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recommend that the Commission approve a subpoena for his deposition.

D. James Kane

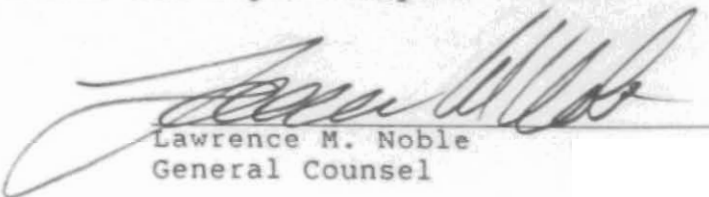
Counsel for respondent James Kane notified this Office in a letter dated July 19, 1990 that Mr. Kane passed away on February 1, 1990 (Attachment 5). This Office therefore recommends that the Commission take no further action regarding James Kane and close the file in this matter as it pertains to him.

III. RECOMMENDATIONS

1. Find reason to believe that William Roberts and William Galvin knowingly and willfully violated 2 U.S.C. § 441f.
2. Approve the attached Orders to Submit Answers and Subpoenas for Documents to Gerard Scarano, Joseph Zuba, Joseph Zuba II, and the Dyson for Congress Committee and Marion Fedas, as treasurer.
3. Approve the attached sample Deposition Subpoena to Charles Gardner, John Roberts, Dennis Mitchell, Robert Barrett, Joseph Hill, Gerard Scarano, Joseph Zuba, and Joseph Zuba II.
4. Deny Joseph Hill's request that the Commission take no further action.
5. Take no further action regarding James Kane and close the file in this matter as it pertains to him.
6. Approve the attached Factual and Legal Analyses and the appropriate letters.

Date

2/6/92

  
Lawrence M. Noble  
General Counsel

Attachments

1. Respondents' FBI statements
2. Affidavit for search warrant
3. Responses to reason to believe findings
4. Letters to respondents
5. Kane response
6. Factual and Legal Analyses (2)
7. Subpoenas and Orders for documents and written answers (4)
8. Sample Subpoena for deposition

Staff Assigned: Mark Allen

93043502326



BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 )  
Unisys Corporation; ) MUR 2981  
Dyson for Congress Committee and )  
Marion R. Fedas, as treasurer, et al. )

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on February 12, 1992, the Commission decided by a vote of 4-0 to take the following actions in MUR 2981:

1. Find reason to believe that William Roberts and William Galvin knowingly and willfully violated 2 U.S.C. § 441f.
2. Approve the Orders to Submit Answers and Subpoenas for Documents to Gerard Scarano, Joseph Zuba, Joseph Zuba II, and the Dyson for Congress Committee and Marion Fedas, as treasurer, as recommended in the General Counsel's Report dated February 6, 1992.
3. Approve the sample Deposition Subpoena to Charles Gardner, John Roberts, Dennis Mitchell, Robert Barrett, Joseph Hill, Gerard Scarano, Joseph Zuba, and Joseph Zuba II, as recommended in the General Counsel's Report dated February 6, 1992.

(continued)

4. Deny Joseph Hill's request that the Commission take no further action.
5. Take no further action regarding James Kane and close the file in this matter as it pertains to him.
6. Approve the Factual and Legal Analyses and the appropriate letters, as recommended in the General Counsel's Report dated February 6, 1992.

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

Attest:

2-12-92  
Date

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

Received in the Secretariat: Fri., Feb. 07, 1992 10:17 a.m.  
Circulated to the Commission: Mon., Feb. 10, 1992 11:00 a.m.  
Deadline for vote: Wed., Feb. 12, 1992 11:00 a.m.

bjr

93043502328





FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

March 4, 1992

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Ross A. Nabatoff, Esquire  
Brand & Lowell  
923 Fifteenth Street, N.W.  
Washington, D.C. 20005

RE: MUR 2981  
Dyson for Congress Committee  
and Marion Fedas, as treasurer

Dear Mr. Nabatoff:

On July 13, 1990, you were notified that the Federal Election Commission had found reason to believe your client violated 2 U.S.C. §§ 434(b)(3)(A), 441b(a), 441c, and 441f, provisions of the Federal Election Campaign Act of 1971, as amended.

Pursuant to its investigation of this matter, the Commission has issued the attached subpoena and order requiring Dyson for Congress Committee and Marion Fedas, as treasurer, to provide information which will assist the Commission in carrying out its statutory duty of supervising compliance with the Federal Election Campaign Act of 1971, as amended.

It is required that you submit all answers to questions under oath within 30 days of your receipt of this subpoena and order. If you have any questions, please contact me at (202) 219-3400.

Sincerely,

Mark Allen  
Attorney

Enclosure  
Subpoena and Order

93043502329

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

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)  
)  
)

MUR 2981

SUBPOENA TO PRODUCE DOCUMENTS  
ORDER TO SUBMIT WRITTEN ANSWERS

TO: Dyson for Congress Committee and Marion Fedas,  
as Treasurer  
c/o Ross A. Nabatoff, Esq.  
Brand & Lowell  
923 Fifteenth Street, N.W.  
Washington, D.C. 20005

Pursuant to 2 U.S.C. § 437d(a)(1) and (3), and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order and subpoenas you to produce the documents requested on the attachment to this Subpoena. Legible copies which, where applicable, show both sides of the documents may be substituted for originals.

Such answers must be submitted under oath and must be forwarded to the Office of the General Counsel, Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463, along with the requested documents within 30 days of receipt of this Order and Subpoena.

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Dyson for Congress Committee - Order and Subpoena  
Page 2

WHEREFORE, the Chairman of the Federal Election Commission  
has hereunto set her hand in Washington, D.C. on this *3rd*,  
day of *March*, 1992

*Joan D. Aikens*  
Joan D. Aikens, Chairman  
Federal Election Commission

ATTEST:

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

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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 1, 1982 to December 31, 1990.

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:

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

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

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

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

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

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

93043502333

Dyson for Congress Committee - Order and Subpoena  
Page 5

"Committee" shall mean the Dyson for Congress Committee and  
all paid and unpaid staff.

93043502334

QUESTIONS AND DOCUMENT REQUESTS

1. From January 1, 1986 through the present, regarding contributions that the Committee has refunded,

a. List the contributor, the date of the contribution, the amount of the contribution, and the date that the Committee returned the contribution to the contributor.

b. State the reason for the refund.

c. State when and how the Committee became aware of the characteristics of the contribution that prompted the Committee to return the contribution.

2. Regarding Representative Dyson's July 1987 and April/May 1988 trips to New York City and Long Island in which the Representative met with Unisys officials,

a. Identify the person(s) who planned the trips

b. State the purpose of the trips.

c. State all the costs of the trips, including transportation, food and hotel, and entertainment. Provide all available receipts for these disbursements.

d. Identify the person(s) who bore each of the costs of the trips identified in response to question 1.c above.

e. State the itinerary for each trip.

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2. With regard to the following contributions,

<u>contributor</u>	<u>date</u>	<u>amount</u>
Kenneth Brooke	7-07-87	\$1,000
John Metrishyn		1,000
Brenda Brooks	7-09-87	\$1,000
Robert Brooks		1,000
William Galvin		1,000
Charles Gardner		1,000
Joseph Hill		1,000
Mildred Hill		1,000
Robert Littlefield		1,000
Wilhelmina Littlefield		1,000
Don Lynch		1,000
Violet Lynch		1,000
Jean Old		1,000
Robert Old		1,000
Stanley Sommer		1,000
Frederick Somers		1,000
Jeffrey Zuba		1,000
Samuel Ralph Preston	7-16-87	\$1,000
Samuel Ralph Preston		1,000

a. Identify the persons involved in the transactions, to the best of your knowledge, including but not limited to the delivery of the checks from the contributors to the Committee. Provide all writings regarding the receipt of these contribution checks, including notes, memoranda, cover letters, and any other correspondence. Provide copies, front and back, of the checks.

b. Identify the person(s) on the Committee who received the contributors' checks, and the person(s) who deposited the checks for the Committee.

c. Regarding the Committee's receipt of contributions dated July 9, 1987, a July 16, 1988 Washington Post article noted that Unisys employee Dennis Mitchell collected the contribution checks and gave them to Mr. Dyson's aide Thomas Pappas in connection with Mr. Dyson's July 1987 trip to New York City and Long Island. The article also noted that Dyson staff members said they have tried unsuccessfully to reach Mitchell to ask him about the money and that they remain unsure of his exact role in raising the funds.

d. Identify the person(s) who tried to contact Dennis Mitchell. State when the efforts were made. Describe the efforts made.

93043502336



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20461

March 4, 1992

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Steve Sachs, Esquire  
James Carr, Esquire  
Wilmer, Cutler & Pickering  
2445 M Street, N.W.  
Washington, D.C. 20037

RE: MUR 2981  
Gerard Scarano

Dear Messrs. Sachs and Carr:

On July 13, 1990, you were notified that the Federal Election Commission had found reason to believe your client violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended. On August 30, 1990, the Office of the General Counsel sent you questions and document requests. To date, this Office has not received responses.

Pursuant to its investigation of this matter, the Commission has now issued the attached subpoena and order requiring Gerard Scarano to provide information which will assist the Commission in carrying out its statutory duty of supervising compliance with the Federal Election Campaign Act of 1971, as amended.

It is required that you submit all answers to questions under oath within 30 days of your receipt of this subpoena and order. If you have any questions, please contact me at (202) 219-3400.

Sincerely,

Mark Allen  
Attorney

Enclosure  
Subpoena and Order

93043502337

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

)  
)  
) MUR 2981  
)

SUBPOENA TO PRODUCE DOCUMENTS  
ORDER TO SUBMIT WRITTEN ANSWERS

TO: Mr. Gerard Scarano  
c/o Steve Sachs, Esq.  
James Carr, Esq.  
Wilmer, Cutler & Pickering  
2445 M Street, N.W.  
Washington, D.C. 20037

Pursuant to 2 U.S.C. § 437d(a)(1) and (3), and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order and subpoenas you to produce the documents requested on the attachment to this Subpoena. Legible copies which, where applicable, show both sides of the documents may be substituted for originals.

Such answers must be submitted under oath and must be forwarded to the Office of the General Counsel, Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463, along with the requested documents within 30 days of receipt of this Order and Subpoena.

93043502338

Mr. Gerard Scarano - Order and Subpoena  
Page 2

WHEREFORE, the Chairman of the Federal Election Commission  
has hereunto set her hand in Washington, D.C. on this 3rd,  
day of March, 1992.

Joan D. Aikens  
Joan D. Aikens, Chairman  
Federal Election Commission

ATTEST:

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

93043502339

QUESTIONS AND DOCUMENT REQUESTS

- 1) Provide a description and/or documentary evidence of the consulting fees that you received from Sperry/Unisys both during the period in which you received a per diem fee and during the period in which you received a lump sum fee.
- 2) Provide evidence of the understanding(s), verbal or written, between Sperry/Unisys and you regarding the relationship between the consulting fees and the political contributions and other payments, and specifically the communications that took place when the consulting fee arrangement changed from per diem/per project to lump sum/flat fee and the nature of the work changed.
- 3) Identify each payment that you made at the request of Sperry/Unisys, including but not limited to contributions to federal political committees and payments to other consultants, by date, amount, and recipient.
- 4) Provide documentary evidence of such payments such as canceled checks, check registers, bank statements, etc.
- 5) Identify and specify the role of each individual you had contact with in connection with the requests you received to make political contributions and other payments, by name, employer, and position, if known, including who requested the payment and to whom you delivered the payment.
- 6) Identify any other individuals connected with the Sperry/Unisys scheme, their roles in the scheme, and how you acquired this information.
- 7) Identify any individuals connected with recipient political committees that you had contact with in connection with the contributions, and the substance of these contacts.
- 8) To your knowledge, identify all other individuals or entities who made payments including political contributions at the request of Sperry/Unisys, all such payments made, how you acquired this information, and the nature of your relationship to these individuals.

93043502340



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

March 4, 1992

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Paul J. Killion, Esquire  
Killion & Metz  
Suite 600  
122 Market Street  
Harrisburg, PA 17101

RE: MUR 2981  
Joseph Zuba  
Joseph Zuba II

Dear Mr. Killion:

On July 13, 1990, you were notified that the Federal Election Commission had found reason to believe your clients violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended. On October 18, 1990, the Office of the General Counsel sent you questions and document requests. To date, this Office has not received responses.

Pursuant to its investigation of this matter, the Commission has now issued the attached subpoena and order requiring Joseph Zuba and Joseph Zuba II to provide information which will assist the Commission in carrying out its statutory duty of supervising compliance with the Federal Election Campaign Act of 1971, as amended.

It is required that you submit all answers to questions under oath within 30 days of your receipt of this subpoena and order. If you have any questions, please contact me at (202) 219-3400.

Sincerely,

*Mark Allen*

Mark Allen  
Attorney

Enclosure  
Subpoena and Order

93043502341



BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

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MUR 2981

SUBPOENA TO PRODUCE DOCUMENTS  
ORDER TO SUBMIT WRITTEN ANSWERS

TO: Mr. Joseph Zuba  
c/o Paul J. Killion, Esq.  
Killion & Metz  
Suite 600  
122 Market Street  
Harrisburg, PA 17101

Pursuant to 2 U.S.C. § 437d(a)(1) and (3), and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order and subpoenas you to produce the documents requested on the attachment to this Subpoena. Legible copies which, where applicable, show both sides of the documents may be substituted for originals.

Such answers must be submitted under oath and must be forwarded to the Office of the General Counsel, Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463, along with the requested documents within 30 days of receipt of this Order and Subpoena.

93043502342



Mr. Joseph Zuba - Order and Subpoena  
Page 2

WHEREFORE, the Chairman of the Federal Election Commission  
has hereunto set her hand in Washington, D.C. on this *3rd*,  
day of *March*, 1992.

*Joan D. Aikens*  
\_\_\_\_\_  
Joan D. Aikens, Chairman  
Federal Election Commission

ATTEST:

*Marjorie W. Emmons*  
\_\_\_\_\_  
Marjorie W. Emmons  
Secretary to the Commission

93043502343

QUESTIONS AND DOCUMENT REQUESTS

1. Provide check copies and check registers for each federal contribution made by you between January 1, 1982 and December 31, 1988
2. Provide the content of your consulting and contribution agreement with Sperry/Unisys Corporation and documentary evidence thereof, including all documents reflecting all consulting payments received.
3. Provide all other documents in any way relating to your contributions, including notes, invitations, and correspondence.
4. Provide a list of your contributions listed in response to question 1 above that were reimbursed by Sperry/Unisys.
5. Identify and specify the roles of Sperry/Unisys employees as well as candidates and campaign committee personnel who were involved in the contribution process.
6. Identify all other individuals who wrote contribution checks at your request and the circumstances of those contributions, including but not limited to the dates and the recipient committees.

93043502344

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

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)  
) MUR 2981  
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SUBPOENA TO PRODUCE DOCUMENTS  
ORDER TO SUBMIT WRITTEN ANSWERS

TO: Mr. Joseph Zuba II  
c/o Paul J. Killion, Esq.  
Killion & Metz  
Suite 600  
122 Market Street  
Harrisburg, PA 17101

Pursuant to 2 U.S.C. § 437d(a)(1) and (3), and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order and subpoenas you to produce the documents requested on the attachment to this Subpoena. Legible copies which, where applicable, show both sides of the documents may be substituted for originals.

Such answers must be submitted under oath and must be forwarded to the Office of the General Counsel, Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463, along with the requested documents within 30 days of receipt of this Order and Subpoena

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Mr. Joseph Zuba II - Order and Subpoena  
Page 2

WHEREFORE, the Chairman of the Federal Election Commission  
has hereunto set her hand in Washington, D.C. on this 3rd,  
day of March, 1992.

Joan D. Lukens  
Joan D. Aikens, Chairman  
Federal Election Commission

ATTEST:

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

93043502346

Mr. Joseph Zuba II - Order and Subpoena  
Page 5

**QUESTIONS AND DOCUMENT REQUESTS**

1. Provide check copies and check registers for each federal contribution made by you between January 1, 1984 and December 31, 1988.
2. Provide bank statements for the period covering January through December 1984, November 1985 through February 1987, and November 1987 through January 1988.
3. Provide all other documents in any way relating to your contributions, including notes, invitations, and correspondence

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

March 4, 1992

Mr. William Roberts  
5118 Woodmire Lane  
Alexandria, VA 22311

RE: MUR 2981

Dear Mr. Roberts:

On February 12, 1992, the Federal Election Commission found that there is reason to believe you knowingly and willfully violated 2 U.S.C. § 441f, 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 30 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 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.

93043502348

Mr. William Roberts

Page 2

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 enclosed a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Mark Allen, the attorney assigned to this matter, at (202) 219-3400.

Sincerely,

*Joan D. Aikens*

Joan D. Aikens  
Chairman

Enclosures

Factual and Legal Analysis  
Procedures  
Designation of Counsel Form

93043502349



FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: William Roberts

MUR 2981

In the ordinary course of carrying out its supervisory responsibilities, the Federal Election Commission has discovered that William Roberts may have violated the Federal Election Campaign Act of 1971, as amended ("the Act").

The Act provides that no person may knowingly permit his or her name to be used to effect a contribution made in the name of another. 2 U.S.C. § 441f. Section 441f applies not only to persons who make contributions in the name of another, but also to those who assist in the making of such contributions. See FEC v. Rodriguez, No. 86-687 Civ-T-10(B) (M.D. Fla. May 5, 1987)(order denying summary judgment motion); 11 C.F.R. § 110.4(b)(1)(iii).

William Roberts, a Unisys consultant, participated in a scheme by Sperry/Unisys Corporation employees and related individuals seeking to influence the defense contracting process by conferring benefits on public officials, including the making of campaign contributions to members of Congress. The contribution portion of the scheme involved company employees and consultants who contributed to various campaigns and were reimbursed by the company. Roberts' role included placing requests for campaign contributions with Sperry/Unisys employee Robert Barrett after approval by Vice-President Charles Gardner. Sperry/Unisys employees and consultants would be contacted and write checks. These checks were passed on to Roberts, who in turn gave the checks to Charles Gardner when the latter needed them.

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In some instances William Roberts himself passed the contribution checks to the campaigns. Roberts obtained contributions in this fashion for Representatives Addabbo, Chappell, and Dyson.

The Unisys guilty plea and accompanying materials note a particular instance in December 1986/January 1987 in which William Roberts obtained a number of contribution checks from Unisys employee Robert Barrett and passed them on to the Chappell Committee. William Roberts himself wrote one of these checks, for which he was reimbursed by Unisys.

In summary, it appears that Roberts assisted in the making of contributions by one person in the name of another and permitted his name to be used for a contribution by Unisys, in violation of § 441f. Thus, there is reason to believe that William Roberts knowingly and willfully violated 2 U.S.C. § 441f.

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

March 4, 1992

William D. Nussbaum, Esq.  
Hogan & Hartson  
Columbia Square  
555 Thirteenth Street, N.W.  
Washington, D.C. 20004-1109

RE: MUR 2981  
William Galvin

Dear Mr. Nussbaum:

On September 15, 1989, the Federal Election Commission notified your client, William Galvin, 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 client at that time.

Upon further review of the allegations contained in the complaint, and information supplied by you, the Commission, on February 12, 1992, found that there is reason to believe William Galvin knowingly and willfully violated 2 U.S.C. § 441f, a provision of 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 your client. 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 30 days of 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 your client, 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

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William D. Nussbaum, Esq.  
Page 2

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 Mark Allen, the attorney assigned to this matter, at (202) 219-3400.

Sincerely,

Joan D. Aikens

Joan D. Aikens  
Chairman

Enclosure  
Factual & Legal Analysis

93043502353

FEDERAL ELECTION COMMISSION  
FACTUAL AND LEGAL ANALYSIS

RESPONDENT: William Galvin

MUR 2981

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The Federal Election Commission ("Commission") received a complaint from Luis Luna on September 8, 1989. The complaint discussed a scheme where Unisys Corporation funneled corporate money through consultants to campaign committees. Identified as a respondent is William Galvin. The Commission received a response from Galvin on October 2, 1989, in which he argued that nothing in the complaint implicated him in any wrongdoing. The complaint, however, sufficiently implicated Galvin, who has not responded to the substance of the complaint. The Commission's investigation has shown Galvin to have played a significant role in the Unisys contribution scheme, as set out below.

Pursuant to 2 U.S.C. § 441f, no person may make a contribution in the name of another person, and no person may knowingly permit their name to be used to effect such a contribution. Section 441f applies not only to persons who make contributions in the name of another, but also to those who assist in the making of such contributions. See FEC v. Rodriguez, No. 86-687 Civ-T-10(B) (M.D. Fla. May 5, 1987)(order denying summary judgment motion); 11 C.F.R. § 110.4(b)(1)(iii).

William Galvin and other consultants and employees of Sperry/Unisys Corporation participated in a scheme in which the Corporation sought to influence the defense contracting process by conferring benefits on public officials, including the making of campaign contributions to members of Congress. Sperry/Unisys

purchase orders ("POs") were provided to a number of consultants and companies, some of which were front companies controlled by Galvin and others. These POs were for the purchase of reports which are believed to be contrived or overvalued -- the companies performed little, if any, substantive analytical services. The companies billed Unisys for services rendered, and some of the funds provided to the consultants and companies were used for contributions.

The Unisys guilty plea and accompanying materials state that William Galvin and Unisys Vice-President Charles Gardner put together \$20,000 in campaign contributions for then-Congressman Roy Dyson in July 1987. Galvin and Gardner arranged the contributions to be in the names of individuals, who were reimbursed with Unisys funds. William Galvin himself wrote one of these checks, for which he was reimbursed by Unisys.

In summary, it appears that Galvin assisted in the making of contributions by one person in the name of another and permitted his name to be used for a contribution by Unisys, in violation of § 441f. Thus, there is reason to believe that William Galvin knowingly and willfully violated 2 U.S.C. § 441f.

93043502355





FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

March 4, 1992

Myles V. Lynk, Esq.  
Dewey Ballantine  
1775 Pennsylvania Avenue, N.W.  
Washington, D.C. 20006

RE: MUR 2981  
Joseph Hill

Dear Mr. Lynk:

This is in response to your letter dated September 11, 1991 in which you request that the Commission take no further action regarding your client, Joseph Hill. On February 12, 1992, the Commission denied your request, and consequently, the investigation will remain open regarding your client.

Your letter also included an affidavit by your client in response to a set of questions and document requests from the Office of the General Counsel dated July 16, 1991. This Office remains interested in speaking with Mr. Hill, in order to flesh out the details of his knowledge regarding the events in this matter. We would prefer to obtain this information through informal means rather than compulsory process. If you are interested in cooperating with the informal process, please contact me upon your receipt of this letter in order in order to arrange a meeting or conference call with your client. I can be reached at (202) 219-3400.

Sincerely,

A handwritten signature in cursive script that reads "Mark Allen".

Mark Allen  
Attorney

93043502356





FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

March 4, 1992

Andrew M. Lawler, Esq.  
220 East 42nd Street  
New York, NY 10017

RE: MUR 2981  
James T. Kane

Dear Mr. Lawler:

On July 13, 1990, your client, James T. Kane, was notified that the Federal Election Commission found reason to believe that he had violated 2 U.S.C. § 441f. On July 19, 1990, you submitted a response to the Commission's reason to believe finding indicating that your client had passed away on February 1, 1990.

In light of these circumstances, the Commission determined on February 12, 1992, to take no further action against James T. Kane, and closed the file as it pertains to him. The file will be made part of the public record within 30 days after this matter has been closed with respect to all other respondents involved. Should you wish to submit any factual or legal materials to appear on the public record, please do so within ten days of your receipt of this letter. Such materials should be sent to the Office of the General Counsel.

The confidentiality provisions of 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed. In the event you wish to waive confidentiality under 2 U.S.C. § 437g(a)(12)(A), written notice of the waiver must be submitted to the Commission. Receipt of the waiver will be acknowledged in writing by the Commission.

If you have any questions, please contact me at (202) 219-3400.

Sincerely,

A handwritten signature in cursive script that reads "Mark Allen".

Mark Allen  
Attorney

93043502357

# HOGAN & HARTSON

COLUMBIA SQUARE  
555 THIRTEENTH STREET NW  
WASHINGTON, DC 20004-1109  
202/637-5600

WILLIAM D. NUSSBAUM  
DIRECT DIAL 202/637-5722

6701 ROCKLEDGE DRIVE  
BETHESDA, MARYLAND 20817  
301/493-0030

111 SOUTH CALVERT STREET  
BALTIMORE, MARYLAND 21202  
301/869-2700

8300 GREENSBORO DRIVE  
MCLEAN, VIRGINIA 22102  
703/848-2800

March 5, 1992


Joan D. Aikens  
Chairman  
Federal Election Commission  
Washington, D.C. 20463

Re: MUR 2981 William Galvin

Dear Ms. Aikens:

I am in receipt of your letter and enclosure of March 4, 1992 regarding the above-captioned matter. Please be advised that this firm no longer represents Mr. Galvin. All inquiries should be directed to attorney James Arthur, Mays & Valentine, 2300 Ninth Street, Arlington, VA 22204.

Yours truly,

  
William D. Nussbaum

WDN:ccs

cc: James Arthur (w/encl.)

RECEIVED  
FEDERAL ELECTION COMMISSION  
92MAR-6 PM 5:50

93043502358

*Law Offices of*  
*Donovan Leisure, Rogovin, Huge & Schiller*  
*1250 Twenty-fourth Street, N.W.*  
*Washington, D.C. 20037-1124*

DONOVAN LEISURE NEWTON & IRVINE  
30 ROCKEFELLER PLAZA  
NEW YORK, N.Y. 10112  
TELEPHONE: 212-632-3000  
FACSIMILE: 212-632-3321

TELEPHONE: 202-467-8300  
FACSIMILE: 202-467-8484

DONOVAN LEISURE NEWTON & IRVINE  
30 RUE DU FAUBOURG SAINT-HONORE  
75008 PARIS  
TELEPHONE: 1-42-25-47-10  
FACSIMILE: 1-42-56-08-06

DONOVAN LEISURE NEWTON & IRVINE  
333 SOUTH GRAND AVENUE  
LOS ANGELES, CALIFORNIA 90071  
TELEPHONE: 213-253-4000  
FACSIMILE: 213-617-2368

DIRECT DIAL NUMBER  
202-467-8300

March 20, 1992

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

Re: MUR 2981

Dear Mr. Allen:

We represent Mr. William W. Roberts in the above-numbered Matter Under Review. Enclosed is an executed Designation of Counsel form.

Please confirm that Mr. Roberts has thirty days from receipt of the "reason to believe" letter to submit materials in response thereto or pursue a pre-probable cause conciliation. I raise this point only because there was a significant time delay between the date of the "reason to believe" letter, March 4, the letter's postmark, March 11, and Mr. Roberts' receipt thereof, March 16. One cause of the delay is that the letter was mailed to an Alexandria, Virginia address and Mr. Roberts now lives in Palatka, Florida. Whatever the cause of the delay, it is our understanding that Mr. Roberts has until Tuesday, April 14, to pursue a pre-probable cause conciliation or submit materials to the Commission regarding the alleged violation.

I am available at your convenience to discuss this matter and am best reached at 467-8330.

Sincerely,

*Mitchell Rogovin*  
Mitchell Rogovin

Enclosure

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
MAIL ROOM  
MAR 23 9 09 AM '92

RECEIVED  
FEDERAL ELECTION COMMISSION  
MAR 23 PM 4:11

93043502359

**STATEMENT OF DESIGNATION OF COUNSEL**

MUR 2981

NAME OF COUNSEL: Mitchell Rogovin

ADDRESS: Donovan Leisure, Rogovin, Hoge & Schiller

1250 24th Street, N.W., Suite 700

Washington, D.C. 20037-1124

TELEPHONE: (202) 467-8330

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.

03/16/92  
Date

William W. Roberts  
Signature

RESPONDENT'S NAME: William W. Roberts

ADDRESS: Route 4, Box 1727

Palatka, Florida 32177

HOME PHONE: \_\_\_\_\_

BUSINESS PHONE: N/A

93043502360

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
MAIL ROOM

MUR  
2981

KILLION & METZ

ATTORNEYS AT LAW

SUITE 200

122 MARKET STREET

HARRISBURG, PENNSYLVANIA 17101

(717) 232-0879

FAX (717) 232-8189

PAUL J. KILLION  
JOSEPH U. METZ

P. O. BOX 11670  
HARRISBURG, PA 17108

MAR 30 10 33 AM '92

March 27, 1992

Mark Allen, Esq.  
Federal Election Commission  
Washington, D.C. 20463

Re: Joseph Zuba

Dear Mr. Allen:

By letter dated March 4, 1992, you forwarded subpoenas and requests for production of documents to me with regard to Joseph Zuba and Joseph Zuba II, under your case number MUR 2981.

I have made numerous telephonic and written attempts to reach Mr. Zuba, all to no avail. I have not represented him in some two years, and consider these matters closed. Therefore, I am enclosing the copies of the documents you forwarded to me for whatever action you deem appropriate.

Sorry I cannot be of any assistance to you in this matter.

Very truly yours,

KILLION & METZ



Paul J. Killion, Esq.

PJK/vph

Enclosures

92 MAR 30 PM 4:13

RECEIVED  
FEDERAL ELECTION COMMISSION  
ATTN: GENERAL COUNSEL

93043502361

*Law Offices of*  
*Donovan Leisure, Rogovin, Huge & Schiller*  
*1250 Twenty-fourth Street, N.W.*  
*Washington, D.C. 20037-1124*

DONOVAN LEISURE NEWTON & IRVINE  
30 ROCKEFELLER PLAZA  
NEW YORK, N.Y. 10112  
TELEPHONE: 212-632-3000  
FACSIMILE: 212-632-3321

DONOVAN LEISURE NEWTON & IRVINE  
333 SOUTH GRAND AVENUE  
LOS ANGELES, CALIFORNIA 90071  
TELEPHONE: 213-253-4000  
FACSIMILE: 213-617-2368

TELEPHONE: 202-467-8300  
FACSIMILE: 202-467-8484

DONOVAN LEISURE NEWTON & IRVINE  
30 RUE DU FAUBOURG SAINT-HONORE  
75008 PARIS  
TELEPHONE: 1-42-25-47-10  
FACSIMILE: 1-42-56-08-06

DIRECT DIAL NUMBER  
202-467-8336

March 27, 1992

Privileged & Confidential

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

Re: MUR 2981

Dear Mr. Allen:

This letter is in response to our telephone conversation of this afternoon regarding the above-referenced matter. As we discussed, Mr. Roberts has pled guilty to one count of conspiracy to make false statement to the Federal Election Commission regarding contributions, a violation of 18 U.S.C. § 371. For this crime he was sentenced to one year supervised probation and was ordered to pay a \$5,000 fine.

Enclosed are copies of documents regarding the criminal charge, namely, the plea agreement, information, sentencing memorandum and judgment. These documents should provide you with some background regarding Mr. Roberts and his role in the Unisys contributions plan.

We request, on Mr. Roberts behalf, that a pre-probable cause conciliation be undertaken in this matter. Mr. Roberts is ready and willing to discuss the facts surrounding his role in the conspiracy and to answer any questions you may have. As we discussed, Mr. Roberts has limited finances and is not in a financial position to pay a civil fine. He is retired, lives on a fixed income in Florida, and suffered a large financial loss when his Florida-based company, Armtec, failed. He is, however, quite willing to assist the agency in its further investigations.

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF THE ATTORNEY GENERAL  
MAR 30 PM 4:30

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
MAIL ROOM  
MAR 30 10 24 AM '92

93043502362

*Donovan Leisure, Rogovin, Hugel & Schiller*

Mark Allen, Esq.

March 27, 1992

Page 2

Please contact either Mitch Rogovin or myself regarding this matter and we will, at your convenience, arrange a time for you to speak directly with Mr. Roberts.

Sincerely,

*Denitta D. Ward*

Denitta D. Ward

Enclosures

cc: W. Roberts  
M. Rogovin

93043502363



INDEX OF EXHIBITS

EXHIBIT NO.

DESCRIPTION OF EXHIBIT

1. Certificate of Honorable Discharge of William W. Roberts from the New Jersey National Guard
2. Letter, dated 12 November 35, from A.H. Aldridge of the State Civil Service Commission Regarding Mr. Roberts's Knowledge in Operation and Maintenance of Shortwave Transmitters
3. Letter, dated September 9, 1940, from Walker Bleakney, Associate Professor at Princeton University, Palmer Physical Laboratory, Regarding Mr. Roberts's Ability in Radio Engineering Construction Work
4. Letter, dated April 10, 1941, from H.E. Inslerman of the Signal Corps Laboratories
5. Letter, dated May 24, 1957, from the Department of the Navy, Regarding Mr. Roberts's Prompt Repair of a Radar Set Hydraulic Unit
6. Letter, dated August 9, 1943, from Beverly Dudley, Managing Editor of "Electronics" Regarding Publication a Manuscript Submitted by Mr. Roberts
7. Letter, dated November 3, 1943, from John Major, Chairman of The Yale Scientific Magazine Regarding Mr. Roberts's Article in "Electronics"
8. Newspaper Article, "Sperry Production Split Into 2 Units" (May 7, 1959)
9. Sperry Inter-Office Memorandum, dated April 25, 1973, from S.A. Conigliaro Regarding Mr. Roberts's Assignment as Director of European Operations
10. Newspaper Article, "Lobbyists in Capital Lure Dollars" (Dec. 17, 1979)
11. Brochure for Roberts & Old International Consulting Firm

93043502364

12. Newspaper Article, Regarding Sperry's Search for a Military Manufacturing Division Site in Florida (May 28, 1986)
13. Article, dated January, 1987, from the Putnam County Chamber of Commerce, "Chamber Welcomes Armtec to Putnam County"
14. Newspaper Article, "Military Component Plant due in Palatka" (Apr. 10, 1987)

930435023365

# National Guard of the United States



AND OF THE STATE OF

*New Jersey*

To all whom it may concern:

This is to Certify, That *William W. Roberts*  
• *ser. VII Reg Hdq. Bty. 112th F.A. New Jersey*  
† *National Guard* as a TESTIMONIAL OF HONEST AND FAITHFUL  
SERVICE, is hereby HONORABLY DISCHARGED from the NATIONAL GUARD of the  
UNITED STATES and of the State of *New Jersey* by reason of  
† *Provisions of Par 66 (Change 3) N.G.P. 25*

Said *William W. Roberts* was born  
in *Yardley*, in the State of *Pennsylvania*  
(When enlisted he was *18* years of age and by occupation a *sign painter*  
He had *brown* eyes, *black* hair, *ruddy* complexion, and  
was *five* feet *ten* inches in height.

Given under my hand at *Trenton* this  
*5th* day of *December*, one thousand nine hundred and *thirty-two*

*Edw J. Imre*  
*Major 112th F.A.*  
*Commanding.*



REGIMENTAL HEADQUARTERS BATTERY  
112th FIELD ARTILLERY, N. J. N. G.  
BOX 288, TRENTON, NEW JERSEY

12 November 35

State Civil Service Commission  
State House  
Trenton, New Jersey

— This certifies that William W. Roberts was a member  
of this battery and was assigned to the Radio Section from June 30,  
1931 to December 5, 1932.

His knowledge in the operation and maintenance of  
shortwave transmitters and receivers including various types of  
Army equipment was very satisfactory.

*A. H. Aldridge*  
A. H. Aldridge  
Capt. 112th F. A. NJNG  
Commanding. Regtl. Hdq. Btry.

93043502367

PALMER PHYSICAL LABORATORY  
PRINCETON UNIVERSITY  
PRINCETON NEW JERSEY

September 9, 1940

To Whom It May Concern:

Mr. William Roberts has been employed in the physics laboratory at Princeton University for several years, and his work has been very satisfactory. He has shown marked ability in radio engineering construction work and is only leaving our employ because we have little of that work to be done at present. I can heartily recommend him as a radio and communications engineer.

Sincerely yours,

*Walker Bleakney*

Walker Bleakney  
Associate Professor

ADDRESS REPLY TO  
DIRECTOR AND REFER TO

WAR DEPARTMENT

SIGNAL CORPS LABORATORIES

FORT MONMOUTH

EXPRESS AND FREIGHT ADDRESS  
LITTLE SILVER, NEW JERSEY

POST OFFICE ADDRESS  
OCEANPORT, NEW JERSEY

April 10, 1941

To Whom It May Concern:

This is to advise that Mr. William Roberts was employed by the Signal Corps Laboratories for the period of December 1940 to March 1941. That during this period he worked under my direct supervision, and that his work was satisfactory in every respect.

Mr. W. Roberts left the government service at his own request.

*H. E. Inslerman*

H. E. Inslerman

Radio Engineer

HLI:RAB

93043502369



*File in  
W. Roberts*

DEPARTMENT OF THE NAVY  
BUREAU OF ORDNANCE  
WASHINGTON 25, D. C.

*J. F. ...  
O'Brien ...  
personal file ...  
IN REPLY REFER TO  
"144-PT-1112"  
ca. 8*

From: Chief, Bureau of Ordnance

To: Sperry Gyroscope Company  
Great Neck, Long Island, New York  
Attn: Mr. E. H. Livingston

24 MAY 1957

Subj: USS CAMBERRA CAG-2; Radar Set AN/SPQ-5 failure

1. A severe failure occurred this past weekend in the hydraulic unit of a Radar Set AN/SPQ-5 installed in the USS CAMBERRA which made the equipment inoperable.
2. Since the USS CAMBERRA's operating schedule demanded sailing at 0600 on Monday, 20 May 1957, prompt action to effect repair was mandatory. Mr. C. Root, Sperry field engineer, immediately arranged with Sperry Piedmont for a replacement unit. He, with two CAG-2 personnel, then drove from Norfolk to Charlottesville - arriving at 0230 on 20 May - obtained the replacement unit which had been made ready by Sperry Piedmont during the night, and returned to Norfolk in time to place the unit aboard the ship prior to sailing.
3. The Bureau of Ordnance appreciates the sincere interest shown and the prompt action taken by the parties involved in this matter and particularly desires to commend the following contractor personnel:

Mr. C. Root  
Mr. H. S. Burleson  
Mr. W. W. Roberts

Sperry Gyroscope Company  
Sperry Gyroscope Company  
Sperry Piedmont Company

(F. S. WITHERINGTON (signed))

F. S. WITHERINGTON

Copy to:  
USS CAMBERRA CAG-2  
DISMIL BALBO  
ALBANY Great Neck, New York  
Sperry Piedmont Co., Charlottesville, Va.  
Attn: Mr. J. L. Rufford  
Sperry Gyroscope Co., Great Neck, New York  
Attn: Mr. M. D. Lockwood

93043502370



# electronics



radio, sound, communications, industrial applications  
of electron tubes... design, engineering, manufacture.

McGRAW-HILL BUILDING  
330 WEST 42nd STREET  
NEW YORK, N.Y.

August 9, 1943.

Mr. William Roberts,  
Apartment 6D  
101 Clerk Street,  
Brooklyn Heights, N. Y.

Dear Mr. Roberts:

We have read your manuscript on "Privacy Apparatus" and feel that this would be of interest to many of our readers. I presume that this material has been cleared for publication or that it requires no clearance.

It is planned to publish this in the September or October issues of Electronics. Our check for this manuscript will be forwarded to you within the next week or ten days.

I trust that you will consider Electronics as the means of publishing other manuscripts on topics in the electronics and communications field. Please accept our thanks for this manuscript.

Very truly yours,

Beverly Dudley,  
Managing Editor.

# THE YALE SCIENTIFIC MAGAZINE

STRATHCONA HALL . 244-A YALE STATION . NEW HAVEN . CONNECTICUT

WILLIAM OWEN BLATTNER, *Business Manager*  
HARRY HAVENS ALMOND, JR.  
HAROLD JOSEPH BROWNLEE, JR.

JOHN KEENE MAJOR, *Chairman*

November 3, 1943

JAMES BAYARD HALEY, JR.  
RICHARD LONDON HILLMAN  
PETER MENAY JUVILER  
GEORGE JOSEPH MALZMANN  
RICHARD SAMUEL WESTFALL

JOHN SAMPSON TOLL, *Managing Editor*  
DANIEL FINE  
AIDAN MORTON STONE

JAMES BREWER CRANE COUCH  
JOSEPH LEWIS HOROWITZ  
JOEL GALLUP FREEDMAN  
THOMAS RILEY McHALE  
WARNER ROLLER SCHILLING

Mr. William W. Roberts  
Sperry Gyroscope Company  
Brooklyn, New York

Dear Mr. Roberts:

In looking through the October issue of Electronics today, I was most interested in reading your article, "Speech Scrambling Methods". Apparently, next to nothing has been published on this subject--at least, until October, when your article appeared in Electronics and a very similar article of my own, "Privacy Systems", appeared in the Radionics section of Radio News.

Under separate cover I am sending you the October issue of the Radionics edition of Radio News and would appreciate any comments or criticisms which you might care to make, as well as any details to bring me up to date in this field. As the supplementary bibliography and references show, the feature was largely a job of digging up papers in obscure foreign journals of some time ago, and did not go into inversion systems in any detail, but skimmed over a number of different devices suggested or employed. I hope it covered the field of privacy systems more completely than has been covered before.

I would also appreciate it very much if you would send me a reprint of your article for my files.

Sincerely yours,

*John Keene Major*  
Chairman

93043502372

# 28 Albemarle Farms Sign In Soil Bank

## Farmers Pull Out Entire Cropland From Production

Twenty-eight Albemarle County farmers have placed all their cropland, amounting to 1,633 acres, in the conservation reserve under the soil bank program. Five other farmers in the county have placed part of their cropland, amounting to 222 acres, in the reserve, bringing the total Albemarle acreage in the reserve to 1,851.

Only 35 1/2 acres of this land has been eligible for planting in crops on which acreage is allotted—35 acres of wheat land and a half acre of tobacco land. The rest has been in tame hay and other crops. Pasture land is not eligible for the conservation reserve.

Under the program, the government rents the conservation reserve land for periods ranging from five to ten years. Rental payments in Albemarle will amount to \$29.132 this year, ranging from \$9.10 to \$21.80 an acre according to past productivity of the land.

Land placed in the reserve must be seeded to grass or some other cover crop, as a safeguard against erosion, but nothing may be harvested from it nor may it be pastured. There is also a provision under which it may be planted in trees.

H. J. Crenshaw, manager of the Albemarle Agricultural Stabilization and Conservation Office in Charlottesville, said 8,676 acres of Virginia land is being retired from the production of allotment crops under this program. Conservation reserve contracts have been executed covering the cropland of 1,427 Virginia farms having allotments of 5,813 acres of wheat, 1,955 acres of corn, 374 acres of peanuts, 111 acres of cotton and 423 acres of tobacco. Total acreage placed in the soil bank on these farms is 71,363.

Nationally, whole-farm soil bank contracts are taking out of yearly production about 2.3 million acres of basic crop allotment.

Crenshaw said this should help in holding down surpluses and should reduce price support expenditures since no price sup-



Joseph D. Saumweber



William W. Roberts

## Sperry Production Split Into 2 Units

Sperry Piedmont Company announced today that it is dividing its operation into two separate production units—federal and marine products, and commercial products.

Joseph D. Saumweber, former plant manager, has been appointed to the newly created position of federal and marine products manager. The plant manager position is being abolished, the company said.

William W. Roberts, manager of the recently established commercial products department, will remain in charge of that unit.

The commercial unit handles manufacture and sales of Sperry's navigational instruments and equipment for small boats.

The announcement, made by Sperry division manager, John L. Hammond, said creation of the two independent production units is an outgrowth of the rapid expansion of activity in the commercial products line.

Saumweber will have managerial jurisdiction over engineering, manufacturing and sales of the company's major marine products for both government and maritime use.

Saumweber, 39, of 1701 Burnley Ave., has been with Sperry since 1942. He has been plant manager of the Sperry Piedmont division since it was established here in 1956.

Roberts is 46 and has been with Sperry since 1941. He lives at 1505 Bunker Hill Rd.

The company said that requirement for the two production units have increased the Sperry roster to 765 employees. The figure should continue to increase, it said, largely because of demands of the commercial products unit.

## 31 to Compete In Spelling Bee

TO M. Astrow  
W. Baird  
J. Castanias  
B. Hammond  
G. Hannon  
E. Manion  
K. Merl  
H. Meyer  
J. Rattner  
W. Roberts  
J. Swearingen  
E. Vihstadt  
J. Walsh  
G. Weiner  
R. Wendt  
C. Whall

cc: J. J. Grela  
E. M. Joyce  
J. P. Lyet  
R. E. McDonald  
A. J. Moccia  
B. T. Oakley  
M. E. Stanton

FILE 5000

FROM S. A. Conigliaro

DATE April 25, 1973

SUBJECT Organization

23043502374

In order to expand our ability to identify marketing opportunities for the Sperry Division on a broader scale, I am assigning to M. Astrow the function of coordinating regional office marketing activities. Effective May 1 C. W. Whall will report to Mr. Astrow as Director, U.S. Regional Offices and W. Roberts as Director, European Operations. J. Castanias will report to Mr. Whall as Manager, Dayton operations.

The new organization's basic accountability is to identify business opportunities for follow-up by the various Sperry Division line organizations. Line Divisions have the basic accountability for pursuing specific opportunities and obtaining export licenses when required.

Specific accountabilities for regional office personnel include:

- . Identification of opportunities,
- . advising the divisional marketing people of these opportunities,
- . advising on market strategy and timing,
- . guiding and generally supporting line division representatives,
- . interfacing with the Joint U.S. Military Advisory Groups,
- . arranging for cooperative programs involving two or more divisions where necessary,
- . providing data for business planning.

*S. A. Conigliaro*  
S. A. Conigliaro



TO: R. L. Wendt  
M. Astrow  
W. Baird  
H. C. Dahl  
E. D. Decker  
W. P. Kellett  
E. F. Manion  
K. Merl  
S. Ross  
E. F. von Arx  
J. V. Walsh

FROM: [redacted]ber

cc: Library

# BACKGROUND

Newsday

December 17, 1979

Robert  
FYI  
HR

## LI Lobbyists In Capital Lure Dollars

By Myron S. Waldman  
Newsday Washington Bureau

Washington—It looks pretty much like a wall in the inner office of any member of Congress.

On it, there is a picture of the President in the company of a proud couple and signed, "Best wishes to Betty and Gordon. Jimmy Carter." There is a framed presidential pen on the wall with a letter reading: "On Nov. 9, 1978, I was pleased to sign into law the National Energy Act. Knowing of your interest in this legislation, I would like you to have the enclosed pen commemorating the signing of this landmark act. Jimmy Carter."

Those are commonplace mementos for any federal lawmaker. Commonplace, except that the person to whom they were sent is not a member of the House or the Senate. The picture and the framed pen hang in the office of Gordon Ochenrider, senior vice president of the Grumman Aerospace Corp. and chief lobbyist in Washington for the giant Bethpage concern.

Last year, when the White House asked for help, Ochenrider lobbied hard for the passage of the National Energy Act, even though Grumman had no direct stake in the legislation. All the same, there was good reason for doing it. "Up until this administration," Ochenrider explained, "we had no access to the White House. We do now."

Midway through the current session, Congress, Ochenrider and Fairchild Republic's Hal Howes are generally regarded on Capitol Hill as effective lobbyists for Long Island interests. "They never try to sell you a bill of goods," was the way a key aide to a congressman put it. "They never try to steer you wrong. There are some others—well, you get the idea they're trying to sell you cancer."



Gordon Ochenrider

While Fairchild's A-10 aircraft program keeps humming along, Grumman's projects seem to take more work. According to Ochenrider, Defense Secretary Harold Brown sometimes seems unaware of the good work he has performed for the Carter White House, and it takes congressional action to buoy Grumman's contracts.

For instance, this year, the Defense Department asked for 20 Grumman F-14 Navy fighter planes. It will get 30. Grumman sold the Navy 36 last year. The Pentagon asked for an end to the production of A-6E Grumman attack planes. Grumman will build six. The Pentagon asked for one EF-111 all-weather electronic surveillance plane. Grumman will sell them three. In all, Grumman will be getting \$266.6 million more in Defense Department business than was requested by the Pentagon.

Naturally, all this does not take place solely through the influence of the six-member Nassau-Suffolk congressional delegation and the two senators from New York. Ochenrider has made other good friends who serve on the armed services and appropriations committees of both House and Senate. And it does no hurt his cause that Joseph Addabbo (D-Ozone Park) is chairman of the House defense appropriations subcommittee.

But Ochenrider is not always successful. A Capitol Hill staff aide recalled that he flatly rejected the lobbyist's plea for two proposed Grumman programs.

Nassau and Suffolk corporations do not have many lobbyists here: Ochenrider, Howes, Sperry's Bill Roberts, and Airborne Instruments Laboratories' Sid Collin. Long Island Lighting has a lobbyist, Bill Edwards, but he works out of the home office, coming down a couple of days a week.

In addition to lobbyists for those corporations, Long Island interests are represented by government lobbyists for New York State.

Until last December, Nassau County had a lobbyist, John Faso, who was paid \$18,000 a year and worked with a secretary in an office adjoining the National Association of Counties. The bill came to about \$35,000 a year, and some supervisors figured that was too much. They wiped out the office, the secretary's job and Faso's as well.

Now, Polk County, Iowa, with a population of 260,000, has a lobbyist here, as does Ulster County, N.Y., population 119,000 but Nassau has none.

In Congress and in Nassau County government, there are some who believe eliminating the office was an expensive savings. "We used to use" Faso, a Nassau official said. Another Nassau official and a congressional aide used about the same word.

(continued next page)

# LI Lobbyists in Capital Strive to Lure Dollars

Continued From Page 7

to describe his work: "He knew the answers to all your questions and if he didn't know the answers right away, he knew where to get them."

Suffolk County recently lobbied by sending its intergovernmental specialist, Richard Bartholomew, here a couple of days a week. He also was regarded as highly effective. But there is to be a new county executive in Suffolk and Bartholomew has left to take a job with New Castle County, Delaware.

Bartholomew contends that despite the absence of Faso—now an aide to John Wydler (R-Garden City) on the House Government Operations Committee—and his own departure, heavy lobbying by Nassau and Suffolk government continues in Washington. That lobbying is conducted, Bartholomew said, by constant contacts between county government bureaucrats and their counterparts in the federal administration.

Still, some items fall through the cracks. In September, for example, the United States admitted that it had literally lost Nassau's application for a \$3 million grant to buy 37 buses for the county in 1978. Privately, some in Congress and in Nassau acknowledge that if the county's \$35,000-a-year lobbying operation had been maintained, such a mishap would never have occurred.

Moreover, while county and federal bureaucrats may confer, the Long Island delegation reportedly hears less from Nassau these days.

"I talk to Jack [Wydler]," said Ray Malone, who is Nassau's housing and intergovernmental commissioner. "I talk to Norm [Rep. Norman Lent (R-East Rockaway)]. We could use more money for community development." Nassau now gets \$10 million annually for the program, used for a variety of refurbishing and construction projects for low-income and moderate-income areas.

Malone said Nassau also concentrates on housing rent supplements, a program under which renters pay 25 per cent of their income for their apartments, with the federal government coming up with the balance. Nassau has 700 such units and between 500 and 600 families on the waiting list. "We could handle 1,000

units a year," Malone said. "If we get 100 units more next year, we'll be lucky."

To Nassau, as to other counties, providing welfare and Medicaid services is expensive—a property-tax burden that comes to more than \$150 million a year. So Nassau Welfare Commissioner James Griffin is concerned about welfare reform, a reworking of the federal formula now being considered by Congress that would give New York State more than its current 50 per cent reimbursement for welfare costs. The House already has passed beneficial changes sponsored by Rep. Tom Downey (D-Amityville).

The southern states get an 80 per cent reimbursement, and New York is one of only six states where localities must contribute to help pay the cost of welfare.

"Poverty is a national problem," Griffin said. "It ought to be addressed at the national level."

Bartholomew, the former Suffolk lobbyist, said the change in the formula "is the single most important relief" for the county, a project he and outgoing County Executive John V. N. Klein worked to attain for many, many months. "Downey did his job," Bartholomew said.

Klein and Bartholomew also combined with a second Democrat, Rep. Jerome Ambro of East Northport, to turn Nassau and Suffolk into an Economic Development District, which could be worth up to \$50 million to Suffolk depending on unemployment statistics. The process of getting approval for the district is now in the hands of the Economic Development Administration and the two counties' area development corporation.

A vital measure up for consideration next year is the continuation of general revenue sharing. The bill will be sponsored by Wydler in the House and by Bill Bradley (D-N.J.) in the Senate. What worries Wydler and Bartholomew is that the administration is toying with the idea of limiting those funds to localities and cutting state governments out of the bonanza.

Partially offsetting the lack of a fulltime county lobbyist from either Nassau or Suffolk is the Long Island Congressional Caucus, a bipartisan group of the six congressmen, which meets periodi-

cally to listen to the problems from Long Island, both governmental and non-governmental.

Its most formal structure approaching lobbying has been set up in conjunction with the Long Island Action Committee—a clearinghouse for high-technology companies in Nassau and Suffolk to submit forms telling the caucus of their interest in obtaining specific government contracts. Then, the staffs of the members of Congress are to work to help the concerns get federal business.

So far, two companies that worked through the system have obtained contracts. In addition, the action committee is trying to set up a data center to tell the companies what contracts are available. Finally, Wydler, at the urging of the committee, has cosponsored a bill to set up regional centers on Long Island and elsewhere to help small concerns and individuals develop their new ideas.

The Long Island Lighting Co. did not respond to inquiries as to what legislation was of particular interest to it. But Capitol Hill sources said that its lobbyist, Edwards, was particularly interested in the defeat of amendments that would have frozen the issuing of licenses to build nuclear power plants. He also was reported to be busy in tracking the Three Mile Island investigation.

Future targets of the Grumman lobbying effort already have been identified. The corporation hopes to produce a Navy tanker plane to refuel fighters in flight, the KA6-H, by fiscal 1982. Ochenrider figures the Navy will get between 30 and 40 of those during a seven-year period.

Grumman also hopes to start producing, that same year, a Navy transport-cargo plane, the C2-B, at \$10 million for each 20 to 30 planes.

Grumman also is competing to produce an Air Force surveillance satellite, a classified project called the Mosaic Sensor Program. By April, the Pentagon is supposed to decide to give that \$12 million contract to either Grumman or Aerojet of California.

Fairchild Republic was reported not to have any problems in legislation ordering the manufacture of 144 additional A-10 ground support planes next year.

Sperry is interested in three Navy ship programs for which it provides the automated combat and navigational systems.

## Roberts & Old International

CONSULTANTS

208 THE STRAND  
OLD TOWN  
ALEXANDRIA, VA. 22314  
703-686-0882

684.6444

ROI is a company specializing in liaison with the United States Congress, particularly on matters dealing with the political/military aspects of security assistance programs and the procurement of military ordnance. ROI has the resources and the experience to prepare and implement Congressional strategy to assure favorable consideration of your legislative objectives on Capitol Hill.

The annual legislative process often has a direct impact on the U.S. interests of foreign companies and governments. To protect your interests requires knowledgeable and continuous representation on Capitol Hill.

ROI can provide these congressional services by:

- o preparing strategy, point papers, and testimony
- o monitoring committee hearings and floor sessions
- o arranging meetings with members and key staff
- o lobbying for legislative supporters

ROI can also establish teams of expert military and civilian consultants to deal with special policy situations.

The ROI partners can provide you with more than 40 years of combined experience working with the U.S. Congress.

### ROBERT Q. OLD



Bob Old was formerly the Republican Staff Director of the U.S. Senate Committee on Armed Services. He has many years of experience in working with the Department of Defense and the United States Congress. For over five years, he has been president of his own company, R.Q. Old and Associates, Inc., specializing in defense programs and congressional liaison. He is well known on Capitol Hill and represents a number of major U.S. defense contractors. Mr. Old was born in Tulsa, OK, and holds a MBA degree from the George Washington University. He is a graduate of the National War College and retired from the Air Force in 1970 as a Colonel and command pilot. He and his wife Jean reside in Alexandria, VA.

### WILLIAM W. ROBERTS



Bill Roberts recently retired from the Sperry Corporation, Defense Electronics. His last position with Sperry was Manager for Congressional Liaison for over 15 years. In Europe he was Director of International Marketing and represented the U.S. on the NIAG panel 7 for Multi-function Radars. Other Sperry experience included engineering management positions for major military systems. Before joining Sperry, he was chief engineer for REMCO Electronics. Mr. Roberts was born in Yardley, PA, and a Fellow of the Radio Club of America. He and his wife Evelyn reside in Alexandria, VA.

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# Palatka Daily News

VOL. 100 NO. 162 PALATKA, PUTNAM COUNTY, FLORIDA

25

## Sperry eyes Putnam for military manufacturing

By BUTCH PREVATT  
Palatka Daily News

Officials of the nation's second largest computer company today announced they are looking for a site in Putnam County where they hope to expand the firm's military manufacturing division.

The joint announcement by Sperry Corporation — Defense Products came this morning at the Holiday Inn during a press conference arranged by U.S. Rep. Bill Chappell, D-Ormond Beach, who now heads the powerful defense appropriations subcommittee in the U.S. House.

Flanking Chappell were Palatka

Mayor E.L. Walker and Sperry's vice president for operations, James C. Vlahakis, and Bill Roberts of the company's staff.

Vlahakis, and Roberts said Sperry, which today officially merged with Burroughs Corporation (the merger places the two second to IBM in the computer business) is looking for a site on which to build or an existing structure in Putnam County. The firm would initially employ 35, but

Vlahakis said, "where that could expand just depends."

The official said they need about 15,000 square feet for the plant that would manufacture electronic components, cables and harnesses for military contracts held by Sperry. The company has a plant in Clearwater and is headquartered in Great Neck, N. Y.

Vlahakis pointed out to the audience of city and county officials, local residents and chamber of commerce members, that Sperry's military manufacturing side is "totally separate" from the other and probably better known Sperry

civilian manufacturing company.

He praised Chappell for his efforts to aid Sperry in considering the Palatka area for a second Florida plant.

Speaking of the congressman, Vlahakis said, "He has a very gentle way of saying, 'don't you think you ought to come down and look at my district?'"

Vlahakis got a laugh from the audience when speaking of the merger with Burroughs: "I woke up this morning and looked at the paper and found they had sold our company," he said, adding to his earlier remark to the press, "I'm

gone out of town one day and you see what happens."

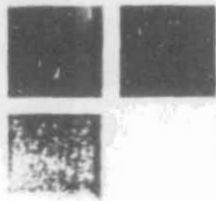
In Detroit today Burroughs Corporation announced a successful deal in its negotiations for a \$4.4 billion merger with the rival Sperry firm.

Sperry was founded in 1910 and Burroughs was founded nearly a quarter of a century earlier as an adding machine company.

The Sperry officials in Palatka today said this was their initial visit to Palatka on company business and that they have not looked at any sites or talked with anyone about purchases.

WEDNESDAY  
May 28, 1986

Radiation  
may affect



PUTNAM COUNTY CHAMBER OF COMMERCE

# UPDATE

UPDATE is the official publication of the Putnam County Chamber of Commerce - Published for all its members

P.O. BOX 550 • PALATKA, FLORIDA 32078-0550 • AC904 328-1503 JANUARY 1987

## 70 NEW JOBS

### CHAMBER WELCOMES ARMTEC TO PUTNAM COUNTY

More than 250 Chamber members joined Chamber President **Ben Bates**, Ben Bates Real Estate and Congressman **Bill Chappell** in welcoming the Armtec Corporation and its President, **Bill Roberts**, to Putnam County last month during the Chamber's *Business After Hours* held at Barnett Bank.

Armtec manufactures electrical wiring systems for several defense contractors.

Roberts said that Armtec already has 30 employees working at its facility in the Airport Industrial Park and expects that number to grow to 70 by mid-summer.

He credited Congressman Chappell with convincing him that Putnam County would be a good site for the new company rather than one in other states where he had been looking.

Major assistance in helping Armtec begin operation was provided by **Dick Stewart** of the Job Service of Florida

who is handling all employee applications and screening for the new company.

St. Johns River Community College and the St. Augustine Technical Center have provided assistance in preliminary qualification training for employees.

Roberts also praised the cooperation of **Verner Teeft**, owner of the Airport Industrial Park in facilitating Armtec's move into its new facility.

## HIRSCHMAN NAMED PRESIDENT-ELECT



Henry Hirschman

Georgia-Pacific General Manager **Henry Hirschman** has been elected Chamber President-Elect for 1988, by the 1987 Board of Directors at their initial Board meeting.

Hirschman has served as Chamber Treasurer for the past three years and as a Director for one year.

One of his primary responsibilities during the coming year will be the development of a three-year long range strategic plan for the Chamber.

The plan will provide a blueprint for the Chamber's future development, noting specific goals for program, finances, staffing, and modernization of the Chamber plant and equipment.

## BOARD APPROVES 15 COMMITTEES FOR 1987 CHAMBER PROGRAM

The Board of Directors has authorized 15 committees and task forces for implementing your Chamber's 1987 Program of Work. Additional committees are expected to be formed upon completion of the economic development analysis of Putnam County by The Fantus Company.

Divisions and the assigned committees, together with chairmen named to date, include:

### GOVERNMENT AFFAIRS

- Comprehensive Plan - **Mike Boggs**, Putnam Community Hospital
- Transportation - **Ray Bunton, Jr.**, Carlin-Turner Real Estate
- Infrastructure/User Fee - **Larry Pritchett**
- State and Local Government - **John Browning**, Florida Packing and Provision, Inc., Chairman and **Bill Townsend**, Walton, Townsend & Holmes, Vice Chairman

### MEMBERSHIP

- Membership Development - **Horace Broome**, First Union National Bank

- Special Events - **Kenny Eubanks**, Clay Electric

(Continued on page 3)

## BUSINESS AFTER HOURS



Thursday, January 15, 1987  
5:30 - 7:00 p.m.

Secure Home Management  
205 Moody Road  
Palatka

## Expert says moms are pushers...of chocolate

TAMPA (AP) — An expert says mothers become "chocolate pushers" at Easter, looking their children on one of the most addictive foods in the human diet.

Pushing chocolate, even in Tummy form, is luring children up to mood-altering substances, said Fred Schneider, a clinical therapist who runs the Food Addictions and Eating Disorders Programs here for Glenleigh Hospital.

He said he soon will be opening the only children and adolescent food addictions treatment unit in the country in Palm Beach.

Schneider says he has researched for 15 years the theory that there are "trigger nodes" that set off binge eating.

Psychiatric descriptions of binge-eating syndromes note they are usually centered around high-carbohydrate, like chocolate, said Schneider.

Parents want children to say not to drug dealers but do not recognize that, for the potential or active food addict, Easter became a season to "turn on" with chocolate, jelly beans and sugared everything," said Schneider.

The National Institute of Mental Health estimates that 30 million Americans have some kind of food-related problem.

The fact that mothers are usually

the ones who watch most carefully over their children's diet makes the youngsters that much more vulnerable when mother gives her approval to Easter overeating.

"They go there with Easter confect and are disturbed when the kids not only don't listen, but begin to act out," said Schneider.

He said the link between candy and bad behavior also has been referred to as the Hallway Syndrome or the Halloween Drunk.

"Basically, children act differently under the influence of enormous amounts of sugar," said Schneider.

Educating parents in food addiction is just beginning, said the expert, saying they must work at ending their food pushing to children.

And he said parents should remember that the real message of Easter is not more food, but larger helpings of love and family.

## Military component plant due in Palatka

### 175 new jobs set

By MARCIA LANE  
Palatka Daily News

A plant that assembles components for the military is planning to open in Palatka and it could provide as many as 175 new jobs for the area.

"Company officials have assured me 80 percent of the jobs will go to people in Palatka and Putnam County and the company will do the necessary training at their own expense," said Mayor E.L. Walker at a City Commission meeting Thursday. Walker has been negotiating with the firm.

The company, known as Armac Inc., will be moving its current operation from the city's Airport Industrial Park to the new location at the former Southern Bell building on State Road 18.

"We'll be moving just as soon as we get all the variances worked out," said vice president and general manager Charlie D. DeCherch today. "We're really very enthusiastic about getting started."

Approximately 10 people will be moving to the former telephone building. By the end of the year the company expects to have 100 people working for it.

In order to get the plant, Palatka commissioners agreed to a change in the zoning ordinance. Earlier in the day the Palatka Planning Board in a special session approved amending the ordinance to permit assembling, packaging or fabricating in completely enclosed buildings as a conditional use in C-3 zoning districts.

A second and final reading of the ordinance is required before passage. Once the variance is approved, Armac officials are hoping to move into the building by late May.

"We're extremely pleased with the work done and the work still we're doing in the area," said DeCherch.

The exact work of the firm was not specified although Walker said the components will be shipped for the military and defense department. DeCherch said training is going on at present and work produced would "get more sophisticated as we go along."

The former Southern Bell building meets all the company's specifications, said Walker. He added negotiations with the building owner included a lease for three years and options for renewal.

Necessary training is being provided on Page 1A.



From left, Mac McLeod, chief assistant state attorney, Jimmy Hagan, classification specialist from Putnam Correctional Institution and an inmate, also from PCI, discuss the drug problem with youth from St. Monica's Catholic Church.

## Drug middleman to youths: Hip to be square

By MARY DOAN  
Palatka Daily News

For almost three years James K. lived the luxury life of the rich as portrayed in TV's "Miami Vice." His Mercedes or Ferrari would pull up at some plush Miami nightclub where James might, without second thought, order a \$1,200 bottle of wine.

The seemingly glamorous life came after the South Florida native turned his \$20,000-a-year job of selling blueprint and engineering supplies into a \$200,000-a-year income earned by trafficking in drugs. His ability to speak Spanish had attracted a special breed of South and North Americans who needed a translator to set up drug deals.

But when it looked like the beautiful bubble of life would never burst, one of his "customers" turned out to be an undercover narcotics officer from the Metropolitan Bureau of Investigation. He was busted.

Although some high-priced lawyers were able to keep the

wheels of justice from grinding to a halt for more than a year, the day came when, to escape a mandatory 15-year sentence, he "tripped" a plea that would put him behind bars for 10 years. And, oh, yes, James, an inmate at Putnam Correctional Institution in East Palatka, was fined \$250,000.

In the cocaine business getting that money wouldn't be an obstacle, but behind bars, forget it. Behind bars, life isn't glamorous at all.

Behind bars, freedom to earn honest money seems the best deal life has to offer.

Behind bars, there's thoughts of family — the dishonor brought upon them and even worse, the knowledge their life is now harder. Who's there to help them pay bills and solve problems?

After his arrest, facing his mother was the most difficult thing he'd ever had to do, says James, not his real name. And he knows his community-leader father hurts too.

Telling his story wasn't easy for

him. But James is telling it as often as possible in an effort to keep others from falling into the money, power and pleasure trap he fell into.

He's only one of the inmates at PCI working with prison authorities who are trying to combat crime by telling those free on the outside what it's like to locked up. It's a partnership that PCI officials hope will serve the community and one of several community-service programs ongoing at the medium security prison.

PCI's program differs from the usual use-inmate-to-prevent-crime approach in that there are three characters involved. Besides an inmate, such as James whose choice to commit crimes turns him into a convict, there's a prosecutor and a corrections officer, who both turn out to be winners.

These roles recently were assumed by inmate James, prosecutor Mac McLeod, Putnam's assistant state attorney, and "jailer" Jimmy Hagan, classifica-

tions officer at PCI, who took their anti-drug program to youth people at St. Monica's Catholic Church.

Hagan's role is to give alternatives. He tells young people that when they choose to act in ways unacceptable to society, there are penalties to pay. He also tells them that in prison they lose their identities.

James tells them, "It's hip to be square. I'm in here. Mr. Hagan is not there."

James sees the drug problem as a community problem.

"It's a people problem, so I'm talking to people," he says in an interview at the East Palatka prison. According to James, there are three main reasons for getting involved in drugs. The first is peer pressure. "Who wants to be the ProWee Herman of the group?" he asks. Then there's social pressure that can come because of problems with family or job. The third is for money and power.

It was money and power that James wanted. And despite the

See DRUG on Page 1A

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## Jobs

Continued from Page 1A

vided through St. Johns River Community College for the technical side. Commissioner Mary Lawson Brown, who heads the area coordinating council for colleges, said the request had been approved through the council.

"We're also doing a lot of training inside the building," said DeClerck, adding training was the key to a successful business.

The remaining 15 percent of the workers would be brought in because of the expertise required, according to the mayor. He said a vice president with the firm had said it might be expected that other defense contractors would move in to take advantage of the trained labor "so this might be a real boom to us in the future."

Walker said he also had "hopes of possibly two more industries wanting to come in." One is a firm moving down from the north and the other from out of the country. As he had with the Armtec deal, Walker requested permission to deal with company officials and commissioners gave him the go-ahead.

Aside from pers didn't actually bu business deals. H dieman who handl the drug business the nms on the l take the greatest r easily replaced.

Jamrs knows th he isn't recommen to anyone these da

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## Pomona

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FORECAST

## United States District Court

EASTERN

District of

VIRGINIA

FILED

DEC 20 1991

CLERK U.S. DISTRICT COURT  
ALEXANDRIA, VIRGINIA

UNITED STATES OF AMERICA

V.

WILLIAM W. ROBERTS

(Name of Defendant)

## JUDGMENT IN A CRIMINAL CASE

(For Offenses Committed On or After November 1, 1987)

Case Number: 91-00385-A

MITCHELL ROGOVIN, ESQ.

Defendant's Attorney

THE DEFENDANT: WILLIAM W. ROBERTS

☒ pleaded guilty to count(s) 1 Criminal Information  
☐ was found guilty on count(s) \_\_\_\_\_ after a  
 plea of not guilty.

Accordingly, the defendant is adjudged guilty of such count(s), which involve the following offenses:

Title & Section	Nature of Offense	Date Offense Concluded	Count Number(s)
18 U.S.C. 371	Conspiracy to make false statements to Federal Election Commission regarding contributions	January 1988	1

The defendant is sentenced as provided in pages 2 through 3 of this judgment. The sentence is  
 imposed pursuant to the Sentencing Reform Act of 1984.

☐ The defendant has been found not guilty on count(s) \_\_\_\_\_  
 and is discharged as to such count(s).

☐ Count(s) \_\_\_\_\_ (is)(are) dismissed on the motion of the United States.

☒ It is ordered that the defendant shall pay a special assessment of \$ 50.00 for count(s)  
1, which shall be due ☒ immediately ☐ as follows:

IT IS FURTHER ORDERED that the defendant shall notify the United States attorney for this district within  
 30 days of any change of name, residence, or mailing address until all fines, restitution, costs, and special  
 assessments imposed by this judgment are fully paid.

Defendant's Soc. Sec. No.: 145-16-5288Defendant's Date of Birth: 04-05-13

Defendant's Mailing Address:

Rt. 4, Box 1727Palatka, FL

Defendant's Residence Address:

Same as aboveDecember 20, 1991

Date of Imposition of Sentence

Claude M. Hilton

Signature of Judicial Officer

CLAUDE M. HILTON, U.S. DISTRICT JUDGE

Name &amp; Title of Judicial Officer

December 20, 1991A True Copy, To: Date:

Doris R. Casey, Clerk

J. Salomon  
 U.S. GPO: 1989-797-448/100AA



Defendant: WILLIAM W. ROBERTS  
Case Number: 91-00385-A

Judgment—Page 2 of 3

### PROBATION

The defendant is hereby placed on probation for a term of 1 year.

While on probation, the defendant shall not commit another Federal, state, or local crime, shall not illegally possess a controlled substance, and shall not possess a firearm or destructive device. The defendant also shall comply with the standard conditions that have been adopted by this court (set forth below). If this judgment imposes a fine or a restitution obligation, it shall be a condition of probation that the defendant pay any such fine or restitution. The defendant shall comply with the following additional conditions:

During the term of probation, defendant must pay a fine in the amount of \$5,000.00 on a schedule established & supervised by the Probation Office.

### STANDARD CONDITIONS OF SUPERVISION

While the defendant is on probation pursuant to this judgment, the defendant shall not commit another federal, state or local crime. In addition:

- 1) the defendant shall not leave the judicial district without the permission of the court or probation officer;
- 2) the defendant shall report to the probation officer as directed by the court or probation officer and shall submit a truthful and complete written report within the first five days of each month;
- 3) the defendant shall answer truthfully all inquiries by the probation officer and follow the instructions of the probation officer;
- 4) the defendant shall support his or her dependents and meet other family responsibilities;
- 5) the defendant shall work regularly at a lawful occupation unless excused by the probation officer for schooling, training, or other acceptable reasons;
- 6) the defendant shall notify the probation officer within 72 hours of any change in residence or employment;
- 7) the defendant shall refrain from excessive use of alcohol and shall not purchase, possess, use, distribute, or administer any narcotic or other controlled substance, or any paraphernalia related to such substances, except as prescribed by a physician;
- 8) the defendant shall not frequent places where controlled substances are illegally sold, used, distributed, or administered;
- 9) the defendant shall not associate with any persons engaged in criminal activity, and shall not associate with any person convicted of a felony unless granted permission to do so by the probation officer;
- 10) the defendant shall permit a probation officer to visit him or her at any time at home or elsewhere and shall permit confiscation of any contraband observed in plain view by the probation officer;
- 11) the defendant shall notify the probation officer within seventy-two hours of being arrested or questioned by a law enforcement officer;
- 12) the defendant shall not enter into any agreement to act as an informer or a special agent of a law enforcement agency without the permission of the court;
- 13) as directed by the probation officer, the defendant shall notify third parties of risks that may be occasioned by the defendant's criminal record or personal history or characteristics, and shall permit the probation officer to make such notifications and to confirm the defendant's compliance with such notification requirement.

Defendant: WILLIAM W. ROBERTS  
Case Number: 91-00385-A

Judgment—Page 3 of 3

### FINE

The defendant shall pay a fine of \$ 5,000.00. The fine includes any costs of incarceration and/or supervision.

☐ This amount is the total of the fines imposed on individual counts, as follows:

☐ The court has determined that the defendant does not have the ability to pay interest. It is ordered that:

- ☐ The interest requirement is waived.
- ☐ The interest requirement is modified as follows:

This fine plus any interest required shall be paid:

- ☐ in full immediately.
- ☐ in full not later than \_\_\_\_\_
- ☐ in equal monthly installments over a period of \_\_\_\_\_ months. The first payment is due on the date of this judgment. Subsequent payments are due monthly thereafter.
- ☒ in installments according to the following schedule of payments:  
as scheduled and supervised by the Probation Office.

If the fine is not paid, the court may sentence the defendant to any sentence which might have been originally imposed. See 18 U.S.C. § 3614.



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March 31, 1992

Mark Allen, Esq.  
Office of the General Counsel  
Federal Election Commission  
999 E Street, N.W.  
Washington, DC 20463

Re: MUR 2981  
Gerard J. Scarano

Dear Mr. Allen:

Pursuant to your request/subpoena of March 4, 1992, I enclose herewith Mr. Scarano's sworn statement in response.

After you have had a chance to review these matters, I would appreciate the opportunity of meeting with you to discuss the case.

Sincerely,

*Stephen H. Sachs/HE*  
Stephen H. Sachs

Enclosure

cc: Gerard J. Scarano

(DICTATED BUT NOT READ)

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of  
Gerard J. Scarano

)  
)  
)  
)

MUR 2981

RECEIVED  
FEDERAL ELECTION COMMISSION  
JUL 2 1972  
92 MR-2 PM 3:32

RESPONSE OF GERARD SCARANO TO FEC SUBPOENA AND ORDER

I am 77 years old. My memory of some of these events is not too good. I have cooperated fully with the U.S. Attorney for the Eastern District of Virginia, the FBI and my probation officer. They may have more details that I have overlooked. Also, they have all my original records which I gave them without keeping copies except for a partial copy of my checkbook records.

These answers are true to the best of my knowledge and belief. I have prepared them with the assistance of my attorney, Stephen H. Sachs of Wilmer, Cutler & Pickering.

Q. 1) Provide a description and/or documentary evidence of the consulting fees that you received from Sperry/Unisys both during the period in which you received a per diem fee and during the period in which you received a lump sum fee.

A. I began as an engineering consultant with Sperry in July 1972 at age 58, after retiring from my position as Deputy Director of Research Development and Acquisition at the Department of the Navy, Washington, D.C. I was initially paid \$200 a day plus expenses and was later increased to approximately \$350 per day plus

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expenses. I estimate that I earned approximately \$25,000 - \$30,000 a year in this fashion.

These arrangements were altered by Sperry beginning in approximately late 1985 or early 1986. I was shifted from a Class I to a Class II consultant with removal of my security clearance, a policy change of the Navy Department to reduce security clearances. My compensation was shifted to a flat-fee-per-report arrangement. I think this occurred gradually. In later years I received much greater compensation by the flat-fee-per-report method, but that amount was reduced by payments I made at the behest of Sperry officials as is outlined in answer #3 below. I set forth here my best estimates of monies received from Sperry, and sums expended at Sperry's request, for the years 1983-1987.

<u>Year</u>	<u>Received</u>	<u>Expended</u>
1983	\$40,000	\$1,000
1984	\$98,000	\$37,000
1985	\$120,000	\$60,000
1986	\$165,000	\$70,000
1987	\$230,000	\$102,000

I must emphasize that these amounts are only estimates. Such records as I have with respect to these matters are attached hereto as Exhibit A.

Several years ago I turned over many records to the FBI and did not retain copies.

Q.

2) Provide evidence of the understanding(s), verbal or written between Sperry/Unisys and you regarding the relationship between the consulting fees and the political contributions and other payments, and specifically the communications that took place when the consulting fee arrangement changed from per diem/per project to lump sum/flat fee and the nature of the work changed.

A.

I had no verbal or written understanding or prearrangement with respect to the relationship between my consulting fees and the political contributions. Typically, Bob Barrett would call me on the phone to tell me that "Charlie" (Gardner) wanted me to contribute to candidate X. I had read in the newspaper that it was okay for a company to solicit donations from its employees , and so I did. As I have informed the FBI and the United States Attorney, the political contribution requests were only one aspect of many suggestions, recommendations, requests and directions from Gardner via Barrett concerning payments I should make. At the outset I saw nothing wrong with agreeing to these requests; but by the end of my relationship with Sperry, I came to realize that Sperry was providing me funds with the purpose and expectation that I would accede to their requests with respect to political contributions.

9 3 0 4 3 5 0 2 3 8 9

As I have also informed the FBI and United States Attorney, I was visited by Charlie Gardner and Steve Monas in Connecticut in approximately early 1987. I agreed with Gardner to return approximately one-half of my consultant fees to Monas on request from Monas. Furthermore, at Barrett's suggestion, I sent him monies for what I thought was the purpose of investing in various companies named by Barrett. To the best of my recollection, those companies included Marquardt Miniatures (of which I hold 50 useless shares), T.C. Rand, Inc., MET Associates, Locus Limited, Transport Corporation of America, Panoramic View, Inc., Cutless International and Markowitz Leasing. After this investigation began, I came to believe that these monies may have been diverted from their ostensible purpose, but I was never told that and do not know it to be a fact. I also made two contributions to Our Lady of Lourdes church, which Barrett told me was Charlie Gardner's church.

Q. 3) Identify each payment that you made at the request of Sperry/Unisys, including but not limited to contributions to federal political committees and payments to other consultants, by date, amount, and recipient.

A. 3a) Payments made by me (or on some occasions, my wife) by checks drawn on Scarano Engineering account -- NE Savings Bank, to entities I believe to be federal political committees include:

<u>DATE</u>	<u>CHECK NO.</u>	<u>NAME</u>	<u>AMOUNT</u>	<u>PAGE1/</u>
10/18/83	103	Congressman Addabbo	\$1,000	5
01/15/84	105	Melvin Price	500	6
01/15/84	106	G.U. Montgomery (cancelled 3/9/84)	500	6
01/15/84	107	Alan Mullohan	500	6
03/09/84	111	Foglietta	500	7
04/26/84	116	Gary Hart	1,000	7
08/14/84	123	Democratic Majority	1,000	9
08/14/84	124	Mrazek	1,000	9
10/15/84	128	Mrazek	1,000	10
10/15/84	129	Bill Chappell	1,000	10
10/25/84	132	Congressman Addabbo	1,000	10
02/08/85	136	Senator D'Amato (cancelled 5/8/85)	1,000	12
09/26/85	153	Senator D'Amato	1,000	16
09/26/85	154	Senator D'Amato	1,000	16
09/26/85	155	William Chappell	500	16

1/ Page numbers refer to my financial records, which I attach hereto as Exhibit A.



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<u>DATE</u>	<u>CHECK NO.</u>	<u>NAME</u>	<u>AMOUNT</u>	<u>PAGE</u>
09/26/85	156	William Chappell	500	16
12/09/85	170	Congressman Addabbo	1,000	19
01/15/86	175	Joseph Kennedy	1,000	20
02/25/86	178	Dem. Cong. Camp. Comm.	1,000	21
02/25/86	179	Dem. Cong. Camp. Comm.	1,000	21
05/12/86	199	Volunteer Comm.	500	24
05/20/86	200	Volunteer Comm.	500	24
		(Records missing from 7/11/86 to 12/9/86)		
12/14/86	241	William Chappell	1,000	27
12/14/86	242	William Chappell	1,000	27
08/14/87	236	William Chappell	1,000	34
08/14/87	237	William Chappell	1,000	35

3b) Payments made to other entities from the  
Scarano Engineering Account -- NE Savings Bank include:

<u>DATE</u>	<u>CHECK NO.</u>	<u>NAME</u>	<u>AMOUNT</u>	<u>PAGE</u>
03/05/84	110	T.C. Rand, Inc.	\$7,000	7
04/27/84	118	T.C. Rand, Inc.	3,000	8
12/27/84	134	MET Associates	20,000	11
05/08/85	145	James Neal Assoc.	20,000	13
11/20/85	165	James Neal Assoc.	10,000	18
11/20/85	166	James Neal Assoc.	20,000	18
12/17/85	171	Marquardt Stock Miniatures	2,000	19
12/17/85	172	Marquardt Stock Miniatures	3,000	19



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<u>DATE</u>	<u>CHECK NO.</u>	<u>NAME</u>	<u>AMOUNT</u>	<u>PAGE</u>
04/09/86	196	Marquardt Stock Miniatures	5,000	23
01/29/87	With- drawal	Steve Monas	8,000 (cash)	28
05/08/87	"	Steve Monas	12,000 (cash)	32
06/10/87	233	Marquardt Miniatures Stock	5,000	33
07/22/87	234	Our Lady of Lourdes	1,000	34
08/12/87	With- drawal	Steve Monas	3,600 (cash)	34
08/19/87	"	Steve Monas	5,000 (cash)	35
08/21/87	"	Steve Monas	3,400 (cash)	35
08/25/87	"	Steve Monas	2,000 (cash)	35
10/09/87*	"	Steve Monas	5,000 (cash)	36
10/13/87*	"	Steve Monas	7,000 (cash)	36
(* Redeposited on 10/19)				
10/30/87	With- drawal	Steve Monas	7,000 (cash)	37
11/04/87	"	Steve Monas	8,000 (cash)	37
11/25/87	"	Steve Monas	9,000 (cash)	38
12/02/87	"	Steve Monas	11,000 (cash)	38
12/14/87	252	Locus Ltd.	8,000 (cash)	38

3c) Payments made by checks drawn on my "Electromech" account at NE Savings Bank to entities I believe to be federal political committees include:

<u>DATE</u>	<u>CHECK NO.</u>	<u>NAME</u>	<u>AMOUNT</u>	<u>PAGE</u>
08/15/86*	106	William Chappell	\$2,000	47
08/15/86*	107	Dyson	1,000	47
08/15/86*	108	William Young	500	47
08/15/86*	109	Mrazek	500	47
08/15/86*	110	Charles Bennett	500	47
08/15/86*	111	McCloskey	500	47
08/15/86*	112	Les Aspin	1,000	47
08/15/86*	113	Wright	500	48
08/15/86*	114	Jim Sasser	500	48

\* These checks were voided by Barrett because checks were marked "INC."

08/21/86**	115	Scarano	7,000	48
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\*\* The \$7,000 check payable to me was deposited in my house account at Connecticut Bank & Trust from which new checks were written to replace checks 106-114.

3d) Payments made to other entities on my "Electromech" account at NE Savings Bank include:

<u>DATE</u>	<u>CHECK NO.</u>	<u>NAME</u>	<u>AMOUNT</u>	<u>PAGE</u>
04/14/86	093	Transport Corp. of America	\$20,000.00	46
05/01/86	101	Transport Corp. of America	20,000.00	46
05/12/86	102	Our Lady of Lourdes	1,000.00	46
06/14/86	105	Panorama View Inc.	5,708.25	47
10/27/86	116	Our Lady of Lourdes	1,000.00	48
11/03/86	118	Marquardt Miniaturues	2,000.00	48

<u>DATE</u>	<u>CHECK NO.</u>	<u>NAME</u>	<u>AMOUNT</u>	<u>PAGE</u>
06/16/87	120	Cutless International	5,000.00	49
07/14/87	121	Markowitz Leasing	12,500.00	50

Q. 4) Provide documentary evidence of such payments such as canceled checks, check registers, bank statements, etc.

A. I've enclosed the documentary evidence I possess as Exhibit A.

Q. 5) Identify and specify the role of each individual you had contact with in connection with the requests you received to make political contributions and other payments, by name, employer, and position, if known, including who requested the payment and to whom you delivered the payment.

As I have stated in answer #2 above, the political contributions and all other payments were at the request and direction of Bob Barrett. The cash arrangement with Monas was pursuant to the directions of Charlie Gardner, V.P. Sperry/Unisys. I knew Jim Neal to be a consultant to Sperry, and at Bob Barrett's direction, forwarded funds to him for what I thought were going to be Jim Neal's consulting services. All checks I wrote were delivered to Bob Barrett except one I left at the Sperry Washington, D.C. office at Barrett's request. I don't remember which one.

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Q. 6) Identify any other individuals connected with the Sperry/Unisys scheme, their roles in the scheme, and how you acquired this information.

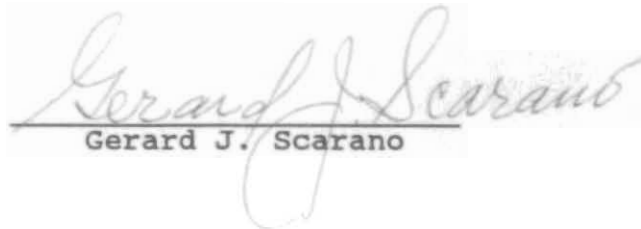
I can recall no others connected with Sperry with whom I dealt except Dennis Mitchel who processed my contracts in Sperry. He worked for Gardner.

Q. 7) Identify any individuals connected with recipient political committees that you had contact with in connection with the contributions, and the substance of these contacts.

None that I recall. I think that I went to one fund raiser for Congressman Addabbo.

Q. 8) To your knowledge, identify all other individuals or entities who made payments including political contributions at the request of Sperry/Unisys, all such payments made, how you acquired this information, and the nature of your relationship to these individuals.

I have no factual knowledge concerning the contributions or payments made by others at the request of Sperry.

  
Gerard J. Scarano

Subscribed and sworn to before me  
this 25<sup>th</sup> day of March, 1992.

  
Katherine Shirley Horst

- 10 -



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

April 3, 1992

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Mr. Joseph Zuba II  
4815 Virginia Road  
Mechanicsburg, PA 17055

RE: MUR 2981

Dear Mr. Zuba:

On July 13, 1990, you were notified that the Federal Election Commission had found reason to believe you had violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended. On October 18, 1990, the Office of the General Counsel sent your counsel, Paul Killion, questions and document requests. To date, this Office has not received responses. We understand that you are no longer represented by Mr. Killion.

Pursuant to its investigation of this matter, the Commission has issued the attached subpoena and order requiring you to provide information which will assist the Commission in carrying out its statutory duty of supervising compliance with the Federal Election Campaign Act of 1971, as amended.

It is required that you submit all answers to questions under oath within 30 days of your receipt of this subpoena and order. If you have any questions, please contact me at (202) 219-3400.

Sincerely,

A handwritten signature in cursive script, appearing to read "Mark Allen", is written over the typed name.

Mark Allen  
Attorney

Enclosure  
Subpoena and Order

93043502396

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

)  
)  
) MUR 2981  
)

SUBPOENA TO PRODUCE DOCUMENTS  
ORDER TO SUBMIT WRITTEN ANSWERS

TO: Mr. Joseph Zuba II  
4815 Virginia Road  
Mechanicsburg, PA 17055

Pursuant to 2 U.S.C. § 437d(a)(1) and (3), and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order and subpoenas you to produce the documents requested on the attachment to this Subpoena. Legible copies which, where applicable, show both sides of the documents may be substituted for originals.

Such answers must be submitted under oath and must be forwarded to the Office of the General Counsel, Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463, along with the requested documents within 30 days of receipt of this Order and Subpoena.

93043502397

Mr. Joseph Zuba II - Order and Subpoena  
Page 2

WHEREFORE, the Chairman of the Federal Election Commission  
has hereunto set her hand in Washington, D.C. on this *3rd*,  
day of *March*, 1992

*Joan D. Aikens*  
\_\_\_\_\_  
Joan D. Aikens, Chairman  
Federal Election Commission

ATTEST:

*Marjorie W. Emmons*  
\_\_\_\_\_  
Marjorie W. Emmons  
Secretary to the Commission

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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 1, 1982 to December 31, 1988.

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:

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

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

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

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

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

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

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Mr. Joseph Zuba II - Order and Subpoena  
Page 5

QUESTIONS AND DOCUMENT REQUESTS

1. Provide check copies and check registers for each federal contribution made by you between January 1, 1984 and December 31, 1988.
2. Provide bank statements for the period covering January through December 1984, November 1985 through February 1987, and November 1987 through January 1988.
3. Provide all other documents in any way relating to your contributions, including notes, invitations, and correspondence

93043502401



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

April 3, 1992

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Mr. Joseph Zuba  
4815 Virginia Road  
Mechanicsburg, PA 17055

RE: MUR 2981

Dear Mr. Zuba:

On September 15, 1989, the Federal Election Commission notified you of a complaint alleging violations of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint was forwarded to you at that time. On July 13, 1990, your counsel, Paul Killion, was notified that the Federal Election Commission had found reason to believe you had violated 2 U.S.C. § 441f, a provision of the Act. On October 18, 1990, the Office of the General Counsel sent your counsel questions and document requests. To date, this Office has not received responses. We understand that you are no longer represented by Mr. Killion.

Pursuant to its investigation of this matter, the Commission has issued the attached subpoena and order requiring you to provide information which will assist the Commission in carrying out its statutory duty of supervising compliance with the Federal Election Campaign Act of 1971, as amended.

It is required that you submit all answers to questions under oath within 30 days of your receipt of this subpoena and order. If you have any questions, please contact me at (202) 219-3400.

Sincerely,

*Mark Allen*

Mark Allen  
Attorney

Enclosure  
Subpoena and Order

93043502402

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

)  
)  
) MUR 2981

SUBPOENA TO PRODUCE DOCUMENTS  
ORDER TO SUBMIT WRITTEN ANSWERS

TO: Mr. Joseph Zuba  
4815 Virginia Road  
Mechanicsburg, PA 17055

Pursuant to 2 U.S.C. § 437d(a)(1) and (3), and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order and subpoenas you to produce the documents requested on the attachment to this Subpoena. Legible copies which, where applicable, show both sides of the documents may be substituted for originals.

Such answers must be submitted under oath and must be forwarded to the Office of the General Counsel, Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463, along with the requested documents within 30 days of receipt of this Order and Subpoena

93043502403

Mr. Joseph Zuba - Order and Subpoena  
Page 2

WHEREFORE, the Chairman of the Federal Election Commission  
has hereunto set her hand in Washington, D.C. on this *3rd*  
day of *March*, 1992.

*Joan D. Aikens*  
\_\_\_\_\_  
Joan D. Aikens, Chairman  
Federal Election Commission

ATTEST:

*Marjorie W. Emmons*  
\_\_\_\_\_  
Marjorie W. Emmons  
Secretary to the Commission

93043502404

QUESTIONS AND DOCUMENT REQUESTS

1. Provide check copies and check registers for each federal contribution made by you between January 1, 1982 and December 31, 1988.
2. Provide the content of your consulting and contribution agreement with Sperry/Unisys Corporation and documentary evidence thereof, including all documents reflecting all consulting payments received.
3. Provide all other documents in any way relating to your contributions, including notes, invitations, and correspondence.
4. Provide a list of your contributions listed in response to question 1 above that were reimbursed by Sperry/Unisys.
5. Identify and specify the roles of Sperry/Unisys employees as well as candidates and campaign committee personnel who were involved in the contribution process.
6. Identify all other individuals who wrote contribution checks at your request and the circumstances of those contributions, including but not limited to the dates and the recipient committees.

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FEDERAL ELECTION  
COMMISSION  
MAIL ROOM

MAY 7 1 27 PM '92

April 30, 1992

Mr. Mark Allen  
Office of the General Counsel  
Federal Election Commission  
999 E Street, N. W.  
Room 657  
Washington, D. C. 20463

Dear Mr. Allen:

Pursuant to our telephone conversation, I wish to inform you that currently we are without counsel

Although I have not received any correspondence from your agency or anyone else regarding our campaign, it is my intention to cooperate in any way in resolving any questions or concerns you may have.

Thank you for your attention. I may be reached in Great Mills, Maryland 20634.

Sincerely,



Roy Dyson  
Dyson for Congress Committee

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RECEIVED  
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COMMISSION  
MAIL ROOM

93043502406

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COMMISSION  
MAIL ROOM

MAY 7 1 24 PM '92

1 May 1992

92MAY-7 PM 3:20

Federal Elections Comm.  
Washington, D.C. 20463  
Attn: Mark Allen

Dear Mr. Allen:

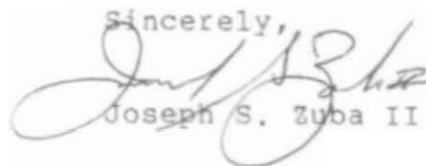
The information you have requested in your subpoena MUR 2981 dated April 1992 is not available. The Federal Agents who entered the office of Zubier Enterprises, Inc. in 1988 seized the check book, check stubs, canceled checks, notebooks, contracts, billings etc., which you are requesting

At the request of the Attorney for Zubier Enterprises, the FBI office in Washington, D. C. returned photo copies of the documents that were seized. However, the copies forwarded appeared to have been made in haste, and were under-developed to the point of being illegible. These copies were refused, and another, more legible set of copies were requested. The FBI offices did not respond to this request. In fact, the FBI office did not return Zubier Enterprises check book containing unused checks

Because Zubier Enterprises is a dissolved Corporation effective 1 January 1991, the matter of obtaining the documents cited above has been dropped. My suggestion in this matter would be to request that the FBI furnish you with the original documents they seized. I have no objection to this procedure, and would agree to execute any document necessary to effect such a transfer.

I trust the foregoing meets with your requirements. I cannot furnish documents which are not in my possession.

Sincerely,

  
Joseph S. Zuba II

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RECEIVED  
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COMMISSION  
MAIL ROOM

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1 May 1992

92 MAY 11 PM 3:27

Federal Elections Comm.  
Washington, D.C. 20463  
Attn: Mark Allen

Dear Mr. Allen:

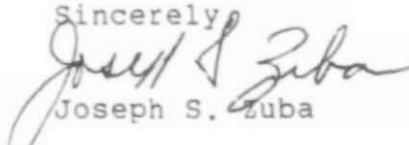
The information you have requested in your subpoena MUR 2981 dated 3 April 1992 is not available. The Federal Agents who entered the office of Zubier Enterprises, Inc. in 1988 seized the check book, check stubs, canceled checks, notebooks, contracts, billings etc., which you are requesting. I am forwarding herewith, a copy of the only document we have, and that is only a partial document

At the request of the Attorney for Zubier Enterprises, the FBI office in Washington, D. C. returned photo copies of the documents that were seized. However, the copies forwarded appeared to have been made in haste, and were under-developed to the point of being illegible. These copies were refused, and another, more legible set of copies were requested. The FBI offices did not respond to this request.

Because Zubier Enterprises is a dissolved Corporation effective 1 January 1991, the matter of obtaining the documents cited above has been dropped. My suggestion in this matter would be to request that the FBI furnish you with the original documents they seized. I have no objection to this procedure, and would agree to execute any document necessary to effect such a transfer

I trust the foregoing meets with your requirements. I cannot furnish documents which are not in my possession.

Sincerely

  
Joseph S. Zuba

93043502408

Report and Order Terminating Probation  
Prior to Original Expiration Date

United States District Court  
FOR THE

EASTERN DISTRICT OF VIRGINIA

UNITED STATES OF AMERICA

v.

ZUBA, Joseph S.

(Crim. No. 89-00242-A(01))

On September 29, 1989 the above named was placed on probation for a period of 2 years.  
The probationer has complied with the rules and regulations of probation and is no longer in need of probation  
supervision. It is accordingly recommended that the probationer be discharged from probation.

Respectfully submitted,

*John L. Lavezzo*  
U.S. Probation Officer

ORDER OF COURT

Pursuant to the above report, it is ordered that the probationer be discharged from probation and that the  
proceedings in the case be terminated.

Dated this July 15, 1991 day of \_\_\_\_\_, 19\_\_

*Claude M. Hilton*  
United States District Judge

65125.00

CONDITIONS OF SUPERVISED RELEASE  
UNITED STATES DISTRICT COURT  
FOR THE  
EASTERN DISTRICT OF VIRGINIA

Name Joseph S. Zuba Docket No. 89-00248-001  
Address 208 S. Norway Street  
Mechanicsburg, PA

Under the terms of your sentence, you have been placed on supervised release by the Honorable Claude M. Hilton, United States District Judge for the Eastern District of Virginia. Your term of supervision is for a period of two (2) years, commencing September 29, 1989.

CONDITIONS

It is the order of the Court that you shall comply with the following conditions:

- (1) You shall not commit another federal, state, or local crime during the term of supervision;
- (2) You shall not leave the judicial district or other specified geographic area without the permission of the Court or probation officer;
- (3) You shall report to the probation officer as directed by the Court or probation officer, and shall submit a truthful and complete written report within the first 5 days of each month;
- (4) You shall answer truthfully all inquiries by the probation officer and follow the instructions of the probation officer;
- (5) You shall support your dependents and meet other family responsibilities;
- (6) You shall work regularly at a lawful occupation unless excused by the probation officer for schooling, training, or other acceptable reasons;
- (7) You shall notify the probation officer within 72 hours of any change in residence or employment;
- (8) You shall refrain from excessive use of alcohol and shall not purchase, possess, use, distribute, or administer any narcotic or other controlled substance, or any paraphernalia related to such substances, except as prescribed by a physician;
- (9) You shall not frequent places where controlled substances are illegally sold, used, distributed, or administered, or other places specified by the Court;

SEE REVERSE SIDE

93043502410

(10) You shall not associate with any persons engaged in criminal activity, and shall not associate with any person convicted of a felony unless granted permission to do so by the probation officer;

(11) You shall permit a probation officer to visit at any time at home or elsewhere and shall permit confiscation of any contraband observed in plain view by the probation officer;

(12) You shall notify the probation officer within 72 hours of being arrested or questioned by a law enforcement officer;

(13) You shall not enter into any agreement to act as an informer or a special agent of a law enforcement agency without the permission of the Court;

(14) You shall not own, possess, receive, or transport any type of firearm or other dangerous weapon; and

(15) As directed by the probation officer, you shall notify third parties of risks that may be occasioned by your criminal record or personal history or characteristics, and shall permit the probation officer to make such notification and to confirm your compliance with such notification requirements.

The special conditions ordered by the Court are as follows:

- 1) Pay fine of \$5,000 and \$125 special assessment fee.
- 2) 100 hours community service work.

You are to report in person to the U.S. Probation Office in the district of release within 72 hours of confinement release.

Upon a finding of a violation of supervised release, I understand that the Court may (1) revoke supervision or (2) extend my term of supervision and/or modify the conditions of supervision.

These conditions have been read to me. I fully understand the conditions and have been provided a copy of them.

(Signed)

Defendant

*Amir S. Zuba*

9-29-89  
Date

*O. Reno Green*

9-29-89  
Date

93043502411



## PART A. OFFENSE

Charge(s) and Conviction(s)

1. On July 14, 1989, the defendant, Joseph S. Zuba appeared with retained counsel in the Eastern District of Virginia and entered a guilty plea to all counts of a four-count Criminal Information charging him with Count 1: Conspiracy to Obstruct & Impede the Federal Election Commission (18 USC, Section 371); and, Counts 2, 3, & 4: Willfully and Unlawfully Permitting Ones Name to be Used to Effect a Political Contribution (2 USC, Section 441f; 437(g)(d)).
2. Sentencing was deferred until September 29, 1989, pending the preparation of a presentence investigation report
3. Per the Plea Agreement, the United States agrees not to further charge the defendant with law violations in connection with the activities set forth in the Information and Statement of Facts or with any other violations now known to the U.S. Attorney's Office in the Eastern District of Virginia, unless the defendant commits perjury or gives false statements arising from his cooperation.
4. The defendant agrees to fully cooperate with the Government in providing truthful, complete and forthright information, including oral responses; sworn written statements; interrogatories, sworn testimony before a grand jury or in court; and documentary materials. The defendant further understands that should he fail to abide by the Plea Agreement or should he give materially false or incomplete or misleading testimony or information, he will be subject to prosecution for any federal criminal violation including but not limited to perjury and obstruction of justice. In any such prosecution, the Government shall be free to use against him, without limitation, any and all information that he has provided pursuant to the Plea Agreement or otherwise. The defendant further acknowledges that he understands the sentence to be imposed is within the sole discretion of the sentencing judge and that his sentence has not yet been determined.
5. The United States Attorney's Office reserves the right to allocute as to the nature and seriousness of the offense and reserves the right to inform the Court and the probation department of the full circumstances of the defendant's activities with respect to this case, and all other information in its possession relevant to sentencing. The United States further agrees to recommend to the court, should a custody sentence be imposed, that he be allowed to serve the sentence at a minimum security institution. The United States does not oppose the Court granting voluntary surrender.

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Guideline Applicability

6. Since the offense<sup>2</sup> occurred prior to November 1, 1987, the Sentencing Reform Act is not applicable in this case.

Related Cases

7. Garland L. Tomlin, Jr.: Pled guilty on July 14, 1989, to a three-count Indictment #89-239; Conspiracy to Defraud the United States, Bribery and Income Tax; Count 2: Bribery of a Public Official; Count 3: Income Tax Evasion; scheduled for sentencing on September 29, 1989.
8. Charles F. Gardner: Pled guilty on March 8, 1989, to Counts 1, 2, and 3 of criminal Information number 89-00081-A: Count 1, Conspiracy to Commit Bribery and False Statements; Count 2, Bribery of a Public Official; Count 3, Aiding and Assisting in the Presentation of a False Income Tax Return. Sentenced on September 15, 1989, to 32 months custody to run concurrently on each count, a total fine of \$40,000 to be paid within the period of supervised release, 2 years supervised release, and \$50 special assessment fee on each count (\$150 total).
9. Dennis Mitchell: Pled guilty on July 14, 1989 to Criminal Information #89-241, Count 1) Conspiracy to Defraud the United States, Count 2) Aiding and Abetting the Making of False Claims to the Government; scheduled to be sentenced on September 29, 1989.
10. James G. Neal: Pled guilty on March 9, 1989, before the Honorable Claude M. Hilton to a Criminal Information charging him in Count 1 with Conspiracy to Defraud the United States, to Commit Bribery, and to File False Claims; in Count 2 with Income Tax Evasion; and in Count 3 with Filing a False Claim. Mr. Neal was sentenced on July 14, 1989 to 27 months custody to run concurrently with one another, \$30,000 fine to be paid within 60 days, \$150 (total) special assessment, 24 months supervised release to run concurrently with one another with special condition that the defendant is to pay any taxes due for years 1985, 1986 and 1987 to the IRS.
11. Joseph Edmund Hill: pled guilty on January 27, 1989, before the Honorable Claude M. Hilton to a four-count Criminal Information charging him with Making a Political Contribution in the Name of Another. Mr. Hill was sentenced on April 7 1989, to 1 year probation and a total fine of \$5,000.
12. Robert Donald Barrett: Pled guilty on January 2, 1989, before the Honorable Claude M. Hilton to one count of Conspiracy to Defraud the United States and one count of Aiding and Abetting the Making of a False Statement to the Government. He was sentenced on May 5, 1989, to 2 years on each count, execution

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direction of them and with the understanding that these individuals would be reimbursed for the contributions from Sperry/Unisys funds. These individuals were paid by Sperry/Unisys as "consultants" for writing reports which were of little or no value, with the understanding that the money obtained would be used interalia to make the contributions to particular political campaigns.

17. Joseph Zuba participated in the obstruction on at least three occasions by permitting his name to be used to effect a campaign contribution. He was one of such "consultants" for Sperry/Unisys and was paid for work reflected in written reports. In fact, the payments were provided with the understanding that a portion of these funds were to be used for making political contributions for candidates identified by representatives of Sperry/Unisys. Undated checks were prepared for campaign contributions as directed by the Sperry/Unisys Corporation, who would collect the checks and give them to another agent of the corporation who would provide them to the political campaign committees. The treasurers of the political campaign committees to which these illegal contributions were made would and did report them to the commission (as required by law) as small and lawful contributions made by individuals rather than as large and illegal contributions made by the Unisys Corporation. This action caused the Federal Election Commission to make available to the public inaccurate information, thereby defrauding the United States.
18. Joseph S. Zuba, at the direction of Sperry/Unisys employee Robert Barrett, made contributions to political committees in the manner stated above and mailed the undated checks to Barrett. Specifically, on or about November 3, 1986, Mr. Zuba permitted his name to be used to effect a \$500 political contribution to the "Congressman Bill Young Campaign Committee". On or about June 29, 1987, he permitted his name to be used to effect a \$500 political contribution to the "Friends of Congressman Hochbrueckner", and on or about September 22, 1987, he made an illegal \$1,000 campaign contribution to the "Bill Chappell Campaign Committee" in the same manner.
19. Like Zuba, Gerard Scarano was self-employed as a consultant; his primary client since 1974 has been Sperry/Unisys Corporation. Scarano entered into a series of technical service agreements in which Scarano was required to provide reports to the corporation as detailed in the purchase order statement of work. Scarano, in return, was paid for the work reflected in these reports. From 1986, these payments were provided with the expectation that an unspecified portion of these funds would be used for certain purposes, including political contributions for candidates identified by representatives of Sperry/Unisys Corporation.

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20. Like Zuba, Scarano was asked by representatives of Sperry/Unisys to make numerous contributions in his name. Robert Barrett instructed Scarano to forward undated checks which would later be dated and used for making contributions to certain candidates for office. Specifically, in September 1987, Scarano wrote a check for \$1,000 to the "Bill Chappell Campaign Committee", causing the treasurer for the campaign committee to report to the Federal Election Commission that a contribution of \$1,000 had been made by Gerard J. Scarano, an individual, rather than at the express request and direction of Unisys Corporation from corporate funds provided to him for that purpose.

#### Victim Impact

21. The Government has not determined a specific amount of loss caused by Zuba's involvement in the offense since it is difficult to separate the amount of legitimate earnings as opposed to those monies channelled into political contributions and other illegal money funneled to him as "phony consulting fees."

#### Defendant's Role in the Offense

22. The defendant is one of many who was solicited and agreed to participate in this type of scheme by the Unisys/Sperry Corporation. In the overall scheme he is considered to have played a minor role.

#### Obstruction of Justice

23. The probation officer has no information that Zuba has obstructed justice. To the contrary, he has cooperated with Government authorities in the ongoing investigation.

#### Acceptance of Responsibility

24. The defendant accepts full responsibility for his actions. His statement is attached to this report.

#### Career Offender/Criminal Livelihood

25. The career offender/criminal livelihood provision does not apply to this case, since it occurred prior to implementation of the Sentencing Reform Act of 1984.

### **PART B. DEFENDANT'S CRIMINAL HISTORY**

26. Appropriate record checks conducted with the NCIC, in the Eastern District of Virginia, and with state and local authorities of the defendant's home, Pennsylvania, revealed no known criminal arrests/convictions.

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SECRETARIAT

BEFORE THE FEDERAL ELECTION COMMISSION

MUR 2981

**SENSITIVE**

In the Matter of  
William Roberts

GENERAL COUNSEL'S REPORT

I. BACKGROUND

This matter concerns a contribution reimbursement scheme operated by present and former employees of Unisys Corporation. On February 12, 1992, the Commission found reason to believe that William Roberts knowingly and willfully violated 2 U.S.C. § 441f. On March 27, 1992, Roberts responded to the Commission's finding and requested pre-probable cause conciliation (Attachment). This Office recommends that the Commission deny Roberts' request at this time.

II. ANALYSIS

William Roberts' significant role in the contribution scheme is set out in the General Counsel's Report dated February 6, 1992. Roberts pled guilty on September 27, 1991 and paid a \$5,000 fine in connection with the FBI/DOJ Ill Wind investigation.<sup>1</sup> His March 27, 1992 response included a copy of the plea materials. This Office has also obtained Roberts' redacted FBI statement. We have been discussing the matter with Roberts' counsel and plan to shortly arrange an interview of Roberts. In light of the need to investigate his role in this matter, this Office recommends that

1. This plea was not reported in the press and this Office was not informed thereof by the U.S. Attorney's Office in Alexandria, Virginia, which has provided us with FBI documents in this matter.

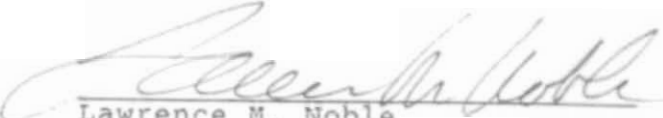
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the Commission decline, at this time, to enter into pre-probable cause conciliation with William Roberts.

III. RECOMMENDATIONS

1. Decline, at this time, to enter into conciliation with William Roberts prior to a finding of probable cause to believe.
2. Approve the appropriate letter

6/12/92  
Date

  
Lawrence M. Noble  
General Counsel

Attachment

William Roberts' response to reason to believe

Staff Assigned: Mark Allen

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of  
William Roberts.

)  
)  
) MUR 2981

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on June 18, 1992, the Commission decided by a vote of 6-0 to take the following actions in MUR 2981:

1. Decline, at this time, to enter into conciliation with William Roberts prior to a finding of probable cause to believe.
2. Approve the appropriate letter, as recommended in the General Counsel's Report dated June 12, 1992.

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

Attest:

6-18-92

Date

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

Received in the Secretariat: Mon., June 15, 1992 12:32 p.m.  
Circulated to the Commission: Mon., June 15, 1992 4:00 p.m.  
Deadline for vote: Thurs., June 18, 1992 4:00 p.m.

dr

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

July 6, 1992

Mitchell Rogovin, Esq.  
Donovan Leisure, Rogovin, Huge & Schiller  
1250 24th Street, N.W.  
Suite 700  
Washington, D.C. 20037-1124

RE: MUR 2981  
William Roberts

Dear Mr. Rogovin:

On March 4, 1992, your client, William Roberts, was notified that the Federal Election Commission found reason to believe that he violated 2 U.S.C. § 441f. On March 27, 1992, you submitted a request to enter into conciliation negotiations prior to a finding of probable cause to believe.

The Commission has reviewed your request and determined to decline at this time to enter into conciliation prior to a finding of probable cause to believe because additional information is necessary. Specifically, we would like to interview Mr. Roberts regarding his knowledge of the events in this matter. I will contact you regarding the arrangements of such an interview.

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 me at  
(202) 219-3400.

Sincerely,

*Mark Allen*

Mark Allen  
Attorney

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

July 10, 1992

Ross Nabatoff, Esq.,  
Brand & Lowell  
923 Fifteenth Street, N.W.  
Washington, D.C. 20005

RE: MUR 2981  
Roy Dyson  
Dyson for Congress Committee

Dear Mr. Nabatoff:

Please find enclosed a copy of a letter to Mr. Roy Dyson that accompanied documents from our Roy Dyson/Dyson for Congress Committee file in this matter. We understand that you no longer represent Mr. Dyson or the Committee in this matter. If you have any understanding to the contrary, please contact me immediately. I can be reached at (202) 219-3400.

Sincerely,

*Mark Allen*  
Mark Allen  
Attorney

Enclosure

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

July 10, 1992

Mr. Roy Dyson  
Great Mills, MD 20634

RE: MUR 2981  
Dyson for Congress Committee  
and Marion Fedas, as treasurer

Dear Mr. Dyson:

Pursuant to our conversation on July 8, 1992, I am enclosing the following documents from the Committee's file:

October 5, 1989 counsel's response to the complaint  
July 13, 1990 notification of the Commission's reason to believe finding and factual and legal analysis  
August 3, 1990 counsel's response to reason to believe finding  
August 10, 1990 counsel's supplemental response  
March 4, 1992 subpoena and order

I understand that you will contact me upon your review of the documents for the purpose of arranging a meeting. I can be reached at (202) 219-3400.

Sincerely,

A handwritten signature in cursive script, appearing to read "Mark Allen", is written over a rectangular area.

Mark Allen  
Attorney

Enclosures

cc: Ross Nabatoff, Brand & Lowell

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Law Offices of  
*Donovan Leisure, Rogovin, Huge & Schiller*  
*1250 Twenty-fourth Street, N.W.*  
*Washington, D.C. 20037-1124*

DONOVAN LEISURE NEWTON & IRVINE  
30 ROCKEFELLER PLAZA  
NEW YORK, N.Y. 10112  
TELEPHONE: 212-632-3000  
FACSIMILE: 212-632-3321

DONOVAN LEISURE NEWTON & IRVINE  
333 SOUTH GRAND AVENUE  
LOS ANGELES, CALIFORNIA 90071  
TELEPHONE: 213-283-4000  
FACSIMILE: 213-617-2368

TELEPHONE: 202-467-8300  
FACSIMILE: 202-467-8484

DONOVAN LEISURE NEWTON & IRVINE  
130 RUE DU FAUBOURG SAINT-HONORE  
75008 PARIS  
TELEPHONE: 1-42-25-47-10  
FACSIMILE: 1-42-56-08-08

DIRECT DIAL NUMBER  
202-467-8336

July 10, 1992

Privileged & Confidential

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

Re: MUR 2981

Dear Mr. Allen:

This letter is in response to your telephone conversation with Mrs. Denitta Ward of our law office regarding the above-referenced matter. As you and she discussed, Mr. Roberts has information which makes him a very valuable source in Commission's investigation of the Unisys campaign contributions scheme. On Mr. Roberts' behalf, we formally request that the Commission agree not to take any civil action against Mr. Roberts in exchange for his testimony.

As we explained in our earlier letter of March 27, 1992, Mr. Roberts has very limited finances and is not in a financial position to pay a civil fine. He is retired, lives on a fixed income, and has already paid a significant fine in connection with his plea. Mr. Roberts also suffered a large financial loss when his Palatka, Florida company failed. He is, however, willing to fully cooperate with the Commission in its investigation.

Sincerely,

*Mitchell Rogovin*  
Mitchell Rogovin

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Sentencing 8-14-92

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CLERK, U.S. DISTRICT COURT  
ALEXANDRIA, VIRGINIA

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
Alexandria Division

OGC 5183

UNITED STATES OF AMERICA

v.

DON L. LYNCH,  
Defendant

) CRIMINAL NO. 92-201-A  
)  
) 18 U.S.C. §371  
) Conspiracy to  
) Make False Statements  
)  
) (MUR 2981)  
)

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CRIMINAL INFORMATION

THE UNITED STATES ATTORNEY CHARGES THAT:

At all times material to this Information:

1. Unisys Corporation (hereinafter Sperry/Unisys) was a major defense contractor formed in November, 1986, as a result of a merger between Sperry Corporation and Burroughs Corporation.

2. The Surveillance and Fire Control Systems Division of Sperry/Unisys was located in Great Neck, New York. This division and its predecessors manufactured and supplied the government with certain kinds of radar and fire control systems.

3. The defendant, DON L. LYNCH, a former Senate Armed Services Committee staff member, was a consultant for Sperry/Unisys. He resided in the Eastern District of Virginia.

4. The defendant, DON L. LYNCH conducted his business through six corporations: D.L. Lynch and Associates Inc.; Suntech Strategic Planning, Inc.; National Defense Studies Group, Inc.; Independent Military Analysis, Inc.; Tactical Warfare Analysis

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Group, Inc.; and V. Kormann Enterprises, Inc.

5. Charles F. Gardner was an employee of Sperry/Unisys and served as Vice President and General Manager of the Surveillance and Fire Control Systems Division from August, 1985, through March of 1988.

6. John B. G. Roberts III was an employee of Sperry/Unisys and held the positions of Field Representative and Marketing Manager.

7. Robert Q. Old was a former staff member of the Senate Armed Services Committee who had resigned in 1981. He owned and operated R. Q. Old and Associates, Inc., a consulting business for defense contractors.

8. Samuel Ralph Preston was a staff member of the House Appropriations Committee and served as the Staff Director for the Subcommittee on Defense. After 28 years of service, he resigned in 1982. He owned and operated S. Ralph Preston and Associates, Inc., a political consulting firm.

9. The Federal Election Commission was an agency of the United States Government pursuant to Section 437c of Title 2, United States Code and was entrusted with the authority and responsibility pursuant to Section 437(g) of Title 2, United States Code, to detect, investigate, and take enforcement action against violations of the Federal Election Campaign Act, including the provisions referred to in the paragraphs above.

10. In addition, the Federal Election Commission was entrusted with the authority and responsibility pursuant to Section

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438(a)(4) of Title 2, United States Code, to make available to the public, specific information concerning campaign contributions to political committees supporting candidates for federal office, which had been filed with it pursuant to the provisions described in the paragraphs above.

11. The political committees referred to in this Information supported candidates for nomination and election to federal offices, and as such, were subject to the reporting provisions and the campaign financing limitations of the Federal Election Campaign Act, (hereinafter referred to as the FECA), described in the paragraphs below.

12. Political committees which financially supported candidates for federal offices, including for the purposes of this Information: the Dyson for Congress Committee, the Keep McDade in Congress Committee, the Bill Chappell Campaign Committee, and the Murtha for Re-Election Committee, were required by the FECA, and in particular, Section 434 of Title 2, United States Code, to file periodic reports with the Federal Election Commission. These reports were to accurately reflect the identities of all individuals and entities which had given in excess of \$200.00 to any political committee in any given calendar year.

13. The FECA, and in particular Section 441a of Title 2, United States Code, forbade, and rendered illegal, contributions to any federal candidate from any given individual that exceeded \$1,000 in connection with any given elective contest.

14. The FECA, and in particular Section 441b of Title 2,



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United States Code, forbade, and rendered illegal, contributions and expenditures from the treasury assets of corporations made in connection with the nomination or election of candidates to federal elective offices.

15. The FECA, and in particular Section 441c of Title 2, United States Code, forbade, and rendered illegal, contributions and expenditures for the purpose of influencing the nomination or election of candidates for federal office by persons, including corporations, who had, at the time such contributions and expenditures were made, entered into contracts with departments and agencies of the United States for the furnishing of material, equipment, or supplies to the United States.

16. The FECA, and in particular Section 441f of Title 2, United States Code, forbade and rendered illegal, contributions to the campaigns of federal candidates that were made in the names of individuals other than the person responsible for the contribution in question.

17. The Internal Revenue Service under the authority of the Department of the Treasury, was an agency of the United States government, authorized in the ascertainment, computation, assessment and collection of the revenue, including corporate income taxes.

18. Title 26 of the United States Code and in particular Section 7206(1) forbade and renders illegal any written declaration made under penalty of perjury which the writer did not believe to be true and correct as to a material matter.



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The above introductory allegations are realleged and incorporated in Court One of the Information as though fully set out.

COUNT ONE

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

From in or about October, 1985, through in or about May, 1988, in the Eastern District of Virginia and elsewhere,

DON L. LYNCH,

the defendant herein, and others known and unknown to the Grand Jury, did unlawfully, willfully, and knowingly conspire, combine, and agree to commit the following offenses:

(a) knowingly and willfully causing persons associated with the following committees:

Dyson for Congress Committee

Keep McDade in Congress Committee

Bill Chappell Campaign Committee

Murtha for Re-Election Committee

to make false, fictitious, and fraudulent statements and representations to the Federal Election Commission concerning matters within the jurisdiction of the Federal Election Commission, to wit: that contributions totalling approximately \$18,500 which had, in truth and in fact, been made to said political committees from the corporate assets and resources of Sperry/Unisys in violation of Sections 441a, 441b, and 441c of Title 2, United

States Code, had instead been made in ostensibly lawful amounts and from ostensibly lawful sources by individual contributors, including:

DON L. LYNCH,  
Violet Lynch,  
Samuel Ralph Preston,  
Maddie L. Preston,  
Robert Q. Old, and  
Jean R. Old,

in violation of Title 18, United States Code, Section 1001 and 2;  
and

(b) knowingly and willfully making false, fictitious, and fraudulent statements to the Internal Revenue Service of the Treasury Department, in violation of Title 26, United States Code, Section 7206(1).

MANNER AND MEANS

1. It was part of the conspiracy that Unisys and the defendant, DON L. LYNCH, and other individuals including Charles Gardner and John B.G. Roberts III, engaged in a scheme whereby individuals, in addition to agreeing to perform legitimate services, would enter into technical service agreements calling for them to perform a specific task, generally writing technical reports, with the understanding that portions of the funds received by such individuals, including the defendant, DON L. LYNCH, would be made available for campaign contributions as directed by Unisys.

2. It was a part of the conspiracy that the defendant, DON L. LYNCH, through his corporations would receive such technical service agreements.

3. It was part of the conspiracy that the defendant, DON L. LYNCH, would cause invoices to be submitted by others to Unisys, and that Unisys would pay the invoices up to one hundred thousand dollars (\$100,000) per year per company.

4. It was part of the conspiracy that certain consultants, including Robert Q. Old and S. Ralph Preston, also known as Samuel Ralph Preston, had consulting agreements with the defendant, DON L. LYNCH. These individuals would agree to receive portions of the money from Sperry/Unisys through the defendant, DON L. LYNCH, and in turn would and did make campaign contributions to candidates for federal office from these funds.

5. It was part of the conspiracy that in order to circumvent the FECA limitations on campaign contributions by individuals, the

defendant, DON L. LYNCH, made, and enabled other consultants and other individuals to make, campaign contributions for which they were reimbursed, such campaign contributions having been suggested by employees of Sperry/Unisys.

6. It was a part of the conspiracy that the Treasurers of the political campaign committees to which these illegal contributions were made, would and did report them to the Federal Election Commission as legal contributions made by individuals rather than as large and illegal contributions made by Sperry/Unisys.

7. It was part of the conspiracy that the money paid to Samuel Ralph Preston through S. Ralph Preston and Associates, Inc. and to Robert Q. Old, through R.Q. Old and Associates, for campaign contributions, would be overreported as taxable corporate income of D.L. Lynch and Associates and then deducted as legitimate business expenses.

8. It was part of the conspiracy that the defendant, DON L. LYNCH, knowingly and willfully caused D.L. Lynch and Associates, Inc., to overreport his taxable income by \$106,000 and then to claim false deductions totalling \$106,000 for money paid to Samuel Ralph Preston and Robert Q. Old for the tax years ending November 30, 1986 and November 30, 1987.

OVERT ACTS

In furtherance of the conspiracy and to effect its objectives, the defendant, DON L. LYNCH, and others committed and caused to be committed the following overt acts within the Eastern District of Virginia, and elsewhere:

1. On or about October 22, 1985, the defendant, DON L. LYNCH, and others, caused Robert Q. Old, and Jean R. Old, to each write a check for one thousand dollars (\$1,000) to the Bill Chappell Campaign Committee.

2. On or about that October 22, 1985, the defendant, DON L. LYNCH, and others caused Samuel Ralph Preston to write a check for fifteen hundred dollars (\$1,500) to the Bill Chappell Campaign Committee.

3. On or about January 29, 1986, the treasurer of the Bill Chappell Campaign Committee filed with the Federal Election Commission a Report of Receipts and Disbursements for the period of July 1, 1985 to December 31, 1985, which reported the thirty five hundred dollars (\$3,500) in contributions from these persons as individual contributions.

4. On or about September 24, 1986, the defendant, DON L. LYNCH, wrote a check for one thousand dollars (\$1,000) to the Dyson for Congress Committee.

5. On or about October 13, 1986, the defendant, DON L. LYNCH, and others caused Robert Q. Old, Jean R. Old, and Samuel Ralph Preston, to each write a check for one thousand dollars, (\$1,000) to the Murtha for Re-election Committee.

6. On or about October 28, 1986, the defendant, DON L. LYNCH, wrote a check for one thousand dollars (\$1,000) to the Keep McDade in Congress Committee.

7. On or about October 31, 1986, the defendant, DON L. LYNCH, and others, caused Robert Q. Old to write a check for one thousand dollars (\$1,000) to the Keep McDade in Congress Committee.

8. On or about November 5, 1986, the defendant, DON L. LYNCH, and others, caused Maddie Preston to write a check for one thousand dollars (\$1,000) to the Dyson for Congress Committee.

9. On or about November 29, 1986, the defendant, DON L. LYNCH, and others, caused Samuel Ralph Preston to write a check for one thousand dollars (\$1,000) to the Dyson for Congress Committee.

10. On or about December 10, 1986, the defendant, DON L. LYNCH, and others caused Robert Q. Old to write a check for one thousand dollars (\$1,000) to the Dyson for Congress Committee.

11. On or about January 31, 1987, the Treasurer of the Dyson for Congress Committee filed with the Federal Election Commission a Report of Receipts and Disbursements for the Period of August of 1986 to December of 1986, which reported the \$4,000 in contributions of those persons as individual contributions.

12. On or about October 20, 1986, the Treasurer for the Murtha for Re-Election Committee filed with the Federal Election Commission a Report of Receipts and Disbursements for October 1986, which reported the \$3,000 in contributions of those persons as individual contributions.

13. On or about December 4, 1986, the Treasurer for the Keep

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McDade in Congress Committee filed with the Federal Election Commission a Report of Receipts and Disbursements for the period of October 16, 1986 to November 24, 1986, which reported the \$2,000 in contributions of those persons as individual contributions.

14. On or about January 12, 1987, the defendant, DON L. LYNCH, wrote a check for one thousand dollars (\$1,000) to the Bill Chappell Campaign Committee.

15. On or January 12, 1987, the defendant, DON L. LYNCH, and others, caused Violet J. Lynch, Robert Q. Old, Jean R. Old, Samuel Ralph Preston, and Maddie L. Preston to each write a check for one thousand dollars (\$1,000) to the Bill Chappell Campaign Committee.

16. On or about July 9, 1987, the Treasurer of the Bill Chappell Campaign Committee filed with the Federal Election Commission a Report of Receipts and Disbursements for the period of January 1, 1987 to June 30, 1987, which reported the \$6,000 in contributions from the defendant, DON L. LYNCH, and the others as individual contributions.

17. From February 11, 1985 through June 3, 1988, the defendant, DON L. LYNCH, through his various companies, was paid approximately one million four hundred eighty-seven thousand five hundred dollars (\$1,487,500) by Sperry/Unisys.

18. From on or about December 1, 1985, to November 30, 1986, the defendant, DON L. LYNCH, through D.L. Lynch and Associates, Inc., paid Robert Q. Old, through Robert Q. Old and Associates, Inc., eighty thousand dollars (\$80,000). Of that sum, thirty two thousand five hundred dollars (\$32,500) minus taxes and overhead



expenses, was designated by Sperry/Unisys as available for campaign contributions.

19. From on or about December 1, 1986, to November 30, 1987, the defendant, DON L. LYNCH, through D.L. Lynch and Associates, Inc., paid Robert Q. Old, through Robert Q. Old and Associates, Inc., thirty nine thousand five hundred dollars (\$39,500). Of that sum, seventeen thousand dollars (\$17,000) minus taxes and overhead expenses, was designated by Sperry/Unisys as available for campaign contributions.

20. From on or about December 1, 1985, to November 30, 1986, the defendant, DON L. LYNCH, through D. L. Lynch and Associates, Inc., paid Samuel Ralph Preston, through S. Ralph Preston and Associates, Inc., seventy seven thousand six hundred eighty three dollars and thirty four cents (\$77,683.34). Of that sum, thirty seven thousand five hundred dollars (\$37,500) minus taxes and overhead expenses, was designated by Sperry/Unisys as available for campaign contributions.

21. From on or about December 1, 1986, to November 30, 1987, the defendant, DON L. LYNCH, through D.L. Lynch and Associates, Inc., paid Samuel Ralph Preston, through S. Ralph Preston and Associates, Inc., forty nine thousand two hundred dollars (\$49,200). Of that sum, nineteen thousand dollars (\$19,000) minus taxes and overhead expenses, was designated by Sperry/Unisys as available for campaign contributions.

22. On or about March 13, 1987, the defendant, DON L. LYNCH, signed a D.L. Lynch and Associates, Inc., corporate tax return

(Internal Revenue Service form 1120) for the fiscal year ending November 30, 1986, which was false in that it overreported gross income and, in addition, claimed false deductions for consulting fees paid to Samuel Ralph Preston and Robert Q. Old and used by them, in part, to make political campaign contributions.

23. On or about July 1, 1988, the defendant, DON L. LYNCH, signed a D.L. Lynch and Associates, Inc., corporate tax return, (Internal Revenue Service form 1120), for the fiscal year ending November 30, 1987, which was false in that it overreported gross income and, in addition, claimed false deductions for consulting fees paid to Samuel Ralph Preston and Robert Q. Old and used by them, in part, to make political campaign contributions.

(In violation of Title 18, United States Code, Section 371.)

RICHARD CULLEN  
UNITED STATES ATTORNEY

*William A. Kiefer*

WILLIAM A. KEEFER  
Acting Chief  
Public Integrity Section  
Criminal Division  
Department of Justice

*Nancy J. Newcomb*

CYNTHIA R. WOOD  
NANCY J. NEWCOMB  
Trial Attorneys  
Public Integrity Section  
Criminal Division  
Department of Justice

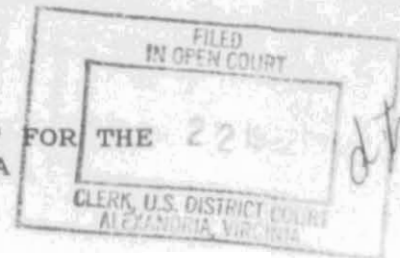
*Cecilia L. Reid*

CECILIA L. REID  
Trial Attorney  
Western Criminal Enforcement  
Section  
Tax Division  
Department of Justice

A True Copy, Teste:  
Doris R. Casey, Clerk  
By *[Signature]*  
Deputy Clerk

IN THE UNITED STATES DISTRICT COURT FOR THE  
EASTERN DISTRICT OF VIRGINIA

Alexandria Division



UNITED STATES OF AMERICA )

v. )

DON L. LYNCH, )

Defendant )

Criminal No. 92-00422-201-A

PLEA AGREEMENT

The United States of America, by and through its undersigned attorneys, and Richard Cullen, United States Attorney for the Eastern District of Virginia, and the defendant, DON L. LYNCH, through his attorneys, have heretofore engaged in plea discussions and pursuant to Rule 11, Federal Rules of Criminal Procedure have reached a Plea Agreement, the terms and conditions of which are as follows:

1. The defendant, DON L. LYNCH, agrees to waive indictment, to appear in open court in the Eastern District of Virginia, and to plead guilty to a one count Criminal Information filed with this Court. The Information charges the defendant with violating Title 18, United States Code, Section 371, conspiracy to cause a false statement to be made to the Federal Election Commission and conspiracy to make a false statement to the Internal Revenue Service. The defendant admits and avers that he is, in fact, guilty of the charge contained in the Information and the Statement of Facts. The Information carries a maximum period of confinement of 5 years and/or a fine of \$250,000. The defendant will also be obligated to pay a special assessment in the amount of fifty

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dollars (\$50.00).

2. If the court accepts this plea and the defendant, DON L. LYNCH, fulfills the terms and conditions specified herein, the United States agrees not to further charge the defendant, or his wife or children, with a violation of federal criminal law in connection with the activities set forth in the Information, and the Statement of Facts, or with any other violation of federal criminal law now known to the United States Attorney's Office, Eastern District of Virginia, and the Public Integrity Section, Criminal Division, Department of Justice. Nothing in this Agreement precludes the United States from bringing a prosecution for perjury or false statements arising out of the defendant's cooperation.

3. The defendant, DON L. LYNCH, shall cooperate with the United States by providing truthful, complete, and forthright information whenever, wherever, and to whomever, and in whatever form an attorney for the United States reasonably requests. The term "whatever form" includes, but is not limited to, oral responses to questions; sworn, written statements; interrogatories; sworn testimony before a grand jury; sworn testimony in court; and documentary materials. The term "whomever" includes, but is not limited to, federal, state, and local criminal law enforcement agencies. The defendant shall assist the government in determining the truth and veracity of any information or statement he discloses to the government, by cooperating in any manner reasonably requested by the government.

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4. Should it be determined that the defendant, DON L. LYNCH, hereinafter intentionally and knowingly impedes the government's investigation, this Agreement, with the exception of Paragraph 6, will be voidable at the option of the United States, but not prior to consultation with counsel for the defendant.

5. It is further understood that the defendant, DON L. LYNCH, must at all times give complete, truthful and accurate information and testimony. Should it be determined that the defendant has knowingly given materially false, incomplete, or misleading information, or has knowingly omitted any material fact, the defendant shall thereafter be subject to prosecution for any federal criminal violation of which this office has knowledge, including but not limited to, perjury and obstruction of justice.

6. The defendant, DON L. LYNCH, further understands and agrees that if he should fail to fulfill and complete each and every one of his obligations under this Agreement, then the United States will be free from its obligations under the Agreement, and the defendant shall be fully subject to criminal prosecution as if this Agreement never existed. In any such prosecution, the prosecuting authorities, whether federal, state, or local, shall be free to use against him, without limitation, any and all information, in whatever form, that he has provided pursuant to this Agreement or otherwise. The defendant shall not assert any claim under any statute, Rule 11(e)(6) of the Federal Rules of Criminal Procedure, Rule 410 of the Federal Rules of Evidence, or any other provision of law to attempt to bar such use of the

information.

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7. It is understood that the sentence to be imposed upon the defendant, DON L. LYNCH, is within the sole discretion of the sentencing Judge. The defendant understands and agrees that even if he should not be satisfied with the sentence, he shall have no right to withdraw his guilty plea after acceptance of his plea by the sentencing Judge. This is a Rule 11(e)(1)(B) plea and the United States Attorney's Office and the Department of Justice cannot and do not make any promise or representation as to what sentence the defendant will receive. The United States agrees to make no recommendation as to the form or the duration of the sentence to be imposed upon the defendant but reserves the right to allocute as to the nature and seriousness of the offense. In all events, the United States will inform the sentencing Judge and the Probation Department of (1) this Agreement; (2) the nature and extent of the defendant's activities with respect to this case; (3) the full nature, extent, timing, and value of the defendant's cooperation with the United States; and (4) all other information in its possession relevant to sentencing.

8. The defendant, DON L. LYNCH, is aware that his sentence has not yet been determined and that the sentencing Judge will ultimately determine his sentence. The defendant is also aware that any estimate of the probable sentencing range in his case under the Sentencing Guidelines and Policy Statements that the defendant may have received from his attorney, the government or the probation office, is a prediction, not a promise, and is not



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binding on the government, the probation office or the Court. The defendant is also aware that the sentencing Court may depart from the Sentencing Guidelines and Policy Statements in imposing sentence. Realizing the uncertainty in estimating what sentence he will ultimately receive from the Court, the defendant knowingly waives his right to appeal his sentence in exchange for the concessions made by the government in this Agreement. However, the defendant does not waive his right to appeal a sentence imposed in violation of the law.

9. The United States reserves the right to (1) bring its version of the facts in this case, both orally and in writing, to the attention of the probation office in connection with that office's preparation of a presentence report; (2) dispute sentencing factors or facts material to sentencing in the presentence report pursuant to Section 3B1 of the Sentencing Guidelines and Policy Statements; and (3) seek resolution of such factors and facts in conference with opposing counsel and the United States Probation Office. Moreover, the United States reserves the right to file a pleading entitled "Position of the Parties With Respect to the Sentencing Factors," in accordance with Section 6A1.2 of the Sentencing Guidelines and Policy Statements. The United States, however, shall not take any action that violates the positions of the parties set forth in this Agreement.

10. For the purposes of this Agreement, with respect to the calculations under the Guidelines, the United States and the defendant, DON L. LYNCH, agree that regarding the Count charged in

the Criminal Information, that is, a violation of 18 U.S.C. Section 371, the base level of that offense is six (6), pursuant to Section 2F1.1 of the Sentencing Guidelines and Policy Statements.

11. For the purposes of this Agreement, the United States and the defendant, DON L. LYNCH, agree that the defendant was not an organizer, leader, manager or supervisor with respect to the crime charged in the Criminal Information, pursuant to Section 3B1.1 of the Sentencing Guidelines and Policy Statements.

12. For the purposes of this Agreement, the United States and the defendant, DON L. LYNCH, agree with respect to the Count charged in the Criminal Information, that it did not involve more than minimal planning on the part of the defendant, pursuant to Section 2F1.1(b)(2), of the Sentencing Guidelines and Policy Statements.

13. For the purposes of this Agreement, the United States and the defendant, DON L. LYNCH, agree that there was no monetary loss to the government, pursuant to Section 2F1.1(b)(1) of the Sentencing Guidelines and Policy Statements.

14. For the purposes of this Agreement, the United States and the defendant, DON L. LYNCH, agree that the defendant has clearly demonstrated a recognition and affirmative acceptance of personal responsibility for his criminal conduct, and therefore, within the meaning of Section 3E1.1 of the Sentencing Guidelines and Policy Statements, a reduction of two (2) levels to the offense levels indicated above is appropriate.

15. The United States and the defendant, DON L. LYNCH, agree

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that the objects of the conspiracy, as detailed in the Criminal Information offense, are closely related within the meaning of Section 3D1.1 of the Sentencing Guidelines and Policy Statements.

16. The United States and the defendant, DON L. LYNCH, agree that, if the United States Probation Office does not accept any or all of the recommendations under the Sentencing Guidelines and Policy Statements, each party will follow the procedures necessary to be able to recommend at the time of sentencing that the Court follow all of the joint agreements contained in the Agreement.


17. The United States agrees to stand silent with respect to the conditions of probation, but agrees to join the defendant in his request that the prohibition against contact with other felons should not apply to the defendant's son-in-law, John B.G. Roberts III.

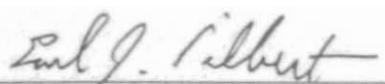
18. It is understood and agreed that in the event the Court does not accept the defendant's plea of guilty under this Agreement to the Criminal Information, this Agreement shall be null and void.

19. It is further understood and agreed that if the defendant, DON L. LYNCH, attempts to withdraw from any part of this Agreement or fails to comply with any provisions contained herein, this Agreement is voidable at the option of the United States, except Paragraph 6 of this Agreement shall remain in full force and effect; and the United States is free to seek a multiple count indictment charging the defendant with violations of any federal statutes including but not limited to the statute set forth in Paragraph 1.

20. The defendant, DON L. LYNCH, acknowledges that no threats have been made against him to secure this plea of guilty and that he is pleading guilty freely and voluntarily.

21. This Agreement constitutes the entire Agreement between the United States and the defendant, DON L. LYNCH, with respect to the aforesaid guilty plea and no other promises, agreements or representations exist not have been made to the defendant or his attorney with regard to such guilty plea, and none will be entered into unless in writing in an amendment attached to this document and signed by all parties.

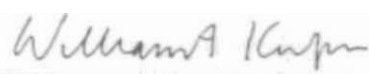
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Leonard N. Bebchick  
Counsel for Don L. Lynch

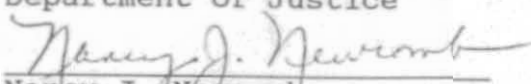
  
Earl J. Silbert  
Counsel for Don L. Lynch

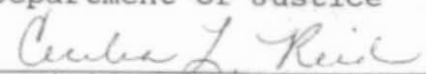
  
Don L. Lynch

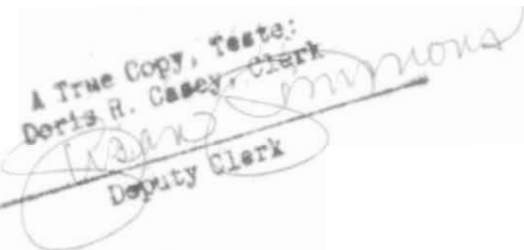
5/21/92  
Date

Respectfully submitted,

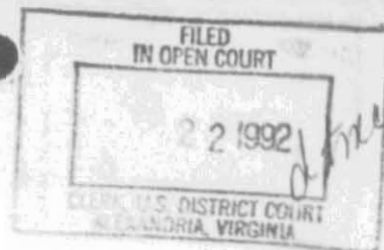
  
William A. Keefer  
Acting Chief  
Public Integrity Section  
Criminal Division  
Department of Justice

  
Nancy J. Newcomb  
Cynthia R. Wood  
Trial Attorneys  
Public Integrity Section  
Criminal Division  
Department of Justice

  
Cecilia L. Reid  
Trial Attorney  
Western Criminal Enforcement  
Section  
Tax Division  
Department of Justice

A True Copy, Teste:  
Doris R. Casey, Clerk  
  
Deputy Clerk

STATEMENT OF FACTS



The Government's evidence would show that DON L. LYNCH, while living in the Eastern District of Virginia, was a consultant for Sperry Corporation, which later, as a result of a merger, became Unisys Corporation (hereinafter Sperry/Unisys)

Sperry/Unisys and certain individuals including the defendant, DON L. LYNCH, entered into a series of technical service agreements in which the individuals agreed to act as consultants. These consultants were required to provide reports relating to Federal Government projects as detailed in a purchase order. These consultants were authorized to receive payments of up to one hundred thousand dollars (\$100,000) a year per company under these agreements.

The defendant, DON L. LYNCH, was one of the participants in a scheme whereby payments were provided for these reports with the understanding that a portion of the payment would be made available as Sperry/Unisys specified. Sperry/Unisys then identified key Congressmen serving on Congressional committees that controlled the funding for Sperry/Unisys projects, and directed campaign contributions to those Congressmen's political committees.

The plan the co-conspirators formulated was that Charles F. Gardner, John B.G. Roberts III, and the defendant, DON L. LYNCH, would agree that campaign contributions should be made to certain Congressmen through D.L. Lynch and Associates, Inc., which was controlled by the defendant, DON L. LYNCH. The defendant, DON L.

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LYNCH, and other consultants with whom the defendant entered into consulting agreements, would write checks to the political committees of key Congressmen. These consultants with whom the defendant, DON L. LYNCH, made these agreements, would receive portions of the money from Sperry/Unisys through the defendant and in turn would make campaign contributions themselves or through others. The checks were then usually collected by an employee of Sperry/Unisys and forwarded to the political campaign committees. Thus, the consultants were paid by Sperry/Unisys funds for not only the technical reports they had written, but also for the campaign contributions they had made or would be instructed to make.

Subsequently, the Treasurers of the political campaign committees to which these illegal contributions were made, reported them to the Federal Election Commission as legal contributions made by individuals rather than as large and illegal contributions made by Sperry/Unisys.

Finally, the defendant, DON L. LYNCH, knowingly made false statements to the Internal Revenue Service for the tax years ending November 1986 and November 1987, by overreporting the gross income of one of his companies, D.L. Lynch and Associates, Inc., in an amount totalling \$106,000, and by deducting from the taxable corporate income as a legitimate business expense the amount of \$106,000 paid to other consultants and used in part by them for campaign contributions.

The Government could prove its case through the testimony of witnesses including consultants, present and former employees of



Sperry/Unisys, Congressional staff personnel, as well as through documents obtained from Sperry/Unisys and the Federal Election Commission.

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A True Copy, Texts:  
Doris H. Gasey - Clerk  
Deputy Clerk



# United States District Court

DISTRICT OF

UNITED STATES OF AMERICA  
v.

## WAIVER OF INDICTMENT

Don L. Lynch

CASE NUMBER: 92-201-A

I, Don L. Lynch, the above named defendant, who is accused of  
violating 18 U.S.C. Section 371

being advised of the nature of the charge(s), the proposed information, and of my rights, hereby waive  
in open court on May 22, 1992 prosecution by indictment and consent that the  
*Date*  
proceeding may be by information rather than by indictment.

Don L. Lynch

Defendant

[Signature]

Counsel for Defendant

Before \_\_\_\_\_  
Judicial Officer

6

MEMORANDUM

TO: File, MUR 2981

DATE: 9/9/92

The following materials were produced by Mr. William Roberts during the course of his interview with this Office today regarding the above referenced MUR.

93043502449

**ASC PAC**  
American Security Council Political Action Committee

---

July 11, 1984

Mr. William Roberts  
Sperry Corporation  
1725 S. Jefferson Davis Hwy., Suite 401  
Arlington, VA 22202

Dear Mr. Roberts:

One of the most important races in the country this year is that of Senator Jesse Helms in North Carolina. There is perhaps no one in either chamber who has stood for so long and, at times, so alone in his fight for a strong national defense.

Senator Helms has quite a race on his hands this year. A recent Gallup poll showed Helms with 50% and Hunt close behind with 46%. Governor Hunt has received support from liberals like Ed Asner, Cy Vance, Pamela Harriman, and Sol Linowitz; and has had fundraisers hosted by Mario Cuomo, Mike Dukakis, Barney Frank, Ed Koch, and Paul Tsongas.

Jim Hunt's campaign had over \$1.2 million in the bank, according to an April 18 FEC report. He has been blanketing North Carolina with television ads accusing Senator Helms of backing death squads in El Salvador and showing the bodies of murdered women and children. Senator Helms' campaign is doing all they can to counter these ads, and the costs (with six media markets) are astronomical. It is time to do our part to help this friend.

Several members of the Senate Armed Services Committee, including Senators Tower, Thurmond, East, Goldwater, Humphrey, Jepsen and Wilson, will be hosting a reception and dinner in our office on July 25th. The reception will begin at 6:00 and the dinner at 7:00. We are asking for a donation of \$1,000 per person, payable to "Helms for Senate." If you can't attend, I hope you will still make a contribution to the Helms for Senate Committee. Please RSVP to Katharine Thomas at 484-1676.

I look forward to hearing from you and seeing you on the 25th.

Yours for a strong America,

*Anthony S. Makris*  
Anthony S. Makris  
Director, Congressional Relations

ASM/lp

---

Washington Communications Center  
Boston, Virginia 22713  
(703)547-1750

499 South Capitol Street, Suite 500  
Washington, D.C. 20003  
(202) 484-1676

William W. Roberts  
5118 Woodmire Lane  
Alexandria, VA 22311

1 October 1987

Subject: September Report  
P. O. #P162731  
Vendor #33049

TO: David S. Osterhout  
Unisys Defense Systems  
1725 Jefferson-Davis Hwy., #401  
Arlington, VA 22202

During September, Senate Democrats managed to turn the tide on SDI, they out-maneuvered the Republicans by managing to get action started on the Senate defense authorization bill, as well as, winning some early votes on SDI and related issues. The stalemate between the Administration and the congressional Democrats still remains over the Levin-Nunn provision prohibiting the use of funds for the development or testing of space based anti-ballistic systems unless Congress is in the act. House members have been advised by the leadership to expect to remain in session until most likely about Thanksgiving because of the inability of the Senate to resolve key legislative issues. However, last week the Senate slowly moved toward adoption of the long delayed \$303B defense bill. On Friday, it appeared that the measure had a good chance of being passed this week. If the final bill gets hung up in conference with the House, passage of the Senate version would give both appropriations committees the guidelines necessary for mark-up of a continuing resolution continuing the defense appropriations bill. Most of the lesser issues have already been decided by staff meetings of the House and Senate Armed Services Committees.

One of the amendments agreed to last week by the Senate, would insure the right of defense contractors or subcontractors to collect royalties on technical data developed exclusively at their own expense.

A GAO report to the House Defense Appropriations Subcommittee on ways to cut defense spending in missile procurement has recommended that up to 170M in planned procurements for next year could be cut without harm to national security. Among missile programs proposed for cutbacks were Stinger, Patriot, the Air Defense System - Heavy, the Multiple Launch Rocket System, the Arm Tactical Missile System, the Chaparral Missile System, the TOW-2 Missile System, the Hawk Missile System and Hellfire Missile System. The appropriations subcommittee has no comment on the report at this time.

During the month, the final approvals of the acquisition plan for development of the Aegis AN/SPY-1D Radar second source have been made at the SECNAV and project office levels. Subsequent to this, the ASN held a favorable review of these plans with the bipartisan leadership of the House Defense Appropriations Subcommittee.

TO: D.S. Osterhout  
Unisys Defense Group

FROM: William W. Roberts  
Alexandria, VA 22311

DATE: 25 August 1987

SUBJ: Monthly Report  
P.O. #P162731  
Vendor # 33049

As you know, the Congress has recessed since my last report, so this is a good time to reflect on some of my perceptions of what is ahead. When the lawmakers return, there will be approximately just 12 working days left before the end of the fiscal year, and both houses of Congress face crowded schedules when the session resumes September 8th. There are enormous political roadblocks that must be overcome if the regular order is to take place, regular order being the passage of the authorization bills followed by the passage of the appropriations bills. To date, the House has passed a budget resolution, and passed an adjusted to the budget resolution, and a defense authorization bill. The Senate has passed a budget resolution bill, but has been unable to reach accord on a budget conference bill with the House. And, because Republican Senators have been filibustering against consideration of a defense authorization bill (because of arms control language), nothing is happening on that front.

Almost certainly, a short-term continuing resolution appropriations bill will be passed by the Congress so that the government can function beyond the first of October while answers are found for the political potholes.

There are a number of unanswerable questions as both Houses approach resumption of the session. For instance:

Senator Sam Nunn - will he announce as a Democratic presidential contender? If so, do Republicans continue to tie up his authorization bill to give him a black eye, or is passage of the bill (with the clock running down) too important to endanger, even for political advantage?

The attempt by Nunn and the House Armed Services Committee Chairman, Les Aspin to write an "informal" conference to the appropriations committees as close to the real thing if Nunn's bill doesn't get floor approval in the Senate. Can they succeed? What happens if they do? What happens if they don't?

What happens if Congressman Bill Chappell, Chairman of the House Defense Appropriations Subcommittee, has to write a continuing resolution and negotiate with his counterpart, Senator John Stennis, who these days fades in and out of lucidity quickly and without warning? If Stennis is not to negotiate, will the power come from the staff or from others on the subcommittee? A bet on subcommittee members is like going with the odds, but if so, Chappell's job is enormously complicated by having to deal with groups rather than one-on-one.

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Other complicating factors worth mentioning, which could play a major role (or no role at all) include the Persian Gulf reflagging and escort situation — will it heat up sufficiently to put the U.S. on a quasi-war status? Does the Administration want SDI badly enough to sacrifice everything else for it? — Weinberger seems inclined that way, but I have noticed that he stands alone most of the time. However, as the time becomes more critical, I think some fudging can be expected -- how much and which way remains to be seen.

So as you can see, it is business as usual on Capitol Hill.

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William W. Roberts  
5118 Woodmire Lane  
Alexandria, VA 22311

August 1, 1987

Dave Osterhout  
UNISYS Defense Group  
1725 Jefferson Davis Hwy  
Arlingto, VA 22202

SUBJECT: Monthly Report P.O. #P162731, Vendor #33049

CONGRESS

The Senate Defense Appropriations Subcommittee chaired by Sen. John Stennis of Mississippi has not met since May 19th, and staff sources say they know of no meetings or hearings scheduled anytime soon. The Contra hearings and the stalemate over the DOD authorization bill have delayed a senate process never known for speed at any time. No date for mark-up of the bill is set.

The House Defense Appropriations Subcommittee has dropped their plans for a summer mark-up of their bill - they will act after Labor Day. Committee members hope to avoid mischief by avoiding a long term layover before final action comes after the August recess. Staff and subcommittee members indicate that Chairman Chappell did not want the measure to be sitting for open view for six weeks after mark-up before full committee and floor action on the bill could occur. Most felt that given that amount of time, every company that suffered a major loss in the bill would have time to mount a strong lobbying campaign against the subcommittees decisions. We may see another strategy employed by this committee - it is my understanding that the committee desiring to adhere to the limits of the House passed budget resolution will wrap up the mark-up on personell and O & M and leave many of the big ticket items out of the procurement section - result, a final build-up for procurement on the full House floor to the ceiling of the budget resolution.

With the questions about what the Senate may or may not be able to do with the authorization bill, more members are becoming convinced anyway that the money bill will be the only bill for the DOD this year - the new fiscal year begins October 1. Rep. Silvio Conte (R-MA) recently put it very simply - "Its always the same around here,

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everybody fights everybody else, nothing gets done and when we get to the last minute, its the appropriations committee again, saving everybody's skins with a continuing resolution". So it appears that we can forget the promises of last January about proper authorization bills followed by orderly conferences. Think continuing resolution the way Conte does.

  
WILLIAM W. ROBERTS

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OGC 7174

*Law Offices of*  
*Donovan Leisure, Rogovin & Schiller*  
*1250 Twenty-fourth Street, N.W.*  
*Washington, D.C. 20037-1124*

DONOVAN LEISURE NEWTON & IRVINE  
 30 ROCKEFELLER PLAZA  
 NEW YORK, N.Y. 10112  
 TELEPHONE: 212-632-3000  
 FACSIMILE: 212-632-3321

TELEPHONE: 202-467-8300  
 FACSIMILE: 202-467-8484

DONOVAN LEISURE NEWTON & IRVINE  
 30 RUE DU FAUBOURG SAINT-HONORE  
 75008 PARIS  
 TELEPHONE: 1-42-25-47-10  
 FACSIMILE: 1-42-56-08-08

DONOVAN LEISURE NEWTON & IRVINE  
 333 SOUTH GRAND AVENUE  
 LOS ANGELES, CALIFORNIA 90071  
 TELEPHONE: 213-653-4000  
 FACSIMILE: 213-617-2368

DIRECT DIAL NUMBER  
 202-467-8336

October 27, 1992

Confidential

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

Re: MUR 2981

Dear Mr. Allen:

Last month Mr. William Roberts agreed to provide the Federal Election Commission with certain documents regarding campaign and other contributions and with information regarding his consultancy agreements with Sperry/Unisys.

Enclosed please find (1) copies (front and back) of cancelled contribution checks that Mr. Roberts could find. These checks were written by Mr. Roberts and his wife; (2) one cancelled check made out to Our Lady of Lourdes church in New York; (3) one letter from the Queensborough Community College Fund thanking Mr. Roberts for a contribution he had made; (4) copies of various correspondence from political candidates thanking Mr. Roberts for his work and support; (5) copies Mr. Roberts/Warner Associates/Ordnance Consulting Agreements with Sperry/Unisys and Purchase Orders; and (6) copy of Representative Spence's Steering Committee list.

Mr. Roberts recalls that either Mr. Charlie Gardner or Mr. Robert Barrett recommended he make a contribution to Our Lady of Lourdes church, but he does not recall any specific conversation regarding the contribution. He says it may have been recommended as a vehicle for a tax deduction. Mr. Roberts says that the contribution to Queensborough College probably occurred after some contact with Addabbo's staff, but he does not recall in detail why the contribution was made.

Mr. Roberts is compiling a list of corporations and their consultants with lobbying presences on Capital Hill. He is also still searching for a copy of the publication listing corporate representatives on the Hill.

92 OCT 28 PM 3:30

RECEIVED  
 FEDERAL ELECTION COMMISSION

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*Donovan Leisure, Rogovin & Schiller*

Mark Allen, Esq.  
October 27, 1992  
Page 2

Finally, enclosed is Mr. Roberts' completed travel voucher and airline ticket receipt.

If you have any questions regarding these documents or any topic we discussed at our meeting last month, please give me a call. As we discussed, Mr. Roberts will be available at your convenience to answer any questions you may have.

Sincerely,

  
Denitta D. Ward

Enclosures

cc: W. Roberts (w/o enclosures)

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 2981

DATE FILMED 11-8-93 CAMERA NO. 2

CAMERAMAN SMH

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FEDERAL ELECTION COMMISSION

WASHINGTON DC 20463

☒ Microfilm  
☐ Public Records  
☐ Press

THE FOLLOWING DOCUMENTATION IS ADDED TO

THE PUBLIC RECORD IN CLOSED MUR 2981.

12/10/93

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

DEC 10 1993

**CERTIFIED MAIL  
RETURN RECEIPT REQUESTED**

Luis A. Luna  
P.O. Box 2330  
Easton, MD 21601

RE: MUR 2981

Dear Mr. Luna:

On September 8, 1989, the Federal Election Commission received your complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended ("the Act"). On July 10, 1990, the Commission found reason to believe that the following individuals, corporation, and committee knowingly and willfully violated the corresponding sections of the Act.

Robert Barrett	2 U.S.C. § 441f
Charles Gardner	2 U.S.C. §§ 441b(a), 441f
Joseph Hill	2 U.S.C. § 441f
James Kane	2 U.S.C. § 441f
Robert Littlefield	2 U.S.C. § 441f
Don Lynch	2 U.S.C. § 441f
Dennis Mitchell	2 U.S.C. § 441f
John Roberts III	2 U.S.C. § 441f
Gerard Scarano	2 U.S.C. § 441f
Joseph Zuba	2 U.S.C. § 441f
Unisys Corporation	2 U.S.C. §§ 441b(a), 441c, 441f
Eastern Defense Political Action Committee and Stanley Wolin, as treasurer	2 U.S.C. § 441f

Also on July 10, 1990, the Commission found reason to believe that the following individuals and committees violated the corresponding sections of the Act.

Violet Lynch	2 U.S.C. § 441f
Jean Old	2 U.S.C. § 441f
Robert Old	2 U.S.C. § 441f
Maddie Preston	2 U.S.C. § 441f
Samuel Ralph Preston	2 U.S.C. § 441f
Joseph Zuba II	2 U.S.C. § 441f
Dyson for Congress Committee and Marion Fedas, as treasurer	2 U.S.C. §§ 434(b)(3)(A), 441b(a), 441c, 441f
Friends of Congressman Hochbrueckner Mary Schumacher, as treasurer	2 U.S.C. § 441b(a), 441c, 441f

93043542127



Luis A. Luna  
Page 2

Dickinson Second District Congressional Committee and Lloyd Lancaster, as treasurer 2 U.S.C. § 441b(a), 441c, 441f.

Subsequently, on February 12, 1992, the Commission found reason to believe that William Galvin and William Roberts each knowingly and willfully violated 2 U.S.C. § 441f.

After considering the circumstances of this matter, including the guilty pleas of Robert Barrett, Charles Gardner, Joseph Hill, Don Lynch, Dennis Mitchell, John Roberts III, William Roberts, Gerard Scarano, Joseph Zuba, and Unisys Corporation in connection with their activity related to this matter, the Commission has determined to exercise its prosecutorial discretion and to take no further action against all the above-listed respondents in this matter. Accordingly, the Commission closed its file in this matter. The Commission has admonished Robert Barrett, William Galvin, Charles Gardner, Joseph Hill, Robert Littlefield, Don Lynch, Dennis Mitchell, John Roberts III, William Roberts, Gerard Scarano, Joseph Zuba, Unisys Corporation, and Eastern Defense Political Action Committee and Stanley Wolin, as treasurer, to take steps to ensure future compliance with the Act. This matter will become part of the public record within 30 days.

The Act allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

Sincerely,

*Mark Allen*

Mark Allen  
Attorney

Date the Commission voted to close the file:

DEC 09 1993

93043542128





FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

DEC 10 1993

Leonard N. Bebachick, Esq.  
1220 Nineteenth St., N.W.  
Suite 700  
Washington, D.C. 20036

RE: MUR 2981  
Don Lynch  
Violet Lynch

Dear Mr. Bebachick:

On July 13, 1990, you were notified that the Federal Election Commission had found reason to believe Don Lynch knowingly and willfully violated 2 U.S.C. § 441f and Violet Lynch violated 2 U.S.C. § 441f.

After considering the circumstances of this matter, including Don Lynch's May 22, 1992 guilty plea, the Commission has determined to exercise its prosecutorial discretion and to take no further action against Don Lynch and Violet Lynch. Accordingly, the Commission closed its file in this matter.

The Commission reminds you, however, that 2 U.S.C. § 441f prohibits the making of a contribution in the name of another, knowingly permitting one's name to be used to effect such a contribution, and knowingly assisting in the making of such a contribution. Therefore, your clients should take steps to ensure future compliance with this statutory provision.

The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receipt of your additional materials, any permissible submissions will be added to the public record when they are received.

93043542129

Leonard N. Bebhick, Esq.  
page 2

If you have any questions, please contact me at  
(202) 219-3400.

Sincerely,

*Mark Allen*

Mark Allen  
Attorney

Date the Commission voted to close the file:

DEC 09 1993

93043542130



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

DEC 10 1993

Joseph Zuba  
Joseph Zuba II  
4815 Virginia Road  
Mechanicsburg, PA 17055

RE: MUR 2981

Dear Messrs. Zuba:

On July 13, 1990, you were notified that the Federal Election Commission had found reason to believe Joseph Zuba knowingly and willfully violated 2 U.S.C. § 441f and Joseph Zuba II violated 2 U.S.C. § 441f.

After considering the circumstances of this matter, including Joseph Zuba's July 14, 1989 guilty plea, the Commission has determined to exercise its prosecutorial discretion and to take no further action against each of you. Accordingly, the Commission closed its file in this matter.

The Commission reminds you, however, that 2 U.S.C. § 441f prohibits the making of a contribution in the name of another and prohibits knowingly permitting one's name to be used to effect such a contribution. Therefore, you should take steps to ensure future compliance with this statutory provision.

The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receipt of your additional materials, any permissible submissions will be added to the public record when they are received.

93043542131



Joseph Zuba  
Joseph Zuba II  
page 2

If you have any questions, please contact me at  
(202) 219-3400.

Sincerely,

*Mark Allen*

Mark Allen  
Attorney

Date the Commission voted to close the file: DEC 09 1993

93043542132



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

DEC 10 1993

Ross A. Nabatoff, Esq.  
Brand & Lowell  
923 Fifteenth Street, N.W.  
Washington, D.C. 20005

RE: MUR 2981  
Samuel Ralph Preston  
Maddie Preston

Dear Mr. Nabatoff:

On July 13, 1990, Samuel Ralph Preston and Maddie Preston were notified that the Federal Election Commission had found reason to believe they each violated 2 U.S.C. § 441f.

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no further action against Samuel Ralph Preston and Maddie Preston. Accordingly, the Commission closed its file in this matter.

The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receipt of your additional materials, any permissible submissions will be added to the public record when they are received.

If you have any questions, please contact me at  
(202) 219-3400.

Sincerely,

*Mark Allen*

Mark Allen  
Attorney

Date the Commission voted to close the file:

DEC 09 1993

93043542133



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

DEC 10 1993

Marvin Loewy, Esq.  
6 Dairyfield Ct.  
Rockville, MD 20852

RE: MUR 2981  
Robert Old  
Jean Old

Dear Mr. Loewy:

On July 13, 1990, you were notified that the Federal Election Commission had found reason to believe Robert Old and Jean Old each violated 2 U.S.C. § 441f.

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no further action against Robert Old and Jean Old. Accordingly, the Commission closed its file in this matter.

The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receipt of your additional materials, any permissible submissions will be added to the public record when they are received.

If you have any questions, please contact me at  
(202) 219-3400.

Sincerely,

*Mark Allen*

Mark Allen  
Attorney

Date the Commission voted to close the file:

DEC 09 1993

93043542134





FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

DEC 10 1993

Marion R. Fedas, Treasurer  
Dyson for Congress Committee  
211 Ferndale Road  
Aberdeen, MD 21001

RE: MUR 2981

Dear Ms. Fedas:

On July 13, 1990, you were notified that the Federal Election Commission had found reason to believe that the Dyson for Congress Committee and you, as treasurer, violated 2 U.S.C. §§ 434(b)(3)(A), 441b(a), 441c, and 441f.

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no further action against the Dyson for Congress Committee and you, as treasurer. Accordingly, the Commission closed its file in this matter.

The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receipt of your additional materials, any permissible submissions will be added to the public record when they are received.

If you have any questions, please contact me at  
(202) 219-3400.

Sincerely,

*Mark Allen*

Mark Allen  
Attorney

Date the Commission voted to close the file:

DEC 09 1993

93043542135





FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

DEC 10 1993

Macy Skinner, Treasurer  
Richard Ray for Congress Committee  
P.O. Box 1649  
Byron, GA 31008

RE: MUR 2981  
Richard Ray for Congress  
Committee and Macy Skinner,  
as treasurer

Dear Ms. Skinner:

This is to advise you that this matter is now closed. The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public.

Although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact me at (202) 219-3400.

Sincerely,

*Mark Allen*

Mark Allen  
Attorney

93043542136



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

DEC 10 1993

Mr. Michael A. Nemeroff  
Sidley & Austin  
1722 Eye Street, N.W.  
Washington, D.C. 20006

RE: MUR 2981  
Friends of Jim Sasser and  
Michael Nemeroff, as treasurer

Dear Mr. Nemeroff:

This is to advise you that this matter is now closed. The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public.

Although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact me at (202) 219-3400.

Sincerely,

A handwritten signature in cursive script that reads "Mark Allen".

Mark Allen  
Attorney

93043542137



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

DEC 10 1993

William R. Schumacher, Treasurer  
Friends of Congressman Hochbrueckner  
P.O. Box 426  
Coram, NY 11727

RE: MUR 2981  
Friends of Congressman  
Hochbrueckner and William R.  
Schumacher, as treasurer

Dear Mr. Schumacher:

This is to advise you that this matter is now closed. The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public.

Although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact me at (202) 219-3400.

Sincerely,

*Mark Allen*

Mark Allen  
Attorney

93043542138





FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

DEC 10 1993

Lloyd Lancaster, Treasurer  
Dickinson Second District Congressional Committee  
2350 Woodley Road  
Montgomery, AL 36111

RE: MUR 2981  
Dickinson Second District  
Congressional Committee and  
Lloyd Lancaster, as treasurer

Dear Mr. Lancaster:

This is to advise you that this matter is now closed. The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public.

Although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact me at (202) 219-3400.

Sincerely,

*Mark Allen*

Mark Allen  
Attorney

93043542139



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

DEC 16 1993

Andrew M. Lawler, Esq.  
220 East 42nd Street  
New York, New York 10017

RE: MUR 2981  
James T. Kane

Dear Mr. Lawler:

This is to advise you that this matter is now closed. The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public.

Although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact me at (202) 219-3400.

Sincerely,

A handwritten signature in cursive script that reads "Mark Allen".

Mark Allen

93043542140



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

DEC 10 1993

George L. Patterson, Treasurer  
Congressman Bill Young Campaign Committee  
P.O. Box 47025  
St. Petersburg, FL 33743

RE: MUR 2981

Congressman Bill Young Campaign  
Committee and George L.  
Patterson, as treasurer

Dear Mr. Patterson:

This is to advise you that this matter is now closed. The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public.

Although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact me at (202) 219-3400.

Sincerely,

*Mark Allen*

Mark Allen  
Attorney

93043542141





FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

DEC 10 1993

Mr. Roy Dyson  
Great Mills, Maryland 20634

RE: MUR 2981  
Roy Dyson

Dear Mr. Dyson:

This is to advise you that this matter is now closed. The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public.

Although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact me at (202) 219-3400.

Sincerely,

A handwritten signature in cursive script that reads "Mark Allen".

Mark Allen

93043542142





FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

DEC 10 1993

Mr. Paul E. Wilson  
21 S.E. Wenona Avenue  
Ocala, FL 32671

RE: MUR 2981  
Bill Chappell Campaign Committee  
and Paul Wilson, as treasurer

Dear Mr. Wilson:

This is to advise you that this matter is now closed. The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public.

Although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact me at (202) 219-3400.

Sincerely,

A handwritten signature in cursive script that reads "Mark Allen".

Mark Allen  
Attorney

93043542143



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

DEC 10 1993

Bruce A. Baird, Esq.  
Covington & Burling  
1201 Pennsylvania Avenue, N.W.  
P.O. Box 7566  
Washington, D.C. 20044

RE: MUR 2981  
Unisys Corporation

Dear Mr. Baird:

On July 13, 1990, you were notified that the Federal Election Commission had found reason to believe Unisys Corporation knowingly and willfully violated 2 U.S.C. §§ 441b(a), 441c, and 441f.

After considering the circumstances of this matter, including Unisys Corporation's September 6, 1991 guilty plea, the Commission has determined to exercise its prosecutorial discretion and to take no further action against Unisys Corporation. Accordingly, the Commission closed its file in this matter.

The Commission reminds you, however, that 2 U.S.C. § 441b(a) prohibits corporate contributions. In addition, 2 U.S.C. § 441c forbids a federal government contractor from making a contribution. Finally, 2 U.S.C. § 441f prohibits the making of a contribution in the name of another, knowingly permitting one's name to be used to effect such a contribution, and knowingly assisting in the making of such a contribution. Therefore, your client should take steps to ensure future compliance with these statutory provisions.

The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receipt of your additional materials, any permissible submissions will be added to the public record when they are received.

93043542144

Bruce A. Baird, Esq.  
page 2

If you have any questions, please contact me at  
(202) 219-3400.

Sincerely,

*Mark Allen*

Mark Allen  
Attorney

Date the Commission voted to close the file: DEC 09 1993

93043542145





FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

DEC 10 1993

Michael J. Dell, Esq.  
Kramer, Levin, Nessen, Kamin & Frankel  
919 Third Avenue,  
New York, NY 10022

RE: MUR 2981  
Charles Gardner

Dear Mr. Dell:

On July 13, 1990, you were notified that the Federal Election Commission had found reason to believe Charles Gardner knowingly and willfully violated 2 U.S.C. §§ 441b(a) and 441f.

After considering the circumstances of this matter, including Charles Gardner's March 9, 1989 guilty plea, the Commission has determined to exercise its prosecutorial discretion and to take no further action against Charles Gardner. Accordingly, the Commission closed its file in this matter.

The Commission reminds you, however, that 2 U.S.C. § 441b(a) prohibits a corporate officer from consenting to a corporate contribution. In addition, 2 U.S.C. § 441f prohibits the making of a contribution in the name of another, knowingly permitting one's name to be used to effect such a contribution, and knowingly assisting in the making of such a contribution. Therefore, your client should take steps to ensure future compliance with these statutory provisions.

The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receipt of your additional materials, any permissible submissions will be added to the public record when they are received.

93043542146

Michael J. Dell, Esq.  
page 2

If you have any questions, please contact me at  
(202) 219-3400.

Sincerely,

*Mark Allen*

Mark Allen  
Attorney

Date the Commission voted to close the file: DEC 09 1993

93043542147



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

DEC 10 1993

James A. Bensfield, Esq.  
Miller & Chevalier  
Metropolitan Square  
655 Fifteenth Street, N.W.  
Suite 900  
Washington, D.C. 20005-5701

RE: MUR 2981  
Robert Barrett

Dear Mr. Bensfield:

On July 13, 1990, you were notified that the Federal Election Commission had found reason to believe Robert Barrett knowingly and willfully violated 2 U.S.C. § 441f.

After considering the circumstances of this matter, including Robert Barrett's January 27, 1989 guilty plea, the Commission has determined to exercise its prosecutorial discretion and to take no further action against Robert Barrett. Accordingly, the Commission closed its file in this matter.

The Commission reminds you, however, that 2 U.S.C. § 441f prohibits the making of a contribution in the name of another, knowingly permitting one's name to be used to effect such a contribution, and knowingly assisting in the making of such a contribution. Therefore, your client should take steps to ensure future compliance with this statutory provision.

The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receipt of your additional materials, any permissible submissions will be added to the public record when they are received.

93043542148



James A. Bensfield, Esq.  
page 2

If you have any questions, please contact me at  
(202) 219-3400.

Sincerely,

*Mark Allen*

Mark Allen  
Attorney

Date the Commission voted to close the file:

DEC 09 1993

93043542149





FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

DEC 10 1993

Dennis Mitchell  
4 Silver Beech Court  
Poquott, NY 11733

RE: MUR 2981

Dear Mr. Mitchell:

On July 13, 1990, you were notified that the Federal Election Commission had found reason to believe you knowingly and willfully violated 2 U.S.C. § 441f.

After considering the circumstances of this matter, including your July 14, 1989 guilty plea, the Commission has determined to exercise its prosecutorial discretion and to take no further action against you. Accordingly, the Commission closed its file in this matter.

The Commission reminds you, however, that 2 U.S.C. § 441f prohibits the making of a contribution in the name of another, knowingly permitting one's name to be used to effect such a contribution, and knowingly assisting in the making of such a contribution. Therefore, you should take steps to ensure future compliance with this statutory provision.

The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receipt of your additional materials, any permissible submissions will be added to the public record when they are received.

93043542150

Dennis Mitchell  
page 2

If you have any questions, please contact me at  
(202) 219-3400.

Sincerely,

*Mark Allen*

Mark Allen  
Attorney

Date the Commission voted to close the file: DEC 09 1997

93043542151



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

DEC 10 1993

Thomas M. Buchanan, Esq.  
Bishop, Cook, Purcell & Reynolds  
1400 L Street, N.W.  
Washington, D.C. 20005

RE: MUR 2981  
John Roberts III

Dear Mr. Buchanan:

On July 13, 1990, you were notified that the Federal Election Commission had found reason to believe John Roberts III knowingly and willfully violated 2 U.S.C. § 441f.

After considering the circumstances of this matter, including John Roberts III's November 30, 1989 guilty plea, the Commission has determined to exercise its prosecutorial discretion and to take no further action against John Roberts III. Accordingly, the Commission closed its file in this matter.

The Commission reminds you, however, that 2 U.S.C. § 441f prohibits the making of a contribution in the name of another, knowingly permitting one's name to be used to effect such a contribution, and knowingly assisting in the making of such a contribution. Therefore, your client should take steps to ensure future compliance with this statutory provision.

The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receipt of your additional materials, any permissible submissions will be added to the public record when they are received.

93043542152



Thomas M. Buchanan, Esq.  
page 2

If you have any questions, please contact me at  
(202) 219-3400.

Sincerely,

*Mark Allen*

Mark Allen  
Attorney

Date the Commission voted to close the file:

DEC 09 1992

93043542153



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

DEC 10 1993

Mr. William Galvin  
2575 South Ocean Blvd.  
Highland Beach, FL 33487

RE: MUR 2981

Dear Mr. Galvin:

On March 4, 1992, you were notified that the Federal Election Commission had found reason to believe you knowingly and willfully violated 2 U.S.C. § 441f.

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no further action against you. Accordingly, the Commission closed its file in this matter.

The Commission reminds you, however, that 2 U.S.C. § 441f prohibits the making of a contribution in the name of another, knowingly permitting one's name to be used to effect such a contribution, and knowingly assisting in the making of such a contribution. Therefore, you should take steps to ensure future compliance with this statutory provision.

The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receipt of your additional materials, any permissible submissions will be added to the public record when they are received.

If you have any questions, please contact me at  
(202) 219-3400.

Sincerely,

*Mark Allen*

Mark Allen  
Attorney

DEC 09 1993

Date the Commission voted to close the file: \_\_\_\_\_

93043542154



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

DEC 10 1992

Denita Ward, Esq.  
Donovan, Leisure, Rogovin, Huge & Schiller  
1250 24th Street, N.W.  
Suite 700  
Washington, D.C. 20037

RE: MUR 2981  
William Roberts

Dear Ms. Ward:

On March 4, 1992, William Roberts was notified that the Federal Election Commission had found reason to believe he knowingly and willfully violated 2 U.S.C. § 441f.

After considering the circumstances of this matter, including William Roberts' 1991 guilty plea, the Commission has determined to exercise its prosecutorial discretion and to take no further action against William Roberts. Accordingly, the Commission closed its file in this matter.

The Commission reminds you, however, that 2 U.S.C. § 441f prohibits the making of a contribution in the name of another, knowingly permitting one's name to be used to effect such a contribution, and knowingly assisting in the making of such a contribution. Therefore, your client should take steps to ensure future compliance with this statutory provision.

The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receipt of your additional materials, any permissible submissions will be added to the public record when they are received.

93043542155



Denita Ward, Esq.  
page 2

If you have any questions, please contact me at  
(202) 219-3400.

Sincerely,

*Mark Allen*

Mark Allen  
Attorney

DEC 09 1993

Date the Commission voted to close the file: \_\_\_\_\_

93043542156





FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

DEC 10 1993

Robert Littlefield  
R.R. #3 Box 501  
North Berwick, ME 03906

RE: MUR 2981

Dear Mr. Littlefield:

On July 13, 1990, you were notified that the Federal Election Commission had found reason to believe you knowingly and willfully violated 2 U.S.C. § 441f.

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no further action against you. Accordingly, the Commission closed its file in this matter.

The Commission reminds you, however, that 2 U.S.C. § 441f prohibits the making of a contribution in the name of another and prohibits knowingly permitting one's name to be used to effect such a contribution. Therefore, you should take steps to ensure future compliance with this statutory provision.

The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receipt of your additional materials, any permissible submissions will be added to the public record when they are received.

If you have any questions, please contact me at  
(202) 219-3400.

Sincerely,

Mark Allan  
Attorney

Date the Commission voted to close the file: \_\_\_\_\_

DEC 10 1993

93043542157



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

DEC 10 1993

Myles V. Lynk, Esq.  
Dewey Ballantine  
1775 Pennsylvania Avenue, N.W.  
Washington, D.C. 20006

RE: MUR 2981  
Joseph Hill

Dear Mr. Lynk:

On July 13, 1990, you were notified that the Federal Election Commission had found reason to believe Joseph Hill knowingly and willfully violated 2 U.S.C. § 441f.

After considering the circumstances of this matter, including Joseph Hill's January 27, 1989 guilty plea, the Commission has determined to exercise its prosecutorial discretion and to take no further action against Joseph Hill. Accordingly, the Commission closed its file in this matter.

The Commission reminds you, however, that 2 U.S.C. § 441f prohibits the making of a contribution in the name of another and prohibits knowingly permitting one's name to be used to effect such a contribution. Therefore, your client should take steps to ensure future compliance with this statutory provision.

The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receipt of your additional materials, any permissible submissions will be added to the public record when they are received.

93043542158

Myles V. Lynk, Esq.  
page 2

If you have any questions, please contact me at  
(202) 219-3400.

Sincerely,

*Mark Allen*

Mark Allen  
Attorney

Date the Commission voted to close the file: DEC 09 1993

93043542159





FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

DEC 10 1993

Joseph D. Crumlish, Esq.  
1730 K Street, N.W., Suite 304  
Washington, D.C. 20006

RE: MUR 2981  
Eastern Defense Political Action  
Committee and Stanley Wolin,  
as treasurer

Dear Mr. Crumlish:

On July 13, 1990, the Eastern Defense Political Action Committee and Stanley Wolin, as treasurer, ("the Committee") was notified that the Federal Election Commission had found reason to believe that the Committee knowingly and willfully violated 2 U.S.C. § 441f.

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no further action against the Committee. Accordingly, the Commission closed its file in this matter.

The Commission reminds the Committee, however, that 2 U.S.C. § 441f prohibits the making of a contribution in the name of another, knowingly permitting one's name to be used to effect such a contribution, and knowingly assisting in the making of such a contribution. Therefore, your client should take steps to ensure future compliance with this statutory provision.

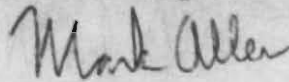
The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receipt of your additional materials, any permissible submissions will be added to the public record when they are received.

93043542160

Joseph D. Crumlish, Esq.  
page 2

If you have any questions, please contact me at  
(202) 219-3400.

Sincerely,



Mark Allen  
Attorney

DEC 09 1993

Date the Commission voted to close the file: \_\_\_\_\_

93043542161



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

DEC 10 1993

Stephen H. Sachs, Esq.  
Wilmer, Cutler & Pickering  
2445 M Street, N.W.  
Washington, D.C. 20037

RE: MUR 2981  
Gerard Scarano

Dear Mr. Sachs:

On July 13, 1990, you were notified that the Federal Election Commission had found reason to believe Gerard Scarano knowingly and willfully violated 2 U.S.C. § 441f.

After considering the circumstances of this matter, including Gerard Scarano's July 14, 1989 guilty plea, the Commission has determined to exercise its prosecutorial discretion and to take no further action against Gerard Scarano. Accordingly, the Commission closed its file in this matter.

The Commission reminds you, however, that 2 U.S.C. § 441f prohibits the making of a contribution in the name of another and prohibits knowingly permitting one's name to be used to effect such a contribution. Therefore, your client should take steps to ensure future compliance with this statutory provision.

The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receipt of your additional materials, any permissible submissions will be added to the public record when they are received.

93043542162



Stephen H. Sachs, Esq.  
page 2

If you have any questions, please contact me at  
(202) 219-3400.

Sincerely,

*Mark Allen*

Mark Allen  
Attorney

DEC 09 1993

Date the Commission voted to close the file: \_\_\_\_\_

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