

FEDERAL ELECTION COMMISSION

Sworn answers provided by  
David G. Burton, Vice President, Capital  
City Federal Savings & Loan Assn.,  
dated March 9, 1978.

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

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

Signed Vincent Flannery Jr  
date March 31, 1978



## FEDERAL ELECTION COMMISSION

1326 K STREET, N.W.  
WASHINGTON, D.C. 20463

March 29, 1978

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Neal H. Acker, Esquire  
Hill, Hill, Carter, Franco,  
Cole and Black  
P.O. Box 116  
Montgomery, Alabama 36101

Re: MUR 384

Dear Mr. Acker:

This is in reference to the complaint you filed with the Commission on March 31, 1977. In that complaint you alleged that J. Carole Keahey, a candidate for election to the United States House of Representatives from the Second District of Alabama in the general election of November 2, 1976, had violated Sections 434(b) and 441a(f) of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431 et seq.

A Commission investigation indicated that approximately \$97,479.48 used in support of Ms. Keahey's candidacy had originated in a checking account owned by her father, Thomas M. Keahey. The investigation also indicated that Ms. Keahey had neither access to nor control over these funds at the time she became a candidate. Thus, every check drawn upon the account in payment of a campaign-related expense constituted a contribution made by the owner of the account to the campaign. Thomas M. Keahey, however, was not identified in reports of receipts and expenditures as a person who had made such contributions.

In this light, the Commission found reasonable cause to believe that J. Carole Keahey had violated 2 U.S.C. §§441a(f) and 434(b)(2) and that Thomas M. Keahey had violated 2 U.S.C. §§441a(a)(1)(A) and 441a(a)(3). Additional reporting irregularities resulted in a finding of reasonable cause to believe that J. Carole Keahey had violated 2 U.S.C. §434(b)(9).

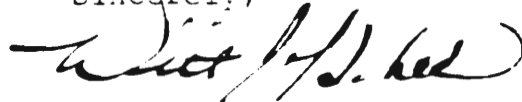


After finding reasonable cause to believe, the Commission entered into conciliation with the respondents pursuant to 2 U.S.C. §437g(a)(5)(A).

On March 23, 1978, the Commission voted to enter into conciliation agreements with the respondents. These agreements, among other things, call for the payment of civil penalties in the amount \$10,000 as to each respondent. Copies of the agreements are enclosed.

Should you have any questions, please contact Vincent J. Convery, Jr., the Commission attorney assigned to this matter, at 202-528-4057.

Sincerely,

A handwritten signature in dark ink, appearing to read "William C. Oldaker", written in a cursive style.

William C. Oldaker  
General Counsel



FEDERAL ELECTION COMMISSION

1100 K STREET N.W.  
WASHINGTON, D.C. 20005

March 29, 1978

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Stanley A. Camhi, Esquire  
Kendrick Law Offices  
233 Massachusetts Avenue, N.E.  
Washington, D.C. 20002

Re: MUR 384

Dear Mr. Camhi:

This will acknowledge your March 23, 1978, telephone conversation with Vincent J. Convery, Jr., of this office, and will reduce its subject matter to writing.

On March 23, 1978, the Commission voted to accept the conciliation agreements, dated March 22, 1978, proposed by your clients, J. Carole Keahey and Thomas M. Keahey. The Commission also voted to close its file in this matter.

Mr. Convery will arrange for the return of all materials furnished by the Keaheys pursuant to Commission subpoenas.

Signed copies of the conciliation agreements, and a copy of the certification of the Commission's action, are enclosed.

Sincerely,

William C. Oldaker  
General Counsel





BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

J. CAROLE KEAHEY

and

THOMAS M. KEAHEY

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MUR 384

CONCILIATION AGREEMENT

This matter was initiated on the basis of a written complaint filed with the Federal Election Commission (hereinafter, "the Commission"). An investigation has been conducted and the Commission has found reasonable cause to believe that the respondent, Thomas M. Keahey, has violated Sections 441a(a)(1)(A) and 441a(a)(3) of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431 et seq.

Now, therefore, the respondent Thomas M. Keahey and the Commission, the respective parties herein, having entered into conciliation pursuant to 2 U.S.C. §437g(a)(5)(A) do hereby agree to the following:

1. That the Commission has jurisdiction over respondent Thomas M. Keahey and over the subject matter of this proceeding.
2. That the respondent Thomas M. Keahey has had reasonable opportunity to demonstrate that no action should be taken in this matter.
3. That if this matter were litigated, the Commission at trial would introduce evidence as follows:
  - a. J. Carole Keahey is the daughter of respondent Thomas M. Keahey.
  - b. During the year 1976, J. Carole Keahey was a candidate for Federal office within the meaning

of 2 U.S.C. §431(b). She attained such status on March 19, 1976, when she filed for election with the Alabama State Democratic Executive Committee.

- c. On or about April 20, 1976, Thomas M. Keahey executed a "resolution" which extended to J. Carole Keahey signature authority in a checking account which Thomas M. Keahey maintained at the Riggs National Bank of Washington, D.C. This checking account was in the name of Keahey's Moving and Storage. (This account will hereinafter be referred to as "the Moving Account").
- d. During the course of Ms. Keahey's candidacy, checks were drawn upon the Moving Account both to make direct payment of campaign-related expenses and to transfer funds to campaign accounts which Ms. Keahey opened at the Union Bank and Trust Company and at the Southern Bank, N.A., both located in Montgomery, Alabama. The total amount so paid and so transferred was approximately \$97,479.48.
- e. 2 U.S.C. §441a(a)(1)(A) provides that "no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which in the aggregate, exceed \$1,000."
- f. 2 U.S.C. §441a(a)(3) provides that "no individual shall make contributions aggregating more than \$25,000 in any calendar year."

WHEREAS, the Commission contends that:

- 4. J. Carole Keahey did not have "access to" or "control over" the funds in the Moving Account as those terms are defined by the regulation of the Commission until such time as Thomas M. Keahey executed the resolution which extended to her signature authority in that account. This resolution was executed some thirty one days after Ms. Keahey had attained candidate status, and in order for the funds to be considered the personal funds of a candidate, he or she must have had access to or control over them at the time of candidacy.
- 5. Since the funds in the Moving Account were not the "personal funds" of the candidate, every check drawn upon that Account to pay campaign-related expenses and to transfer funds to other campaign accounts constituted a contribution to the candidacy of

J. Carole Keahey made by the owner of the account, Thomas M. Keahey.

- i. Thomas M. Keahey exceeded the \$1,000 per election limitation with regard to the May 25, 1976 runoff election, in that checks written on the Moving Account, i.e., contributions made by him, during the runoff election period, totalled approximately \$8,672.67
  - ii. Thomas M. Keahey exceeded the \$1,000 per election limitation with regard to the November 2, 1976 general election, in that checks written on the Moving Account, i.e., contributions made by him, during the general election period, totalled approximately \$82,831.58.
6. Thomas M. Keahey exceeded the \$25,000 annual contribution limitation in that checks written on the Moving Account, i.e., contributions made by him, totalled approximately \$97,479.48 in calendar year 1976.
  7. That each check drawn upon the Keahey's Moving and Storage Account to pay a campaign-related expense of J. Carole Keahey or to transfer funds to another campaign account constituted a contribution in a like amount made by him to the candidacy of J. Carole Keahey.
  8. That his contribution of approximately \$8,672.67 in relation to the May 25, 1976 runoff election was made in violation of 2 U.S.C. §441a(a)(1)(A).
  9. That his contribution of approximately \$82,831.58 in relation to the November 2, 1976 general election was made in violation of 2 U.S.C. §441a(a)(1)(A).
  10. That his contribution of approximately \$97,479.48 during calendar year 1976 was made in violation of 2 U.S.C. §441a(a)(3).

WHEREAS, as a result of Thomas M. Keahey's desire to amicably resolve this matter and avoid litigation with the Commission, and in view of the Commission's evidence and contentions, he does, for the purposes of this conciliation, agree with the contentions of the Commission as set forth in ¶¶ 4 - 10 inclusive, and further agrees as follows:

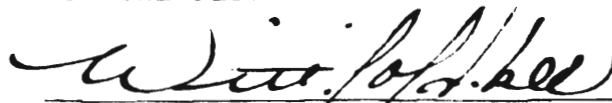
11. That he will voluntarily testify before any Commission proceeding, or before any other proceeding, in which the matters at issue herein are relevant.

12. That he will, now and in the future, comply in all respects with the Federal Election Campaign Act of 1971, as amended.
13. That, pursuant to 2 U.S.C. §437g(a)(6), he will pay to the Treasury of the United States a civil penalty in the amount of ten thousand dollars (\$10,000).


The Federal Election Commission and Thomas M. Keahey enter into this conciliation agreement under the following GENERAL CONDITIONS:

14. The Commission on request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.
15. It is mutually agreed that this agreement shall become effective as of the moment that all parties hereto have executed same and the Commission has approved the entire agreement.
16. It is agreed that the civil penalty specified in ¶ 13 above shall be paid in four equal installments of \$2,500 each to be paid on or before the following dates: May 1, 1978; August 1, 1978; November 1, 1978; and February 1, 1979.

FOR THE FEDERAL ELECTION COMMISSION:

  
WILLIAM C. OLDAKER  
GENERAL COUNSEL  
3/27/78  
DATE

FOR THE RESPONDENT:

  
THOMAS M. KEAHEY  
22 MARCH 1978  
DATE

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of  
J. CAROLE KEAHEY  
and  
THOMAS M. KEAHEY

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MUR 384

CONCILIATION AGREEMENT

This matter was initiated on the basis of a written complaint filed with the Federal Election Commission (hereinafter, "The Commission"). An investigation has been conducted and the Commission has found reasonable cause to believe that the respondent, J. Carole Keahey, has violated Sections 441a(f), 434(b)(2) and 434(b)(9) of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431 et seq.

Now, therefore, the respondent J. Carole Keahey and the Commission, the respective parties herein, having entered into conciliation pursuant to 2 U.S.C. §437g(a)(5)(A) do hereby agree to the following:

1. That the Commission has jurisdiction over respondent J. Carole Keahey and over the subject matter of this proceeding.
2. That the respondent J. Carole Keahey has had reasonable opportunity to demonstrate that no action should be taken in this matter.
3. That if this matter were litigated, the Commission at trial would introduce evidence as follows:
  - a. Respondent J. Carole Keahey is the daughter of Thomas M. Keahey.

- b. During the year 1976, respondent J. Carole Keahey was a candidate for Federal office within the meaning of 2 U.S.C. §431(b). She attained such status on March 19, 1976, when she filed for election with the Alabama State Democratic Executive Committee.
- c. On or about April 20, 1976, Thomas M. Keahey executed a "resolution" which extended to respondent J. Carole Keahey signature authority in a checking account which Thomas M. Keahey maintained at the Riggs National Bank of Washington, D.C. This checking account was in the name of Keahey's Moving and Storage. (This account will hereinafter be referred to as "the Moving Account.")
- d. During the course of Ms. Keahey's candidacy, checks were drawn upon the Moving Account both to make direct payment of campaign-related expenses and to transfer funds to campaign accounts which Ms. Keahey opened at the Union Bank and Trust Company and at the Southern Bank, N.A., both located in Montgomery, Alabama. The total amount so paid and so transferred was approximately \$97,479.48.
- e. 2 U.S.C. §441a(a)(1)(A) provides that "no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which in the aggregate, exceed \$1,000."
- f. 2 U.S.C. §441a(a)(3) provides that "no individual shall make contributions aggregating more than \$25,000 in any calendar year."
- g. 2 U.S.C. §441a(f) provides, inter alia, that no candidate or political committee shall knowingly accept any contribution made in violation of the provisions of 2 U.S.C. §441a.
- h. 2 U.S.C. §434(b)(2) requires that the Reports of Receipts and Expenditures filed with the Commission shall disclose the full name and mailing address of each person who has made one or more contributions to or for a political committee or candidate within the calendar year in an aggregate amount or value in excess of \$100, together with the amount and date of such contribution.
- i. 2 U.S.C. §434(b)(9) generally requires that the Reports of Receipts and Expenditures filed with the Commission shall disclose the identification of each person to whom expenditures have been made

within the calendar year in an aggregate amount or value in excess of \$100. The Attachment to this Agreement lists those expenditures made by or on behalf of respondent J. Carole Keahey, in an aggregate amount in excess of \$100, which were not listed in the Reports filed by the respondent, either as candidate or as treasurer of her principal campaign committee.

WHEREAS, the Commission contends that:

4. Respondent J. Carole Keahey did not have "access to" or "control over" the funds in the Moving Account as those terms are defined by the regulations of the Commission until such time as Thomas M. Keahey executed the resolution which extended to her signature authority in that account. This resolution was executed some thirty one days after respondent Keahey had attained candidate status, and in order for the funds to be considered the personal funds of the candidate he or she must have had access to, or control over them at the time of candidacy.
5. Since the funds in the Moving Account were not the "personal funds" of the respondent, every check drawn upon that Account to pay campaign-related expenses and to transfer funds to other campaign accounts constituted a contribution to the candidacy of J. Carole Keahey made by the owner of the account, Thomas M. Keahey.
  - i. Thomas M. Keahey exceeded the \$1,000 per election limitation with regard to the May 25, 1976, runoff election, in that checks written on the Moving Account, i.e., contributions made by him, during the runoff election period totalled approximately \$8,672.67.
  - ii. Thomas M. Keahey exceeded the \$1,000 per election limitation with regard to the November 2, 1976, general election, in that checks written on the Moving Account, i.e., contributions made by him during the general election period totalled approximately \$82,831.58.
6. Thomas M. Keahey exceeded the \$25,000 annual contribution limitation in that checks written on the Moving Account, i.e., contributions made by him, totalled approximately \$97,479.48 in calendar year 1976.
7. In using funds in the Moving Account in the manner described in paragraphs 5 and 6 above, the respondent J. Carole Keahey knowingly accepted contributions made by Thomas M. Keahey which were in excess of the limita-

tions set forth in 2 U.S.C. §441a(a)(1)(A) and 441a(a)(3).

8. The Reports of Receipts and Expenditures filed by the respondent J. Carole Keahey, both as candidate and as treasurer of her principal campaign committee, nowhere identify Thomas M. Keahey as a person who had contributed in excess of \$100 during calendar year 1976.
9. That each check drawn upon the Keahey's Moving and Storage Account to pay a campaign-related expense or to transfer funds to another campaign account constituted a contribution in a like amount made by the owner of that account (Thomas M. Keahey), to the candidacy of the respondent J. Carole Keahey.
10. That her knowing acceptance of such contributions from Thomas M. Keahey in excess of his \$1,000 limitation as to the May 25, 1976 runoff election constituted a violation of 2 U.S.C. §441a(f).
11. That her knowing acceptance of such contributions from Thomas M. Keahey in excess of his \$1,000 limitation as to the November 2, 1976 general election constituted a violation of 2 U.S.C. §441a(f).
12. That her knowing acceptance of such contributions from Thomas M. Keahey in excess of his \$25,000 annual contribution limitation constituted a violation of 2 U.S.C. §441a(f).
13. That her failure to identify Thomas M. Keahey on Reports of Receipts and Expenditures as a person who had made contributions in an aggregate amount in excess of \$100 during calendar year 1976 constituted a violation of 2 U.S.C. §434(b)(2).
14. That her failure to identify each person to whom expenditures had been made within calendar year 1976 in an aggregate amount or value in excess of \$100 constituted a violation of 2 U.S.C. §434(b)(9).

WHEREAS, as a result of J. Carole Keahey's desire to amicably resolve this matter and avoid litigation with the Commission, and in view of the Commission's evidence and contentions, she does for the purposes of this conciliation, agree with the contentions of the Commission as set forth in ¶¶ 4 - 14 inclusive, and further agrees as follows:

15. That she will voluntarily testify before any Commission proceeding, or before any other proceeding, in which



the matters at issue herein are relevant.


16. That she will, now and in the future, comply in all respects with the Federal Election Campaign Act of 1971, as amended.
17. That she will file with the Commission amended Reports of Receipts and Expenditures which will accurately reflect all financial activity conducted in connection with her candidacy.
18. That, pursuant to 2 U.S.C. §437g(a)(6), she will pay to the Treasury of the United States a civil penalty in the amount of ten thousand dollars (\$10,000).

The Federal Election Commission and J. Carole Keahey enter into this conciliation agreement under the following GENERAL CONDITIONS:

19. The Commission on request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue herein, or on its own motion may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.
20. This agreement shall become effective as of the moment that all parties hereto have executed same and the Commission has approved the entire agreement.
21. It is agreed that respondent J. Carole Keahey shall have thirty days from the effective date of this agreement to implement and comply with all requirements contained in ¶¶ 15 - 17.
22. It is agreed that the civil penalty specified in ¶ 18 above shall be paid in four equal installments of

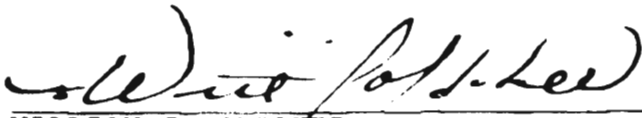
\$2,500 each to be paid on or before the following  
dates: May 1, 1978, August 1, 1978; November 1,  
1978; and February 1, 1979.

FOR THE RESPONDENT:

  
J. CAROLE KEAHEY

March 22, 1978  
DATE

FOR THE FEDERAL ELECTION COMMISSION:

  
WILLIAM C. OLDAKER  
GENERAL COUNSEL

3/27/78  
DATE

CAMPAIGN RELATED CHECKS DELIVERED PURSUANT TO SUBPOENA FOR WHICH  
THERE ARE NO NOTATIONS ON THE REPORTS OF RECEIPTS AND EXPENDITURES

WRITTEN ON RIGGS NATIONAL BANK

<u>DATE</u>	<u>PAYEE</u>	<u>AMOUNT</u>
4/20/76	Montgomery Advertiser	\$ 637.96
9/22/76	Montgomery Advertiser	14.45
5/11/76	Downtowner	452.17
5/13/76	Robert Walton	443.00
5/13/76	Emory McCollough	256.00
5/24/76	John Erion	127.00
5/27/76	Howard J. Richards	222.00
5/29/76	Dothan Eagle	136.80
7/06/76	Dothan Eagle	84.80
6/02/76	Cash	1,000.00
6/29/76	Helga Howie	237.00
7/15/76	Martha Richards	217.41
8/09/76	Service Printing Co.	724.20
10/15/76	Service Printing Co.	374.50
8/20/76	Ronnie Martin	<u>100.00</u>
	TOTAL	\$5,037.31

WRITTEN ON SOUTHERN BANK

9/1/76	Unspecified*	500.00
9/27/76	Holiday Inn	300.00
10/22/76	Troy Messenger	400.00
10/22/76	Montgomery Advertiser	2,300.00
10/22/76	Brundidge Banner	250.00
10/22/76	Union Springs Herald	250.00

WRITTEN ON SOUTHERN BANK

<u>DATE</u>	<u>PAYEE</u>	<u>AMOUNT</u>
10/22/76	Elba Clipper	143.00
10/22/76	Butler County News	140.00
12/21/76	Wendell Sasser	<u>1,225.00</u>
	TOTAL	\$5,508.00

\*We do not have a copy of this check. The date and the amount were ascertained from a monthly banking statement. No corresponding amount could be located on a report of receipts and expenditures.

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
                          )  
J. Carole Keahey )  
                  and )  
Thomas M. Keahey )

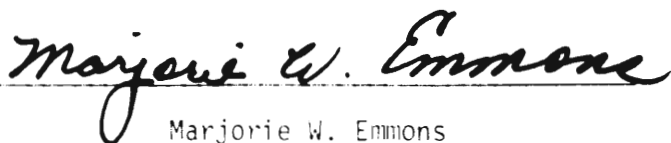
MUR 384 (77)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on March 23, 1978, at an Executive Session of the Federal Election Commission at which a quorum was present, the Commission determined by a vote of 6-0 to adopt the recommendation of the General Counsel to take the following actions in the above-captioned matter:

1. To approve the conciliation agreements signed by the respondents and attached to the report of the General Counsel.
2. To close the file in this matter.

Accordingly, this file has been closed.



Marjorie W. Emmons  
Secretary to the Commission

March 24, 1978

MEMORANDUM TO: The Commission

FROM: William C. Oldaker

SUBJECT: Late Submission of Agenda Item  
MUR 384

Please place the attached General Counsel's Report on the Compliance Agenda for the meeting of March 23, 1978.

In view of the status of this matter, we feel it imperative that the Commission consider the report at this time.

In the Matter of )  
 )  
J. Carole Keahey )  
and ) MUR 884 (77)  
Thomas M. Keahey )

## GENERAL COUNSEL'S REPORT

The attached conciliation agreements illustrate the changes as proposed by Respondents' counsel on March 21, 1978. Essentially, those changes are as follows:

1. Numbered paragraph 3 would begin: "That if this matter were litigated, the Commission at trial would introduce evidence as follows...". Subsequent lettered subparagraphs would set forth that information which we had initially referred to as "the pertinent facts" of the matter, and would set forth the statutory provisions relevant to the matter.
2. After the recitation of the statutory provisions, a new clause (WHEREAS, the Commission contends that ...) would be inserted. Subsequent numbered paragraphs would set forth the violations.
3. Following the recitation of the violations another new clause (WHEREAS, as a result of ...) would be inserted. In this clause, the Respondents would agree to the Commission's contentions (see paragraph 2, above), and would agree to testify in related matters, to comply with the FECA, and to pay a civil penalty. J. Carole Keahey additionally would agree to file accurate reports of receipts and expenditures.
4. The "GENERAL CONDITIONS" clause, among other things, sets out the manner of payment of the civil penalties.

DISCUSSION:

We do not believe that the changes in language noted in paragraphs 1, 2 and 3 of this report dilute the admissions of liability which we had sought in our initial proposed agreement. By the language that is contained in unnumbered paragraph 2 on page 1 of each agreement, the Respondents agree to the contents of the numbered paragraphs which follow. Similarly, by the language embodied in the "WHEREAS" clause that follows the recitation of the violations, the Respondents agree to each of the Commission's contentions.

The civil penalties which respondents have agreed to pay are consistent with the amounts which the Commission authorized us to seek.

Counsel for Respondents advises that his clients will sign conciliation agreements containing the changes noted herein on Wednesday afternoon, March 22, 1978. We propose submitting such signed copies to the Commission as soon as they are received in this office.

We note, also, that Respondents, on March 21, 1977, filed with the Commission a Motion for Leave to Review Evidence Obtained Through Investigation. By that motion, they seek to be advised of the identities of those parties we have interviewed, and seek to review the documents we have compiled, in the course of the investigation conducted



in this matter. Should the Commission agree to the changes to the conciliation agreements as suggested by the Respondents, the Motion would be rendered moot. Accordingly, we will make no recommendation as to disposition of the Motion until the Commission has acted upon the proposed conciliation agreements.

RECOMMENDATION:

We recommend that the Commission accept the changes to the conciliation agreement as proposed by Respondents.

3/22/78  
Date

William C. Oldaker  
General Counsel

J.C.K.

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
J. Carole Keahey ) MUR 384  
and )  
Thomas M. Keahey )

CONCILIATION AGREEMENT

This matter was initiated on the basis of a written complaint filed with the Federal Election Commission (hereinafter, "the Commission"). An investigation has been conducted and the Commission has found reasonable cause to believe that the respondent, J. Carole Keahey, has violated Sections 441a(f), 434(b)(2) and 434(b)(9) of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431 et seq.

Now, therefore, the respondent J. Carole Keahey and the Commission, the respective parties herein, having entered into conciliation pursuant to 2 U.S.C. §437g(a)(5)(A) do hereby agree to the following:

1. That the Commission has jurisdiction over respondent J. Carole Keahey and over the subject matter of this proceeding.
2. That the respondent J. Carole Keahey has had reasonable opportunity to demonstrate that no action should be taken in this matter.
3. ~~That the pertinent facts of this matter are as follows:~~
  - a. Respondent J. Carole Keahey is the daughter of Thomas M. Keahey.

New paragraph 3: That if this matter were litigated, the Commission at trial would introduce evidence as follows:

- b. During the year 1976, respondent J. Carole Keahey was a candidate for Federal office within the meaning of 2 U.S.C. §431(b). She attained such status on March 19, 1976, when she filed for election with the Alabama State Democratic Executive Committee.
- c. On or about April 20, 1976, Thomas M. Keahey executed a resolution which extended to respondent J. Carole Keahey signature authority in a checking account which Thomas M. Keahey maintained at the Riggs National Bank of Washington, D.C. This checking account was in the name of Keahey's Moving and Storage. (This account will hereinafter be referred to as "the Moving Account").
- d. During the course of Ms. Keahey's candidacy, checks were drawn upon the Moving Account both to make direct payment of campaign-related expenses and to transfer funds to campaign accounts which Ms. Keahey opened at the Union Bank and Trust Company and at the Southern Bank, N.A., both located in Montgomery, Alabama. The total amount so paid and so transferred was approximately \$97,479.48. the Commission contends that:
  4. [e.] Respondent J. Carole Keahey did not have access to or control over the funds in the Moving Account until such time as Thomas M. Keahey executed the resolution which extended to her signature authority in that account. This resolution was executed some thirty-one days after respondent Keahey had attained candidate status, and in order for the funds to be considered the personal funds of the candidate he or she must have had access to, or control over them at the time of candidacy.

Delete quotes

- e. paragraph g, below becomes new para e
- f. first sent of para h, page 3, becomes new para f.
- g. first sent of para i, page 3, becomes new para g.
- h. first sent of para j, page 3, becomes new para h.
- i. para k, page 4, becomes new para i

Insert: WHEREAS,  
 4. [e.]  
 Changes to para 4: lines 1-2: add quotes.  
 line 3: following the word Account, add: "as those terms  
 5. [e.]  
 are defined in the Regulations of the Commission."

[e.] 2 U.S.C. §431a(2)(A) provides that "no person shall make contributions to any candidate and no authorized political committees with respect to any election for Federal office which in the aggregate, exceed \$1,000."

(New paragraph 3e)

Insert, as part of paragraph 5, the following:  
 i. paragraph 1, page 3.  
 ii. paragraph 2, page 3.

5. cont'd

i. [1.] Thomas M. Keahey exceeded the \$1,000 per election limitation with regard to the May 25, 1976, runoff election, in that checks written on the Moving Account i.e., contributions made by him, during the runoff election period totalled approximately \$3,672.67.

ii. [2.] Thomas M. Keahey exceeded the \$1,000 per election limitation with regard to the November 2, 1976, general election, in that checks written on the Moving Account, i.e., contributions made by him during the general election period totalled approximately \$32,331.58.

[h.] 2 U.S.C. §441a(3) provides that "no individual shall make contributions aggregating more than \$25,000 in any calendar year." Thomas M. Keahey exceeded the \$25,000 annual contribution limitation in that checks written on the Moving Account i.e., contributions made by him, totalled approximately \$37,479.48 in calendar year 1976.

(New para 3f)

[i.] 2 U.S.C. §441a(5) provides, inter alia, that no candidate or political committee shall knowingly accept any contribution made in violation of the provisions of 2 U.S.C. §441a.

(New para 3g)

In using funds in the Moving Account in the manner described in paragraphs g and h, above, the respondent J. Carole Keahey knowingly accepted contributions made by Thomas M. Keahey which were in excess of the limitations set forth in 2 U.S.C. §441a(a)(1)(A) and 441a(a)(3).

[j.] 2 U.S.C. §434(b)(2) requires that the Reports of Receipts and Expenditures filed with the Commission shall disclose the full name and mailing address of each person who has made one or more contributions to or for a political committee or candidate within the calendar year in an aggregate amount or value in excess of \$100, together with the amount and date of such contribution. The Reports of

(New para 3h)

Receipts and Expenditures filed by the respondent J. Carole Keahey, both as candidate and as treasurer of her principal campaign committee, nowhere identify Thomas M. Keahey as a person who had contributed in excess of \$100 during calendar year 1976.

- k. 2 U.S.C. 5434(b)(9) generally requires that the Reports of Receipts and Expenditures filed with the Commission shall disclose the identification of each person to whom expenditures have been made within the calendar year in an aggregate amount or value in excess of \$100. The Attachment to this Agreement lists those expenditures made by or on behalf of respondent J. Carole Keahney, in an aggregate amount in excess of \$100, which were not listed in the Reports filed by the respondent, either as candidate or as treasurer of her principal campaign committee.

(New para 3i)

WHEREFORE, respondent J. Carole Keahney agrees:

9. [4] That each check drawn upon the Keahney's Moving and Storage Account to pay a campaign-related expense or to transfer funds to another campaign account constituted a contribution in a like amount made by the owner of that account, Thomas M. Keahney, to the candidacy of the respondent J. Carole Keahney.
10. [5] That her knowing acceptance of such contributions from Thomas M. Keahney in excess of his \$1,000 limitation as to the May 15, 1976, runoff election constituted a violation of 2 U.S.C. 5441a(f).
11. [6] That her knowing acceptance of such contributions from Thomas M. Keahney in excess of his \$1,000 limitation as to the November 2, 1976, general election constituted a violation of 2 U.S.C. 5441a(f).
12. [7] That her knowing acceptance of such contributions from Thomas M. Keahney in excess of his \$25,000 annual contribution limitation constituted a violation of 2 U.S.C. 5441a(f).
13. [8] That her failure to identify Thomas M. Keahney on Reports of Receipts and Expenditures as a person who had made contributions in an aggregate amount in excess of \$100 during calendar year 1976 constituted a violation of 2 U.S.C. 5434(b)(2).
14. [9] That her failure to identify each person to whom expenditures had been made within calendar year 1976 in an aggregate amount or value in excess of \$100 constituted a violation of 2 U.S.C. 5434(b)(9).

WHEREAS, as a result of J. Carole Keahey's desire to amicably resolve this matter and avoid litigation with the Commission, and in view of the Commission's evidence and contentions, she does, for the purposes of this conciliation, agree with the contentions of the Commission as set forth in paragraphs 4 through 14, inclusive, and further agrees as follows:

15. [10.] That she will voluntarily testify before any Commission proceeding, or before any other proceeding, in which the matters at issue herein are relevant.

16. [11.] That she will, now and in the future, comply in all respects with the Federal Election Campaign Act of 1971, as amended.

18. [12.] That, pursuant to 2 U.S.C. §437g(a)(6), she will pay to the Treasury of the United States a civil penalty in the amount [Seventy-two thousand (\$72,000) dollars].

Delete the words and figures seventy-two (72,000) dollars; add the words and figures ten thousand (10,000) dollar.

17. [13.] That she will file with the Commission amended Reports of Receipts and Expenditures which will accurately reflect all financial activity conducted in connection with her candidacy.

The Federal Election Commission and J. Carole Keahey enter into this conciliation agreement under the following GENERAL CONDITIONS:

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

20. [15.] This agreement shall become effective as of the moment that all parties hereto have executed same and the Commission has approved the entire agreement.

21. [16.] It is agreed that respondent J. Carole Keahey shall have thirty days from the effective date of this agreement to implement and comply with all requirements contained [herein] in paragraphs 15 through 17, inclusive.

FOR THE RESPONDENT:

J. CAROLE KEAHEY

Date

FOR THE FEDERAL ELECTION COMMISSION:

WILLIAM C. OLAKER  
GENERAL COUNSEL

Date

22. It is agreed that the civil penalty specified in paragraph 18, above, shall be paid in four equal installments of twenty-five hundred (2,500) dollars each to be paid on or before the following dates: May 1, 1972; August 1, 1972; November 1, 1972; February 1, 1973.

TMK

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of                   )  
                                      )  
J. Carole Keahey                    )  
and                                    )  
Thomas M. Keahey                    )  
                                      )

MUR 384

CONCILIATION AGREEMENT

This matter was initiated on the basis of a written complaint filed with the Federal Election Commission (hereinafter, "the Commission"). An investigation has been conducted and the Commission has found reasonable cause to believe that the respondent, Thomas M. Keahey, has violated Sections 441a(a)(1)(A) and 441a(a)(3) of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. 5431, et seq.

Now, therefore, the respondent Thomas M. Keahey and the Commission, the respective parties herein, having entered into conciliation pursuant to 2 U.S.C. 5437g(a)(5)(A) do hereby agree to the following:

1. That the Commission has jurisdiction over respondent Thomas M. Keahey and over the subject matter of this proceeding.
2. That the respondent Thomas M. Keahey has had reasonable opportunity to demonstrate that no action should be taken in this matter.
3. ~~That the pertinent facts of this matter are as follows:~~
  - a. J. Carole Keahey is the daughter of respondent Thomas M. Keahey.
  - b. During the year 1976, J. Carole Keahey was a candidate for Federal office within the meaning of 2 U.S.C. 5431(b). She attained such status on March 19, 1976, when she filed for election with the Alabama State Democratic Executive Committee.

New Para 3: That if this matter were litigated, the Commission at trial would introduce evidence as follows:

- c. On or about April 20, 1976, Thomas M. Keahey executed a resolution which extended to J. Carole Keahey signature authority in a checking account which Thomas M. Keahey maintained at the Riggs National Bank of Washington, D.C. This checking account was in the name of Keahey's Moving and Storage. (This account will hereinafter be referred to as "the Moving Account").

Delete quotes

- d. During the course of Ms. Keahey's candidacy, checks were drawn upon the Moving Account both to make direct payment of campaign-related expenses and to transfer funds to campaign accounts which Ms. Keahey opened at the Union Bank and Trust Company and at the Southern Bank, N.A., both located in Montgomery, Alabama. The total amount so paid and so transferred was approximately \$97,479.48.

- e. Paragraph g, below, becomes new paragraph e  
f. First sentence of paragraph h, next page, becomes new paragraph f

Insert:

WHEREAS, the Commission contends that:

4. [e.] J. Carole Keahey did not have "access to" or "control over" the funds in the Moving Account until such time as Thomas M. Keahey executed the resolution which extended to her signature authority in that account. This resolution was executed some thirty one days after Ms. Keahey had attained candidate status, and in order for the funds to be considered the personal funds of a candidate, he or she must have had access to or control over them at the time of candidacy.

Changes to paragraph 4:  
lines 1&2: add quotes  
line 2: after the word "Account," add: "as those terms are defined in the Regulations of the Commission"  
line 4: delete quotes

5. [f.] Since the funds in the Moving Account were not the "personal funds" of the candidate, every check drawn upon that Account to pay campaign-related expenses and to transfer funds to other campaign accounts constituted a contribution to the candidacy of J. Carole Keahey made by the owner of the account, Thomas M. Keahey.

- [g.] 2 U.S.C. §441a(a)(1)(A) provides that "no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which in the aggregate, exceed \$1,000."

(New paragraph 3e)

Insert, as part of paragraph 5, the following:

- i. Paragraph 1, page 3.
- ii. Paragraph 2, page 3.



1. Thomas M. Keaney exceeded the \$1,000 limitation with regard to the May 25, 1976, runoff election, in that checks written on the Moving Account, i.e., contributions made by him, during the runoff election period totalled approximately \$8,672.67.
2. Thomas M. Keaney exceeded the \$1,000 per election limitation with regard to the November 2, 1976, general election, in that checks written on the Moving Account, i.e., contributions made by him, during the general election period totalled approximately \$32,331.59.

- h. 2 U.S.C. §441a(a)(3) provides that "no individual shall make contributions aggregating more than \$25,000 in any calendar year." Thomas M. Keaney exceeded the \$25,000 annual contribution limitation in that checks written on the Moving Account, i.e., contributions made by him, totalled approximately \$97,479.48 in calendar year 1976.

(New paragraph 3f)

~~WHEREFORE, respondent Thomas M. Keaney agrees:~~

7. [4.] That each check drawn upon the Keaney's Moving and Storage Account to pay a campaign-related expense of J. Carole Keaney or to transfer funds to another campaign account constituted a contribution in a like amount made by him to the candidacy of J. Carole Keaney.
8. [5.] That his contribution of approximately \$8,672.67 in relation to the May 25, 1976, runoff election was made in violation of 2 U.S.C. §441a(a)(1)(A).
9. [6.] That his contribution of approximately \$32,331.59 in relation to the November 2, 1976, general election was made in violation of 2 U.S.C. §441a(a)(1)(A).
10. [7.] That his contribution of approximately \$97,479.48 during calendar year 1976 was made in violation of 2 U.S.C. §441a(a)(3).
11. [8.] That he will voluntarily testify before any Commission proceeding, or before any other proceeding, in which the matters at issue herein are relevant.
12. [9.] That he will, now and in the future, comply in all respects with the Federal Election Campaign Act of 1971, as amended.

Between paragraphs 10 and 11, above, insert the following:

WHEREAS, as a result of Thomas M. Keaney's desire to amicably resolve this matter and avoid litigation with the Commission, and in view of the Commission's evidence and contentions, he does, for the purposes of this conciliation, agree with the contentions of the Commission as set forth in paragraphs 4 through 10, inclusive, and further agrees as follows:

13. [10.] That, pursuant to 2 U.S.C. §437g(a)(6), he will pay to the Treasury of the United States a civil penalty in the amount of seventy-two thousand (\$72,000) dollars.

Delete the words and figures seventy-two thousand (72,000) and substitute therefor the words and figures ten thousand (10,000).

The Federal Election Commission and Thomas M. Keahy enter into this conciliation agreement under the following GENERAL CONDITIONS:

14. [11.] The Commission on request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.
15. [12.] It is mutually agreed that this agreement shall become effective as of the moment that all parties hereto have executed same and the Commission has approved the entire agreement.

16. [13.] ~~It is agreed that respondent Thomas M. Keahy shall have thirty days from the effective date of this agreement to implement and comply with all requirements contained herein.~~

New paragraph 16: It is agreed that the civil penalty specified in paragraph 13, above, shall be paid in four equal installments of twenty-five hundred (2,500) dollars each to be paid on or before the following dates: May 1, 1978; August 1, 1978; November 1, 1978; February 1, 1979.

FOR THE FEDERAL ELECTION COMMISSION:

WILLIAM C. OLSEN  
GENERAL COUNSEL

DATE

FOR THE RESPONDENT:

THOMAS M. KEAHY

DATE

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 )  
 ) MUR 384  
J. Carole Keahey )  
 and )  
Thomas M. Keahey )

## CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that, on March 20, 1978, the Commission, by vote of 5-0, adopted the recommendation of the General Counsel and found probable cause to believe as follows:

A. With respect to Thomas M. Keahey:

- 1) That he violated 2 U.S.C. §441a(a)(1)(A) in that he exceeded the \$1000 contribution limit with regard to the May 25, 1976, runoff election and with regard to the November 2, 1976, general election.
- 2) That he violated 2 U.S.C. §441a(a)(3) in that he exceeded the \$25,000 annual contribution limitation in calendar year 1976.

B. With respect to J. Carole Keahey:

- 1) That she violated 2 U.S.C. §441a(f), in that she knowingly accepted contributions from Thomas M. Keahey which were in excess of his \$1000 individual limitation as to the May 25, 1976, runoff election and as to the November 2, 1976, general election, and which were in excess of his \$25,000 annual contribution limitation.
- 2) That she violated 2 U.S.C. §434(b)(2), in that, as candidate and as treasurer of her principal campaign committee, her reports of receipts and expenditures did not identify Thomas M. Keahey as an individual who had contributed in excess of \$100 during calendar year 1976.

- 3) That she violated 2 U.S.C. §434(b)(9) in that, as candidate and as treasurer of her principal campaign committee, her reports of receipts and expenditures failed to identify all those persons to whom expenditures were made in an aggregate amount in excess of \$100 during calendar year 1976.

and authorized the institution of civil action pursuant to  
2 U.S.C. §437g(a)(5)(B).

Commissioner Aikens was not present at the time of the vote.

*Marjorie W. Emmons*  
Marjorie W. Emmons  
Secretary to the Commission 3/20/78

Report dated:	3-13-78
Signed by General Counsel:	3-14-78
Received in Commission Secretary's Office:	3-14-78, 5:20
Circulated on 72 hour vote basis:	3-15-78, 11:30



FEDERAL ELECTION COMMISSION

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

EX PARTE COMMUNICATION

TO: David L. Lerner, Attorney General

FROM: W. J. Brennan

DATE: 1-17-77 TIME: 1:47 a.m.

TYPE OF COMMUNICATION: Telephone Call

COMPLIANCE RELATED: ☒ YES ☐ NO

SUBSTANCE OF COMMUNICATION:

A telephone call from David L. Lerner. I took the call. He stated that a Carol Leaver has been referred to him for possible legal representation in a matter before the Federal Election Commission in which she was involved and in which a decision was imminent.

I interjected that there was a strict statutory requirement of confidentiality which precluded any discussion about a matter which may be before the Commission in an enforcement proceeding. However, I pointed out that the requirement of confidentiality will not require me to acknowledge the existence of an enforcement proceeding without the written request of the person who is the subject of the investigation.

He stated that he did not wish to discuss either the matter or the subject of the enforcement proceeding which was before the Commission in an enforcement proceeding. He did, however, state that he had several general questions about the Commission's procedures in the matter, about the Commission's enforcement procedures, and about legal representation before



EX-100-100000

TO: FEDERAL ELECTION COMMISSION



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.  
WASHINGTON, D.C. 20045

EX PARTE COMMUNICATION

TO: David E. Osterhout

FROM: Staff Member of the Democratic Study Group

DATE: 3-17-78 TIME: 4:20 p.m.

TYPE OF COMMUNICATION: Telephone call

COMPLIANCE RELATED: ☒ YES ☐ NO  
MUR 38. (17)

SUBSTANCE OF COMMUNICATION:

I returned the call of a staff member of the Democratic Study Group. The staff member asked me if I knew a Carol Keahov. He said that she had come to the Democratic Study Group offices seeking some assistance with a matter which was before the Federal Election Commission. She stated to the staff member that she was unhappy with the legal representation she was receiving in the matter and that an important decision was required by Tuesday (3-21-78).

The staff member indicated that he told her that if she was not satisfied with the attorney representing her, she could find someone else and suggested another lawyer from whom she could seek advice.

I explained to the staff member that a provision in the statute prevented me from discussing any matters which may be before the Federal Election Commission in an enforcement proceeding. Therefore, I could not respond to any inquiry which the staff member might have regarding this individual. At this point, the staff member repeated his statement that he had directed her to seek advice from an attorney. He then moved to another subject and the conversation ended shortly.



TO: GENERAL COUNSEL, WILLIAM OLDAKER



1525 K STREET NW  
WASHINGTON DC 20005

## EX PARTE COMMUNICATION

*Journal of Management Studies*, 20(6), 791-806.

DATE: 1-1-77 TIME: 1:10 PM

TYPE OF CONTAMINATION: Chemical spill

COMPLIANCE RELATED: YES NO

SUBSTANCE OF DISCUSSION:

"Another of our party, Alexander Lammimanov, Kharan and I took the call. Lammimanov explained that a cooperative friend of his, an individual known for a number of years, he apparently lived in the 1st district; the reply was the 1st district of the city. The sender said she had told him she had given him 100,000 of her own money, but the tank was displayed a lower quantity and all she was having now, that she was not able to pay.

[illegible]



FEDERAL ELECTION COMMISSION

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

HAND DELIVERED

March 15, 1978

Stanley A. Camhi, Esquire  
Kendrick Law Offices  
233 Massachusetts Avenue, N.E.  
Washington, D.C. 20002

Re: MUR 384

Dear Mr. Camhi:

Per the request you conveyed to Vincent J. Convery, Jr., at the conciliation meeting yesterday, I have enclosed a copy of the complaint filed in the Keahey matter.

I enjoyed meeting with you and with your associate, Mr. Kendrick, and hope that our discussions will lead to the conciliation of this case.

Sincerely,

A handwritten signature in dark ink, appearing to read "William C. Oldaker".

William C. Oldaker  
General Counsel





400-410  
J. Edgar Hoover  
FBI

FEDERAL ELECTION COMMISSION

1. Complainant: Neal H. Acker  
Mailing Address - P. O. Box 112  
Montgomery, Alabama 36101 771028  
Home Address - 3137 Rolling Road  
Montgomery, Alabama 36111  
Telephone Number - Office: (205) 834-7600  
Home: (205) 834-6390

2. Respondent: Ms. J. Carole Keahy  
Address - Unknown to Complainant  
Former Addresses  
Include: 4301 Woodley Square  
Montgomery, Alabama 36116  
500 South Hull Street  
Montgomery, Alabama 36104  
P. O. Box X  
Ozark, Alabama 36350

3. Charge:

Pursuant to the Federal Election Campaign Act of 1971 as amended, 2 U.S.C. 437g(a)(1), the undersigned hereby charges that the above named respondent has apparently engaged in violations of 2 U.S.C. 441a(f) in that she received contributions and loans within the meaning of the Act in excess of the legal limits prescribed by 2 U.S.C. 441a(a)(1). Complainant further charges that respondent apparently failed to properly report these contributions in the manner prescribed by 2 U.S.C. 434(b).

Respondent was a candidate for Congress from the Second District of Alabama in the general election held on November 2, 1976.

Respondent purportedly financed this campaign largely with her own funds. Respondent's Thirtieth Day Post Election Report filed with the Commission on December 3rd indicated total Calendar Year to date expenditures of \$109,568.56. Respondent's filings show that the respondent loaned herself or her campaign committee approximately \$75,000.00 during the course of her campaign. Her filings show contributions of approximately \$30,000.00 from her personal account to her campaign. It should be noted that the figures set out in this complaint are necessarily somewhat approximate because the confusing and incomplete style of respondent's filings make precision in this area impossible.

It further appears from respondent's filings that of her total calendar year to date expenditure referred to above, only \$4,426.00 of the total expenditures were from donors other than herself. This would indicate that Respondent is personally very wealthy. Indeed from what little known information there is available concerning respondent's finances, the contrary inference could be drawn. In a recent press interview it appeared that respondent was presently unemployed and that, "she earned the campaign funds as a fashion model and from her Washington antique business, which she is now liquidating". (See attached article.) While complainant has no personal knowledge of the respondent's economic circumstances, it would appear that neither her lifestyle nor her employment history would indicate that she

has or had the resources necessary to support her campaign to the extent to enable her to make total loans and contributions to her campaign of approximately \$105,000.00.

Based on information and belief, the undersigned suspects that there is reason to believe that violations of the Federal Election Campaign Act have occurred and complainant respectfully requests the Federal Election Commission to initiate appropriate action to determine the accuracy and completeness of respondents reports of receipts and expenditures.

Neil H. Baker  
Complainant

SWORN to and subscribed before me on this 28th day of March, 1977.

Reuben M. C. Larcum  
Notary Public  
State of Alabama, Montgomery County

## SHE FAILED TO UNSEAT DICKINSON

# Kealey's Campaign Cost Tipped At \$700,568

By PETER B. STEPLER  
Eagle Washington Bureau  
WASHINGTON — Ozark Democrat, Carole Kealey spent \$700,568 of her own money in last year's unsuccessful bid to unseat Second Congressional District Rep. William L. Dickinson.

That was more than twice Dickinson's \$323,222 expenditure, according to the most recent campaign finance reports on file with the Federal Election Commission.

A 30-year-old political novice who usually lives in Washington, Kealey started the year with \$3,350 in her campaign treasury, which she contributed herself. Throughout the year, she made loans to the campaign, often in hefty \$10,000 and \$15,000 chunks.

In a telephone interview from Montgomery with The

Eagle Washington Bureau, Kealey said the large campaign expenditure was not worth it. "It would have been worth it if I had won. I have a lot of mixed feelings that I have not sorted out yet," she said. "But I don't think politics is the finest way to make a living."

Kealey, who maintained an Ozark voting residency but lived in Washington before the election, said she earned the campaign funds as a fashion model and from her Washington antique business, which she is now liquidating.

Her future plans are uncertain, she said, although remaining in Alabama and running again in two years is a possibility. She said she is also considering coming to Washington to work for the Carter Administration although she has yet to apply and has not been offered a

job. Although Kealey filed the required FEC reports, they were sometimes incomplete and inaccurately filled out. In FEC staff member said Kealey was "apparently very confused on the required reporting dates."

It is not exactly clear how much Kealey poured into the race in its closing weeks. But from Oct. 19 through Nov. 22 — the last regular FEC reporting period — it appears she spent \$51,000.

By contrast, Dickinson spent only \$24,700, although that amounted to half of his campaign.

The Montgomery Republican who was elected to his sixth term, defeated Kealey with 57 per cent of the vote. Dickinson garnered 39,974 votes, compared to Kealey's 36,519.

In 1974, Dickinson won 66 per cent of the vote when he

defeated Clair Chisler. In that election, Dickinson spent only \$13,000.

Kealey did not completely fill in the most recent FEC campaign report but it appears she ended the campaign with no financial debts and \$50 left over.

Dickinson also showed no campaign debts, but finished the race with a \$77,910 surplus.

In addition to her own funds, Kealey received contributions from organized labor. Among the unions to contribute were: rubber workers' union and the Communications Workers Union political funds. \$25 each; the teachers political fund, \$500; and the carpenters political fund, \$500. Of the \$7,015 Dickinson raised this year, all but \$10,500 was raised in the final weeks of the campaign. Some of Dickinson's Dathan backers were: G. Milton Adams, \$500; Glenn F. Voss, \$500; J. W. Parkman, Jr., \$400; Stanhope Elmore, \$100; Mack Dove, \$500; Dick Bell, \$500; C. H. Chapman, Jr., \$500 and Norman Film, \$500.

Among the special interest groups to support Dickinson were: United Technologies Corp. political fund, \$100; Association of General Contractors, \$500; the

March 14, 1978

MEMORANDUM TO: Marge Emmons  
FROM: Elissa T. Garr  
SUBJECT: MUR 384

Please have the attached General Counsel's Report  
on MUR 384 distributed to the Commission on a tally  
sheet (72 hour vote).

Thank you.

73740714204

In the Matter of )  
 )  
J. Carole Keahey ) MUR 384  
and )  
Thomas M. Keahey )

Office of General Counsel Staff has engaged in extensive discussions with counsel for the respondents in an effort to conciliate the matter. However, we have been unable to agree on terms which would be acceptable to the Commission.

1. The proposed conciliation agreements included full discussion of those violations which, at that point, were still at the "reason to believe" stage. As to those violations, the Commission found reasonable cause to believe on March 9, 1978.

The statutory period of conciliation ended on Monday,  
March 13, 1978.

RECOMMENDATION:

We recommend that the Commission find probable cause to  
believe as follows:

A. With respect to Thomas M. Keahey:

- 1) That he violated 2 U.S.C. §441a(a)(1)(A) in that he exceeded the \$1,000 contribution limit with regard to the May 25, 1976, runoff election and with regard to the November 2, 1976, general election.
- 2) That he violated 2 U.S.C. §441a(a)(3) in that he exceeded the \$25,000 annual contribution limitation in calendar year 1976.

B. With respect to J. Carole Keahey:

- 1) That she violated 2 U.S.C. §441a(f), in that she knowingly accepted contributions from Thomas M. Keahey which were in excess of his \$1,000 individual limitation as to the May 25, 1976, runoff election and as to the November 2, 1976, general election, and which were in excess of his \$25,000 annual contribution limitation.
- 2) That she violated 2 U.S.C. §434(b)(2) in that, as candidate and as treasurer of her principal campaign committee, her reports of receipts and expenditures did not identify Thomas M. Keahey as an individual who had made contributions in excess of \$100 during calendar year 1976.
- 3) That she violated 2 U.S.C. §434(b)(9) in that, as candidate and as treasurer of her principal campaign committee, her reports of receipts and expenditures failed to identify all those persons to whom expenditures were made in an aggregate amount in excess of \$100 during calendar year 1976;

and that it authorize the institution of civil action pursuant to  
2 U.S.C. §437a(a)(5)(B).

3/14/78  
Date

William C. Oldaker  
General Counsel

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
	)	MUR 384
J. Carole Keahey	)	
and	)	
Thomas M. Keahey	)	

The recommendations contained in the General Counsel's Report dated March 13, 1976, that probable cause to believe be found against both respondents, and that civil suit be authorized, are approved.

\_\_\_\_\_  
Thomas E. Harris  
Chairman

\_\_\_\_\_  
Date

\_\_\_\_\_  
Neil O. Staebler  
Commissioner

\_\_\_\_\_  
Date

\_\_\_\_\_  
Joan D. Aikens  
Vice-Chairman

\_\_\_\_\_  
Date

\_\_\_\_\_  
Vernon W. Thomson  
Commissioner

\_\_\_\_\_  
Date

\_\_\_\_\_  
William L. Springer  
Commissioner

\_\_\_\_\_  
Date

\_\_\_\_\_  
Robert O. Tiernan  
Commissioner

\_\_\_\_\_  
Date

2009936

LAW OFFICES  
NYLEN & GILMORE

100 / 2  
RIGGS BUILDING

441 RIGGS ROAD

HYATTSVILLE, MARYLAND

20784

301 439 1200

EDWARD W. NYLEN  
JOHN D. GILMORE, JR.  
WILLIAM L. RIGOLI  
WILLIAM H. BERGMAN

SAMUEL C. STEELMAN, JR.  
F. ROBERT TROLL, JR.  
PAUL S. LEWIS

March 9, 1978

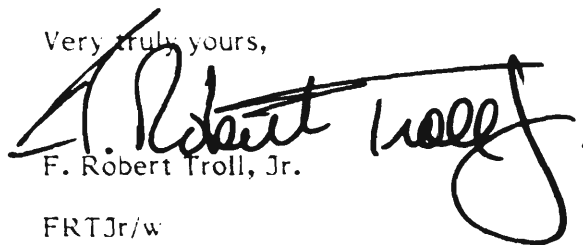
Vincent J. Convery, Jr., Esquire  
The Office of General Counsel  
Federal Election Commission  
1325 K Street, N.W.  
Washington, D. C. 20463

Re: Thomas N. and Edna F. Keahey -  
Capital City Federal Savings and Loan Association

Dear Vince:

Enclosed please find an original and one copy of the answers to questions  
submitted to my client, Capital City Federal Savings and Loan Association.

Very truly yours,



F. Robert Troll, Jr.

FRTJr/w

Encl

cc: Capital City Federal Savings and Loan Association



SWORN ANSWERS SUBMITTED BY DAVID G. BURTON,  
VICE PRESIDENT, CAPITAL CITY FEDERAL SAVINGS  
AND LOAN ASSOCIATION, HAVE BEEN DELETED FROM  
PUBLIC RECORD



FEDERAL ELECTION COMMISSION

1125 K STREET NW  
WASHINGTON, DC 20463

HAND DELIVERED

March 10, 1978

Stanley A. Camhi, Esquire  
Kendrick Law Offices  
233 Massachusetts Avenue, N.E.  
Washington, D.C. 20002

Re: MUR 384

Dear Mr. Camhi:

This will acknowledge the March 9, 1978, telephone conversation between you and Vincent J. Convery, Jr., of this office, and will serve to reduce its subject matter to writing.

At an executive session on March 9, 1978, the Commission rejected the terms proposed by your clients with regard to the amounts to be paid as civil penalties in the conciliation of MUR 384. Specifically, Thomas M. Keahey proposed payment in the amount \$8,000, apportioned as follows: for himself, \$4,000; for J. Carole Keahey, \$4,000. (In the proposed conciliation agreements which we forwarded on February 3, 1978, the Commission sought payment of civil penalties in the following amounts: for Thomas M. Keahey, \$72,000; for J. Carole Keahey, \$72,000).

The Commission determined that it would be amenable to conciliating this matter with the payment of civil penalties in the following amounts: as to Thomas M. Keahey, \$20,000; as to J. Carole Keahey, \$20,000.

In response to the request you conveyed through Mr. Convery, I will be happy to meet with you and with your associate, Mr. Kendrick, to discuss this matter.

Sincerely,

William C. Oldaker  
General Counsel



BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
J. Carole Keahey )  
and )  
Thomas M. Keahey )

MUR 384 (77)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on March 10, 1978, at an Executive Session of the Federal Election Commission at which a quorum was present, the Commission determined by a vote of 4-0 to take the following actions in the above-captioned matter:

1. Find reasonable cause to believe that J. Carole Keahey violated 2 U.S.C. Section 434(b)(9).
2. Find reasonable cause to believe that Thomas M. Keahey violated 2 U.S.C. Section 441a(a)(3).
3. Instruct the Office of the General Counsel to seek a civil penalty of \$20,000 each from J. Carole Keahey and Thomas M. Keahey in the conciliation negotiations now in progress on this matter, from which figure the General Counsel may recede to a figure of not less than \$10,000 each from J. Carole Keahey and Thomas M. Keahey.

Voting for this determination were Commissioners Harris, Staebler, Thomson, and Tiernan. Commissioners Aikens and Springer were not present at the time of the vote.



Marjorie W. Emmons  
Secretary to the Commission

March 10, 1978

BEFORE THE FEDERAL ELECTION COMMISSION

March 3, 1978

In the Matter of                    )  
                                      )  
J. Carole Keahey                    )           MUR 384  
and                                    )  
Thomas M. Keahey                    )

**EXECUTIVE**  
MAR 9 1978

GENERAL COUNSEL'S REPORT

On February 1, 1978, the Commission found reasonable cause to believe that J. Carole Keahey violated Sections 441a(f) and 434(b)(2) of the Federal Election Campaign Act, and that Thomas M. Keahey violated Section 441a(a)(1)(A) of the Act. On the same date, the Commission found reason to believe that Ms. Keahey violated Section 434(b)(9), and that Mr. Keahey violated Section 441a(a)(3), of the Act. (The bases for these findings are set out in our report dated January 27, 1978).

In the proposed conciliation agreements which were forwarded to the respondents (and which were received on February 9, 1978), we included discussion of those violations which are at the "reason to believe stage." 1/

We have met with counsel for the respondents and still are attempting to conciliate the matter. However, we have received nothing from either respondent which

1. In light of the date of receipt, the thirty day conciliation period will run on Monday, March 13, 1978.

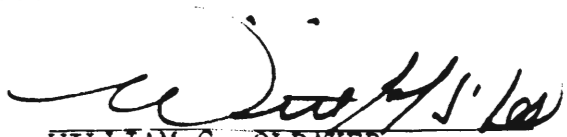
would demonstrate that further action should not be taken in connection with those violations for which the Commission found reason to believe on February 1.

RECOMMENDATION:

We recommend that the Commission find reasonable cause to believe that J. Carole Keahey violated Section 434(b)(9), and that Thomas M. Keahey violated Section 441a(a)(3), of the Act.

03110001  
Date

3/3/78

  
WILLIAM C. OLDAKER  
General Counsel



FEDERAL ELECTION COMMISSION

1325 K STREET, N.W.  
WASHINGTON, D.C. 20543

February 23, 1978

MEMORANDUM TO: CHARLES STEELE  
FROM: MARJORIE W. EMMONS  
SUBJECT: MUR 384 (76) - Status Report dated February  
22, 1978

The above-mentioned document was circulated to the  
Commissioners on February 22, 1978 at 3:00.

As of 4:00, this date, no objections have been  
received in the Office of Commission Secretary to the  
Status Report.



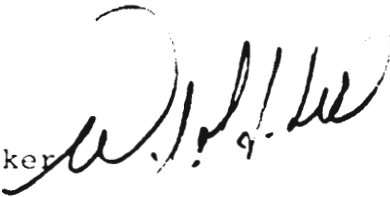
## FEDERAL ELECTION COMMISSION

1325 K STREET NW  
WASHINGTON DC 20463

February 22, 1978

### Memorandum

TO: The Commission

FROM: William C. Oldaker 

SUBJECT: Status Report - MUR 384

This matter was last before the Commission on February 1, 1978. At that time, the Commission found reasonable cause to believe that J. Carole Keahey violated Sections 441a(f) and 434(b)(2), and that Thomas M. Keahey violated Section 441a(a)(1)(A), of the FECA. Additionally, the Commission found reason to believe that Ms. Keahey violated Section 434(b)(9), and that Mr. Keahey violated Section 441a(a)(3), of the Act.

The respondents were notified of the findings in letters dated February 3, 1978. Proposed conciliation agreements were attached to the letters. Through counsel, the respondents accepted delivery of the notifications on February 9, 1978.

In telephone conversations of February 9 and 16, 1978, counsel for the respondents has advised that he is in the process of examining and discussing with his clients our proposed conciliation agreements. He indicated that he will contact us when his clients have decided upon a course of action. In this regard, we are scheduled to meet with respondents' attorney next Tuesday, February 28, 1978.



February 22, 1978

MEMORANDUM TO: Marge Emmons  
FROM: Elissa T. Garr  
SUBJECT: MUR 384

Please have the attached status report on MUR 384 distributed to the Commission on a 24 hour no-objection basis.

Thank you.

78747764215



Doc 2687

LAW OFFICES  
NYLEN & GILMORE

EDWARD W. NYLEN  
JOHN D. GILMORE, JR.  
WILLIAM L. RIGOLI  
WILLIAM H. BERGMAN

SUITE 100  
RIGGS BUILDING  
2411 RIGGS ROAD  
HYATTSVILLE, MARYLAND  
20783  
301 439-2200

16 FEB 1978  
SAMUEL C. STEELMAN, JR.  
ROBERT TROLL, JR.  
PAUL S. LEWIS

February 13, 1978

Vincent J. Convery, Jr., Esquire  
Federal Election Commission  
1325 K Street, N.W.  
Washington, D. C. 20463

Re: MUR 384

Dear Mr. Convery:

After numerous attempts to reach you by telephone, I am taking the liberty of writing to advise you that we are attorneys for Capital City Federal Savings and Loan Association who advises us that it has received a subpoena with respect to certain information and documents pertaining to accounts maintained by Thomas N. Keahey and/or Edna F. Keahey. Although my client is presently in the process of compiling the information and documents, Exhibits 1 through 4 (referred to in the attachment), were not attached. Accordingly, please forward copies thereof to the undersigned, and as soon as we have compiled all other information, I shall be pleased to forward same to you.

Very truly yours,

  
F. Robert Troll, Jr.

FRTJr/w

cc: David Burton



FEDERAL ELECTION COMMISSION

1215 G STREET, N.W.  
WASHINGTON, D.C. 20543

February 3, 1978

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

J. Carole Keahey  
c/o John A. Kendrick, Esquire  
233 Massachusetts Avenue, N.E.  
Washington, D.C. 20002

Re: MUR 384

Dear Ms. Keahey:

This is to inform you that, on February 1, 1978, the Commission found reasonable cause to believe that you violated Sections 441a(f) and 434(b)(2) of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431 et seq. The finding under Section 441a(f) was based upon evidence that, during your candidacy for the U.S. House of Representatives from Alabama in 1976, you knowingly accepted contributions from Thomas M. Keahey which were in excess of his \$1,000 individual limitation as to the May 25 runoff election and as to the November 2 general election, and which were in excess of his \$25,000 annual contribution limitation. The finding under Section 434(b)(2) was based upon evidence that you, in the reports of receipts and expenditures you filed as candidate and as treasurer of your principal campaign committee, failed to identify Thomas M. Keahey as an individual who had contributed in excess of \$100 during calendar year 1976.

In this connection, we note that information submitted to the Commission by the Riggs National Bank establishes that you obtained signatory authority and thus access and control over, the Keahey's Moving and Storage checking account on April 20, 1976. Inasmuch as, you did not have access and control over the funds in this account as of the date you became a candidate, they cannot be regarded as "personal funds" and must be considered to have been contributions made to your campaign by the owner of the account.



On the same date, the Commission also found reason to believe that you violated 2 U.S.C. §434(b)(9), in that, in reports of receipts and expenditures filed by you as candidate and as treasurer of your principal campaign committee, you failed to identify all those persons to whom expenditures had been made in an aggregate amount in excess of \$100 during calendar year 1976.

Under 2 U.S.C. §437g(a)(5)(A), if the Commission determines that there is reasonable cause to believe that a person has committed a violation of the Act, it must make every endeavor for a period of not less than thirty days to correct such violation by informal methods of conference, conciliation, and persuasion, and must attempt to enter into a conciliation agreement with the person involved. If it is unable to correct any such violation by these informal methods, the Commission may, if it determines that there is probable cause to believe that a violation has occurred, institute a civil action for relief under 2 U.S.C. §437g(a)(5)(B).

A proposed conciliation agreement is enclosed. Vincent J. Convery, Jr., the Commission attorney assigned to this matter, will contact you with regard to possible conciliation.

Sincerely yours,

William C. Oldaker  
General Counsel

*Witt/H.L. Lee*

*Convery* *MUR-384*

PS Form 3811, Apr. 1977

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

1. The following service is requested (check one)		
<input checked="" type="checkbox"/>	Show to whom and date delivered	
<input checked="" type="checkbox"/>	Show to whom, date, and address of delivery	
<input type="checkbox"/>	RESTRICTED DELIVERY	
<input type="checkbox"/>	Show to whom and date delivered	
<input type="checkbox"/>	RESTRICTED DELIVERY	
<input type="checkbox"/>	Show to whom, date, and address of delivery	
(CONSULT POSTMASTER FOR FEES)		
2. ARTICLE ADDRESSED TO:		
<i>J. Carole Keahey</i> <i>C/O John Kendrick, Esq.</i> <i>223 Mass. Ave. N.E.</i> <i>Wash. D.C. 20002</i>		
3. ARTICLE DESCRIPTION:		
REGISTERED NO	CERTIFIED NO	INSURED NO
	<i>943/71</i>	
(Always obtain signature of addressee or agent)		
I have received the article described above.		
SIGNATURE	Addressee	Authorized agent
<i>Therese B. Lee</i>		
4. DATE OF DELIVERY	POSTMARK	
<i>2-9-78</i>		
5. ADDRESS (Complete only if requested)		
6. UNABLE TO DELIVER BECAUSE:		CLERK'S INITIALS

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 )  
J. Carole Keahoy ) MUR 384  
and )  
Thomas M. Keahoy )

# CONCILIATION AGREEMENT

This matter was initiated on the basis of a written complaint filed with the Federal Election Commission (hereinafter, "the Commission"). An investigation has been conducted and the Commission has found reasonable cause to believe that the respondent, J. Carole Keahey, has violated Sections 441a(f), 434(b)(2) and 434(b)(9) of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431 et seq.

Now, therefore, the respondent J. Carole Keahey and the Commission, the respective parties herein, having entered into conciliation pursuant to 2 U.S.C. §437g(a)(5)(A) do hereby agree to the following:

1. That the Commission has jurisdiction over respondent J. Carole Keahey and over the subject matter of this proceeding.
2. That the respondent J. Carole Keahey has had reasonable opportunity to demonstrate that no action should be taken in this matter.
3. That the pertinent facts of this matter are as follows:
  - a. Respondent J. Carole Keahey is the daughter of Thomas M. Keahey.

- b. During the year 1976, respondent J. Carole Keahey was a candidate for Federal office within the meaning of 2 U.S.C. §431(b). She attained such status on March 19, 1976, when she filed for election with the Alabama State Democratic Executive Committee.
- c. On or about April 20, 1976, Thomas M. Keahey executed a "resolution" which extended to respondent J. Carole Keahey signature authority in a checking account which Thomas M. Keahey maintained at the Riggs National Bank of Washington, D.C. This checking account was in the name of Keahey's Moving and Storage. (This account will hereinafter be referred to as "the Moving Account").
- d. During the course of Ms. Keahey's candidacy, checks were drawn upon the Moving Account both to make direct payment of campaign-related expenses and to transfer funds to campaign accounts which Ms. Keahey opened at the Union Bank and Trust Company and at the Southern Bank, N.A., both located in Montgomery, Alabama. The total amount so paid and so transferred was approximately \$97,479.48.
- e. Respondent J. Carole Keahey did not have access to or control over the funds in the Moving Account until such time as Thomas M. Keahey executed the "resolution" which extended to her signature authority in that account. This resolution was executed some thirty one days after respondent Keahey had attained candidate status, and in order for the funds to be considered the personal funds of the candidate he or she must have had access to, or control over them at the time of candidacy.
- f. Since the funds in the Moving Account were not the "personal funds" of the respondent, every check drawn upon that Account to pay campaign-related expenses and to transfer funds to other campaign accounts constituted a contribution to the candidacy of J. Carole Keahey made by the owner of the account, Thomas M. Keahey.
- g. 2 U.S.C. §441a(a)(1)(A) provides that "no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which in the aggregate, exceed \$1,000."

1. Thomas M. Kenney exceeded the \$1,000 per election limitation with regard to the May 25, 1976, runoff election, in that checks written on the Moving Account i.e., contributions made by him, during the runoff election period totalled approximately \$8,672.67.
  2. Thomas M. Kenney exceeded the \$1,000 per election limitation with regard to the November 2, 1976, general election, in that checks written on the Moving Account, i.e., contributions made by him during the general election period totalled approximately \$82,831.58.
- h. 2 U.S.C. §441a(a)(3) provides that "no individual shall make contributions aggregating more than \$25,000 in any calendar year." Thomas M. Kenney exceeded the \$25,000 annual contribution limitation in that checks written on the Moving Account i.e., contributions made by him, totalled approximately \$97,473.48 in calendar year 1976.
- i. 2 U.S.C. §441a(f) provides, inter alia, that no candidate or political committee shall knowingly accept any contribution made in violation of the provisions of 2 U.S.C. §441a. In using funds in the Moving Account in the manner described in paragraphs g and h, above, the respondent J. Carole Kenney knowingly accepted contributions made by Thomas M. Kenney which were in excess of the limitations set forth in 2 U.S.C. §441a(a)(1)(A) and 441a(a)(3).
- j. 2 U.S.C. §434(b)(2) requires that the Reports of Receipts and Expenditures filed with the Commission shall disclose the full name and mailing address of each person who has made one or more contributions to or for a political committee or candidate within the calendar year in an aggregate amount or value in excess of \$100, together with the amount and date of such contribution. The Reports of Receipts and Expenditures filed by the respondent J. Carole Kenney, both as candidate and as treasurer of her principal campaign committee, nowhere identify Thomas M. Kenney as a person who had contributed in excess of \$100 during calendar year 1976.

- k. 2 U.S.C. §434(b)(9) generally requires that the Reports of Receipts and Expenditures filed with the Commission shall disclose the identification of each person to whom expenditures have been made within the calendar year in an aggregate amount or value in excess of \$100. The Attachment to this Agreement lists those expenditures made by or on behalf of respondent J. Carole Keahey, in an aggregate amount in excess of \$100, which were not listed in the Reports filed by the respondent, either as candidate or as treasurer of her principal campaign committee.

WHEREFORE, respondent J. Carole Keahey agrees:

4. That each check drawn upon the Keahey's Moving and Storage Account to pay a campaign-related expense or to transfer funds to another campaign account constituted a contribution in a like amount made by the owner of that account, Thomas M. Keahey, to the candidacy of the respondent J. Carole Keahey.
5. That her knowing acceptance of such contributions from Thomas M. Keahey in excess of his \$1,000 limitation as to the May 25, 1976, runoff election constituted a violation of 2 U.S.C. §441a(f).
6. That her knowing acceptance of such contributions from Thomas M. Keahey in excess of his \$1,000 limitation as to the November 2, 1976, general election constituted a violation of 2 U.S.C. §441a(f).
7. That her knowing acceptance of such contributions from Thomas M. Keahey in excess of his \$25,000 annual contribution limitation constituted a violation of 2 U.S.C. §441a(f).
8. That her failure to identify Thomas M. Keahey on Reports of Receipts and Expenditures as a person who had made contributions in an aggregate amount in excess of \$100 during calendar year 1976 constituted a violation of 2 U.S.C. §434(b)(2).
9. That her failure to identify each person to whom expenditures had been made within calendar year 1976 in an aggregate amount or value in excess of \$100 constituted a violation of 2 U.S.C. §434(b)(9).

10. That she will voluntarily testify before any Commission proceeding, or before any other proceeding, in which the matters at issue herein are relevant.
11. That she will, now and in the future, comply in all respects with the Federal Election Campaign Act of 1971, as amended.
12. That, pursuant to 2 U.S.C. §437g(a)(6), she will pay to the Treasury of the United States a civil penalty in the amount seventy-two thousand (\$72,000) dollars.
13. That she will file with the Commission amended Reports of Receipts and Expenditures which will accurately reflect all financial activity conducted in connection with her candidacy.

The Federal Election Commission and J. Carole Keahey enter into this conciliation agreement under the following GENERAL CONDITIONS:

14. The Commission on request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue herein, or on its own motion may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.
15. This agreement shall become effective as of the moment that all parties hereto have executed same and the Commission has approved the entire agreement.
16. It is agreed that respondent J. Carole Keahey shall have thirty days from the effective date of this agreement to implement and comply with all requirements contained herein.

FOR THE RESPONDENT:

J. CAROLE KEAHEY

Date

FOR THE FEDERAL ELECTION COMMISSION:

WILLIAM C. OLDAKER  
GENERAL COUNSEL

Date



# ATTACHMENT TO CONCILIATION AGREEMENT

CAMPAIGN RELATED CHECKS DELIVERED PURSUANT TO SUBPOENA FOR WHICH  
THERE ARE NO NOTATIONS ON THE REPORTS OF RECEIPTS AND EXPENDITURES

## WRITTEN ON RIGGS NATIONAL BANK

<u>DATE</u>	<u>PAYEE</u>	<u>AMOUNT</u>
4/20/76	Montgomery Advertiser	\$ 637.50
9/22/76	Montgomery Advertiser	14.45
5/11/76	Downtowner	452.17
3/13/76	Robert Walton	443.00
5/13/76	Emory McCollough	200.00
5/24/76	John Eriq	127.00
5/27/76	Howard J. Richards	222.00
5/29/76	Dothan Eagle	136.80
7/06/76	Dothan Eagle	84.80
6/02/76	Cash	1,000.00
6/10/76	Wally Howie	237.00
7/13/76	Martha Richards	217.41
9/09/76	Service Printing Co.	724.00
10/13/76	Service Printing Co.	374.50
8/20/76	Ronnie Martin	<u>100.00</u>
	TOTAL	\$3,037.31

## WRITTEN ON SOUTHERN BANK

9/1/76	Unspecified*	500.00
9/27/76	Holiday Inn	300.00
10/22/76	Troy Messenger	400.00
10/22/76	Montgomery Advertiser	2,300.00
10/22/76	Brumfield Banner	250.00
10/22/76	Union Springs Herald	250.00

WRITTEN ON SOUTHERN BANK

<u>DATE</u>	<u>PAYEE</u>	<u>AMOUNT</u>
10/22/76	Elba Clipper	143.00
10/22/76	Butler County News	140.00
12, 21/76	Wendell Sasser	<u>1,225.00</u>
	TOTAL	\$5,508.00

\*We do not have a copy of this check. The date and the amount were ascertained from a monthly banking statement. No corresponding amount could be located in a report of receipts and expenditures.



FEDERAL ELECTION COMMISSION

1125 K STREET NW  
WASHINGTON DC 20543

February 3, 1978

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Thomas M. Keahey  
c/o John A. Kendrick, Esquire  
233 Massachusetts Avenue, N.E.  
Washington, D.C. 20002

Re: MUR 384

Dear Mr. Keahey:

This is to inform you that, on February 1, 1978, the Commission found reasonable cause to believe that you violated Section 441a(a)(1)(A) of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431 et seq. This finding was based upon evidence that, with regard to the candidacy of J. Carole Keahey for election to the U.S. House of Representatives from Alabama, you exceeded the \$1,000 contribution limit with respect to the May 25, 1976 runoff election and with respect to the November 2, 1976, general election.

On the same date the Commission also found reason to believe that you violated Section 441a(a)(3) of the Act, in that you exceeded the \$25,000 annual contribution limitation in calendar year 1976.

In this connection, we note that information submitted to the Commission by the Riggs National Bank establishes that J. Carole Keahey obtained signatory authority in, and thus access and control over, the Keahey's Moving and Storage checking account on April 20, 1976. Inasmuch as Ms. Keahey did not have access and control over the funds in this account as of the date she became a candidate, they cannot be regarded as her "personal funds" but must be considered to have contributions made by you as owner of the account.



Under 2 U.S.C. §437g(a)(5)(A), if the Commission determines that there is reasonable cause to believe that a person has committed a violation of the Act, it must make every endeavor for a period of not less than thirty days to correct such violation by informal methods of conference, conciliation, and persuasion, and must attempt to enter into a conciliation agreement with the person involved. If it is unable to correct any such violation through these informal methods, the Commission may, if it determines that there is probable cause to believe that a violation has occurred, institute a civil action for relief under 2 U.S.C. §437g(a)(5)(B).

A proposed conciliation agreement is enclosed. Vincent J. Convery, Jr., the Commission attorney assigned to this matter, will contact you with regard to possible conciliation.

Sincerely yours,

*William C. Oldaker*

William C. Oldaker  
General Counsel

PS Form 3811, Apr 1977

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

*Convery* *MUR-384*

● SENDER Complete items 1 through 6. Add your address in the "RETURN TO" space on reverse.

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

2. ARTICLE ADDRESSED TO:  
*Thomas Keeney*  
*c/o John Kendrick, Esq.*  
*237 Massachusetts Ave., N.E.*  
*Wash., D.C. 20002*

3. ARTICLE DESCRIPTION:  
 REGISTERED NO. *96370* CERTIFIED NO. INSURED NO.

(Always obtain signature of addressee or agent)

I have received the article described above.  
 SIGNATURE *William C. Oldaker* Addressee ☐ Authorized agent ☐

4. DATE OF DELIVERY *2-7-78* POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE CLERK'S INITIALS

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 )  
J. Carol Keahoy ) MUR 384  
and )  
Thomas M. Keahoy )

## CONCILIATION AGREEMENT

This matter was initiated on the basis of a written complaint filed with the Federal Election Commission (hereinafter, "the Commission"). An investigation has been conducted and the Commission has found reasonable cause to believe that the respondent, Thomas M. Keahey, has violated Sections 441a(a)(1)(A) and 441a(a)(3) of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431, et seq.

Now, therefore, the respondent Thomas M. Keahey and the Commission, the respective parties herein, having entered into conciliation pursuant to 2 U.S.C. §437g(a)(5)(A) do hereby agree to the following:

1. That the Commission has jurisdiction over respondent Thomas M. Keahey and over the subject matter of this proceeding.
2. That the respondent Thomas M. Keahey has had reasonable opportunity to demonstrate that no action should be taken in this matter.
3. That the pertinent facts of this matter are as follows:
  - a. J. Carole Keahey is the daughter of respondent Thomas M. Keahey.
  - b. During the year 1976, J. Carole Keahey was a candidate for Federal office within the meaning of 2 U.S.C. §431(b). She attained such status on March 19, 1976, when she filed for election with the Alabama State Democratic Executive Committee.

- c. On or about April 20, 1976, Thomas M. Keahey executed a "resolution" which extended to J. Carole Keahey signature authority in a checking account which Thomas M. Keahey maintained at the Riggs National Bank of Washington, D.C. This checking account was in the name of Keahey's Moving and Storage. (This account will hereinafter be referred to as "the Moving Account").
- d. During the course of Ms. Keahey's candidacy, checks were drawn upon the Moving Account both to make direct payment of campaign-related expenses and to transfer funds to campaign accounts which Ms. Keahey opened at the Union Bank and Trust Company and at the Southern Bank, N.A., both located in Montgomery, Alabama. The total amount so paid and so transferred was approximately \$97,479.48.
- e. J. Carole Keahey did not have access to or control over the funds in the Moving Account until such time as Thomas M. Keahey executed the "resolution" which extended to her signature authority in that account. This resolution was executed some thirty one days after Ms. Keahey had attained candidate status, and in order for the funds to be considered the personal funds of a candidate, he or she must have had access to or control over them at the time of candidacy.
- f. Since the funds in the Moving Account were not the "personal funds" of the candidate, every check drawn upon that Account to pay campaign-related expenses and to transfer funds to other campaign accounts constituted a contribution to the candidacy of J. Carole Keahey made by the owner of the account, Thomas M. Keahey.
- g. 2 U.S.C. §441a(a)(1)(A) provides that "no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which in the aggregate, exceed \$1,000."

1. Thomas M. Keahey exceeded the \$1,000 per election limitation with regard to the May 25, 1976, runoff election, in that checks written on the Moving Account, i.e., contributions made by him, during the runoff election period totalled approximately \$8,672.67.
2. Thomas M. Keahey exceeded the \$1,000 per election limitation with regard to the November 2, 1976, general election, in that checks written on the Moving Account, i.e., contributions made by him, during the general election period totalled approximately \$82,331.58.

h. 2 U.S.C. §441a(a)(3) provides that "no individual shall make contributions aggregating more than \$25,000 in any calendar year." Thomas M. Keahey exceeded the \$25,000 annual contribution limitation in that checks written on the Moving Account, i.e., contributions made by him, totalled approximately \$97,479.48 in calendar year 1976.

WHEREFORE, respondent Thomas M. Keahey agrees:

4. That each check drawn upon the Keahey's Moving and Storage Account to pay a campaign-related expense of J. Carole Keahey or to transfer funds to another campaign account constituted a contribution in a like amount made by him to the candidacy of J. Carole Keahey.
5. That his contribution of approximately \$8,672.67 in relation to the May 25, 1976, runoff election was made in violation of 2 U.S.C. §441a(a)(1)(A).
6. That his contribution of approximately \$82,331.58 in relation to the November 2, 1976, general election was made in violation of 2 U.S.C. §441a(a)(1)(A).
7. That his contribution of approximately \$97,479.48 during calendar year 1976 was made in violation of 2 U.S.C. §441a(a)(3).
8. That he will voluntarily testify before any Commission proceeding, or before any other proceeding, in which the matters at issue herein are relevant.
9. That he will, now and in the future, comply in all respects with the Federal Election Campaign Act of 1971, as amended.

10. That, pursuant to 2 U.S.C. §437g(a)(6), he will pay to the Treasury of the United States a civil penalty in the amount of seventy-two thousand (\$72,000) dollars.

The Federal Election Commission and Thomas M. Keahey enter into this conciliation agreement under the following GENERAL CONDITIONS:

11. The Commission on request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.
12. It is mutually agreed that this agreement shall become effective as of the moment that all parties hereto have executed same and the Commission has approved the entire agreement.
13. It is agreed that respondent Thomas M. Keahey shall have thirty days from the effective date of this agreement to implement and comply with all requirements contained herein.

FOR THE FEDERAL ELECTION COMMISSION:

\_\_\_\_\_  
WILLIAM C. OLDAKER  
GENERAL COUNSEL

\_\_\_\_\_  
DATE

FOR THE RESPONDENT:

\_\_\_\_\_  
THOMAS M. KEAHEY

\_\_\_\_\_  
DATE



BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of       )  
                              )  
J. Carole Keahey and    )  
Thomas M. Keahey        )

MUR 384 (77)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on February 1, 1978, the Commission determined by a vote of 5-0 to take the following actions in the above-captioned matter:

1. Find reasonable cause to believe that Thomas M. Keahey violated 2 U.S.C. Section 441a(a)(1)(A) in that he exceeded the \$1000 contribution limit with regard to the May 25, 1976, runoff election and with regard to the November 2, 1976, general election.
2. Find reason to believe that Thomas M. Keahey violated 2 U.S.C. Section 441a(a)(3) in that he exceeded the \$25,000 annual contribution limitation in calendar year 1976.
3. Find reasonable cause to believe that J. Carol Keahey violated 2 U.S.C. Section 441a(f), in that she knowingly accepted contributions from Thomas M. Keahey which were in excess of his \$1,000 individual limitation as to the May 25, 1976, runoff election and as to the November 2, 1976 general election, and which were in excess of his \$25,000 annual contribution limitation.
4. Find reasonable cause to believe that J. Carol Keahey violated 2 U.S.C. Section 434(b)(2), in that as a candidate and as treasurer of her principal campaign committee, her reports of receipts and expenditures did not identify Thomas M. Keahey as an individual who had contributed in excess of \$100 during calendar year 1976.

(continued)

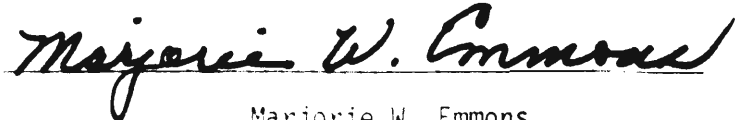
BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of       )  
                              )  
J. Carole Keahey and    )  
Thomas M. Keahey        )

MUR 384 (77)  
February 1, 1978  
Page 2

5. Find reason to believe that J. Carole Keahey violated Section 434(b)(9) in that, as candidate and as treasurer of her principal campaign committee, her reports of receipts and expenditures failed to identify all those persons to whom expenditures were made in an aggregate amount in excess of \$100 during calendar year 1976.
6. Send the amended draft letters submitted by the FEC General Counsel in the report dated January 27, 1978.

Commissioner Springer was not present at the time of the vote in this matter.



Marjorie W. Emmons  
Secretary to the Commission



FEDERAL ELECTION COMMISSION

1325 K STREET NW  
WASHINGTON, DC 20463

February 2, 1978

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

George J. Boyce  
President, Capital City  
Federal Savings and Loan  
Association  
4301 Connecticut Avenue, N.W.  
Washington, D.C. 20008

Re: MUR 384

Dear Mr. Boyce:

Enclosed is an order to submit written answers issued pursuant to Section 437d(a)(1) of Title 2, United States Code, and a subpoena to produce documents issued pursuant to Section 437d(a)(3) of the same Title. The order and the subpoena pertain to information and to documentation relevant to an account or accounts maintained by Thomas M. Keahey.

Vincent J. Convery, Jr., is the attorney assigned to the matter which gave rise to the issuance of the order and the subpoena. Please contact him at 523-4075 if you have any questions.

Please note that 2 U.S.C. §437g(a)(3)(B) prohibits any person from making public the fact of any notification or investigation by the Commission unless the party being investigated has agreed in writing that the matter be made public. You are advised that no such written authorization has been made in this case. The unauthorized disclosure of this matter is subject to the fine set forth in 2 U.S.C. §437d(c).

Sincerely yours,

William C. Oldaker  
General Counsel

Enclosures



VJC  
2/1/78



# FEDERAL ELECTION COMMISSION

1325 K STREET N.W.  
WASHINGTON, D.C. 20004

January 31, 1978

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS

SUBJECT: Additional Subpoena and Order to Answer  
Questions in Relation to MUR 384 (77)

*mwe*

The attached Subpoena and Order to Answer Questions  
have been signed and sealed this date.

Approval was received from Commissioners Aikens, Harris,  
Staebler, and Thomson.

ATTACHMENTS

pc



BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of  
J. Carole Keahey  
and  
Thomas M. Keahey

)  
)  
)  
)  
)  
)  
)

MUR 384

Pursuant to 2 U.S.C. §437d(a)(1) and (3), the Commission hereby authorizes the issuance of the attached order to answer written questions and subpoena for the production of documentary evidence, to the President of the Capital City Savings and Loan Association of Washington, D.C.

Thomas E. Harris  
THOMAS E. HARRIS  
CHAIRMAN

1-30-78  
DATE

JOAN D. AIXENS  
VICE-CHAIRMAN

DATE

WILLIAM L. SPRINGER  
COMMISSIONER

DATE

VERNON W. THOMPSON  
COMMISSIONER

DATE

NEIL STAEBLER  
COMMISSIONER

DATE

ROBERT C. TIERNAN  
COMMISSIONER

DATE

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )

J. Carole Keahey )

and )

Thomas M. Keahey )

MUR 334

Pursuant to 2 U.S.C. 5437d(a)(1) and (3), the Commission hereby authorizes the issuance of the attached order to answer written questions and subpoena for the production of documentary evidence, to the President of the Capital City Savings and Loan Association of Washington, D.C.

\_\_\_\_\_  
THOMAS E. HARRIS  
CHAIRMAN

\_\_\_\_\_  
VERNON W. THOMPSON  
COMMISSIONER

\_\_\_\_\_  
DATE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
JOAN D. AIKENS  
VICE-CHAIRMAN

\_\_\_\_\_  
NEIL STREBLER  
COMMISSIONER

\_\_\_\_\_  
DATE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
WILLIAM L. SPRINGER  
COMMISSIONER

\_\_\_\_\_  
ROBERT O. TIERNAN  
COMMISSIONER

\_\_\_\_\_  
DATE

\_\_\_\_\_  
DATE

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

J. Carole Keahey

and

Thomas M. Keahey

MUR 384

Pursuant to 2 U.S.C. §437d(a)(1) and (2), the Commission hereby authorizes the issuance of the attached order to answer written questions and subpoenas for the production of documentary evidence, to the President of the Capital City Savings and Loan Association of Washington, D.C.

\_\_\_\_\_  
THOMAS E. HARRIS  
CHAIRMAN

\_\_\_\_\_  
TIMOTHY W. THOMSON  
COMMISSIONER

\_\_\_\_\_  
DATE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
JOAN D. AIKENS  
VICE-CHAIRMAN

\_\_\_\_\_  
NEIL STAEBLER  
COMMISSIONER

\_\_\_\_\_  
DATE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
WILLIAM L. SPRINGER  
COMMISSIONER

\_\_\_\_\_  
ROBERT C. TIERMAN  
COMMISSIONER

\_\_\_\_\_  
DATE

\_\_\_\_\_  
DATE

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of  
J. Carole Keahey  
and  
Thomas M. Keahey

)  
)  
)  
)  
)  
)

MUR 384

Pursuant to 2 U.S.C. §437d(a)(1) and (3), the Commission hereby authorizes the issuance of the attached order to answer written questions and subpoenas for the production of documentary evidence, to the President of the Capital City Savings and Loan Association of Washington, D.C.

\_\_\_\_\_  
THOMAS E. HARRIS  
CHAIRMAN

\_\_\_\_\_  
VERNON W. THOMPSON  
COMMISSIONER

\_\_\_\_\_  
DATE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
JOAN D. AIKENS  
VICE-CHAIRMAN

\_\_\_\_\_  
NEIL STAEBLER  
COMMISSIONER

\_\_\_\_\_  
DATE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
WILLIAM L. SPRINGER  
COMMISSIONER

\_\_\_\_\_  
ROBERT C. TIERNAN  
COMMISSIONER

\_\_\_\_\_  
DATE

\_\_\_\_\_  
DATE



BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
J. Carole Keahey )  
and ) MUR 384  
Thomas M. Keahey )

Pursuant to 2 U.S.C. §437d(a)(1) and (3), the Commission hereby authorizes the issuance of the attached order to answer written questions and subpoena for the production of documentary evidence, to the President of the Capital City Savings and Loan Association of Washington, D.C.

\_\_\_\_\_  
THOMAS E. HARRIS  
CHAIRMAN

\_\_\_\_\_  
DATE

\_\_\_\_\_  
VERNON W. THOMSON  
COMMISSIONER

\_\_\_\_\_  
DATE

\_\_\_\_\_  
JOAN D. AIKENS  
VICE-CHAIRMAN

\_\_\_\_\_  
DATE

\_\_\_\_\_  
NEIL STAEBLER  
COMMISSIONER

\_\_\_\_\_  
DATE

\_\_\_\_\_  
WILLIAM L. SPRINGER  
COMMISSIONER

\_\_\_\_\_  
DATE

\_\_\_\_\_  
ROBERT O. TIERNAN  
COMMISSIONER

\_\_\_\_\_  
DATE



FEDERAL ELECTION COMMISSION

125 K STREET NW  
WASHINGTON, DC 20463

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

George J. Boyce  
President, Capital City  
Federal Savings and Loan  
Association  
4301 Connecticut Avenue, N.W.  
Washington, D.C. 20008

Re: MUR 384

Dear Mr. Boyce:

Enclosed is an order to submit written answers issued pursuant to Section 437d(a)(1) of Title 2, United States Code, and a subpoena to produce documents issued pursuant to Section 437d(a)(3) of the same Title. The order and the subpoena pertain to information and to documentation relevant to an account or accounts maintained by Thomas M. Keahey.

Vincent J. Convery, Jr., is the attorney assigned to the matter which gave rise to the issuance of the order and the subpoena. Please contact him at 523-4075 if you have any questions.

Please note that 2 U.S.C. §437g(a)(3)(B) prohibits any person from making public the fact of any notification or investigation by the Commission unless the party being investigated has agreed in writing that the matter be made public. You are advised that no such written authorization has been made in this case. The unauthorized disclosure of this matter is subject to the fine set forth in 2 U.S.C. §437d(c).

Sincerely yours,

William C. Oldaker  
General Counsel

Enclosures



UNITED STATES OF AMERICA  
FEDERAL ELECTION COMMISSION

TO: George J. Boyce  
President, Capital City  
Federal Savings and  
Loan Association  
4301 Connecticut Avenue, N.W.  
Washington, D.C. 20008

ORDER TO SUBMIT WRITTEN ANSWERS

At the instance of the Federal Election Commission and pursuant to Section 437d(a)(1) of Title 2, United States Code, you are hereby ordered to submit written answers to the questions contained on the attached page.

The answers should be submitted under oath within five days of your receipt of this Order.

WHEREFORE, the Commission of the Federal Election Commission has set his hand at Washington, D.C., on this 31<sup>st</sup> day of January, 1978.

Thomas E. Harris  
THOMAS E. HARRIS  
CHAIRMAN

ATTEST:

Marjorie W. Emmons  
MARJORIE W. EMMONS  
SECRETARY TO THE COMMISSION

ATTACHMENT TO ORDER

1. Please state your name and your position with Capital City Federal Savings and Loan Association.
- 2a. Please identify by account number and by type all accounts that have been or are maintained by Thomas M. Keahey, either individually or in conjunction with others, during the period January 1, 1975, through the present.
  - b. Please state the date on which each account was opened and, if applicable, the date on which each account was closed.
  - c. Please list the names of all persons who have access to the funds in each account and the dates on which they first were extended such access. Please provide copies of pertinent signature cards.
3. Please list the balance in each account as of the close of each calendar quarter during the periods January 1, 1975, through December 31, 1975 and January 1, 1977 through the present.
4. Attached as exhibits 1, 2 and 3 are copies of five checks, designated as interest checks, drawn on Capital City Federal. These checks are payable to Thomas M. Keahey or Edna F. Keahey and are dated July 30, August 30, September 30, October 29 and November 30, 1976.
  - a. Please identify the account which produced this payment of interest.
  - b. Is it unusual that interest be paid to the customer on a monthly basis rather than accumulate in the account.
  - c. What steps must be taken by the customer in order to obtain monthly payment of interest, rather than interest accumulation? When did Thomas M. Keahey request this method of payment?
5. Attached as exhibit 4 is a copy of a check drawn on Capital City Federal, dated November 10, 1976, payable to Thomas M. Keahey, Jr., in the amount of \$2,500. Please identify the nature of this check (i.e., did it represent a withdrawal from a personal account; was it made in payment from another party to Mr. Keahey, Jr., etc.) and identify the account from which it originated.

6. Attached as exhibit 5 is a copy of a check drawn on Capital City Federal, dated November 18, 1976, payable to Thomas M. Keahey, in the amount of \$700. Please identify the nature of this check and identify the account from which it originated.
7. Attached as exhibit 6 is a copy of a check drawn on Capital City Federal, dated November 18, 1976, payable to Thomas M. Keahey and Edna F. Keahey, in the amount of \$25,000. Please identify the nature of this check and identify the account from which it originated.

**CAPITAL CITY FREIGHT**  
 ORGANIZED 1916  
 WASHINGTON, D. C. 7-30-76 No. 9-24007

TO: **Mr. Kennedy**  
 Room 14, North  
 300 Broadway Street, N.W.  
 Washington, D.C. 20016

FROM: **Mr. Kennedy**  
 Room 14, North  
 300 Broadway Street, N.W.  
 Washington, D.C. 20016

103-02701-1

103-02701-1

103-02701-1

103-02701-1

**CAPITAL CITY FREIGHT**  
 ORGANIZED 1916  
 WASHINGTON, D. C. 7-30-76 No. 9-24702

TO: **Mr. Kennedy**  
 Room 14, North  
 300 Broadway Street, N.W.  
 Washington, D.C. 20016

FROM: **Mr. Kennedy**  
 Room 14, North  
 300 Broadway Street, N.W.  
 Washington, D.C. 20016

103-02701-1

103-02701-1

103-02701-1

103-02701-1

Exhibit 1

**CAPITAL CITY FEDERAL**

WASHINGTON, D. C. 20540 No. 8-2090

PAID TO THE ORDER OF

THOMAS M. KEAHEY or Edna F. Keahey  
3806 Brandwine Street, N.W.  
Washington, D.C. 20016

*Robert A. Linder*  
MANAGER

⑆0540⑉0007⑆ ⑆-200 28 3⑆ ⑆000009222⑆

**CAPITAL CITY FEDERAL**

WASHINGTON, D. C. 20540

PAID EXACTLY \$228.00 AND 03/10 CENTS

TO THE ORDER OF

THOMAS M. KEAHEY or Edna F. Keahey  
3806 Brandwine Street, N.W.  
Washington, D.C. 20016

⑆0540⑉0007⑆ ⑆-200 28 3⑆ ⑆000004325⑆

Exhibit 2

<p>UNITED STATES DEPARTMENT OF JUSTICE          FEDERAL BUREAU OF INVESTIGATION          WASHINGTON, D. C. 20535</p>		<p>FILE NO. 103-2636-2</p>	
<p>TO: DIRECTOR, FBI (100-441111)</p>		<p>FROM: SAC, NEW YORK (100-100000)</p>	
<p>SUBJECT: [REDACTED]</p>		<p>DATE: 10/1/77</p>	
<p>RE: [REDACTED]</p>		<p>CLASSIFICATION: [REDACTED]</p>	
<p>THOMAS M. [REDACTED]          1000 [REDACTED] STREET, N.W.          WASHINGTON, D.C. 20007</p>		<p>SIGNATURE: [REDACTED]</p>	
<p>100-441111-1000</p>		<p>100-100000-1000</p>	

Exhibit 3





ESLIC

CAPITAL CITY FEDERAL

Savings and Loan Association

THE NATIONAL BANK OF WASHINGTON

WASHINGTON, D.C.

Nov. 10.

PAY

\$ 700.00\*\*

THOMAS M. KEARNEY\*\*

*D Bryan Law*

⑆0303⑆223⑆

⑆0540⑆0007⑆ ⑆053 77 ⑆

⑆0000070000⑆

FSLIC

# CAPITAL CITY FEDERAL

Savings and Loan Association

3-31225

November 18, 1976

PAY

\$ 25,000.00\*\*\*\*\*

\*\*\*Thomas M. Keahey and  
Edna P. Keahey\*\*\*

*Bryan Powell*

⑈03031225⑈

⑈0540⑈0007⑈ ⑈001 77 ⑈

⑈0002500000⑈

UNITED STATES OF AMERICA

FEDERAL ELECTION COMMISSION

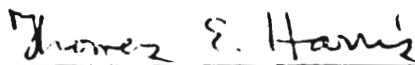
TO: George J. Boyce  
President, Capital City  
Federal Savings and Loan  
Association  
4301 Connecticut Avenue, N.W.  
Washington, D.C. 20008

SUBPOENA TO PRODUCE DOCUMENTARY EVIDENCE

At the instance of the Federal Election Commission and pursuant to Section 437d(a)(3) of Title 2, United States Code, you are hereby subpoenaed to produce copies of all records under your control which pertain to any and all accounts maintained by Thomas M. Keahey individually or in conjunction with others, for the period January 1, 1976 through December 31, 1976. These records are to include, but shall not be limited to statements of account, deposit slips and other evidence of the source of deposits made to the account(s), cancelled checks, memoranda, and other relevant documents.

Notice is hereby given that the subpoenaed records are to be produced at the Commission's Office of General Counsel, 4th Floor, 1325 K Street, N.W., Washington, D.C., within ten days of your receipt of this subpoena.

WHEREAS, the Commission of the Federal Election Commission has hereunto set his hand at Washington, D.C., this 31<sup>st</sup> day of January, 1978.

  
\_\_\_\_\_  
THOMAS E. HARRIS  
CHAIRMAN

ATTEST:

  
\_\_\_\_\_  
MARJORIE W. EMMONS  
SECRETARY TO THE COMMISSION

January 27, 1978

MEMORANDUM TO: Marge Emmons  
FROM: Elissa T. Garr  
SUBJECT: MUR 384

Please have the attached Request for Additional  
Subpoena on MUR 384 distributed to the Commission for  
approval.

Thank you.

78040064251



FEDERAL ELECTION COMMISSION

1225 K STREET N.W.  
WASHINGTON D.C. 20463

*Place in file*  
February 16, 1978

MEMORANDUM TO: File MUR 384  
FROM: Elissa T. Garr, Docket Coordinator  
THROUGH: William C. Oldaker  
SUBJECT: Confirmation of Recusal from MUR 384

This will confirm my previous recusal from all substantive participation in the above compliance action due to the existence of a possible conflict of interest, in that my husband, Richard Garr, is employed as a part-time law clerk in the law firm of Nylen and Gilmore, who are attorneys for Capital City Federal Savings and Loan Association.

The existence of my husband's employment with Nylen and Gilmore has been previously disclosed both to the General Counsel and the Special Assistant to the General Counsel, Stephanie Katz.

I have in no way participated in substantive discussion or in negotiations in connection with the matter within the Commission, with anyone connected with the matter, nor with my husband, nor will I do so.

I believe it to be in the best interests of the Commission to recuse myself from substantive participation in this matter and to file this memorandum to confirm my actions and conduct.





## FEDERAL ELECTION COMMISSION

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

### MEMORANDUM

TO: The Commission

FROM: William C. Oldaker *Bill*

SUBJECT: Additional Subpoena and Order to Answer  
Questions - MUR 384

The background facts are essentially set forth in our January 13, 1978, report to the Commission. 1/

In summary, in order to trace the origin of funds used in the campaign of J. Carole Keahey, we had subpoenaed the Riggs National Bank to provide us with documentation which would substantiate twenty deposits made to the Keahey Moving and Storage Account during the period August through December, 1976.

On January 17, 1978, Riggs supplied us with the documentation. The records generally supported Thomas M. Keahey's testimony that the deposits were made from the proceeds of his moving business and from his retirement pay.

The records also establish that several deposits were made with funds that represented interest on an account (or accounts) Mr. Keahey maintained at the Capital City Savings and Loan Association in Washington.

---

1/ The recommendation contained in that report was withdrawn as the issue involved had become moot. We believe that the facts contained in the report are still properly before the Commission.



Two other deposits are of particular interest. On November 10, 1976, a deposit of \$2,500 was made with a Capital City check payable to Thomas M. Keahey, Jr. On November 18, 1976, a Capital City check for \$700 payable to Thomas M. Keahey, and one for \$25,000 payable to Thomas M. Keahey and Edna F. Keahey, were deposited to the Riggs account. None of these three checks was designated an "interest" check.

We believe that, in order to conclude our investigation as to the origin of the funds used in the Keahey campaign, Capital City Savings and Loan Association should be subpoenaed to produce records pursuant to 2 U.S.C. §437d(a)(3) and should be ordered to submit written answers to questions pursuant to 2 U.S.C. §437d(a)(1).



January 27, 1978

MEMORANDUM TO: Marge Emmons  
FROM: Elissa T. Garr  
SUBJECT: MUR 384 Team #2 Convery

Please have the attached General Counsel's Report on MUR 384 distributed to the Commission and placed on the Compliance Agenda for the Commission meeting of Feb. 1, 1978.

Thank you.

78740714257

In the Matter of )  
 ) MUR 384  
J. Carole Keahey and )  
Thomas M. Keahey )

## GENERAL COUNSEL'S REPORT

## I. BACKGROUND:

On June 28, 1977, the Commission found reason to believe that J. Carole Keahey, a candidate for Congress from Alabama in 1976, violated 2 U.S.C. §441a(f) by accepting excessive campaign contributions and violated 2 U.S.C. §434(b) by failing to identify all contributors to her campaign. The respondent's filings indicated that she loaned approximately \$75,000 and contributed approximately \$30,000 to her campaign. Our investigation in this matter has revealed that Ms. Keahey used more than \$90,000 from a checking account at Riggs National Bank maintained by her father, Thomas M. Keahey in the name of his business, Keahey's Moving and Storage, to pay expenses related to her campaign.

On December 21, 1977, the Commission found reason to believe that Thomas M. Keahey had violated 2 U.S.C. §441a(a)(1)(A) in that he contributed more than \$1,000 to his daughter's campaign.1/

1/ On January 7, 1978, we were notified by respondent's counsel that materials already submitted in connection with Ms. Keahey's case would apply as well to her father's.

## II. ADDITIONAL DEVELOPMENTS:

On December 8, 1977, the Commission authorized the issuance of an Order to answer questions to Stephen O. Porter, a Vice President of Riggs National Bank and the manager of the branch office in which Mr. Keahey maintains his account.

We received Mr. Porter's answers on December 27, 1977. The information he provided will be discussed later in this report.

## III. VIOLATION OF 2 U.S.C. §441a:

### A. Applicable Law:

2 U.S.C. §441a(a)(1)(A) provides that "No person shall make contributions to any candidate and his authorized committee with respect to any election for Federal office which, in the aggregate, exceed \$1000."

The law was not always such, and to view this case within the context of changes which occurred during the course of the Keahey candidacy, some background discussion is necessary.

On October 1, 1976, the Commission issued a Policy Statement on Family Member Contribution Limits. This Statement recognized that an uncertainty as to the law existed during the period between January 30, 1976, (the date of the Supreme Court decision in Buckley v. Valeo), and May 11, 1976, (the effective date of the 1976 Amendments to the FECA).

Before Buckley, 18 U.S.C. §608(a)(1) permitted a candidate to "make expenditures from his personal funds, or the funds of his immediate family" up to the amount designated for the Federal office sought. This language was interpreted by the U.S. Court of Appeals in August, 1975, as relaxing the \$1000 individual

contribution limitation set out in 18 U.S.C. §608(b)(1) with regard to immediate family members of the candidate. Buckley v. Valeo, 519 F.2d 821, 854 (1975). The Commission adopted the appellate court's interpretation in Advisory Opinion 1975-65 (40 F.R. 58393, December 16, 1975), which held that an immediate family member could lawfully contribute in excess of \$1,000 to a related candidate, so long as his or her total yearly contributions did not exceed \$25,000, the total aggregate limitation on contributions by an individual, set forth in 18 U.S.C. §608 (b)(3)) [now codified as 2 U.S.C. §441a(a)(3)].

On January 30, 1976, the Supreme Court held in Buckley, (424 U.S. 1), that the expenditure limitations set forth in sections 608(a), 608(c) and 608(e) of Title 18 were unconstitutional 2/. At the same time, however, the court upheld the limitations on contributions to a Federal candidate. 3/ In footnote 59 of the opinion, the court stated that its reading of the legislative history of §608(a) indicated that Congress fully intended that family members be subject to the \$1,000 per election individual limitation on contributions to a Federal candidate.

Subsequently the \$1,000 individual contribution limitation on family members was clearly incorporated into the 1976 Amendments, which went into effect on May 11, 1976. That limitation is now codified as 2 U.S.C. §441a(a)(1)(A).

2/ Generally, §608(a) set forth limitations on the expenditures a candidate could make from personal funds or the funds of immediate family members; §608(c) set forth limitations on total expenditures by a candidate; and §608(e) set forth limitations on expenditures made by any person "relative to" a clearly identified candidate.

3/ \$1000 from a person, 2 U.S.C. §441a(a)(1)(A); \$5000 from a multicandidate political committee, 2 U.S.C. §441(a)(2)(A); and \$25,000 annual aggregate from an individual, 2 U.S.C. §441a(a)(3).

In summary, prior to the Supreme Court's Buckley decision, immediate family members could contribute not in excess of \$25,000 to a related Federal candidate; after May 11, 1976, they were limited by the 1976 Amendments to \$1,000 per election.

Noting that during the period between January 30, 1976, and May 11, 1976 the law in this area was "sufficiently unclear," the Commission, in its October 1, 1976, Policy Statement, declared that it would not require refund of any "family member" contribution in excess of \$1,000 per election, so long as it was within the donor's \$25,000 annual contribution limitation. (In this regard see Advisory Opinions 1976-26 and 1977-15). These contributions would be charged, however, against the individual's \$1,000 per election contribution limitation after May 11, 1976, since Congress merely incorporated the \$1,000 limitation from the 1974 Amendments into the 1976 Amendments. For purposes of this policy, an individual's contribution limits with respect to each election would be aggregated. For example, the individual who gave more than \$2,000 (or \$3,000 if a run-off election was required) to a related candidate in April 1976 could not make any additional contribution after May 11 with respect to any 1976 election in which the candidate was entered or to retire an outstanding debt of that candidate from any 1976 election.

B. Ownership of the checking account:

Since Commission Regulation §110.10(b)(1), which defines "personal funds" was not in effect as of April, 1976, we must look to the legislative history of §608(a) for the then-existing meaning of the term.

The conference report accompanying the final version of the 1974 Amendments provided that:

"...If a candidate for the office of Senator, for example, already is in a position to exercise control over funds of a member of his immediate family before he becomes a candidate, then he could draw upon these funds up to the limit of \$35,000. If, however, the candidate did not have access to or control over such funds at the time he became a candidate, the immediate family member would not be permitted to grant access or control to a candidate in amounts up to \$35,000 if the immediate family member intends that such amounts are to be used in the campaign of the candidate. The immediate family member would be permitted merely to make contributions to the candidate in amounts not greater than \$1,000 for each election involved." S. Conf. Report No. 93-1237, p. 58 (1974). (Emphasis added).

This Congressional interpretation of "personal funds," quoted in full by the Supreme Court in its Buckley opinion, was controlling as of the time Ms. Keahey became a candidate and as of the time she obtained signatory authority in her father's account.

The answers provided by Stephen O. Porter of the Riggs National Bank have established the following: The Keahey Moving and Storage account is owned solely by Thomas M. Keahey. It was established on August 16, 1962, with Mr. Keahey and his wife being the only parties with signatory authority. Thomas M. Keahey, Jr., was granted signatory authority by "resolution" dated September 6, 1972; J. Carole Keahey was granted signatory authority by a "resolution" dated April 20, 1976.<sup>4/</sup> (Copies of Mr. Porter's response, and of the documents which accompanied it, are at attachment 1).

<sup>4/</sup> Mr. Porter's information is in conflict with the testimony given by the Keaheys in their August, 1977, depositions. J. Carole Keahey testified that she had "always" written checks on the account since the time it was established. (Deposition p. 16). Thomas M. Keahey testified that he did not know the exact date the "family" checking account began, but that it has "always been where [his] son, or [his] daughter or [his] wife would write a check on the account when [he] had it at [the branch office at] 17th and G, and always that way where it is now." (Deposition, page 11).

We asked Mr. Porter to list the factors that are considered by Riggs National Bank in determining who has "control over" or "access to" the assets in a particular checking account. He responded that, in the case of a sole proprietorship account (such as the one in question here), those determinations are based upon the signature cards and the "resolutions" filed in the account.<sup>5/</sup>

As to the date on which J. Carole Keahey attained "candidate" status, we note that the earliest expenditure listed on her Reports of Receipts and Expenditures was one for \$460 to the State Democratic Executive Committee made on March 19, 1976. The purpose of that expenditure was listed as being "filing for election."

Information forwarded to us by the Alabama Secretary of State establishes that that office certified Ms. Keahey as a candidate on April 5, 1976.

The evidence indicates, then, that J. Carole Keahey neither exercised control over the funds in her father's account before she became a candidate, nor did she have access or control over them at the time she became a candidate. To the extent that she used the assets in this account for the payment of campaign-related expenses, they must be considered to have been contributions made by her father.

<sup>5/</sup> Regarding the date on which J. Carole Keahey was extended signature authority, we note the following: In response to Commission subpoenas issued in July, 1977, the Keaheys produced, inter alia, seventy-four checks written on the Riggs account in connection with campaign-related expenses. Between March 31, 1976, the date of the earliest check, and April 24, 1976, fourteen checks were written. They were signed variously by Thomas M. Keahey, Edna F. Keahey and Thomas M. Keahey, Jr. J. Carole Keahey did not write her first check on the account until April 29, 1976; thereafter, she wrote the great majority of the checks related to the campaign.

We note also that the signature card executed by J. Carol Keahey is undated. However, the copy of the resolution extending her signatory authority is clearly dated April 20, 1976.

C. Allocation of Contributions:

In 1976, J. Carole Keahey participated in three elections: the May 4 primary; the May 25 runoff; and the November 2 general.

We now must attempt to allocate Mr. Keahey's contributions among these elections. This task is complicated by the fact that the contributions were not specifically designated for any particular election but that the candidate or a member of her family simply would write a check to pay a vendor.

Commission Regulation §110.1(a)(2)(ii) generally states that undesignated contributions received on or before the date of a primary election will be credited to that primary and that contributions received thereafter will be credited to the general election. Although this regulation was not in effect during the period in question, its predecessors provided essentially for the same theory of allocation. 6/

The checks drawn upon the Riggs Account which the Keaheys produced pursuant to the July subpoenas evidence expenditures as follows: in the primary election period: \$4,835.22; in the runoff election period: \$6,350.25; in the general election period: \$83,295.64. 7/

The facts of this case are remarkably similar to those set out in the hypothetical example used in the Policy Statement. (Supra, p. 4).

6/ See Proposed Regulation §107.2a, 40 F.R. 51610, November 5, 1975; O.C. 1975-65, December 19, 1975; Proposed Regulation §107.2a, House Document 94-338, January 20, 1976; Proposed Regulation 110.1(a)(2)(ii), 41 F.R. 21584, May 26, 1976.

7/ All campaign expenditures through August, 1976, were paid from the Riggs account. (See deposition of J. Carole Keahey, p. 24). As we noted in prior reports to the Commission, the Keaheys did not supply us with checks in support of each expenditure listed in the Reports of Receipts and Expenditures. Therefore, actual campaign expenditures, which are tantamount to contributions from Thomas M. Keahey, were in excess of the amounts noted here.



All contributions/expenditures made in the Keahey campaign during what we have construed to have been the primary election period were made prior to April 30, 1976. The first contribution/expenditure made during what we have construed to have been the runoff election period was made on May 11, 1976.

Consistent with the Policy Statement and with the Advisory Opinions issued in conjunction with it, Thomas M. Keahey must be considered to have "used up" his contribution limits under 2 U.S.C. §441a(a)(1)(A) as of April 30, 1976. Consequently, he legally could have made no further contribution to his daughter's campaign with respect to any primary or general election in 1976.

D. Conclusion:

The evidence supports a finding of reasonable cause to believe that Thomas M. Keahey violated 2 U.S.C. §441a(a)(1)(A) with regard to the May 25, 1976 runoff election and with regard to the November 2, 1976, general election. In light of the Commission's October 10, 1976, Policy Statement, we do not believe that there is a basis for such a finding as to the May 4, 1976, primary election.

Additionally, there is evidence to support a finding of reason to believe that Thomas M. Keahey violated 2 U.S.C. §441a(a)(3), in that he made contributions aggregating more than \$25,000 in calendar year 1976.

IV. VIOLATION OF 2 U.S.C. §441a(f):

Section 441a(f) provides, in pertinent part, that no candidate shall knowingly accept any contribution in violation of the contribution limits set forth in that section.

It already has been well documented that Ms. Keahey accepted the improper contributions. Although she did not admit it, we believe that the facts of this case well establish that her acceptance of the improper contributions was a knowing acceptance.

Her defense thus far has been that the funds in the Riggs account were her own personal funds. She testified that she "always" had written checks on the account (See deposition p. 16).

The information supplied by the Riggs National Bank has indicated that this testimony is inaccurate at least. Stephen O. Porter, a bank official, provided information and documentation which demonstrates that Ms. Keahey did not obtain signatory authority in the account until April 20, 1976, one month after she made her initial campaign expenditure and fifteen days after she was formally certified as a candidate.

Ms. Keahey's testimony may be viewed as being self-serving; Mr. Porter's testimony is that of a neutral witness.

The fact that she testified as she did may tend to show that she knew the funds were not, in fact, personal, but belonged to her father.

On these circumstances we believe the Commission should find reasonable cause to believe that J. Carole Keahey violated 2 U.S.C. §441a(f).

V. VIOLATION OF 2 U.S.C. §434(b)(2):

Section 434(b)(2) generally provides that each report of receipts and expenditures shall disclose the full name and mailing address of each person who has made one or more contributions to or for the candidate within the calendar year in an aggregate amount or value in excess of \$100, together with the amount and date of such contribution.

Neither the reports filed by Ms. Keahey as candidate, nor those filed by her principal campaign committee (of which she served as treasurer), anywhere list Thomas M. Keahey as contributor.

The evidence supports a finding of reasonable cause to believe that Ms. Keahey violated 2 U.S.C. §434(b)(2).

VI. VIOLATION OF 2 U.S.C. §434(b)(9):

Section 434(b)(9) generally requires that each report of receipts and expenditures shall disclose the identification of each person to whom expenditures have been made in an aggregate amount in excess of \$100 within the calendar year, together with the amount, date and purpose of each such expenditure.

The checks provided by the Keaheys provide evidence of numerous expenditures which are noted nowhere in the reports of receipts and expenditures. In this regard, see attachment 2.

Accordingly, we believe the Commission should find reason to believe that J. Carole Keahey violated 2 U.S.C. §434(b)(9).

VII. RECOMMENDATIONS:

1. The Commission should make the following findings:

A. With respect to Thomas M. Keahey:

- 1) Reasonable cause to believe that he violated 2 U.S.C. §441a(a)(1)(A) in that he exceeded the \$1000 contribution limit with regard to the May 25, 1976, runoff election and with regard to the November 2, 1976, general election.
- 2) Reason to believe that he violated 2 U.S.C. §441a(a)(3) in that he exceeded the \$25,000 annual contribution limitation in calendar year 1976.

B. With respect to J. Carole Keahey:

- 1) Reasonable cause to believe that she violated 2 U.S.C. §441a(f), in that she knowingly accepted contributions from Thomas M. Keahey which were in excess of his \$1,000 individual limitation as to the May 25, 1976, runoff election and as to the


November 2, 1976, general election, and which were in excess of his \$25,000 annual contribution limitation.

- 2) Reasonable cause to believe that she violated 2 U.S.C. §434(b)(2), in that as a candidate and as treasurer of her principal campaign committee, her reports of receipts and expenditures did not identify Thomas M. Keahey as an individual who had contributed in excess of \$100 during calendar year 1976.
- 3) Reason to believe that she violated 2 U.S.C. §434(b)(9) in that, as candidate and as treasurer of her principal campaign committee, her reports of receipts and expenditures failed to identify all those persons to whom expenditures were made in an aggregate amount in excess of \$100 during calendar year 1976.

2. The Commission should authorize the sending of the letters at attachment 3.

1/27/78

DATE



WILLIAM C. OLDAJER  
GENERAL COUNSEL

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 ) MUR 384 (77)  
 )  
J. Carole Keahey ) Interrogatories

TO: Mr. Stephen O. Porter  
Riggs National Bank  
4249 Wisconsin Avenue, N.W.  
Washington, D.C. 20016

IN REFERENCE TO: The Keahey Moving and Storage Account  
Number 07-08-037-107

- 1a. On what date was account number 07-08-037-107 opened?
- b. By whom was the account opened?
- c. In whose name(s) was the account established?
- 2a. What documents must be prepared and submitted by the client in order to open a checking account in Riggs National Bank?
- b. Please provide copies of the documents submitted in the opening of account number 07-08-037-107.
3. Who was the bank employee who assisted the client(s) in opening account number 07-08-037-107? Is this person still employed by Riggs National Bank; if so, what is his/her position?
- 4a. What documents must be prepared by the Riggs National Bank in order to accomplish the opening of a checking account?
- b. Please provide copies of the documents used to accomplish the opening of account number 07-08-037-107.
5. In addition to the documents referred to in question 4, did the person who assisted in the opening of account number 07-08-037-107 prepare any additional memoranda, records, notes, etc., pertaining to its opening? If so, please provide copies thereof.
6. Describe the nature of account number 07-08-037-107. When was it first opened (i.e. a corporate account; a partnership account; a personal account; a joint account, etc.).

7. Has the nature of the account been changed or modified since its opening? If so, please state when and how it has been changed, and provide documents in support of each change.
- 8a. Please identify all parties who have drawing privileges in account number 07-08-037-107.
- b. Have all these parties had drawing privileges in the account since its opening? If not, please state when each party was first extended drawing privileges.
- c. Please provide copies of the signature cards executed by each of the parties to the account.
- 9a. Who owns title to the assets of account number 07-08-037-107?
- b. If title to the assets of account number 07-08-037-107 is owned by more than one person, what is the nature of that title (i.e., joint tenants; tenants in common; tenants by entirety, etc.)?
- c. What factors does Riggs National Bank consider in determining who owns title to the assets of the account?
10. Is there any agreement between Thomas M. Keahey and the Riggs National Bank which has the effect of designating the owner(s) of the funds in account number 07-08-037-107 upon his death? If so, please provide a copy thereof.
- 11a. What factors are considered by Riggs National Bank in determining who has the legal right of access to assets in a particular checking account?
- b. Identify all parties who have legal right of access to the assets in account number 07-08-037-107?
- 12a. What factors are considered by Riggs National Bank in determining who has control over the assets in a particular checking account?
- b. Please identify all parties who have control over the assets in account number 07-08-037-107.
- 13a. What factors are considered by Riggs National Bank in determining who has the right of beneficial enjoyment with respect to the assets in a particular checking account?
- b. Please identify all parties who have the right of beneficial enjoyment with respect to the assets in checking account number 07-08-037-107.

14. If Thomas M. Keahey is sole owner of the assets in account number 07-08-037-107, what is the status of each additional party who has drawing privileges in the account (i.e., are they considered to be agents of Mr. Keahey, employees of Mr. Keahey, etc.)?
- 15a. Does Riggs National Bank consider a deposit made to account number 07-08-037-107 to be a deposit to the credit of Thomas M. Keahey; to the credit of Keahey's Moving and Storage; or to the credit of some other party or combination of parties?
- b. If the response to question 15a is "to the credit of some other party or combination of parties," please identify.
- 16a. What is the general policy of Riggs National Bank with regard to the assessment of service charges on checking accounts that have become overdrawn?
- b. If there is a memorandum or other document in which this policy is set forth, please provide a copy.
- 17a. What is the general policy of Riggs National Bank with regard to the continued honoring of checks drawn upon an overdrawn account?
- b. If there is a memorandum or other writing which sets forth this policy, please provide a copy.
18. Had Thomas M. Keahey ever entered into an agreement with Riggs National Bank pertaining to the non-assessment of service charges in the event of an overdraft in account number 07-08-037-107?
- 19a. Were any service charges assessed, or were any other actions taken, against account number 07-08-037-107 as a result of its overdraft status in October, November and December, 1976?
- b. If the response to question 19a is in the negative, please identify the bank employee who made the determination to take no action, and please set forth the factors considered in making the decision.

**The Riggs National Bank**

of

Washington, D. C. 20016

FRIENDSHIP OFFICE

WISCONSIN AVENUE AND WARREN STREET

(202) 624-2962

STEPHEN O. PORTER  
VICE PRESIDENT AND MANAGER

December 22, 1977

RECEIVED  
FEDERAL ELECTION  
COMMISSION

'77 DEC 27 AM 9:51

*Convery*

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

Dear Mr. Oldaker:

I am answering the interrogatories with regard to the Keahey Moving and Storage Account to the best of my knowledge and belief.

1a. August 16, 1962.

1b. Thomas M. Keahey.

1c. Keahey's Moving and Storage.

2a. If it is an individual, merely signature cards; other than an individual, resolutions and signature cards.

2b. Enclosed.

3. We are unable to tell at this time because at the time we went on the computer, the computer number was pasted over the initials of the person opening the account (see enclosed).

4a. Again, if it is an individual merely signature cards--other than an individual either sole proprietorship or corporate resolutions must also be filed and in the case of estate accounts, letters testamentary plus signature cards.

b. Enclosed.

5. No.

6. Sole ownership.

7. Yes; the adding of Thomas M. Keahey, Jr. as a signer on September 6, 1972 and J. Carole Keahey on April 20, 1976.

8a. Thomas M. Keahey, Edna F. Keahey, Thomas M. Keahey, Jr., J. Carole Keahey.

b. No. August 16, 1962, Thomas M. Keahey or Edna F. Keahey.  
September 6, 1972, Thomas M. Keahey, Edna F. Keahey or Thomas M. Keahey, Jr.  
April 20, 1976, Thomas M. Keahey, Edna F. Keahey, Thomas M. Keahey, Jr. or J. Carole Keahey.



**The Riggs National Bank**  
of  
**Washington, D. C. 20016**

**FRIENDSHIP OFFICE**  
WISCONSIN AVENUE AND WARREN STREET  
(202) 624-2962

STEPHEN O. PORTER  
VICE PRESIDENT AND MANAGER

December 22, 1977

PAGE TWO CONTINUED FROM PAGE ONE

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8c. Enclosed.

9a. This is a sole proprietorship account owned solely by Thomas M. Keahey.

b. Sole ownership, Thomas M. Keahey.

c. The solely owned resolution filed with us.

10. Upon the death of Thomas M. Keahey, the sole ownership of Keahey Moving and Storage would cease and the funds would belong to his estate.

11a. The resolution and signature cards.

b. Thomas M. Keahey, Edna F. Keahey, Thomas M. Keahey, Jr., J. Carole Keahey.

12a. The resolution and signature cards.

b. Thomas M. Keahey, Edna F. Keahey, Thomas M. Keahey, Jr., J. Carole Keahey.

13a. The resolution and signature cards.

b. Resolution and signature cards.

14. Authority has been given by the sole owner, Mr. Keahey to his wife, son and daughter to draw against this account individually.

15a. Keahey's Moving and Storage.

b. Keahey's Moving and Storage.

16a. The assessment of service charges against overdrawn accounts is left to the judgment of the Manager of the branch or the overdraft officer. Taken into consideration is the length of time the account has been with us, the average balances in the account and the number of times overdrawn.

b. No.

17a. Same as 16a.

b. No.

# The Riggs National Bank

of

Washington, D. C. 20016

FRIENDSHIP OFFICE

WISCONSIN AVENUE AND WARREN STREET

(202) 624-2962

STEPHEN O. PORTER  
VICE PRESIDENT AND MANAGER

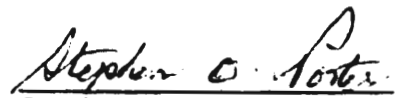
December 22, 1977

PAGE THREE CONTINUED FROM PAGE TWO

18. Absolutely not.

19a. No. Mr. Keahey assured me that he had funds coming in owed to him by the government for moving and storage. He also showed me assets in a building and loan association sufficient to cover the overdraft upon demand.

b. Stephen O. Porter. The answer given to this is in 19a.

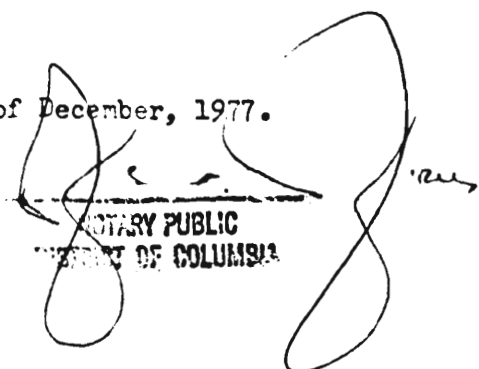
  
Stephen O. Porter  
Vice President and Manager  
Riggs National Bank  
Friendship Office

Enclosures

DISTRICT OF COLUMBIA:

Subscribed and sworn to before me this 22d day of December, 1977.

My comm. exp. 5-14-78

  
NOTARY PUBLIC  
DISTRICT OF COLUMBIA

AUTHORIZATION FOR SOLE OWNERSHIP TRADE NAME ACCOUNT

To The Riggs National Bank

16 Aug, 1962

of Washington, D. C.

I, THOMAS M. KEAHEY make application  
for the opening and maintenance with your bank of a checking account  
designated KEAHEY'S MOVING & STORAGE

This name is one adopted by me for the conduct of a business  
of which I am the sole owner.

You are authorized to honor withdrawals against the account  
when signed by me or by EDNA F. KEAHEY

Very truly yours,

Thomas M. Keahey  
Signature

3806-Brandywine st. N.W.  
Address  
D.C. I 14

7309001275

AUTHORIZATION FOR SOLE OWNERSHIP TRADE NAME ACCOUNT

To The Riggs National Bank September 6, , 1972  
of Washington, D. C.

I, Thomas M. Keahey make application  
for the opening and maintenance with your bank of a checking account  
designated Keahey's Moving & Storage.

This name is one adopted by me for the conduct of a business  
of which I am the sole owner.

You are authorized to honor withdrawals against the account  
when signed by me or by Edna F. Keahey or Thomas M. Keahey, Jr..

Very truly yours,

TX

Thomas M. Keahey  
Signature

3806 Brandywine Street, N. W., Wash., D.C. 20016  
Address

AUTHORIZATION FOR SOLE OWNERSHIP TRADE NAME ACCOUNT

To The Riggs National Bank April 20, 1976, 19  
of Washington, D. C.

I, Thomas M. Keahey make application  
for the opening and maintenance with your bank of a checking account  
designated Keahey's Moving & Storage.

This name is one adopted by me for the conduct of a business  
of which I am the sole owner.

You are authorized to honor withdrawals against the account  
when signed by me or by Edna F. Keahey or Thomas M. Keahey, Jr. or  
J. Carole Keahey.

Very truly yours,

Thomas M. Keahey  
Signature

3806 Brandywine Street, N. W., Wash., D.C.  
Address 20016

THE RIGGS NATIONAL BANK OF WASHINGTON, D. C.

BUSINESS CHECKING ACCOUNT

KEAHEY'S MOVING & STORAGE

ACCOUNT OPENED  
AUG 16 '62

The undersigned hereby agree on behalf of the firm or corporation named above to the conditions printed on the reverse side of this card.

Signatures:

Edna F. Keahey  
Thomas M. Keahey Jr.

TITLE

EITHER ONE MAY SIGN

Mailing  
Address

3806 Brandywine St. N.W.

TELEPHONE

CO 5-6027

Bank Reference

Riggs 31 01 08 031 107

Introduced by

THIS  
SPACE  
FOR  
BANK  
USE

AMOUNT OPENED

\$ 442.25

Keahey's Moving & Storage,

THE RIGGS NATIONAL BANK OF WASHINGTON, D. C.

BUSINESS CHECKING ACCOUNT

KEAHEY'S MOVING & STORAGE

ACCOUNT OPENED  
8/16/62

The undersigned hereby agree on behalf of the firm or corporation named above to the conditions printed on the reverse side of this card.

EIN Number

Signatures:

J. Carole Keahey

TITLE

Mailing  
Address

3806 Brandywine Street, N. W., D. C. 20016

TELEPHONE

EM 2-5657

Bank Reference

Type of  
Business

AUTHORITY FILED

Introduced by

THIS  
SPACE  
FOR  
BANK  
USE

AMOUNT OPENED

\$

ACCOUNT NUMBER

#07 08 037 107

OPENING APPROVED BY

THE RIGGS NATIONAL BANK OF WASHINGTON, D. C.

BUSINESS CHECKING ACCOUNT

KEAHEY'S MOVING & STORAGE

ACCOUNT OPENED  
8/16/62

The undersigned hereby agree on behalf of the firm or corporation named above to the conditions printed on the reverse side of this card. EITHER ONE OF THE FOLLOWING MAY SIGN

Signatures:

Thomas M. Keahey  
Edna F. Keahey  
Thomas M. Keahey Jr.  
Thomas M. Keahey  
Edna F. Keahey  
Thomas M. Keahey, Jr.

TITLE

Owner

Signer

Signer

EM 2-5657  
TELEPHONE

Mailing  
Address

3806 Brandywine Street, N. W., D.C. 20016

Bank Reference

Type of  
Business

AUTHORITY FILED  
SEP 7 1972

Introduced by

THIS  
SPACE  
FOR  
BANK  
USE

AMOUNT OPENED

\$

ACCOUNT NUMBER

#07 08 037 107

OPENING APPROVED BY

ATTACHMENT 2

CAMPAIGN RELATED CHECKS DELIVERED PURSUANT TO SUBPOENA FOR WHICH  
THERE ARE NO NOTATIONS ON THE REPORTS OF RECEIPTS AND EXPENDITURES

WRITTEN ON RIGGS NATIONAL BANK

<u>DATE</u>	<u>PAYEE</u>	<u>AMOUNT</u>
4/20/76	Montgomery Advertiser	\$ 637.98
9/22/76	Montgomery Advertiser	14.45
5/11/76	Downtowner	452.17
5/18/76	Robert Walton	443.00
5/18/76	Emory McCollough	266.00
5/24/76	John Erion	127.00
5/27/76	Howard J. Richards	222.00
5/29/76	Dothan Eagle	136.80
7/06/76	Dothan Eagle	84.80
6/02/76	Cash	1,000.00
6/29/76	Helga Howie	237.00
7/15/76	Martha Richards	217.41
8/09/76	Service Printing Co.	724.20
10/15/76	Service Printing Co.	374.50
8/20/76	Ronnie Martin	<u>100.00</u>
	TOTAL	\$5,037.31

WRITTEN ON SOUTHERN BANK

9/1/76	Unspecified*	500.00
9/27/76	Holiday Inn	300.00
10/22/76	Troy Messenger	400.00
10/22/76	Montgomery Advertiser	2,300.00
10/22/76	Brundidge Banner	250.00
10/22/76	Union Springs Herald	250.00

WRITTEN ON SOUTHERN BANK

<u>DATE</u>	<u>PAYEE</u>	<u>AMOUNT</u>
10/22/76	Elba Clipper	143.00
10/22/76	Butler County News	140.00
12/21/76	Wendell Sasser	<u>1,225.00</u>
	TOTAL	\$5,508.00

\*We do not have a copy of this check. The date and the amount were ascertained from a monthly banking statement. No corresponding amount could be located on a report of receipts and expenditures.





# FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

J. Carole Keahey  
c/o John A. Kendrick, Esquire  
233 Massachusetts Avenue, N.E.  
Washington, D.C. 20002

Re: MUR 384

Dear Ms. Keahey:

This is to inform you that, on February , 1978, the Commission found reasonable cause to believe that you violated Sections 441a(f) and 434(b)(2) of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431 et seq. The finding under Section 441a(f) was based upon evidence that, during your candidacy for the U.S. House of Representatives from Alabama in 1976, you knowingly accepted contributions from Thomas M. Keahey which were in excess of his \$1,000 individual limitation as to the May 25 runoff election and as to the November 2 general election, and which were in excess of his \$25,000 annual contribution limitation. The finding under Section 434(b)(2) was based upon evidence that you, in the reports of receipts and expenditures you filed as candidate and as treasurer of your principal campaign committee, failed to identify Thomas M. Keahey as an individual who had contributed in excess of \$100 during calendar year 1976.

In this connection, we note that information submitted to the Commission by the Riggs National Bank establishes that you obtained signatory authority and thus access and control over, the Keahey's Moving and Storage checking account on April 20, 1976. Inasmuch as, you did not have access and control over the funds in this account as of the date you became a candidate, they cannot be regarded as "personal funds" and must be considered to have been contributions made to your campaign by the owner of the account.



Attachment 3

Under 2 U.S.C. §437g(a)(5)(A), if the Commission determines that a person has committed a violation of the Act, it must make every endeavor for a period of not less than thirty days to correct such violation by informal methods of conference, conciliation, and persuasion, and must attempt to enter into a conciliation agreement with the person involved.

Since, in this case, the Commission also has found reason to believe that a violation of another section of the Act has occurred, it is required by 2 U.S.C. §437g(a)(4) to afford a reasonable opportunity to demonstrate that no action should be taken as to that violation.

Therefore, we would propose delaying the opening of the conciliation period as to the violation of Section 441a(a)(1)(A) until such time as you have responded to our notification as to the Commission's finding under Section 441a(a)(3). This response should be made within ten days of your receipt of this letter.

Should you have any questions, please contact Vincent J. Convery, Jr., the attorney assigned to the matter, at 523-4057.

Sincerely yours,

William C. Oldaker  
General Counsel



## FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Thomas M. Keahey  
c/o John A. Kendrick, Esquire  
233 Massachusetts Avenue, N.E.  
Washington, D.C. 20002

Re: MUR 384

Dear Mr. Keahey:

This is to inform you that, on February , 1978, the Commission found reasonable cause to believe that you violated Section 441a(a)(1)(A) of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431 et seq. This finding was based upon evidence that, with regard to the candidacy of J. Carole Keahey for election to the U.S. House of Representatives from Alabama, you exceeded the \$1,000 contribution limit with respect to the May 25, 1976 runoff election and with respect to the November 2, 1976, general election.

On the same date the Commission also found reason to believe that you violated Section 441a(a)(3) of the Act, in that you exceeded the \$25,000 annual contribution limitation in calendar year 1976.

In this connection, we note that information submitted to the Commission by the Riggs National Bank establishes that J. Carole Keahey obtained signatory authority in, and thus access and control over, the Keahey's Moving and Storage checking account on April 20, 1976. Inasmuch as Ms. Keahey did not have access and control over the funds in this account as of the date she became a candidate, they cannot be regarded as her "personal funds" but must be considered to have contributions made by you as owner of the account.



Attachment 3

On the same date, the Commission also found reason to believe that you violated 2 U.S.C. §434(b)(9), in that, in reports of receipts and expenditures filed by you as candidate and as treasurer of your principal campaign committee, you failed to identify all those persons to whom expenditures had been made in an aggregate amount in excess of \$100 during calendar year 1976.

Under 2 U.S.C. §437g(a)(5)(A), if the Commission determines that a person has committed a violation of the Act, it must make every endeavor for a period of not less than thirty days to correct such violation by informal methods of conference, conciliation, and persuasion, and must attempt to enter into a conciliation agreement with the person involved.

Since, in this case, the Commission also has found reason to believe that a violation of another section of the Act has occurred, it is required by 2 U.S.C. §437g(a)(4) to afford a reasonable opportunity to demonstrate that no action should be taken as to that violation.

Therefore, we would propose delaying the opening of the conciliation period as to the violation of Sections 441a (f) and 434(b)(2) until such time as you have responded to our notification as to the Commission's finding under Section 434(b)(9). This response should be made within ten days of your receipt of this letter.

Should you have any questions, please contact Vincent J. Convery, Jr., the attorney assigned to the matter, at 523-4057.

Sincerely yours,

William C. Oldaker  
General Counsel

January 11, 1978

MEMORANDUM TO: Marge Hanson  
FROM: Elissa E. Carr  
SUBJECT: MUR 384 Team #2 Convoy

Please have the attached General Counsel's Report on  
MUR 384 distributed to the Commission and placed on the Compliance  
Agenda for the Commission meeting of January 18, 1978.

Thank you.

Withdrawn by G.C.  
1-18-78  
Riggs Bank delivered  
subpoenaed materials  
1-17-78 vsc

78040034285

2314175135

In the Matter of )  
 ) MUR 384 (77)  
J. Carole Keahey )

## GENERAL COUNSEL'S REPORT

On September 1, 1977, the Commission issued a subpoena which ordered Daniel J. Callahan, III, in his capacity as President of the Riggs National Bank of Washington, D.C., to produce all records under his control which pertained to a checking account maintained by Keahey's Moving and Storage for the period January 1, 1975 through June 30, 1977.

In a telephone conversation on September 7, 1977, Melvin L. Chrisman, Senior Vice-President and Cashier of Riggs, indicated that the Bank would not be able to meet the September 19 return date, because the volume of the records subpoenaed was so great, and because Riggs already was in the process of responding to subpoenas for records that had been issued by several courts and government agencies. He suggested that, in the first instance, Riggs supply us with monthly banking statements for the period in question. If we were to determine later that additional documentation would be needed, Riggs would supply it. We agreed to his proposal. (The agreement was confirmed by Mr. Chrisman's letter of September 15, 1977).

At the same time we subpoenaed Mr. Callahan, we also subpoenaed Thomas M. Keahey to produce all books and records which reflected the financial activities of Keahey's Moving and Storage for the period January 1, 1975, through June 30, 1977.

Mr. Keahey filed a motion to quash on behalf of himself and of Riggs Bank. The Commission denied his motion on October 4, 1977. The official notification of the denial was misrouted by the post office and did not reach Mr. Keahey's attorney until October 13.

On October 19, Mr. Keahey's attorney delivered two large boxes of records. These contained many of the subpoenaed documents, but did not include records covering the period January through December, 1975. It was explained that these had been destroyed in a warehouse fire. On October 25, Mr. Keahey's attorney was advised that we would require the remainder of the documents. We were informed that Mr. Keahey would have to obtain these from the State Department, the agency with which he did the bulk of his business, and that it probably would take ten days to gather the materials.

Riggs Bank delivered the monthly statements on October 31, 1977.

Mr. Keahey's attorney delivered the remainder of the moving firm records on November 9, 1977.

After comparing Mr. Keahey's business records with the monthly banking statements, it was discovered that twenty deposits made to the account in the period August through December, 1976, totalling more than \$147,000, were unaccounted for in the business records.

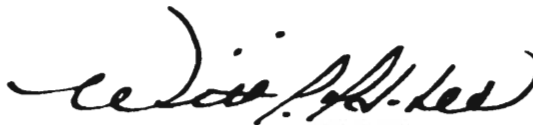
In a letter to Mr. Chrisman which he received on December 12, 1977, we requested that documentation for those unexplained deposits be produced within ten days under the agreement reached in September.

As of this date, Riggs Bank has not complied with that request.

RECOMMENDATION:

We recommend that the Commission authorize us to petition the U.S. District Court to issue an order under 2 U.S.C. §437d(b) requiring Riggs to comply with the subpoena.

731417311331  
1/13/78  
DATE

  
WILLIAM C. OLDAKER  
GENERAL COUNSEL



SCC 2394  
NRN  
RECEIVED  
FEDERAL ELECTION  
COMMISSION

LAW OFFICES  
JOHN A. KENDRICK  
KENDRICK BUILDING  
233 MASSACHUSETTS AVENUE, N. E.  
WASHINGTON, D. C. 20002

'78 JAN 3 AM 9:28

STANLEY A. CAMHI

(202) 544-3131

4 January 1978

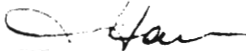
10

Vincent Convery, Esq.  
Federal Election Commission  
General Counsel's Office  
1325 K Street, Northwest  
Washington, D.C. 20463

Dear Vinnie,

I am in receipt of your letter finding "reason to believe" against Mr. Keahey. As we discussed on the telephone, the materials submitted in Ms. Keahey's case would apply to this matter and I would appreciate it if your records would so reflect. Also, if there is any additional information you need so that we can move this matter along, please let me know.

Sincerely,



Stanley A. Camhi

SAC:kmb

*LAC # 2358*  
*men*  
RECEIVED  
FEDERAL ELECTION  
COMMISSION

LAW OFFICES  
JOHN A. KENDRICK  
KENDRICK BUILDING  
233 MASSACHUSETTS AVENUE, N.E.  
WASHINGTON, D.C. 20002

'77 DEC 30 AM 11:19

STANLEY A. CAMHI

(202) 544-3131

29 December 1977

Vincent Convery, Esq.  
Office of General Counsel  
Federal Election Commission  
1325 K Street, Northwest  
Washington, D.C. 20463

Re: Carole Keahey and Thomas M. Keahey

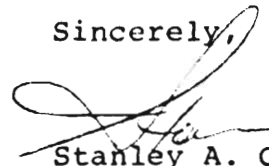
Dear Vinnie,

Thank you for the courtesy of your telephone call yesterday afternoon. As I mentioned I would appreciate a copy of Mr. Porter's answers and also a copy of the list of the deposits in question so that we can assist in ascertaining the source and hopefully lay this matter to rest.

I was a little surprised to find out that you mailed interrogatories to Mr. Porter without notifying us. Since we are in effect the counsel of record in this matter, I think that it would have been appropriate for a copy to be sent to us. I hope that in the future we can be provided with copies of any such documents or subpoenas.

I hope you had a pleasant trip and a happy New Year.

Sincerely,



Stanley A. Camhi

SAC:kmb



FEDERAL ELECTION COMMISSION

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

December 29, 1977

Mr. Thomas M. Keahey  
c/o John A. Kendrick, Esquire  
233 Massachusetts Avenue, N.E.  
Washington, D.C. 20002

Re: MUR 384(77)

Dear Mr. Keahey:

Based upon information obtained during the course of this investigation, the Commission has reason to believe that you may have violated 2 U.S.C. §441a. The nature of your account at the Riggs National Bank, Keahey's Moving and Storage, is such that personal expenditures made toward your daughter's (Ms. J. Carole Keahey) campaign may be considered contributions from you to her and therefore subject to the limitations set forth in the Federal Election Campaign Act (the Act), as amended.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. 2 U.S.C. §437g. Please submit any factual or legal materials which you consider relevant to the Commission's deliberations within ten (10) days of the receipt of this letter.

This notification letter shall remain confidential in accordance with 2 U.S.C. §437g(a)(3) unless you state to the Commission in writing that you wish the investigation to be made public. If you have any questions, please contact Vincent J. Convery, Jr., the attorney assigned to this matter at 202-523-4057.

Sincerely yours,

William C. Oldaker  
General Counsel

Charles N. Steele  
Associate General Counsel

VSC  
12/22/77



PS Form 3811, Apr. 1977

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

384

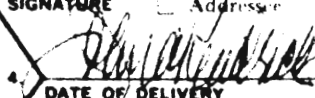
● **SENDER** Complete items 1, 2, and 3.  
Add your address in the "RETURN TO" space on reverse

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

2. **ARTICLE ADDRESSED TO:**  
 Mr. Thomas Hendon  
 40 John A. Hendon, Esq.  
 233 Maple Ave N.E.  
 Wash DC 20002

3. **ARTICLE DESCRIPTION:**  
 REGISTERED NO. CERTIFIED NO. INSURED NO.  
 943913

(Always obtain signature of addressee or agent)

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


4. **DATE OF DELIVERY** 31 Dec 77 **POSTMARK**

5. **ADDRESS** (Complete only if requested)

6. **UNABLE TO DELIVER BECAUSE:** **CLERK'S INITIALS**

7304004292

BEFORE THE FEDERAL ELECTION COMMISSION

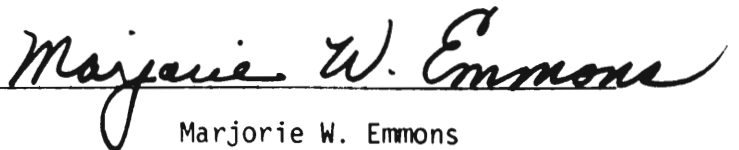
In the Matter of )  
J. Carole Keahey )

MUR 384 (77)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on December 21, 1977, the Commission determined by a vote of 4-0 to find reason to believe that Thomas M. Keahey violated 2 U.S.C. Section 441a in connection with the above-captioned matter, and to so notify Mr. Keahey.

Voting for this determination were Commissioners Aikens, Harris, Thomson, and Tiernan. Commissioners Springer and Staebler were not present at the time of the vote.



Marjorie W. Emmons  
Secretary to the Commission

73740764293

J. Carole Keahey was also certified in similar form as United States Representative to the probate judges in the following counties: Barbour, Bullock, Butler, Coffee, Conecuh, Covington, Crenshaw Dale, Geneva, Henry, Houston, Montgomery, Pike.

STATE OF ALABAMA  
DEPARTMENT OF STATE

MC 2355  
NRN

To the Honorable G. Colvin Steindorff  
Judge of Probate of Butler County  
Greenville, Alabama

I, Mrs. Agnes Baggett, Secretary of State of the State of Alabama, hereby certify, in accordance with Title 17, Section 344, Code of Alabama of 1940, as amended, that the following list contains the names of all opposed candidates of the Democratic Party for State and National offices, and State party offices, and also contains the names of all candidates who are to be voted for by the voters of more than one county, in the primary election to be held on Tuesday, May 4, 1976, certified to me by the Honorable Robert S. Vance, Chairman of the State Democratic Executive Committee of Alabama, and request that you cause their names to be placed upon the official Democratic ballots to be used in said primary election as provided by law, to-wit:

FOR DELEGATE TO DEMOCRATIC NATIONAL CONVENTION  
23rd

	DISTRICT
Farrell D. Batley (Harris)	Wallace Miller (Wallace )
John B. Crawley (Carter )	"Shorty" Price (Price)
James D. McLaughlin (Uncommitted)	

FOR UNITED STATES REPRESENTATIVE  
SECOND

CONGRESSIONAL DISTRICT  
~~J. E. Brantley~~  
J. Carole Keahey  
Floyd Sparkman, Jr.  
Jake Watson  
J.G. ( )

FOR STATE SENATOR SENATE DISTRICT NO.  
None

FOR MEMBER HOUSE OF REPRESENTATIVES, DISTRICT NO. ....  
None

FOR CHIEF JUSTICE, SUPREME COURT OF ALABAMA  
Douglas Johnstone  
C. C. "Bo" Torbert, Jr.

FOR ASSOCIATE JUSTICES OF THE SUPREME COURT—Place No. 1

Sam Beatty

William Howell Morrow

FOR JUDGE, COURT OF CRIMINAL APPEALS —Place No. 1

Bill Bowen

Aubrey M. Cates, Jr.

FOR PRESIDENT, PUBLIC SERVICE COMMISSION

Coleman B. Brown, Sr.

John L. (Buddy) Todd

"Earl" Mack Gavin

Tom Walker

Juanita McDaniel

Jim Zeigler

FOR MEMBER, STATE BOARD OF EDUCATION FROM

OLD SECOND CONGRESSIONAL DISTRICT

None

FOR CIRCUIT COURT JUDGE

SECOND JUDICIAL CIRCUIT

Unopposed

DISTRICT COURT JUDGE

None

CIRCUIT COURT CLERK

Unopposed

Witness my hand at the Capitol, in the City of Montgomery, this 5th day of April, 1976.

\_\_\_\_\_  
Mrs. Agnes Baggett  
Secretary of State



STATE OF ALABAMA

SECRETARY OF STATE

MONTGOMERY, ALABAMA 36104

DEC 29 AM 1:58

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

att: Vincent Convery

200 2345  
NRN  
RECEIVED  
FEDERAL ELECTION  
COMMISSION  
'77 DEC 27 AM 9:51

# The Riggs National Bank

of  
Washington, D. C. 20016  
FRIENDSHIP OFFICE  
WISCONSIN AVENUE AND WARREN STREET  
(202) 624-2962

STEPHEN O. PORTER  
VICE PRESIDENT AND MANAGER

December 22, 1977

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

Dear Mr. Oldaker:

I am answering the interrogatories with regard to the Keahey Moving and Storage Account to the best of my knowledge and belief.

- 1a. August 16, 1962.
- b. Thomas M. Keahey.
- c. Keahey's Moving and Storage.
- 2a. If it is an individual, merely signature cards; other than an individual, resolutions and signature cards.
- b. Enclosed.
3. We are unable to tell at this time because at the time we went on the computer, the computer number was pasted over the initials of the person opening the account (see enclosed).
- 4a. Again, if it is an individual merely signature cards--other than an individual either sole proprietorship or corporate resolutions must also be filed and in the case of estate accounts, letters testamentary plus signature cards.
  - b. Enclosed.
5. No.
6. Sole ownership.
7. Yes; the adding of Thomas M. Keahey, Jr. as a signer on September 6, 1972 and J. Carole Keahey on April 20, 1976.
- 8a. Thomas M. Keahey, Edna F. Keahey, Thomas M. Keahey, Jr., J. Carole Keahey.
  - b. No. August 16, 1962, Thomas M. Keahey or Edna F. Keahey.  
September 6, 1972, Thomas M. Keahey, Edna F. Keahey or Thomas M. Keahey, Jr.  
April 20, 1976, Thomas M. Keahey, Edna F. Keahey, Thomas M. Keahey, Jr. or J. Carole Keahey.

# The Riggs National Bank

of

Washington, D. C. 20016

FRIENDSHIP OFFICE

WISCONSIN AVENUE AND WARREN STREET

202 624-2962

STEPHEN O. PORTER  
VICE PRESIDENT AND MANAGER

December 22, 1977

PAGE TWO CONTINUED FROM PAGE ONE

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8c. Enclosed.

9a. This is a sole proprietorship account owned solely by Thomas M. Keahey.

b. Sole ownership, Thomas M. Keahey.

c. The solely owned resolution filed with us.

10. Upon the death of Thomas M. Keahey, the sole ownership of Keahey Moving and Storage would cease and the funds would belong to his estate.

11a. The resolution and signature cards.

b. Thomas M. Keahey, Edna F. Keahey, Thomas M. Keahey, Jr., J. Carole Keahey.

12a. The resolution and signature cards.

b. Thomas M. Keahey, Edna F. Keahey, Thomas M. Keahey, Jr., J. Carole Keahey.

13a. The resolution and signature cards.

b. Resolution and signature cards.

14. Authority has been given by the sole owner, Mr. Keahey to his wife, son and daughter to draw against this account individually.

15a. Keahey's Moving and Storage.

b. Keahey's Moving and Storage.

16a. The assessment of service charges against overdrawn accounts is left to the judgment of the Manager of the branch or the overdraft officer. Taken into consideration is the length of time the account has been with us, the average balances in the account and the number of times overdrawn.

b. No.

17a. Same as 16a.

b. No.

# The Riggs National Bank

of

Washington, D. C. 20016

FRIENDSHIP OFFICE

WISCONSIN AVENUE AND WARREN STREET

202 624 2962

STEPHEN O. PORTER  
VICE PRESIDENT AND MANAGER

December 22, 1977

PAGE THREE CONTINUED FROM PAGE TWO

---

18. Absolutely not.

19a. No. Mr. Keahey assured me that he had funds coming in owed to him by the government for moving and storage. He also showed me assets in a building and loan association sufficient to cover the overdraft upon demand.

b. Stephen O. Porter. The answer given to this is in 19a.

Stephen O. Porter  
Stephen O. Porter  
Vice President and Manager  
Riggs National Bank  
Friendship Office

Enclosures

NOTED FOR SIGNATURE:

I subscribed and sworn to before me this 22d day of December, 1977.

Notary Public, Exp. 1-1-78

NOTARY PUBLIC  
STATE OF MARYLAND

AUTHORIZATION FOR SOLE OWNERSHIP TRADE NAME ACCOUNT

To The Riggs National Bank  
of Washington, D. C.

16 Aug. 1962

I, THOMAS M. KEAHEY, make application  
for the opening and maintenance with your bank of a checking account  
designated KEAHEY'S MOVING & STORAGE

This name is one adopted by me for the conduct of a business  
of which I am the sole owner.

You are authorized to honor withdrawals against the account  
when signed by me or by EDNA F. KEAHEY

Very truly yours,

Thomas M. Keahey  
Signature

3806-Bronxville N.Y.  
D.C. I 14  
Address

AUTHORIZATION FOR SOLE OWNERSHIP TRADE NAME ACCOUNT

To The Riggs National Bank September 6, 1972  
of Washington, D. C.

I, Thomas M. Keahey make application  
for the opening and maintenance with your bank of a checking account  
designated Keahey's Moving & Storage.

This name is one adopted by me for the conduct of a business  
of which I am the sole owner.

You are authorized to honor withdrawals against the account  
when signed by me or by Edna F. Keahey or Thomas M. Keahey, Jr..

Very truly yours,

Thomas M. Keahey  
Signature

3806 Brandwine Street, N. W., Wash., D.C. 20016  
Address

AUTHORIZATION FOR SOLE OWNERSHIP TRADE NAME ACCOUNT

To The Riggs National Bank April 20, 1976, 19  
of Washington, D. C.

I, Thomas M. Keahey make application  
for the opening and maintenance with your bank of a checking account  
designated Keahey's Moving & Storage.

This name is one adopted by me for the conduct of a business  
of which I am the sole owner.

You are authorized to honor withdrawals against the account  
when signed by me or by Edna F. Keahey or Thomas M. Keahey, Jr. or  
J. Carole Keahey.

Very truly yours,

Thomas M. Keahey  
Signature

3806 Brandywine Street, N. W., Wash., D.C.  
Address 20016

THE RIGGS NATIONAL BANK OF WASHINGTON, D. C.

KEAHEY'S MOVING & STORAGE

ACCOUNT OPENED  
AUG 15 '62

The undersigned hereby agree on behalf of the firm or corporation named above to the conditions printed on the reverse side of this card

Signatures

Edna F. Keahay  
Thomas M. Keahay, Jr.

TITLE

EITHER ONE MAY SIGN

Mail Address 3806 Branlywine Street, N.W.

TELEPHONE  
605-6021

Bank Reference

01 08 037 107

Introduced by

THIS  
SPACE  
FOR  
BANK  
USE

AMOUNT OPENED

\$ 100.00

Keahay's Moving & Storage,

THE RIGGS NATIONAL BANK OF WASHINGTON, D. C.

BUSINESS CHECKING ACCOUNT

KEAHEY'S MOVING & STORAGE

ACCOUNT OPENED  
3/16/62

The undersigned hereby agree on behalf of the firm or corporation named above to the conditions printed on the reverse side of this card

FIN Number

Signatures

TITLE

J. Carole Keahay

Mail Address 3806 Branlywine Street, N. W., D. C. 20016

TELEPHONE  
EM 2-5657

Bank Reference

Type of  
Business

AUTHORITY FILED

Introduced by

THIS  
SPACE  
FOR  
BANK  
USE

AMOUNT OPENED

\$

ACCOUNT NUMBER

07 02 037 107

OPENING APPROVED BY

THE RIGGS NATIONAL BANK OF WASHINGTON, D. C.

BUSINESS CHECKING ACCOUNT

KEAHEY'S MOVING & STORAGE

ACCOUNT OPENED  
3/16/62

The undersigned hereby agree on behalf of the firm or corporation named above to the conditions printed on the reverse side of this card

EITHER ONE OF THE FOLLOWING MAY SIGN

Signatures

TITLE

Thomas M. Keahay  
Edna F. Keahay  
Thomas M. Keahay, Jr.

Owner  
Signer  
Signer

Mail Address 3806 Branlywine Street, N. W., D.C. 20016

TELEPHONE

Bank Reference

Type of  
Business

AUTHORITY FILED  
SEP 7 1962

Introduced by

THIS  
SPACE  
FOR  
BANK  
USE

AMOUNT OPENED

\$

ACCOUNT NUMBER

107 02 037 107

OPENING APPROVED BY



BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 ) MUR 384 (77)  
 )  
J. Carole Keahey ) Interrogatories

TO: Mr. Stephen O. Porter  
Riggs National Bank  
4249 Wisconsin Avenue, N.W.  
Washington, D.C. 20016

IN REFERENCE TO: The Keahey Moving and Storage Account  
Number 07-08-037-107

- 1a. On what date was account number 07-08-037-107 opened?
- b. By whom was the account opened?
- c. In whose name(s) was the account established?
- 2a. What documents must be prepared and submitted by the client in order to open a checking account in Riggs National Bank?
- b. Please provide copies of the documents submitted in the opening of account number 07-08-037-107.
3. Who was the bank employee who assisted the client(s) in opening account number 07-08-037-107? Is this person still employed by Riggs National Bank; if so, what is his/her position?
- 4a. What documents must be prepared by the Riggs National Bank in order to accomplish the opening of a checking account?
- b. Please provide copies of the documents used to accomplish the opening of account number 07-08-037-107.
5. In addition to the documents referred to in question 4, did the person who assisted in the opening of account number 07-08-037-107 prepare any additional memoranda, records, notes, etc., pertaining to its opening? If so, please provide copies thereof.
6. Describe the nature of account number 07-08-037-107. When was it first opened (i.e. a corporate account; a partnership account; a personal account; a joint account, etc.).

7. Has the nature of the account been changed or modified since its opening? If so, please state when and how it has been changed, and provide documents in support of each change.
- 8a. Please identify all parties who have drawing privileges in account number 07-08-037-107.
  - b. Have all these parties had drawing privileges in the account since its opening? If not, please state when each party was first extended drawing privileges.
  - c. Please provide copies of the signature cards executed by each of the parties to the account.
- 9a. Who owns title to the assets of account number 07-08-037-107?
  - b. If title to the assets of account number 07-08-037-107 is owned by more than one person, what is the nature of that title (i.e., joint tenants; tenants in common; tenants by entirety, etc.)?
  - c. What factors does Riggs National Bank consider in determining who owns title to the assets of the account?
10. Is there any agreement between Thomas M. Keahey and the Riggs National Bank which has the effect of designating the owner(s) of the funds in account number 07-08-037-107 upon his death? If so, please provide a copy thereof.
- 11a. What factors are considered by Riggs National Bank in determining who has the legal right of access to assets in a particular checking account?
  - b. Identify all parties who have legal right of access to the assets in account number 07-08-037-107?
- 12a. What factors are considered by Riggs National Bank in determining who has control over the assets in a particular checking account?
  - b. Please identify all parties who have control over the assets in account number 07-08-037-107.
- 13a. What factors are considered by Riggs National Bank in determining who has the right of beneficial enjoyment with respect to the assets in a particular checking account?
  - b. Please identify all parties who have the right of beneficial enjoyment with respect to the assets in checking account number 07-08-037-107.

14. If Thomas M. Keahey is sole owner of the assets in account number 07-08-037-107, what is the status of each additional party who has drawing privileges in the account (i.e., are they considered to be agents of Mr. Keahey, employees of Mr. Keahey, etc.)?
- 15a. Does Riggs National Bank consider a deposit made to account number 07-08-037-107 to be a deposit to the credit of Thomas M. Keahey; to the credit of Keahey's Moving and Storage; or to the credit of some other party or combination of parties?
  - b. If the response to question 15a is "to the credit of some other party or combination of parties," please identify.
- 16a. What is the general policy of Riggs National Bank with regard to the assessment of service charges on checking accounts that have become overdrawn?
  - b. If there is a memorandum or other document in which this policy is set forth, please provide a copy.
- 17a. What is the general policy of Riggs National Bank with regard to the continued honoring of checks drawn upon an overdrawn account?
  - b. If there is a memorandum or other writing which sets forth this policy, please provide a copy.
18. Had Thomas M. Keahey ever entered into an agreement with Riggs National Bank pertaining to the non-assessment of service charges in the event of an overdraft in account number 07-08-037-107?
- 19a. Were any service charges assessed, or were any other actions taken, against account number 07-08-037-107 as a result of its overdraft status in October, November and December, 1976?
  - b. If the response to question 19a is in the negative, please identify the bank employee who made the determination to take no action, and please set forth the factors considered in making the decision.



# FEDERAL ELECTION COMMISSION

1325 K STREET NW  
WASHINGTON, D.C. 20463

## MEMORANDUM

To: William C. Oldaker  
General Counsel

From: Thomas J. Cooper

A handwritten signature in cursive script, appearing to read "Thomas J. Cooper".

Date: December 23, 1977

Subject: Notice of possible conflict of interest or appearance  
thereof regarding MUR 384(77)

I wish at this time to notify you that prior to my employment in the Commission I had professional associations concerning matters that relate to the above captioned MUR.

For the above stated reason, I wish to inform you in your role as Ethics Counselor that I shall refrain from discussing any aspects of this MUR with any Commission employee. I have made this decision in order to eliminate any appearance of a conflict of interest.

Naturally, 2 U.S.C. 437g already imposes a confidentiality restriction on me with respect to communications with persons outside the Commission.

I respectfully request that this notice be made part of the record of MUR 384(77).

Thank you for your attention in this matter.



December 13, 1977

MEMORANDUM TO: Marge Emmons  
FROM: Elissa T. Garr  
SUBJECT: MUR 384 Team #2 Convery

7 3 0 4 0 0 1 3 0 0  
Please have the attached Interim Investigatory Report  
on MUR 384 distributed to the Commission and placed on the  
Compliance Agenda for the Commission meeting of  
December 22, 1977.

Thank you.

In the Matter of )  
 ) MUR 384 (77)  
 )  
J. Carole Keahey )

## I. SUMMARY OF DEVELOPMENTS

Since Ms. Keahey drew so heavily on this account, it was placed in an overdraft status. We have learned that, beginning in October, 1976, the account was overdrawn for amounts of as much as \$36,946.22. No service charges were levied by Riggs as a result of this overdraft.

Depending on the nature of the Keahey Moving and Storage account, 1/ the campaign - related expenditures made by Carole Keahey

1/ Section 110.10 of the Commission's Regulations provides that a candidate for Federal office may make unlimited expenditures from personal funds. It also sets forth those funds which are considered to be personal for the purposes of the Section. Among them are "any assets to which, at the time he or she became a candidate the candidate had legal and rightful title, or with respect to which the candidate had the right of beneficial enjoyment, under applicable state law, and which the candidate had legal right of access to or control over, including funds from immediate family members."

may have been contributions made by her father rather than expenditures from personal funds. If so, those contributions obviously were in excess of the limitations set forth in Section 441a(a)(1)(A).

### III. ADDITIONAL INVESTIGATIVE STEPS

We now are in the process of examining the nature of the Keahey Moving and Storage account so that we may determine whether money in the account constituted the "personal funds" of J. Carole Keahey within the meaning of Regulations §110.10 or whether Ms. Keahey simply had drawing privileges in an account owned by her father. In this connection, the Commission, on December 8, 1977, authorized the issuance of an order to answer questions to one Riggs official and the issuance of a subpoena to appear for deposition to another.

If there is a determination that the Keahey account is a joint account by which Carole Keahey has "legal and rightful title," then subsequent violations may have occurred. The fact that Riggs Bank allowed the Keahey account to remain in an overdrawn status without levying service charges against it may itself be considered a contribution made by the bank in violation of 2 U.S.C. §441b.2/

---

2/ On October 19, 1977, we obtained additional information from Mr. Keahey in the form of the overdraft notices that had been sent to him by Riggs Bank. These notices stated, in effect that the bank's allowance of the overdrafts was discretionary.

The overdraft notices from Riggs stated:

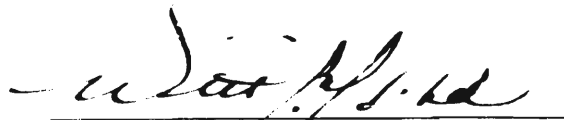
"Our allowance of this overdraft must not be construed as meaning further overdrawing would be permissible. The Office of the Comptroller of the Currency has made plain to all banks that the practice is not to be countenanced. This exception has been made because we appreciate having your account and feel that an inadvertent error has caused the overdraft."

If so, Mr. Keahey is in violation of 2 U.S.C. §441b(a) which provides that no candidate, political committee or other person may knowingly accept or receive any contribution prohibited by 2 U.S.C. §441b. (Emphasis added)

IV. RECOMMENDATION

It is recommended that the Commission find reason to believe that Thomas M. Keahey violated 2 U.S.C. §441a. Send the attached notification letter.

12/13/77  
\_\_\_\_\_  
DATE

  
\_\_\_\_\_  
WILLIAM C. OLDAKER  
GENERAL COUNSEL





FEDERAL ELECTION COMMISSION

125 K STREET N.W.  
WASHINGTON, DC 20463

December 13, 1977

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Mr. Stephen O. Porter  
Riggs National Bank  
Friendship Office  
4249 Wisconsin Avenue, N.W.  
Washington, DC 20016

RE: MUR 384(77)

Dear Mr. Porter:

Enclosed is an Order issued pursuant to Section 437g(a)(1) of Title 2, United States Code, which pertains to information relevant to checking account number 07-08-037-107 (the Keahey Moving and Storage Account).

Should you have any questions, please contact Vincent J. Convery, Jr., the attorney assigned to this matter, at 523-4057.

Please note that 2 U.S.C. §437g(a)(3)(b) prohibits any person from making public the fact of any notification or investigation by the Commission unless the party being investigated has agreed in writing that the matter be made public. You are advised that no such written authorization has been made in this case. The unauthorized disclosure of this matter is subject to the penalty set forth in 2 U.S.C. §437g(c).

Sincerely,

William C. Oldaker  
General Counsel

VSC  
12/19/77

enclosure



PS Form 3811, Apr. 1977

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

**MUR 354 CONVEY**

<b>SENDER</b> Complete items 1, 2, and 3. Add your address in the <b>RETURN TO</b> space on reverse.		
1. The following service is requested (check one): <input type="checkbox"/> Show to whom and date delivered <input checked="" type="checkbox"/> Show to whom, date, and address of delivery <b>RESTRICTED DELIVERY</b> <input type="checkbox"/> Show to whom and date delivered <input type="checkbox"/> <b>RESTRICTED DELIVERY</b> Show to whom, date, and address of delivery \$ _____ (CONSULT POSTMASTER FOR FEES)		
2. <b>ARTICLE ADDRESSED TO:</b> Stephen C. Porter High National Bank		
3. <b>ARTICLE DESCRIPTION:</b>		
REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	143495	
(Always obtain signature of addressee or agent)		
I have received the article described above.		
SIGNATURE	Addressee	Authorized agent
<i>James Armstrong</i>		
DATE OF DELIVERY	POSTMARK	
APR 15 1978	LLO	
5. <b>ADDRESS</b> (Complete only if requested)		
6. <b>UNABLE TO DELIVER BECAUSE:</b>		CLERK'S INITIALS

December 8, 1977

In the Matter of )  
 ) MUR 384 (77)  
 )  
J. Carole Keahey )

TO: Mr. Stephen O. Porter  
Branch Manager  
Riggs National Bank  
4249 Wisconsin Avenue, N.W.  
Washington, D.C. 20016

The Federal Election Commission, pursuant to its powers under 2 U.S.C. §437d(a)(1), requires that answers to the attached interrogatories, and that copies of the documents described thereon, be submitted to the Commission at its offices at 1325 K Street, N.W., Washington, D.C. 20463, marked to the attention of the Enforcement Division, Office of the General Counsel. The responses should be made in writing, under oath, and should be submitted within ten (10) days of your receipt of this Order.

Thomas E. Harris  
THOMAS E. HARRIS  
CHAIRMAN

ATTEST:

*Marjorie W. Emmons*  
MARJORIE W. EMMONS  
SECRETARY TO THE COMMISSION



FEDERAL ELECTION COMMISSION

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

December 8, 1977

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS *mwe*

SUBJECT: ISSUANCE OF ORDER AND SUBPOENA IN RELATION TO  
MUR 384 (77)

The attached order and subpoena were approved by the  
following Commissioners:

Commissioner Harris  
Commissioner Aikens  
Commissioner Tiernan  
Commissioner Staebler  
Commissioner Thomson  
Commissioner Springer

The above-mentioned documents has been signed and sealed  
this date.



## FEDERAL ELECTION COMMISSION

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

December 5, 1977

MEMORANDUM TO: The Commission

FROM: William C. Oldaker *WCO*

SUBJECT: MUR 384 (77) - Order for Attached Interrogatories  
Additional Subpoena

The investigation of this matter has indicated that a bank account at the Riggs National Bank, named Keahey Moving and Storage Account No. 07-08-037-107, supplied much of the funds for respondent Keahey's Congressional Campaign. While respondent Keahey had drawing privileges on this account, her right and title to its proceeds are not clear. Furthermore, the account was overdrawn during the campaign and no service charges were levied against it.

We have prepared a series of interrogatories directed to Stephen O. Porter, the manager of the Riggs branch where the account is located. The answers should enable us to determine the status of the account, the overdraft situation and respondent's father's liability, if any. We recommend that the Commission authorize pursuant to 2 U.S.C. § 437d (a)(1) that the attached questions be answered under oath.

We also recommend that the Commission authorize the attached subpoena for the Vice President of Riggs, Mr. Melvin L. Chrisman.



BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

J. Carole Keahey

)  
)  
)  
)

MUR 384 (77)

The recommendation of the General Counsel that an order be issued to Mr. Stephen O. Porter is hereby approved:

*Thomas E. Harris*

THOMAS E. HARRIS  
CHAIRMAN

DATE

JOAN D. AIKENS  
VICE CHAIRMAN

DATE

WILLIAM L. SPRINGER  
COMMISSIONER

DATE

NEIL O. STAEBLER  
COMMISSIONER

DATE

VERNON W. THOMSON  
COMMISSIONER

DATE

ROBERT O. TIERNAN  
COMMISSIONER

DATE

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 ) MUR 384 (77)  
 )  
J. Carole Keahey ) Interrogatories

TO: Mr. Stephen O. Porter  
Riggs National Bank  
4249 Wisconsin Avenue, N.W.  
Washington, D.C. 20016

IN REFERENCE TO: The Keahey Moving and Storage Account  
Number 07-08-037-107

- 1a. On what date was account number 07-08-037-107 opened?
- b. By whom was the account opened?
- c. In whose name(s) was the account established?
- 2a. What documents must be prepared and submitted by the client in order to open a checking account in Riggs National Bank?
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  - b. If the response to question 19a is in the negative, please identify the bank employee who made the determination to take no action, and please set forth the factors considered in making the decision.



## FEDERAL ELECTION COMMISSION

1225 K STREET, N.W.  
WASHINGTON, D.C. 20463

December 9, 1977

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Mr. Melvin L. Chrisman  
Senior Vice President and Cashier  
Riggs National Bank  
1503 Pennsylvania Avenue, N.W.  
Washington, D.C. 20074

Re: MUR 384 (77)

Dear Mr. Chrisman:

Pursuant to Section 437d of Title 2 of the United States Code, Mr. Daniel J. Callahan, III, President of Riggs National Bank, was subpoenaed on September 1, 1977, to produce all records under his control which pertain to checking account number 07-08-037-107. These records included bank statements, deposit slips, and other evidence of the source of deposits made to that account, and also included, but were not limited to, cancelled checks, memoranda, and other relevant documents.

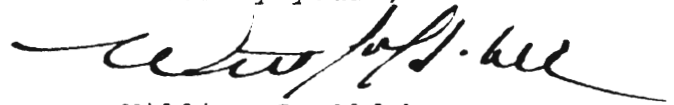
On September 15, 1977, an informal agreement was made between Mr. Vincent J. Convery, Jr., the attorney assigned to this matter at the Commission, and you to the effect that, at first, only unitemized deposits recorded on bank statements of the Keahey Account Number 07-08-037-107 would be submitted to the Commission. If it was determined that evidence of the source of the deposits made to that account would be pertinent to our investigation, then we would request them at a later date. These records still are under the subpoena issued on September 1, 1977.

At this time, we request documentation as to the source of the deposits made in August, September, October, November and December, 1976, which are listed on the attachment to this letter.



We ask that you submit the above information within ten(10) days of receipt of this letter.

Sincerely yours,



William C. Oldaker  
General Counsel

**MUR 384 Convery**

PS Form 3811, Apr 1977

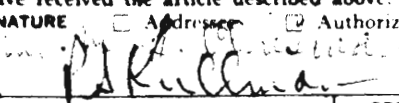
● **SENDER** Complete items 1, 2, and 3.  
Add your address in the "RETURN TO" space on reverse.

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

2. **ARTICLE ADDRESSED TO:**  
**Melvin L. Chrisman**  
**Riggs Natl Bank**

3. **ARTICLE DESCRIPTION:**  
REGISTERED NO. CERTIFIED NO. INSURED NO.  
**943438**

(Always obtain signature of addressee or agent)

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


4. **DATE OF DELIVERY** **DEC 12 1977** **POSTMARK**

5. **ADDRESS** (Complete only if requested)

6. **UNABLE TO DELIVER BECAUSE:** **CLERK'S INITIALS**

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

KEAHEY'S MOVING AND STORAGE  
ACCOUNT NO. 07-08-037-107

DEPOSITS AND/OR CREDITS  
1976

August

8/03 \$1,345.48

September

9/03 \$1,714.33

9/13 238.80

October

10/01 \$1,607.96

10/06 9,108.50

10/12 5,810.00

10/19 2,508.00

10/20 19,813.50

10/29 12,608.04

November

11/08 \$ 952.87

11/10 2,500.00

11/11 4,110.10

11/12 21,257.00

11/18 25,700.00

11/30 922.13

December

12/06 \$30,002.62

12/07 650.00

12/14 846.18

12/23 5,292.56

12/24 302.20

LAW OFFICES  
**JOHN A. KENDRICK**  
KENDRICK BUILDING  
233 MASSACHUSETTS AVENUE, N. E.  
WASHINGTON, D. C. 20002

STANLEY A. CAMBI

(202 544 3131)

9 November 1977

Vincent Convery, Esquire  
Office of General Counsel  
Federal Election Commission  
1325 K Street, N.W.  
Washington, D. C. 20463

Re: MUR 384(77)

Dear Mr. Convery:

Enclosed are the remaining reports you requested. I believe that the documents turned over to you represent virtually all of the business activity of Keahey Moving and Storage Company from January 1975 through June 1977 as you had requested in your subpoena.

A considerable amount of time and energy has gone into compiling this information for you. As you know, the documents delivered with this letter had to be obtained from the State Department's records. We have attempted to cooperate with you as fully as possible to help facilitate a conclusion to this matter. It is still our position that there was no violation of the Federal Election Laws in the conduct of Ms. Keahey's Congressional Campaign, except for perhaps some sloppy reporting which I believe has already been cleared up.


With the submission of this material, it is our sincerest hope that a quick termination of this matter can be achieved. If your office chooses to continue pursuing this matter, I would look forward to engaging in conciliation discussions with you. Of course, if you do decide to proceed, we reserve the right to submit a memorandum in support of our position. If such is the case, I would request timely notification from you with regard to

Vincent Convery, Esquire  
9 November 1977  
Page 2

the deadline for submitting our memorandum of law. Again, hopefully this matter will be resolved without the need for legal battle lines to be drawn.

I look forward to speaking with you after you have had an opportunity to review the submitted materials.

Sincerely,



Stanley A. Camhi

SAC:nle

Enclosures

KEAHEY MOVING AND STORAGE COMPANY  
INVENTORIES

<u>DATE</u>	<u>WHO</u>	<u>INCLUSIVE DATES</u>	<u>AMOUNT</u>
1975	State Department		
01/11	" " " "	01/02 - 01/10	\$9,355.00
02/20	" " " "	01/13 - 01/18	6,757.00
01/27	" " " "	01/20 - 01/25	5,532.00
01/31	" " " "	01/27 - 01/31	8,746.00
02/08	" " " "	02/01 - 02/07	7,890.50
02/18	" " " "	02/10 - 02/15	6,262.75
02/24	" " " "	02/18 - 02/21	4,591.00
03/01	" " " "	02/24 - 02/28	5,695.00
03/10	" " " "	03/03 - 03/08	6,420.00
03/17	" " " "	03/07 - 03/12	6,053.00
03/24	" " " "	03/17 - 03/21	5,700.00
03/31	" " " "	03/19 - 03/28	8,794.00
04/07	" " " "	04/01 - 04/05	6,328.00
04/14	" " " "	04/07 - 04/11	6,505.00
04/21	" " " "	04/14 - 04/19	5,281.00
05/01	" " " "	04/18 - 04/30	11,052.00
05/05	" " " "	04/30 - 05/02	2,915.50
05/12	" " " "	05/05 - 05/11	7,016.00
05/19	" " " "	05/12 - 05/18	7,905.25
05/27	" " " "	05/18 - 05/26	6,258.75
06/02	" " " "	05/26 - 05/30	4,089.50
06/09	" " " "	06/02 - 06/06	5,237.00
06/16	" " " "	06/09 - 06/15	6,607.00
06/24	" " " "	06/16 - 06/21	5,972.00

<u>DATE</u>	<u>WHO</u>	<u>INCLUSIVE DATES</u>	<u>AMOUNT</u>
1975	State Department		
07/01	" " " "	06/23 - 06/30	\$7,621.00
07/07	" " " "	07/01 - 07/03	4,316.75
07/14	" " " "	07/07 - 07/12	7,143.00
07/21	" " " "	07/14 - 07/18	7,464.00
07/28	" " " "	07/21 - 07/25	5,695.50
08/01	" " " "	07/28 - 07/31	4,964.00
08/11	" " " "	08/01 - 08/08	8,829.00
08/18	" " " "	08/11 - 08/15	5,776.00
08/25	" " " "	08/18 - 08/23	6,963.00
09/02	" " " "	08/21 - 08/29	6,713.50
09/08	" " " "	09/02 - 09/05	4,248.00
09/15	" " " "	09/08 - 09/12	7,068.00
09/22	" " " "	09/15 - 09/20	7,188.00
10/01	" " " "	09/22 - 09/30	9,840.50
10/06	" " " "	10/01 - 10/04	6,136.00
10/14	" " " "	10/06 - 10/11	9,280.00
10/20	" " " "	10/10 - 10/17	Total Unintelligible
10/28	" " " "	10/20 - 10/27	10,123.00
11/03	" " " "	10/28 - 10/31	8,009.00
11/10	" " " "	11/01 - 11/08	9,826.50
11/17	" " " "	11/10 - 11/14	6,930.00
11/24	" " " "	11/17 - 11/22	7,943.50
12/01	" " " "	11/24 - 11/28	7,260.00



<u>DATE</u>	<u>WHO</u>	<u>INCLUSIVE DATES</u>	<u>AMOUNT</u>
1976	State Department		
06/07	" " " "	06/01 - 06/06	\$6,905.00
06/14	" " " "	06/07 - 06/13	9,458.50
06/21	" " " "	06/14 - 06/19	7,655.00
06/28	" " " "	06/21 - 06/26	8,768.00
07/01	" " " "	06/28 - 06/30	6,546.00
10/11	" " " "	10/01 - 10/08	Total
			Unintelligible
10/18	" " " "	10/12 - 10/16	9,674.96
10/25	" " " "	10/14 - 10/24	11,582.00
11/01	" " " "	10/26 - 10/30	10,233.72

Received:

Date

11/19/77

VTC (orig. signed)

Vincent Convery

## KEAHEY MOVING &amp; STORAGE CO.

Billing Inventory - 1975

<u>Date</u>	<u>To Whom</u>	<u>Inclusive Dates</u>	<u>Supporting Documents</u>	<u>Total</u>
12/08/75	State Department (SD)	12/05/75-12/08/75	49	\$7,717.00
12/15/75	SD	12/12/75-12/14/75	43	7,700.00
12/22/75	SD	12/18/75-12/20/75	49	8,065.00
01/02/76	SD	12/30/75-12/31/75	46	7,324.00
02/04/76	Interstate Commerce Commission (ICC)	11/10/75-01/15/76	34	4,852.00

Billing Inventory - 1976

01/12/76	SD	01/02/76-01/09/76	54	10,507.00
01/19/76	SD	01/12/76-01/16/76	45	6,947.00
01/26/76	SD	01/19/76-01/25/76	56	9,151.00
02/02/76	SD	01/26/76-01/30/76	49	7,218.00
02/09/76	SD	02/02/76-02/07/76	54	11,063.00
02/16/76	SD	02/09/76-02/13/76	49	8,000.00
02/23/76	SD	02/16/76-02/21/76	37	6,896.00
03/01/76	ICC	02/09/76-02/24/76	9	1,332.00
03/01/76	SD	02/23/76-02/27/76	57	10,765.00
03/08/76	SD	03/01/76-03/06/76	48	9,798.00
03/15/76	SD	03/08/76-03/12/76	46	7,291.00
03/22/76	SD	03/15/76-03/20/76	56	9,500.50
04/01/76	SD	03/22/76-03/31/76	81	11,575.00

KEAHEY MOVING & STORAGE CO.  
Page 2

Billing Inventory - 1976 (continued)

<u>Date</u>	<u>To Whom</u>	<u>Inclusive Dates</u>	<u>Supporting Documents</u>	<u>Total</u>
04/01/76	ICC	03/10/76-03/29/76	4	\$322.00
04/01/76	U.S. Informa- tion Agency (USIA)	03/01/76-03/31/76	15	2,312.50
04/05/76	SD	04/01/76-04/03/76	20	3,137.50
04/12/76	SD	04/05/76-04/09/76	63	7,548.00
04/19/76	SD	04/13/76-04/16/76	56	8,102.00
04/26/76	SD	04/19/76-04/23/76	52	7,758.00
05/02/76	USIA	04/03/76-04/30/76	26	2,867.00
05/03/76	SD	04/26/76-04/30/76	48	6,612.00
05/10/76	SD	05/01/76-05/07/76	59	8,431.00
05/17/76	SD	05/10/76-05/16/76	56	8,255.50
05/24/76	SD	05/17/76-05/20/76	59	9,260.00
06/01/76	SD	05/24/76-05/31/76	51	9,684.00
07/01/76	ICC	06/01/76-06/28/76	0	753.00
07/12/76	SD	07/01/76-07/09/76	74	11,599.00
07/19/76	SD	07/12/76-07/17/76	62	11,321.50
07/23/76	Howard Univ.	07/16/76	2	50.00
07/26/76	SD	07/17/76-07/23/76	65	8,598.00
08/02/76	USIA	07/01/76-07/29/76	31	3,332.00
08/02/76	SD	07/26/76-07/31/76	65	8,101.50
08/09/76	SD	08/02/76-08/07/76	72	10,528.00
08/16/76	SD	08/09/76-08/15/76	73	14,214.00
08/23/76	SD	08/16/76-08/20/76	84	11,544.00

## KEAHEY MOVING &amp; STORAGE CO.

Page 3

Billing Inventory - 1976 (continued)

<u>Date</u>	<u>To Whom</u>	<u>Inclusive Dates</u>	<u>Supporting Documents</u>	<u>Total</u>
09/01/76	SD	08/23/76-08/31/76	88	\$14,445.00
09/01/76	USIA	08/02/76-08/31/76	31	2,754.50
09/06/76	SD	09/01/76-09/03/76	39	6,279.00
09/13/76	SD	09/02/76-09/10/76	52	7,047.00
09/30/76	ICC	09/09/76-09/31/76	7	1,063.00
11/01/76	SD	10/26/76-10/30/76	61	10,233.72
11/08/76	SD	11/01/76-11/05/76	73	8,306.04
11/15/76	SD	11/08/76-11/13/76	61	11,301.86
11/22/76	SD	11/15/76-11/19/76	87	12,204.82
12/01/76	USIA	11/01/76-11/30/76	54	6,909.60
12/01/76	SD	11/20/76-11/30/76	59	9,319.48
12/20/76	SD	12/08/76-12/18/76	68	9,362.21
12/27/76	SD	12/20/76-12/23/76	43	8,092.16

Billing Inventory - 1977

01/03/77	USIA	12/01/76-12/30/76	40	3,983.44
01/03/77	SD	12/27/76-12/31/76	38	5,785.92
01/10/77	SD	12/30/76-01/08/77	53	9,260.92
01/17/77	SD	01/05/77-01/15/77	65	12,988.48
01/24/77	SD	01/14/77-01/21/77	41	6,889.12
02/01/77	SD	01/24/77-01/31/77	79	12,979.00
02/01/77	USIA	01/03/77-01/31/77	38	5,366.68

KEAHEY MOVING & STORAGE CO.  
Page 4

Billing Inventory - 1977 (continued)

<u>Date</u>	<u>To Whom</u>	<u>Inclusive Dates</u>	<u>Supporting Documents</u>	<u>Total</u>
02/07/77	SD	02/03/77-02/05/77	51	\$9,146.78
02/14/77	SD	02/07/77-02/12/77	55	9,794.64
02/21/77	SD	02/14/77-02/21/77	67	10,329.12
02/28/77	SD	02/22/77-02/28/77	58	9,188.98
03/01/77	USIA	02/01/77-02/28/77	28	3,259.60
03/01/77	ICC	11/24/76:2/1-2/25/77	10	1,576.32
03/01/77	SD	02/25/77	1	45.92
03/07/77	SD	03/01/77-03/05/77	58	8,743.72
03/14/77	SD	03/07/77-03/12/77	61	9,715.84
03/21/77	SD	03/14/77-03/20/77	62	8,076.16
03/28/77	SD	03/21/77-03/25/77	75	11,123.68
04/04/77	ICC	03/04/77-03/30/77	5	984.96
04/04/77	USIA	03/01/77-03/31/77	38	4,557.80
04/04/77	SD	03/28/77-04/01/77	62	11,480.77
04/11/77	SD	04/04/77-04/08/77	58	10,968.34
04/18/77	SD	04/11/77-04/17/77	68	9,915.74
04/25/77	SD	04/18/77-04/24/77	75	11,877.52
05/02/77	USIA	04/01/77-04/29/77	39	4,802.92
05/02/77	SD	04/25/77-04/30/77	78	11,437.34
05/09/77	SD	05/02/77-05/06/77	63	8,406.44
05/16/77	SD	05/06/77-05/11/77	3	1,458.48
05/16/77	SD	05/09/77-05/14/77	71	14,801.59
05/17/77	SD	05/11/77	1	544.40

KEAHEY MOVING & STORAGE CO.

Page 5

Billing Inventory - 1977 (continued)

<u>Date</u>	<u>To Whom</u>	<u>Inclusive Dates</u>	<u>Supporting Documents</u>	<u>Total</u>
05/23/77	SD	05/16/77-05/21/77	69	\$11,901.16
05/31/77	SD	05/20/77-05/31/77	71	11,397.04
06/01/77	ICC	05/10/77	1	129.60
06/01/77	USIA	05/01/77-05/31/77	18	1,512.16
06/06/77	SD	06/01/77-06/04/77	38	5,320.92
06/13/77	SD	06/06/77-06/10/77	49	6,978.24
06/20/77	SD	06/13/77-06/19/77	59	7,871.00
06/27/77	SD	06/23/77-06/30/77	144	15,506.66
07/01/77	USIA	06/01/77-06/30/77	28	2,755.28

Overdraft Notices

28

Income Statement - 1976

Cash Flow Report - 1976

RECEIPT ACKNOWLEDGED:

HTC (original signed)

October 17, 1977



# FEDERAL ELECTION COMMISSION

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

October 5, 1977

Stanley A. Camhi, Esquire  
Kendrick Law Offices  
233 Massachusetts Avenue, N.E.  
Washington, D.C. 20002

Re: MUR 384 (77)

Dear Mr. Camhi:

This is to advise you that the motion to quash which you filed on September 14, 1977, in the above-referenced matter, has been denied. A copy of the Commission's ruling is enclosed.

Inasmuch as the motion was filed five days before the return date of Mr. Keahey's subpoena, the Keahey Moving and Storage records should be produced not later than the close of business on the fifth day following your receipt of this letter.

For your information, the Commission determined that Mr. Keahey lacked standing to attack the subpoena served on the Riggs National Bank.

Sincerely,

William C. Oldaker  
General Counsel

Form 3811, Rev. 1-76

1. The following service is requested (check one):  
☐ Show to whom and date delivered ..... 73¢  
☒ Show to whom, date, & address of delivery ..... 45¢  
☐ RESTRICTED DELIVERY  
Show to whom and date delivered ..... 85¢  
☐ RESTRICTED DELIVERY  
Show to whom, date, and address of delivery .. \$1.05  
(Fees shown are in addition to postage charges and other fees).

2. ARTICLE ADDRESSED TO:  
Stanley A. Camhi, Esq.  
Kendrick Law Offices.

3. ARTICLE DESCRIPTION:  
REGISTERED NO. \_\_\_\_\_ CERTIFIED NO. \_\_\_\_\_ INSURED NO. \_\_\_\_\_  
(Always obtain signature of addressee or agent)  
I have received the article described above:  
SIGNATURE ☐ Addressee ☒ Authorized agent

4. DATE OF RECEIPT: OCT 13 1977 POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: \_\_\_\_\_ CLERK'S INITIALS

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL









# FEDERAL ELECTION COMMISSION

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

October 4, 1977

MEMORANDUM TO: CHARLES STEELE  
FROM: MARJORIE W. EMMONS *mwe*  
SUBJECT: General Counsel's Opposition to Respondent's  
Motion to Quash Subpoenas in Connection with  
MUR 384 (77)

The Commission has approved the General Counsel's  
Opposition to Respondent's Motion to Quash Subpoenas dated  
September 1, 1977, and served upon Thomas M. Keahey and upon  
the Riggs National Bank of Washington, D. C.

The approval of the following Commissioners was obtained

Commissioner Harris  
Commissioner Springer  
Commissioner Staebler  
Commissioner Thomson  
Commissioner Tiernan



UNITED STATES OF AMERICA  
FEDERAL ELECTION COMMISSION

In the Matter of  
J. Carole Keahey

)  
)  
)  
NUR 384 (77)

RULING ON MOTION BY RESPONDENT  
TO QUASH, OR IN THE ALTERNATIVE, MODIFY SUBPOENAS

The motion filed with this Commission on September 14, 1977, to  
quash, or in the alternative, modify subpoenas dated September 1,  
1977, and served upon Thomas M. Keahey and upon the Riggs National  
Bank of Washington, D.C., is hereby denied.

Thomas E. Harris  
Thomas E. Harris, Chairman

10-3-77  
Date

Joan D. Aikens, Vice-Chairman

Date

Neil C. Staebler

Date

William L. Springer  
William L. Springer

10-3-77  
Date

Vernon W. Thomson  
Vernon W. Thomson

Date

Robert O. Tiernan  
Robert O. Tiernan

10-3-77  
Date



FEDERAL ELECTION COMMISSION

125 K STREET NW  
WASHINGTON, D.C. 20543

October 3, 1977

MEMORANDUM TO: Marge Emmons  
FROM; Elissa T. Garr  
SUBJECT: MUR 384

Please have the attached General Counsel's Opposition to Respondent's Motion to Quash Subpoenas circulated to the Commission for approval.

Thank you.



BEFORE THE FEDERAL ELECTION COMMISSION

September 28, 1977

In the Matter of

J. Carole Keahey

)
)
)

MUR 384 (77)

GENERAL COUNSEL'S OPPOSITION TO RESPONDENT'S  
MOTION TO QUASH SUBPOENAS

## I. Summary

On September 1, 1977, the Commission approved our recommendation and issued subpoenas to respondent Keahey's father and to his bank ordering them to produce additional records in our continuing investigation of this matter. On September 14th respondents filed a motion to quash both subpoenas claiming that they had already submitted all checks relating to the campaign, that the information requested was wholly unrelated to the campaign, and that the time frame for the documents requested was too broad. As an alternative to quashing, respondents requested that the subpoenas be modified so as to cover only the relevant material during the course of the campaign. (The motion is attached.) The claims raised by respondents were dealt with in our August 24th recommendation to the Commission that these subpoenas be issued and we continue in our belief that the subpoenas are proper and necessary to complete this investigation. In view of respondent's motion to quash, we restate our argument here.

## II. Background

On June 28, 1977, the Commission found reason to believe that J. Carole Keahey had violated 2 U.S.C. §§441a(a)(1), 441a(a)(3), 441a(f) and 434(b) and authorized the issuance of subpoenas to Ms. Keahey and to her father ordering them to appear for deposition and to produce financial records. The subpoenas, which were enclosed in the reason to believe notice letters, ordered the Keaheys to produce "all correspondence, memoranda, financial records and other relevant documents which pertained to the candidacy of J. Carole Keahey ... including, but not limited to bank statements, deposit slips, cancelled checks, and savings account records for any and all accounts from which funds were received or were expended in direct or indirect support of the candidacy of J. Carole Keahey."

On July 28, 1977, Mr. Keahey provided the Commission, inter alia, with bank statements for the months April through November, 1976, which pertained to a checking account at the Riggs National Bank of Washington, D.C. This account was designated "Keahey's Moving and Storage" (hereinafter "the moving account.")

The moving account is used both for the business purposes of that concern and for the personal financial activities of members of the Keahey family. Each member of that family (Mr. and Mrs. Keahey, Sr.; Thomas M. Keahey, Jr., and J. Carole Keahey) enjoys unrestricted drawing privileges in this account. Many checks in payment of Ms. Keahey's campaign - related expenses were drawn on the moving account. Additionally, after separate campaign accounts had been established in Alabama, substantial sums were transferred from the Riggs account to those Alabama accounts.

On August 2, 1977, we deposed respondent Keahey and her father. Both testified that deposits to the moving account were made primarily from the proceeds of Mr. Keahey's business, but neither Keahey provided documentation in support of that testimony.

In sum, the Commission had evidence that there existed a checking account which, for a period of approximately six months, was used to pay all campaign-related expenses and, thereafter, was used to fund transfers to the newly opened accounts in Alabama. However, the Commission had no documentation which would prove where deposits to that account originated. We followed with our recommendation, which the Commission approved, that additional subpoenas be issued to Mr. Keahey and to the Riggs National Bank.

Mr. Keahey was ordered to produce all books and records which reflect the financial activities of Keahey Moving and Storage for the period January 1, 1975 through June 30, 1977.

The Riggs National Bank was ordered to produce all records under its control which pertain to the moving account for the same period.

### III. Discussion

Counsel for the Keaheys now move to quash, or in the alternative, modify, the September 1, 1977, subpoenas.

In support of that motion they have set forth the following:

- 1) Ms. Keahey and her father have submitted in response to the July 8 subpoenas all checks relating to campaign expenditures from the time that the campaign began in February, 1976, until it terminated in November, 1976.

- 2) The subpoenas request information which is wholly unrelated to the campaign either by way of contributions or expenditures, in that the request is concerned solely with the business and bank records of Mr. Keahey.
- 3) The scope of the subpoenas is too broad, requesting information unrelated to the campaign for a period of approximately 14 months before the candidate showed any intention of running for office, and including a period of approximately eight months subsequent to the official termination of the campaign.

In opposition to the points raised by the respondents, we offer the following:

A. With regard to the Keahey Moving and Storage records:

- 1) In response to the July 8 subpoena, the Keaheys produced, in addition to the Riggs Bank statements referred to above, bank statements from the Union Bank and Trust Company and from the Southern Bank, N.A., both located in Montgomery, Alabama. (The Alabama statements related to the accounts that Ms. Keahey had opened late in the campaign). The Keaheys also produced numerous checks, copies of checks, and other instruments which documented many of the entries on these statements.
  - a. Contrary to respondents' allegation, these checks do not constitute "all checks relating to campaign expenditures from the time that the campaign began in February, 1976, until it terminated in November, 1976." As we noted in our August 24 memorandum, several expenditures reflected in the Reports of Receipts and Expenditures are not supported by checks.
  - b. Even if we were to concede that the checks which were submitted constituted "all checks relating to campaign expenditures," still we were not provided with any evidence relating to the origin of the money deposited to the Riggs account.
- 2) We agree that the latest subpoenas request information that is concerned with the business and banking records of Mr. Keahey, but disagree with respondents' contention that that information is wholly unrelated to the campaign either by way of contributions or expenditures. Mr. Keahey testified that all members of the family would make deposits

to the Riggs account when they had money, but by far, the bulk of the deposits to that account was made from the proceeds of his moving and storage business. He admitted that, in comparison with his own deposits, the deposits made by his son and daughter are not significant at all. (Deposition of T.M. Keahey, p. 13)

Ms. Keahey testified that the deposits made to the account were "mostly her father's." (Deposition of J.C. Keahey, p. 18).

The candidate, after having made only insignificant deposits, used the account to the extent of spending almost \$93,000 (\$16,800 in direct payments; \$76,000 in transfers to the Alabama accounts).

The Keaheys had already been subpoenaed to produce, inter alia, "all financial records and other relevant documents which pertain to contributions made to the candidacy of J. Carole Keahey including, but not limited to deposit slips." Since they provided no documentation as to where the deposits to the Riggs account originated, we believe the Commission is justified in ordering the production of the Keahey business and banking records in order to verify their testimony that Keahey's Moving and Storage was the source.

3) We do not believe the time frame of the subpoenas to be too broad.

- a. The Commission ordered the production of records dealing with the time period beginning January 1, 1975.

Mr. Keahey testified that his business was set up "about a year before Carole entered the campaign." (Deposition p. 23) Since it has been alleged that the proceeds of this business funded Ms. Keahey's campaign almost exclusively, the Commission is justified in verifying the source of those funds for a reasonable period before the start of the campaign.

- b. Likewise the closing date of the time period, June 30, 1977: From August through November, 1976, Ms. Keahey transferred \$76,000 from the moving account to her newly opened accounts in Alabama. These transfers were greatly to blame for the account's becoming overdrawn. The account initially became overdrawn in

October, 1976, and remained overdrawn, according to Mr. Keahey's testimony, until "April, May or June." (Deposition, p.44). (The account was overdrawn \$15,895.32 as of October 29, 1976, and was overdrawn \$16,286.21 as of November 30, 1976, the latest date for which we have a bank statement.)

It is our opinion that the Commission has the duty to verify the source of the deposits which replaced the money spent in the respondent's campaign.

Furthermore, there is a possibility that a violation of 2 U.S.C. §441b may have occurred, in that the Riggs National Bank did not impose an interest or service charge on the moving account overdrafts. (Deposition of T.M. Keahey, p. 46).

- B. With regard to the subpoena issued to the Riggs National Bank, respondents have made no showing as to why they should be permitted to intervene in behalf of a third party. Respondents lack standing to make such a motion as to the production of records which are the property of the bank. See U.S. v. Donaldson, 400 U.S. 517 (1971). With regard to our request for bank records for the extended time frame, our previous argument is just as relevant here.

#### IV. Recommendations

The Commission should deny respondents' motion to quash or modify both subpoenas. The attached correspondence should be sent.

10/3/77  
Date

William C. Oldaker  
William C. Oldaker  
General Counsel



200 # 11177

17 SEP 18 11 10:41

**The Riggs National Bank**  
of  
**Washington, D. C. 20074**

202 624-2021

MELVIN L. CHRISMAN  
SENIOR VICE PRESIDENT & CASHIER

September 15, 1977

Mr. Vincent J. Convery, Jr.  
Federal Election Commission  
1325 K Street, N.W.  
Washington, D. C. 20463

Dear Mr. Convery:

This will confirm our telephone call of this morning, concerning the Federal Election Commission's subpoena for the records of the Keahey Moving and Storage account for the period January 1975 through June '77. As I previously advised you, the volume of records requested is such that we could not make the Monday, September 19 time frame and you indicated that it would be permissible to set a later date for presentation of these records.

I further noted that Mr. Stan Camhi, attorney for Keahey Moving and Storage, has filed a motion with the Commission to quash the subpoena, or failing that to narrow the time period. You indicated that you would advise me as to the outcome of this motion. In the meantime, I will secure the bank statements for the time period originally requested. These should be available by the time the Commission has ruled on Mr. Camhi's motion.

Sincerely,

MLC:vu

FEDERAL ELECTION COMMISSION... 43

In the Matter of :  
J. Carole Keahey and :  
The Carole Keahey for : MUR 384 (77)  
Congress Committee :

MOTION TO QUASH

The Respondent, Ms. J. Carole Keahey and Mr. Thomas Keahey, through their counsel, JOHN A. KENDRICK and STANLEY A. CAMHI, respectfully move that the Commission quash or in the alternative, modify, the subpoenas served on Mr. Thomas Keahey and Riggs National Bank. In support of the above motion, the following is shown:

1) Ms. Keahey ran for the position of United States Representative from the 2nd District of Alabama, and was defeated in the general election in November 1976.

2) Ms. Keahey and her father, Mr. Thomas Keahey, have submitted pursuant to a previous subpoena all checks relating to campaign expenditures from the time that the campaign began in February 1976 until it terminated in November 1976.

3) That the subpoenas request information which is wholly unrelated to the campaign either by way of contributions or expenditures. The request is solely concerned with the business and bank records for Mr. Keahey.

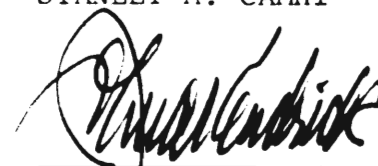
4) That the scope of the subpoenas is too broad, requesting information unrelated to the campaign for a period of approximately 14 months before the candidate showed any intention of running for the office, and including a period of approximately eight months subsequent to the official termination of the campaign.

WHEREFORE, the Respondent and Mr. Keahey respectfully

request that the subpoenas be quashed, or in the alternative modified, so as to cover only relevant material during the course of the campaign.

Respectfully submitted,

JOHN A. KENDRICK  
STANLEY A. CAMHI

A handwritten signature in dark ink, appearing to read "Stanley A. Camhi", is written over a horizontal line.

Counsel for Respondent  
233 Massachusetts Ave., N.E.  
Washington, D. C. 20002  
544-3131

MUR 384 Convent

PS Form 3811, Nov 1976

● **SENDER** Complete items 1 through 6.  
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested. Check one.

<input type="checkbox"/>	Show to whom and date delivered	.....25¢
<input checked="" type="checkbox"/>	Show to whom, date, & address of delivery	.....45¢
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2. **ARTICLE ADDRESSED TO:**  
Stanley A. Conboy, Esq.  
Kendrick Law Offices

3. **ARTICLE DESCRIPTION:**

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FEDERAL ELECTION COMMISSION

1200 K STREET, N.W.  
WASHINGTON, D.C. 20543

September 7, 1977

Stanley A. Camhi, Esquire  
Hendrick Law Offices  
233 Massachusetts Avenue, N.E.  
Washington, D.C. 20003

Re: MUR 384(77)

Dear Mr. Camhi:

Enclosed is an additional subpoena in the matter of J. Carole Keahey, which requires your client, Thomas M. Keahey, to produce all books and records which reflect the financial activities of Keahey's Moving and Storage for the period January 1, 1975, through June 30, 1977.

Mr. Keahey testified in deposition on August 2, 1977, that the majority of the deposits made to the Riggs account originated from the proceeds of his business. However, he did not provide documentation as to the source of these funds. In view of Ms. J. Carole Keahey's great reliance on this account for the financing of her Congressional campaign, it is important that we verify the source of these funds.

For your information, we also have subpoenaed Riggs National Bank to provide us with all records which pertain to checking account number 07-03-037-107 for the period January 1, 1975 through June 30, 1977.

Sincerely yours,

WILLIAM C. OLDAKER  
General Counsel

1 Attachment a/s



FEDERAL ELECTION COMMISSION  
CAPITAL BUILDING, 1000 BBLON

MINORANA 1000 BBLON, 1000 BBLON,  
WASHINGTON, D. C. 20540

Mr. J. Edgar Hoover  
Federal Bureau of Investigation  
200 Constitution Avenue, N.W.  
Washington, D. C. 20535

As a result of the Federal Election Commission and  
pursuant to § 437d of Title 52, the United States Code,  
you are hereby subpoenaed to make available to the Commission  
for review and copying all books and records which reflect  
the financial activities of Keahey Moving and Storage for the  
period January 1, 1975 through June 30, 1977.

Notice is hereby given that the books, records and other  
documents are to be produced at 1325 K Street, N. W.,  
Washington, D. C., no later than 10:00 o'clock, A.M., on  
Monday, September 19th, 1977.

WHEREAS, the Vice Chairman of the Federal Election Commission  
has hereto set her hand at Washington, D. C., this 1st day of  
September, 1977.

John D. Atkins  
JOHN D. ATKINS  
Vice Chairman

NOT:

William J. Bennett  
WILLIAM J. BENNETT  
Director

PS Form 3811, Nov 1976

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

**11**

**11R 384 Convery**

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2 **ARTICLE ADDRESSED TO**  
**Daniel A. Callahan III**  
**Pres., Riggs Natl. Bank**

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

(Always obtain signature of addressee or agent)

I have received the article described above  
SIGNATURE Addressed by Author and agent  
**Elva M. Handrich for**  
**Daniel A. Callahan III**

4 **DATE OF DELIVERY** **POSTMARK**  
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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20543

September 6, 1977

Mr. Daniel A. Callahan, III  
President  
RISKS NATIONAL BANK  
1503 Pennsylvania Avenue, N.W.  
Washington, D.C. 20005

Dear Mr. Callahan:

Re: MUR 384

Enclosed is a subpoena issued pursuant to Section 437d of Title 2, United States Code, by which the Federal Election Commission orders the production of all records under your control pertaining to checking account number 07-08-037-107 at Risks National Bank (the Keahey Moving and Storage Account), for the period January 1, 1975, through June 30, 1977.

Vincent J. Convery, Jr., is the staff attorney assigned to the matter which has prompted the Commission to subpoena these records. I have asked him to establish a procedure for the production of the records which will be convenient for you and your staff and which will, at the same time, meet our needs. Please contact him at 523-4057.

Sincerely yours,

WILLIAM J. OLDAKER,  
General Counsel

CH. C. STEELE,  
Assistant General Counsel



FEDERAL ELECTION COMMISSION  
GENERAL ORDER OF THE COMMISSION

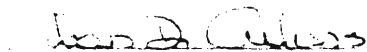
MEMORANDUM TO PRODUCE RECORDS

To: Mr. Daniel C. Callahan, III  
President, Riggs National Bank  
1503 Pennsylvania Avenue, N.W.  
Washington, D. C. 20005


At the instance of the Federal Election Commission and pursuant to Section 437d of Title 2 of the United States Code, you are hereby subpoenaed to make available to the Commission for review and copying all records under your control which pertain to checking account number 07-08-237-107 at the Riggs National Bank of Washington, D. C., (the Keahey Moving and Storage account), for the period January 1, 1975 through June 30, 1977, primarily bank statements, deposit slips, and other evidence of the source of deposits made to that account, and also including, but not being limited to, cancelled checks, memoranda, and other relevant documents.

Notice is hereby given that the books, records and other documents are to be produced at 1355 K Street, N. W., Washington, D. C., no later than 10:00 o'clock, A.M., on MONDAY, September 19th, 1977.

WHEREAS, the Vice Chairman of the Federal Election Commission has hereto set her hand at Washington, D. C., this 1st day of September, 1977.

  
JOHN D. AHRENS  
Vice Chairman

ATTEST:

  
MARJORIE W. BROWN  
Secretary to the Commission



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.  
WASHINGTON, D.C. 20543

September 1, 1977

MEMORANDUM TO: CHARLES STEELE  
FROM: MARJORIE W. EMMONS  
SUBJECT: Additional Subpoenas - MUR 384 (77)  
J. Carole Keahey

The Commission has approved issuing subpoenas to Mr. Thomas M. Keahey and Mr. Daniel J. Callahan, III, in relation to MUR 384 (77).

The Commissioners voting for approval of the attached draft subpoenas were:

Commissioner Aikens  
Commissioner Staebler  
Commissioner Springer  
Commissioner Tiernan

*MFR: Marjorie Emmons advised me that Commissioner Thomson also voted in favor of the subpoenas, but that notification arrived after this memo had been forwarded to OGC.*

*WTC 9/1/77*





## FEDERAL ELECTION COMMISSION

1100 STREET NW  
WASHINGTON, DC 20543

August 24, 1977

### MEMORANDUM

TO: THE COMMISSION

FROM: Charles N. Steele *CNS*  
Lester Scall  
Vincent J. Convery, Jr.

SUBJECT: Additional Subpoenas - MUR 384(77)  
J. Carole Keahey

By the use of the attached subpoenas, we seek to verify the source of the money which formed the overwhelming majority of the funds used to finance the campaign of J. Carole Keahey and seek to gain a more accurate picture of the financial activities of the campaign than has been reflected in the Reports of Receipts and Expenditures already on file. Ms. Keahey was an unsuccessful candidate for election to the U.S. House of Representatives from the Second District of Alabama in the general election of November 2, 1976.

### BACKGROUND

The Commission found reason to believe that Ms. Keahey had violated 2 U.S.C. §441a(f) by knowingly accepting campaign contributions in amounts that were greater than those permitted by 2 U.S.C. §§441a(a)(1) and (3) and had violated 2 U.S.C. §434(b) by filing reports of receipts and expenditures that did not comply with the requirements of that section.

Since Ms. Keahey had indicated to members of the Commission staff that her father, Thomas M. Keahey, was the source of most of her campaign funds, the Keaheys were, on July 6, 1977, separately subpoenaed to testify in deposition and to produce all "correspondence, memoranda, financial records, and other relevant documents" under [their] control which pertained to the candidacy of J. Carole Keahey, including,



but not limited to, bank statements, deposit slips, cancelled checks, and savings account records for any and all accounts from which funds were received or were expended in direct or in indirect support of her candidacy.

On July 28, 1977, Mr. Keahey provided the Commission, inter alia, with banking statements for the months April through November, 1976, pertaining to a checking account in the Riggs National Bank of Washington, D.C. That account was designated "Keahey's Moving and Storage."

It appears that the Keahey Moving and Storage Account is used both for the business purposes of that concern and for the personal financial activities of the members of the Keahey family. In fact, it appears that Ms. Keahey enjoys unrestricted drawing privileges in this account. Many checks in payment of Ms. Keahey's campaign-related expenses were drawn on the Keahey Moving and Storage Account. Additionally, after separate campaign accounts had been established in Alabama, substantial sums were transferred from the Riggs account to these Alabama accounts. (Mr. Keahey provided us with seventy-four cancelled checks which had been used either to pay campaign expenses or to transfer funds to the Alabama accounts.)

On August 2, 1977, the depositions of J. Carole Keahey and Thomas M. Keahey were taken. Although both Keaheys testified that the deposits to the Riggs account were made primarily from the proceeds of Mr. Keahey's business, no documentation was provided to support the assertions.

Furthermore, in comparing the checks with the expenditures reflected in the Reports of Receipts and Expenditures filed by the candidate and by her committee, we have noted numerous inconsistencies. Several reported expenditures are not supported by checks; the amounts of some checks are at variance with other reported expenditures; we have many checks for which there are no corresponding reports of expenditures.

#### DISCUSSION

The sources of the deposits to the Riggs account must be identified properly.

On June 28, 1977, the Commission approved the issuance of subpoenas to the Keaheys and to appropriate banking officials. We attempted to gain our information by going only to the Keaheys. Mr. Keahey, however, was not totally responsive to the July 6 subpoena, in that he did not produce all documents relative to the financing of the campaign. We now believe it will be necessary to subpoena the Keahey account records from the Riggs National Bank.

Further, we request that Mr. Keahey be ordered to produce the books and records of Keahey Moving and Storage in order to enable us to review the financial activities of that concern.

We have suggested that the Commission order the production of records which cover the period January 1, 1975, through June 30, 1977.

By starting with January 1, 1975, we would have the opportunity to review Mr. Keahey's financial activities for the fourteen months preceeding the date of the first reported campaign related expense, March 19, 1976. Mr. Keahey testified that he did not significantly increase the amount of business he was doing, even though faced with the knowledge that he would have to meet greatly increased expenses once his daughter began an active candidacy.

The Riggs monthly statements that were produced pursuant to the July 6 subpoena indicate that the Keahey Moving and Storage Account first became overdrawn in October, 1976. Despite an overdrawn balance of \$15,895.32 on October 29, 1976, Riggs Bank continued to honor the Keaheys' checks. The account was overdrawn \$16,286.21 as of the end of November, 1976, the last month for which we have a Riggs statement. Campaign expenses were greatly to blame for placing the account in this position, for in September, October and November, 1976, Carole Keahey transferred \$61,000 from the Riggs account to the Alabama accounts. Mr. Keahey testified that the account did not show a positive balance until June, 1977. We intend to subpoena bank records through June 30, 1977, to verify where the deposits which corrected the negative balance actually came from.

#### RECOMMENDATION

We recommend that the Commission approve the issuance of the attached subpoenas. (The subpoenas are submitted in draft form. Return dates will be inserted upon approval of the substance of the subpoenas.)

Recommendation Approved:

\_\_\_\_\_  
Thomas E. Harris

\_\_\_\_\_  
Neil O. Staebler

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

Joan D. Aikens

Date

Vernon W. Thomson

Date

William L. Springer

Date

Robert O. Tiernan

Date

FEDERAL ELECTION COMMISSION

- - - - - x  
:  
In the Matter of :  
:  
J. CAROLE KEAHEY and :  
THE CAROLE KEAHEY FOR : MUR 384 (77)  
CONGRESS COMMITTEE :  
:  
- - - - - x

Washington, D. C.

Tuesday, August 2, 1977

Deposition of

J. CAROLE KEAHEY

a witness in the above-entitled matter, called for examination  
by counsel for the Federal Election Commission, pursuant  
to notice, taken at the offices of the Federal Election  
Commission, 1325 K Street, N. W., Washington, D. C., beginning  
at 10:20 o'clock a.m., before Vincent J. Convery, Jr., Esq.,  
when were present on behalf of the respective parties:

*Milton A. Greenwood Reporting Associates, Inc.*

OFFICIAL REPORTERS  
1028 Connecticut Ave. N.W. Suite 1110  
Washington, D.C. 20036  
Phones: (202) 833-3593  
833-3599

For the Federal Election Commission:

VINCENT J. CONVERY, JR., ESQ.  
and  
LESTER SCALL, ESQ.  
Federal Election Commission  
1325 K Street, N. W.  
Washington, D. C. 20463

For J. Carole Keahey:

JOHN A. KENDRICK, ESQ.  
and  
STANLEY A. CAMHI, ESQ.  
233 Massachusetts Avenue, N. E.  
Washington, D. C. 20002

C O N T E N T S

EXAMINATION BY COUNSEL FOR:

FEDERAL ELECTION COMMISSION  
(Mr. Convery and Mr. Scall)

WITNESS:

J. CAROLE KEAHEY

3, 41

J. CAROLE KEAHEY  
(Mr. Camhi)

37

E X H I B I T S

Marked for identification and attached:

Nos. 1 through 10

Page

43

- - -



MR. CONVERY: At this time why don't we swear the witness.

Thereupon

J. CAROLE KEAHEY

a witness, was called for examination by counsel for the Federal Election Commission and, after having been sworn by Vincent J. Convery, Jr., Esq., was examined and testified as follows:

EXAMINATION BY COUNSEL FOR THE FEDERAL  
ELECTION COMMISSION

BY MR. CONVERY:

Q Ms. Keahey, as you are undoubtedly aware, we are here today to inquire into certain financial activities that took place in the course of your bid for election to the House of Representatives from the Second District in Alabama in 1976.

Before we go into the specifics of that inquiry, why don't we for the record introduce the parties who are present. I would, of course, recognize Ms. Keahey, the respondent in this case; Mr. John A. Kendrick and Mr. Stanley Camhi are the attorneys for Ms. Keahey. And representing the Federal Election Commission today we have Assistant General Counsel Lester Scall and myself, Vincent J. Convery, Jr.

Now, Ms. Keahey, why don't we just, for purposes of the record, get some information from you, your address, your background, your occupation.

For the record, would you please state your full name.

A Carole Keahey.

Q And your address?

A 1701 Massachusetts Avenue, Northwest.

Q Is that in Washington?

A Yes.

Q How long have you resided in the District?

A I grew up here.

Q And would you mind our asking how long that has been?

A Thirty years.

Q Thirty years?

A Yes.

Q Very well, thank you.

A Off and on.

Q Would you explain off and on for us? Where else did you live?

A Alabama, New York, Michigan, Europe. I traveled and worked in different areas.

Q Your family or just you?

A No, me.

Q Where is your family from?

A Alabama.

Q Could you give us more specific answers on where you have lived? Could you give us the dates and times that you lived in New York, and Alabama, and Europe, and the occupations that you pursued while you were in each place?

Let's make it a little easier. Why don't we start when you were 18 years old.

A Well, I went to school in Washington.

Q Where is that?

A George Washington University. After that, I went to New York; after that, I went to Michigan.

Q What year did you get out of George Washington?

A '68.

Q And went to New York?

A Yes.

Q How long did you stay there?

A Oh, about two years.

Q You lived right in the city?

A Yes.

Q And then you say you went to Michigan after that?

A Yes.

Q Which city?

A Ann Arbor.

Q For how long were you there?

A Oh, about a year.

Q Can you give us the approximate dates that you were there?

A I think it was '71, '70 or '71. '72.

Q Were you employed there or going to school?

A No, I was a housewife.

Q Then approximately in 1971 you were in Michigan. Where did you go after that?

A Europe.

Q And did you travel around?

A Yes. I worked there.

Q What did you do there?

A I was a fashion model.

Q How long have you lived in Alabama?

A I spent all my summers there as a child.

Q Just your summers?

A Yes. Well, my father was in the Navy and stationed

in Washington, so I would go to school here and go to Alabama for the summer.

Q You have relatives in Alabama, I suppose?

A Yes.

Q Who is that?

A There are too many to name. A huge family.

Q Aunts, uncles, cousins?

A Everything.

Q Which side of the family?

A Both.

Q Which city or town was that?

A Clopton.

Q Is that by any chance near Ozark, Alabama?

A It is. How did you know?

Q I just took a guess.

A I usually say Ozark because most people haven't heard of Clopton.

Q You say your present residence is in the District. How long have you been here? You did come to the District from Europe?

A I went back to Michigan and I came back here?

Q And approximately when did you get back here?

A About four years ago, three or four.

Q At that time did you take up residence at 1701  
Massachusetts Avenue?

A Yes.

Q And you have been there ever since?

A Yes.

Q You said that you have been a fashion model and a  
housewife. What led you to your involvement in politics?

A I have always wanted to run. I just feel like  
people should do something good for their country.

Q Have you had any involvement with it in the past,  
say, in school?

A No.

Q Absolutely none?

A Yes.

MR. CONVERY: Mr. Kendrick, you have completed examining  
the reports. I wonder if we might at this time show these  
to Ms. Keahey?

MR. KENDRICK: I think they are in chronological order.

MR. CONVERY: Ms. Keahey, I will show you at this time  
a series of what the FEC refers to as reports of receipts  
and expenditures.

(Documents handed to witness.)

MR. CONVERY: Once Mr. Kendrick has completed his examination, we will give you the complete series, and they are included in 10 exhibits numbered 1 through 10.

And as far as we can determine, those are the reports that were filed either by you as a candidate or by the J. Carole Keahey for Congress Committee. And they should, when considered together and with the amendments thereto -- the amendments are to Exhibits 1, 2 and 3 -- and they should cover the calendar year 1976 from the time you began reporting expenditures until 30 days after the election.

BY MR. CONVERY:

Q Would you agree that that is an accurate statement?

A Yes.

Q And do you recognize those as the reports you or your committee filed through 1976?

A Yes.

Q Before we go any further, let's just establish two things for the record. The first is I would request that you take a look at Exhibit No. 10, which is the 30-day post-election report. Looking at the first page, the cover page of Exhibit 10, I notice that the period covered by that

report extends from October 19th through November 1st. This is by way of correction. Should that correctly cover the period October 19th through December 1st?

A That is what I was told, yes. Sure.

Q Because I noticed that --

A Yes.

Q Fine. Okay. We just wanted to get that on the record.

And if you will look at the -- I just have two questions that relate to the contributions or loans that were made. I believe it would be on the first page of that schedule. We notice that one contribution is purportedly made by the Riggs Bank; is that correct?

A That was a contribution, it looks like, from the Democratic Congressional Committee. They must have made it through the Riggs Bank.

Q Fine. That is what we thought it was.

You will notice on the same page there is also a contribution from a group by the name of Live?

A Yes.

Q And they report their address as being Carole Keahey. Can you explain that?



A It is a typo, I guess. I didn't type it.

Q Very well.

Ms. Keahey, I wish that you would go through these reports and beginning with Exhibit 1. For your convenience, I have illustrated with yellow marker pen several contributions or loans or transfers in that were reportedly made by you to the campaign. Would you identify them for the record, please, date and amount?

A 3/19/76, \$460; 3/31/76, \$108.15; 4/2/76, \$100.64.

Q Very well. And which statement is that that you are reading from?

A 3/19 through 4/10.

MR. CAMHI: Report 3/19 through 4/10.

BY MR. CONVERY:

Q Now, if you will please consider Exhibit No. 2, I will ask you to go through the same process.

A It says, "Period from April 10 to April 19, \$2,483.23."

Q And the same process in Exhibit No. 3.

A April 19th through May 10th, \$1,956.40. May 11th through 5/24 --

Q That is exhibit number what?

A Four. \$262.48.

Q That was the amended report?

A No, it was the 30th day post-election report.

Q This is May 11th through May 24th?

A Yes. There may have been an amended one.

MR. CAMHI: That is the only contribution on that report.

THE WITNESS: Exhibit 5, May 25th through 6/14, \$2,700 -- wait a minute, I am sorry, \$275.55.

Exhibit 6, 6/14 through 6/30, \$2,896. You want all of these?

BY MR. CONVERY:

Q Yes, please. I hate to be repititious, but we have to get this in the record.

A Exhibit 7, June 30th through September 30th, 7/31/76, \$5,857; 7/6/76, \$10,000; 7/21, \$15,000.

Q Is that 7/21?

A That is what it says here.

Q Was that crossed over?

A There is something written under it but I can't read it. I think it says nine-something.

Q "9/21/76," by any chance?

A It looks like a 9/2-something. Yes, that is it.

Q Can we agree that it is 9/21/76?

A Yes. I can barely read it.

Exhibit 9, October 10th through October 18th, 10/19/76,  
\$5,000.

Q Let's just put it on the record that Exhibit No. 8,  
which is the report that we believe should cover October 1st  
through October 10th, although it is not so reflected on the  
face of the report. Exhibit 8 is a blank report and there  
are no contributions or expenditures noted thereon; is that  
correct?

A There is nothing on it.

MR. CAMHI: That is right.

MR. CONVERY: Fine.

BY MR. CONVERY:

Q You have read the information from Exhibit No. 9;  
is that correct?

A I am just going to, or I did.

10/19/76, \$5,000.

MR. KENDRICK: If you are uncertain, why don't you ask  
the reporter to read it back to you.

MR. CAMHI: It is all right.

MR. CONVERY: I remember it.

BY MR. CONVERY:

Q That is Exhibit 10; is that correct?

A Yes, October 1976 through December 1976, 10/30/76, \$6,000; 11/4/76, \$5,000; 10/29, \$3,000; 11/10/76, \$3,000; 11/10/76, \$3,000; and 11/22/76, \$9,000. But that has "10/22/76" under it, so I don't know what it means.

Q Is there another one?

A 11/27/76, \$15,000.

Q And that completes your examination of the exhibits?

(No response.)

BY MR. CONVERY:

Q Would you please identify what those figures were that you read into the record?

A They were contributions, I suppose. I was just reading figures.

Q From whom?

A From me.

Q To the campaign?

A Yes.

Q Ms. Keahey, just to get to the primary issue of this inquiry that we are conducting today, where did those

funds come from that you contributed to the campaign?

A It was my money.

Q And where, might I ask, did you gain that money?

A Well, we have a family checking account. I write on that.

Q Would you explain for us what is the nature of that family checking account that you just spoke of?

A Well, it is -- it is a family account. My immediate family all contributes and writes on that one account.

Q Who is involved in your immediate family?

A My father, my mother, and my brother and myself.

Q What are their names?

A Thomas Keahey; my father; Edna Keahey, my mother; Thomas Keahey, my brother.

Q What are the terms, if there are any terms, of this arrangement that you have with your father and the rest of your immediate family with regard to the checking account?

A Well, it is not really an arrangement, it is just our money, mutual funds.

Q How was it set up?

A Well, originally it was set up as a business

account, but it was always used for family spending. It is just all lumped in the same account.

Q Do you have any recollection as to when it was set up?

A I think it was, gee, probably '64 or something like that.

Q Let's say at that time that it was set up, or the time that you remember that it was set up, did you have any discussion with your father or the remaining members of your immediate family about this account?

A What do you mean "discussion"?

Q Did your father come in one day from work and say, "I set up a checking account. You all have access to it"?

A We just all -- I mean it is there for spending and that is how we pay our bills and things like that. I have always written on it.

Q And how does it work?

A We all write checks on it for whatever we want.

Q Are you all issued a series of checks?

A Yes.

Q Do you carry a checkbook, and does your brother carry another checkbook, and your father another one?

A Yes.

Q Is there anyone other than the four parties, including yourself, that you have mentioned who have access to this account?

A No.

Q It is just the four members of your family?

A Yes.

MR. CAMHI: I think it would be better if you spoke up a little bit.

THE WITNESS: Okay.

BY MR. CONVERY:

Q Who contributes into this account, or who makes deposits into the account?

A Well, we all have at various times. I always used to put my paycheck from summer jobs and when I worked in college, I would give them to my mother and she would put them in that account. And my brother, when he was a page on the Hill, his went into that account. Everything goes into that account.

Q Are you employed in Washington now?

A Not right now.

Q Were you employed during the course of the campaign?

A No.

Q What was the last job that you held?

A Well, I am working now. I sell antiques.

Q Where?

A For myself.

Q Do you have a shop?

A No. I buy them and put them in someone else's shop.

Q I realize the problems that you might have with the question, but let's take the period, say, the last two years. If all of the family members contribute to this account, could you give an approximate proportion of the contributions they make? In other words, does your father put in 80 percent, your mother puts in 10 percent? If you can, would you give us the proportions of contributions to the account?

A It would be mostly my father's contributions.

Q When you were exercising your rights for the privileges in regard to this account, has your father ever questioned you or called you down on any particularly large check or any check at all on any particular account?

A No, I write anything I want anytime.

Q Are there any limits on this as far as you are



concerned?

A No. He has always made the three of us feel whatever is his is ours. That is how I think of it.

Q Do you ever see the statements that come out on this account, the bank statements?

A I don't keep up with them, but I mean I have seen them.

Q Are they mailed to you?

A They go to the family home.

Q Where is that?

A In Washington.

Q What is the address of that?

A 3806 Brandywine Street, Northwest.

Q Do you as a matter of course or as a matter of standard procedure examine those monthly bank statements?

A No, not usually.

Q Tell me this: If you don't get -- if you don't examine those reports, how do you determine whether or not you will be the party who overdraws that account?

A I am careful.

Q Well, I realize that you are careful, but you can be careful but be ignorant at the same time. You can be

ignorant of the balance of that account; correct?

A I could be.

Q Excuse me?

A I could be. I guess I just take chances.

Q In response to the subpoena that the Commission issued to you several weeks ago, you have turned over to us a series of bank statements from the Riggs National Bank in Washington, and you have accompanied them with what I believe would be 74 checks. And in looking through these, we have noticed that there are several different designations or headings on those checks.

What I mean is some of them are headed "Keahey Moving and Storage Company" -- pardon me, "Keahey Moving and Storage;" some headed, "Thomas M. Keahey," and some headed, "Thomas, Edna and J. Carole Keahey." Can you explain the difference in the checks?

A No. It is the same account. It is a business and a personal account at the same time.

Q Do you maintain any other personal accounts?

A Yes.

Q Where, might I ask?

A Well, I have another one at Riggs. I have one in

Alabama -- Union.

Q Which city?

A Montgomery.

Q Let me jump back to the question that I asked about the different headings on the checks, and I noted at that time one of the three headings had the three members of your family, you father, your mother and yourself. If, as you stated before, your brother had equal rights or the same rights that you do in this account, why does his name not appear on one of the check headings?

A Well, they have the same name.

Q Is he a junior?

A Yes.

Q Did you have any discussion with your father as to the financing of your campaign for the House?

A No.

Q Did you not go to him and say, for instance, and say something like, "I am thinking about running for the House and this is as close as I can approximate. It is going to cost me 'X' number of dollars to do it. And may I take it from this account"?

A I didn't ask him.

Q Was there ever any understanding with your father that the money you spent in relation to this campaign would be repaid to the account?

A Could you repeat that?

Q Let me see if I can make that clearer. Did you ever discuss with your father the possibility of repaying to the Riggs account the money that you withdrew to pay for the campaign?

A No, I never talked about it.

Q You have stated you also maintained accounts in Riggs Bank and the Union Bank in Montgomery; is that correct?

A Yes.

Q Are those both checking accounts?

A Yes.

Q Do you have any savings accounts?

A Yes, I have a savings account.

Q Where is that located?

A Capital Savings and Loan.

Q Can you give us an approximate estimate of the balance that you have in there?

MR. KENDRICK: Today?

MR. CONVERY: Today, or as of the most recent statement.

MR. KENDRICK: I am not sure of the relevance of her personal savings account.

MR. CONVERY: We are trying to establish the source of the contributions that were made by Ms. Keahey to the campaign.

MR. KENDRICK: But they have been made back almost a year ago, and her balance today in her personal savings account, I don't see the relevance.

MR. CONVERY: Fine. In that case, we will amend that question to what was the balance in that savings account, the average balance in that savings account during the course of the campaign. That would be from March 1976 until the election.

THE WITNESS: I can't remember.

BY MR. CONVERY:

Q Do you have any idea at all?

A No.

Q Did you make frequent deposits to that account?

A Not frequent, no.

Q If you can recall the balance at the time we are talking about, the average balance during the course of the campaign, was that balance significantly different from the balance that is in there today?

A I can't remember.

Q You have no idea?

A No.

Q Is that what you are trying to say, you have no idea what was in that account?

A No, I don't remember. I don't even know where my bankbook is.

Q From your account at Riggs, and your personal account at Riggs, and from your account at the Union Bank in Alabama, did you make contributions or loans to the campaign?

A From my other two accounts?

Q Yes.

A I didn't have the one at Union until after the campaign started, so I guess I didn't do that. I am pretty sure I just used the other one. There wasn't much in my other checking account.

Q Would it be fair to say, then, that the Riggs account that you share with the other members of your family, was that Riggs account the only source of loans and contributions that you made to the campaign?

A Yes.

Q Ms. Keahey, let's go back to those exhibits that

I asked you to review several minutes ago. And in those exhibits, I recall you reading for the record several transfers in loans and contributions that were made to the campaign in those early months through the period March 19th through September 30th.

I also notice that the checks that you delivered to us pursuant to the subpoena, the Riggs checks -- it might be easier to have you take look at them. I am showing you now a series of 74 checks that you submitted to the Commission in answer to our subpoena, and I think that we have segregated in that pile the checks that you have made to the Keahey for Congress Committee. They might be at the end.

A Yes.

Q Would you please move those checks from the rest?

A Okay.

Q Why don't you take a few minutes now and go through the rest of that stack, other than those checks that you have taken out. Go through the rest of that stack and make sure there are no other checks made out to the Keahey for Congress Committee.

(Witness complied.)

THE WITNESS: I think that is it.

BY MR. CONVERY:

Q Fine.

In looking through that series of checks, would it be fair to say that there were several checks made directly from the family account to pay bills and expenses that were incurred by the campaign?

A Yes.

Q Now, if you will, would you list for us the checks drawn on the Riggs account that were made payable to the campaign, just the date and the amount?

A August 18, '76, "10,000; August 30, '76, \$5,000; September 24, '76, \$15,000; October 17th, \$5,000; October 30th, \$6,000; October 27th, \$3,000; October 21st, \$9,000; November 3rd, \$1,000; November 9th, \$3,000; and 10/27, \$15,000.

Q The 10/27 activity is not a check, is it?

A No.

Q Would you identify that, please?

A It is a bank transfer.

Q To whom?

A It doesn't say to whom. It is to me, I guess. It doesn't say.



Q Isn't there a party or bank number?

A There is a bank, but I never heard of that bank.

Q What is the name of that bank?

A It says, "First National Bank, Birmingham."

Q You have never heard of that bank, you say?

A No.

MR. KENDRICK: I think this connects with this campaign or any dealings that she has had. I don't want the people in Birmingham to become upset.

BY MR. CONVERY:

Q Ms. Keahey, you have read for the record the dates of the checks written on the Riggs account payable to the campaign. The earliest of these checks was written on August 18, 1976. It was in the amount of \$10,000. Earlier in this proceeding you have, in reading over the reports of receipts and expenditures, noted several loans, contributions and transfers into the campaign made by you.

Why do we have no evidence of those loans, contributions and transfers in --

A What do you mean?

Q Do you have any checks or any written instruments that would evidence the earlier financial activity made

from you to the campaign?

A I don't know what you mean, the ones before this?

Q Let me go back and see if I can accurately summarize what you told us. Earlier, I believe that you read into the record that in the reporting period March 19th through April 10th, the following transfers took place: On March 19, 1976, \$460; on March 31, '76, \$108.15; on April 2, 1976, \$100.64.

Do you remember when we went through that series of questions?

A Yes.

Q Your responses to those questions, or to that process that we went through earlier where I asked you to go through the 10 exhibits, they evidenced loans or contributions or transfers to the campaign from you; is that correct?

A Yes.

Q Yet we have no documentation of those activities.

A That is on those reports.

Q But we don't have checks that show, you see, what I am getting at.

A Oh, they were made out directly. Whatever was paid for, which is written on the report, would have been paid directly by me rather than going through a separate

account. I didn't set this account up until August.

Q You are talking about the checks you just pointed to, your father's account?

A Well, our account.

Q Pardon me, the family account?

A Yes. So I didn't set the Congress account up, so I just paid directly.

Q Earlier expenses went directly from the family account to the persons who billed you for services and goods?

A Yes.

Q From reading those reports, we note that there are some -- not very many, but some -- contributions from sources other than yourself. Where did you deposit those contributions?

A In the Keahey for Congress account.

Q Which bank?

A First, it was Southern, and then we switched to Union.

Q In the course of the campaign you switched?

A Yes.

Q Why did you do that?

A Southern is a small bank and they wouldn't clear

a check as fast as we wanted them to so we switched to a better bank.

Q Could you estimate for me how much you either contributed or donated -- pardon me, contributed or loaned to your campaign?

A I would say it was around \$90,000 or \$100,000.

Q We just have a few questions we would like to go over and I think we might very well be completed here.

What was the name of the town that you mentioned in Alabama, the town where you spent your summers?

A Clopton.

Q And Clopton is in the same area where the remaining family members reside, your aunts, uncles, cousins?

A Yes.

Q Do they all live in the same town?

A Yes.

Q How close is Clopton to Ozark?

A Gee, I don't know. About 10 miles.

Q Is Clopton in the Second Congressional District?

A Yes.

Q When you visited Alabama, where did you live?

A Clopton.

Q Who did you live with?

A Oh, my grandparents were there.

Q In Clopton?

A Yes.

Q Earlier when you told me that you lived in Ann Arbor, you also mentioned that you were a housewife there. Are you still married?

A No.

Q Are you divorced?

A Yes.

Q When was the date of the divorce?

A I think it was about four years ago.

Q What was the name of your husband?

A Swegart.

Q Would you spell it?

A S-w-e-g-a-r-t.

Q When you were married, did you have the same checking privileges that you now enjoy?

A I have always written on that account.

Q Even when you were married and living in Ann Arbor?

A I don't know whether I wrote when I was married, but I could have had I wanted to. I don't remember.

Q Was your husband ever on this family checking account?

A No.

Q He had no privileges on it?

A No.

Q Did you ever have any discussions with your father as to whether you and your husband could continue to draw on this account while you were married?

A No. I can anytime that I want to.

Q Did you ever ask him about your husband?

A Well, I probably didn't. Why should I?

Q Did you ever give to the Riggs Bank any instructions that on a change of name that the name would be Swegart rather than Keahey?

A I never changed my name when I was married.

MR. CONVERY: Would you like to take a short recess here and get a drink of water?

MR. CAMHI: Are we coming to the conclusion of her testimony?

MR. CONVERY: We are getting close.

THE WITNESS: I would like a piece of chewing gum, if you don't mind.

(Brief recess.)

MR. CONVERY: Back on the record, and I think we have just a few more questions for you and we will be able to let you go.

BY MR. CONVERY:

Q Obviously, we have noted that during the course of the campaign you made some very sizeable withdrawals from the family account. In the year preceding the election, say in 1975, how did your withdrawals from that account compare with the withdrawals in 1976?

A I wasn't running for Congress so I didn't have to spend that much money.

Q Would you characterize them as being much lighter, about the same?

A Yes.

Q Much lighter?

A They would have to be. If you are not running for Congress, you don't have to spend a lot of money.

Q In 1976, of course, there would be a distinct increase in the amount of money that you would have been withdrawing from that account, from the family account. I find it incredible that there was no discussion with your

father as to those increased withdrawals. You had no discussion with him at all about that; is that right?

A No.

Q You never said to him, "I am running for Congress. I think I am going to be needing \$20,000 a month for the next six months"?

A He knew I was running for Congress. We never sat down and formally, you know, talked about it.

Q Do you remember his ever saying anything about, "Now you are running for Congress. I am going to have to get a lot more money to put in that account"?

A No. The money was there before, you know.

Q As far as you know, was the balance in that account always about the same as it was during the campaign?

A Sure.

Q Do you know if your father has any accounts other than this one?

A I don't think so.

Q Do you know whether or not your father has a savings account?

A Oh, he has a savings account.

Q Where is that located?



A Capital City.

Q Is that the same account that you have, or is that a different account?

A No, it is different. Although, I have access to that, also.

Q You have access to the savings account, too?

A Yes.

Q Is it the same kind of arrangement you have as with the checking account, free access?

A Yes.

Q Do you know where his bankbook is?

A No.

Q You didn't know where your own was?

A I don't know where either of them are.

Q Did you use his savings account to finance any of the campaign?

A No, I just wrote on the checking account.

Q Are all the checks for the campaign included in what you handed over to us under the subpoena?

A Yes.

MR. CAMHI: To the best of your knowledge?

THE WITNESS: Of course.

BY MR. CONVERY:

Q If we were to take the checks that you wrote to the campaign itself directly, checks written by you to the J. Carole Keahey for Congress Committee, and take the remainder of those checks made out to various vendors, salesmen, advertising companies. TV stations, would the total of all those checks equal what you say you spent in the campaign?

A It should.

Q Where is your brother located now?

A He is in New Orleans right now.

Q What does he do there?

A He is a doctor.

Q Does he have his own practice?

A Well, he is a prison doctor right now.

Q Excuse me?

A He is a prison doctor right now.

Q How long has he been out of medical school?

A He graduated last May.

Q Did he intern in prison?

A No, Oxford Foundation. So he got a job as a prison doctor.

Q And although he is living in New Orleans now,

does he still have access to the account?

A Yes.

Q Do you have any idea as to whether or not he exercises his rights to the account?

A He does.

Q Does he exercise his rights to that account to a great extent? Does he spend a lot of money from this account?

A We both spend quite a bit. I don't know what you mean by a lot.

MR. CONVERY: That is true.

That is about all I can think of. Would you gentlemen care to --

MR. CAMHI: I just have a few questions.

EXAMINATION BY COUNSEL FOR J. CAROLE KEAHEY

BY MR. CAMHI:

Q Carole, these reports that are designated Exhibits 1 through 10, these are photocopies; is that correct?

A Yes.

Q At the bottom of these reports, is this your signature?

A Yes, it is. Not all of them, but most of them.

That is not.

(Witness indicating.)

BY MR. CAMHI:

Q Some of them have your signature on them and some do not?

A Yes.

Q But the person who signed it would have authorization to sign?

A Yes.

Q With regard to the figures that are put into these reports, did you type out these figures or prepare the documents themselves?

A No. I made out one report and that is it. Somebody else made out all of the others.

Q And the document was presented to you for your signature?

A Yes.

Q Did you have occasion to go through each report and check the accuracy of those reports, or did you rely on the other person who prepared them?

A I relied on the person who prepared them. I just had time to sign one quickly once.

Q So there could be typographical errors, minor errors, you are not aware of even though your signature is on the bottom?

A Yes.

Q With regard to the family account at Riggs Bank, just to restate what was already asked you, would you characterize your having free access or control over the funds in that account at any time?

A What do you mean?

Q The money in the Riggs account, would you say that you had complete access to that money?

A I always have.

Q And did you have access for whatever purpose you chose?

A Yes.

Q Whether it was personal or for whatever purpose?

A Yes.

Q And you did not have to get any authorization from anybody else to withdraw or use the funds for any purpose whatsoever?

A No.

Q The items referred to by Mr. Convery, he indicated

there were designations on the exhibits. For example, on Exhibit 1, showing a designation of candidate's own funds. And if you could use the example of Exhibit 1 of \$108.15 on March 31, '76, would a check such as this one made out for \$108.15, made out directly to the Acme Printing Company, be the same as that designated in the account?

A It is from the same account.

Q But would a designation, "candidate's own funds," for \$108.15, mean a check such as this one made out directly to the vendor of the account even though designated on the report as "candidate's own funds"?

A I was paying bills.

Q You say that in the past you had access to the funds in the account and you never really worried about the account being overdrawn. Was there ever a problem about that in the past, the moneys that you wanted to use from the account before the campaign?

A No, not before the campaign.

Q So you would, in effect, write checks freely without having any worry about that account being overdrawn?

A Yes.

Q In your opinion, you knew there would be a sufficient

amount to cover any check?

A Oh, sure.

Q And finally Mr. Convery asked you a question about your brother withdrawing funds from the account. You do not really keep tabs on what your brother writes checks for?

A No.

Q So you really wouldn't have any idea of the amount of checks he writes on the account for personal or family purposes?

A I don't keep up with his spending.

Q He doesn't have to get prior approval from the other members of the family?

A No.

MR. CAMHI: That is all I have.

MR. SCALL: One question.

FURTHER EXAMINATION BY COUNSEL FOR THE  
FEDERAL ELECTION COMMISSION

BY MR. SCALL:

Q On what did you base your opinion that the account would not be overdrawn when you entered this campaign and began to incur these greater expenses?

A I really didn't think about it.

BY MR. CONVERY:

Q Did your father --

A There seemed to be enough in there.

BY MR. SCALL:

Q When you started?

A Yes.

BY MR. CONVERY:

Q Did your father assure you what you spent in the campaign he would be able to cover?

A I don't know. I don't remember. I was awfully busy. The money there has always been enough money, so I just really had hoped for the best.

Q I think we might be able to wrap it up with one more question.

Do you have any knowledge as to the sources of your father's deposits to the account?

A Well, sure. I know he has income from various sources.

Q What are those sources?

A Well, he has a business.

Q What is the business?

A A moving and storage company. He is retired from



the Navy. He worked on Capitol Hill, so he had that income. From savings account, and that is all I know.

(Documents entitled "Short Form Report of Receipts and Expenditures for a Candidate or Principal Campaign Committee" were marked Exhibit Nos. 1 through 10, inclusive, for identification, and attached to the Commission copy of this deposition.)

MR. CONVERY: I think that should do it. Thank you very much for your attendance and cooperation.

(I have read the foregoing pages 4 through 43, inclusive, which contain a correct transcript of the answers made by me to the questions therein recorded.)

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J. CAROLE KEAHEY

- - -

## CERTIFICATE OF SHORTHAND REPORTER.

I, James R. Hunton, shorthand reporter, do hereby certify that the testimony of the witness appearing in the foregoing deposition at pages 4 through 43, inclusive, was taken by me in shorthand and thereafter reduced to typewriting by me; that the said deposition at said pages is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.

---

Shorthand Reporter

FEDERAL ELECTION COMMISSION

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In the Matter of :  
:  
J. CAROLE KEAHEY and :  
THE CAROLE KEAHEY FOR : MUR 384 (77)  
CONGRESS COMMITTEE :  
:  
----- x

Washington, D. C.

Tuesday, August 2, 1977

Deposition of

THOMAS M. KEAHEY

a witness in the above-entitled matter, called for examination  
by counsel for the Federal Election Commission, pursuant  
to notice, taken at the offices of the Federal Election  
Commission, 1325 K Street, N. W., Washington, D. C., beginning  
at 11:35 o'clock a.m., before Vincent J. Convery, Jr., Esq.,  
when were present on behalf of the respective parties:

*Milton & Greenwood Reporting Associates, Inc.*

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C O N T E N T S

EXAMINATION BY COUNSEL FOR:

FEDERAL ELECTION COMMISSION  
(Mr. Convery and Mr. Scall)

WITNESS:

THOMAS M. KEAHEY

3, 54

THOMAS M. KEAHEY  
(Mr. Kendrick and Mr. Camhi)

52

E X H I B I T S

Marked for identification and attached:

Page

No. 11 -- bank statement

30

No. 12 -- bank statement

32

No. 13 -- bank statement

34

No. 14 -- bank statement

36

E X H I B I T S - Continued

<u>Marked for identification and attached:</u>	<u>Page</u>
No. 15 -- bank statement	36
No. 16 -- bank statement	37
No. 17 -- bank statement	39
No. 18 -- transfer of funds document	39
No. 19 -- bank statement	42

- - -

Thereupon

THOMAS M. KEAHEY

a witness, was called for examination by counsel for the Federal Election Commission and, after having been sworn by Vincent J. Convery, Jr., Esq., was examined and testified as follows:

MR. CONVERY: By way of introduction, let me first state I am sure you are well aware that the reason we are here today is just to conduct an inquiry into the financing of the campaign for the House of Representatives that was engaged in by your daughter J. Carole Keahey in 1976.

For the record, I would like to make note of the individuals who are present here. It would be Mr. Thomas M. Keahey, Mr. John A. Kendrick, Esq., and Mr. Stanley Camhi, Esq., attorneys for Mr. Keahey. And Lester Scall, the Assistant General Counsel, and myself, Vincent J. Convery, Jr., representing the Federal Election Commission.

EXAMINATION BY COUNSEL FOR THE FEDERAL  
ELECTION COMMISSION

BY MR. CONVERY:

Q Mr. Keahey, just to get things started on the record why don't you give us your name and your address, complete name and address.

A Thomas M. Keahey, 3806 Brandywine Street, Northwest, Washington, D. C., zip code 20016.

Q How long have you resided at the Brandywine Street address?

A Well, I have owned that house since 1956.

Q Have you lived in there steadily since then?

A Yes.

Q Earlier today, of course, we had a conversation with your daughter Carole, and she indicated to us that you had spent some time in the service, as much as you indicated yourself before you started here. Could you give us some background as to your experience, your career in the service and what you have done since then?

A Well, I went into the Navy November 3rd of 1938, and come out November 3, 1958.

Q What else?

A Then I was in business with my brother for a while.

Q What type of business was that?

A Moving.

Q Where is it located?

A 2301 Fourteenth Street, Northwest.

Q Here in the District?

A D.C.

Q And what were the approximate dates that that business was in existence?

A Well, I helped him quite a bit before I got out of the Navy. I was stationed at the David Taylor Model Basin.

Q Which base?

A David Taylor. It is out here past Glen Echo. The David Taylor was there for a good while. I retired from there.

Q What type of job did you have in the service?

A I was a chief pharmacist mate, and they had three chiefs on duty there and I happened to be one of them. We stood the duty. I was on 24 and off 48.

Q And you got out in 1958. I take it the last several years you were in the service and you helped your brother part-time. And then once you left the service, once you retired from the Navy, did you go into business with him full-time?

A Yes, I went in business for myself, and stayed in business until 1968 when we got burned out. I stayed until 1969, and then just partially. And in 1971, I got a job



at the Capitol and held that until September 15th of last year. I was still -- you know, I kept my moving business intact.

Q What was the nature of the job that you had at the Capitol?

A I was a doorman. I worked for Mr. "Fishbait" Miller, and now it is Mr. Molloy. I could still be there if I wanted to. They call me up every day. I could go back there tomorrow.

Q But what line of business are you in now?

A I am in the moving business.

Q Do you have your own company?

A Yes.

Q How large an operation is that?

A Well, I -- it is a pretty good operation.

Q Do you have a permanent pool of employees?

A Well, no, we don't. We just -- we more or less like the labor pool, Staff Builders, something like that. Some days we might work a lot of men and the next day drop down to zero.

Q Do you have anyone under permanent employ there?

A Oh, yes.

Q How many?

A I would say about 10.

Q And if need be, you are able to go out --

A Sure. You can go out and get a hundred people right this morning when you walk out of here if you need them.

Q Is this moving concern of yours -- moving and storage, is that the proper designation?

A That is correct.

Q Keahey's Moving and Storage?

A That is correct.

Q Is that licensed with any government agency?

A Yes.

Q Which ones?

A Department of State.

Q And what is the nature of the moving business you do? Do you move offices?

A Just like if you wanted this stuff moved in here, we would move it for you. It is just local office moving.

Q And who do you move, primarily private offices?

A Private offices like the Secretary of State. Like he is on a trip right now. See, maybe we took him to the airport. I know we took his luggage, stuff like that. We

always do that. The Department of State would furnish the car.

It is just like the other day on Elliot Richardson, I had to go there myself and do some things for her, for his wife. That was pertaining to moving.

Q Do I take it correctly that you work primarily under government contract?

A That is correct.

Q Do you do any private moving?

A Unless it was somebody like you. Just a personal favor. We used to, but we quit it. No money in it.

Q Are you licensed in the District or the State of Virginia, anything like that?

A I think we can operate in the commercial zone of Washington, D. C.

Q But as far as you know, you don't have any licenses or certificates, anything like that?

A Not to my knowledge.

Q Do your people have to be bonded?

A No.

Q Do you have to go there to get a license with the Department of State?

A Well, any type of job, whether Department of State or probably right here, you go up for a bid, controlled by a bid. You have to bid on it. Like if you are the Labor Department, HUD, every one of it is a competitive bid. They don't give it to you on your own. Like if you was going to move this office and everything here, it would either be a walk-through or you might decide on an hourly rate. It would depend on you. Everything is done by contract.

Q So you don't exclusively subcontract to the Department of State? You were using that as an example?

A We don't subcontract to any --

Q Are you on a retainer or anything like that with the Department of State?

A Any office moving, it would come to me. But if it is overseas, I don't know who it would go to.

Q We can pretty well summarize that you almost exclusively do government work?

A That is correct.

Q And done almost exclusively in the Washington area?

A That is correct.

Q Not necessarily in the District, but what you termed

the commercial zone for Washington?

A That is correct.

Q I realize that this may be a little bit difficult to answer, but how regularly do you move people? Do you have a job every week, or two times a week, or a sporadic basis?

A No, we have everyday jobs.

Q I take it that you receive a pension from the Navy?

A That is correct.

Q Do you have any pension or arrangement of that type coming in from the Capitol?

A Yes.

Q And the moving business?

A Yes.

Q Do you have any other sources of income other than those three?

A Well, I get some interest. I have some stocks and stuff like that. I don't know what amount.

Q I would like to get into the subject of what we could probably term for the record family checking accounts that you have arranged with your daughter and, as I understand

it, the other members of your immediate family; that is, your wife and your son.

A Yes.

Q When did you begin this arrangement?

A Well, I don't know the exact date, but it's always been where my son, or my daughter or my wife would write a check on the account when I had it at 17th and G, and always that way where it is now.

Q How old is your son, by the way?

A Twenty-six. He will be 27 the 15th of December.

Q Your son and your daughter are your only two children?

A Only two, yes.

Q Could you give us some kind of a description of the terms of this banking arrangement that you have? Does your wife, and your daughter and your son, do they have completely free access to this account?

A Yes, sir.

Q I suppose they all have signature cards on file with the bank?

A That is correct.

Q Have you ever placed any ceilings on what they

would be allowed to withdraw from this account?

A No.

Q How is this account maintained? Who makes the deposits to the account?

A Well, I usually do, me and my wife. If Carole happens to be there, she might make them, or if my son is there, he might make them.

Q Does your wife work?

A No.

Q There is a possibility that you may have misconstrued my last question. Whose money is it that goes into the account?

A Well, as it is now, I have always considered anything that I had, that belonged to my two children and my wife, the same as me.

Q Whose money is deposited into the account?

A Some of it would be --

MR. CAMHI: Are you looking for the source of the money that goes into the account?

MR. CONVERY: Right.

MR. CAMHI: I think he answered that before, that he works as a contractor.

MR. CONVERY: What I meant was who makes deposits to the account?

THE WITNESS: Just anybody who is available. Whoever is available, whether it be Carole, or young Tom or my wife.

BY MR. CONVERY:

Q I don't mean pick up the check and carry it over to the bank, but is it their money that goes into the account and your money that goes into --

A As much theirs as it is mine.

Q No, at the time it goes in.

A At the time it goes in, it would still be just as much theirs as mine. That is the way I have always looked at it, like that.

Q Your daughter or your son, do they make deposits from their earnings to this account?

A Yes.

Q Are they in comparison to your deposits, or are they significant at all?

A No.

Q I think it would be obvious that in the year that your daughter ran for the House that the expenses or the withdrawals that she would be making from this account would



be significantly greater than they were at any period of time with regard to her; is that right?

A Well, sure. I would say that is correct.

Q At any time before she entered into this campaign, or even after she entered into the campaign, did you have any discussions with her as to the increased spending that the campaign would entail?

A Entail? No.

Q Have you ever told her -- let's put it this way: You knew that since she was running for the House it would cost a lot more than before to maintain this account.

MR. KENDRICK: Is that a question?

MR. CONVERY: No, just a statement.

BY MR. CONVERY:

Q Did you find it necessary to deposit more into the account than you did in previous years?

A Well, I would say yes.

Q And how were you able to allow for these increased expenses?

A Well, I had money. I am 65 years of age and I have accumulated a few dollars prior to now.

Q You didn't have to go out and get more moving jobs

than you did the year before?

A No.

Q Is the moving company the primary source of your funds?

A That and my retirement and the retirement from the Capitol.

Q How much do you figure they are worth, retirement from the service and retirement from the Capitol?

A I just don't know right off.

Q Is this moving concern an incorporated entity?

A No.

Q How is it set up, what is the nature of it?

A It is set up just in my name only.

Q You never had to tell Carole that when she was running for the House there would be no limit on the amount of money she could spend in relation to that campaign?

A No, I never told her anything to that effect. I haven't told them right up to now, neither one of them, or my wife.

Q Do you by any chance maintain the deposit forms for this account?

A Yes.

Q Do you maintain any other accounts, any accounts other than this family checking account?

A No.

MR. KENDRICK: You mean any other checking accounts?

MR. CONVERY: Any other accounts.

MR. KENDRICK: Including savings?

MR. CONVERY: Including savings.

THE WITNESS: I have a savings account.

BY MR. CONVERY:

Q Where is that located?

A In Washington, D. C.

Q What is the name of the --

A Capital City.

Q Do you have the same arrangement as to that account in Capital City as you do with the checking account with your children?

A Yes. I can't be 100 percent, but I am pretty sure that Carole's name and my son's name and my wife's name is on everything that I have.

Q When the staff here was examining the checks that you submitted to the Commission in response to the subpoena that we issued, we noticed that although the statements were

made out to the name "Keahey Moving and Storage," that the headings on the checks were different. That is, some of the checks were headed "Keahey Moving and Storage;" others were headed "Thomas M. Keahey;" others were headed with the names of the three family members, yourself, and your wife and your daughter.

Can you explain for us why there are differences in the checks?

A I would have to see the check and look at it.

Q I will show to you the checks and the copies of checks, which amount to 74, that were submitted to the Commission in response to the subpoena.

(Documents handed to witness.)

THE WITNESS: You want me to look at all of them?

MR. CONVERY: No, sir. Just generally go through them.

THE WITNESS: You are talking about these?

(Witness indicating.)

MR. CONVERY: Right.

THE WITNESS: I don't know why they did that. I never requested it. I don't know why that is there.

MR. KENDRICK: May the record show that Mr. Keahey is looking at the checks, referring to the printed designations

of the account at the top.

THE WITNESS: If you look at the checks today, they don't have anything printed on them.

BY MR. SCALL:

Q Mr. Keahey, you said the checks today have no printing at all regarding names?

A I don't believe they do. Some might or some might not.

Q Do you know who informed the bank that all headings be deleted?

A No, I don't.

Q Do you know the reason for such request to the bank?

A No. I would say there is no real reason.

Q In whose name is the account now listed?

A It is listed in Keahey's Moving and Storage.

Q Did it arouse your interest or your curiosity at any time when the printing on the checks changed from one designation to another without your authorization?

A Not at all.

Q How long has the account been in the name of Keahey's Moving and Storage?

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A It's probably been there -- I don't know. It used to be at 17th and G, and then we moved it up to Wisconsin Avenue, and I think that is when they changed. I would say probably several years. I just couldn't give you an exact answer, exact time on that.

Q Do any of your employees at Keahey Moving and Storage deposit any checks from the firm to the bank?

A No, unless I just happen to send somebody over. If I send somebody over there to deposit anything, they could do it, even including you.

Q Do any of your employees have the right to withdraw money for business expenses?

A If I sign the check.

Q But only your signature?

A Only my signature, either Carole's signature, or mine, or my son's, either one, or my wife's, whoever signs the ticket. If I was out of town, my son could sign the ticket himself, sign the check himself.

Q How many trucks or vehicles does your firm own?

A Eleven.

Q Is there any business address other than your home address for the firm?

A Well, I have a post-office box number. The reason for that is if you send mail -- I have an office over here on Florida Avenue, so you can't get any mail in there. If you wrote me a letter there, I would never get it.

Q Is your firm listed in the phone book with a phone number?

A No.

Q How would somebody who wanted to use you get in touch with you?

A Just by the word-of-mouth.

Q During the time that your daughter ran for Congress, as was testified to before, the withdrawals from the account increased greatly; that is correct, isn't it?

A That is correct.

Q Is it also, then, correct that you were depositing more money in the account during that period than you were normally depositing in other banks before those things happened?

A No.

Q Are you saying, then, that you, even without Carole's campaign for Congress, you were keeping large balances of money in the checking account?

A That is correct.

Q What was the reason that you kept money there earning no interest rather than in a savings account?

A Well, in case -- if you put it in a savings account, you have to sign up for one year or four years. I just keep about what I thought that I would need in the checking account.

Q But before Carole ran for Congress, you really didn't need all that money?

A Well, there wasn't too much in there then.

Q What I am saying is if there wasn't too much in there, that means the regular income either changed during the period that Carole ran for Congress or you began depositing your income checks to the checking account rather than to some other account; which one was it?

A It was all the checks went there.

Q Even before Carole ran for Congress?

A That is correct.

Q And at that period, the withdrawals from the account, as you testified, were much less than they were during the time that Carole was running?

A That is correct. Sure.

Q So I am getting back to the original question. If



you always deposited the bulk of your income checks in the checking account, you carried very large balances in there during the period that Carole was not running for Congress?

A I would say there was always quite a bit of money in that account, yes.

Q And you say the reason for that was because the only way to deposit in a savings account where it would earn interest is to put it in a one- or four-year certificate?

A Yes.

Q Couldn't you simply deposit it in a demand account and earn as much as, let's say, 6-percent interest and get your money back should you need it on a one-day's notice?

A I don't know about that. During all the time that you are talking about -- you know, my son was in medical school over here at G.W., and my daughter was in college, and you had to keep that money so you wouldn't be overdrawn. You had to do that, so I never did do too much over that.

If you notice, those statements were overdrawn for a long time there.

Q Well, immediately before the campaign your daughter was not in college, but your son was in medical school; is that correct?

A That is correct.

Q Are you saying that during that period immediately before the campaign the withdrawals from that account were extremely large because of your son's being in medical school?

A Well, that was part of it, and I was, you know, setting up my business again so I had to keep some money there for that, big trucks and so forth.

Q Are you saying that your business was set up immediately prior to Carole's entering the campaign?

A About a year or so, about that.

Q How did your business change in that period? What was the difference immediately before then and after, as you say, it was set up?

A Well, I would say since I started back in business it has doubled.

Q Is it simply more of the same kind of clientele?

A Yes.

Q Was that the period immediately after you left your job on Capitol Hill?

A Well, I had it going before then. I was working there at the same time. I was putting what money I got

from Capitol Hill, plus my Navy retirement, interest and everything else, in this same account.

Q How many of your jobs would you say are the result of bids to the government?

A Well, right now, one. One. You see, just one, and that is the Department of State. We do some work for the USIA and the ICC occasionally, but all of the rest of them are strictly bids, 100 percent. You have to go to the Labor Department and you have to bid against 14 or 15 other people, and you are lucky if you get one.

Q So the jobs you are describing are a combination of moving clothing material such as when the Secretary of State travels abroad and moves within the District?

A Office moves. And when the President goes on a trip, or the Secretary goes on a trip, or anybody -- dignitaries come over here -- we are there. We are there before and we are there after.

Q Moving clothing and personal effects?

A Now, on the clothes and stuff like that, we might pack them and stuff like that if they ask us to. But if they didn't ask us to -- the Secretary of State, he does his own. But we do take their clothing and stuff to the plane.

Q As a matter of curiosity, how much luggage would one person have even if he goes abroad for three weeks?

A I don't know. We shouldn't be referring to names and everything, but we just sent some stuff up to New York, and it had something to do with international law of the sea, I believe. And we sent that up for Mr. Richardson and Mrs. Richardson. I went over and did that myself.

I shouldn't even be mentioning names, I guess. They wouldn't care, but I don't know how much stuff they had. I know we just barely did get it in the vehicle that we had there. And if we had taken the stuff that they told us to take, we wouldn't have had room. And if I had carried more people other than me and one other gentleman, we wouldn't have had the room but would have had to order another truck.

Q You said earlier in your testimony that you considered all the money that goes into the account as money belonging to the family; is that correct?

A That is 100 percent correct.

Q By the same token, do you consider your family members as officers of the firm, the moving firm?

A Well, if I passed away they would take over. Probably even my son right now if he wanted to quit the medical

school, he would probably come up here. But it is too uncertain because when you go down there and you are bidding against 15 people, you lose one contract, it will put you out of business. You will be out at least a year or three years, so you have to hang on until you can grab hold of another. You have never seen any rich movers, I will tell you that.

Q Is there anything in writing that you have in your family that sets out that any of your family members have the right to run the business at any particular time or upon the occurrence of any particular event?

A I don't know whether there is anything in writing right now. I won't say one way or another, but if there isn't, there will be. Because if I died right today, I doubt if my wife could run that business; I doubt if my daughter could. My son could probably do it, but he would have to leave the medical profession. And he would have run for Congress instead of Carole had it not been for that medical school. We had him groomed for that job. My son was a pageboy over there and we always pooled our finances, all of us.

Q You say groomed for this job. Which job did

you mean?

A If he hadn't been in medical school, he would have run for Congress against Dickinson.

Q This was, in other words, a plan in the family to do this, a family goal?

A That is right. When my son was first born, I said that he would be a pageboy, and he was. So then -- I could have brought the letter and showed it to you. George Andrews said he would succeed him in Congress. But he got out of school last May 21st, and he just didn't have time to do that so we threw Carole in there.

Q Was this in part the reason for setting up the so-called family account in this way?

A No, it was set up before.

Q You said when he was first born there was this goal?

A I said this myself, and just about anything that I ever said, it always comes true. But he didn't want to quit the medicine right there at the finish, so Carole said she would run. Carole was just as smart as he was, or smarter.

Q Did you expand the business when you said you did

in part to help support the campaign of your daughter for Congress?

A No. In fact, we didn't expect it to cost that much money. We thought we would get some contributions, which we didn't. We got very few contributions. So we were caught in a bind and had to pay it.

Q There is still one thing I have to confess I don't understand, and that is we have gotten some testimony that there was no specific communication between you and your daughter that expenses for her campaign would greatly increase the outflow from this account. Is that correct?

A Well, I don't remember having discussed that because people down there, they said we would collect in contributions between \$85,000 and \$90,000, and we didn't do that. Fell far below that.

Q That would change your expectations even more? In other words, you would have expected, if that was so, to have to contribute less money to your checking account and as it turned out those contributions did not materialize; isn't that so?

A They are all on that list. I don't know how much she got.

Q What I am driving at is how could you possibly know how much money to divert to your checking account if you did not have these discussions with your daughter as to what her expectation for expenditures were?

MR. KENDRICK: Mr. Scall, I am going to have to interpose an objection on your use of the word "divert." There was no foundation of any diversing of funds from any depository or source. I believe that Mr. Keahey has testified that all of the income went through that account, not only his own but what earnings there were of other members of the family all went into that account.

From there, it was disbursed in various ways. But there has been no indication of any diversion from one source to the checking account, or anything of that sort.

BY MR. SCALL:

Q Let me rephrase this. You said that you were using checking account funds prior to Carole's campaign for the expansion of the business; is that correct?

A Well, it was there for any use that it needed to be used for.

Q But in the amounts that Carole needed it, you had previously been using those amounts to expand the business;



is that what you testified to?

A Well, I think those overdrawn statements there would answer your question. You will see how long it went overdrawn there, and overdrawn up until April of this year.

Q Mr. Keahey, I am going to show you statements of the checking account which your daughter submitted to us pursuant to the subpoena. I will ask you to identify them. They run from April 30, 1976 to November 30, 1976. The most recent one is on top, and I will mark them as soon as you have a chance to look at them.

(Documents handed to witness.)

BY MR. SCALL:

Q Have you examined them?

A Yes.

MR. SCALL: I intend to mark the Xeroxes as exhibit numbers and will retain the originals without any additional markings on them and return to you at the appropriate time.

I would like to have the statement of April 30, 1976 marked as the next consecutive exhibit number.

MR. CONVERY: I believe that would be Exhibit 11.

(The document referred to was marked Exhibit 11, for identification, and attached to the court copy of this deposition.)

BY MR. SCALL:

Q Mr. Keahey, could you explain to us the source of the deposit indicated to have occurred on April 21st for \$28,366.50?

A I don't understand the question there.

Q Let me backtrack. Where did that money come from, do you know?

A I would say that was probably a government check.

Q Was that a retirement check or --

A Oh, no, no. It could have been retirement check and everything could have been blended in there with it, but I don't think so.

Q Can you explain the figure that is indicated to be April 28th of \$18,787.50?

A That would probably be a government check.

Q Including the same items that you mentioned for the previous one?

A Yes.

Q Would you look on the bottom and tell us if there are any notations as to overdrawn on that monthly statement?

A There is no overdraws on this statement.

Q Let me backtrack a minute and ask you, first,

can you identify this statement and the others that you have looked at for the period April 30th to November 30th as the statements of your moving firm account?

A I would say yes.

Q Turning to the May 28, 1976 statement, there is a figure printed next to May 18th --

MR. CAMHI: Are we marking this?

MR. SCALL: I think I ought to do it by individual pages. This will be Exhibit 12.

(The document referred to was marked Exhibit 12, for identification, and attached to the Commission copy of this deposition.)

BY MR. SCALL:

Q The amount next to May 18th is \$17,237. There appears to be a pencil mark, pencil line through it with a different figure above it. Can you explain what this printed figure is and what the penciled figure above it indicates?

A No. I never noticed that before.

Q Can you explain where the \$17,237, or perhaps \$14,370, came from?

A I would say that was a government check.

Q The same sources that you indicated previously?

A Yes.

Q And over in the balance column, are there any notations of overdrawn?

A No, sir.

Q Would you turn to the back of the May 28th statement, Mr. Keahey.

(Witness complied.)

BY MR. SCALL:

Q There are some penciled notes indicating dates, dollar amounts and two words. Can you explain the significance of those items?

A Probably my wife wrote that. I know that is some kind of a store that they call Hob Nob. That is all I know about that.

Q Is that in Washington?

A I really don't know. It might be here; it might be in Alabama.

Q Does that have any connection with the campaign?

A I don't think so.

MR. CAMHI: Hob Nob, I believe, is a clothing store.

MR. SCALL: Here in Washington?

MR. CAMHI: I think there is a Hob Nob.

MR. SCALL: Would you turn to the statement of June 30th.  
We will mark it Exhibit 13.

(The document referred to was marked Exhibit 13, for identification, and attached to the Commission copy of this deposition.)

BY MR. SCALL:

Q Let me call your attention, to speed things up, to two figures, two dollar amounts in the balance forward column. One is \$16,698.40, and the next one is \$19,328.12. Can you tell us where those deposits came from?

A I would say the same source.

Q A combination of moving income and government checks to you?

A That is correct.

Q And over in the right-hand column are there any indications of overdrawn?

A No, sir.

Q There is also on that June 30th statement two items in the balance forward column with the notation "RT" next to it. Do you see what I am referring to?

A Yes.

Q Can you explain what they are?

A Well, I think those were postdated checks that went to -- probably to General Truck Sales and they sent them in. It will tell you down over here what "RT" means. Returned Item. Like if I wrote you a check and put down the -- put down the 2nd of August of this year and you sent -- if I put down the 25th of August and you send it up there, they would cash it right today. Most of the time they would do that and wouldn't wait until the 25th.

But on those two particular checks, I remember Mr. Edmonds calling me about those.

Q Deposit checks?

A No, payments, probably for a truck or parts or something. But they were legitimate checks.

Q I see. Yes.

A They were just returned because they probably looked at them and said if I put the 15th of August, sometimes they will stop them. But most of the time GMAC over here in Virginia -- I quit doing that because the bank would cash them six months ahead of time.

They don't look at them, they just go ahead and cash them.

Q Would you turn to the statement marked July 30, 1976, which would be Exhibit No. 14.

(The document referred to was marked Exhibit No. 14, for identification, and attached to the Commission copy of this deposition.)

BY MR. SCALL:

Q There are two items that I want to ask you about in the balance forward column. One is a deposit or credit on July 13th of \$32,768.50, and the other is one on July 27th for \$22,920.50. Can you explain where they came from?

A I would say the same source.

Q And over in the balance column, are there any overdrawn indications?

A No, sir.

Q Would you turn to the statement for August 31st, which I will have marked as Exhibit No. 15.

(The document referred to was marked Exhibit No. 15, for identification, and attached to the Commission copy of this deposition.)

BY MR. SCALL:

Q Let me ask you about a deposit or credit in that column on August 23rd of \$27,227.50. Can you tell us where

that came from?

A Same source.

Q And over in the balance column, are there any overdrawn notations?

A No, sir.

Q And turning to the statement of September 30th, which I will mark Exhibit No. 16, I would like to ask you about three deposits or credits. One on September 7th of \$14,214, and one on September 17th of \$25,989, and on September 28th of \$13,326. Can you tell us where those funds came from?

(The document referred to was marked Exhibit No. 16, for identification, and attached to the Commission copy of this deposition.)

THE WITNESS: Same source.

BY MR. SCALL:

Q And over in the balance column, are there any overdrawn notations listed?

A No, sir.

Q Mr. Keahey, in the left-hand-most column on the September 30th statement, four figures up from the bottom, there is an indication of \$2,500, followed by the letters



"DM." Can you explain that check or debit?

A I don't know what that was for. Right offhand, I wouldn't know.

Q I would like to call your attention now to the statement of October 29, 1976, and ask you about three items listed in the deposit and credit column. One of \$9,108.50 on October 6th; one of \$19,813.50 on October 20th; and one of \$12,608.04 on October 29th. Can you explain those deposits and credits as to where they came from?

A It would be from the same source.

Q And over in the right-hand column, the balance column, you do notice some "OD" notations there; is that correct?

A That is correct.

Q I would also like to call your attention to the left-hand-most column and two items from the bottom. There is an amount of \$15,000, with a notation "DM" next to it. Can you explain that?

A Well, I would say that probably had -- I don't know for sure, but that was probably just transferred direct from the Riggs Bank to the bank in Alabama. That is what I would say.

Q For your daughter's campaign?

A I would say, to the best of my knowledge, that would be right.

Q Can you explain why that transfer of funds was apparently handled differently from some of the others, or most of the other expenses for your daughter's campaign?

A Well, the only reason for that would have been that Carole was in Alabama. She was busy, and I was in Alabama and I was busy. And so I remember calling up about that, and they transferred it down to Carole's checking account.

Q I would like to show you a document and ask if you can identify it. We will make a copy of it.

(The documents referred to were marked Exhibit Nos. 17 and 18, for identification, and attached to the Commission copy of this deposition.)

THE WITNESS: Well, I have never seen this before. If I have seen it, I just don't know. I may have seen it before and I may have not.

BY MR. SCALL:

Q If I were to tell you that it was included with the package of checks that was produced pursuant to the

subpoena, checks in accordance with the account of Keahey Moving and Storage, would you say that it is possible it is part of that?

A Yes, I would say that.

Q I would like to introduce this as the next exhibit, and I will refrain from marking on it until we can make a copy so we can return it to you. We will call this 18.

Mr. Keahey, can you explain why the account credited on that document is indicated to be a bank in Birmingham?

A I just don't know why that would be on there.

Q Do you have any recollection of that bank or any connection with it?

A Never had any connection with the First National Bank of Birmingham. The only way I would try to explain that -- they have the name misspelled, to begin with there -- I just don't know how these bankers handle this stuff. They probably send it there and on down to Montgomery. They have it crossed out. I just wouldn't want to make any guess, to tell you the truth about it. I don't know.

Q Have you ever transferred funds before?

A Yes.

Q Does it ever occur that there is an intermediary

bank that is neither the sender nor the receipient, some bank along the way; have you ever noticed that?

A Never noticed that.

Q Mr. Keahey, you have testified that you were in Alabama at the time; is that correct?

A I was in Alabama the last two weeks of October, I am sure.

Q Was that in connection with your daughter's campaign, to assist her?

A That is correct.

Q Had you been in Alabama for other periods of time during her campaign?

A Well, I had been in Alabama two or three times a year for the last 30 years.

Q But this particular period?

A I would say I probably had, yes. I just don't know for sure.

Q Were they for periods of time as long as two weeks?

A It wouldn't be very much time off, because if I went to Alabama, I would have to fly on the weekend and come right back. I was holding that job over there.

Q This was for a period of time that you say was the last two weeks in October?

A Yes, sir. I am pretty sure I was there the last two weeks of October.

Q During that period, as the statement of October 29th indicates -- if you have it in front of you -- and specifically on October 20th and 29th, two deposits of \$19,813.50 and one of \$12,608.04 were made. Do you know who actually made those deposits?

A I would say somebody at my office made those.

Q So what you are saying is sometimes you go away and someone under you is in charge of the moves and receipts of funds?

A That is correct.

Q Turning now to the statement of November 30, 1976, we will mark that as Exhibit 19.

(The document referred to was marked Exhibit No. 19, for identification, and attached to the Commission copy of this deposition.)

BY MR. SCALL:

Q I want to call your attention to the deposit and credit column and ask you about two items there. One

is \$21,257 on November 12th, and the other is \$25,700 on November 18th. Can you explain where those funds came from?

A Same source.

Q And over in the right-hand column there is an indication of overdrawn or "OD" next to all the figures; is that correct?

A There is "OD" all the way down, all the way from the 29th.

Q When was the first time that you learned that your account was overdrawn in this period?

A Never.

Q Well, I mean did you learn it first when you read the bank statement?

A That is the only time. That is the only time. Let me say this: I got a statement every day from the bank.

Q Every day?

A Every day. If you are overdrawn, they will send you daily statements.

Q So the first time you learned of it was the day you first received that daily statement?

A That is correct.

Q Do you remember which day that was?

A No, I don't. Not offhand, I don't.

Q When you received it, or when you first learned of it, did you take any specific steps to replace that balance in the account?

A Well, no. No, I didn't.

Q Did you speak to your daughter about it?

A No.

Q Did she question you about it?

A No.

Q From the statement that ends with November 30th that you produced to the subpoena, how much longer did your account remain overdrawn?

A Well, I think probably until -- I couldn't be for sure -- probably May or June of this year, April, May or June. One of those. It was still overdrawn.

Q What kind of campaign expenses, if any, did your daughter incur after the November 30th statement, that you recall?

A I just don't know. She would probably have that. I wouldn't know. Let's see, after November? I just wouldn't know the answer to that.

Q Can you recall whether if after November 30th the

expenses or the withdrawals from the account were greatly reduced?

A I didn't understand that. Will you say that again, please?

Q In other words, after the statement of November 30th, were withdrawals from the account at a much lower level?

A Why, certainly. All of these other checks that Carole wrote, you didn't have those anymore.

Q Did you deposits to the account continue at the same level, roughly, as they had in the past?

A That is correct.

Q But the account remained overdrawn, nevertheless, until June?

A Well, I just wouldn't say. I would have to check with the bank statements and see. But I know one time it was just overdrawn by just a few dollars, but the bank always -- never turned any check down for me or Carole, or my son or my wife. They would pay them. All they did was send out a statement, and really that comes from downtown and should never have been mailed out.

Q To continue your account on an overdrawn basis, does that require a special rearrangement with the bank?



A Well, I just don't know how to -- I just have a good rating there with the bank. And the president of the bank, I could go there right now and get a hundred thousand dollars and probably wouldn't have to sign anything if I sign my name. That would be all.

Q I mean have you ever been overdrawn before so that you know what kind of arrangement that the bank has with you?

A Oh, yes.

Q Have they specified what their arrangement would be?

A I really don't know. People at the bank knew me and what type of person I was, and if I owed them anything, it would be paid.

Q Did you have to pay any kind of interest or service charge on the overdrawn balance?

A No. If they did, they would always correct that.

Q If they charged you interest, they would remove it?

A They would remove it. The way they would do, they were supposed to charge you \$5 for each statement, but they would always scratch through that.

Q Do you know during the period when the overdrawn notations appeared and following that into June, did your daughter ever make deposits to the account to cover some of the overdrawn part of it?

A I just don't know. If she did, it would have been a small amount.

Q Do you still have copies of those daily statements or any of them that you received from the bank concerning the overdrawn aspect?

A Oh, yes, I think so. I think I have them.

MR. SCALL: I think that would be part of the subpoena that we had called for.

MR. CAMHI: Which is this?

MR. KENDRICK: The overdrawn statements?

MR. SCALL: Overdrawn statements.

MR. CAMHI: Prior to the campaign?

MR. SCALL: During this period.

MR. CAMHI: You have every statement for the period involving the campaign.

MR. SCALL: But Mr. Keahey testified about the receipt of daily statements indicating an overdrawn aspect of the account, and this appears to be a monthly statement which

simply lists --

MR. KENDRICK: These little forms? You have obviously not overdrawn your account, but I have. And you get a little form that says you have overdrawn and make it up. That is not a bank statement.

MR. SCALL: I think the subpoena asked for records and books containing this. What I am driving at is we would like to see that. And certainly you could produce it at some reasonable time.

MR. CAMHI: Are these papers that you received on a daily basis reflected in that statement so they are identical?

THE WITNESS: I think I gave them to you.

MR. CAMHI: I would have to check.

THE WITNESS: You have got them because they are in an envelope. You have them.

MR. CAMHI: He is correct.

THE WITNESS: Every one of them is right there.

MR. SCALL: You are saying right here on the table?

THE WITNESS: No, no. I think that I gave them to this gentleman here.

MR. CAMHI: They are reflected, however, in the statements.

MR. SCALL: I would like to see those statements as

part of the information. If you could produce them at some time in the future, that would be helpful.

BY MR. CONVERY:

Q Mr. Keahey, looking at the statements, the monthly statements, beginning April 30th and ending November 30, 1976, I notice that in the deposit column there is one figure that recurs frequently, and that is the figure \$326.42. I notice that it is not on the April report, but it is on the May 28th report; it is on the June 30th report; it is on the July 30th report; it is not on the August 31st report; it is on the September 30th report; it is on the October 29th report; it is on the November 30th report.

Is there any possibility that this recurring deposit to your account of \$326.42 is your military pension?

A That is correct. You will notice on some of those statements it would probably appear on the same one twice.

Q Yes, sir.

A They send it right direct to the bank.

Q Then considering the fact that is your military pension, these other large deposits that have been made to the account would have to be primarily, if not exclusively, from the moving business; is that correct?

A That is correct.

Q There are some very large deposits that have been realized from the moving business. What kind of money did that business make in 1975 and in 1976?

A Well, I would say -- I would say a half a million dollars.

Q Each year?

A Yes.

MR. CAMHI: You are talking about profit?

THE WITNESS: Not profit. Good gracious alive.

BY MR. CONVERY:

Q What went into the deposit, that would be net earnings?

A That would be the earnings, but far from being the profit.

MR. KENDRICK: I am sorry, would you read that question back.

(Record read by the reporter.)

MR. KENDRICK: No, gross would go into the deposit. You are speaking of profit only.

BY MR. CONVERY:

Q Were the expenses paid before the deposit was

made?

MR. KENDRICK: I am sorry, I don't understand that.

BY MR. CONVERY:

Q Why don't you give us the gross earnings for the firm in 1975 and in 1976.

MR. KENDRICK: To the best of your recollection.

THE WITNESS: I would say \$400,000 or \$500,000, roughly. That would include, now, everything.

BY MR. CONVERY:

Q Per year?

A Yes, everything.

Q Now, subtracting all the expenses, the salaries for employees, the upkeep on the equipment, what would be the profit, to the best of your recollection, for those two years?

A I just wouldn't know.

Q These checks that are written by your family members, are they considered as part of the operating expenses of the moving firm?

A Well, I don't know. If my wife paid a bill, made a payment on a truck or something like that, it would be considered. But I guess if she went and bought a dress or

pair of shoes, it would be the same as using your salary, the same thing.

Q You said you had 10 employees. Did you pay these employees from this account?

A Yes.

Q And your company expenses were always handled from this account?

A Yes.

MR. CONVERY: I have nothing further. Thank you, Mr. Keahey.

MR. KENDRICK: I have only the one question.

EXAMINATION BY COUNSEL FOR THOMAS M. KEAHEY

BY MR. KENDRICK:

Q When you were being asked, Mr. Keahey, by Mr. Scall, primarily as to the number of deposits that were shown on the account, and then asked where did they come from, and you said the same source, so that there will be no question -- particularly after about the 10th one -- by "the same source," do you include in that the receipts from Keahey Moving and Storage, your Social Security, your pension from the Navy, retirement from the House of Representatives, together with any contributions which would have been made by Carole,

Thomas junior, and your wife to the account?

A Everything would have been just thrown in there with that.

Q And when you spoke of the same source, would that be everything going into the pot?

A That is correct.

MR. CONVERY: I think we did exclude the Navy pension from that, didn't we?

MR. KENDRICK: By this subsequent question, but I was referring to the time Mr. Scall was examining so that we knew what "same source" means.

BY MR. CAMHI:

Q I would like to re-ask a question to you that I had addressed to Carole before. This family account that you had in Riggs Bank, did Carole and every other member of the family have total access to any amount of money in that account, prior to the campaign, for whatever purpose they chose, whether for personal reasons or any other reasons, without getting authority from you to use money in that account?

A That is correct.

Q You also indicated that you received notices of overdrawn amounts on the account. Did you make Carole aware



of these overdrawn amounts?

A No.

Q She had no idea that the account had been overdrawn?

A No.

Q And she continued to write checks freely as if there was money in the account?

A That is correct.

MR. CAMHI: I have no further questions.

MR. SCALL: I have one item that I do want to clear up.

FURTHER EXAMINATION BY COUNSEL FOR THE  
FEDERAL ELECTION COMMISSION

BY MR. SCALL:

Q In your question, or rather in your answer just a moment ago, you said something that had not been my understanding up to this point. When you repeated "same source," based on the elaboration of that source in the earlier answers, I had only understood it to mean your government checks and your moving company. However, did you amend that to include contributions, or rather deposits from possibly your daughter and wife in those large sums that we talked about?

A Well, let me say this: I have three or four checks out there right now on my dresser, and they are

various sources, so they will all go into the same account. Like if I had a government check and I had a check from the Capitol or some other check, regardless of where it was from, it would be added to that.

Q I understand.

In any event, most of those funds deposited were yours?

A Yes. From the government, I would say that. I would say possibly \$3,000 a month might be from some other source, probably. You could look at the statements there and you could tell.

Q Let me ask you this, too: Did you son deposit money into this account during the year Carole was running for Congress, during this period?

A I just don't know. He wasn't working the last four years he went to medical school. So I would say that he probably didn't earn any money.

Q Carole testified that he is now working at the prison hospital in New Orleans. Is that correct?

A That is correct.

Q Now that he is working, is he depositing money into the account?

A I imagine he will be. You know, he was at Oxford

Medical Foundation there in New Orleans, and I think he is saving what money he makes right now. You know, he has been assigned to Saint John's Hospital in England, and he will be going there in September.

But what money he brings up here will probably be put in the account. And when he wants money over in England, we will just have it wired from the bank. You just walk up there and tell them.

Q Can you say whether he was working or still in school at the time Carole was running for Congress?

A He didn't graduate from medical school until the latter part of May.

Q Of '76?

A '76, last year. So he has been there at Oxford for one year and now has this job. He resigned from Oxford in order to go to Saint John's to specialize in dermatology. What money he has -- what money we have here, he will just have access to it just the same as Carole did.

MR. SCALL: I have no further questions.

MR. CAMHI: I would like to make a request that we be permitted to submit a memorandum in support of the position they may make on this matter.

MR. CONVERY: Certainly.

MR. CAMHI: If the reporter will tell me approximately how long it would take to have the transcript:

THE REPORTER: Two weeks.

MR. CAMHI: As long as we have a reasonable time after the receipt of the transcript to provide any memorandum we have.

MR. CONVERY: Sure.

(I have read the foregoing pages 3 through 56, inclusive, which contain a correct transcript of the answers made by me to the questions therein recorded.)

---

THOMAS M. KEAHEY

- - -

## CERTIFICATE OF SHORTHAND REPORTER

I, James R. Hunton, shorthand reporter, do hereby certify that the testimony of the witness appearing in the foregoing deposition at pages 3 through 56, inclusive, was taken by me in shorthand and thereafter reduced to typewriting by me; that the said deposition at said pages is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.

---

Shorthand Reporter

July 29, 1977

Stanley A. Camhi, Esquire  
Kendrick Law Offices  
233 Massachusetts Avenue, N.E.  
Washington, D.C. 20002

Re: MUR 384 (77)

Dear Mr. Camhi:

This will confirm our meeting of July 26, 1977,  
and will serve to reduce its subject matter to writing.

In light of your court schedule, this office will  
not object to continuing from July 29 until August 2, 1977,  
the taking of the depositions of your clients, Ms. J. Carole  
Keahey and Mr. Thomas M. Keahey. Ms. Keahey's deposition  
will be taken at 10:00 o'clock that morning and will be  
followed by the taking of her father's at 10:30. Because  
of the Commission's interest in proceeding expeditiously,  
this schedule must be considered to be firm.

Sincerely yours,

/s/

Vincent J. Convery, Jr.

VConvery:dks:7/29/77

Received from Carole Keahey and Thomas  
M. Keahey the following items:

- 1) 74 checks written on a Riggs National Bank checking account plus eight monthly bank statements;
- 2) Southern Bank, bank statement (8/25/76) and four supporting documents;
- 3) Southern Bank, bank statement (8/26/76 - 9/23/76);
- 4) Southern Bank, bank statement (10/27/76 - 11/22/76) and 38 supporting documents;
- 5) Southern Bank, bank statement (11/23/76 - 12/28/76) and one supporting document;
- 6) Union Bank and Trust Company, bank statement (10/29/76 - 11/30/76) and 42 supporting documents;
- 7) Southern Bank, bank statement (9/24/76 - 10/26/76) and 53 supporting documents.

July 28, 1977

original signed WSC

78040064461



# FEDERAL ELECTION COMMISSION

1100 STREET NW  
WASHINGTON, DC 20543

## AUTHORIZATION TO ADMINISTER OATHS

The Commission hereby designates Lester Scall and Vincent J. Convery, Jr., to take the depositions which have been authorized in connection with MUR 384 and authorizes the named individuals to administer the oaths necessary to any such deposition.

*Thomas E. Harris*

THOMAS E. HARRIS  
Chairman  
DATE: July 28, 1977

*William S. Springer*

WILLIAM SPRINGER  
Commissioner  
DATE: July 28, 1977

JOAN AIKENS  
Vice Chairman  
DATE: \_\_\_\_\_

*Neil Staebler*  
NEIL STAEBLER  
Commissioner  
DATE: July 28, 1977

*Robert Tiernan*  
ROBERT TIERNAN  
Commissioner  
DATE: July 28, 1977

VERNON W. THOMSON  
Commissioner  
DATE: \_\_\_\_\_







UNITED STATES DEPARTMENT OF JUSTICE

COMMUNIST MAIL  
RETURNED BY REGISTERED MAIL

July 11, 1957

Stanley A. Samhi, Esquire  
Kendrick Law Offices  
223 Massachusetts Avenue, N.E.  
Washington, D.C. 20002

Re: NUR #30, (17)

Dear Mr. Samhi:

This will confirm our telephone conversation of this afternoon and will serve to reduce its subject matter to writing.

This office will not object to continuing from July 14 until July 24, 1957, the taking of the depositions of your clients, Mr. J. Joseph Keahay and Mr. Thomas E. Keahay. Mr. Keahay's deposition will be taken at 10:00 o'clock this morning, and will be followed by the taking of her father's at 10:30.

The delivery of the subpoenaed documents may be accomplished at any time convenient to you until 2:00 P.M., Thursday, July 23, 1957.

I expect to be out of town from July 16 through July 24, and suggest that you contact Assistant General Counsel Lester Scall at 523-4142 should you have any questions or need the assistance of this office during that period.

Sincerely,

*W. J. Keahay, Jr.*  
W. J. Keahay, Jr.



PS Form 3811, Mar. 1976

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

560-1100 334 1771

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

1. The following service is requested (check one).

☒ Show to whom and date delivered..... 15¢

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

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

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

2. ARTICLE ADDRESSED TO:  
Stanley Camp, Etc.

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
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(Always obtain signature of addressee or agent)

I have received the article described above

SIGNATURE ☒ Addressee ☐ Authorized agent

4. DATE OF DELIVERY POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS



FEDERAL ELECTION COMMISSION

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

In the Matter of )

J. Carole Keahey )

and )

The Carole Keahey for )

Congress Committee )

MUR 384 (77)

This is to certify that at <sup>434</sup> o'clock, P.M., on Friday, July 8, 1977, Keith Vance of the Office of General Counsel, Federal Election Commission, served upon the undersigned at the law offices of John A. Kendrick, Esquire, subpoenas calling for the sworn testimony of, and the delivery of documents by, Ms. J. Carole Keahey and Mr. Thomas M. Keahey. Cover letters to accompany the subpoenas also were delivered at the time specified above.

Keith Vance





FEDERAL ELECTION COMMISSION

1101 K STREET, N.W.  
WASHINGTON, D.C. 20543

MEMORANDUM TO: Vincent J. Coover  
FROM: Bill Oldaker *Bill*  
RE: MOR 384  
DATE: June 23, 1977

I would like a General Counsel Report recommending Reason to  
Believe for the loan issue by 3:00 P.M., June 24, 1977.

Thank-You

7304001



FEDERAL ELECTION COMMISSION

1100 SHELLEY AVE.  
WASHINGTON, D.C. 20001

July 8, 1977

Mr. Thomas M. Keahey  
c/o John A. Kendrick, Esquire  
233 Massachusetts Avenue, N.E.  
Washington, D.C. 20002

Re: MUR 384(77)

Dear Mr. Keahey:

This is to inform you that, on June 28, 1977, the Commission found reason to believe that violations of the Federal Election Campaign Act of 1971, as amended ("the Act"), have occurred in connection with the candidacy of J. Carole Keahey for election to the U.S. House of Representatives.

In particular, the Commission found that contributions in excess of those allowed by 2 U.S.C. §441a (a)(1) and 2 U.S.C. §441a(a)(3) may have been made to the candidate and to the Carole Keahey for Congress Committee; that the candidate and the Committee knowingly accepted such improper contributions in violation of 2 U.S.C. §441a(f); and that contributions made to the Committee were not reported in accordance with the provisions of 2 U.S.C. §434(b). The candidate has indicated that you were the source of the contributions that now are under scrutiny.

Under the Act, you have the opportunity to demonstrate that no action should be taken against you. Your attorney, Mr. John A. Kendrick, has been in contact with this office and has indicated that you will not object to being subpoenaed to give your sworn testimony and to produce documentary evidence pertinent to the questioned contributions.

Since the Commission is under a duty to investigate this matter expeditiously, we enclosed the subpoena with this letter. You will note that it calls for you to deliver the documents to this office by 2:00p.m., Wednesday, July 13, 1977, and to give your deposition at 10:00a.m., Thursday, July 14, 1977. If you find these



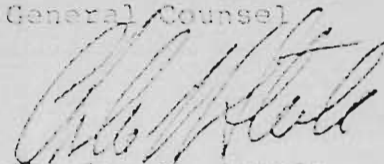
times to be inconvenient and would care to suggest alternatives which would still allow us to proceed in an expeditious manner, please contact Vincent J. Connelly, Jr., the attorney assigned to this case, at 202/544-4060.

For your information, your daughter, J. Carole Keahey, is being served with a subpoena that is, in substance, identical to the one addressed to you.

Please note that 2 U.S.C. §434g(a)(3)(B) enjoins any person from making public the fact of "any notification or investigation" by the Commission unless the respondent agrees in writing to make the investigation public. The unauthorized disclosure of this matter is subject to the fine provided in 2 U.S.C. §437g(c).

Sincerely yours,

William C. Oldaker  
General Counsel



Charles M. Steele  
Acting General Counsel

VJC  
7/8/77

7 3 0 4 0 0 5 4 4 7 1

UNITED STATES OF AMERICA  
FEDERAL ELECTION COMMISSION

SUBPOENA TO APPEAR FOR DEPOSITION UPON  
ORAL EXAMINATION AND TO PRODUCE BOOKS,  
RECORDS AND OTHER RELEVANT DOCUMENTS

TO: Mr. Thomas M. Keahey  
c/o John A. Kendrick, Esquire  
221 Massachusetts Avenue, N.E.  
Washington, D.C. 20002

At the instance of the Federal Election Commission and pursuant to Section 437d of Title 2 of the United States Code, you are hereby subpoenaed to appear for deposition with regard to contributions made in connection with the candidacy of J. Carole Keahey for election to the United States House of Representatives. Notice is hereby given that the deposition is to be taken at 1325 K Street, N.W., Washington, D.C., at 10:30 o'clock, A.M., on Thursday, July 14, 1977, and at any and all adjournments thereof.

Additionally, you are hereby subpoenaed to produce at 1325 K Street, N.W., Washington, D.C., not later than 2:00 o'clock, P.M., July 13, 1977, all correspondence, memoranda, financial records and other relevant documents under your control which pertain to contributions made to the candidacy of J. Carole Keahey for election to the United States House of Representatives, including, but not limited to, bank statements, deposit slips, cancelled checks and savings account records for any and all accounts from which funds were received or were expended in direct or indirect support of the candidacy of J. Carole Keahey.

WHEREAS, the Chairman of the Federal Election Commission has herunto set his hand at Washington, D.C., this 6 day of

July, 1977.

Thomas E. Harris  
THOMAS E. HARRIS  
Chairman

ATTEST:

Margaret A. Cronin  
Secretary to the Commission



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C.  
20543

July 8, 1977

Ms. J. Carole Keahey  
c/o John A. Kendrick, Esquire  
233 Massachusetts Avenue, N.E.  
Washington, D.C. 20002

Re: MUR 384(77)

Dear Ms. Keahey:

This is to inform you that, on June 28, 1977, the Commission found reason to believe that violations of the Federal Election Campaign Act of 1971, as amended, ("the Act"), have occurred in connection with your candidacy for election to the U.S. House of Representatives.

In particular, the Commission found that contributions in excess of those allowed by 2 U.S.C. §441a(a)(1) and 2 U.S.C. §441a(a)(3) may have been made to you and to the Carole Keahey for Congress Committee, of which you served as Treasurer; that you and the Committee knowingly accepted such improper contributions in violation of 2 U.S.C. §441a(f); and that contributions made to you and to the Committee were not reported in accordance with the provisions of 2 U.S.C. §434(b).

Under the Act, you now have the opportunity to demonstrate that no action should be taken against you or against your Committee. Your attorney, Mr. John A. Kendrick, has been in contact with this office and has indicated that you will not object to being subpoenaed to give your sworn testimony and to produce documentary evidence pertinent to the questioned contributions.

Since the Commission is under a duty to investigate this matter expeditiously, we have enclosed the subpoena with this letter. You will note that it calls for you to deliver the documents to this office at 2:00p.m. Wednesday, July 13, 1977, and to give your deposition at 10:00a.m., Thursday, July 14, 1977. If you find these times to be inconvenient and would care to suggest alternates which would still allow us to proceed in an expeditious manner, please contact Vincent J. Convery, Jr., the attorney assigned to this case, at 202/523-4060.





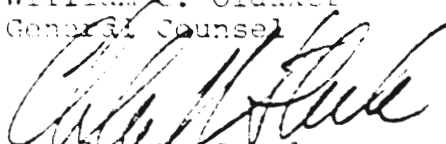
For your information, your father, Thomas M. Leiby, is being served with a subpoena that is, in substance, identical to the one addressed to you.

We appreciate the cooperation you have afforded us thus far, and hope to be able to conclude this matter within a short period of time.

This matter will remain confidential in accordance with 2 U.S.C. §437g(a)(3), unless you notify the Commission in writing that you wish the investigation to be made public.

Sincerely yours,

William C. Oldaker  
General Counsel

  
Charles R. Steele  
Acting General Counsel

VJC  
7/8/77

UNITED STATES OF AMERICA  
FEDERAL ELECTION COMMISSION

SUBPOENA TO APPEAR FOR DEPOSITION AND TESTI-  
MONIAL EXAMINATION AND TO PRODUCE BOOKS,  
RECORDS AND OTHER RELEVANT MATERIALS

To: Ms. J. Carole Keahey  
c/o John A. Kendrick, Esquire  
233 Massachusetts Avenue, N.E.  
Washington, D.C. 20002

At the instance of the Federal Election Commission and pursuant to Section 437d of Title 2 of the United States Code, you are hereby subpoenaed to appear for deposition with regard to contributions made in connection with the candidacy of J. Carole Keahey for election to the United States House of Representatives. Notice is hereby given that the deposition is to be taken at 1325 K Street, N.W., Washington D.C., at 10 o'clock, A.M., on Thursday, July 14, 1977, and at any and all adjournments thereof.

Additionally, you are hereby subpoenaed to produce at 1325 K Street N.W., Washington, D.C., not later than 2:00 o'clock, P.M., July 13, 1977, all correspondence, memoranda, financial records and other relevant documents under your control which pertain to contributions made to the candidacy of J. Carole Keahey for election to the United States House of Representatives, including, but not limited to, bank statements, deposit slips, cancelled checks and savings account records for any and all accounts from which funds were received or were expended in direct or indirect support of the candidacy of J. Carole Keahey.

WHEREAS, the Chairman of the Federal Election Commission has herewith set his hand at Washington, D.C, this 7 day of July, 1977.

Thomas E. Harris  
THOMAS E. HARRIS  
CHAIRMAN

ATTEST:

Margaret W. Emmons  
Secretary to the Commission



# FEDERAL ELECTION COMMISSION

1200 K STREET, N.W.  
WASHINGTON, D.C. 20543

MEMORANDUM TO: The Commission

FROM: William C. Oldaker *WCO*

SUBJECT: Subpoenas in MUR 384 (77)

Attached is a draft of the subpoena we propose to issue in MUR 384. We recommend that Ms. J. Carole Keahey and her father, Thomas M. Keahey, each be served with this subpoena.

You will recall that this is the case in which we are faced with the question of excessive loans made by the father to the daughter in support of her candidacy for election to the House of Representatives.

The return dates will be inserted after the format has been approved by the Commission.

RECOMMENDATION APPROVED:

*Thomas E. Harris*  
\_\_\_\_\_  
Thomas E. Harris

\_\_\_\_\_  
Date

*Joan D. Aikens*  
\_\_\_\_\_  
Joan D. Aikens

\_\_\_\_\_  
Date

*Neil Staebler*  
\_\_\_\_\_  
Neil Staebler

*William L. Springer*  
\_\_\_\_\_  
William L. Springer

*7/6/77*  
\_\_\_\_\_  
Date

*Vernon W. Thomson*  
\_\_\_\_\_  
Vernon W. Thomson

*7-6-77*  
\_\_\_\_\_  
Date

*Robert O. Tiernan*  
\_\_\_\_\_  
Robert O. Tiernan

*July 6, 1977*  
\_\_\_\_\_  
Date



3 0 1 1 0 0 1 1 7 1  
UNITED STATES OF AMERICA  
FEDERAL ELECTION COMMISSION

SUBPOENA TO APPEAR FOR DEPOSITION UPON  
ORAL EXAMINATION AND TO PRODUCE BOOKS,  
RECORDS AND OTHER RELEVANT DOCUMENTS

TO:

At the instance of the Federal Election Commission and pursuant to Section 437d of Title 2 of the United States Code, you are hereby subpoenaed to appear for deposition with regard to contributions made in connection with the candidacy of J. Carole Keahey for election to the United States House of Representatives. Notice is hereby given that the deposition is to be taken at \_\_\_\_\_

and at any and all adjournments thereof.

Additionally, you are hereby subpoenaed to produce at \_\_\_\_\_

all correspondence, memoranda, financial records and other relevant documents under your control which pertain to contributions made to the candidacy of J. Carole Keahey for election to the United States House of Representatives, including, but not limited to, bank statements, deposit slips, cancelled checks and savings account records for any and all accounts from which funds were received or were expended in direct or indirect support of the candidacy of J. Carole Keahey.

WHEREAS, the Chairman of the Federal Election Commission has heretofore set his hand at Washington, D.C., this 6 day of

July, 1977.

Thomas E. Harris  
THOMAS E. HARRIS  
Chairman

ATTEST:

Margaret W. Coleman  
Secretary to the Commission

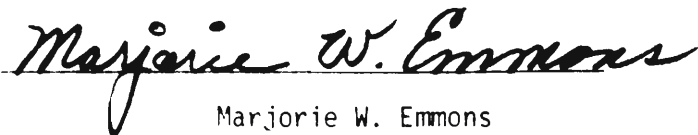
BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
                              )  
J. Carole Keahey )

MUR 384 (77)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on June 28, 1977, the Commission approved the General Counsel's recommendation to find reason to believe that violations of 2 U.S.C. Sections 441a(a)(1), 441a(a)(3), 441a(f) and 434 (b) have occurred in the above-captioned matter, and authorized the staff to issue subpoenas to produce all records pertaining to the financial transfers and other records pertinent to this matter, as recommended by the General Counsel.

  
Marjorie W. Emmons  
Secretary to the Commission



FEDERAL ELECTION COMMISSION

1325 K STREET, N.W.  
WASHINGTON, D.C. 20543

JUNE 28, 1977

MEMORANDUM TO: CHARLES STEELE  
FROM: MARJORIE EMMONS *mwe*  
RE: MUR 384 (77)

Our office circulated the General Counsel's 48-hour report on MUR 384 (77) at 9:00 a.m. on June 27, 1977.

At 2:45 p.m. on June 28, 1977, we have received no objections to the recommendations in the report.

We have, therefore, drawn a "certification" for this action, and it is appended hereto.

Attachment: RTB certification





FEDERAL ELECTION COMMISSION

1326 K STREET, N.W.  
WASHINGTON, D.C. 20463

June 24, 1977

MEMORANDUM TO: Marge Emmons  
FROM: William Oldaker  
SUBJECT: MUR 384 (77)

Please distribute the attached 48 Hour General Counsel Report on MUR 384 to the Commission on a 24-hour no objection basis.

Thank you.



FEDERAL ELECTION COMMISSION  
Washington, D.C.

48 HOUR GENERAL COUNSEL REPORT

MUR NO. 384

DATE AND TIME OF TRANSMITTAL  
BY OGC TO THE COMMISSION \_\_\_\_\_

DATE COMPLAINT RECEIVED  
BY OGC 3/31/77

ATTORNEY Convery

Complainant's Name: Neil H. Acker  
P.O. Box 116  
Montgomery, Alabama 36101

Respondent's Name: J. Carole Keahey

Relevant Statute: 2 U.S.C. §441a(a)(1); 2 U.S.C. §441a(f); 2 U.S.C. §434(b)  
2 U.S.C. §441a(a)(3)

Internal Reports Checked: \_\_\_\_\_ Federal Agencies Checked \_\_\_\_\_

SUMMARY OF ALLEGATION

Respondent purportedly financed this campaign largely with her own funds. Her filings indicate that she loaned approximately \$75,000, and that she contributed approximately \$30,000, to her campaign. Complainant does not believe that respondent had the wherewithal to support her campaign to this extent. Therefore, he charges that the respondent received contributions and loans in excess of the legal limits and that she failed to report these contributions and loans in the manner prescribed by statute.

BACKGROUND

The question of these loans and contributions was discussed at the Commission meeting of March 16, 1977, during the consideration of MUR 363, which was a "non-filer" case concerning the same candidate. In taking its action on MUR 363 the Commission returned the file to the Office of General Counsel for its recommendation as to whether an audit of the candidate's records should be conducted. The Office of the General Counsel recommended such an audit to the



Compliance Review Division on March 31, 1977.

The present complaint was received at the Commission on March 31, 1977, and was forwarded to the appropriate staff attorney on April 5, 1977. Since, by that time, the recommendation for audit had gone forward, it was determined that the complaint should be held in abeyance pending the completion of that audit.

In early June, 1977, the respondent, who had served as treasurer of her campaign committee, met with members of the audit staff. She informed the staff that her father had loaned her the money that she, in turn, had loaned or contributed to the campaign. However, she also explained that she had signatory authority over her father's account at a bank in Washington, D.C. (See Attachment).

#### PRELIMINARY LEGAL ANALYSIS

The pivotal issue in this matter is that of the ownership of the funds which the respondent loaned/contributed to her campaign. The process of arriving at a determination was made more difficult when the respondent gave two, apparently inconsistent, interpretations as to ownership.

If the respondent, consistent with her claim of signatory authority over her father's account, did in fact have legal and rightful title over the assets at the time she became a candidate, then she would have been free to make unlimited expenditures therefrom. See 41 Fed. Reg. 35,952 (1976).

On the other hand, if these funds were transferred to the respondent as loans from an account over which she had no legal and rightful title, then the transfers are clearly in excess of the limitations set forth in 2 U.S.C. §441a (a) (1) (A) and in 2 U.S.C. §441a(a) (3).

The respondent has not explained the apparent inconsistency in her explanations as to the source of the funds nor has she provided the audit staff with the documentation necessary to a determination of this issue.

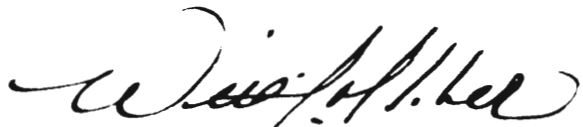
#### RECOMMENDATION

We recommend that the Commission find reason to believe that violations of 2 U.S.C. §441a(a) (1), 2 U.S.C. §441a(a) (3), 2 U.S.C. §441a(f) and 2 U.S.C. §434(b) have occurred and that the respondent be so advised.

We recommend that the respondent and her father, Thomas Keahey, be subpoenaed to testify under oath and to produce all records pertaining to the financial transfers. Additionally, we recommend that the appropriate bank officers in Washington and in Alabama be subpoenaed to produce all pertinent records in their possession.

6/24/77

Date



William Oldaker  
General Counsel



FEDERAL ELECTION COMMISSION

1300 K STREET NW  
WASHINGTON, D.C. 20543

*To E. G.  
for MUE III*

MEMORANDUM

TO: BILL OLDAKER  
FROM: ORLANDO B. POTTER  
DATE: JUNE 21, 1977

Here is the audit material on Carole Keahey.



Tom Haselhorst

June 10, 1977

MEMORANDUM TO: Charlie Steele  
FROM: Dan Swillinger *D.S.*  
SUBJECT: Audit of Carol Keahey

As the attached memo indicates, the on-going audit of the Carol Keahey for Congress Committee has turned up significant apparent violations.

Subsequent to receipt of the memo, Ms. Keahey's counsel, John Kendrick, contacted Tom Haselhorst to arrange a meeting to discuss the situation. A tentative meeting has been set for 10:00 a.m. on next Tuesday, June 14. If you agree that the meeting should take place, Tom and I will attend, along with whoever has the Keahey MUR 384. Please let me know.

Attachment



## FEDERAL ELECTION COMMISSION

1155 K STREET NW  
WASHINGTON, DC 20543

June 10, 1977

MEMORANDUM

TO: DAN SWILLINGER  
THROUGH: *KJC* BOB COSTA/*for* DAN SWILLINGER  
FROM: TOM HASLHORST/*for* TRAM HAGAN  
SUBJECT: KEAHEY FOR CONGRESS AUDIT

On June 1, 1977, the audit of the above candidate/committee commenced based on a May 16, 1977 memo from the Office of General Counsel advising the Audit Division of the Commission's vote on March 16, 1977, to conduct this audit. Ms. Carole Keahey, Candidate/Treasurer, has been the staff's primary contact on this matter to date.

Findings To Date

On June 2, 1977, Ms. Keahey contacted the staff by telephone to advise that based on our request at the June 1, 1977 meeting, she had located some of the missing records for her primary campaign and had requested from the bank certain monthly statements which were missing from the records of her general election campaign. She further advised that the bank records for the Riggs account, used during the primary, were the records of her father's account. She explained that she had signatory authority on the account and that her father had loaned her the money for the primary. She stated that the majority of the transactions on the Riggs account related to her father's personal affairs and not to her campaign. She was advised that all the records of the account would be needed for purposes of the audit.

On June 7, 1977, Ms. Keahey again met with the staff to present the additional bank records for the accounts used during the general election campaign. She did not present any records of the Riggs account relating to her primary campaign. She explained that certain statements were needed to complete the records of this account and that they had been requested from the bank and should be received next week, at which time she would make them all available to the staff.



At this meeting Ms. Keahey was again asked if the funds used to finance her campaigns were controlled by her personally, or if they were funds of her father. She demurred, saying that her father lent her the money, but that she had control of it. During further discussion of this matter Ms. Keahey attempted to defend the transactions and indicated that she had been advised by the executive director of the Democratic Congressional Campaign Committee that it was legal for her father to lend her the funds, which she in turn, lent the Committee for both her primary and general election campaigns. It appears that there is no loan agreement between Ms. Keahey and her father.

The staff advised that they felt the loans from her father were a problem under the provisions of the Federal Election Campaign Act, as amended on May 11, 1976, and the matter would be referred to the Office of General Counsel for their interpretation. It was suggested that she seek legal counsel on this matter and she stated she had counsel and would discuss this with him.

At the present time the staff can make no conclusions as to the accuracy of the candidate and committee reports due to a lack of documentation. Based on our meetings to date, there appears to be no invoices to support any of the expenditures and the only contributor records are the Schedules A and notations on the bank deposit slips. It is the opinion of the staff that the basic records needed to draw at least preliminary conclusions are a complete set of bank statements with supporting documentation and therefore, these records have been the focal point of our requests to date. Ms. Keahey is being afforded a reasonable time to voluntarily take these steps necessary to produce these records.

It is the recommendation of the Audit Division that, due to severity of this apparent violation, this finding be made a Matter Under Review by either initiating an internally generated MUR or by including this recommendation within MUR 384.

Deeget

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FEDERAL ELECTION COMMISSION

1100 STREET NW  
WASHINGTON, D.C. 20543

*lie*

May 20, 1977

MEMORANDUM TO: BILL LOUGHEEY  
FROM: MAJORIE W. LITTONS *MWE*  
SUBJECT: CAROLE KEANEY AUDIT (MURs 363 & 384)

The above-mentioned document was transmitted to the Commissioners at 11:10 a.m., May 19, 1977.

As of 11:15, May 19, 1977, no objections have been received regarding the recommendations in your Memorandum of May 19, 1977, subject as above.

CC: B. Oldaker  
B. Costa







FEDERAL ELECTION COMMISSION

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

April 15, 1977

MEMORANDUM TO: Charles Steele

FROM: Marjorie W. Emmons *mwe*

SUBJECT: MUR 378 (77), MUR 381 (77), and MUR 384 (77)

The above-mentioned documents were transmitted to the Commissioners on April 14, 1977 at 9:00 a.m.

As of 10:00 a.m., April 15, 1977, no objections have been received regarding the recommendations in MURs 378 (77), 381 (77), and 384 (77).



NO. MUR 384 (77)

DATE AND TIME OF TRANSMITTAL: .....

REC'D: April 5, 1977

FEDERAL ELECTION COMMISSION  
Washington, D. C.

Complainant's Name: Neil H. Acker .....

P.O. Box 116; Montgomery, Alabama 36101

Respondent's Name: J. Carole Keahey .....

Relevant Statute: 2 U.S.C. §441a(f); 2 U.S.C. §441(a)(1); 2 U.S.C. §434(f) .....

Internal Reports Checked: .....

Federal Agencies Checked: .....

RELATED CASE: MUR 363

SUMMARY OF ALLEGATION

Respondent's filings indicate that she loaned herself or her campaign committee approximately \$75,000 in her unsuccessful campaign for Congress. A newspaper article which accompanies the complaint suggests that the candidate did not have the financial wherewithal to support her campaign to this extent. Complainant believes that the candidate received contributions in excess of the legal limit and that she failed to report contributions as required.

PRELIMINARY LEGAL ANALYSIS

This issue was raised at the Commission meeting of March 24, 1977, during the consideration of MUR 363. At that time the Commission directed that the file be returned to the Office of General Counsel for further study. On March 31, 1977, the Office of General Counsel forwarded the matter to Compliance Review, recommending that the candidate's personal banking records be audited.

RECOMMENDATION

We recommend that this matter be held in abeyance until the audit of the candidate's personal banking records has been completed.

Date of Next Commission Review: .....

## FEDERAL ELECTION COMMISSION

1. Complainant: Neal H. Acker  
 Mailing Address - P. O. Box 116  
 Montgomery, Alabama 36101 7710-3  
  
 Home Address - 3137 Rolling Road  
 Montgomery, Alabama 36111  
  
 Telephone Number - Office: (205) 834-7600  
 Home: (205) 834-6390
  
2. Respondent: Ms. J. Carole Keahy  
 Address - Unknown to Complainant  
 Former Addresses  
 Include: 4301 Woodley Square  
 Montgomery, Alabama 36116  
  
 500 South Hull Street  
 Montgomery, Alabama 36104  
  
 P. O. Box X  
 Ozark, Alabama 36350
  
3. Charge:

Pursuant to the Federal Election Campaign Act of 1971 as amended, 2 U.S.C. 437g(a)(1), the undersigned hereby charges that the above named respondent has apparently engaged in violations of 2 U.S.C. 441a(f) in that she received contributions and loans within the meaning of the Act in excess of the legal limits prescribed by 2 U.S.C. 441a(a)(1). Complainant further charges that respondent apparently failed to properly report these contributions in the manner prescribed by 2 U.S.C. 434(b).

Respondent was a candidate for Congress from the Second District of Alabama in the general election held on November 2, 1976.

Respondent purportedly financed this campaign largely with her own funds. Respondent's Thirtieth Day Post Election Report filed with the Commission on December 3rd indicated total Calendar Year to date expenditures of \$109,568.56. Respondent's filings show that the respondent loaned herself or her campaign committee approximately \$75,000.00 during the course of her campaign. Her filings show contributions of approximately \$30,000.00 from her personal account to her campaign. It should be noted that the figures set out in this complaint are necessarily somewhat approximate because the confusing and incomplete style of respondent's filings make precision in this area impossible.

It further appears from respondent's filings that of her total calendar year to date expenditure referred to above, only \$4,436.00 of the total expenditures were from donors other than herself. This would indicate that Respondent is personally very wealthy. Indeed from what little known information there is available concerning respondent's finances, the contrary inference could be drawn. In a recent press interview it appeared that respondent was presently unemployed and that, "she earned the campaign funds as a fashion model and from her Washington antique business, which she is now liquidating". (See attached article.) While complainant has no personal knowledge of the respondent's economic circumstances, it would appear that neither her lifestyle nor her employment history would indicate that she

has or had the resources necessary to support her campaign to the extent to enable her to make total loans and contributions to her campaign of approximately \$105,000.00.

Based on information and belief, the undersigned suspects that there is reason to believe that violations of the Federal Election Campaign Act have occurred and complainant respectfully requests the Federal Election Commission to initiate appropriate action to determine the accuracy and completeness of respondents reports of receipts and expenditures.

[Signature]  
Complainant

SWORN to and subscribed before me on this 28<sup>th</sup> day of March, 1977.

[Signature]  
Notary Public  
State of Alabama, [Signature]

SHE FAILED TO UNSEAT DICKINSON

# Keahey's Campaign Cost Figured At \$109,568

By PETER STEEPER

Eagle Washington Bureau  
WASHINGTON — Ozark Democrat, Carole Keahey spent \$109,568 of her own money in last year's unsuccessful bid to unseat Second Congressional District Rep. William L. Dickinson.

That was more than twice Dickinson's \$48,382 expenditure, according to the most recent campaign finance reports on file with the Federal Election Commission.

A 40-year-old political novice who usually lives in Washington, Keahey started the year with \$3,727 in her campaign treasury, which she contributed herself. Throughout the year, she made "loans" to the campaign, often in hefty \$10,000 and \$15,000 chunks.

In a telephone interview from Montgomery with The

Eagle Washington Bureau, Keahey said the large campaign expenditure was not worth it. "It could have been worth it if I had won. I have a lot of mixed feelings that I have not sorted out yet," she said. "But I don't think politics is the finest way to make a living."

Keahey, who maintained an Ozark voting residency but lived in Washington before the election, said she earned her campaign funds as a fashion model and from her Washington antique business, which she is now liquidating.

Her future plans are uncertain, she said, although remaining in Alabama and running again in two years is a possibility. She said she is also considering coming to Washington to work for the Carter Administration although she has yet to apply and has not been offered a

job. Although Keahey filed the required FEC report, they were sometimes incomplete and inaccurately filled out. An FEC staff member said Keahey was "apparently very confused on the required reporting dates." It is not exactly clear how much Keahey poured into the race in its closing weeks. But from Oct. 19 through Nov. 22 — the last regular FEC reporting period — it appears she spent \$41,600.

By contrast, Dickinson spent only \$24,700, although this amounted to half of his entire spending.

The Montgomery Republican who was elected to his sixth term, defeated Keahey with 57 per cent of the vote. Dickinson garnered 89,974 votes, compared to Keahey's 66,519.

In 1974, Dickinson won 66 per cent of the vote when he

defeated Clair Chisler. In that election, Dickinson spent only \$39,000.

Keahey did not completely fill in the most recent FEC campaign report but it appears she ended the campaign with no financial debts and \$550 left over.

Dickinson also showed no campaign debts, but finished the race with a \$37,910 surplus.

In addition to her own funds, Keahey received contributions from organized labor. Among the unions to contribute were: rubber workers union and the Communications Workers Union political funds, \$599 each; the teamsters political fund, \$200; and the carpenters political fund, \$300.

Of the \$75,815 Dickinson raised this year, all but \$10,000 was raised in the final weeks of the campaign. Some of Dickinson's Dolhan backers were: G. Milton Adams, \$400; Glenn F. Wise, \$600; J. W. Parkman Jr., \$200; Stanhope Elmore, \$400; Mack Dove, \$600; Dick Bell, \$200; C. H. Chapman, Jr. \$200 and Dorman Frith, \$300.

Among the special interest groups to support Dickinson were: United Technologies Corp. political fund, \$1000; Association of General Contractors, \$500; the



FEDERAL ELECTION COMMISSION

1125 K STREET NW  
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 384

Date Filmed 3/22/79 Camera No. --- 2

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## FEDERAL ELECTION COMMISSION

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

February 26, 1979

MEMORANDUM TO: Docket

FROM: Vincent J. Convery, Jr. *VJC*

SUBJECT: Payment of Civil Penalty - MUR 384

By Memo dated February 8, 1979, I requested that the personal checks submitted by J. Carole Keahey and Thomas M. Keahey in payment of Civil Penalties be held pending the Commission's action on their request for partial remission of the penalties.

The Commission denied their request on February 13, 1979. Accordingly, the checks now may be forwarded to the Treasury.

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FEDERAL ELECTION COMMISSION

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

February 23, 1979

Ms. J. Carole Keahey  
Apartment 105  
1701 Massachusetts Avenue, N.W.  
Washington, D.C. 20036

Re: MUR 384

Dear Ms. Keahey:

This is to advise you that the Commission has denied your request for partial remission of the civil penalties you and Mr. Thomas M. Keahey have paid to the United States Treasury pursuant to the terms of conciliation agreements dated March 23, 1978.

Sincerely,

William C. Oldaker  
General Counsel

BY:

  
Charles N. Steele  
Associate General Counsel

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of  
Thomas M. Keahey  
J. Carole Keahey

)  
)  
)  
)

MUR 384

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on February 16, 1979, the Commission determined by a vote of 5-0 to approve the following recommendations, as set forth in the General Counsel's Memorandum dated February 13, 1979, regarding the above-captioned matter:

1. Deny the request for partial remission of the Civil Penalty in MUR 384.
2. Authorize the sending of the letter attached to the above-named memorandum.

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

Attest:

2/14/79

Date

*Marjorie W. Emmons*

Marjorie W. Emmons  
Secretary to the Commission

Received in Office of Commission Secretary: 2-14-79, 10:21  
Circulated on 48 hour vote basis: 2-14-79, 4:30

7991011837

February 14, 1979

MEMORANDUM TO: Marge Emons  
FROM: Elissa T. Carr  
SUBJECT: MUR 384

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

Thank you.

79040111831



FEDERAL ELECTION COMMISSION

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

RECEIVED  
OFFICE OF THE  
COMMISSION SECRETARY

79 FEB 14 AID: 21

February 13, 1979

MEMORANDUM TO: The Commission

FROM: William C. Oldaker *W.C. Oldaker*

SUBJECT: Request for partial remission of  
Civil Penalties - MUR 384

On March 23, 1978, the Commission entered into conciliation agreements with Thomas M. Keahey and J. Carole Keahey in MUR 384. 1/ Among other things, the agreements required each respondent to pay a civil penalty of \$10,000, each penalty to be payable in four installments over a period of one year.

The respondents have made timely payments. However, they now ask the Commission to waive payment of the final installments, which were due on February 1, 1979. (The Keaheys' personal checks, dated February 1, 1979, are being held by this office pending a determination on this request). Ms. Keahey's handwritten letter, a copy of which is attached, cites certain personal and financial hardships as the basis of the request.

RECOMMENDATION:

It is recommended that the Commission deny the request for partial remission of the Civil Penalty in MUR 384, and authorize the sending of the attached letter.

1. Ms. Keahey had been a candidate for the House of Representatives from Alabama in 1976. A Commission investigation established that her father, Thomas M. Keahey, had made contributions to her campaign in excess of the limits set out in 2 U.S.C. §§441a(a)(1)(A) and 441a(a)(3); that Ms. Keahey had knowingly accepted the contributions, in violation of 2 U.S.C. §441a(f); and that Ms. Keahey had failed to include in various reports of receipts and expenditures all information required by 2 U.S.C. §§434(b)(2) and 434(b)(9).

2/1/79

To: Federal Election Commission

I would like to request that the remaining \$2500 each that my father and I owe toward the fine be dismissed because of the economic situation we face personally and in the country - inflation, cost of living, recession - and also because my father's age and poor health make it an extreme hardship.

Carole Keating

70010118



FEDERAL ELECTION COMMISSION

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

Ms. J. Carole Keahey  
Apartment 105  
1701 Massachusetts Avenue, N.W.  
Washington, D.C. 20036

Re: MUR 384

Dear Ms. Keahey:

This is to advise you that the Commission has denied your request for partial remission of the civil penalties you and Mr. Thomas M. Keahey have paid to the United States Treasury pursuant to the terms of conciliation agreements dated March 23, 1978.

Sincerely,

William C. Oldaker  
General Counsel



## FEDERAL ELECTION COMMISSION

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

February 8, 1979

MEMORANDUM TO: Docket

FROM: Vincent J. Convery, Jr.

SUBJECT: Payment of Civil Penalties - MUR 384

Attached are personal checks of Thomas M. Keahey and J. Carole Keahey, respondents in MUR 384, each in the amount \$2,500, and each dated February 1, 1979. These checks represent payment of the final installments of the civil penalties set out in their conciliation agreements dated March 23, 1978.

It is requested that these checks be held in safekeeping until such time as the Commission has made a determination on respondents' request for partial remission of civil penalties.

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Feb 1 19 79 15-3/540

PAY TO THE ORDER OF U.S. Treasury \$ 2500.00

Two thousand five hundred DOLLARS

The RIGGS NATIONAL BANK  
of WASHINGTON D. C.  
FRIENDSHIP OFFICE  
WISCONSIN AVE. & WARREN ST., N. W.

FOR John K. [Signature]

⑆0540⑆0003⑆ 07⑆08037107⑆ 0123

122

1 Feb 1979 15-3/540

PAY TO THE ORDER OF U.S. Treasury \$ 2,500.00

Two thousand Five hundred & 00/100 DOLLARS

The RIGGS NATIONAL BANK  
of WASHINGTON D. C.  
FRIENDSHIP OFFICE  
WISCONSIN AVE. & WARREN ST., N. W.

FOR Thomas M. [Signature]

⑆0540⑆0003⑆ 07⑆08037107⑆ 0122



FEDERAL ELECTION COMMISSION

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

November 1, 1978

MEMORANDUM TO: Docket

FROM: Vincent J. Convery, Jr.

SUBJECT: Payment of Civil Penalty - MUR 384

Attached for deposit are two checks in the amount \$2,500 each which represent payment of the third installments of civil penalties by Thomas M. Keahey and J. Carole Keahey pursuant to the terms of their conciliation agreements, dated March 27, 1978.

70040111832



415 1 1928 2  
\$2500.00  
District of Columbia National Bank

DISTRICT OF COLUMBIA NATIONAL BANK

415 1 1928 2  
\$2500.00  
District of Columbia National Bank

DISTRICT OF COLUMBIA NATIONAL BANK

415 1 1928 2  
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District of Columbia National Bank

DISTRICT OF COLUMBIA NATIONAL BANK

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\$2500.00  
District of Columbia National Bank

DISTRICT OF COLUMBIA NATIONAL BANK





## FEDERAL ELECTION COMMISSION

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

August 1, 1978

MEMORANDUM TO: Docket


FROM: Vincent J. Convery, Jr.

SUBJECT: Payment of Civil Penalty - MUR 384

Attached for deposit are two checks in the amount \$2500 each which represent payment of the second installments of civil penalties by Thomas M. Keahey and J. Carole Keahey pursuant to the terms of their conciliation agreements dated March 27, 1978.

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
15-1202  
540 2  
1 Aug 1978  
U.S. TREASURY  
Twenty Five Hundred + 00/100  
\$2500.00  
DOLLARS

DISTRICT OF COLUMBIA  NATIONAL BANK

Thomas M. Kealey

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15-1202  
540 2  
Aug 1 1978  
U.S. Treasury  
Twenty-five hundred  
\$2500.00  
DOLLARS

DISTRICT OF COLUMBIA  NATIONAL BANK

Joseph Kealey

1:0540"08201: 082" 505 704" 8"



FEDERAL ELECTION COMMISSION

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

July 18, 1978

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Mr. Loren A. Smith  
Lothlorien  
Yorklyn, Delaware 19736

Dear Loren:

As you requested in our telephone conversation,  
I am enclosing the background material in the  
Keahey case.

Sincerely,

  
William C. Oldaker  
General Counsel

Enclosures

MURK 384 - M. Brown

PS Form 3811, Apr. 1977

● SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.		
1. The following service is requested (check one): <input type="checkbox"/> Show to whom and date delivered. _____ \$ <input checked="" type="checkbox"/> Show to whom, date, and address of delivery. _____ \$ <input type="checkbox"/> RESTRICTED DELIVERY Show to whom and date delivered. _____ \$ <input type="checkbox"/> RESTRICTED DELIVERY Show to whom, date, and address of delivery. \$ _____ (CONSULT POSTMASTER FOR FEES)		
2. ARTICLE ADDRESSED TO: <i>James H. Smith</i> <i>Edith</i> <i>Yorklyn, N.Y. 19736</i>		
3. ARTICLE DESCRIPTION: REGISTERED NO. CERTIFIED NO. INSURED NO. <i>943726</i>		
(Always obtain signature of addressee or agent)		
I have received the article described above. SIGNATURE <input type="checkbox"/> Addressee <input type="checkbox"/> Authorized agent <i>James H. Smith</i>		
4. DATE OF DELIVERY <i>7/21/78</i>		
5. ADDRESS (Complete only if requested)		
6. UNABLE TO DELIVER BECAUSE: <i>CLERK'S INITIALS</i>		



FEDERAL ELECTION COMMISSION

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

June 21, 1978

J. Carole Keahey  
c/o Stanley A. Camhi, Esquire  
233 Massachusetts Avenue, N.E.  
Washington, D.C. 20002

Dear Ms. Keahey:

This is in response to your inquiry, which was conveyed through Mr. Camhi in his letter of June 15, 1978.

I am aware of no provision in the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431 et seq., which prohibits your becoming a candidate for Federal office as a result of the conciliation agreement you reached with the Commission on March 23, 1978.

Sincerely,

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

William C. Oldaker  
General Counsel



LAW OFFICES  
JOHN A. KENDRICK  
KENDRICK BUILDING  
233 MASSACHUSETTS AVENUE, N. E.  
WASHINGTON, D.C. 20002  
(202) 544-3131

STANLEY A. CAMHI  
ADMITTED IN D.C. AND VIRGINIA

15 June 1978

Vincent Convery, Esq.  
General Counsel's Office  
Federal Election Commission  
1325 K Street, N.W.  
Washington, D. C. 20005

Re: Carole Keahey  
MUR 384 (77)

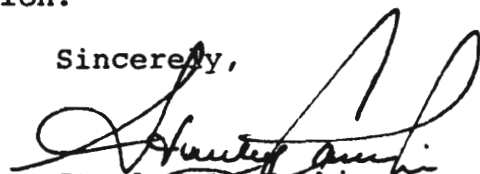
Dear Mr. Convery:

I am writing on behalf of my client, Carole Keahey. As a consequence of the conciliation agreement that she entered into with the FEC, Ms. Keahey wanted me to get assurances from your office that the agreement in no way prohibits her from running for federal office again.

I would appreciate it if you would direct a letter to Ms. Keahey, through this office, explaining her rights in this matter.

Thank you for your cooperation.

Sincerely,



Stanley A. Camhi

SAC:seg



# FEDERAL ELECTION COMMISSION

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

May 1, 1978

MEMORANDUM TO: Docket


FROM: Vincent J. Convery, Jr.


SUBJECT: Payment of Civil Penalties - MUR 384

Enclosed for deposit are two checks in the amount \$2500 each which represent the initial payments of civil penalties made by Thomas M. Keahey and by J. Carole Keahey pursuant to the terms of their conciliation agreements of March 27, 1978.

7 9 0 1 0 1 1 8 4 5



PAY TO THE ORDER OF U.S. Treasury May 1 19 78 15-1207  
Two thousand five hundred 540 2  
\$2500.00  
 DISTRICT OF COLUMBIA  NATIONAL BANK  
 WASHINGTON, D. C. DOLLARS  
 MEMO Carole Keahey  
 @054000120: 021305 7046

PAY TO THE ORDER OF Treasury Of The United States 1 May 19 78 15-1207  
Twenty Five Hundred & 00/100 540 2  
\$2500.00  
 DISTRICT OF COLUMBIA  NATIONAL BANK  
 WASHINGTON, D. C. DOLLARS  
 MEMO Thomas M. Keahey  
Thomas M. Keahey, CPhM United States Navy, Retired  
 @054000120: 021305 7046




FEDERAL ELECTION COMMISSION

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

In the Matter of  
J. Carole Keahey  
and  
Thomas M. Keahey

)  
)  
)  
)  
)  
)  
MUR 384

This will acknowledge that, on April 24, 1978, the undersigned accepted delivery of the documents listed on Attachments A, B and C hereto.

  
Stanley A. Camhi

79040111847

ATTACHMENT A

1) 74 checks written on a Riggs National Bank checking account plus eight monthly bank statements;

2) Southern Bank, bank statement (8/25/76) and four supporting documents;

3) Southern Bank, bank statement (8/26/76 - 9/23/76);

4) Southern Bank, bank statement (10/27/76 - 11/22/76) and 38 supporting documents;

5) Southern Bank, bank statement (11/23/76 - 12/28/76) and one supporting document;

6) Union Bank and Trust Company, bank statement (10/29/76 - 11/30/76) and 42 supporting documents;

7) Southern Bank, bank statement (9/24/76 - 10/26/76) and 53 supporting documents.

THE DOCUMENTS LISTED ON ATTACHMENT A WERE SUBPOENAED BY THE COMMISSION ON JULY 7, 1977, AND WERE DELIVERED ON JULY 28, 1977.

79040118

## ATTACHMENT B

KEAHEY MOVING &amp; STORAGE CO.

Billing Inventory - 1975

<u>Date</u>	<u>To Whom</u>	<u>Inclusive Dates</u>	<u>Supporting Documents</u>	<u>Total</u>
12/08/75	State Department (SD)	12/05/75-12/08/75	49	\$7,717.00
12/15/75	SD	12/12/75-12/14/75	43	7,700.00
12/22/75	SD	12/18/75-12/20/75	49	8,065.00
01/02/76	SD	12/30/75-12/31/75	46	7,324.00
02/04/76	Interstate Commerce Commission (ICC)	11/10/75-01/15/76	34	4,852.00

Billing Inventory - 1976

01/12/76	SD	01/02/76-01/09/76	54	10,507.00
01/19/76	SD	01/12/76-01/16/76	45	6,947.00
01/26/76	SD	01/19/76-01/25/76	56	9,151.00
02/02/76	SD	01/26/76-01/30/76	49	7,219.00
02/09/76	SD	02/02/76-02/07/76	54	11,063.00
02/16/76	SD	02/09/76-02/13/76	49	8,000.00
02/23/76	SD	02/16/76-02/21/76	37	6,896.00
03/01/76	ICC	02/09/76-02/24/76	9	1,332.00
03/01/76	SD	02/23/76-02/27/76	57	10,765.00
03/08/76	SD	03/01/76-03/06/76	48	9,798.00
03/15/76	SD	03/08/76-03/12/76	46	7,291.00
03/22/76	SD	03/15/76-03/20/76	56	9,500.50
04/01/76	SD	03/22/76-03/31/76	81	11,575.00

KEAHEY MOVING & STORAGE CO.  
Page 2

Billing Inventory - 1976 (continued)

<u>Date</u>	<u>To Whom</u>	<u>Inclusive Dates</u>	<u>Supporting Documents</u>	<u>Total</u>
04/01/76	ICC	03/10/76-03/29/76	4	\$322.00
04/01/76	U.S. Informa- tion Agency (USIA)	03/01/76-03/31/76	15	2,312.50
04/05/76	SD	04/01/76-04/03/76	20	3,137.50
04/12/76	SD	04/05/76-04/09/76	63	7,548.00
04/19/76	SD	04/13/76-04/16/76	56	8,102.00
04/26/76	SD	04/19/76-04/23/76	52	7,758.00
05/02/76	USIA	04/03/76-04/30/76	26	2,867.00
05/03/76	SD	04/26/76-04/30/76	48	6,612.00
05/10/76	SD	05/01/76-05/07/76	59	8,431.00
05/17/76	SD	05/10/76-05/16/76	56	8,255.50
05/24/76	SD	05/17/76-05/20/76	59	9,260.00
06/01/76	SD	05/24/76-05/31/76	51	9,684.00
07/01/76	ICC	06/01/76-06/28/76	0	753.00
07/12/76	SD	07/01/76-07/09/76	74	11,599.00
07/19/76	SD	07/12/76-07/17/76	62	11,321.50
07/23/76	Howard Univ.	07/16/76	2	50.00
07/26/76	SD	07/17/76-07/23/76	65	8,598.00
08/02/76	USIA	07/01/76-07/29/76	31	3,332.00
08/02/76	SD	07/26/76-07/31/76	65	8,101.50
08/09/76	SD	08/02/76-08/07/76	72	10,528.00
08/16/76	SD	08/09/76-08/15/76	73	14,214.00
08/23/76	SD	08/16/76-08/20/76	84	11,544.00

KEAHEY MOVING & STORAGE CO.  
Page 3

Billing Inventory - 1976 (continued)

<u>Date</u>	<u>To Whom</u>	<u>Inclusive Dates</u>	<u>Supporting Documents</u>	<u>Total</u>
09/01/76	SD	08/23/76-08/31/76	88	\$14,445.00
09/01/76	USIA	08/02/76-08/31/76	31	2,754.50
09/06/76	SD	09/01/76-09/03/76	39	6,279.00
09/13/76	SD	09/02/76-09/10/76	52	7,047.00
09/30/76	ICC	09/09/76-09/31/76	7	1,063.00
11/01/76	SD	10/26/76-10/30/76	61	10,233.72
11/08/76	SD	11/01/76-11/05/76	73	8,306.04
11/15/76	SD	11/08/76-11/13/76	61	11,302.86
11/22/76	SD	11/15/76-11/19/76	87	12,204.82
12/01/76	USIA	11/01/76-11/30/76	54	6,909.60
12/01/76	SD	11/20/76-11/30/76	59	9,319.48
12/20/76	SD	12/08/76-12/18/76	68	9,362.21
12/27/76	SD	12/20/76-12/23/76	43	8,092.16

Billing Inventory - 1977

01/03/77	USIA	12/01/76-12/30/76	40	3,983.44
01/03/77	SD	12/27/76-12/31/76	38	5,785.92
01/10/77	SD	12/30/76-01/08/77	53	9,260.92
01/17/77	SD	01/05/77-01/15/77	65	12,988.48
01/24/77	SD	01/14/77-01/21/77	41	6,889.12
02/01/77 -	SD	01/24/77-01/31/77	79	12,979.00
02/01/77	USIA	01/03/77-01/31/77	38	5,366.68

## KEAHEY MOVING &amp; STORAGE CO.

Page 4

Billing Inventory - 1977 (continued)

<u>Date</u>	<u>To Whom</u>	<u>Inclusive Dates</u>	<u>Supporting Documents</u>	<u>Total</u>
02/07/77	SD	02/03/77-02/05/77	51	\$9,146.78
02/14/77	SD	02/07/77-02/12/77	55	9,794.64
02/21/77	SD	02/14/77-02/21/77	67	10,329.12
02/28/77	SD	02/22/77-02/28/77	58	9,188.98
03/01/77	USIA	02/01/77-02/28/77	28	3,259.60
03/01/77	ICC	11/24/76; 2/1-2/25/77	10	1,576.32
03/01/77	SD	02/25/77	1	45.92
03/07/77	SD	03/01/77-03/05/77	58	8,743.72
03/14/77	SD	03/07/77-03/12/77	61	9,715.84
03/21/77	SD	03/14/77-03/20/77	62	8,076.16
03/28/77	SD	03/21/77-03/25/77	75	11,123.68
04/04/77	ICC	03/04/77-03/30/77	5	984.96
04/04/77	USIA	03/01/77-03/31/77	38	4,557.80
04/04/77	SD	03/28/77-04/01/77	62	11,480.77
04/11/77	SD	04/04/77-04/08/77	58	10,968.34
04/18/77	SD	04/11/77-04/17/77	68	9,915.74
04/25/77	SD	04/18/77-04/24/77	75	11,877.52
05/02/77	USIA	04/01/77-04/29/77	39	4,802.92
05/02/77	SD	04/25/77-04/30/77	78	11,437.34
05/09/77	SD	05/02/77-05/06/77	63	8,406.44
05/16/77	SD	05/06/77-05/11/77	3	1,458.48
05/16/77	SD	05/09/77-05/14/77	71	14,801.59
05/17/77	SD	05/11/77	1	544.40

Billing Inventory - 1977 (continued)

<u>Date</u>	<u>To Whom</u>	<u>Inclusive Dates</u>	<u>Supporting Documents</u>	<u>Total</u>
05/23/77	SD	05/16/77-05/21/77	69	\$11,901.16
05/31/77	SD	05/20/77-05/31/77	71	11,397.04
06/01/77	ICC	05/10/77	1	129.60
06/01/77	USIA	05/01/77-05/31/77	18	1,512.16
06/06/77	SD	06/01/77-06/04/77	38	5,320.92
06/13/77	SD	06/06/77-06/10/77	49	6,978.24
06/20/77	SD	06/13/77-06/19/77	59	7,871.00
06/27/77	SD	06/23/77-06/30/77	144	15,506.66
07/01/77	USIA	06/01/77-06/30/77	28	2,755.28

Overdraft Notices

28

Income Statement - 1976

Cash Flow Report - 1976

THE DOCUMENTS LISTED ON ATTACHMENT B (PAGES 1 THRU 5) WERE  
SUBPOENAED BY THE COMMISSION ON SEPTEMBER 1, 1977, AND WERE  
DELIVERED ON OCTOBER 19, 1977.



## ATTACHMENT C

KEAHEY MOVING AND STORAGE COMPANY  
INVENTORIES

<u>DATE</u>	<u>WHO</u>	<u>INCLUSIVE DATES</u>	<u>AMOUNT</u>
1975	State Department		
01/11	" " " "	01/02 - 01/10	\$9,355.00
02/20	" " " "	01/13 - 01/18	6,757.00
01/27	" " " "	01/20 - 01/25	5,532.00
01/31	" " " "	01/27 - 01/31	8,746.00
02/08	" " " "	02/01 - 02/07	7,890.50
02/18	" " " "	02/10 - 02/15	6,262.75
02/24	" " " "	02/18 - 02/21	4,591.00
03/01	" " " "	02/24 - 02/28	5,695.00
03/10	" " " "	03/03 - 03/08	6,420.00
03/17	" " " "	03/07 - 03/12	6,053.00
03/24	" " " "	03/17 - 03/21	5,700.00
03/31	" " " "	03/19 - 03/28	8,794.00
04/07	" " " "	04/01 - 04/05	6,328.00
04/14	" " " "	04/07 - 04/11	6,505.00
04/21	" " " "	04/14 - 04/19	5,281. 0
05/01	" " " "	04/18 - 04/30	11,052.00
05/05	" " " "	04/30 - 05/02	2,915.50
05/12	" " " "	05/05 - 05/11	7,016.00
05/19	" " " "	05/12 - 05/18	7,905.25
05/27	" " " "	05/18 - 05/26	6,258.75
06/02	" " " "	05/26 - 05/30	4,089.50
06/09	" " " "	06/02 - 06/06	5,237.00
06/16	" " " "	06/09 - 06/15	6,607.00
06/24	" " " "	06/16 - 06/21	5,972.00

7904011854

<u>DATE</u>	<u>WHO</u>	<u>INCLUSIVE DATES</u>	<u>AMOUNT</u>
1975	State Department		
07/01	" " " "	06/23 - 06/30	\$7,621.00
07/07	" " " "	07/01 - 07/03	4,316.75
07/14	" " " "	07/07 - 07/12	7,143.00
07/21	" " " "	07/14 - 07/18	7,464.00
07/28	" " " "	07/21 - 07/25	5,695.50
08/01	" " " "	07/28 - 07/31	4,964.00
08/11	" " " "	08/01 - 08/08	8,829.00
08/18	" " " "	08/11 - 08/15	5,776.00
08/25	" " " "	08/18 - 08/23	6,963.00
09/02	" " " "	08/21 - 08/29	6,713.50
09/08	" " " "	09/02 - 09/05	4,248.00
09/15	" " " "	09/08 - 09/12	7,068.00
09/22	" " " "	09/15 - 09/20	7,188.00
10/01	" " " "	09/22 - 09/30	9,840.50
10/06	" " " "	10/01 - 10/04	6,136.00
10/14	" " " "	10/06 - 10/11	9,280.00
10/20	" " " "	10/10 - 10/17	Total Unintelligible
10/28	" " " "	10/20 - 10/27	10,123.00
11/03	" " " "	10/28 - 10/31	8,009.00
11/10	" " " "	11/01 - 11/08	9,826.50
11/17	" " " "	11/10 - 11/14	6,930.00
11/24	" " " "	11/17 - 11/22	7,943.50
12/01	" " " "	11/24 - 11/28	7,260.00

70040118

<u>DATE</u>	<u>WHO</u>	<u>INCLUSIVE DATES</u>	<u>AMOUNT</u>
1976	State Department		
06/07	" " " "	06/01 - 06/06	\$6,905.00
06/14	" " " "	06/07 - 06/13	9,458.50
06/21	" " " "	06/14 - 06/19	7,655.00
06/28	" " " "	06/21 - 06/26	8,768.00
07/01	" " " "	06/28 - 06/30	6,546.00
10/11	" " " "	10/01 - 10/08	Total Unintelligible
10/18	" " " "	10/12 - 10/16	9,674.96
10/25	" " " "	10/14 - 10/24	11,582.00
11/01	" " " "	10/26 - 10/30	10,233.72

THE DOCUMENTS LISTED ON ATTACHMENT C (PAGES 1 THRU 3) WERE SUBPOENAED BY THE COMMISSION ON SEPTEMBER 1, 1977, AND WERE DELIVERED ON NOVEMBER 9, 1977.

79040111855

200 3316

FEDERAL ELECTION COMMISSION

LAW OFFICES  
JOHN A. KENDRICK  
KENDRICK BUILDING  
233 MASSACHUSETTS AVENUE, N. E.  
WASHINGTON, D.C. 20002

78 APR 21 PM 12:45

STANLEY A. CAMHI  
ADMITTED IN D.C. AND VIRGINIA

(202) 544-3131

19 April 1978

802027

Vincent Convery, Esq.  
Office of the General Counsel  
Federal Election Commission  
1325 K Street, Northwest  
Washington, D.C. 20463

Re: Carole Keahey MUR 384

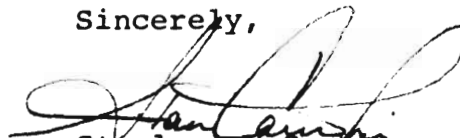
Dear Mr. Convery:

Enclosed with this letter are the amended reports and schedules required pursuant to the conciliation agreement entered into between Ms. Keahey and the Federal Election Commission. All of those items scheduled as "Carole Keahey/Thomas Keahey" reflect those particular contributions which were in controversy and which were the subject of the agreement. In addition, Ms. Keahey has attached her affidavit with regard to certain items which were erroneously listed as campaign expenditures on the schedule attached to the conciliation agreement but which were in fact personal expenses and not campaign related.

As we discussed, the amended reports represent all of the contributions and expenditures made which relate to the campaign. Ms. Keahey, the candidate and the campaign committee for the purposes of campaign reporting were actually one and the same. There were no contributions or expenditures for either which are not accounted for on the submitted reports.

I trust that these submissions will now conclude this matter. Thank you for your assistance and cooperation.

Sincerely,

  
Stanley A. Camhi

SAC:kmb

Enclosures



# FEDERAL ELECTION COMMISSION

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

April 11, 1978

MEMORANDUM TO: CHARLES STEELE  
FROM: MARJORIE W. EMMONS *mwe*  
SUBJECT: MUR 384 - Authorization of Civil Action

The above-mentioned document was circulated to the Commissioners on a 24 hour no-objection basis at 4:30 p.m., April 7, 1978.

As of 9:00 a.m., this date, no objections have been received in the Office of Commission Secretary to the General Counsel's decision not to pursue the civil actions due to the Commission vote on March 23, 1978 to enter into conciliation agreements with the respondents.

79040111853

April 7, 1978

MEMORANDUM TO: Marge Emmons  
FROM: Elissa T. Garr  
SUBJECT: MUR 484

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

Thank you.

79040111859

April 6, 1978

MEMORANDUM TO: The Commission  
FROM: William C. Oldaker *WCO*  
SUBJECT: Authorization of Civil Action - MUR 384

On March 20, 1978, the Commission found probable cause to believe that J. Carole Keahey and Thomas M. Keahey violated provisions of the FECA, and authorized the institution of civil action pursuant to 2 U.S.C. §437g(a)(5)(B).

Inasmuch as the Commission, on March 23, 1978, voted to enter into conciliation agreements with the respondents, the Office of General Counsel will not pursue the civil actions.

79040111860

PS Form 3811, Apr. 1977

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

**58384**

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

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

2. **ARTICLE ADDRESSED TO:**  
**Neal H. Aches, Esquire**  
**Hill Hill, Carter, France, Cole &**  
**Black.**  
**P.O. Box 116, North, Alabama 36101**

3. **ARTICLE DESCRIPTION:**

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	<b>943385</b>	

(Always obtain signature of addressee or agent)

I have received the article described above.  
 SIGNATURE \_\_\_\_\_ Address \_\_\_\_\_ ☐ Authorized agent

DATE OF DELIVERY **APR 78**

ADDRESS (Complete only if requested)

6. **UNABLE TO DELIVER BECAUSE:**

CLERK'S INITIALS

POSTMARK  
APR  
1978

15811106062



981106062

MDR 386

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

<b>SENDER</b> Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse		
1. The following service is requested (check one). <input checked="" type="checkbox"/> Show to whom and date delivered. _____ <input type="checkbox"/> Show to whom, date, and address of delivery. _____ <input type="checkbox"/> RESTRICTED DELIVERY Show to whom and date delivered. _____ <input type="checkbox"/> RESTRICTED DELIVERY Show to whom, date, and address of delivery. \$ _____ (CONSULT POSTMASTER FOR FEES)		
2. ARTICLE ADDRESSED TO: Stanley A. Cantu, Esquire Kendrick Law Offices 238 Massachusetts Avenue, N.E. Wash. D.C. 20002		
3. ARTICLE DESCRIPTION:		
REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	943386	
(Always obtain signature of addressee or agent)		
I have received the article described above. SIGNATURE _____ Addressee <input type="checkbox"/> Authorized agent		
4. DATE OF DELIVERY Th. Hy. 13. 82		POSTMARK
5. ADDRESS (Complete only if requested)		
6. UNABLE TO DELIVER BECAUSE:		CLERK'S INITIALS

FEDERAL ELECTION COMMISSION

Sworn answers provided by  
David G. Burton, Vice President, Capital  
City Federal Savings & Loan Assn.,  
dated March 9, 1978.

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

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

Signed Vincent Flannery Jr  
date March 31, 1978



## FEDERAL ELECTION COMMISSION

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

March 29, 1978

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Neal H. Acker, Esquire  
Hill, Hill, Carter, Franco,  
Cole and Black  
P.O. Box 116  
Montgomery, Alabama 36101

Re: MUR 384

Dear Mr. Acker:

This is in reference to the complaint you filed with the Commission on March 31, 1977. In that complaint you alleged that J. Carole Keahey, a candidate for election to the United States House of Representatives from the Second District of Alabama in the general election of November 2, 1976, had violated Sections 434(b) and 441a(f) of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431 et seq.

A Commission investigation indicated that approximately \$97,479.48 used in support of Ms. Keahey's candidacy had originated in a checking account owned by her father, Thomas M. Keahey. The investigation also indicated that Ms. Keahey had neither access to nor control over these funds at the time she became a candidate. Thus, every check drawn upon the account in payment of a campaign-related expense constituted a contribution made by the owner of the account to the campaign. Thomas M. Keahey, however, was not identified in reports of receipts and expenditures as a person who had made such contributions.

In this light, the Commission found reasonable cause to believe that J. Carole Keahey had violated 2 U.S.C. §§441a(f) and 434(b)(2) and that Thomas M. Keahey had violated 2 U.S.C. §§441a(a)(1)(A) and 441a(a)(3). Additional reporting irregularities resulted in a finding of reasonable cause to believe that J. Carole Keahey had violated 2 U.S.C. §434(b)(9).

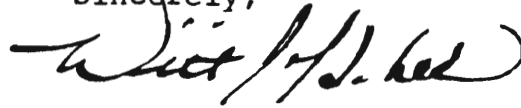


After finding reasonable cause to believe, the Commission entered into conciliation with the respondents pursuant to 2 U.S.C. §437g(a)(5)(A).

On March 23, 1978, the Commission voted to enter into conciliation agreements with the respondents. These agreements, among other things, call for the payment of civil penalties in the amount \$10,000 as to each respondent. Copies of the agreements are enclosed.

Should you have any questions, please contact Vincent J. Convery, Jr., the Commission attorney assigned to this matter, at 202-523-4057.

Sincerely,



William C. Oldaker  
General Counsel

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78040054167



FEDERAL ELECTION COMMISSION

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

March 29, 1978

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Stanley A. Camhi, Esquire  
Kendrick Law Offices  
233 Massachusetts Avenue, N.E.  
Washington, D.C. 20002

Re: MUR 384

Dear Mr. Camhi:

This will acknowledge your March 23, 1978, telephone conversation with Vincent J. Convery, Jr., of this office, and will reduce its subject matter to writing.

On March 23, 1978, the Commission voted to accept the conciliation agreements, dated March 22, 1978, proposed by your clients, J. Carole Keahey and Thomas M. Keahey. The Commission also voted to close its file in this matter.

Mr. Convery will arrange for the return of all materials furnished by the Keaheys pursuant to Commission subpoenas.

Signed copies of the conciliation agreements, and a copy of the certification of the Commission's action, are enclosed.

Sincerely,

William C. Oldaker  
General Counsel



BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

J. CAROLE KEAHEY

and

THOMAS M. KEAHEY

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MUR 384

CONCILIATION AGREEMENT

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This matter was initiated on the basis of a written complaint filed with the Federal Election Commission (hereinafter, "the Commission"). An investigation has been conducted and the Commission has found reasonable cause to believe that the respondent, Thomas M. Keahey, has violated Sections 441a(a)(1)(A) and 441a(a)(3) of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431 et seq.

Now, therefore, the respondent Thomas M. Keahey and the Commission, the respective parties herein, having entered into conciliation pursuant to 2 U.S.C. §437g(a)(5)(A) do hereby agree to the following:

1. That the Commission has jurisdiction over respondent Thomas M. Keahey and over the subject matter of this proceeding.
2. That the respondent Thomas M. Keahey has had reasonable opportunity to demonstrate that no action should be taken in this matter.
3. That if this matter were litigated, the Commission at trial would introduce evidence as follows:
  - a. J. Carole Keahey is the daughter of respondent Thomas M. Keahey.
  - b. During the year 1976, J. Carole Keahey was a candidate for Federal office within the meaning

of 2 U.S.C. §431(b). She attained such status on March 19, 1976, when she filed for election with the Alabama State Democratic Executive Committee.

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- c. On or about April 20, 1976, Thomas M. Keahey executed a "resolution" which extended to J. Carole Keahey signature authority in a checking account which Thomas M. Keahey maintained at the Riggs National Bank of Washington, D.C. This checking account was in the name of Keahey's Moving and Storage. (This account will hereinafter be referred to as "the Moving Account").
  - d. During the course of Ms. Keahey's candidacy, checks were drawn upon the Moving Account both to make direct payment of campaign-related expenses and to transfer funds to campaign accounts which Ms. Keahey opened at the Union Bank and Trust Company and at the Southern Bank, N.A., both located in Montgomery, Alabama. The total amount so paid and so transferred was approximately \$97,479.48.
  - e. 2 U.S.C. §441a(a)(1)(A) provides that "no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which in the aggregate, exceed \$1,000."
  - f. 2 U.S.C. §441a(a)(3) provides that "no individual shall make contributions aggregating more than \$25,000 in any calendar year."

WHEREAS, the Commission contends that:

- 4. J. Carole Keahey did not have "access to" or "control over" the funds in the Moving Account as those terms are defined by the regulation of the Commission until such time as Thomas M. Keahey executed the resolution which extended to her signature authority in that account. This resolution was executed some thirty one days after Ms. Keahey had attained candidate status, and in order for the funds to be considered the personal funds of a candidate, he or she must have had access to or control over them at the time of candidacy.
- 5. Since the funds in the Moving Account were not the "personal funds" of the candidate, every check drawn upon that Account to pay campaign-related expenses and to transfer funds to other campaign accounts constituted a contribution to the candidacy of

J. Carole Keahey made by the owner of the account, Thomas M. Keahey.

- i. Thomas M. Keahey exceeded the \$1,000 per election limitation with regard to the May 25, 1976 runoff election, in that checks written on the Moving Account, i.e., contributions made by him, during the runoff election period, totalled approximately \$8,672.67
  - ii. Thomas M. Keahey exceeded the \$1,000 per election limitation with regard to the November 2, 1976 general election, in that checks written on the Moving Account, i.e., contributions made by him, during the general election period, totalled approximately \$82,831.58.
6. Thomas M. Keahey exceeded the \$25,000 annual contribution limitation in that checks written on the Moving Account, i.e., contributions made by him, totalled approximately \$97,479.48 in calendar year 1976.
  7. That each check drawn upon the Keahey's Moving and Storage Account to pay a campaign-related expense of J. Carole Keahey or to transfer funds to another campaign account constituted a contribution in a like amount made by him to the candidacy of J. Carole Keahey.
  8. That his contribution of approximately \$8,672.67 in relation to the May 25, 1976 runoff election was made in violation of 2 U.S.C. §441a(a)(1)(A).
  9. That his contribution of approximately \$82,831.58 in relation to the November 2, 1976 general election was made in violation of 2 U.S.C. §441a(a)(1)(A).
  10. That his contribution of approximately \$97,479.48 during calendar year 1976 was made in violation of 2 U.S.C. §441a(a)(3).

WHEREAS, as a result of Thomas M. Keahey's desire to amicably resolve this matter and avoid litigation with the Commission, and in view of the Commission's evidence and contentions, he does, for the purposes of this conciliation, agree with the contentions of the Commission as set forth in §§ 4 - 10 inclusive, and further agrees as follows:

11. That he will voluntarily testify before any Commission proceeding, or before any other proceeding, in which the matters at issue herein are relevant.

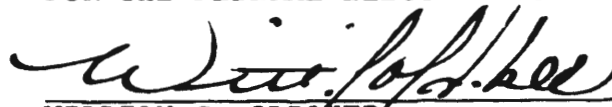


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12. That he will, now and in the future, comply in all respects with the Federal Election Campaign Act of 1971, as amended.
  13. That, pursuant to 2 U.S.C. §437g(a)(6), he will pay to the Treasury of the United States a civil penalty in the amount of ten thousand dollars (\$10,000).

The Federal Election Commission and Thomas M. Keahey enter into this conciliation agreement under the following GENERAL CONDITIONS:

14. The Commission on request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.
15. It is mutually agreed that this agreement shall become effective as of the moment that all parties hereto have executed same and the Commission has approved the entire agreement.
16. It is agreed that the civil penalty specified in ¶ 13 above shall be paid in four equal installments of \$2,500 each to be paid on or before the following dates: May 1, 1978; August 1, 1978; November 1, 1978; and February 1, 1979.

FOR THE FEDERAL ELECTION COMMISSION:

  
WILLIAM C. OLDAKER  
GENERAL COUNSEL

3/27/78  
DATE

FOR THE RESPONDENT:

  
THOMAS M. KEAHEY

22 MARCH 1978  
DATE

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

J. CAROLE KEAHEY

and

THOMAS M. KEAHEY

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MUR 384

CONCILIATION AGREEMENT

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This matter was initiated on the basis of a written complaint filed with the Federal Election Commission (hereinafter, "The Commission"). An investigation has been conducted and the Commission has found reasonable cause to believe that the respondent, J. Carole Keahey, has violated Sections 441a(f), 434(b)(2) and 434(b)(9) of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431 et seq.

Now, therefore, the respondent J. Carole Keahey and the Commission, the respective parties herein, having entered into conciliation pursuant to 2 U.S.C. §437g(a)(5)(A) do hereby agree to the following:

1. That the Commission has jurisdiction over respondent J. Carole Keahey and over the subject matter of this proceeding.
2. That the respondent J. Carole Keahey has had reasonable opportunity to demonstrate that no action should be taken in this matter.
3. That if this matter were litigated, the Commission at trial would introduce evidence as follows:
  - a. Respondent J. Carole Keahey is the daughter of Thomas M. Keahey.

- b. During the year 1976, respondent J. Carole Keahey was a candidate for Federal office within the meaning of 2 U.S.C. §431(b). She attained such status on March 19, 1976, when she filed for election with the Alabama State Democratic Executive Committee.
- c. On or about April 20, 1976, Thomas M. Keahey executed a "resolution" which extended to respondent J. Carole Keahey signature authority in a checking account which Thomas M. Keahey maintained at the Riggs National Bank of Washington, D.C. This checking account was in the name of Keahey's Moving and Storage. (This account will herein-after be referred to as "the Moving Account.")
- d. During the course of Ms. Keahey's candidacy, checks were drawn upon the Moving Account both to make direct payment of campaign-related expenses and to transfer funds to campaign accounts which Ms. Keahey opened at the Union Bank and Trust Company and at the Southern Bank, N.A., both located in Montgomery, Alabama. The total amount so paid and so transferred was approximately \$97,479.48.
- e. 2 U.S.C. §441a(a)(1)(A) provides that "no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which in the aggregate, exceed \$1,000."
- f. 2 U.S.C. §441a(a)(3) provides that "no individual shall make contributions aggregating more than \$25,000 in any calendar year."
- g. 2 U.S.C. §441a(f) provides, inter alia, that no candidate or political committee shall knowingly accept any contribution made in violation of the provisions of 2 U.S.C. §441a.
- h. 2 U.S.C. §434(b)(2) requires that the Reports of Receipts and Expenditures filed with the Commission shall disclose the full name and mailing address of each person who has made one or more contributions to or for a political committee or candidate within the calendar year in an aggregate amount or value in excess of \$100, together with the amount and date of such contribution.
- i. 2 U.S.C. §434(b)(9) generally requires that the Reports of Receipts and Expenditures filed with the Commission shall disclose the identification of each person to whom expenditures have been made

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within the calendar year in an aggregate amount or value in excess of \$100. The Attachment to this Agreement lists those expenditures made by or on behalf of respondent J. Carole Keahey, in an aggregate amount in excess of \$100, which were not listed in the Reports filed by the respondent, either as candidate or as treasurer of her principal campaign committee.

WHEREAS, the Commission contends that:

4. Respondent J. Carole Keahey did not have "access to" or "control over" the funds in the Moving Account as those terms are defined by the regulations of the Commission until such time as Thomas M. Keahey executed the resolution which extended to her signature authority in that account. This resolution was executed some thirty one days after respondent Keahey had attained candidate status, and in order for the funds to be considered the personal funds of the candidate he or she must have had access to, or control over them at the time of candidacy.
5. Since the funds in the Moving Account were not the "personal funds" of the respondent, every check drawn upon that Account to pay campaign-related expenses and to transfer funds to other campaign accounts constituted a contribution to the candidacy of J. Carole Keahey made by the owner of the account, Thomas M. Keahey.
  - i. Thomas M. Keahey exceeded the \$1,000 per election limitation with regard to the May 25, 1976, runoff election, in that checks written on the Moving Account, i.e., contributions made by him, during the runoff election period totalled approximately \$8,672.67.
  - ii. Thomas M. Keahey exceeded the \$1,000 per election limitation with regard to the November 2, 1976, general election, in that checks written on the Moving Account, i.e., contributions made by him during the general election period totalled approximately \$82,831.58.
6. Thomas M. Keahey exceeded the \$25,000 annual contribution limitation in that checks written on the Moving Account, i.e., contributions made by him, totalled approximately \$97,479.48 in calendar year 1976.
7. In using funds in the Moving Account in the manner described in paragraphs 5 and 6 above, the respondent J. Carole Keahey knowingly accepted contributions made by Thomas M. Keahey which were in excess of the limita-

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tions set forth in 2 U.S.C. §441a(a)(1)(A) and 441a(a)(3).

8. The Reports of Receipts and Expenditures filed by the respondent J. Carole Keahey, both as candidate and as treasurer of her principal campaign committee, nowhere identify Thomas M. Keahey as a person who had contributed in excess of \$100 during calendar year 1976.
9. That each check drawn upon the Keahey's Moving and Storage Account to pay a campaign-related expense or to transfer funds to another campaign account constituted a contribution in a like amount made by the owner of that account (Thomas M. Keahey), to the candidacy of the respondent J. Carole Keahey.
10. That her knowing acceptance of such contributions from Thomas M. Keahey in excess of his \$1,000 limitation as to the May 25, 1976 runoff election constituted a violation of 2 U.S.C. §441a(f).
11. That her knowing acceptance of such contributions from Thomas M. Keahey in excess of his \$1,000 limitation as to the November 2, 1976 general election constituted a violation of 2 U.S.C. §441a(f).
12. That her knowing acceptance of such contributions from Thomas M. Keahey in excess of his \$25,000 annual contribution limitation constituted a violation of 2 U.S.C. §441a(f).
13. That her failure to identify Thomas M. Keahey on Reports of Receipts and Expenditures as a person who had made contributions in an aggregate amount in excess of \$100 during calendar year 1976 constituted a violation of 2 U.S.C. §434(b)(2).
14. That her failure to identify each person to whom expenditures had been made within calendar year 1976 in an aggregate amount or value in excess of \$100 constituted a violation of 2 U.S.C. §434(b)(9).

WHEREAS, as a result of J. Carole Keahey's desire to amicably resolve this matter and avoid litigation with the Commission, and in view of the Commission's evidence and contentions, she does for the purposes of this conciliation, agree with the contentions of the Commission as set forth in §§ 4 - 14 inclusive, and further agrees as follows:

15. That she will voluntarily testify before any Commission proceeding, or before any other proceeding, in which

the matters at issue herein are relevant.

16. That she will, now and in the future, comply in all respects with the Federal Election Campaign Act of 1971, as amended.
17. That she will file with the Commission amended Reports of Receipts and Expenditures which will accurately reflect all financial activity conducted in connection with her candidacy.
18. That, pursuant to 2 U.S.C. §437g(a)(6), she will pay to the Treasury of the United States a civil penalty in the amount of ten thousand dollars (\$10,000).

The Federal Election Commission and J. Carole Keahey enter into this conciliation agreement under the following GENERAL CONDITIONS:

19. The Commission on request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue herein, or on its own motion may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.
20. This agreement shall become effective as of the moment that all parties hereto have executed same and the Commission has approved the entire agreement.
21. It is agreed that respondent J. Carole Keahey shall have thirty days from the effective date of this agreement to implement and comply with all requirements contained in §§ 15 - 17.
22. It is agreed that the civil penalty specified in ¶ 18 above shall be paid in four equal installments of

\$2,500 each to be paid on or before the following  
dates: May 1, 1978, August 1, 1978; November 1,  
1978; and February 1, 1979.

FOR THE RESPONDENT:

*J. Carole Keahey*  
J. CAROLE KEAHEY

*March 22, 1978*  
DATE

FOR THE FEDERAL ELECTION COMMISSION:

*William C. Oldaker*  
WILLIAM C. OLDAKER  
GENERAL COUNSEL

*3/27/78*  
DATE

CAMPAIGN RELATED CHECKS DELIVERED PURSUANT TO SUBPOENA FOR WHICH  
THERE ARE NO NOTATIONS ON THE REPORTS OF RECEIPTS AND EXPENDITURES

WRITTEN ON RIGGS NATIONAL BANK

<u>DATE</u>	<u>PAYEE</u>	<u>AMOUNT</u>
4/20/76	Montgomery Advertiser	\$ 637.98
9/22/76	Montgomery Advertiser	14.45
5/11/76	Downtowner	452.17
5/13/76	Robert Walton	443.00
5/18/76	Emory McCollough	266.00
5/24/76	John Erion	127.00
5/27/76	Howard J. Richards	222.00
5/29/76	Dothan Eagle	136.80
7/06/76	Dothan Eagle	84.80
6/02/76	Cash	1,000.00
6/29/76	Helga Howie	237.00
7/15/76	Martha Richards	217.41
8/09/76	Service Printing Co.	724.20
10/15/76	Service Printing Co.	374.50
8/20/76	Ronnie Martin	<u>100.00</u>
	TOTAL	\$5,037.31

WRITTEN ON SOUTHERN BANK

9/1/76	Unspecified*	500.00
9/27/76	Holiday Inn	300.00
10/22/76	Troy Messenger	400.00
10/22/76	Montgomery Advertiser	2,300.00
10/22/76	Brundidge Banner	250.00
10/22/76	Union Springs Herald	250.00

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WRITTEN ON SOUTHERN BANK

<u>DATE</u>	<u>PAYEE</u>	<u>AMOUNT</u>
10/22/76	Elba Clipper	143.00
10/22/76	Butler County News	140.00
12/21/76	Wendell Sasser	<u>1,225.00</u>
	TOTAL	\$5,508.00

\*We do not have a copy of this check. The date and the amount were ascertained from a monthly banking statement. No corresponding amount could be located on a report of receipts and expenditures.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
J. Carole Keahey )  
and )  
Thomas M. Keahey )

MJR 384 (77)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on March 23, 1978, at an Executive Session of the Federal Election Commission at which a quorum was present, the Commission determined by a vote of 6-0 to adopt the recommendation of the General Counsel to take the following actions in the above-captioned matter:

1. To approve the conciliation agreements signed by the respondents and attached to the report of the General Counsel.
2. To close the file in this matter.

Accordingly, this file has been closed.

Marjorie W. Emmons

Marjorie W. Emmons  
Secretary to the Commission

March 24, 1978

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MEMORANDUM TO: The Commission

FROM: William C. Oldaker

SUBJECT: Late Submission of Agenda Item  
MUR 384

Please place the attached General Counsel's Report on the Compliance Agenda for the meeting of March 23, 1978.

In view of the status of this matter, we feel it imperative that the Commission consider the report at this time.

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BEFORE THE FEDERAL ELECTION COMMISSION  
March 22, 1978

In the Matter of )  
J. Carole Keahey )  
and ) MUR 384 (77)  
Thomas M. Keahey )

**EXECUTIVE SESSION**

GENERAL COUNSEL'S REPORT

**MAR 23 1978**

The attached conciliation agreements illustrate the changes as proposed by Respondents' counsel on March 21, 1978. Essentially, those changes are as follows:

1. Numbered paragraph 3 would begin: "That if this matter were litigated, the Commission at trial would introduce evidence as follows...". Subsequent lettered subparagraphs would set forth that information which we had initially referred to as "the pertinent facts" of the matter, and would set forth the statutory provisions relevant to the matter.
2. After the recitation of the statutory provisions, a new clause (WHEREAS, the Commission contends that ...) would be inserted. Subsequent numbered paragraph would set forth the violations.
3. Following the recitation of the violations another new clause (WHEREAS, as a result of ...) would be inserted. In this clause, the Respondents would agree to the Commission's contentions (see paragraph 2, above), and would agree to testify in related matters, to comply with the FECA, and to pay a civil penalty. J. Carole Keahey additionally would agree to file accurate reports of receipts and expenditures.
4. The "GENERAL CONDITIONS" clause, among other things, sets out the manner of payment of the civil penalties.

DISCUSSION:

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We do not believe that the changes in language noted in paragraphs 1, 2 and 3 of this report dilute the admissions of liability which we had sought in our initial proposed agreement. By the language that is contained in unnumbered paragraph 2 on page 1 of each agreement, the Respondents agree to the contents of the numbered paragraphs which follow. Similarly, by the language embodied in the "WHEREAS" clause that follows the recitation of the violations, the Respondents agree to each of the Commission's contentions.

The civil penalties which respondents have agreed to pay are consistent with the amounts which the Commission authorized us to seek.

Counsel for Respondents advises that his clients will sign conciliation agreements containing the changes noted herein on Wednesday afternoon, March 22, 1978. We propose submitting such signed copies to the Commission as soon as they are received in this office.

We note, also, that Respondents, on March 21, 1977, filed with the Commission a Motion for Leave to Review Evidence Obtained Through Investigation. By that motion, they seek to be advised of the identities of those parties we have interviewed, and seek to review the documents we have compiled, in the course of the investigation conducted

in this matter. Should the Commission agree to the changes to the conciliation agreements as suggested by the Respondents, the Motion would be rendered moot. Accordingly, we will make no recommendation as to disposition of the Motion until the Commission has acted upon the proposed conciliation agreements.

RECOMMENDATION:

We recommend that the Commission accept the changes to the conciliation agreement as proposed by Respondents.

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3/22/78  
Date

*William C. Oldaker*  
William C. Oldaker  
General Counsel

J.C.K.

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
J. Carole Keahey )  
and )  
Thomas M. Keahey )

MUR 384

CONCILIATION AGREEMENT

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This matter was initiated on the basis of a written complaint filed with the Federal Election Commission (hereinafter, "the Commission"). An investigation has been conducted and the Commission has found reasonable cause to believe that the respondent, J. Carole Keahey, has violated Sections 441a(f), 434(b)(2) and 434(b)(9) of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431 et seq.

Now, therefore, the respondent J. Carole Keahey and the Commission, the respective parties herein, having entered into conciliation pursuant to 2 U.S.C. §437g(a)(5)(A) do hereby agree to the following:

1. That the Commission has jurisdiction over respondent J. Carole Keahey and over the subject matter of this proceeding.
2. That the respondent J. Carole Keahey has had reasonable opportunity to demonstrate that no action should be taken in this matter.
3. ~~That the pertinent facts of this matter are as follows:~~
  - a. Respondent J. Carole Keahey is the daughter of Thomas M. Keahey.

New paragraph 3: That if this matter were litigated, the Commission at trial would introduce evidence as follows:

- b. During the year 1976, respondent J. Carole Keahey was a candidate for Federal office within the meaning of 2 U.S.C. §431(b). She attained such status on March 19, 1976, when she filed for election with the Alabama State Democratic Executive Committee.
- c. On or about April 20, 1976, Thomas M. Keahey executed a resolution which extended to respondent J. Carole Keahey signature authority in a checking account which Thomas M. Keahey maintained at the Riggs National Bank of Washington, D.C. This checking account was in the name of Keahey's Moving and Storage. (This account will hereinafter be referred to as "the Moving Account").

Delete quotes

- d. During the course of Ms. Keahey's candidacy, checks were drawn upon the Moving Account both to make direct payment of campaign-related expenses and to transfer funds to campaign accounts which Ms. Keahey opened at the Union Bank and Trust Company and at the Southern Bank, N.A., both located in Montgomery, Alabama. The total amount so paid and so transferred was approximately \$97,479.48.
4. [e.] Respondent J. Carole Keahey did not have "access to" or "control over" the funds in the Moving Account until such time as Thomas M. Keahey executed the resolution which extended to her signature authority in that account. This resolution was executed some thirty one days after respondent Keahey had attained candidate status, and in order for the funds to be considered the personal funds of the candidate he or she must have had access to, or control over them at the time of candidacy.

- e. paragraph g, below becomes new para e
- f. first sent of para h, page 3, becomes new para f.
- g. first sent of para i, page 3, becomes new para g.
- h. first sent of para j, page 3, becomes new para h.
- i. para k, page 4, becomes new para i

Insert: WHEREAS,

4. [e.] Changes to para 4: lines 1&2: add quotes. line 3: following the word Account, add: "as those terms

5. [e.] are defined in the Regulations of the Commission."

Since the funds in the Moving Account were not the "personal funds" of the respondent, every check drawn upon that Account to pay campaign-related expenses and to transfer funds to other campaign accounts constituted a contribution to the candidacy of J. Carole Keahey made by the owner of the account, Thomas M. Keahey.

- [9.] 2 U.S.C. §441a(a)(1)(A) provides that "no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which in the aggregate, exceed \$1,000."

(New paragraph 3e)

Insert, as part of paragraph 5, the following:

- i. paragraph 1, page 3.
- ii. paragraph 2, page 3.



5. cont'd

i. [1.] Thomas M. Keahey exceeded the \$1,000 per election limitation with regard to the May 25, 1976, runoff election, in that checks written on the Moving Account i.e., contributions made by him, during the runoff election period totalled approximately \$8,672.67.

ii. [2.] Thomas M. Keahey exceeded the \$1,000 per election limitation with regard to the November 2, 1976, general election, in that checks written on the Moving Account, i.e., contributions made by him during the general election period totalled approximately \$82,831.58.

6. [h.] 2 U.S.C. §441a(a)(3) provides that "no individual shall make contributions aggregating more than \$25,000 in any calendar year." Thomas M. Keahey exceeded the \$25,000 annual contribution limitation in that checks written on the Moving Account i.e., contributions made by him, totalled approximately \$97,479.48 in calendar year 1976.

(New para 3f)

7. [i.] 2 U.S.C. §441a(f) provides, inter alia, that no candidate or political committee shall knowingly accept any contribution made in violation of the provisions of 2 U.S.C. §441a.  
In using funds in the Moving Account in the manner described in paragraphs g and h, above, the respondent J. Carole Keahey knowingly accepted contributions made by Thomas M. Keahey which were in excess of the limitations set forth in 2 U.S.C. §441a(a)(1)(A) and 441a(a)(3).

(New para 3g)

8. [j.] 2 U.S.C. §434(b)(2) requires that the Reports of Receipts and Expenditures filed with the Commission shall disclose the full name and mailing address of each person who has made one or more contributions to or for a political committee or candidate within the calendar year in an aggregate amount or value in excess of \$100, together with the amount and date of such contribution. The Reports of Receipts and Expenditures filed by the respondent J. Carole Keahey, both as candidate and as treasurer of her principal campaign committee, nowhere identify Thomas M. Keahey as a person who had contributed in excess of \$100 during calendar year 1976.

(New para 3h)

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- k. 2 U.S.C. §434(b)(9) generally requires that the Reports of Receipts and Expenditures filed with the Commission shall disclose the identification of each person to whom expenditures have been made within the calendar year in an aggregate amount or value in excess of \$100. The Attachment to this Agreement lists those expenditures made by or on behalf of respondent J. Carole Keahey, in an aggregate amount in excess of \$100, which were not listed in the Reports filed by the respondent, either as candidate or as treasurer of her principal campaign committee.

(New para 3i)

WHEREFORE, respondent J. Carole Keahey agrees:

9. [4.] That each check drawn upon the Keahey's Moving and Storage Account to pay a campaign-related expense or to transfer funds to another campaign account constituted a contribution in a like amount made by the owner of that account, Thomas M. Keahey, to the candidacy of the respondent J. Carole Keahey.
10. [5.] That her knowing acceptance of such contributions from Thomas M. Keahey in excess of his \$1,000 limitation as to the May 25, 1976, runoff election constituted a violation of 2 U.S.C. §441a(f).
11. [6.] That her knowing acceptance of such contributions from Thomas M. Keahey in excess of his \$1,000 limitation as to the November 2, 1976, general election constituted a violation of 2 U.S.C. §441a(f).
12. [7.] That her knowing acceptance of such contributions from Thomas M. Keahey in excess of his \$25,000 annual contribution limitation constituted a violation of 2 U.S.C. §441a(f).
13. [8.] That her failure to identify Thomas M. Keahey on Reports of Receipts and Expenditures as a person who had made contributions in an aggregate amount in excess of \$100 during calendar year 1976 constituted a violation of 2 U.S.C. §434(b)(2).
14. [9.] That her failure to identify each person to whom expenditures had been made within calendar year 1976 in an aggregate amount or value in excess of \$100 constituted a violation of 2 U.S.C. §434(b)(9).

WHEREAS, as a result of J. Carole Keahey's desire to amicably resolve this matter and avoid litigation with the Commission, and in view of the Commission's evidence and contentions, she does, for the purposes of this conciliation, agree with the contentions of the Commission as set forth in paragraphs 4 through 14, inclusive, and further agrees as follows:

15. [10.] That she will voluntarily testify before any Commission proceeding, or before any other proceeding, in which the matters at issue herein are relevant.
16. [11.] That she will, now and in the future, comply in all respects with the Federal Election Campaign Act of 1971, as amended.
18. [12.] That, pursuant to 2 U.S.C. §437g(a)(6), she will pay to the Treasury of the United States a civil penalty in the amount [seventy-two thousand (\$72,000) dollars].
17. [13.] That she will file with the Commission amended Reports of Receipts and Expenditures which will accurately reflect all financial activity conducted in connection with her candidacy.

Delete the words "and figures seventy-two (72,000) dollars; add the words and figures ten thousand (10,000) dollars"

The Federal Election Commission and J. Carole Keahey enter into this conciliation agreement under the following GENERAL CONDITIONS:

19. [14.] The Commission on request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue herein, or on its own motion may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.
20. [15.] This agreement shall become effective as of the moment that all parties hereto have executed same and the Commission has approved the entire agreement.
21. [16.] It is agreed that respondent J. Carole Keahey shall have thirty days from the effective date of this agreement to implement and comply with all requirements contained [herein] in paragraphs 15 through 17, inclusive.

FOR THE RESPONDENT:

J. CAROLE KEAHEY

Date

FOR THE FEDERAL ELECTION COMMISSION:

WILLIAM C. OLDAKER  
GENERAL COUNSEL

Date

22. It is agreed that the civil penalty specified in paragraph 18, above, shall be paid in four equal installments of twenty-five hundred (2,500) dollars each to be paid on or before the following dates: May 1, 1978; August 1, 1978; November 1, 1978; February 1, 1979.

TMK

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of  
J. Carole Keahey  
and  
Thomas M. Keahey

)  
)  
)  
)  
)

MUR 384

CONCILIATION AGREEMENT

This matter was initiated on the basis of a written complaint filed with the Federal Election Commission (hereinafter, "the Commission"). An investigation has been conducted and the Commission has found reasonable cause to believe that the respondent, Thomas M. Keahey, has violated Sections 441a(a)(1)(A) and 441a(a)(3) of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431, et seq.

Now, therefore, the respondent Thomas M. Keahey and the Commission, the respective parties herein, having entered into conciliation pursuant to 2 U.S.C. §437g(a)(5)(A) do hereby agree to the following:

1. That the Commission has jurisdiction over respondent Thomas M. Keahey and over the subject matter of this proceeding.
2. That the respondent Thomas M. Keahey has had reasonable opportunity to demonstrate that no action should be taken in this matter.
3. ~~That the pertinent facts of this matter are as follows:~~
  - a. J. Carole Keahey is the daughter of respondent Thomas M. Keahey.
  - b. During the year 1976, J. Carole Keahey was a candidate for Federal office within the meaning of 2 U.S.C. §431(b). She attained such status on March 19, 1976, when she filed for election with the Alabama State Democratic Executive Committee.

New Para 3: That if this matter were litigated, the Commission at trial would introduce evidence as follows:

- c. On or about April 20, 1976, Thomas M. Keahey executed a resolution which extended to J. Carole Keahey signature authority in a checking account which Thomas M. Keahey maintained at the Riggs National Bank of Washington, D.C. This checking account was in the name of Keahey's Moving and Storage. (This account will hereinafter be referred to as "the Moving Account").

Delete quotes

- d. During the course of Ms. Keahey's candidacy, checks were drawn upon the Moving Account both to make direct payment of campaign-related expenses and to transfer funds to campaign accounts which Ms. Keahey opened at the Union Bank and Trust Company and at the Southern Bank, N.A., both located in Montgomery, Alabama. The total amount so paid and so transferred was approximately \$97,479.48.

- e. Paragraph g, below, becomes new paragraph e  
f. First sentence of paragraph h, next page, becomes new paragraph f

Insert:

WHEREAS, the Commission contends that:

4. [e.] J. Carole Keahey did not have "access to" or "control over" the funds in the Moving Account until such time as Thomas M. Keahey executed the resolution which extended to her signature authority in that account. This resolution was executed some thirty one days after Ms. Keahey had attained candidate status, and in order for the funds to be considered the personal funds of a candidate, he or she must have had access to or control over them at the time of candidacy.

Changes to paragraph 4:  
lines 1&2: add quotes  
line 2: after the word "Account," add: "as those terms are defined in the Regulations of the Commission"  
line 4: delete quotes

5. [f.] Since the funds in the Moving Account were not the "personal funds" of the candidate, every check drawn upon that Account to pay campaign-related expenses and to transfer funds to other campaign accounts constituted a contribution to the candidacy of J. Carole Keahey made by the owner of the account, Thomas M. Keahey.

- [g.] 2 U.S.C. §441a(a)(1)(A) provides that "no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which in the aggregate, exceed \$1,000."

(New paragraph 3e)

Insert, as part of paragraph 5, the following:

- i. Paragraph 1, page 3.
- ii. Paragraph 2, page 3.

1. Thomas M. Keahey exceeded the \$1,000 limitation with regard to the May 25, 1976, runoff election, in that checks written on the Moving Account, i.e., contributions made by him, during the runoff election period totalled approximately \$8,672.67.
2. Thomas M. Keahey exceeded the \$1,000 per election limitation with regard to the November 2, 1976, general election, in that checks written on the Moving Account, i.e., contributions made by him, during the general election period totalled approximately \$82,831.58.

- h. 2 U.S.C. §441a(a)(3) provides that "no individual shall make contributions aggregating more than \$25,000 in any calendar year." Thomas M. Keahey exceeded the \$25,000 annual contribution limitation in that checks written on the Moving Account, i.e., contributions made by him, totalled approximately \$97,479.48 in calendar year 1976.

(New paragraph 3f)

~~WHEREFORE, respondent Thomas M. Keahey agrees:~~

7. [4.] That each check drawn upon the Keahey's Moving and Storage Account to pay a campaign-related expense of J. Carole Keahey or to transfer funds to another campaign account constituted a contribution in a like amount made by him to the candidacy of J. Carole Keahey.
8. [5.] That his contribution of approximately \$8,672.67 in relation to the May 25, 1976, runoff election was made in violation of 2 U.S.C. §441a(a)(1)(A).
9. [6.] That his contribution of approximately \$82,831.58 in relation to the November 2, 1976, general election was made in violation of 2 U.S.C. §441a(a)(1)(A).
10. [7.] That his contribution of approximately \$97,479.48 during calendar year 1976 was made in violation of 2 U.S.C. §441a(a)(3).
11. [8.] That he will voluntarily testify before any Commission proceeding, or before any other proceeding, in which the matters at issue herein are relevant.
12. [9.] That he will, now and in the future, comply in all respects with the Federal Election Campaign Act of 1971, as amended.

Between paragraphs 10 and 11, above, insert the following:

WHEREAS, as a result of Thomas M. Keahey's desire to amicably resolve this matter and avoid litigation with the Commission, and in view of the Commission's evidence and contentions, he does, for the purposes of this conciliation, agree with the contentions of the Commission as set forth in paragraphs 4 through 10, inclusive, and further agrees as follows:

13. [10.] That, pursuant to 2 U.S.C. §437g(a)(6), he will pay to the Treasury of the United States a civil penalty in the amount of seventy-two thousand (\$72,000) dollars.

Delete the words and figures seventy-two thousand (72,000) and substitute therefor the words and figures ten thousand (10,000).

The Federal Election Commission and Thomas M. Keahey enter into this conciliation agreement under the following GENERAL CONDITIONS:

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

15. [12.] It is mutually agreed that this agreement shall become effective as of the moment that all parties hereto have executed same and the Commission has approved the entire agreement.

16. [13.] ~~It is agreed that respondent Thomas M. Keahey shall have thirty days from the effective date of this agreement to implement and comply with all requirements contained herein.~~

New paragraph 16: It is agreed that the civil penalty specified in paragraph 13, above, shall be paid in four equal installments of twenty-five hundred (2,500) dollars each to be paid on or before the following dates: May 1, 1978; August 1, 1978; November 1, 1978; February 1, 1979.

FOR THE FEDERAL ELECTION COMMISSION:

WILLIAM C. OLDAKER  
GENERAL COUNSEL

DATE

FOR THE RESPONDENT:

THOMAS M. KEAHEY

DATE

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

J. Carole Keahey  
and  
Thomas M. Keahey

)  
)  
)  
)  
)  
)

MUR 384

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that, on March 20, 1978, the Commission, by vote of 5-0, adopted the recommendation of the General Counsel and found probable cause to believe as follows:

A. With respect to Thomas M. Keahey:

- 1) That he violated 2 U.S.C. §441a(a)(1)(A) in that he exceeded the \$1000 contribution limit with regard to the May 25, 1976, runoff election and with regard to the November 2, 1976, general election.
- 2) That he violated 2 U.S.C. §441a(a)(3) in that he exceeded the \$25,000 annual contribution limitation in calendar year 1976.

B. With respect to J. Carole Keahey:

- 1) That she violated 2 U.S.C. §441a(f), in that she knowingly accepted contributions from Thomas M. Keahey which were in excess of his \$1000 individual limitation as to the May 25, 1976, runoff election and as to the November 2, 1976, general election, and which were in excess of his \$25,000 annual contribution limitation.
- 2) That she violated 2 U.S.C. §434(b)(2), in that, as candidate and as treasurer of her principal campaign committee, her reports of receipts and expenditures did not identify Thomas M. Keahey as an individual who had contributed in excess of \$100 during calendar year 1976.

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- 3) That she violated 2 U.S.C. §434(b)(9) in that, as candidate and as treasurer of her principal campaign committee, her reports of receipts and expenditures failed to identify all those persons to whom expenditures were made in an aggregate amount in excess of \$100 during calendar year 1976.

and authorized the institution of civil action pursuant to  
2 U.S.C. §437g(a)(5)(B).

Commissioner Aikens was not present at the time of the vote.

*Marjorie W. Emmons*  
Marjorie W. Emmons  
Secretary to the Commission 3/20/78

Report dated:  
Signed by General Counsel:  
Received in Commission Secretary's Office:  
Circulated on 72 hour vote basis:

3-13-78  
3-14-78  
3-14-78, 5:20  
3-15-78, 11:30

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MEMORANDUM

TO: GENERAL COUNSEL WILLIAM OLDAKER



FEDERAL ELECTION COMMISSION

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

EX PARTE COMMUNICATION

TO: David E. Osterhout *David E. Osterhout*

FROM: An attorney

DATE: 3-20-78

TIME: 9:45 a.m.

TYPE OF COMMUNICATION: Telephone call

COMPLIANCE RELATED:



YES



NO

MUR 384 (77)

SUBSTANCE OF COMMUNICATION:

An attorney called for Commissioner Tiernan. I took the call. The attorney said that a Carol Keahey had been referred to him for possible legal representation in a matter before the Federal Election Commission in which she was involved and in which a decision was imminent.

I interjected to say that there was a strict statutory requirement of confidentiality which prevented any discussion about a matter which may be before the Commission in an enforcement proceeding. Furthermore, I stated that the requirement of confidentiality would not even permit me to acknowledge the existence of an enforcement proceeding without the written consent of the person with respect to whom such investigation is made.

The attorney said that he did not wish to discuss either the merits or the present posture of any matter which was before the Commission in an enforcement proceeding. He did, however, want to ask several general questions about the conciliation process set forth in the statute, about the Commission's enforcement procedures, and about legal representation before the FEC.



(over)

MEMORANDUM

TO: GENERAL COUNSEL WILLIAM OLDAKER



FEDERAL ELECTION COMMISSION

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

EX PARTE COMMUNICATION

TO: David E. Osterhout *David E. Osterhout*

FROM: Staff Member of the Democratic Study Group

DATE: 3-17-78 TIME: 4:20 p.m.

TYPE OF COMMUNICATION: Telephone call

COMPLIANCE RELATED: ☒ YES ☐ NO  
MUR 384 (77)

SUBSTANCE OF COMMUNICATION:

I returned the call of a staff member of the Democratic Study Group. The staff member asked me if I knew a Carol Keahey. He said that she had come to the Democratic Study Group offices seeking some assistance with a matter which was before the Federal Election Commission. She stated to the staff member that she was unhappy with the legal representation she was receiving in the matter and that an important decision was required by Tuesday (3-21-78).

The staff member indicated that he told her that if she was not satisfied with the attorney representing her, she could find someone else and suggested another lawyer from whom she could seek advice.

I explained to the staff member that a provision in the statute prevented me from discussing any matters which may be before the Federal Election Commission in an enforcement proceeding. Therefore, I could not respond to any inquiry which the staff member might have regarding this individual. At this point, the staff member repeated his statement that he had directed her to seek advice from an attorney. He then moved to another subject and the conversation ended shortly.



MEMORANDUM

TO: GENERAL COUNSEL WILLIAM OLDAKER



FEDERAL ELECTION COMMISSION

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

EX PARTE COMMUNICATION

TO: David Osterhout *David S. Osterhout*

FROM: Member of Congress

DATE: 3-16-78 TIME: 2:40 P.M.

TYPE OF COMMUNICATION: Telephone call

COMPLIANCE RELATED: ☒ YES ☐ NO  
HUR 384 (77)

SUBSTANCE OF COMMUNICATION:

A Member of Congress telephoned Commissioner Tiernan and I took the call. The Member explained that a Democratic friend of his (unidentified) had run for Congress in 1976. He apparently asked her from what district; the reply was the 2nd District of Alabama. The Member said she had told him she had spent about \$75,000 of her own money, but the bank had misplaced a power of attorney and now she was having some difficulties with the FEC.

I explained to the Member that Congress had placed a provision in the FECA of 1971, as amended, which prohibited me from discussing any matter which may be before the Commission in an enforcement proceeding. The Member stopped the conversation at that point after saying that he did not know any of the details of the matter and asked that the Commissioner return his call.

The conversation ended without any further discussion about the merits of the matter, without any discussion of its procedural posture, and without specific identification of the individual other than a Democratic, female candidate in the 1976 Congressional election in the 2nd District of Alabama.





FEDERAL ELECTION COMMISSION

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

HAND DELIVERED

March 15, 1978

Stanley A. Camhi, Esquire  
Kendrick Law Offices  
233 Massachusetts Avenue, N.E.  
Washington, D.C. 20002

Re: MUR 384

Dear Mr. Camhi:

Per the request you conveyed to Vincent J. Convery, Jr., at the conciliation meeting yesterday, I have enclosed a copy of the complaint filed in the Keahey matter.

I enjoyed meeting with you and with your associate, Mr. Kendrick, and hope that our discussions will lead to the conciliation of this case.

Sincerely,

William C. Oldaker  
General Counsel



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County

FEDERAL ELECTION COMMISSION

1. Complainant: Neal H. Acker  
 Mailing Address - P. O. Box 116  
 Montgomery, Alabama 36101 771028  
  
 Home Address - 3137 Rolling Road  
 Montgomery, Alabama 36111  
  
 Telephone Number - Office: (205) 834-7600  
 Home: (205) 834-6390
  
2. Respondent: Ms. J. Carole Keahy  
 Address - Unknown to Complainant  
 Former Addresses  
 Include: 4301 Woodley Square  
 Montgomery, Alabama 36116  
  
 500 South Hull Street  
 Montgomery, Alabama 36104  
  
 P. O. Box X  
 Ozark, Alabama 36350
  
3. Charge:

Pursuant to the Federal Election Campaign Act of 1971 as amended, 2 U.S.C. 437g(a)(1), the undersigned hereby charges that the above named respondent has apparently engaged in violations of 2 U.S.C. 441a(f) in that she received contributions and loans within the meaning of the Act in excess of the legal limits prescribed by 2 U.S.C. 441a(a)(1). Complainant further charges that respondent apparently failed to properly report these contributions in the manner prescribed by 2 U.S.C. 434(b).

Respondent was a candidate for Congress from the Second District of Alabama in the general election held on November 2, 1976.

Respondent purportedly financed this campaign largely with her own funds. Respondent's Thirtieth Day Post Election Report filed with the Commission on December 3rd indicated total Calendar Year to date expenditures of \$109,568.56. Respondent's filings show that the respondent loaned herself or her campaign committee approximately \$75,000.00 during the course of her campaign. Her filings show contributions of approximately \$30,000.00 from her personal account to her campaign. It should be noted that the figures set out in this complaint are necessarily somewhat approximate because the confusing and incomplete style of respondent's filings make precision in this area impossible.

It further appears from Respondent's filings that of her total calendar year to date expenditure referred to above, only \$4,436.00 of the total expenditures were from donors other than herself. This would indicate that Respondent is personally very wealthy. Indeed from what little known information there is available concerning respondent's finances, the contrary inference could be drawn. In a recent press interview it appeared that respondent was presently unemployed and that, "she earned the campaign funds as a fashion model and from her Washington antique business, which she is now liquidating". (See attached article.) While complainant has no personal knowledge of the respondent's economic circumstances, it would appear that neither her lifestyle nor her employment history would indicate that she

has or had the resources necessary to support her campaign to the extent to enable her to make total loans and contributions to her campaign of approximately \$105,000.00.

Based on information and belief, the undersigned suspects that there is reason to believe that violations of the Federal Election Campaign Act have occurred and complainant respectfully requests the Federal Election Commission to initiate appropriate action to determine the accuracy and completeness of respondents reports of receipts and expenditures.

Neil H. Acker  
Complainant

SWORN to and subscribed before me on this 28th day of  
March, 1977.

Rebecca McCarty Ingram  
Notary Public  
State of Alabama, Montgomery County

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SHE FAILED TO UNSEAT DICKINSON

## Keahey's Campaign Cost Figured At \$109,568

By PETER B. SLEEPER  
Eagle Washington Bureau  
WASHINGTON — Ozark Democrat, Carole Keahey spent \$109,568 of her own money in last year's unsuccessful bid to unseat Second Congressional District Rep. William L. Dickinson.

That was more than twice Dickinson's \$48,382 expenditure, according to the most recent campaign finance reports on file with the Federal Election Commission.

A 30-year-old political novice who usually lives in Washington, Keahey started the year with \$3,390 in her campaign treasury, which she contributed herself. Throughout the year, she made "loans" to the campaign, often in hefty \$10,000 and \$15,000 chunks.

In a telephone interview from Montgomery with The

Eagle Washington Bureau, Keahey said the large campaign expenditure was not worth it. "It would have been worth it if I had won. I have a lot of mixed feelings that I have not sorted out yet," she said. "But I don't think politics is the finest way to make a living."

Keahey, who maintained an Ozark voting residency but lived in Washington before the election, said she earned the campaign funds as a fashion model and from her Washington antique business, which she is now liquidating.

Her future plans are uncertain, she said, although remaining in Alabama and running again in two years is a possibility. She said she is also considering coming to Washington to work for the Carter Administration although she has yet to apply and has not been offered a

job.

Although Keahey filed the required FEC reports, they were sometimes incomplete and inaccurately filled out. An FEC staff member said Keahey was "apparently very confused on the (required) reporting dates."

It is not exactly clear how much Keahey poured into the race in its closing weeks. But from Oct. 19 through Nov. 22 — the last regular FEC reporting period — it appears she spent \$64,000.

By contrast, Dickinson spent only \$24,700, although this amounted to half of his entire spending.

The Montgomery Republican who was elected to his sixth term, defeated Keahey with 57 per cent of the vote. Dickinson garnered 89,974 votes, compared to Keahey's 66,519.

In 1974, Dickinson won 66 per cent of the vote when he

defeated Clair Chisler. In that election, Dickinson spent only \$33,000.

Keahey did not completely fill in the most recent FEC campaign report but it appears she ended the campaign with no financial debts and \$550 left over.

Dickinson also showed no campaign debts, but finished the race with a \$37,910 surplus.

In addition to her own funds, Keahey received contributions from organized labor. Among the unions to contribute were: rubber workers' union and the Communications Workers' Union political funds, \$500 each; the teamsters political fund, \$200; and the carpenters political fund, \$300.

Of the \$75,815 Dickinson raised this year, all but \$10,000 was raised in the final weeks of the campaign. Some of Dickinson's Dothan backers were: G. Milton Adams, \$600; Glenn F. Wise, \$600; J. W. Parkman Jr., \$200; Stanhope Elmore, \$400; Mack Dove, \$600; Dick Bell, \$200; C. H. Chapman, Jr., \$200 and Dorman Frith, \$300.

Among the special interest groups to support Dickinson were: United Technologies Corp. political fund, \$1000; Association of General Contractors, \$500; the



March 14, 1978

MEMORANDUM TO: Marge Emmons  
FROM: Eliana T. Carr  
SUBJECT: MUR 384

Please have the attached General Counsel's Report  
on MUR 384 distributed to the Commission on a tally  
sheet (72 hour vote).

Thank you.

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BEFORE THE FEDERAL ELECTION COMMISSION  
March 13, 1978

In the Matter of )  
J. Carole Keahey ) MUR 384  
and )  
Thomas M. Keahey )

GENERAL COUNSEL'S REPORT

On February 1, 1978, the Commission found reasonable cause to believe that J. Carole Keahey violated Sections 441a(f) and 434(b)(2), and that Thomas M. Keahey violated Section 441a(a)(1)(A), of the Federal Election Campaign Act. On the same date, the Commission also found reason to believe that Ms. Keahey violated Section 434(b)(9), and that Mr. Keahey violated Section 441a(a)(3), of the Act. (The bases for these findings are set out in our January 27, 1978, report).

The respondents were advised of these findings in letters dated February 3, 1978. These letters, to which proposed conciliation agreements were attached, were received by counsel for the respondents on February 9, 1978.<sup>1</sup>/

Office of General Counsel Staff has engaged in extensive discussions with counsel for the respondents in an effort to conciliate the matter. However, we have been unable to agree on terms which would be acceptable to the Commission.

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1. The proposed conciliation agreements included full discussion of those violations which, at that point, were still at the "reason to believe" stage. As to those violations, the Commission found reasonable cause to believe on March 9, 1978.

The statutory period of conciliation ended on Monday,  
March 13, 1978.

RECOMMENDATION:

We recommend that the Commission find probable cause to  
believe as follows:

A. With respect to Thomas M. Keahey:

- 1) That he violated 2 U.S.C. §441a(a)(1)(A) in that he exceeded the \$1,000 contribution limit with regard to the May 25, 1976, runoff election and with regard to the November 2, 1976, general election.
- 2) That he violated 2 U.S.C. §441a(a)(3) in that he exceeded the \$25,000 annual contribution limitation in calendar year 1976.

B. With respect to J. Carole Keahey:

- 1) That she violated 2 U.S.C. §441a(f), in that she knowingly accepted contributions from Thomas M. Keahey which were in excess of his \$1,000 individual limitation as to the May 25, 1976, runoff election and as to the November 2, 1976, general election, and which were in excess of his \$25,000 annual contribution limitation.
- 2) That she violated 2 U.S.C. §434(b)(2) in that, as candidate and as treasurer of her principal campaign committee, her reports of receipts and expenditures did not identify Thomas M. Keahey as an individual who had made contributions in excess of \$100 during calendar year 1976.
- 3) That she violated 2 U.S.C. §434(b)(9) in that, as candidate and as treasurer of her principal campaign committee, her reports of receipts and expenditures failed to identify all those persons to whom expenditures were made in an aggregate amount in excess of \$100 during calendar year 1976;

and that it authorize the institution of civil action pursuant to  
2 U.S.C. §437g(a)(5)(B).

3/14/78

Date

*William C. Oldaker*

William C. Oldaker  
General Counsel

70040111901  
78040051206

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

J. Carole Keahey  
and  
Thomas M. Keahey

)  
)  
)  
)  
)  
)

MUR 384

The recommendations contained in the General Counsel's Report dated March 13, 1976, that probable cause to believe be found against both respondents, and that civil suit be authorized, are approved.

\_\_\_\_\_  
Thomas E. Harris  
Chairman

\_\_\_\_\_  
Date

\_\_\_\_\_  
Neil O. Staebler  
Commissioner

\_\_\_\_\_  
Date

\_\_\_\_\_  
Joan D. Aikens  
Vice-Chairman

\_\_\_\_\_  
Date

\_\_\_\_\_  
Vernon W. Thomson  
Commissioner

\_\_\_\_\_  
Date

\_\_\_\_\_  
William L. Springer  
Commissioner

\_\_\_\_\_  
Date

\_\_\_\_\_  
Robert O. Tiernan  
Commissioner

\_\_\_\_\_  
Date

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ACC 2936

RECEIVED  
FEDERAL ELECTION  
COMMISSION

LAW OFFICES

NYLEN & GILMORE

78 MAR 13 AM 9:28

RIGGS BUILDING

7411 RIGGS ROAD

HYATTSVILLE, MARYLAND

20783

(301) 439-1200

EDWARD W. NYLEN  
JOHN D. GILMORE, JR.  
WILLIAM L. RIGOLI  
WILLIAM H. BERGMAN

SAMUEL C. STEELMAN, JR.  
F. ROBERT TROLL, JR.  
PAUL S. LEWIS

000904

March 9, 1978

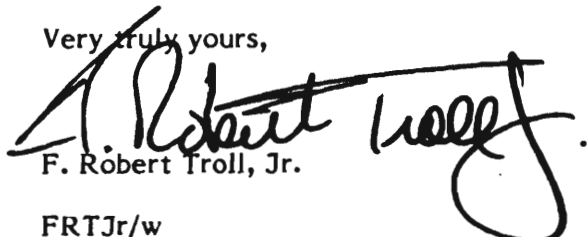
Vincent J. Convery, Jr., Esquire  
The Office of General Counsel  
Federal Election Commission  
1325 K Street, N.W.  
Washington, D. C. 20463

Re: Thomas N. and Edna F. Keahey -  
Capital City Federal Savings and Loan Association

Dear Vince:

Enclosed please find an original and one copy of the answers to questions  
submitted to my client, Capital City Federal Savings and Loan Association.

Very truly yours,



F. Robert Troll, Jr.

FRTJr/w

Encl

cc: Capital City Federal Savings and Loan Association

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SWORN ANSWERS SUBMITTED BY DAVID G. BURTON,  
VICE PRESIDENT, CAPITAL CITY FEDERAL SAVINGS  
AND LOAN ASSOCIATION, HAVE BEEN DELETED FROM  
PUBLIC RECORD

72040111907  
78040064203



FEDERAL ELECTION COMMISSION

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

HAND DELIVERED

March 10, 1978

Stanley A. Camhi, Esquire  
Kendrick Law Offices  
233 Massachusetts Avenue, N.E.  
Washington, D.C. 20002

Re: MUR 384

Dear Mr. Camhi:

This will acknowledge the March 9, 1978, telephone conversation between you and Vincent J. Convery, Jr., of this office, and will serve to reduce its subject matter to writing.

At an executive session on March 9, 1978, the Commission rejected the terms proposed by your clients with regard to the amounts to be paid as civil penalties in the conciliation of MUR 384. Specifically, Thomas M. Keahey proposed payment in the amount \$8,000, apportioned as follows: for himself, \$4,000; for J. Carole Keahey, \$4,000. (In the proposed conciliation agreements which we forwarded on February 3, 1978, the Commission sought payment of civil penalties in the following amounts: for Thomas M. Keahey, \$72,000; for J. Carole Keahey, \$72,000).

The Commission determined that it would be amenable to conciliating this matter with the payment of civil penalties in the following amounts: as to Thomas M. Keahey, \$20,000; as to J. Carole Keahey, \$20,000.

In response to the request you conveyed through Mr. Convery, I will be happy to meet with you and with your associate, Mr. Kendrick, to discuss this matter.

Sincerely,

William C. Oldaker  
General Counsel



79040111908  
79040111908

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
J. Carole Keahey )  
and )  
Thomas M. Keahey )

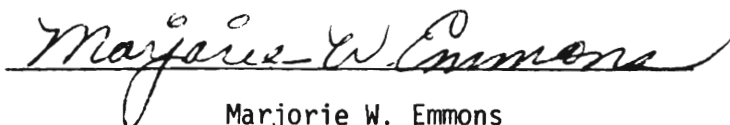
MUR 384 (77)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on March 10, 1978, at an Executive Session of the Federal Election Commission at which a quorum was present, the Commission determined by a vote of 4-0 to take the following actions in the above-captioned matter:

1. Find reasonable cause to believe that J. Carole Keahey violated 2 U.S.C. Section 434(b)(9).
2. Find reasonable cause to believe that Thomas M. Keahey violated 2 U.S.C. Section 441a(a)(3).
3. Instruct the Office of the General Counsel to seek a civil penalty of \$20,000 each from J. Carole Keahey and Thomas M. Keahey in the conciliation negotiations now in progress on this matter, from which figure the General Counsel may recede to a figure of not less than \$10,000 each from J. Carole Keahey and Thomas M. Keahey.

Voting for this determination were Commissioners Harris, Staebler, Thomson, and Tiernan. Commissioners Aikens and Springer were not present at the time of the vote.



Marjorie W. Emmons  
Secretary to the Commission

March 10, 1978



BEFORE THE FEDERAL ELECTION COMMISSION

March 3, 1978

In the Matter of )

J. Carole Keahey )

and )

Thomas M. Keahey )

MUR 384

EXECUTIVE SESSION

MAR 9 1978

GENERAL COUNSEL'S REPORT

On February 1, 1978, the Commission found reasonable cause to believe that J. Carole Keahey violated Sections 441a(f) and 434(b)(2) of the Federal Election Campaign Act, and that Thomas M. Keahey violated Section 441a(a)(1)(A) of the Act. On the same date, the Commission found reason to believe that Ms. Keahey violated Section 434(b)(9), and that Mr. Keahey violated Section 441a(a)(3), of the Act. (The bases for these findings are set out in our report dated January 27, 1978).

In the proposed conciliation agreements which were forwarded to the respondents (and which were received on February 9, 1978), we included discussion of those violations which are at the "reason to believe stage." 1/

We have met with counsel for the respondents and still are attempting to conciliate the matter. However, we have received nothing from either respondent which

1. In light of the date of receipt, the thirty day conciliation period will run on Monday, March 13, 1978.

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would demonstrate that further action should not be taken in connection with those violations for which the Commission found reason to believe on February 1.

RECOMMENDATION:

We recommend that the Commission find reasonable cause to believe that J. Carole Keahey violated Section 434(b)(9), and that Thomas M. Keahey violated Section 441a(a)(3), of the Act.

79040111911  
79040064213  
Date 3/3/78

  
WILLIAM C. OLDAKER  
General Counsel



# FEDERAL ELECTION COMMISSION

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

February 23, 1978

MEMORANDUM TO: CHARLES STEELE  
FROM: MARJORIE W. EMMONS  
SUBJECT: MUR 384 (76) - Status Report dated February  
22, 1978

The above-mentioned document was circulated to the  
Commissioners on February 22, 1978 at 3:00.

As of 4:00, this date, no objections have been  
received in the Office of Commission Secretary to the  
Status Report.

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## FEDERAL ELECTION COMMISSION

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

February 22, 1978

### Memorandum

TO: The Commission

FROM: William C. Oldaker *W.C. Oldaker*

SUBJECT: Status Report - MUR 384

70040111913  
7874774215

This matter was last before the Commission on February 1, 1978. At that time, the Commission found reasonable cause to believe that J. Carole Keahey violated Sections 441a(f) and 434(b)(2), and that Thomas M. Keahey violated Section 441a(a)(1)(A), of the FECA. Additionally, the Commission found reason to believe that Ms. Keahey violated Section 434(b)(9), and that Mr. Keahey violated Section 441a(a)(3), of the Act.

The respondents were notified of the findings in letters dated February 3, 1978. Proposed conciliation agreements were attached to the letters. Through counsel, the respondents accepted delivery of the notifications on February 9, 1978.

In telephone conversations of February 9 and 16, 1978, counsel for the respondents has advised that he is in the process of examining and discussing with his clients our proposed conciliation agreements. He indicated that he will contact us when his clients have decided upon a course of action. In this regard, we are scheduled to meet with respondents' attorney next Tuesday, February 28, 1978.



February 22, 1978

MEMORANDUM TO: Marge Emmons  
FROM: Elissa T. Carr  
SUBJECT: MUR 384

Please have the attached status report on MUR 384 distributed to the Commission on a 24 hour no-objection basis.

Thank you.

79040111914  
78040034216

DCC 2687

RECEIVED  
FEDERAL ELECTION  
COMMISSION

'78 FEB 15

SAMUEL C. STEELMAN, JR.  
F. ROBERT TROLL, JR.  
PAUL S. LEWIS

LAW OFFICES  
NYLEN & GILMORE

EDWARD W. NYLEN  
JOHN D. GILMORE, JR.  
WILLIAM L. RIGOLI  
WILLIAM H. BERGMAN

SUITE 100  
RIGGS BUILDING  
7411 RIGGS ROAD  
HYATTSVILLE, MARYLAND  
20783  
(301) 439-1200

200407

February 13, 1978

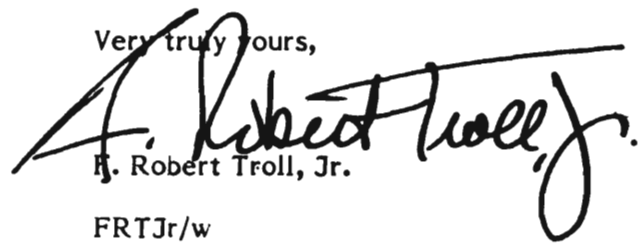
Vincent J. Convery, Jr., Esquire  
Federal Election Commission  
1325 K Street, N.W.  
Washington, D. C. 20463

Re: MUR 384

Dear Mr. Convery:

After numerous attempts to reach you by telephone, I am taking the liberty of writing to advise you that we are attorneys for Capital City Federal Savings and Loan Association who advises us that it has received a subpoena with respect to certain information and documents pertaining to accounts maintained by Thomas N. Keahey and/or Edna F. Keahey. Although my client is presently in the process of compiling the information and documents, Exhibits 1 through 4 (referred to in the attachment), were not attached. Accordingly, please forward copies thereof to the undersigned, and as soon as we have compiled all other information, I shall be pleased to forward same to you.

Very truly yours,

  
F. Robert Troll, Jr.

FRTJr/w

cc: David Burton

79040111915  
78040034217



FEDERAL ELECTION COMMISSION

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

February 3, 1978

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

J. Carole Keahey  
c/o John A. Kendrick, Esquire  
233 Massachusetts Avenue, N.E.  
Washington, D.C. 20002

Re: MUR 384

Dear Ms. Keahey:

This is to inform you that, on February 1, 1978, the Commission found reasonable cause to believe that you violated Sections 441a(f) and 434(b)(2) of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431 et seq. The finding under Section 441a(f) was based upon evidence that, during your candidacy for the U.S. House of Representatives from Alabama in 1976, you knowingly accepted contributions from Thomas M. Keahey which were in excess of his \$1,000 individual limitation as to the May 25 runoff election and as to the November 2 general election, and which were in excess of his \$25,000 annual contribution limitation. The finding under Section 434(b)(2) was based upon evidence that you, in the reports of receipts and expenditures you filed as candidate and as treasurer of your principal campaign committee, failed to identify Thomas M. Keahey as an individual who had contributed in excess of \$100 during calendar year 1976.

In this connection, we note that information submitted to the Commission by the Riggs National Bank establishes that you obtained signatory authority and thus access and control over, the Keahey's Moving and Storage checking account on April 20, 1976. Inasmuch as, you did not have access and control over the funds in this account as of the date you became a candidate, they cannot be regarded as "personal funds" and must be considered to have been contributions made to your campaign by the owner of the account.





On the same date, the Commission also found reason to believe that you violated 2 U.S.C. §434(b)(9), in that, in reports of receipts and expenditures filed by you as candidate and as treasurer of your principal campaign committee, you failed to identify all those persons to whom expenditures had been made in an aggregate amount in excess of \$100 during calendar year 1976.

Under 2 U.S.C. §437g(a)(5)(A), if the Commission determines that there is reasonable cause to believe that a person has committed a violation of the Act, it must make every endeavor for a period of not less than thirty days to correct such violation by informal methods of conference, conciliation, and persuasion, and must attempt to enter into a conciliation agreement with the person involved. If it is unable to correct any such violation by these informal methods, the Commission may, if it determines that there is probable cause to believe that a violation has occurred, institute a civil action for relief under 2 U.S.C. §437g(a)(5)(B).

A proposed conciliation agreement is enclosed. Vincent J. Convery, Jr., the Commission attorney assigned to this matter, will contact you with regard to possible conciliation.

Sincerely yours,

*William C. Oldaker*

William C. Oldaker  
General Counsel

PS Form 3811, Apr. 1977

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

*Convery* *MUR-384*

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

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

2. ARTICLE ADDRESSED TO:  
*J. Carole Leahy*  
*c/o John Kendrick, Esq.*  
*233 Mass. Ave. N.E.*  
*Wash. D.C. 20002*

3. ARTICLE DESCRIPTION:  
REGISTERED NO. \_\_\_\_\_ CERTIFIED NO. *943/71* INSURED NO. \_\_\_\_\_  
(Always obtain signature of addressee or agent)

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

4. DATE OF DELIVERY *2-9-78* POSTMARK \_\_\_\_\_

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: \_\_\_\_\_ CLERK'S INITIALS \_\_\_\_\_



BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
J. Carole Keahey ) MUR 384  
and )  
Thomas M. Keahey )

CONCILIATION AGREEMENT

79040111918  
78040051220  
This matter was initiated on the basis of a written complaint filed with the Federal Election Commission (hereinafter, "the Commission"). An investigation has been conducted and the Commission has found reasonable cause to believe that the respondent, J. Carole Keahey, has violated Sections 441a(f), 434(b)(2) and 434(b)(9) of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431 et seq.

Now, therefore, the respondent J. Carole Keahey and the Commission, the respective parties herein, having entered into conciliation pursuant to 2 U.S.C. §437g(a)(5)(A) do hereby agree to the following:

1. That the Commission has jurisdiction over respondent J. Carole Keahey and over the subject matter of this proceeding.
2. That the respondent J. Carole Keahey has had reasonable opportunity to demonstrate that no action should be taken in this matter.
3. That the pertinent facts of this matter are as follows:
  - a. Respondent J. Carole Keahey is the daughter of Thomas M. Keahey.

- b. During the year 1976, respondent J. Carole Keahey was a candidate for Federal office within the meaning of 2 U.S.C. §431(b). She attained such status on March 19, 1976, when she filed for election with the Alabama State Democratic Executive Committee.
- c. On or about April 20, 1976, Thomas M. Keahey executed a "resolution" which extended to respondent J. Carole Keahey signature authority in a checking account which Thomas M. Keahey maintained at the Riggs National Bank of Washington, D.C. This checking account was in the name of Keahey's Moving and Storage. (This account will hereinafter be referred to as "the Moving Account").
- d. During the course of Ms. Keahey's candidacy, checks were drawn upon the Moving Account both to make direct payment of campaign-related expenses and to transfer funds to campaign accounts which Ms. Keahey opened at the Union Bank and Trust Company and at the Southern Bank, N.A., both located in Montgomery, Alabama. The total amount so paid and so transferred was approximately \$97,479.48.
- e. Respondent J. Carole Keahey did not have access to or control over the funds in the Moving Account until such time as Thomas M. Keahey executed the "resolution" which extended to her signature authority in that account. This resolution was executed some thirty one days after respondent Keahey had attained candidate status, and in order for the funds to be considered the personal funds of the candidate he or she must have had access to, or control over them at the time of candidacy.
- f. Since the funds in the Moving Account were not the "personal funds" of the respondent, every check drawn upon that Account to pay campaign-related expenses and to transfer funds to other campaign accounts constituted a contribution to the candidacy of J. Carole Keahey made by the owner of the account, Thomas M. Keahey.
- g. 2 U.S.C. §441a(a)(1)(A) provides that "no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which in the aggregate, exceed \$1,000."

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1. Thomas M. Keahey exceeded the \$1,000 per election limitation with regard to the May 25, 1976, runoff election, in that checks written on the Moving Account i.e., contributions made by him, during the runoff election period totalled approximately \$8,672.67.
2. Thomas M. Keahey exceeded the \$1,000 per election limitation with regard to the November 2, 1976, general election, in that checks written on the Moving Account, i.e., contributions made by him during the general election period totalled approximately \$82,831.58.
- h. 2 U.S.C. §441a(a)(3) provides that "no individual shall make contributions aggregating more than \$25,000 in any calendar year." Thomas M. Keahey exceeded the \$25,000 annual contribution limitation in that checks written on the Moving Account i.e., contributions made by him, totalled approximately \$97,479.48 in calendar year 1976.
- i. 2 U.S.C. §441a(f) provides, inter alia, that no candidate or political committee shall knowingly accept any contribution made in violation of the provisions of 2 U.S.C. §441a. In using funds in the Moving Account in the manner described in paragraphs g and h, above, the respondent J. Carole Keahey knowingly accepted contributions made by Thomas M. Keahey which were in excess of the limitations set forth in 2 U.S.C. §441a(a)(1)(A) and 441a(a)(3).
- j. 2 U.S.C. §434(b)(2) requires that the Reports of Receipts and Expenditures filed with the Commission shall disclose the full name and mailing address of each person who has made one or more contributions to or for a political committee or candidate within the calendar year in an aggregate amount or value in excess of \$100, together with the amount and date of such contribution. The Reports of Receipts and Expenditures filed by the respondent J. Carole Keahey, both as candidate and as treasurer of her principal campaign committee, nowhere identify Thomas M. Keahey as a person who had contributed in excess of \$100 during calendar year 1976.

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78040034222

- k. 2 U.S.C. §434(b)(9) generally requires that the Reports of Receipts and Expenditures filed with the Commission shall disclose the identification of each person to whom expenditures have been made within the calendar year in an aggregate amount or value in excess of \$100. The Attachment to this Agreement lists those expenditures made by or on behalf of respondent J. Carole Keahey, in an aggregate amount in excess of \$100, which were not listed in the Reports filed by the respondent, either as candidate or as treasurer of her principal campaign committee.

WHEREFORE, respondent J. Carole Keahey agrees:

4. That each check drawn upon the Keahey's Moving and Storage Account to pay a campaign-related expense or to transfer funds to another campaign account constituted a contribution in a like amount made by the owner of that account, Thomas M. Keahey, to the candidacy of the respondent J. Carole Keahey.
5. That her knowing acceptance of such contributions from Thomas M. Keahey in excess of his \$1,000 limitation as to the May 25, 1976, runoff election constituted a violation of 2 U.S.C. §441a(f).
6. That her knowing acceptance of such contributions from Thomas M. Keahey in excess of his \$1,000 limitation as to the November 2, 1976, general election constituted a violation of 2 U.S.C. §441a(f).
7. That her knowing acceptance of such contributions from Thomas M. Keahey in excess of his \$25,000 annual contribution limitation constituted a violation of 2 U.S.C. §441a(f).
8. That her failure to identify Thomas M. Keahey on Reports of Receipts and Expenditures as a person who had made contributions in an aggregate amount in excess of \$100 during calendar year 1976 constituted a violation of 2 U.S.C. §434(b)(2).
9. That her failure to identify each person to whom expenditures had been made within calendar year 1976 in an aggregate amount or value in excess of \$100 constituted a violation of 2 U.S.C. §434(b)(9).

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78040064223

10. That she will voluntarily testify before any Commission proceeding, or before any other proceeding, in which the matters at issue herein are relevant.
11. That she will, now and in the future, comply in all respects with the Federal Election Campaign Act of 1971, as amended.
12. That, pursuant to 2 U.S.C. §437g(a)(6), she will pay to the Treasury of the United States a civil penalty in the amount seventy-two thousand (\$72,000) dollars.
13. That she will file with the Commission amended Reports of Receipts and Expenditures which will accurately reflect all financial activity conducted in connection with her candidacy.

The Federal Election Commission and J. Carole Keahey enter into this conciliation agreement under the following GENERAL CONDITIONS:

14. The Commission on request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue herein, or on its own motion may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.
15. This agreement shall become effective as of the moment that all parties hereto have executed same and the Commission has approved the entire agreement.
16. It is agreed that respondent J. Carole Keahey shall have thirty days from the effective date of this agreement to implement and comply with all requirements contained herein.

FOR THE RESPONDENT:

\_\_\_\_\_  
J. CAROLE KEAHEY

\_\_\_\_\_  
Date

FOR THE FEDERAL ELECTION COMMISSION:

\_\_\_\_\_  
WILLIAM C. OLDAKER  
GENERAL COUNSEL

\_\_\_\_\_  
Date

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# ATTACHMENT TO CONCILIATION AGREEMENT

CAMPAIGN RELATED CHECKS DELIVERED PURSUANT TO SUBPOENA FOR WHICH  
THERE ARE NO NOTATIONS ON THE REPORTS OF RECEIPTS AND EXPENDITURES

## WRITTEN ON RIGGS NATIONAL BANK

<u>DATE</u>	<u>PAYEE</u>	<u>AMOUNT</u>
4/20/76	Montgomery Advertiser	\$ 637.98
9/22/76	Montgomery Advertiser	14.45
5/11/76	Downtowner	452.17
5/13/76	Robert Walton	443.00
5/18/76	Emory McCollough	266.00
5/24/76	John Erion	127.00
5/27/76	Howard J. Richards	222.00
5/29/76	Dothan Eagle	136.80
7/06/76	Dothan Eagle	84.80
6/02/76	Cash	1,000.00
6/29/76	Helga Howie	237.00
7/15/76	Martha Richards	217.41
8/09/76	Service Printing Co.	724.20
10/15/76	Service Printing Co.	374.50
8/20/76	Ronnie Martin	<u>100.00</u>
	TOTAL	\$5,037.31

## WRITTEN ON SOUTHERN BANK

9/1/76	Unspecified*	500.00
9/27/76	Holiday Inn	300.00
10/22/76	Troy Messenger	400.00
10/22/76	Montgomery Advertiser	2,300.00
10/22/76	Brundidge Banner	250.00
10/22/76	Union Springs Herald	250.00

79040111923  
79040011225

WRITTEN ON SOUTHERN BANK

<u>DATE</u>	<u>PAYEE</u>	<u>AMOUNT</u>
10/22/76	Elba Clipper	143.00
10/22/76	Butler County News	140.00
12/21/76	Wendell Sasser	<u>1,225.00</u>
	TOTAL	\$5,508.00

\*We do not have a copy of this check. The date and the amount were ascertained from a monthly banking statement. No corresponding amount could be located on a report of receipts and expenditures.

79040111924  
78040004225



FEDERAL ELECTION COMMISSION

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

February 3, 1978

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Thomas M. Keahey  
c/o John A. Kendrick, Esquire  
233 Massachusetts Avenue, N.E.  
Washington, D.C. 20002

Re: MUR 384

Dear Mr. Keahey:

This is to inform you that, on February 1, 1978, the Commission found reasonable cause to believe that you violated Section 441a(a)(1)(A) of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431 et seq. This finding was based upon evidence that, with regard to the candidacy of J. Carole Keahey for election to the U.S. House of Representatives from Alabama, you exceeded the \$1,000 contribution limit with respect to the May 25, 1976 runoff election and with respect to the November 2, 1976, general election.

On the same date the Commission also found reason to believe that you violated Section 441a(a)(3) of the Act, in that you exceeded the \$25,000 annual contribution limitation in calendar year 1976.

In this connection, we note that information submitted to the Commission by the Riggs National Bank establishes that J. Carole Keahey obtained signatory authority in, and thus access and control over, the Keahey's Moving and Storage checking account on April 20, 1976. Inasmuch as Ms. Keahey did not have access and control over the funds in this account as of the date she became a candidate, they cannot be regarded as her "personal funds" but must be considered to have contributions made by you as owner of the account.





Under 2 U.S.C. §437g(a)(5)(A), if the Commission determines that there is reasonable cause to believe that a person has committed a violation of the Act, it must make every endeavor for a period of not less than thirty days to correct such violation by informal methods of conference, conciliation, and persuasion, and must attempt to enter into a conciliation agreement with the person involved. If it is unable to correct any such violation through these informal methods, the Commission may, if it determines that there is probable cause to believe that a violation has occurred, institute a civil action for relief under 2 U.S.C. §437g(a)(5)(B).

A proposed conciliation agreement is enclosed. Vincent J. Convery, Jr., the Commission attorney assigned to this matter, will contact you with regard to possible conciliation.

Sincerely yours,

*William C. Oldaker*

William C. Oldaker  
General Counsel

*Convery* *MUR-384*

PS Form 3811, Apr. 1977

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

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

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

2. ARTICLE ADDRESSED TO:  
*Thomas Kealey*  
*c/o John Kendrick, Esq.*  
*233 Massachusetts Ave., NE*  
*Wash., D.C. 20002*

3. ARTICLE DESCRIPTION:  
 REGISTERED NO. CERTIFIED NO. INSURED NO.  
*943170*

(Always obtain signature of addressee or agent)

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

4. DATE OF DELIVERY *2-9-78* POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

☆ GPO : 1977-O-234-537

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of  
J. Carole Keahey  
and  
Thomas M. Keahey

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MUR 384

CONCILIATION AGREEMENT

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7 3 0 4 0 0 6 4 2 2 2  
This matter was initiated on the basis of a written complaint filed with the Federal Election Commission (hereinafter, "the Commission"). An investigation has been conducted and the Commission has found reasonable cause to believe that the respondent, Thomas M. Keahey, has violated Sections 441a(a)(1)(A) and 441a(a)(3) of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431, et seq.

Now, therefore, the respondent Thomas M. Keahey and the Commission, the respective parties herein, having entered into conciliation pursuant to 2 U.S.C. §437g(a)(5)(A) do hereby agree to the following:

1. That the Commission has jurisdiction over respondent Thomas M. Keahey and over the subject matter of this proceeding.
2. That the respondent Thomas M. Keahey has had reasonable opportunity to demonstrate that no action should be taken in this matter.
3. That the pertinent facts of this matter are as follows:
  - a. J. Carole Keahey is the daughter of respondent Thomas M. Keahey.
  - b. During the year 1976, J. Carole Keahey was a candidate for Federal office within the meaning of 2 U.S.C. §431(b). She attained such status on March 19, 1976, when she filed for election with the Alabama State Democratic Executive Committee.

- 7 9 0 4 0 1 1 1 9 2 8  
7 3 0 4 0 0 3 4 2 3 0
- c. On or about April 20, 1976, Thomas M. Keahey executed a "resolution" which extended to J. Carole Keahey signature authority in a checking account which Thomas M. Keahey maintained at the Riggs National Bank of Washington, D.C. This checking account was in the name of Keahey's Moving and Storage. (This account will hereinafter be referred to as "the Moving Account").
  - d. During the course of Ms. Keahey's candidacy, checks were drawn upon the Moving Account both to make direct payment of campaign-related expenses and to transfer funds to campaign accounts which Ms. Keahey opened at the Union Bank and Trust Company and at the Southern Bank, N.A., both located in Montgomery, Alabama. The total amount so paid and so transferred was approximately \$97,479.48.
  - e. J. Carole Keahey did not have access to or control over the funds in the Moving Account until such time as Thomas M. Keahey executed the "resolution" which extended to her signature authority in that account. This resolution was executed some thirty one days after Ms. Keahey had attained candidate status, and in order for the funds to be considered the personal funds of a candidate, he or she must have had access to or control over them at the time of candidacy.
  - f. Since the funds in the Moving Account were not the "personal funds" of the candidate, every check drawn upon that Account to pay campaign-related expenses and to transfer funds to other campaign accounts constituted a contribution to the candidacy of J. Carole Keahey made by the owner of the account, Thomas M. Keahey.
  - g. 2 U.S.C. §441a(a)(1)(A) provides that "no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which in the aggregate, exceed \$1,000."

1. Thomas M. Keahey exceeded the \$1,000 per election limitation with regard to the May 25, 1976, runoff election, in that checks written on the Moving Account, i.e., contributions made by him, during the runoff election period totalled approximately \$8,672.67.
2. Thomas M. Keahey exceeded the \$1,000 per election limitation with regard to the November 2, 1976, general election, in that checks written on the Moving Account, i.e., contributions made by him, during the general election period totalled approximately \$82,831.58.

- h. 2 U.S.C. §441a(a)(3) provides that "no individual shall make contributions aggregating more than \$25,000 in any calendar year." Thomas M. Keahey exceeded the \$25,000 annual contribution limitation in that checks written on the Moving Account, i.e., contributions made by him, totalled approximately \$97,479.48 in calendar year 1976.

WHEREFORE, respondent Thomas M. Keahey agrees:

4. That each check drawn upon the Keahey's Moving and Storage Account to pay a campaign-related expense of J. Carole Keahey or to transfer funds to another campaign account constituted a contribution in a like amount made by him to the candidacy of J. Carole Keahey.
5. That his contribution of approximately \$8,672.67 in relation to the May 25, 1976, runoff election was made in violation of 2 U.S.C. §441a(a)(1)(A).
6. That his contribution of approximately \$82,831.58 in relation to the November 2, 1976, general election was made in violation of 2 U.S.C. §441a(a)(1)(A).
7. That his contribution of approximately \$97,479.48 during calendar year 1976 was made in violation of 2 U.S.C. §441a(a)(3).
8. That he will voluntarily testify before any Commission proceeding, or before any other proceeding, in which the matters at issue herein are relevant.
9. That he will, now and in the future, comply in all respects with the Federal Election Campaign Act of 1971, as amended.

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7 8 0 4 0 0 5 4 2 3 1

10. That, pursuant to 2 U.S.C. §437g(a)(6), he will pay to the Treasury of the United States a civil penalty in the amount of seventy-two thousand (\$72,000) dollars.

The Federal Election Commission and Thomas M. Keahey enter into this conciliation agreement under the following GENERAL CONDITIONS:

11. The Commission on request of anyone filing a complaint under 2 U.S.C. §437g(a)(1) concerning the matters at issue herein, or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.
12. It is mutually agreed that this agreement shall become effective as of the moment that all parties hereto have executed same and the Commission has approved the entire agreement.
13. It is agreed that respondent Thomas M. Keahey shall have thirty days from the effective date of this agreement to implement and comply with all requirements contained herein.

FOR THE FEDERAL ELECTION COMMISSION:

\_\_\_\_\_  
WILLIAM C. OLDAKER  
GENERAL COUNSEL

\_\_\_\_\_  
DATE

FOR THE RESPONDENT:

\_\_\_\_\_  
THOMAS M. KEAHEY

\_\_\_\_\_  
DATE

79040111937  
78040034232

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
J. Carole Keahey and )  
Thomas M. Keahey )

MUR 384 (77)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on February 1, 1978, the Commission determined by a vote of 5-0 to take the following actions in the above-captioned matter:

1. Find reasonable cause to believe that Thomas M. Keahey violated 2 U.S.C. Section 441a(a)(1)(A) in that he exceeded the \$1000 contribution limit with regard to the May 25, 1976, runoff election and with regard to the November 2, 1976, general election.
2. Find reason to believe that Thomas M. Keahey violated 2 U.S.C. Section 441a(a)(3) in that he exceeded the \$25,000 annual contribution limitation in calendar year 1976.
3. Find reasonable cause to believe that J. Carol Keahey violated 2 U.S.C. Section 441a(f), in that she knowingly accepted contributions from Thomas M. Keahey which were in excess of his \$1,000 individual limitation as to the May 25, 1976, runoff election and as to the November 2, 1976 general election, and which were in excess of his \$25,000 annual contribution limitation.
4. Find reasonable cause to believe that J. Carol Keahey violated 2 U.S.C. Section 434(b)(2), in that as a candidate and as treasurer of her principal campaign committee, her reports of receipts and expenditures did not identify Thomas M. Keahey as an individual who had contributed in excess of \$100 during calendar year 1976.

(continued)

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78040034231

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
J. Carole Keahey and )  
Thomas M. Keahey )

MUR 384 (77)  
February 1, 1978  
Page 2

5. Find reason to believe that J. Carole Keahey violated Section 434(b)(9) in that, as candidate and as treasurer of her principal campaign committee, her reports of receipts and expenditures failed to identify all those persons to whom expenditures were made in an aggregate amount in excess of \$100 during calendar year 1976.
6. Send the amended draft letters submitted by the FEC General Counsel in the report dated January 27, 1978.

Commissioner Springer was not present at the time of the vote in this matter.

*Marjorie W. Emmons*

Marjorie W. Emmons  
Secretary to the Commission

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7 8 0 4 0 0 3 4 2 3 4



FEDERAL ELECTION COMMISSION

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

February 2, 1978

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

George J. Boyce  
President, Capital City  
Federal Savings and Loan  
Association  
4301 Connecticut Avenue, N.W.  
Washington, D.C. 20008

Re: MUR 384

Dear Mr. Boyce:

Enclosed is an order to submit written answers issued pursuant to Section 437d(a)(1) of Title 2, United States Code, and a subpoena to produce documents issued pursuant to Section 437d(a)(3) of the same Title. The order and the subpoena pertain to information and to documentation relevant to an account or accounts maintained by Thomas M. Keahey.

Vincent J. Convery, Jr., is the attorney assigned to the matter which gave rise to the issuance of the order and the subpoena. Please contact him at 523-4075 if you have any questions.

Please note that 2 U.S.C. §437g(a)(3)(B) prohibits any person from making public the fact of any notification or investigation by the Commission unless the party being investigated has agreed in writing that the matter be made public. You are advised that no such written authorization has been made in this case. The unauthorized disclosure of this matter is subject to the fine set forth in 2 U.S.C. §437d(c).

Sincerely yours,

William C. Oldaker  
General Counsel

Enclosures



VJC  
2/1/78





# FEDERAL ELECTION COMMISSION

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

January 31, 1978

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS

SUBJECT: Additional Subpoena and Order to Answer  
Questions in Relation to MUR 384 (77)

The attached Subpoena and Order to Answer Questions  
have been signed and sealed this date.

Approval was received from Commissioners Aikens, Harris,  
Staebler, and Thomson.

ATTACHMENTS

pc



BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of  
J. Carole Keahey  
and  
Thomas M. Keahey

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MUR 384

Pursuant to 2 U.S.C. §437d(a)(1) and (3), the Commission hereby authorizes the issuance of the attached order to answer written questions and subpoena for the production of documentary evidence, to the President of the Capital City Savings and Loan Association of Washington, D.C.

Thomas E. Harris  
THOMAS E. HARRIS  
CHAIRMAN

1-31-78  
DATE

JOAN D. AIKENS  
VICE-CHAIRMAN

DATE

WILLIAM L. SPRINGER  
COMMISSIONER

DATE

VERNON W. THOMPSON  
COMMISSIONER

DATE

NEIL STAEBLER  
COMMISSIONER

DATE

ROBERT O. TIERNAN  
COMMISSIONER

DATE

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of  
J. Carole Keahey  
and  
Thomas M. Keahey

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MUR 384

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THOMAS E. HARRIS  
CHAIRMAN

DATE

JOAN D. AIKENS  
VICE-CHAIRMAN

DATE

WILLIAM L. SPRINGER  
COMMISSIONER

DATE

VERNON W. THOMPSON  
COMMISSIONER

DATE

NEIL STAEBLER  
COMMISSIONER

DATE

ROBERT O. TIERNAN  
COMMISSIONER

DATE

780400111933

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
J. Carole Keahey )  
and )  
Thomas M. Keahey )

MUR 384

Pursuant to 2 U.S.C. §437d(a)(1) and (3), the Commission hereby authorizes the issuance of the attached order to answer written questions and subpoena for the production of documentary evidence, to the President of the Capital City Savings and Loan Association of Washington, D.C.

\_\_\_\_\_  
THOMAS E. HARRIS  
CHAIRMAN

\_\_\_\_\_  
DATE

\_\_\_\_\_  
JOAN D. AIKENS  
VICE-CHAIRMAN

\_\_\_\_\_  
DATE

\_\_\_\_\_  
WILLIAM L. SPRINGER  
COMMISSIONER

\_\_\_\_\_  
DATE

*Vernon W. Thomson*  
\_\_\_\_\_  
VERNON W. THOMSON  
COMMISSIONER

\_\_\_\_\_  
DATE

\_\_\_\_\_  
NEIL STAEBLER  
COMMISSIONER

\_\_\_\_\_  
DATE

\_\_\_\_\_  
ROBERT O. TIERNAN  
COMMISSIONER

\_\_\_\_\_  
DATE

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of  
J. Carole Keahey  
and  
Thomas M. Keahey

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MUR 384

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THOMAS E. HARRIS  
CHAIRMAN

DATE

JOAN D. AIKENS  
VICE-CHAIRMAN

DATE

WILLIAM L. SPRINGER  
COMMISSIONER

DATE

VERNON W. THOMPSON  
COMMISSIONER

DATE

NEIL STAEBLER  
COMMISSIONER

DATE

ROBERT O. TIERNAN  
COMMISSIONER

DATE

79040111938  
78040064240

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )

J. Carole Keahey )

and )

Thomas M. Keahey )

MUR 384

Pursuant to 2 U.S.C. §437d(a)(1) and (3), the Commission hereby authorizes the issuance of the attached order to answer written questions and subpoena for the production of documentary evidence, to the President of the Capital City Savings and Loan Association of Washington, D.C.

\_\_\_\_\_  
THOMAS E. HARRIS  
CHAIRMAN

\_\_\_\_\_  
VERNON W. THOMSON  
COMMISSIONER

\_\_\_\_\_  
DATE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
JOAN D. AIKENS  
VICE-CHAIRMAN

\_\_\_\_\_  
NEIL STAEBLER  
COMMISSIONER

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WILLIAM L. SPRINGER  
COMMISSIONER

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ROBERT O. TIERNAN  
COMMISSIONER

\_\_\_\_\_  
DATE

\_\_\_\_\_  
DATE

79010111933  
79040034241



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

George J. Boyce  
President, Capital City  
Federal Savings and Loan  
Association  
4301 Connecticut Avenue, N.W.  
Washington, D.C. 20008

Re: MUR 384

Dear Mr. Boyce:

Enclosed is an order to submit written answers issued pursuant to Section 437d(a)(1) of Title 2, United States Code, and a subpoena to produce documents issued pursuant to Section 437d(a)(3) of the same Title. The order and the subpoena pertain to information and to documentation relevant to an account or accounts maintained by Thomas M. Keahey.

Vincent J. Convery, Jr., is the attorney assigned to the matter which gave rise to the issuance of the order and the subpoena. Please contact him at 523-4075 if you have any questions.

Please note that 2 U.S.C. §437g(a)(3)(B) prohibits any person from making public the fact of any notification or investigation by the Commission unless the party being investigated has agreed in writing that the matter be made public. You are advised that no such written authorization has been made in this case. The unauthorized disclosure of this matter is subject to the fine set forth in 2 U.S.C. §437d(c).

Sincerely yours,

William C. Oldaker  
General Counsel

Enclosures



79040111941  
78040034242

UNITED STATES OF AMERICA  
FEDERAL ELECTION COMMISSION

TO: George J. Boyce  
President, Capital City  
Federal Savings and  
Loan Association  
4301 Connecticut Avenue, N.W.  
Washington, D.C. 20008

ORDER TO SUBMIT WRITTEN ANSWERS

At the instance of the Federal Election Commission and pursuant to Section 437d(a)(1) of Title 2, United States Code, you are hereby ordered to submit written answers to the questions contained on the attached page.

The answers should be submitted under oath within five days of your receipt of this Order.

WHEREFORE, the Commission of the Federal Election Commission has set his hand at Washington, D.C., on this 31<sup>st</sup> day of January, 1978.

*Thomas E. Harris*  
THOMAS E. HARRIS  
CHAIRMAN

ATTEST:

*Marjorie W. Emons*  
MARJORIE W. EMMONS  
SECRETARY TO THE COMMISSION

79040111941  
79040014241



ATTACHMENT TO ORDER

1. Please state your name and your position with Capital City Federal Savings and Loan Association.
  
- 2a. Please identify by account number and by type all accounts that have been or are maintained by Thomas M. Keahey, either individually or in conjunction with others, during the period January 1, 1975, through the present.
  
- b. Please state the date on which each account was opened and, if applicable, the date on which each account was closed.
  
- c. Please list the names of all persons who have access to the funds in each account and the dates on which they first were extended such access. Please provide copies of pertinent signature cards.
  
3. Please list the balance in each account as of the close of each calendar quarter during the periods January 1, 1975, through December 31, 1975 and January 1, 1977 through the present.
  
4. Attached as exhibits 1, 2 and 3 are copies of five checks, designated as interest checks, drawn on Capital City Federal. These checks are payable to Thomas M. Keahey or Edna F. Keahey and are dated July 30, August 30, September 30, October 29 and November 30, 1976.
  - a. Please identify the account which produced this payment of interest.
  
  - b. Is it unusual that interest be paid to the customer on a monthly basis rather than accumulate in the account.
  
  - c. What steps must be taken by the customer in order to obtain monthly payment of interest, rather than interest accumulation? When did Thomas M. Keahey request this method of payment?
  
5. Attached as exhibit 4 is a copy of a check drawn on Capital City Federal, dated November 10, 1976, payable to Thomas M. Keahey, Jr., in the amount of \$2,500. Please identify the nature of this check (i.e., did it represent a withdrawal from a personal account; was it made in payment from another party to Mr. Keahey, Jr., etc.) and identify the account from which it originated.

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78747764241

6. Attached as exhibit 5 is a copy of a check drawn on Capital City Federal, dated November 18, 1976, payable to Thomas M. Keahey, in the amount of \$700. Please identify the nature of this check and identify the account from which it originated.
7. Attached as exhibit 6 is a copy of a check drawn on Capital City Federal, dated November 18, 1976, payable to Thomas M. Keahey and Edna F. Keahey, in the amount of \$25,000. Please identify the nature of this check and identify the account from which it originated.

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~~720400064247~~

79040111944  
73040064243

**CAPITAL CITY FEDERAL**  
Savings and Loan Association  
OF WASHINGTON, D.C.  
ORGANIZED 1918

WASHINGTON, D.C. 7-30-76 No. 9-24005

TAX EXACTLY \$584.02 DOLLARS AND 02 CENTS

TO THE ORDER OF

Thomas H. Kealey or  
Edna F. Kealey  
3806 Branchview Street, N.W.  
Washington, D.C. 20016

\*\*\*\*\*584.02\*\*\*\*  
ACCOUNT NO.  
103-02633-3

00540-00070 1-200 28 34 00000058402

**CAPITAL CITY FEDERAL**  
Savings and Loan Association  
OF WASHINGTON, D.C.  
ORGANIZED 1918

WASHINGTON, D.C. 05-20-76 No. 9-24795

TAX EXACTLY \$526.00 DOLLARS AND 00 CENTS

TO THE ORDER OF

Thomas F. Kealey or  
Edna F. Kealey  
3806 Branchview Street, N.W.  
Washington, D.C. 20016

\*\*\*\*\*526.00\*\*\*\*  
ACCOUNT NO.  
103-02633-3

00540-00070 1-200 28 34 00000052600

Exhibit 1

7904011913  
790400034242

INSTITUTIONS

**CAPITAL CITY FEDERAL**

ORGANIZED 1916

WASHINGTON, D. C. 20016 NO. 8-2500

PAY EXACTLY \$100.00 DOLLARS AND NO CENTS

TO THE ORDER OF

Thomas M. Keahey or Edna F. Keahey  
3806 Brandywine Street, N.W.  
Washington, D.C. 20016

*Robert L. Keahey*  
AUTHORIZED SIGNATURE

⑆0540⑉0007⑆ ⑈200 28 3⑈ ⑈0000092223⑈

INSTITUTIONS

**CAPITAL CITY FEDERAL**

ORGANIZED 1916

WASHINGTON, D. C. 20016

PAY EXACTLY \$100.00 DOLLARS AND NO CENTS

TO THE ORDER OF

Thomas M. Keahey or Edna F. Keahey  
3806 Brandywine Street, N.W.  
Washington, D.C. 20016

⑆0540⑉0007⑆ ⑈200 28 3⑈ ⑈0000092223⑈

Exhibit 2

79940111946  
78740064243

**CAPITAL CITY FEDERAL**  
Savings and Loan Association  
ORGANIZED 1916  
WASHINGTON, D. C. 11/30/74 9-28233

**PAY EXACTLY \$422\*\*\*\*\*DOLLARS AND 14 CENTS**  
\$522.13  
103-2633-1

Thomas M. Kenney or Elma E. Kenney  
1506 Bramblevine Street, N.W.  
Washington, D.C. 20016

*Ralph L. Kenney*  
Ralph L. Kenney

⑆3549⑉5007⑆ 1⑉200 28 3⑉ ⑈0000092213⑈

Exhibit 3

ESLC

# CAPITAL CITY FEDERAL

Savings and Loan Association

THE NATIONAL BANK OF WASHINGTON

WASHINGTON, D.C.

Nov. 10,

3-31079  
76

\$2,500.00\*\*

\*\*THOMAS M. KEANEY, JR.\*\*

\*03031079\* 0540\*00070\* 0003 00 00 \*0000250000\*

\*03031079\* 0540\*00070\* 0003 00 00 \*0000250000\*

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ESLIC

**CAPITAL CITY FEDERAL**  
Savings and Loan Association

3-3122

THE NATIONAL BANK OF WASHINGTON

WASHINGTON, D. C.

Nov. 18,

PAY

700

\$ 700.00\*\*

THOMAS M. KEARLEY

*D. Bryan Lewis*

03031223

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0000070000

Exhibit 5

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FSLIC

# CAPITAL CITY FEDERAL

Savings and Loan Association

FEDERAL NATIONAL BANK OF WASHINGTON

WASHINGTON, D. C.

3-31225

November 18, 1976

PAY

\$ 25,000.00\*\*\*\*\*

\*\*\*Thomas M. Keahey and  
Edna P. Keahey\*\*\*

*D. Bryan Powell*

#03031225#

0540-00070 1-001 77 10

#0002500000#

Exhibit 6



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~~7 2 0 4 0 0 1 1 2 5 1~~  
UNITED STATES OF AMERICA

FEDERAL ELECTION COMMISSION

TO: George J. Boyce  
President, Capital City  
Federal Savings and Loan  
Association  
4301 Connecticut Avenue, N.W.  
Washington, D.C. 20008

SUBPOENA TO PRODUCE DOCUMENTARY EVIDENCE

At the instance of the Federal Election Commission and pursuant to Section 437d(a)(3) of Title 2, United States Code, you are hereby subpoenaed to produce copies of all records under your control which pertain to any and all accounts maintained by Thomas M. Keahey individually or in conjunction with others, for the period January 1, 1976 through December 31, 1976. These records are to include, but shall not be limited to statements of account, deposit slips and other evidence of the source of deposits made to the account(s), cancelled checks, memoranda, and other relevant documents.

Notice is hereby given that the subpoenaed records are to be produced at the Commission's Office of General Counsel, 4th Floor, 1325 K Street, N.W., Washington, D.C., within ten days of your receipt of this subpoena.

WHEREAS, the Commission of the Federal Election Commission has hereunto set his hand at Washington, D.C., this 31<sup>st</sup> day of January, 1978.

Thomas E. Harris  
THOMAS E. HARRIS  
CHAIRMAN

ATTEST:

Marjorie W. Emons  
MARJORIE W. EMMONS  
SECRETARY TO THE COMMISSION

January 27, 1978

MEMORANDUM TO: Marge Emons  
FROM: Elissa T. Garr  
SUBJECT: MUR 384

Please have the attached Request for Additional Subpoena on MUR 384 distributed to the Commission for approval.

Thank you.

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~~78040034257~~



FEDERAL ELECTION COMMISSION

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

February 16, 1978

*Done in file*

#245

MEMORANDUM TO: File MUR 384

FROM: Elissa T. Garr, Docket Coordinator *ETG*

THROUGH: William C. Oldaker

SUBJECT: Confirmation of Recusal from MUR 384

This will confirm my previous recusal from all substantive participation in the above compliance action due to the existence of a possible conflict of interest, in that my husband, Richard Garr, is employed as a part-time law clerk in the law firm of Nylen and Gilmore, who are attorneys for Capital City Federal Savings and Loan Association.

The existence of my husband's employment with Nylen and Gilmore has been previously disclosed both to the General Counsel and the Special Assistant to the General Counsel, Stephanie Katz.

I have in no way participated in substantive discussion or in negotiations in connection with the matter within the Commission, with anyone connected with the matter, nor with my husband, nor will I do so.

I believe it to be in the best interests of the Commission to recuse myself from substantive participation in this matter and to file this memorandum to confirm my actions and conduct.





## FEDERAL ELECTION COMMISSION

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

### MEMORANDUM

TO: The Commission

FROM: William C. Oldaker *Bice*

SUBJECT: Additional Subpoena and Order to Answer  
Questions - MUR 384

The background facts are essentially set forth in our January 13, 1978, report to the Commission. 1/

In summary, in order to trace the origin of funds used in the campaign of J. Carole Keahey, we had subpoenaed the Riggs National Bank to provide us with documentation which would substantiate twenty deposits made to the Keahey Moving and Storage Account during the period August through December, 1976.

On January 17, 1978, Riggs supplied us with the documentation. The records generally supported Thomas M. Keahey's testimony that the deposits were made from the proceeds of his moving business and from his retirement pay.

The records also establish that several deposits were made with funds that represented interest on an account (or accounts) Mr. Keahey maintained at the Capital City Savings and Loan Association in Washington.

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1/ The recommendation contained in that report was withdrawn as the issue involved had become moot. We believe that the facts contained in the report are still properly before the Commission.



Two other deposits are of particular interest. On November 10, 1976, a deposit of \$2,500 was made with a Capital City check payable to Thomas M. Keahey, Jr. On November 18, 1976, a Capital City check for \$700 payable to Thomas M. Keahey, and one for \$25,000 payable to Thomas M. Keahey and Edna F. Keahey, were deposited to the Riggs account. None of these three checks was designated an "interest" check.

We believe that, in order to conclude our investigation as to the origin of the funds used in the Keahey campaign, Capital City Savings and Loan Association should be subpoenaed to produce records pursuant to 2 U.S.C. §437d(a)(3) and should be ordered to submit written answers to questions pursuant to 2 U.S.C. §437d(a)(1).

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January 27, 1978

MEMORANDUM TO: Marge Emmons  
FROM: Elissa T. Carr  
SUBJECT: MUR 384 Team 52 Convery

Please have the attached General Counsel's Report on MUR 384 distributed to the Commission and placed on the Compliance Agenda for the Commission meeting of Feb. 1, 1978.

Thank you.

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BEFORE THE FEDERAL ELECTION COMMISSION  
January 27, 1978

In the Matter of )  
J. Carole Keahey and ) MUR 384  
Thomas M. Keahey )

GENERAL COUNSEL'S REPORT

I. BACKGROUND:

On June 28, 1977, the Commission found reason to believe that J. Carole Keahey, a candidate for Congress from Alabama in 1976, violated 2 U.S.C. §441a(f) by accepting excessive campaign contributions and violated 2 U.S.C. §434(b) by failing to identify all contributors to her campaign. The respondent's filings indicated that she loaned approximately \$75,000 and contributed approximately \$30,000 to her campaign. Our investigation in this matter has revealed that Ms. Keahey used more than \$90,000 from a checking account at Riggs National Bank maintained by her father, Thomas M. Keahey in the name of his business, Keahey's Moving and Storage, to pay expenses related to her campaign.

On December 21, 1977, the Commission found reason to believe that Thomas M. Keahey had violated 2 U.S.C. §441a(a)(1)(A) in that he contributed more than \$1,000 to his daughter's campaign.<sup>1/</sup>

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<sup>1/</sup> On January 7, 1978, we were notified by respondent's counsel that materials already submitted in connection with Ms. Keahey's case would apply as well to her father's.

II. ADDITIONAL DEVELOPMENTS:

On December 8, 1977, the Commission authorized the issuance of an Order to answer questions to Stephen O. Porter, a Vice President of Riggs National Bank and the manager of the branch office in which Mr. Keahey maintains his account.

We received Mr. Porter's answers on December 27, 1977. The information he provided will be discussed later in this report.

III. VIOLATION OF 2 U.S.C. §441a:

A. Applicable Law:

2 U.S.C. §441a(a)(1)(A) provides that "No person shall make contributions to any candidate and his authorized committee with respect to any election for Federal office which, in the aggregate, exceed \$1000."

The law was not always such, and to view this case within the context of changes which occurred during the course of the Keahey candidacy, some background discussion is necessary.

On October 1, 1976, the Commission issued a Policy Statement on Family Member Contribution Limits. This Statement recognized that an uncertainty as to the law existed during the period between January 30, 1976, (the date of the Supreme Court decision in Buckley v. Valeo), and May 11, 1976, (the effective date of the 1976 Amendments to the FECA).

Before Buckley, 18 U.S.C. §608(a)(1) permitted a candidate to "make expenditures from his personal funds, or the funds of his immediate family" up to the amount designated for the Federal office sought. This language was interpreted by the U.S. Court of Appeals in August, 1975, as relaxing the \$1000 individual

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contribution limitation set out in 18 U.S.C. §608(b)(1) with regard to immediate family members of the candidate. Buckley v. Valeo, 519 F.2d 821, 854 (1975). The Commission adopted the appellate court's interpretation in Advisory Opinion 1975-65 (40 F.R. 58393, December 16, 1975), which held that an immediate family member could lawfully contribute in excess of \$1,000 to a related candidate, so long as his or her total yearly contributions did not exceed \$25,000, the total aggregate limitation on contributions by an individual, set forth in 18 U.S.C. §608 (b)(3)) [now codified as 2 U.S.C. §441a(a)(3)].

On January 30, 1976, the Supreme Court held in Buckley, (424 U.S. 1), that the expenditure limitations set forth in sections 608(a), 608(c) and 608(e) of Title 18 were unconstitutional 2/. At the same time, however, the court upheld the limitations on contributions to a Federal candidate. 3/ In footnote 59 of the opinion, the court stated that its reading of the legislative history of §608(a) indicated that Congress fully intended that family members be subject to the \$1,000 per election individual limitation on contributions to a Federal candidate.

Subsequently the \$1,000 individual contribution limitation on family members was clearly incorporated into the 1976 Amendments, which went into effect on May 11, 1976. That limitation is now codified as 2 U.S.C. §441a(a)(1)(A).

2/ Generally, §608(a) set forth limitations on the expenditures a candidate could make from personal funds or the funds of immediate family members; §608(c) set forth limitations on total expenditures by a candidate; and §608(e) set forth limitations on expenditures made by any person "relative to" a clearly identified candidate.

3/ \$1000 from a person, 2 U.S.C. §441a(a)(1)(A); \$5000 from a multicandidate political committee, 2 U.S.C. §441(a)(2)(A); and \$25,000 annual aggregate from an individual, 2 U.S.C. §441a(a)(3).

In summary, prior to the Supreme Court's Buckley decision, immediate family members could contribute not in excess of \$25,000 to a related Federal candidate; after May 11, 1976, they were limited by the 1976 Amendments to \$1,000 per election.

Noting that during the period between January 30, 1976, and May 11, 1976 the law in this area was "sufficiently unclear," the Commission, in its October 1, 1976, Policy Statement, declared that it would not require refund of any "family member" contribution in excess of \$1,000 per election, so long as it was within the donor's \$25,000 annual contribution limitation. (In this regard see Advisory Opinions 1976-26 and 1977-15). These contributions would be charged, however, against the individual's \$1,000 per election contribution limitation after May 11, 1976, since Congress merely incorporated the \$1,000 limitation from the 1974 Amendments into the 1976 Amendments. For purposes of this policy, an individual's contribution limits with respect to each election would be aggregated. For example, the individual who gave more than \$2,000 (or \$3,000 if a run-off election was required) to a related candidate in April 1976 could not make any additional contribution after May 11 with respect to any 1976 election in which the candidate was entered or to retire an outstanding debt of that candidate from any 1976 election.

B. Ownership of the checking account:

Since Commission Regulation §110.10(b)(1), which defines "personal funds" was not in effect as of April, 1976, we must look to the legislative history of §608(a) for the then-existing meaning of the term.

The conference report accompanying the final version of the 1974 Amendments provided that:

"...If a candidate for the office of Senator, for example, already is in a position to exercise control over funds of a member of his immediate family before he becomes a candidate, then he could draw upon these funds up to the limit of \$35,000. If, however, the candidate did not have access to or control over such funds at the time he became a candidate, the immediate family member would not be permitted to grant access or control to a candidate in amounts up to \$35,000 if the immediate family member intends that such amounts are to be used in the campaign of the candidate. The immediate family member would be permitted merely to make contributions to the candidate in amounts not greater than \$1,000 for each election involved." S. Conf. Report No. 93-1237, p. 58 (1974). (Emphasis added).

This Congressional interpretation of "personal funds," quoted in full by the Supreme Court in its Buckley opinion, was controlling as of the time Ms. Keahey became a candidate and as of the time she obtained signatory authority in her father's account.

The answers provided by Stephen O. Porter of the Riggs National Bank have established the following: The Keahey Moving and Storage account is owned solely by Thomas M. Keahey. It was established on August 16, 1962, with Mr. Keahey and his wife being the only parties with signatory authority. Thomas M. Keahey, Jr., was granted signatory authority by "resolution" dated September 6, 1972; J. Carole Keahey was granted signatory authority by a "resolution" dated April 20, 1976.<sup>4/</sup> (Copies of Mr. Porter's response, and of the documents which accompanied it, are at attachment 1).

<sup>4/</sup> Mr. Porter's information is in conflict with the testimony given by the Keaheys in their August, 1977, depositions. J. Carole Keahey testified that she had "always" written checks on the account since the time it was established. (Deposition p. 16). Thomas M. Keahey testified that he did not know the exact date the "family" checking account began, but that it has "always been where [his] son, or [his] daughter or [his] wife would write a check on the account when [he] had it at [the branch office at] 17th and G, and always that way where it is now." (Deposition, page 11).

We asked Mr. Porter to list the factors that are considered by Riggs National Bank in determining who has "control over" or "access to" the assets in a particular checking account. He responded that, in the case of a sole proprietorship account (such as the one in question here), those determinations are based upon the signature cards and the "resolutions" filed in the account.<sup>5/</sup>

As to the date on which J. Carole Keahey attained "candidate" status, we note that the earliest expenditure listed on her Reports of Receipts and Expenditures was one for \$460 to the State Democratic Executive Committee made on March 19, 1976. The purpose of that expenditure was listed as being "filing for election."

Information forwarded to us by the Alabama Secretary of State establishes that that office certified Ms. Keahey as a candidate on April 5, 1976.

The evidence indicates, then, that J. Carole Keahey neither exercised control over the funds in her father's account before she became a candidate, nor did she have access or control over them at the time she became a candidate. To the extent that she used the assets in this account for the payment of campaign-related expenses, they must be considered to have been contributions made by her father.

<sup>5/</sup> Regarding the date on which J. Carole Keahey was extended signature authority, we note the following: In response to Commission subpoenas issued in July, 1977, the Keaheys produced, inter alia, seventy-four checks written on the Riggs account in connection with campaign-related expenses. Between March 31, 1976, the date of the earliest check, and April 24, 1976, fourteen checks were written. They were signed variously by Thomas M. Keahey, Edna F. Keahey and Thomas M. Keahey, Jr. J. Carole Keahey did not write her first check on the account until April 29, 1976; thereafter, she wrote the great majority of the checks related to the campaign.

We note also that the signature card executed by J. Carol Keahey is undated. However, the copy of the resolution extending her signatory authority is clearly dated April 20, 1976.

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C. Allocation of Contributions:

In 1976, J. Carole Keahey participated in three elections: the May 4 primary; the May 25 runoff; and the November 2 general.

We now must attempt to allocate Mr. Keahey's contributions among these elections. This task is complicated by the fact that the contributions were not specifically designated for any particular election but that the candidate or a member of her family simply would write a check to pay a vendor.

Commission Regulation §110.1(a)(2)(ii) generally states that undesignated contributions received on or before the date of a primary election will be credited to that primary and that contributions received thereafter will be credited to the general election. Although this regulation was not in effect during the period in question, its predecessors provided essentially for the same theory of allocation. 6/

The checks drawn upon the Riggs Account which the Keaheys produced pursuant to the July subpoenas evidence expenditures as follows: in the primary election period: \$4,835.22; in the runoff election period: \$6,350.25; in the general election period: \$83,295.64. 7/

The facts of this case are remarkably similar to those set out in the hypothetical example used in the Policy Statement. (Supra, p. 4).

6/ See Proposed Regulation §107.2a, 40 F.R. 51610, November 5, 1975; O.C. 1975-65, December 19, 1975; Proposed Regulation §107.2a, House Document 94-338, January 20, 1976; Proposed Regulation 110.1 (a)(2)(ii), 41 F.R. 21584, May 26, 1976.

7/ All campaign expenditures through August, 1976, were paid from the Riggs account. (See deposition of J. Carole Keahey, p. 24). As we noted in prior reports to the Commission, the Keaheys did not supply us with checks in support of each expenditure listed in the Reports of Receipts and Expenditures. Therefore, actual campaign expenditures, which are tantamount to contributions from Thomas M. Keahey, were in excess of the amounts noted here.

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All contributions/expenditures made in the Keahey campaign during what we have construed to have been the primary election period were made prior to April 30, 1976. The first contribution/expenditure made during what we have construed to have been the runoff election period was made on May 11, 1976.

Consistent with the Policy Statement and with the Advisory Opinions issued in conjunction with it, Thomas M. Keahey must be considered to have "used up" his contribution limits under 2 U.S.C. §441a(a)(1)(A) as of April 30, 1976. Consequently, he legally could have made no further contribution to his daughter's campaign with respect to any primary or general election in 1976.

D. Conclusion:

The evidence supports a finding of reasonable cause to believe that Thomas M. Keahey violated 2 U.S.C. §441a(a)(1)(A) with regard to the May 25, 1976 runoff election and with regard to the November 2, 1976, general election. In light of the Commission's October 10, 1976, Policy Statement, we do not believe that there is a basis for such a finding as to the May 4, 1976, primary election.

Additionally, there is evidence to support a finding of reason to believe that Thomas M. Keahey violated 2 U.S.C. §441a(a)(3), in that he made contributions aggregating more than \$25,000 in calendar year 1976.

IV. VIOLATION OF 2 U.S.C. §441a(f):

Section 441a(f) provides, in pertinent part, that no candidate shall knowingly accept any contribution in violation of the contribution limits set forth in that section.

It already has been well documented that Ms. Keahey accepted the improper contributions. Although she did not admit it, we believe that the facts of this case well establish that her acceptance of the improper contributions was a knowing acceptance.

Her defense thus far has been that the funds in the Riggs account were her own personal funds. She testified that she "always" had written checks on the account (See deposition p. 16).

The information supplied by the Riggs National Bank has indicated that this testimony is inaccurate at least. Stephen O. Porter, a bank official, provided information and documentation which demonstrates that Ms. Keahey did not obtain signatory authority in the account until April 20, 1976, one month after she made her initial campaign expenditure and fifteen days after she was formally certified as a candidate.

Ms. Keahey's testimony may be viewed as being self-serving; Mr. Porter's testimony is that of a neutral witness.

The fact that she testified as she did may tend to show that she knew the funds were not, in fact, personal, but belonged to her father.

On these circumstances we believe the Commission should find reasonable cause to believe that J. Carole Keahey violated 2 U.S.C. §441a(f).

V. VIOLATION OF 2 U.S.C. §434(b)(2):

Section 434(b)(2) generally provides that each report of receipts and expenditures shall disclose the full name and mailing address of each person who has made one or more contributions to or for the candidate within the calendar year in an aggregate amount or value in excess of \$100, together with the amount and date of such contribution.

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Neither the reports filed by Ms. Keahey as candidate, nor those filed by her principal campaign committee (of which she served as treasurer), anywhere list Thomas M. Keahey as contributor.

The evidence supports a finding of reasonable cause to believe that Ms. Keahey violated 2 U.S.C. §434(b)(2).

VI. VIOLATION OF 2 U.S.C. §434(b)(9):

Section 434(b)(9) generally requires that each report of receipts and expenditures shall disclose the identification of each person to whom expenditures have been made in an aggregate amount in excess of \$100 within the calendar year, together with the amount, date and purpose of each such expenditure.

The checks provided by the Keaheys provide evidence of numerous expenditures which are noted nowhere in the reports of receipts and expenditures. In this regard, see attachment 2.

Accordingly, we believe the Commission should find reason to believe that J. Carole Keahey violated 2 U.S.C. §434(b)(9).

VII. RECOMMENDATIONS:

1. The Commission should make the following findings:

A. With respect to Thomas M. Keahey:

- 1) Reasonable cause to believe that he violated 2 U.S.C. §441a(a)(1)(A) in that he exceeded the \$1000 contribution limit with regard to the May 25, 1976, runoff election and with regard to the November 2, 1976, general election.
- 2) Reason to believe that he violated 2 U.S.C. §441a(a)(3) in that he exceeded the \$25,000 annual contribution limitation in calendar year 1976.

B. With respect to J. Carole Keahey:

- 1) Reasonable cause to believe that she violated 2 U.S.C. §441a(f), in that she knowingly accepted contributions from Thomas M. Keahey which were in excess of his \$1,000 individual limitation as to the May 25, 1976, runoff election and as to the

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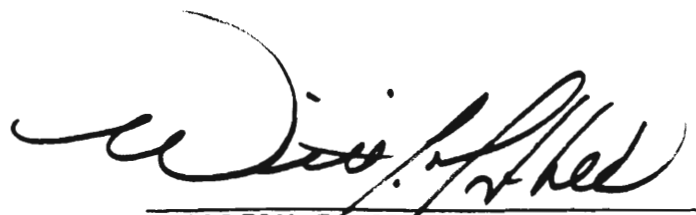


November 2, 1976, general election, and which were in excess of his \$25,000 annual contribution limitation.

- 2) Reasonable cause to believe that she violated 2 U.S.C. §434(b)(2), in that as a candidate and as treasurer of her principal campaign committee, her reports of receipts and expenditures did not identify Thomas M. Keahey as an individual who had contributed in excess of \$100 during calendar year 1976.
- 3) Reason to believe that she violated 2 U.S.C. §434(b)(9) in that, as candidate and as treasurer of her principal campaign committee, her reports of receipts and expenditures failed to identify all those persons to whom expenditures were made in an aggregate amount in excess of \$100 during calendar year 1976.

2. The Commission should authorize the sending of the letters at attachment 3.

1/27/78  
DATE

  
WILLIAM C. OLDAKER  
GENERAL COUNSEL

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 ) MUR 384 (77)  
 )  
J. Carole Keahey ) Interrogatories

TO: Mr. Stephen O. Porter  
Riggs National Bank  
4249 Wisconsin Avenue, N.W.  
Washington, D.C. 20016

IN REFERENCE TO: The Keahey Moving and Storage Account  
Number 07-08-037-107

- 7 9 0 4 0 1 1 1 9 6 7  
7 8 0 4 0 0 6 4 2 6 1
- 1a. On what date was account number 07-08-037-107 opened?
  - b. By whom was the account opened?
  - c. In whose name(s) was the account established?
  - 2a. What documents must be prepared and submitted by the client in order to open a checking account in Riggs National Bank?
  - b. Please provide copies of the documents submitted in the opening of account number 07-08-037-107.
  3. Who was the bank employee who assisted the client(s) in opening account number 07-08-037-107? Is this person still employed by Riggs National Bank; if so, what is his/her position?
  - 4a. What documents must be prepared by the Riggs National Bank in order to accomplish the opening of a checking account?
  - b. Please provide copies of the documents used to accomplish the opening of account number 07-08-037-107.
  5. In addition to the documents referred to in question 4, did the person who assisted in the opening of account number 07-08-037-107 prepare any additional memoranda, records, notes, etc., pertaining to its opening? If so, please provide copies thereof.
  6. Describe the nature of account number 07-08-037-107. When was it first opened (i.e. a corporate account; a partnership account; a personal account; a joint account, etc.).

7. Has the nature of the account been changed or modified since its opening? If so, please state when and how it has been changed, and provide documents in support of each change.
- 8a. Please identify all parties who have drawing privileges in account number 07-08-037-107.
- b. Have all these parties had drawing privileges in the account since its opening? If not, please state when each party was first extended drawing privileges.
- c. Please provide copies of the signature cards executed by each of the parties to the account.
- 9a. Who owns title to the assets of account number 07-08-037-107?
- b. If title to the assets of account number 07-08-037-107 is owned by more than one person, what is the nature of that title (i.e., joint tenants; tenants in common; tenants by entirety, etc.)?
- c. What factors does Riggs National Bank consider in determining who owns title to the assets of the account?
10. Is there any agreement between Thomas M. Keahey and the Riggs National Bank which has the effect of designating the owner(s) of the funds in account number 07-08-037-107 upon his death? If so, please provide a copy thereof.
- 11a. What factors are considered by Riggs National Bank in determining who has the legal right of access to assets in a particular checking account?
- b. Identify all parties who have legal right of access to the assets in account number 07-08-037-107?
- 12a. What factors are considered by Riggs National Bank in determining who has control over the assets in a particular checking account?
- b. Please identify all parties who have control over the assets in account number 07-08-037-107.
- 13a. What factors are considered by Riggs National Bank in determining who has the right of beneficial enjoyment with respect to the assets in a particular checking account?
- b. Please identify all parties who have the right of beneficial enjoyment with respect to the assets in checking account number 07-08-037-107.

14. If Thomas M. Keahey is sole owner of the assets in account number 07-08-037-107, what is the status of each additional party who has drawing privileges in the account (i.e., are they considered to be agents of Mr. Keahey, employees of Mr. Keahey, etc.)?
- 15a. Does Riggs National Bank consider a deposit made to account number 07-08-037-107 to be a deposit to the credit of Thomas M. Keahey; to the credit of Keahey's Moving and Storage; or to the credit of some other party or combination of parties?
- b. If the response to question 15a is "to the credit of some other party or combination of parties," please identify.
- 16a. What is the general policy of Riggs National Bank with regard to the assessment of service charges on checking accounts that have become overdrawn?
- b. If there is a memorandum or other document in which this policy is set forth, please provide a copy.
- 17a. What is the general policy of Riggs National Bank with regard to the continued honoring of checks drawn upon an overdrawn account?
- b. If there is a memorandum or other writing which sets forth this policy, please provide a copy.
18. Had Thomas M. Keahey ever entered into an agreement with Riggs National Bank pertaining to the non-assessment of service charges in the event of an overdraft in account number 07-08-037-107?
- 19a. Were any service charges assessed, or were any other actions taken, against account number 07-08-037-107 as a result of its overdraft status in October, November and December, 1976?
- b. If the response to question 19a is in the negative, please identify the bank employee who made the determination to take no action, and please set forth the factors considered in making the decision.

**The Riggs National Bank**

of

Washington, D. C. 20016

FRIENDSHIP OFFICE

WISCONSIN AVENUE AND WARREN STREET

(202) 624-2982

STEPHEN O. PORTER  
VICE PRESIDENT AND MANAGER

December 22, 1977

RECEIVED  
FEDERAL ELECTION  
COMMISSION

'77 DEC 27 AM 9:51

*Convey*

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

Dear Mr. Oldaker:

I am answering the interrogatories with regard to the Keahey Moving and Storage Account to the best of my knowledge and belief.

- 2a. August 16, 1962.
- b. Thomas M. Keahey.
- c. Keahey's Moving and Storage.
- 2a. If it is an individual, merely signature cards; other than an individual, resolutions and signature cards.
- b. Enclosed.
3. We are unable to tell at this time because at the time we went on the computer, the computer number was pasted over the initials of the person opening the account (see enclosed).
- 4a. Again, if it is an individual merely signature cards--other than an individual either sole proprietorship or corporate resolutions must also be filed and in the case of estate accounts, letters testamentary plus signature cards.
- b. Enclosed.
5. No.
6. Sole ownership.
7. Yes; the adding of Thomas M. Keahey, Jr. as a signer on September 6, 1972 and J. Carole Keahey on April 20, 1976.
- 8a. Thomas M. Keahey, Edna F. Keahey, Thomas M. Keahey, Jr., J. Carole Keahey.
- b. No. August 16, 1962, Thomas M. Keahey or Edna F. Keahey.  
September 6, 1972, Thomas M. Keahey, Edna F. Keahey or Thomas M. Keahey, Jr.  
April 20, 1976, Thomas M. Keahey, Edna F. Keahey, Thomas M. Keahey, Jr. or J. Carole Keahey.

# The Riggs National Bank

of

Washington, D. C. 20016

FRIENDSHIP OFFICE

WISCONSIN AVENUE AND WARREN STREET

(202) 624-2962

STEPHEN O. PORTER  
VICE PRESIDENT AND MANAGER

December 22, 1977

PAGE TWO CONTINUED FROM PAGE ONE

8c. Enclosed.

9a. This is a sole proprietorship account owned solely by Thomas M. Keahey.

b. Sole ownership, Thomas M. Keahey.

c. The solely owned resolution filed with us.

10. Upon the death of Thomas M. Keahey, the sole ownership of Keahey Moving and Storage would cease and the funds would belong to his estate.

11a. The resolution and signature cards.

b. Thomas M. Keahey, Edna F. Keahey, Thomas M. Keahey, Jr., J. Carole Keahey.

12a. The resolution and signature cards.

13b. Thomas M. Keahey, Edna F. Keahey, Thomas M. Keahey, Jr., J. Carole Keahey.

13a. The resolution and signature cards.

9b. Resolution and signature cards.

14. Authority has been given by the sole owner, Mr. Keahey to his wife, son and daughter to draw against this account individually.

15a. Keahey's Moving and Storage.

b. Keahey's Moving and Storage.

16a. The assessment of service charges against overdrawn accounts is left to the judgment of the Manager of the branch or the overdraft officer. Taken into consideration is the length of time the account has been with us, the average balances in the account and the number of times overdrawn.

b. No.

17a. Same as 16a.

b. No.

# The Riggs National Bank

of

Washington, D. C. 20016

FRIENDSHIP OFFICE

WISCONSIN AVENUE AND WARREN STREET

(202) 624-2962

STEPHEN O. PORTER  
VICE PRESIDENT AND MANAGER

December 22, 1977

PAGE THREE CONTINUED FROM PAGE TWO

18. Absolutely not.

19a. No. Mr. Keahey assured me that he had funds coming in owed to him by the government for moving and storage. He also showed me assets in a building and loan association sufficient to cover the overdraft upon demand.

b. Stephen O. Porter. The answer given to this is in 19a.

*Stephen O. Porter*  
Stephen O. Porter  
Vice President and Manager  
Riggs National Bank  
Friendship Office

Enclosures

DISTRICT OF COLUMBIA:

Subscribed and sworn to before me this 22d day of December, 1977.

My comm. exp. 5-14-78

*[Signature]*  
NOTARY PUBLIC  
DISTRICT OF COLUMBIA

AUTHORIZATION FOR SOLE OWNERSHIP TRADE NAME ACCOUNT

To The Riggs National Bank

16 Aug, 1962

of Washington, D. C.

I, THOMAS M. KEAHEY make application  
for the opening and maintenance with your bank of a checking account  
designated KEAHEY'S MOVING & STORAGE

This name is one adopted by me for the conduct of a business  
of which I am the sole owner.

You are authorized to honor withdrawals against the account  
when signed by me or by EDNA F. KEAHEY

Very truly yours,

Thomas M. Keahey  
Signature

3806-Brandywine St. N.W.  
Address  
D.C. Z 14



# 07 08 037 107

AUTHORIZATION FOR SOLE OWNERSHIP TRADE NAME ACCOUNT

To The Riggs National Bank September 6, , 1972  
of Washington, D. C.

I, Thomas M. Keahey make application  
for the opening and maintenance with your bank of a checking account  
designated Keahey's Moving & Storage.

This name is one adopted by me for the conduct of a business  
of which I am the sole owner.

You are authorized to honor withdrawals against the account  
when signed by me or by Edna F. Keahey or Thomas M. Keahey, Jr..

Very truly yours,

TK

Thomas M. Keahey  
Signature

3806 Brandywine Street, N. W., Wash., D.C. 20016  
Address

79040111971  
78040034275

AUTHORIZATION FOR SOLE OWNERSHIP TRADE NAME ACCOUNT

To The Riggs National Bank April 20, 1976, 19  
of Washington, D. C.

I, Thomas M. Keahey make application  
for the opening and maintenance with your bank of a checking account  
designated Keahey's Moving & Storage.

This name is one adopted by me for the conduct of a business  
of which I am the sole owner.

You are authorized to honor withdrawals against the account  
when signed by me or by Edna F. Keahey or Thomas M. Keahey, Jr. or  
J. Carole Keahey.

Very truly yours,

Thomas M. Keahey  
Signature

3806 Brandywine Street, N. W., Wash., D.C.  
Address 20016

79040111975  
78040034277

7 2 0 1 0 1 1 9 7 6

~~7 2 0 1 0 1 1 9 7 6~~

THE RIGGS NATIONAL BANK OF WASHINGTON, D. C.

BUSINESS CHECKING ACCOUNT

KEAHEY'S MOVING &amp; STORAGE

ACCOUNT OPENED  
AUG 16 '62

The undersigned hereby agree on behalf of the firm or corporation named above to the conditions printed on the reverse side of this card.

Signatures:

Edna F. Keahey  
Thomas M. Keahey

TITLE

EITHER ONE MAY SIGN

Mailing Address

3806 Brandywine St. N.W.

TELEPHONE

CO 5-6027

Bank Reference

Riggs - 01 08 031 107

Introduced by

M. J.

THIS  
SPACE  
FOR  
BANK  
USE

AMOUNT OPENED

\$ 942.25

Keahey's Moving &amp; Storage,

THE RIGGS NATIONAL BANK OF WASHINGTON, D. C.

BUSINESS CHECKING ACCOUNT

KEAHEY'S MOVING &amp; STORAGE

ACCOUNT OPENED  
8/16/62

The undersigned hereby agree on behalf of the firm or corporation named above to the conditions printed on the reverse side of this card.

EIN Number

Signatures:

J. Carole Keahey

TITLE

Mailing Address

3806 Brandywine Street, N. W., D. C. 20016

TELEPHONE

EM 2-5657

Bank Reference

Type of Business

AUTHORITY FILED

Introduced by

THIS  
SPACE  
FOR  
BANK  
USE

AMOUNT OPENED

\$

ACCOUNT NUMBER

#07 08 037 107

OPENING APPROVED BY

THE RIGGS NATIONAL BANK OF WASHINGTON, D. C.

BUSINESS CHECKING ACCOUNT

KEAHEY'S MOVING &amp; STORAGE

ACCOUNT OPENED  
8/16/62

The undersigned hereby agree on behalf of the firm or corporation named above to the conditions printed on the reverse side of this card. EITHER ONE OF THE FOLLOWING MAY SIGN

Signatures:

Thomas M. Keahey  
Edna F. Keahey  
Thomas M. Keahey Jr.  
Thomas M. Keahey  
Edna F. Keahey  
Thomas M. Keahey, Jr.

TITLE

Owner

Signer

Signer

EM 25657  
TELEPHONE

Mailing Address

3806 Brandywine Street, N. W., D.C. 20016

Bank Reference

Type of Business

AUTHORITY FILED

Introduced by

THIS  
SPACE  
FOR  
BANK  
USE

AMOUNT OPENED

\$

ACCOUNT NUMBER

#07 08 037 107

OPENING APPROVED BY

Att. 1

ATTACHMENT 2

CAMPAIGN RELATED CHECKS DELIVERED PURSUANT TO SUBPOENA FOR WHICH  
THERE ARE NO NOTATIONS ON THE REPORTS OF RECEIPTS AND EXPENDITURES

WRITTEN ON RIGGS NATIONAL BANK

<u>DATE</u>	<u>PAYEE</u>	<u>AMOUNT</u>
4/20/76	Montgomery Advertiser	\$ 637.98
9/22/76	Montgomery Advertiser	14.45
5/11/76	Downtowner	452.17
5/18/76	Robert Walton	443.00
5/18/76	Emory McCollough	266.00
5/24/76	John Erion	127.00
5/27/76	Howard J. Richards	222.00
5/29/76	Dothan Eagle	136.80
7/06/76	Dothan Eagle	84.80
6/02/76	Cash	1,000.00
6/29/76	Helga Howie	237.00
7/15/76	Martha Richards	217.41
8/09/76	Service Printing Co.	724.20
10/15/76	Service Printing Co.	374.50
8/20/76	Ronnie Martin	<u>100.00</u>
	TOTAL	\$5,037.31

WRITTEN ON SOUTHERN BANK

9/1/76	Unspecified*	500.00
9/27/76	Holiday Inn	300.00
10/22/76	Troy Messenger	400.00
10/22/76	Montgomery Advertiser	2,300.00
10/22/76	Brundidge Banner	250.00
10/22/76	Union Springs Herald	250.00

WRITTEN ON SOUTHERN BANK

<u>DATE</u>	<u>PAYEE</u>	<u>AMOUNT</u>
10/22/76	Elba Clipper	143.00
10/22/76	Butler County News	140.00
12/21/76	Wendell Sasser	<u>1,225.00</u>
	TOTAL	\$5,508.00

\*We do not have a copy of this check. The date and the amount were ascertained from a monthly banking statement. No corresponding amount could be located on a report of receipts and expenditures.

79040111978  
78040054287



## FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

J. Carole Keahey  
c/o John A. Kendrick, Esquire  
233 Massachusetts Avenue, N.E.  
Washington, D.C. 20002

Re: MUR 384

Dear Ms. Keahey:

This is to inform you that, on February , 1978, the Commission found reasonable cause to believe that you violated Sections 441a(f) and 434(b)(2) of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431 et seq. The finding under Section 441a(f) was based upon evidence that, during your candidacy for the U.S. House of Representatives from Alabama in 1976, you knowingly accepted contributions from Thomas M. Keahey which were in excess of his \$1,000 individual limitation as to the May 25 runoff election and as to the November 2 general election, and which were in excess of his \$25,000 annual contribution limitation. The finding under Section 434(b)(2) was based upon evidence that you, in the reports of receipts and expenditures you filed as candidate and as treasurer of your principal campaign committee, failed to identify Thomas M. Keahey as an individual who had contributed in excess of \$100 during calendar year 1976.

In this connection, we note that information submitted to the Commission by the Riggs National Bank establishes that you obtained signatory authority and thus access and control over, the Keahey's Moving and Storage checking account on April 20, 1976. Inasmuch as, you did not have access and control over the funds in this account as of the date you became a candidate, they cannot be regarded as "personal funds" and must be considered to have been contributions made to your campaign by the owner of the account.



Attachment 3

Under 2 U.S.C. §437g(a)(5)(A), if the Commission determines that a person has committed a violation of the Act, it must make every endeavor for a period of not less than thirty days to correct such violation by informal methods of conference, conciliation, and persuasion, and must attempt to enter into a conciliation agreement with the person involved.

Since, in this case, the Commission also has found reason to believe that a violation of another section of the Act has occurred, it is required by 2 U.S.C. §437g(a)(4) to afford a reasonable opportunity to demonstrate that no action should be taken as to that violation.

Therefore, we would propose delaying the opening of the conciliation period as to the violation of Section 441a (a)(1)(A) until such time as you have responded to our notification as to the Commission's finding under Section 441a(a)(3). This response should be made within ten days of your receipt of this letter.

Should you have any questions, please contact Vincent J. Convery, Jr., the attorney assigned to the matter, at 523-4057.

Sincerely yours,

William C. Oldaker  
General Counsel

79040111980  
78040064281



FEDERAL ELECTION COMMISSION

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

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Thomas M. Keahey  
c/o John A. Kendrick, Esquire  
233 Massachusetts Avenue, N.E.  
Washington, D.C. 20002

Re: MUR 384

Dear Mr. Keahey:

This is to inform you that, on February , 1978, the Commission found reasonable cause to believe that you violated Section 441a(a)(1)(A) of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §431 et seq. This finding was based upon evidence that, with regard to the candidacy of J. Carole Keahey for election to the U.S. House of Representatives from Alabama, you exceeded the \$1,000 contribution limit with respect to the May 25, 1976 runoff election and with respect to the November 2, 1976, general election.

On the same date the Commission also found reason to believe that you violated Section 441a(a)(3) of the Act, in that you exceeded the \$25,000 annual contribution limitation in calendar year 1976.

In this connection, we note that information submitted to the Commission by the Riggs National Bank establishes that J. Carole Keahey obtained signatory authority in, and thus access and control over, the Keahey's Moving and Storage checking account on April 20, 1976. Inasmuch as Ms. Keahey did not have access and control over the funds in this account as of the date she became a candidate, they cannot be regarded as her "personal funds" but must be considered to have contributions made by you as owner of the account.



Attachment 3

79040111981  
78040034281



On the same date, the Commission also found reason to believe that you violated 2 U.S.C. §434(b)(9), in that, in reports of receipts and expenditures filed by you as candidate and as treasurer of your principal campaign committee, you failed to identify all those persons to whom expenditures had been made in an aggregate amount in excess of \$100 during calendar year 1976.

Under 2 U.S.C. §437g(a)(5)(A), if the Commission determines that a person has committed a violation of the Act, it must make every endeavor for a period of not less than thirty days to correct such violation by informal methods of conference, conciliation, and persuasion, and must attempt to enter into a conciliation agreement with the person involved.

Since, in this case, the Commission also has found reason to believe that a violation of another section of the Act has occurred, it is required by 2 U.S.C. §437g(a)(4) to afford a reasonable opportunity to demonstrate that no action should be taken as to that violation.

Therefore, we would propose delaying the opening of the conciliation period as to the violation of Sections 441a (f) and 434(b)(2) until such time as you have responded to our notification as to the Commission's finding under Section 434(b)(9). This response should be made within ten days of your receipt of this letter.

Should you have any questions, please contact Vincent J. Convery, Jr., the attorney assigned to the matter, at 523-4057.

Sincerely yours,

William C. Oldaker  
General Counsel

79040111982  
78040034281

January 15, 1978

MEMORANDUM TO: Marge Emmons  
FROM: Elissa T. Carr  
SUBJECT: MUR 384 Team #2 Convery

Please have the attached General Counsel's Report on  
MUR 384 distributed to the Commission and placed on the Compliance  
Agenda for the Commission meeting of January 18, 1978.

Thank you.

Withdrawn by G.C.  
1-18-78  
Riggs Bank delivered  
subpoenaed materials  
1-17-78 vsc

79040111983  
78040034285

BEFORE THE FEDERAL ELECTION COMMISSION  
January 13, 1978

In the Matter of )  
 ) MUR 384(77)  
J. Carole Keahey )

GENERAL COUNSEL'S REPORT

On September 1, 1977, the Commission issued a subpoena which ordered Daniel J. Callahan, III, in his capacity as President of the Riggs National Bank of Washington, D.C., to produce all records under his control which pertained to a checking account maintained by Keahey's Moving and Storage for the period January 1, 1975 through June 30, 1977.

In a telephone conversation on September 7, 1977, Melvin L. Chrisman, Senior Vice-President and Cashier of Riggs, indicated that the Bank would not be able to meet the September 19 return date, because the volume of the records subpoenaed was so great, and because Riggs already was in the process of responding to subpoenas for records that had been issued by several courts and government agencies. He suggested that, in the first instance, Riggs supply us with monthly banking statements for the period in question. If we were to determine later that additional documentation would be needed, Riggs would supply it. We agreed to his proposal. (The agreement was confirmed by Mr. Chrisman's letter of September 15, 1977).

At the same time we subpoenaed Mr. Callahan, we also subpoenaed Thomas M. Keahey to produce all books and records which reflected the financial activities of Keahey's Moving and Storage for the period January 1, 1975, through June 30, 1977.

79040111981  
73040034285

Mr. Keahey filed a motion to quash on behalf of himself and of Riggs Bank. The Commission denied his motion on October 4, 1977. The official notification of the denial was misrouted by the post office and did not reach Mr. Keahey's attorney until October 13.

On October 19, Mr. Keahey's attorney delivered two large boxes of records. These contained many of the subpoenaed documents, but did not include records covering the period January through December, 1975. It was explained that these had been destroyed in a warehouse fire. On October 25, Mr. Keahey's attorney was advised that we would require the remainder of the documents. We were informed that Mr. Keahey would have to obtain these from the State Department, the agency with which he did the bulk of his business, and that it probably would take ten days to gather the materials.

Riggs Bank delivered the monthly statements on October 31, 1977.

Mr. Keahey's attorney delivered the remainder of the moving firm records on November 9, 1977.

After comparing Mr. Keahey's business records with the monthly banking statements, it was discovered that twenty deposits made to the account in the period August through December, 1976, totalling more than \$147,000, were unaccounted for in the business records.

79040111933  
78740054287


In a letter to Mr. Chrisman which he received on December 12, 1977, we requested that documentation for those unexplained deposits be produced within ten days under the agreement reached in September.

As of this date, Riggs Bank has not complied with that request.

RECOMMENDATION:

We recommend that the Commission authorize us to petition the U.S. District Court to issue an order under 2 U.S.C. §437d(b) requiring Riggs to comply with the subpoena.

1/13/78  
\_\_\_\_\_  
DATE

  
\_\_\_\_\_  
WILLIAM C. OLDAKER  
GENERAL COUNSEL

79040111935  
78040064283

'78 JAN 3 AM 9:28

(202) 544-3131

STANLEY A. CAMHI

4 January 1978

V.C.

Dear Vinnie,

I am in receipt of your letter finding "reason to believe" against Mr. Keahey. As we discussed on the telephone, the materials submitted in Ms. Keahey's case would apply to this matter and I would appreciate it if your records would so reflect. Also, if there is any additional information you need so that we can move this matter along, please let me know.

Sincerely,

Stanley A. Camhi

SAC:kmb

7 0 0 1 1 1 9 0 2

REC # 2358  
men  
RECEIVED  
FEDERAL ELECTION  
COMMISSION

LAW OFFICES  
JOHN A. KENDRICK  
KENDRICK BUILDING  
233 MASSACHUSETTS AVENUE, N. E.  
WASHINGTON, D. C. 20002  
(202) 544-3131

'77 DEC 30 AM 11:19

STANLEY A. CAMHI

29 December 1977

Vincent Convery, Esq.  
Office of General Counsel  
Federal Election Commission  
1325 K Street, Northwest  
Washington, D.C. 20463

Re: Carole Keahey and Thomas M. Keahey

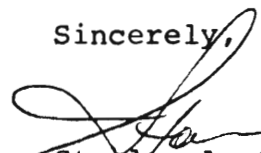
Dear Vinnie,

Thank you for the courtesy of your telephone call yesterday afternoon. As I mentioned I would appreciate a copy of Mr. Porter's answers and also a copy of the list of the deposits in question so that we can assist in ascertaining the source and hopefully lay this matter to rest.

I was a little surprised to find out that you mailed interrogatories to Mr. Porter without notifying us. Since we are in effect the counsel of record in this matter, I think that it would have been appropriate for a copy to be sent to us. I hope that in the future we can be provided with copies of any such documents or subpoenas.

I hope you had a pleasant trip and a happy New Year.

Sincerely,

  
Stanley A. Camhi

SAC:kmb

70940111997  
73040064297



FEDERAL ELECTION COMMISSION

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

December 29, 1977

Mr. Thomas M. Keahey  
c/o John A. Kendrick, Esquire  
233 Massachusetts Avenue, N.E.  
Washington, D.C. 20002

Re: MUR 384(77)

Dear Mr. Keahey:

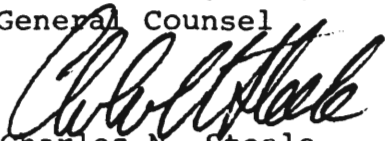
Based upon information obtained during the course of this investigation, the Commission has reason to believe that you may have violated 2 U.S.C. §441a. The nature of your account at the Riggs National Bank, Keahey's Moving and Storage, is such that personal expenditures made toward your daughter's (Ms. J. Carole Keahey) campaign may be considered contributions from you to her and therefore subject to the limitations set forth in the Federal Election Campaign Act (the Act), as amended.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. 2 U.S.C. §437g. Please submit any factual or legal materials which you consider relevant to the Commission's deliberations within ten(10) days of the receipt of this letter.

This notification letter shall remain confidential in accordance with 2 U.S.C. §437g(a)(3) unless you state to the Commission in writing that you wish the investigation to be made public. If you have any questions, please contact Vincent J. Convery, Jr., the attorney assigned to this matter at 202-523-4057.

Sincerely yours,

William C. Oldaker  
General Counsel

  
Charles N. Steele  
Associate General Counsel

79040064291  
79040064291  
vsc  
12/22/77





9  
2  
I Carole Keahey was also certified in  
similar form as United States Representa-  
tive to the probate judges in the  
following counties: Barbour, Bullock,  
Butler, Coffee, Conecuh, Covington, Crenshaw,  
Dale, Geneva, Henry, Houston, Montgomery,  
Pike.

7 8 0 4 0

PS Form 3811, Apr. 1977

384

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

1. The following service is requested (check one):

☐ Show to whom, and date delivered. . . . .

☒ Show to whom, date, and address of delivery. . . . .

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

☐ RESTRICTED DELIVERY  
Show to whom, date, and address of delivery. \$ . . . . .

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:

Mr. Thomas Keating  
40 John A. Kendrick, Esq.  
233 Main Ave. N.E.  
Wash DC 20002

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	943913	

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE ☐ Addressee ☒ Authorized agent

4. DATE OF DELIVERY 31 Dec 77

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

9 7 9 0 4 0 1 1 1 9 9 2  
I, Carole Keahey was also certified in  
similar form as United States Representa-  
tive to the probate judges in the  
following counties: Barbour, Bullock,  
Butler, Coffee, Conecuh, Covington, Crenshaw,  
Dale, Geneva, Henry, Houston, Montgomery,  
Pike.

BEFORE THE FEDERAL ELECTION COMMISSION

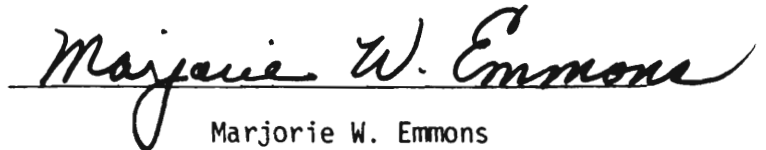
In the Matter of )  
J. Carole Keahey )

MUR 384 (77)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on December 21, 1977, the Commission determined by a vote of 4-0 to find reason to believe that Thomas M. Keahey violated 2 U.S.C. Section 441a in connection with the above-captioned matter, and to so notify Mr. Keahey.

Voting for this determination were Commissioners Aikens, Harris, Thomson, and Tiernan. Commissioners Springer and Staebler were not present at the time of the vote.



Marjorie W. Emmons  
Secretary to the Commission

79040111903  
78040064293

7 0 0 4 0 1 1 1 9 0 1  
STATE OF ALABAMA  
DEPARTMENT OF STATE

MC 2355  
NRN

To the Honorable G. Colvin Steindorff  
Butler  
Judge of Probate of \_\_\_\_\_ County  
Greenville, Alabama

I, Mrs. Agnes Baggett, Secretary of State of the State of Alabama, hereby certify, in accordance with Title 17, Section 344, Code of Alabama of 1940, as amended, that the following list contains the names of all opposed candidates of the Democratic Party for State and National offices, and State party offices, and also contains the names of all candidates who are to be voted for by the voters of more than one county, in the primary election to be held on Tuesday, May 4, 1976, certified to me by the Honorable Robert S. Vance, Chairman of the State Democratic Executive Committee of Alabama, and request that you cause their names to be placed upon the official Democratic ballots to be used in said primary election as provided by law, to-wit:

FOR DELEGATE TO DEMOCRATIC NATIONAL CONVENTION  
23rd

DISTRICT  
Farrell D. Batley (Harris) Wallace Miller (Wallace )  
John B. Crawley (Carter ) "Shorty" Price (Price)  
James D. McLaughlin (Uncommitted)

FOR UNITED STATES REPRESENTATIVE  
SECOND

CONGRESSIONAL DISTRICT  
~~J. E. Bramley~~  
J. Carole Keahey  
Floyd Sparkman, Jr.  
Jake Watson  
J.G. ( )

FOR STATE SENATOR SENATE DISTRICT NO. \_\_\_\_\_  
None

FOR MEMBER HOUSE OF REPRESENTATIVES, DISTRICT NO. \_\_\_\_\_  
None

FOR CHIEF JUSTICE, SUPREME COURT OF ALABAMA

Douglas Johnstone  
C. C. "Bo" Torbert, Jr.

7 2 0 1 1 1 9 9 5  
FOR ASSOCIATE JUSTICES OF THE SUPREME COURT—Place No. 1

Sam Beatty

William Howell Morrow

FOR JUDGE, COURT OF CRIMINAL APPEALS—Place No. 1

Bill Bowen

Aubrey M. Cates, Jr.

FOR PRESIDENT, PUBLIC SERVICE COMMISSION

Coleman B. Brown, Sr.

John L. (Buddy) Todd

"Earl" Mack Gavin

Tom Walker

Juanita McDaniel

Jim Zeigler

FOR MEMBER, STATE BOARD OF EDUCATION FROM

OLD SECOND CONGRESSIONAL DISTRICT

None

FOR CIRCUIT COURT JUDGE

SECOND JUDICIAL CIRCUIT

Unopposed

DISTRICT COURT JUDGE

None

CIRCUIT COURT CLERK

Unopposed

7 8 0 4 0 0 3 4 2 0  
Witness my hand at the Capitol, in the City of Montgomery, this 5th day of April, 1976.

Mrs. Agnes Baggett  
Secretary of State

STATE OF ALABAMA

SECRETARY OF STATE

MONTGOMERY, ALABAMA 36104

DEC 29 AM 1:58

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

all: Vincent Convery

**The Kings National Bank**

of

Washington, D. C. 20016

FRIENDSHIP OFFICE

WISCONSIN AVENUE AND WARREN STREET

(202) 624-2962

December 22, 1977

STEPHEN O. PORTER  
VICE PRESIDENT AND MANAGER

RECEIVED  
FEDERAL ELECTION  
COMMISSION

DEC 27 AM 9:51

200 2345  
NRN

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

Dear Mr. Oldaker:

I am answering the interrogatories with regard to the Keahey Moving and Storage Account to the best of my knowledge and belief.

1a. August 16, 1962.

1b. Thomas M. Keahey.

1c. Keahey's Moving and Storage.

2a. If it is an individual, merely signature cards; other than an individual, resolutions and signature cards.

4. Enclosed.

3. We are unable to tell at this time because at the time we went on the computer, the computer number was pasted over the initials of the person opening the account (see enclosed).

4a. Again, if it is an individual merely signature cards--other than an individual either sole proprietorship or corporate resolutions must also be filed and in the case of estate accounts, letters testamentary plus signature cards.

b. Enclosed.

5. No.

6. Sole ownership.

7. Yes; the adding of Thomas M. Keahey, Jr. as a signer on September 6, 1972 and J. Carole Keahey on April 20, 1976.

8a. Thomas M. Keahey, Edna F. Keahey, Thomas M. Keahey, Jr., J. Carole Keahey.

b. No. August 16, 1962, Thomas M. Keahey or Edna F. Keahey.  
September 6, 1972, Thomas M. Keahey, Edna F. Keahey or Thomas M. Keahey, Jr.  
April 20, 1976, Thomas M. Keahey, Edna F. Keahey, Thomas M. Keahey, Jr. or J. Carole Keahey.



# The Riggs National Bank

of

Washington, D. C. 20016

FRIENDSHIP OFFICE

WISCONSIN AVENUE AND WARREN STREET

(202) 624-2962

STEPHEN O. PORTER  
VICE PRESIDENT AND MANAGER

December 22, 1977

PAGE TWO CONTINUED FROM PAGE ONE

8c. Enclosed.

9a. This is a sole proprietorship account owned solely by Thomas M. Keahey.

b. Sole ownership, Thomas M. Keahey.

c. The solely owned resolution filed with us.

10. Upon the death of Thomas M. Keahey, the sole ownership of Keahey Moving and Storage would cease and the funds would belong to his estate.

11a. The resolution and signature cards.

b. Thomas M. Keahey, Edna F. Keahey, Thomas M. Keahey, Jr., J. Carole Keahey.

12a. The resolution and signature cards.

b. Thomas M. Keahey, Edna F. Keahey, Thomas M. Keahey, Jr., J. Carole Keahey.

13a. The resolution and signature cards.

b. Resolution and signature cards.

14. Authority has been given by the sole owner, Mr. Keahey to his wife, son and daughter to draw against this account individually.

15a. Keahey's Moving and Storage.

b. Keahey's Moving and Storage.

16a. The assessment of service charges against overdrawn accounts is left to the judgment of the Manager of the branch or the overdraft officer. Taken into consideration is the length of time the account has been with us, the average balances in the account and the number of times overdrawn.

b. No.

17a. Same as 16a.

b. No.

# The Riggs National Bank

of

Washington, D. C. 20016

FRIENDSHIP OFFICE

WISCONSIN AVENUE AND WARREN STREET

(202) 624-2962

STEPHEN O. PORTER  
VICE PRESIDENT AND MANAGER

December 22, 1977

PAGE THREE CONTINUED FROM PAGE TWO

18. Absolutely not.

19a. No. Mr. Keahey assured me that he had funds coming in owed to him by the government for moving and storage. He also showed me assets in a building and loan association sufficient to cover the overdraft upon demand.

b. Stephen O. Porter. The answer given to this is in 19a.

*Stephen O. Porter*  
Stephen O. Porter  
Vice President and Manager  
Riggs National Bank  
Friendship Office

Enclosures

DISTRICT OF COLUMBIA:

Subscribed and sworn to before me this 22d day of December, 1977.

My comm. exp. 5-14-78

*[Signature]*  
NOTARY PUBLIC  
DISTRICT OF COLUMBIA

AUTHORIZATION FOR SOLE OWNERSHIP TRADE NAME ACCOUNT

To The Riggs National Bank

16 Aug, 1962

of Washington, D. C.

I, THOMAS M. KEAHEY make application  
for the opening and maintenance with your bank of a checking account  
designated KEAHEY'S MOVING & STORAGE

This name is one adopted by me for the conduct of a business  
of which I am the sole owner.

You are authorized to honor withdrawals against the account  
when signed by me or by EDNA F. KEAHEY

Very truly yours,

Thomas M. Keahey  
Signature

3806-Brandywine sp. N. W.  
Address  
D.C. I 14

# 07 08 037 107

AUTHORIZATION FOR SOLE OWNERSHIP TRADE NAME ACCOUNT

To The Riggs National Bank September 6, , 1972  
of Washington, D. C.

I, Thomas M. Keahey make application  
for the opening and maintenance with your bank of a checking account  
designated Keahey's Moving & Storage.

This name is one adopted by me for the conduct of a business  
of which I am the sole owner.

You are authorized to honor withdrawals against the account  
when signed by me or by Edna F. Keahey or Thomas M. Keahey, Jr..

Very truly yours,

TX

Thomas M. Keahey  
Signature

3806 Brandywine Street, N. W., Wash., D.C. 20016  
Address

AUTHORIZATION FOR SOLE OWNERSHIP TRADE NAME ACCOUNT

To The Riggs National Bank April 20, 1976, 19  
of Washington, D. C.

I, Thomas M. Keahey make application  
for the opening and maintenance with your bank of a checking account  
designated Keahey's Moving & Storage.

This name is one adopted by me for the conduct of a business  
of which I am the sole owner.

You are authorized to honor withdrawals against the account  
when signed by me or by Edna F. Keahey or Thomas M. Keahey, Jr. or  
J. Carole Keahey.

Very truly yours,

Thomas M. Keahey  
Signature

3806 Brandywine Street, N. W., Wash., D.C.  
Address 20016

KEAHEY'S MOVING & STORAGE

ACCOUNT OPENED  
AUG 16 '62

The undersigned hereby agree on behalf of the firm or corporation named above to the conditions printed on the reverse side of this card.

Signatures:

Edna F. Keahey  
Thomas M. Keahey

TITLE

EITHER ONE MAY SIGN

Mailing Address

3806 Brandywine St. N.W.

TELEPHONE

Co 5-6027

Bank Reference

Riggs 01 08 031 107

Introduced by

THIS SPACE FOR BANK USE

AMOUNT OPENED

\$ 942.25

Keahey's Moving & Storage,

THE RIGGS NATIONAL BANK OF WASHINGTON, D. C.

BUSINESS CHECKING ACCOUNT

KEAHEY'S MOVING & STORAGE

ACCOUNT OPENED  
8/16/62

The undersigned hereby agree on behalf of the firm or corporation named above to the conditions printed on the reverse side of this card.

EIN Number

Signatures:

J. Carole Keahey

TITLE

Mailing Address

3806 Brandywine Street, N. W., D. C. 20016

TELEPHONE

EM 2-5657

Bank Reference

Type of Business

AUTHORITY FILED

Introduced by

THIS SPACE FOR BANK USE

AMOUNT OPENED

\$

ACCOUNT NUMBER

#07 08 037 107

OPENING APPROVED BY

THE RIGGS NATIONAL BANK OF WASHINGTON, D. C.

BUSINESS CHECKING ACCOUNT

KEAHEY'S MOVING & STORAGE

ACCOUNT OPENED  
8/16/62

The undersigned hereby agree on behalf of the firm or corporation named above to the conditions printed on the reverse side of this card. EITHER ONE OF THE FOLLOWING MAY SIGN

Signatures:

Thomas M. Keahey  
Edna F. Keahey  
Thomas M. Keahey Jr.  
Thomas M. Keahey  
Edna F. Keahey  
Thomas M. Keahey, Jr.

TITLE

Owner

Signer

Signer

EM 25657  
TELEPHONE

Mailing Address

3806 Brandywine Street, N. W., D.C. 20016

Bank Reference

Type of Business

AUTHORITY FILED  
SEP 7 1972

Introduced by

THIS SPACE FOR BANK USE

AMOUNT OPENED

\$

ACCOUNT NUMBER

#07 08 037 107

OPENING APPROVED BY

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 ) MUR 384 (77)  
 )  
J. Carole Keahey ) Interrogatories

TO: Mr. Stephen O. Porter  
Riggs National Bank  
4249 Wisconsin Avenue, N.W.  
Washington, D.C. 20016

IN REFERENCE TO: The Keahey Moving and Storage Account  
Number 07-08-037-107

- 79040112001  
78040034305
- 1a. On what date was account number 07-08-037-107 opened?
  - b. By whom was the account opened?
  - c. In whose name(s) was the account established?
  - 2a. What documents must be prepared and submitted by the client in order to open a checking account in Riggs National Bank?
  - b. Please provide copies of the documents submitted in the opening of account number 07-08-037-107.
  3. Who was the bank employee who assisted the client(s) in opening account number 07-08-037-107? Is this person still employed by Riggs National Bank; if so, what is his/her position?
  - 4a. What documents must be prepared by the Riggs National Bank in order to accomplish the opening of a checking account?
  - b. Please provide copies of the documents used to accomplish the opening of account number 07-08-037-107.
  5. In addition to the documents referred to in question 4, did the person who assisted in the opening of account number 07-08-037-107 prepare any additional memoranda, records, notes, etc., pertaining to its opening? If so, please provide copies thereof.
  6. Describe the nature of account number 07-08-037-107. When was it first opened (i.e. a corporate account; a partnership account; a personal account; a joint account, etc.).

7. Has the nature of the account been changed or modified since its opening? If so, please state when and how it has been changed, and provide documents in support of each change.
- 8a. Please identify all parties who have drawing privileges in account number 07-08-037-107.
- b. Have all these parties had drawing privileges in the account since its opening? If not, please state when each party was first extended drawing privileges.
- c. Please provide copies of the signature cards executed by each of the parties to the account.
- 9a. Who owns title to the assets of account number 07-08-037-107?
- b. If title to the assets of account number 07-08-037-107 is owned by more than one person, what is the nature of that title (i.e., joint tenants; tenants in common; tenants by entirety, etc.)?
- c. What factors does Riggs National Bank consider in determining who owns title to the assets of the account?
10. Is there any agreement between Thomas M. Keahey and the Riggs National Bank which has the effect of designating the owner(s) of the funds in account number 07-08-037-107 upon his death? If so, please provide a copy thereof.
- 11a. What factors are considered by Riggs National Bank in determining who has the legal right of access to assets in a particular checking account?
- b. Identify all parties who have legal right of access to the assets in account number 07-08-037-107?
- 12a. What factors are considered by Riggs National Bank in determining who has control over the assets in a particular checking account?
- b. Please identify all parties who have control over the assets in account number 07-08-037-107.
- 13a. What factors are considered by Riggs National Bank in determining who has the right of beneficial enjoyment with respect to the assets in a particular checking account?
- b. Please identify all parties who have the right of beneficial enjoyment with respect to the assets in checking account number 07-08-037-107.

79040011303



14. If Thomas M. Keahey is sole owner of the assets in account number 07-08-037-107, what is the status of each additional party who has drawing privileges in the account (i.e., are they considered to be agents of Mr. Keahey, employees of Mr. Keahey, etc.)?
- 15a. Does Riggs National Bank consider a deposit made to account number 07-08-037-107 to be a deposit to the credit of Thomas M. Keahey; to the credit of Keahey's Moving and Storage; or to the credit of some other party or combination of parties?
- b. If the response to question 15a is "to the credit of some other party or combination of parties," please identify.
- 16a. What is the general policy of Riggs National Bank with regard to the assessment of service charges on checking accounts that have become overdrawn?
- b. If there is a memorandum or other document in which this policy is set forth, please provide a copy.
- 17a. What is the general policy of Riggs National Bank with regard to the continued honoring of checks drawn upon an overdrawn account?
- b. If there is a memorandum or other writing which sets forth this policy, please provide a copy.
18. Had Thomas M. Keahey ever entered into an agreement with Riggs National Bank pertaining to the non-assessment of service charges in the event of an overdraft in account number 07-08-037-107?
- 19a. Were any service charges assessed, or were any other actions taken, against account number 07-08-037-107 as a result of its overdraft status in October, November and December, 1976?
- b. If the response to question 19a is in the negative, please identify the bank employee who made the determination to take no action, and please set forth the factors considered in making the decision.

79040112005  
79040064307

#435



# FEDERAL ELECTION COMMISSION

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

## M E M O R A N D U M

To William C. Oldaker  
General Counsel

From: Thomas J. Cooper

Date: December 20, 1977

Subject: Notice of possible conflict of interest or appearance  
thereof regarding MUR 384(77)

I wish at this time to notify you that prior to my employment in the Commission I had professional associations concerning matters that relate to the above captioned MUR.

For the above stated reason, I wish to inform you in your role as Ethics Counselor that I shall refrain from discussing any aspects of this MUR with any Commission employee. I have made this decision in order to eliminate any appearance of a conflict of interest.

Naturally, 2 U.S.C. 437g already imposes a confidentiality restriction on me with respect to communications with persons outside the Commission.

I respectfully request that this notice be made part of the record of MUR 384(77).

Thank you for your attention in this matter.



December 13, 1977

MEMORANDUM TO: Marge Emmons  
FROM: Elissa T. Carr  
SUBJECT: MUR 384 Team #2 Convey

Please have the attached Interim Investigatory Report on MUR 384 distributed to the Commission and placed on the Compliance Agenda for the Commission meeting of December 22, 1977.

Thank you.

79040112008

~~78040034302~~

BEFORE THE FEDERAL ELECTION COMMISSION  
December 12, 1977

In the Matter of )  
 ) MUR 384 (77)  
 )  
J. Carole Keahey )

INTERIM INVESTIGATORY REPORT

I. SUMMARY OF DEVELOPMENTS

On June 28, 1977, the Commission found reason to believe that J. Carole Keahey, a candidate for Congress from Alabama in 1976, violated 2 U.S.C. §441a(f) by accepting excessive contributions and §434(b) by failing to report adequate information about contributions. Our investigation in this matter has indicated that Ms. Keahey used more than \$90,000 from a checking account at Riggs National Bank maintained by her father, Thomas M. Keahey, to pay expenses related to her campaign.

Since Ms. Keahey drew so heavily on this account, it was placed in an overdraft status. We have learned that, beginning in October, 1976, the account was overdrawn for amounts of as much as \$36,946.22. No service charges were levied by Riggs as a result of this overdraft.

II. VIOLATIONS OF THE FECA

Depending on the nature of the Keahey Moving and Storage account, 1/ the campaign - related expenditures made by Carole Keahey

---

1/ Section 110.10 of the Commission's Regulations provides that a candidate for Federal office may make unlimited expenditures from personal funds. It also sets forth those funds which are considered to be personal for the purposes of the Section. Among them are "any assets to which, at the time he or she became a candidate the candidate had legal and rightful title, or with respect to which the candidate had the right of beneficial enjoyment, under applicable state law, and which the candidate had legal right of access to or control over, including funds from immediate family members."

may have been contributions made by her father rather than expenditures from personal funds. If so, those contributions obviously were in excess of the limitations set forth in Section 441a(a)(1)(A).

### III. ADDITIONAL INVESTIGATIVE STEPS

We now are in the process of examining the nature of the Keahey Moving and Storage account so that we may determine whether money in the account constituted the "personal funds" of J. Carole Keahey within the meaning of Regulations §110.10 or whether Ms. Keahey simply had drawing privileges in an account owned by her father. In this connection, the Commission, on December 8, 1977, authorized the issuance of an order to answer questions to one Riggs official and the issuance of a subpoena to appear for deposition to another.

If there is a determination that the Keahey account is a joint account by which Carole Keahey has "legal and rightful title," then subsequent violations may have occurred. The fact that Riggs Bank allowed the Keahey account to remain in an overdrawn status without levying service charges against it may itself be considered a contribution made by the bank in violation of 2 U.S.C. §441b.2/

---

2/ On October 19, 1977, we obtained additional information from Mr. Keahey in the form of the overdraft notices that had been sent to him by Riggs Bank. These notices stated, in effect that the bank's allowance of the overdrafts was discretionary.

The overdraft notices from Riggs stated:

"Our allowance of this overdraft must not be construed as meaning further overdrawing would be permissible. The Office of the Comptroller of the Currency has made plain to all banks that the practice is not to be countenanced. This exception has been made because we appreciate having your account and feel that an inadvertent error has caused the overdraft."

If so, Mr. Keahey is in violation of 2 U.S.C. §441b(a) which provides that no candidate, political committee or other person may knowingly accept or receive any contribution prohibited by 2 U.S.C. §441b. (Emphasis added)

IV. RECOMMENDATION

It is recommended that the Commission find reason to believe that Thomas M. Keahey violated 2 U.S.C. §441a. Send the attached notification letter.

12/13/77  
\_\_\_\_\_  
DATE

  
\_\_\_\_\_  
WILLIAM C. OLDAKER  
GENERAL COUNSEL

79040112011  
79040034312



FEDERAL ELECTION COMMISSION

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

December 13, 1977

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Mr. Stephen O. Porter  
Riggs National Bank  
Friendship Office  
4249 Wisconsin Avenue, N.W.  
Washington, DC 20016

RE: MUR 384(77)

Dear Mr. Porter:

Enclosed is an Order issued pursuant to Section 437g(a)(1) of Title 2, United States Code, which pertains to information relevant to checking account number 07-08-037-107 (the Keahey Moving and Storage Account).

Should you have any questions, please contact Vincent J. Convery, Jr., the attorney assigned to this matter, at 523-4057.

Please note that 2 U.S.C. §437g(a)(3)(b) prohibits any person from making public the fact of any notification or investigation by the Commission unless the party being investigated has agreed in writing that the matter be made public. You are advised that no such written authorization has been made in this case. The unauthorized disclosure of this matter is subject to the penalty set forth in 2 U.S.C. §437g(c).

Sincerely,

William C. Oldaker  
General Counsel

VSC  
12/19/77

enclosure



79040034311

PS Form 3811, Apr. 1977

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

**MUR 384 Convery**

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

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

2. ARTICLE ADDRESSED TO:  
Stephen O. Porter  
Riggs National Bank

3. ARTICLE DESCRIPTION:  
REGISTERED NO. CERTIFIED NO. INSURED NO.  
143495

(Always obtain signature of addressee or agent)

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

4. DATE OF DELIVERY  
DEC 16 1977

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

POSTMARK  
DEC 16 1977



BEFORE THE FEDERAL ELECTION COMMISSION

December 8, 1977

In the Matter of )

) MUR 384 (77)

J. Carole Keahey )

TO: Mr. Stephen O. Porter  
Branch Manager  
Riggs National Bank  
4249 Wisconsin Avenue, N.W.  
Washington, D.C. 20016

ORDER

79040112011  
78040064313

The Federal Election Commission, pursuant to its powers under 2 U.S.C. §437d(a)(1), requires that answers to the attached interrogatories, and that copies of the documents described thereon, be submitted to the Commission at its offices at 1325 K Street, N.W., Washington, D.C. 20463, marked to the attention of the Enforcement Division, Office of the General Counsel. The responses should be made in writing, under oath, and should be submitted within ten (10) days of your receipt of this Order.

*Thomas E. Harris*  
\_\_\_\_\_  
THOMAS E. HARRIS  
CHAIRMAN

ATTEST:

*Marjorie W. Emons*  
\_\_\_\_\_  
MARJORIE W. EMMONS  
SECRETARY TO THE COMMISSION



# FEDERAL ELECTION COMMISSION

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

December 8, 1977

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS *mwe*

SUBJECT: ISSUANCE OF ORDER AND SUBPOENA IN RELATION TO  
MUR 384 (77)

The attached order and subpoena were approved by the  
following Commissioners:

Commissioner Harris  
Commissioner Aikens  
Commissioner Tiernan  
Commissioner Staebler  
Commissioner Thomson  
Commissioner Springer

The above-mentioned documents has been signed and sealed  
this date.

79010112015

~~78040034315~~



FEDERAL ELECTION COMMISSION

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

December 5, 1977

MEMORANDUM TO: The Commission

FROM: William C. Oldaker *WCO*

SUBJECT: MUR 384 (77) - Order for Attached Interrogatories  
Additional Subpoena

The investigation of this matter has indicated that a bank account at the Riggs National Bank, named Keahey Moving and Storage Account No. 07-08-037-107, supplied much of the funds for respondent Keahey's Congressional Campaign. While respondent Keahey had drawing privileges on this account, her right and title to its proceeds are not clear. Furthermore, the account was overdrawn during the campaign and no service charges were levied against it.

We have prepared a series of interrogatories directed to Stephen O. Porter, the manager of the Riggs branch where the account is located. The answers should enable us to determine the status of the account, the overdraft situation and respondent's father's liability, if any. We recommend that the Commission authorize pursuant to 2 U.S.C. §437d (a)(1) that the attached questions be answered under oath.

We also recommend that the Commission authorize the attached subpoena for the Vice President of Riggs, Mr. Melvin L. Chrisman.



BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

J. Carole Keahey

)  
)  
)  
)

MUR 384 (77)

The recommendation of the General Counsel that an order be issued to Mr. Stephen O. Porter is hereby approved:

*Thomas E. Harris*

THOMAS E. HARRIS  
CHAIRMAN

DATE

JOAN D. AIKENS  
VICE CHAIRMAN

DATE

WILLIAM L. SPRINGER  
COMMISSIONER

DATE

NEIL O. STAEBLER  
COMMISSIONER

DATE

VERNON W. THOMSON  
COMMISSIONER

DATE

ROBERT O. TIERNAN  
COMMISSIONER

DATE

79040112017  
78040064318

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 )  
 ) MUR 384 (77)  
 )  
J. Carole Keahey ) Interrogatories

TO: Mr. Stephen O. Porter  
Riggs National Bank  
4249 Wisconsin Avenue, N.W.  
Washington, D.C. 20016

IN REFERENCE TO: The Keahey Moving and Storage Account  
Number 07-08-037-107

- 79040112013  
78040034310
- 1a. On what date was account number 07-08-037-107 opened?
  - b. By whom was the account opened?
  - c. In whose name(s) was the account established?
  - 2a. What documents must be prepared and submitted by the client in order to open a checking account in Riggs National Bank?
  - b. Please provide copies of the documents submitted in the opening of account number 07-08-037-107.
  3. Who was the bank employee who assisted the client(s) in opening account number 07-08-037-107? Is this person still employed by Riggs National Bank; if so, what is his/her position?
  - 4a. What documents must be prepared by the Riggs National Bank in order to accomplish the opening of a checking account?
  - b. Please provide copies of the documents used to accomplish the opening of account number 07-08-037-107.
  5. In addition to the documents referred to in question 4, did the person who assisted in the opening of account number 07-08-037-107 prepare any additional memoranda, records, notes, etc., pertaining to its opening? If so, please provide copies thereof.
  6. Describe the nature of account number 07-08-037-107. When was it first opened (i.e. a corporate account; a partnership account; a personal account; a joint account, etc.).

7. Has the nature of the account been changed or modified since its opening? If so, please state when and how it has been changed, and provide documents in support of each change.
- 8a. Please identify all parties who have drawing privileges in account number 07-08-037-107.
- b. Have all these parties had drawing privileges in the account since its opening? If not, please state when each party was first extended drawing privileges.
- c. Please provide copies of the signature cards executed by each of the parties to the account.
- 9a. Who owns title to the assets of account number 07-08-037-107?
- b. If title to the assets of account number 07-08-037-107 is owned by more than one person, what is the nature of that title (i.e., joint tenants; tenants in common; tenants by entirety, etc.)?
- c. What factors does Riggs National Bank consider in determining who owns title to the assets of the account?
10. Is there any agreement between Thomas M. Keahey and the Riggs National Bank which has the effect of designating the owner(s) of the funds in account number 07-08-037-107 upon his death? If so, please provide a copy thereof.
- 11a. What factors are considered by Riggs National Bank in determining who has the legal right of access to assets in a particular checking account?
- b. Identify all parties who have legal right of access to the assets in account number 07-08-037-107?
- 12a. What factors are considered by Riggs National Bank in determining who has control over the assets in a particular checking account?
- b. Please identify all parties who have control over the assets in account number 07-08-037-107.
- 13a. What factors are considered by Riggs National Bank in determining who has the right of beneficial enjoyment with respect to the assets in a particular checking account?
- b. Please identify all parties who have the right of beneficial enjoyment with respect to the assets in checking account number 07-08-037-107.

79040112010  
73040051320

14. If Thomas M. Keahey is sole owner of the assets in account number 07-08-037-107, what is the status of each additional party who has drawing privileges in the account (i.e., are they considered to be agents of Mr. Keahey, employees of Mr. Keahey, etc.)?
- 15a. Does Riggs National Bank consider a deposit made to account number 07-08-037-107 to be a deposit to the credit of Thomas M. Keahey; to the credit of Keahey's Moving and Storage; or to the credit of some other party or combination of parties?
- b. If the response to question 15a is "to the credit of some other party or combination of parties," please identify.
- 16a. What is the general policy of Riggs National Bank with regard to the assessment of service charges on checking accounts that have become overdrawn?
- b. If there is a memorandum or other document in which this policy is set forth, please provide a copy.
- 17a. What is the general policy of Riggs National Bank with regard to the continued honoring of checks drawn upon an overdrawn account?
- b. If there is a memorandum or other writing which sets forth this policy, please provide a copy.
18. Had Thomas M. Keahey ever entered into an agreement with Riggs National Bank pertaining to the non-assessment of service charges in the event of an overdraft in account number 07-08-037-107?
- 19a. Were any service charges assessed, or were any other actions taken, against account number 07-08-037-107 as a result of its overdraft status in October, November and December, 1976?
- b. If the response to question 19a is in the negative, please identify the bank employee who made the determination to take no action, and please set forth the factors considered in making the decision.

790400110001  
780400064321



## FEDERAL ELECTION COMMISSION

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

December 9, 1977

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Mr. Melvin L. Chrisman  
Senior Vice President and Cashier  
Riggs National Bank  
1503 Pennsylvania Avenue, N.W.  
Washington, D.C. 20074

Re: MUR 384 (77)

Dear Mr. Chrisman:

Pursuant to Section 437d of Title 2 of the United States Code, Mr. Daniel J. Callahan, III, President of Riggs National Bank, was subpoenaed on September 1, 1977, to produce all records under his control which pertain to checking account number 07-08-037-107. These records included bank statements, deposit slips, and other evidence of the source of deposits made to that account, and also included, but were not limited to, cancelled checks, memoranda, and other relevant documents.

On September 15, 1977, an informal agreement was made between Mr. Vincent J. Convery, Jr., the attorney assigned to this matter at the Commission, and you to the effect that, at first, only unitemized deposits recorded on bank statements of the Keahey Account Number 07-08-037-107 would be submitted to the Commission. If it was determined that evidence of the source of the deposits made to that account would be pertinent to our investigation, then we would request them at a later date. These records still are under the subpoena issued on September 1, 1977.

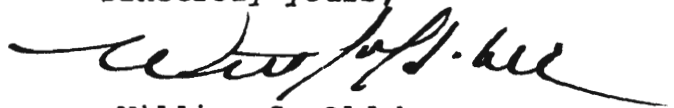
At this time, we request documentation as to the source of the deposits made in August, September, October, November and December, 1976, which are listed on the attachment to this letter.





We ask that you submit the above information within ten(10) days of receipt of this letter.

Sincerely yours,



William C. Oldaker  
General Counsel

7 10 0 4 11 1 2 0 2 2

MUR 384 Convery

PS Form 3811, Apr. 1977

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

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

2. ADDRESSEE: NATIONAL BANK  
Melvin L. Chreman  
Riggs Natl Bank

3. ARTICLE DESCRIPTION:  
REGISTERED NO. CERTIFIED NO. INSURED NO.  
943458

(Always obtain signature of addressee or agent)

I have received the article described above.  
SIGNATURE ☐ Addressee ☐ Authorized agent  
Mr. J. A. Christman W.C.

4. DATE OF DELIVERY POSTMARK  
DEC 12 1977

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL.

☆ GPO : 1977-O-284-257

KEAHEY'S MOVING AND STORAGE  
ACCOUNT NO. 07-08-037-107

DEPOSITS AND/OR CREDITS  
1976

August

8/03 \$1,345.48

September

9/03 \$1,714.33

9/13 238.80

October

10/01 \$1,607.96

10/06 9,108.50

10/12 5,810.00

10/19 2,508.00

10/20 19,813.50

10/29 12,608.04

November

11/08 \$ 952.87

11/10 2,500.00

11/11 4,110.10

11/12 21,257.00

11/18 25,700.00

11/30 922.13

December

12/06 \$30,002.62

12/07 650.00

12/14 846.18

12/23 5,292.56

12/24 302.20

79010112021  
78040054321

LAW OFFICES  
JOHN A. KENDRICK  
KENDRICK BUILDING  
233 MASSACHUSETTS AVENUE, N. E.  
WASHINGTON, D.C. 20002  
(202) 544-3131

STANLEY A. CAMHI

9 November 1977

Vincent Convery, Esquire  
Office of General Counsel  
Federal Election Commission  
1325 K Street, N.W.  
Washington, D. C. 20463

Re: MUR 384(77)

Dear Mr. Convery:

Enclosed are the remaining reports you requested. I believe that the documents turned over to you represent virtually all of the business activity of Keahey Moving and Storage Company from January 1975 through June 1977 as you had requested in your subpoena.

A considerable amount of time and energy has gone into compiling this information for you. As you know, the documents delivered with this letter had to be obtained from the State Department's records. We have attempted to cooperate with you as fully as possible to help facilitate a conclusion to this matter. It is still our position that there was no violation of the Federal Election Laws in the conduct of Ms. Keahey's Congressional Campaign, except for perhaps some sloppy reporting which I believe has already been cleared up.

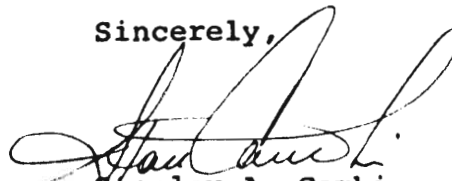
With the submission of this material, it is our sincerest hope that a quick termination of this matter can be achieved. If your office chooses to continue pursuing this matter, I would look forward to engaging in conciliation discussions with you. Of course, if you do decide to proceed, we reserve the right to submit a memorandum in support of our position. If such is the case, I would request timely notification from you with regard to

Vincent Convery, Esquire  
9 November 1977  
Page 2

the deadline for submitting our memorandum of law. Again, hopefully this matter will be resolved without the need for legal battle lines to be drawn.

I look forward to speaking with you after you have had an opportunity to review the submitted materials.

Sincerely,

  
Stanley A. Camhi

SAC:nle

Enclosures

790400110025  
78040034325

KEAHEY MOVING AND STORAGE COMPANY  
INVENTORIES

<u>DATE</u>	<u>WHO</u>	<u>INCLUSIVE DATES</u>	<u>AMOUNT</u>
1975	State Department		
01/11	" " " "	01/02 - 01/10	\$9,355.00
02/20	" " " "	01/13 - 01/18	6,757.00
01/27	" " " "	01/20 - 01/25	5,532.00
01/31	" " " "	01/27 - 01/31	8,746.00
02/08	" " " "	02/01 - 02/07	7,890.50
02/18	" " " "	02/10 - 02/15	6,262.75
02/24	" " " "	02/18 - 02/21	4,591.00
03/01	" " " "	02/24 - 02/28	5,695.00
03/10	" " " "	03/03 - 03/08	6,420.00
03/17	" " " "	03/07 - 03/12	6,053.00
03/24	" " " "	03/17 - 03/21	5,700.00
03/31	" " " "	03/19 - 03/28	8,794.00
04/07	" " " "	04/01 - 04/05	6,328.00
04/14	" " " "	04/07 - 04/11	6,505.00
04/21	" " " "	04/14 - 04/19	5,281.00
05/01	" " " "	04/18 - 04/30	11,052.00
05/05	" " " "	04/30 - 05/02	2,915.50
05/12	" " " "	05/05 - 05/11	7,016.00
05/19	" " " "	05/12 - 05/18	7,905.25
05/27	" " " "	05/18 - 05/26	6,258.75
06/02	" " " "	05/26 - 05/30	4,089.50
06/09	" " " "	06/02 - 06/06	5,237.00
06/16	" " " "	06/09 - 06/15	6,607.00
06/24	" " " "	06/16 - 06/21	5,972.00

79040112025  
78040054327

DATE	WHO	INCLUSIVE DATES	AMOUNT
1975	State Department		
07/01	" " "	06/23 - 06/30	\$7,621.00
07/07	" " "	07/01 - 07/03	4,316.75
07/14	" " "	07/07 - 07/12	7,143.00
07/21	" " "	07/14 - 07/18	7,464.00
07/28	" " "	07/21 - 07/25	5,695.50
08/01	" " "	07/28 - 07/31	4,964.00
08/11	" " "	08/01 - 08/08	8,829.00
08/18	" " "	08/11 - 08/15	5,776.00
08/25	" " "	08/18 - 08/23	6,963.00
09/02	" " "	08/21 - 08/29	6,713.50
09/08	" " "	09/02 - 09/05	4,248.00
09/15	" " "	09/08 - 09/12	7,068.00
09/22	" " "	09/15 - 09/20	7,188.00
10/01	" " "	09/22 - 09/30	9,840.50
10/06	" " "	10/01 - 10/04	6,136.00
10/14	" " "	10/06 - 10/11	9,280.00
10/20	" " "	10/10 - 10/17	Total Unintelligible
10/28	" " "	10/20 - 10/27	10,123.00
11/03	" " "	10/28 - 10/31	8,009.00
11/10	" " "	11/01 - 11/08	9,826.50
11/17	" " "	11/10 - 11/14	6,930.00
11/24	" " "	11/17 - 11/22	7,943.50
12/01	" " "	11/24 - 11/28	7,260.00

DATE	WHO	INCLUSIVE DATES	AMOUNT
1976	State Department		
06/07	" " "	06/01 - 06/06	\$6,905.00
06/14	" " "	06/07 - 06/13	9,458.50
06/21	" " "	06/14 - 06/19	7,655.00
06/28	" " "	06/21 - 06/26	8,768.00
07/01	" " "	06/28 - 06/30	6,546.00
10/11	" " "	10/01 - 10/08	Total
10/18	" " "	10/12 - 10/16	Unintelligible
10/25	" " "	10/14 - 10/24	9,674.96
11/01	" " "	10/26 - 10/30	11,582.00
			10,233.72

Received:

11/19/77

Date

WTC (orig. signed)  
Vincent Convery

KEAHEY MOVING & STORAGE CO.

Billing Inventory - 1975

<u>Date</u>	<u>To Whom</u>	<u>Inclusive Dates</u>	<u>Supporting Documents</u>	<u>Total</u>
12/08/75	State Department (SD)	12/05/75-12/08/75	49	\$7,717.00
12/15/75	SD	12/12/75-12/14/75	43	7,700.00
12/22/75	SD	12/18/75-12/20/75	49	8,065.00
01/02/76	SD	12/30/75-12/31/75	46	7,324.00
02/04/76	Interstate Commerce Commission (ICC)			
		11/10/75-01/15/76	34	4,852.00

Billing Inventory - 1976

01/12/76	SD	01/02/76-01/09/76	54	10,507.00
01/19/76	SD	01/12/76-01/16/76	45	6,947.00
01/26/76	SD	01/19/76-01/25/76	56	9,151.00
02/02/76	SD	01/26/76-01/30/76	49	7,218.00
02/09/76	SD	02/02/76-02/07/76	54	11,063.00
02/16/76	SD	02/09/76-02/13/76	49	8,000.00
02/23/76	SD	02/16/76-02/21/76	37	6,896.00
03/01/76	ICC	02/09/76-02/24/76	9	1,332.00
03/01/76	SD	02/23/76-02/27/76	57	10,765.00
03/08/76	SD	03/01/76-03/06/76	48	9,798.00
03/15/76	SD	03/08/76-03/12/76	46	7,291.00
03/22/76	SD	03/15/76-03/20/76	56	9,500.50
04/01/76	SD	03/22/76-03/31/76	81	11,575.00



## KEAHEY MOVING &amp; STORAGE CO.

Page 2

Billing Inventory - 1976 (continued)

<u>Date</u>	<u>To Whom</u>	<u>Inclusive Dates</u>	<u>Supporting Documents</u>	<u>Total</u>
04/01/76	ICC	03/10/76-03/29/76	4	\$322.00
04/01/76	U.S. Informa- tion Agency (USIA)	03/01/76-03/31/76	15	2,312.50
04/05/76	SD	04/01/76-04/03/76	20	3,137.50
04/12/76	SD	04/05/76-04/09/76	63	7,548.00
04/19/76	SD	04/13/76-04/16/76	56	8,102.00
04/26/76	SD	04/19/76-04/23/76	52	7,758.00
05/02/76	USIA	04/03/76-04/30/76	26	2,867.00
05/03/76	SD	04/26/76-04/30/76	48	6,612.00
05/10/76	SD	05/01/76-05/07/76	59	8,431.00
05/17/76	SD	05/10/76-05/16/76	56	8,255.50
05/24/76	SD	05/17/76-05/20/76	59	9,260.00
06/01/76	SD	05/24/76-05/31/76	51	9,684.00
07/01/76	ICC	06/01/76-06/28/76	0	753.00
07/12/76	SD	07/01/76-07/09/76	74	11,599.00
07/19/76	SD	07/12/76-07/17/76	62	11,321.50
07/23/76	Howard Univ.	07/16/76	2	50.00
07/26/76	SD	07/17/76-07/23/76	65	8,598.00
08/02/76	USIA	07/01/76-07/29/76	31	3,332.00
08/02/76	SD	07/26/76-07/31/76	65	8,101.50
08/09/76	SD	08/02/76-08/07/76	72	10,528.00
08/16/76	SD	08/09/76-08/15/76	73	14,214.00
08/23/76	SD	08/16/76-08/20/76	84	11,544.00

## KEAHEY MOVING &amp; STORAGE CO.

Page 3

Billing Inventory - 1976 (continued)

<u>Date</u>	<u>To Whom</u>	<u>Inclusive Dates</u>	<u>Supporting Documents</u>	<u>Total</u>
09/01/76	SD	08/23/76-08/31/76	88	\$14,445.00
09/01/76	USIA	08/02/76-08/31/76	31	2,754.50
09/06/76	SD	09/01/76-09/03/76	39	6,279.00
09/13/76	SD	09/02/76-09/10/76	52	7,047.00
09/30/76	ICC	09/09/76-09/31/76	7	1,063.00
11/01/76	SD	10/26/76-10/30/76	61	10,233.72
11/08/76	SD	11/01/76-11/05/76	73	8,306.04
11/15/76	SD	11/08/76-11/13/76	61	11,302.86
11/22/76	SD	11/15/76-11/19/76	87	12,204.82
12/01/76	USIA	11/01/76-11/30/76	54	6,909.60
12/01/76	SD	11/20/76-11/30/76	59	9,319.48
12/20/76	SD	12/08/76-12/18/76	68	9,362.21
12/27/76	SD	12/20/76-12/23/76	43	8,092.16

Billing Inventory - 1977

01/03/77	USIA	12/01/76-12/30/76	40	3,983.44
01/03/77	SD	12/27/76-12/31/76	38	5,785.92
01/10/77	SD	12/30/76-01/08/77	53	9,260.92
01/17/77	SD	01/05/77-01/15/77	65	12,988.48
01/24/77	SD	01/14/77-01/21/77	41	6,889.12
02/01/77	SD	01/24/77-01/31/77	79	12,979.00
02/01/77	USIA	01/03/77-01/31/77	38	5,366.68

## KEAHEY MOVING &amp; STORAGE CO.

Page 4

Billing Inventory - 1977 (continued)

<u>Date</u>	<u>To Whom</u>	<u>Inclusive Dates</u>	<u>Supporting Documents</u>	<u>Total</u>
02/07/77	SD	02/03/77-02/05/77	51	\$9,146.78
02/14/77	SD	02/07/77-02/12/77	55	9,794.64
02/21/77	SD	02/14/77-02/21/77	67	10,329.12
02/28/77	SD	02/22/77-02/28/77	58	9,188.98
03/01/77	USIA	02/01/77-02/28/77	28	3,259.60
03/01/77	ICC	11/24/76;2/1-2/25/77	10	1,576.32
03/01/77	SD	02/25/77	1	45.92
03/07/77	SD	03/01/77-03/05/77	58	8,743.72
03/14/77	SD	03/07/77-03/12/77	61	9,715.84
03/21/77	SD	03/14/77-03/20/77	62	8,076.16
03/28/77	SD	03/21/77-03/25/77	75	11,123.68
04/04/77	ICC	03/04/77-03/30/77	5	984.96
04/04/77	USIA	03/01/77-03/31/77	38	4,557.80
04/04/77	SD	03/28/77-04/01/77	62	11,480.77
04/11/77	SD	04/04/77-04/08/77	58	10,968.34
04/18/77	SD	04/11/77-04/17/77	68	9,915.74
04/25/77	SD	04/18/77-04/24/77	75	11,877.52
05/02/77	USIA	04/01/77-04/29/77	39	4,802.92
05/02/77	SD	04/25/77-04/30/77	78	11,437.34
05/09/77	SD	05/02/77-05/06/77	63	8,406.44
05/16/77	SD	05/06/77-05/11/77	3	1,458.48
05/16/77	SD	05/09/77-05/14/77	71	14,801.59
05/17/77	SD	05/11/77	1	544.40

KEAHEY MOVING & STORAGE CO.

Page 5

Billing Inventory - 1977 (continued)

<u>Date</u>	<u>To Whom</u>	<u>Inclusive Dates</u>	<u>Supporting Documents</u>	<u>Total</u>
05/23/77	SD	05/16/77-05/21/77	69	\$11,901.16
05/31/77	SD	05/20/77-05/31/77	71	11,397.04
06/01/77	ICC	05/10/77	1	129.60
06/01/77	USIA	05/01/77-05/31/77	18	1,512.16
06/06/77	SD	06/01/77-06/04/77	38	5,320.92
06/13/77	SD	06/06/77-06/10/77	49	6,978.24
06/20/77	SD	06/13/77-06/19/77	59	7,871.00
06/27/77	SD	06/23/77-06/30/77	144	15,506.66
07/01/77	USIA	06/01/77-06/30/77	28	2,755.28

Overdraft Notices

28

Income Statement - 1976

Cash Flow Report - 1976

RECEIPT ACKNOWLEDGED:

VJC (original signed)

October 19, 1977



FEDERAL ELECTION COMMISSION

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

October 5, 1977

Stanley A. Camhi, Esquire  
Kendrick Law Offices  
233 Massachusetts Avenue, N.E.  
Washington, D.C. 20002

Re: MUR 384 (77)

Dear Mr. Camhi:

This is to advise you that the motion to quash which you filed on September 14, 1977, in the above-referenced matter, has been denied. A copy of the Commission's ruling is enclosed.

Inasmuch as the motion was filed five days before the return date of Mr. Keahey's subpoena, the Keahey Moving and Storage records should be produced not later than the close of business on the fifth day following your receipt of this letter.

For your information, the Commission determined that Mr. Keahey lacked standing to attack the subpoena served on the Riggs National Bank.

Sincerely,  
*William C. Oldaker*  
William C. Oldaker  
General Counsel

NY 10017  
MUR 384 Convery

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

2. The following service is requested (check one).  
☐ Show to whom and date delivered .....25¢  
☒ Show to whom, date, & address of delivery .....45¢  
☐ RESTRICTED DELIVERY.  
Show to whom and date delivered .....85¢  
☐ RESTRICTED DELIVERY.  
Show to whom, date, and address of delivery ..\$1.05  
(Fees shown are in addition to postage charges and other fees).

3. ARTICLE ADDRESSED TO:  
Stanley A. Camhi, Esq.  
Kendrick Law Offices

4. ARTICLE DESCRIPTION:  
REGISTERED NO. CERTIFIED NO. INSURED NO.  
438161  
(Always obtain signature of addressee or agent)

I have received the article described above.  
SIGNATURE ☒ Addressee ☒ Authorized agent  
Vance & Schenck

5. DATE OF DELIVERY  
OCT 13 1977

6. ADDRESS (Complete only if requested)

7. POSTMARK

8. UNABLE TO DELIVER BECAUSE:

9. CLERK'S INITIALS

★ GPO : 1975 - O-293-496





FEDERAL ELECTION COMMISSION

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

October 5, 1977

Melvin L. Chrisman  
Senior Vice President and Cashier  
Riggs National Bank  
1503 Pennsylvania Avenue, N.W.  
Washington, D.C. 20005

Re: Keahey's Moving and Storage

Dear Mr. Chrisman:

This will acknowledge receipt of your letter, dated September 15, 1977, to Vincent J. Convery, Jr., of this office.

On October 4, 1977, the Commission denied the motion filed by Stanley A. Camhi to quash, or in the alternative modify, subpoenas which ordered the production of records pertaining to Keahey's Moving and Storage.

We appreciate the cooperation you have afforded us thus far, and look forward to a speedy resolution of this matter.

Sincerely,

*William C. Oldaker*  
William C. Oldaker  
General Counsel

44-384 Convery

1. The following service is requested (check one):  
☐ Show to whom and date delivered ...  
☒ Show to whom, date, & address of delivery ...  
☐ RESTRICTED DELIVERY.  
Show to whom and date delivered ...  
☐ RESTRICTED DELIVERY.  
Show to whom, date, and address of delivery ...  
(Fees shown are in addition to postage charges and handling fees).

2. ARTICLE ADDRESSED TO:  
Melvin L. Chrisman  
Riggs National Bank

3. ARTICLE DESCRIPTION:  
REGISTERED NO. 438160 CERTIFIED NO. INSURED NO.

(Always obtain signature of addressee or agent)  
I have received the article described above.  
SIGNATURE ☐ Addressee ☒ Authorized agent  
Melvin L. Chrisman  
R. S. Keahey

4. DATE OF DELIVERY OCT 7 1977 POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

80P: 197-O-203-456

7 9 0 4 0 1 1 2 0 5 5  
7 8 0 4 0 0 5 1 3 3 5



# FEDERAL ELECTION COMMISSION

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

October 4, 1977

MEMORANDUM TO: CHARLES STEELE

FROM:

MARJORIE W. EMMONS *ME*

SUBJECT:

General Counsel's Opposition to Respondent's  
Motion to Quash Subpoenas in Connection with  
MUR 384 (77)

The Commission has approved the General Counsel's  
Opposition to Respondent's Motion to Quash Subpoenas dated  
September 1, 1977, and served upon Thomas M. Keahey and upon  
the Riggs National Bank of Washington, D. C.

The approval of the following Commissioners was obtained

Commissioner Harris  
Commissioner Springer  
Commissioner Staebler  
Commissioner Thomson  
Commissioner Tiernan



UNITED STATES OF AMERICA  
FEDERAL ELECTION COMMISSION

In the Matter of  
J. Carole Keahey

}  
}

MUR 384 (77)

RULING ON MOTION BY RESPONDENT  
TO QUASH, OR IN THE ALTERNATIVE, MODIFY SUBPOENAS

The motion filed with this Commission on September 14, 1977, to quash, or in the alternative, modify subpoenas dated September 1, 1977, and served upon Thomas M. Keahey and upon the Riggs National Bank of Washington, D.C., is hereby denied.

Thomas E. Harris  
Thomas E. Harris, Chairman

10-3-77  
Date

Joan D. Aikens, Vice-Chairman

Neil O. Staebler  
Neil O. Staebler

10/3/77  
Date

William L. Springer  
William L. Springer

10-3-77  
Date

Vernon W. Thomson  
Vernon W. Thomson

Robert O. Tiernan  
Robert O. Tiernan

10-3-77  
Date





FEDERAL ELECTION COMMISSION

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

October 3, 1977

MEMORANDUM TO: Marge Emmons

FROM: Elissa T. Garr

SUBJECT: MUR 384

Please have the attached General Counsel's Opposition to Respondent's Motion to Quash Subpoenas circulated to the Commission for approval.

Thank you.



BEFORE THE FEDERAL ELECTION COMMISSION

September 28, 1977

In the Matter of )

)

MUR 384 (77)

J. Carole Keahey )

GENERAL COUNSEL'S OPPOSITION TO RESPONDENT'S  
MOTION TO QUASH SUBPOENAS

I. Summary

On September 1, 1977, the Commission approved our recommendation and issued subpoenas to respondent Keahey's father and to his bank ordering them to produce additional records in our continuing investigation of this matter. On September 14th respondents filed a motion to quash both subpoenas claiming that they had already submitted all checks relating to the campaign, that the information requested was wholly unrelated to the campaign, and that the time frame for the documents requested was too broad. As an alternative to quashing, respondents requested that the subpoenas be modified so as to cover only the relevant material during the course of the campaign. (The motion is attached.) The claims raised by respondents were dealt with in our August 24th recommendation to the Commission that these subpoenas be issued and we continue in our belief that the subpoenas are proper and necessary to complete this investigation. In view of respondent's motion to quash, we restate our argument here.

II. Background

On June 28, 1977, the Commission found reason to believe that J. Carole Keahey had violated 2 U.S.C. §§441a(a)(1), 441a(a)(3), 441a(f) and 434(b) and authorized the issuance of subpoenas to Ms. Keahey and to her father ordering them to appear for deposition and to produce financial records. The subpoenas, which were enclosed in the reason to believe notice letters, ordered the Keaheys to produce "all correspondence, memoranda, financial records and other relevant documents which pertained to the candidacy of J. Carole Keahey .. including, but not limited to bank statements, deposit slips, cancelled checks, and savings account records for any and all accounts from which funds were received or were expanded in direct or indirect support of the candidacy of J. Carole Keahey."

On July 28, 1977, Mr. Keahey provided the Commission, inter alia, with bank statements for the months April through November, 1976, which pertained to a checking account at the Riggs National Bank of Washington, D.C. This account was designated "Keahey's Moving and Storage" (hereinafter "the moving account.")

The moving account is used both for the business purposes of that concern and for the personal financial activities of members of the Keahey family. Each member of that family (Mr. and Mrs. Keahey, Sr.; Thomas M. Keahey, Jr., and J. Carole Keahey) enjoys unrestricted drawing privileges in this account. Many checks in payment of Ms. Keahey's campaign - related expenses were drawn on the moving account. Additionally, after separate campaign accounts had been established in Alabama, substantial sums were transferred from the Riggs account to those Alabama accounts.

On August 2, 1977, we deposed respondent Keahey and her father. Both testified that deposits to the moving account were made primarily from the proceeds of Mr. Keahey's business, but neither Keahey provided documentation in support of that testimony.

In sum, the Commission had evidence that there existed a checking account which, for a period of approximately six months, was used to pay all campaign-related expenses and, thereafter, was used to fund transfers to the newly opened accounts in Alabama. However, the Commission had no documentation which would prove where deposits to that account originated. We followed with our recommendation, which the Commission approved, that additional subpoenas be issued to Mr. Keahey and to the Riggs National Bank.

Mr. Keahey was ordered to produce all books and records which reflect the financial activities of Keahey Moving and Storage for the period January 1, 1975 through June 30, 1977.

The Riggs National Bank was ordered to produce all records under its control which pertain to the moving account for the same period.

### III. Discussion

Counsel for the Keaheys now move to quash, or in the alternative, modify, the September 1, 1977, subpoenas.

In support of that motion they have set forth the following:

- 1) Ms. Keahey and her father have submitted in response to the July 8 subpoenas all checks relating to campaign expenditures from the time that the campaign began in February, 1976, until it terminated in November, 1976.

- 2) The subpoenas request information which is wholly unrelated to the campaign either by way of contributions or expenditures, in that the request is concerned solely with the business and bank records of Mr. Keahey.
- 3) The scope of the subpoenas is too broad, requesting information unrelated to the campaign for a period of approximately 14 months before the candidate showed any intention of running for office, and including a period of approximately eight months subsequent to the official termination of the campaign.

In opposition to the points raised by the respondents, we offer the following:

A. With regard to the Keahey Moving and Storage records:

- 1) In response to the July 8 subpoena, the Keaheys produced, in addition to the Riggs Bank statements referred to above, bank statements from the Union Bank and Trust Company and from the Southern Bank, N.A., both located in Montgomery, Alabama. (The Alabama statements related to the accounts that Ms. Keahey had opened late in the campaign). The Keaheys also produced numerous checks, copies of checks, and other instruments which documented many of the entries on these statements.

- a. Contrary to respondents' allegation, these checks do not constitute "all checks relating to campaign expenditures from the time that the campaign began in February, 1976, until it terminated in November, 1976." As we noted in our August 24 memorandum, several expenditures reflected in the Reports of Receipts and Expenditures are not supported by checks.

- b. Even if we were to concede that the checks which were submitted constituted "all checks relating to campaign expenditures," still we were not provided with any evidence relating to the origin of the money deposited to the Riggs account.

- 2) We agree that the latest subpoenas request information that is concerned with the business and banking records of Mr. Keahey, but disagree with respondents' contention that that information is wholly unrelated to the campaign either by way of contributions or expenditures. Mr. Keahey testified that all members of the family would make deposits

to the Riggs account when they had money, but by far, the bulk of the deposits to that account was made from the proceeds of his moving and storage business. He admitted that, in comparison with his own deposits, the deposits made by his son and daughter are not significant at all. (Deposition of T.M. Keahey, p. 13)

Ms. Keahey testified that the deposits made to the account were "mostly her father's." (Deposition of J.C. Keahey, p. 18).

The candidate, after having made only insignificant deposits, used the account to the extent of spending almost \$93,000 (\$16,800 in direct payments; \$76,000 in transfers to the Alabama accounts).

The Keaheys had already been subpoenaed to produce, inter alia, "all financial records and other relevant documents which pertain to contributions made to the candidacy of J. Carole Keahey including, but not limited to deposit slips." Since they provided no documentation as to where the deposits to the Riggs account originated, we believe the Commission is justified in ordering the production of the Keahey business and banking records in order to verify their testimony that Keahey's Moving and Storage was the source.

3) We do not believe the time frame of the subpoenas to be too broad.

- a. The Commission ordered the production of records dealing with the time period beginning January 1, 1975.

Mr. Keahey testified that his business was set up "about a year before Carole entered the campaign." (Deposition p. 23) Since it has been alleged that the proceeds of this business funded Ms. Keahey's campaign almost exclusively, the Commission is justified in verifying the source of those funds for a reasonable period before the start of the campaign.

- b. Likewise the closing date of the time period, June 30, 1977: From August through November, 1976, Ms. Keahey transferred \$76,000 from the moving account to her newly opened accounts in Alabama. These transfers were greatly to blame for the account's becoming overdrawn. The account initially became overdrawn in

October, 1976, and remained overdrawn, according to Mr. Keahey's testimony, until "April, May or June." (Deposition, p.44). (The account was overdrawn \$15,895.32 as of October 29, 1976, and was overdrawn \$16,286.21 as of November 30, 1976, the latest date for which we have a bank statement.)

It is our opinion that the Commission has the duty to verify the source of the deposits which replaced the money spent in the respondent's campaign.

Furthermore, there is a possibility that a violation of 2 U.S.C. §441b may have occurred, in that the Riggs National Bank did not impose an interest or service charge on the moving account overdrafts. (Deposition of T.M. Keahey, p. 46).

- B. With regard to the subpoena issued to the Riggs National Bank, respondents have made no showing as to why they should be permitted to intervene in behalf of a third party. Respondents lack standing to make such a motion as to the production of records which are the property of the bank. See U.S. v. Donaldson, 400 U.S. 517 (1971). With regard to our request for bank records for the extended time frame, our previous argument is just as relevant here.

#### IV. Recommendations

The Commission should deny respondents' motion to quash or modify both subpoenas. The attached correspondence should be sent.

10/3/77  
Date



William C. Oldaker  
General Counsel

Sec # 1479

RECEIVED  
FEDERAL ELECTION  
COMMISSION

The Rogers National Bank

of

Washington, D. C. 20004

(202) 624-2021

MELVIN L. CHRISMAN  
SENIOR VICE PRESIDENT & CASHIER

September 15, 1977

772741

Mr. Vincent J. Convery, Jr.  
Federal Election Commission  
1325 K Street, N.W.  
Washington, D. C. 20463

Dear Mr. Convery:

This will confirm our telephone call of this morning, concerning the Federal Election Commission's subpoena for the records of the Keahey Moving and Storage account for the period January 1975 through June '77. As I previously advised you, the volume of records requested is such that we could not make the Monday, September 19 time frame and you indicated that it would be permissible to set a later date for presentation of these records.

I further noted that Mr. Stan Camhi, attorney for Keahey Moving and Storage, has filed a motion with the Commission to quash the subpoena, or failing that to narrow the time period. You indicated that you would advise me as to the outcome of this motion. In the meantime, I will secure the bank statements for the time period originally requested. These should be available by the time the Commission has ruled on Mr. Camhi's motion.

Sincerely,



MLC:vu

77 SEP 14 FEDERAL ELECTION COMMISSION 3-43

In the Matter of :

J. Carole Keahey and :  
The Carole Keahey for :  
Congress Committee :

MUR 384 (77)

MOTION TO QUASH

The Respondent, Ms. J. Carole Keahey and Mr. Thomas Keahey, through their counsel, JOHN A. KENDRICK and STANLEY A. CAMHI, respectfully move that the Commission quash or in the alternative, modify, the subpoenas served on Mr. Thomas Keahey and Riggs National Bank. In support of the above motion, the following is shown:

- 1) Ms. Keahey ran for the position of United States Representative from the 2nd District of Alabama, and was defeated in the general election in November 1976.
- 2) Ms. Keahey and her father, Mr. Thomas Keahey, have submitted pursuant to a previous subpoena all checks relating to campaign expenditures from the time that the campaign began in February 1976 until it terminated in November 1976.
- 3) That the subpoenas request information which is wholly unrelated to the campaign either by way of contributions or expenditures. The request is solely concerned with the business and bank records for Mr. Keahey.
- 4) That the scope of the subpoenas is too broad, requesting information unrelated to the campaign for a period of approximately 14 months before the candidate showed any intention of running for the office, and including a period of approximately eight months subsequent to the official termination of the campaign.

WHEREFORE, the Respondent and Mr. Keahey respectfully



request that the subpoenas be quashed, or in the alternative modified, so as to cover only relevant material during the course of the campaign.

Respectfully submitted,

JOHN A. KENDRICK  
STANLEY A. CAMHI



Counsel for Respondent  
233 Massachusetts Ave., N.E.  
Washington, D. C. 20002  
544-3131

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7 3 9 4 0 5 4 3 4 7

MAR 384 Convery

● SENDER Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.	
1. The following service is requested (check one). <input type="checkbox"/> Show to whom and date delivered ..... 25¢ <input checked="" type="checkbox"/> Show to whom, date, & address of delivery ..... 45¢ RESTRICTED DELIVERY. <input type="checkbox"/> Show to whom and date delivered ..... 85¢ RESTRICTED DELIVERY. <input type="checkbox"/> Show to whom, date, and address of delivery ... \$1.05 (Fees shown are in addition to postage charges and other fees).	
2. ARTICLE ADDRESSED TO: Stanley A. Camhi, Esq. Kendrick Law Offices	
3. ARTICLE DESCRIPTION: REGISTERED NO.	CERTIFIED NO. INSURED NO.
(Always obtain signature of addressee or agent) I have received the article described above. SIGNATURE <input checked="" type="checkbox"/> Addressee <input type="checkbox"/> Authorized agent	
4. DATE OF DELIVERY	POSTMARK
5. ADDRESS (Complete only if requested)	
6. UNABLE TO DELIVER BECAUSE:	
CLERK'S INITIALS	

PS Form 3811, Nov. 1976

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

☆ GOP 1976-O-203-456

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FEDERAL ELECTION COMMISSION

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

September 7, 1977

Stanley A. Camhi, Esquire  
Kendrick Law Offices  
233 Massachusetts Avenue, N.E.  
Washington, D.C. 20003

Re: MUR 384 (77)

Dear Mr. Camhi:

Enclosed is an additional subpoena in the matter of J. Carole Keahey, which requires your client, Thomas M. Keahey, to produce all books and records which reflect the financial activities of Keahey's Moving and Storage for the period January 1, 1975, through June 30, 1977.

Mr. Keahey testified in deposition on August 2, 1977, that the majority of the deposits made to the Riggs account originated from the proceeds of his business. However, he did not provide documentation as to the source of these funds. In view of Ms. J. Carole Keahey's great reliance on this account for the financing of her Congressional campaign, it is important that we verify the source of these funds.

For your information, we also have subpoenaed Riggs National Bank to provide us with all records which pertain to checking account number 07-08-037-107 for the period January 1, 1975 through June 30, 1977.

Sincerely yours,

WILLIAM C. OLDAKER  
General Counsel

1 Attachment a/s



UNITED STATES OF AMERICA  
FEDERAL ELECTION COMMISSION

SUBPOENA TO PRODUCE BOOKS,  
RECORDS AND OTHER RELEVANT DOCUMENTS

TO: Mr. Thomas M. Keahey  
c/o John A. Kendrick, Esquire  
233 Massachusetts Avenue, N.E.  
Washington, D. C. 20002

At the instance of the Federal Election Commission and pursuant to Section 437d of Title 2 of the United States Code, you are hereby subpoenaed to make available to the Commission for review and copying all books and records which reflect the financial activities of Keahey Moving and Storage for the period January 1, 1975 through June 30, 1977.

Notice is hereby given that the books, records and other documents are to be produced at 1325 K Street, N. W., Washington, D. C., no later than 10:00 o'clock, A.M., on Monday -----, September 19<sup>th</sup> 1977.

WHEREAS, the Vice Chairman of the Federal Election Commission has hereunto set her hand at Washington, D. C., this 1st day of September, 1977.

ATTEST:

Joan D. Aikens  
JOAN D. AIKENS  
Vice Chairman

Margaret D. Connor  
Secretary to the Commission

MUR 364 Convery

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

1. The following service is requested (check one).
- ☐ Show to whom and date delivered ..... 25¢
- ☒ Show to whom, date, & address of delivery ..... 30¢
- ☐ RESTRICTED DELIVERY. Show to whom and date delivered ..... 85¢
- ☐ RESTRICTED DELIVERY. Show to whom, date, and address of delivery ..... \$1.00
- (Fees shown are in addition to postage charges and other fees).

2. ARTICLE ADDRESSED TO:  
Daniel A. Callahan, III  
Pres., Rig's Natl. Bank

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

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE ☐ Addressee ☒ Authorized agent

Cha M. Handrich for  
Daniel A. Callahan, III

4. DATE OF DELIVERY 7/6/77 POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

79040112030



FEDERAL ELECTION COMMISSION

1225 K STREET N.W.  
WASHINGTON, D.C. 20463

September 6, 1977

Mr. Daniel A. Callahan, III  
President  
RIGGS NATIONAL BANK  
1503 Pennsylvania Avenue, N.W.  
Washington, D.C. 20005

Dear Mr. Callahan:

Re: MUR 384

Enclosed is a subpoena issued pursuant to Section 437d of Title 2, United States Code, by which the Federal Election Commission orders the production of all records under your control pertaining to checking account number 07-08-037-107 at Riggs National Bank (the Keahey Moving and Storage Account), for the period January 1, 1975, through June 30, 1977.

Vincent J. Convery, Jr., is the staff attorney assigned to the matter which has prompted the Commission to subpoena these records. I have asked him to establish a procedure for the production of the records which will be convenient for you and your staff and which will, at the same time, meet our needs. Please contact him at 523-4057.

Sincerely yours,

WILLIAM C. OLDAKER,  
General Counsel

*[Signature]*  
CHARLES N. STEELE,  
Associate General Counsel

1 Enclosure a/s

UNITED STATES OF AMERICA  
FEDERAL ELECTION COMMISSION

SUBPOENA TO PRODUCE RECORDS

TO: Mr. Daniel J. Callahan, III  
President, Riggs National Bank  
1503 Pennsylvania Avenue, N.W.  
Washington, D. C. 20005

At the instance of the Federal Election Commission and pursuant to Section 437d of Title 2 of the United States Code, you are hereby subpoenaed to make available to the Commission for review and copying all records under your control which pertain to checking account number 07-08-037-107 at the Riggs National Bank of Washington, D. C., (the Keahey Moving and Storage account), for the period January 1, 1975 through June 30, 1977, primarily bank statements, deposit slips, and other evidence of the source of deposits made to that account, and also including, but not being limited to, cancelled checks, memoranda, and other relevant documents.

Notice is hereby given that the books, records and other documents are to be produced at 1325 K Street, N. W., Washington, D. C., no later than 10:00 o'clock, A.M., on MONDAY, September 19th, 1977.

WHEREAS, the Vice Chairman of the Federal Election Commission has hereunto set her hand at Washington, D. C., this 1st day of September, 1977.

ATTEST:

Joan D. Aikens  
JOAN D. AIKENS  
Vice Chairman

Margaret W. Carson  
Secretary to the Commission



FEDERAL ELECTION COMMISSION

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

September 1, 1977

MEMORANDUM TO: CHARLES STEELE  
FROM: MARJORIE W. EMMONS *ME*  
SUBJECT: Additional Subpoenas - MUR 384 (77)  
J. Carole Keahey

The Commission has approved issuing subpoenas to  
Mr. Thomas M. Keahey and Mr. Daniel J. Callahan, III, in  
relation to MUR 384 (77).

The Commissioners voting for approval of the attached  
draft subpoenas were:

Commissioner Aikens  
Commissioner Staebler  
Commissioner Springer  
Commissioner Tiernan

*WFR: Marge Emmons advised me that  
Commissioner Thomson also voted in  
favor of the subpoenae, but that  
notification arrived after this memo  
had been forwarded to OGC.*

*WTC 9/1/77*







## FEDERAL ELECTION COMMISSION

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

August 24, 1977

### MEMORANDUM

TO: THE COMMISSION

FROM: Charles N. Steele  
Lester Scall  
Vincent J. Convery, Jr.

SUBJECT: Additional Subpoenas - MUR 384(77)  
J. Carole Keahey

By the use of the attached subpoenas, we seek to verify the source of the money which formed the overwhelming majority of the funds used to finance the campaign of J. Carole Keahey and seek to gain a more accurate picture of the financial activities of the campaign than has been reflected in the Reports of Receipts and Expenditures already on file. Ms. Keahey was an unsuccessful candidate for election to the U.S. House of Representatives from the Second District of Alabama in the general election of November 2, 1976.

### BACKGROUND

The Commission found reason to believe that Ms. Keahey had violated 2 U.S.C. §441a(f) by knowingly accepting campaign contributions in amounts that were greater than those permitted by 2 U.S.C. §§441a(a)(1) and (3) and had violated 2 U.S.C. §434(b) by filing reports of receipts and expenditures that did not comply with the requirements of that section.

Since Ms. Keahey had indicated to members of the Commission staff that her father, Thomas M. Keahey, was the source of most of her campaign funds, the Keaheys were, on July 6, 1977, separately subpoenaed to testify in deposition and to produce all "correspondence, memoranda, financial records, and other relevant documents" under [their] control which pertained to the candidacy of J. Carole Keahey, including,



but not limited to, bank statements, deposit slips, cancelled checks, and savings account records for any and all accounts from which funds were received or were expended in direct or in indirect support of her candidacy.

On July 28, 1977, Mr. Keahey provided the Commission, inter alia, with banking statements for the months April through November, 1976, pertaining to a checking account in the Riggs National Bank of Washington, D.C. That account was designated "Keahey's Moving and Storage."

It appears that the Keahey Moving and Storage Account is used both for the business purposes of that concern and for the personal financial activities of the members of the Keahey family. In fact, it appears that Ms. Keahey enjoys unrestricted drawing privileges in this account. Many checks in payment of Ms. Keahey's campaign-related expenses were drawn on the Keahey Moving and Storage Account. Additionally, after separate campaign accounts had been established in Alabama, substantial sums were transferred from the Riggs account to these Alabama accounts. (Mr. Keahey provided us with seventy-four cancelled checks which had been used either to pay campaign expenses or to transfer funds to the Alabama accounts.)

On August 2, 1977, the depositions of J. Carole Keahey and Thomas M. Keahey were taken. Although both Keaheys testified that the deposits to the Riggs account were made primarily from the proceeds of Mr. Keahey's business, no documentation was provided to support the assertions.

Furthermore, in comparing the checks with the expenditures reflected in the Reports of Receipts and Expenditures filed by the candidate and by her committee, we have noted numerous inconsistencies. Several reported expenditures are not supported by checks; the amounts of some checks are at variance with other reported expenditures; we have many checks for which there are no corresponding reports of expenditures.

#### DISCUSSION

The sources of the deposits to the Riggs account must be identified properly.

On June 28, 1977, the Commission approved the issuance of subpoenas to the Keaheys and to appropriate banking officials. We attempted to gain our information by going only to the Keaheys. Mr. Keahey, however, was not totally responsive to the July 6 subpoena, in that he did not produce all documents relative to the financing of the campaign. We now believe it will be necessary to subpoena the Keahey account records from the Riggs National Bank.

Further, we request that Mr. Keahey be ordered to produce the books and records of Keahey Moving and Storage in order to enable us to review the financial activities of that concern.

We have suggested that the Commission order the production of records which cover the period January 1, 1975, through June 30, 1977.

By starting with January 1, 1975, we would have the opportunity to review Mr. Keahey's financial activities for the fourteen months preceeding the date of the first reported campaign related expense, March 19, 1976. Mr. Keahey testified that he did not significantly increase the amount of business he was doing, even though faced with the knowledge that he would have to meet greatly increased expenses once his daughter began an active candidacy.

The Riggs monthly statements that were produced pursuant to the July 6 subpoena indicate that the Keahey Moving and Storage Account first became overdrawn in October, 1976. Despite an overdrawn balance of \$15,895.32 on October 29, 1976, Riggs Bank continued to honor the Keaheys' checks. The account was overdrawn \$16,286.21 as of the end of November, 1976, the last month for which we have a Riggs statement. Campaign expenses were greatly to blame for placing the account in this position, for in September, October and November, 1976, Carole Keahey transferred \$61,000 from the Riggs account to the Alabama accounts. Mr. Keahey testified that the account did not show a positive balance until June, 1977. We intend to subpoena bank records through June 30, 1977, to verify where the deposits which corrected the negative balance actually came from.

#### RECOMMENDATION

We recommend that the Commission approve the issuance of the attached subpoenas. (The subpoenas are submitted in draft form. Return dates will be inserted upon approval of the substance of the subpoenas.)

Recommendation Approved:

Thomas E. Harris

Date

Neil O. Staebler

Date

Joan D. Aikens

Date

Vernon W. Thomson

Date

William L. Springer

Date

Robert O. Tiernan

Date

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7 8 0 4 0 0 5 4 3 5 8

FEDERAL ELECTION COMMISSION

- - - - - x

In the Matter of :

J. CAROLE KEAHEY and :  
THE CAROLE KEAHEY FOR : MUR 384 (77)  
CONGRESS COMMITTEE :  
: - - - - - x

Washington, D. C.

Tuesday, August 2, 1977

Deposition of

J. CAROLE KEAHEY

a witness in the above-entitled matter, called for examination by counsel for the Federal Election Commission, pursuant to notice, taken at the offices of the Federal Election Commission, 1325 K Street, N. W., Washington, D. C., beginning at 10:20 o'clock a.m., before Vincent J. Convery, Jr., Esq., when were present on behalf of the respective parties:

Milton & Greenwood Reporting Associates, Inc.

(formerly Reynolds Reporting Associates, Inc.)

OFFICIAL REPORTERS

1028 Connecticut Ave., N.W., Suite 1110

Washington, D.C. 20036

Phones: (202) 833-3598

833-3599

For the Federal Election Commission:

VINCENT J. CONVERY, JR., ESQ.

and

LESTER SCALL, ESQ.  
Federal Election Commission  
1325 K Street, N. W.  
Washington, D. C. 20463

For J. Carole Keahey:

JOHN A. KENDRICK, ESQ.

and

STANLEY A. CAMHI, ESQ.  
233 Massachusetts Avenue, N. E.  
Washington, D. C. 20002

C O N T E N T S

EXAMINATION BY COUNSEL FOR:

FEDERAL ELECTION COMMISSION  
(Mr. Convery and Mr. Scall)

WITNESS:

J. CAROLE KEAHEY

3, 41

J. CAROLE KEAHEY  
(Mr. Camhi)

37

E X H I B I T S

Marked for identification and attached:

Nos. 1 through 10

Page

43

- - -

MR. CONVERY: At this time why don't we swear the witness.

Thereupon

J. CAROLE KEAHEY

a witness, was called for examination by counsel for the Federal Election Commission and, after having been sworn by Vincent J. Convery, Jr., Esq., was examined and testified as follows:

EXAMINATION BY COUNSEL FOR THE FEDERAL  
ELECTION COMMISSION

BY MR. CONVERY:

Q Ms. Keahey, as you are undoubtedly aware, we are here today to inquire into certain financial activities that took place in the course of your bid for election to the House of Representatives from the Second District in Alabama in 1976.

Before we go into the specifics of that inquiry, why don't we for the record introduce the parties who are present. I would, of course, recognize Ms. Keahey, the respondent in this case; Mr. John A. Kendrick and Mr. Stanley Camhi are the attorneys for Ms. Keahey. And representing the Federal Election Commission today we have Assistant General Counsel Lester Scall and myself, Vincent J. Convery, Jr.

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Now, Ms. Keahey, why don't we just, for purposes of the record, get some information from you, your address, your background, your occupation.

For the record, would you please state your full name.

A Carole Keahey.

Q And your address?

A 1701 Massachusetts Avenue, Northwest.

Q Is that in Washington?

A Yes.

Q How long have you resided in the District?

A I grew up here.

Q And would you mind our asking how long that has been?

A Thirty years.

Q Thirty years?

A Yes.

Q Very well, thank you.

A Off and on.

Q Would you explain off and on for us? Where else did you live?

A Alabama, New York, Michigan, Europe. I traveled and worked in different areas.



Q Your family or just you?

A No, me.

Q Where is your family from?

A Alabama.

Q Could you give us more specific answers on where you have lived? Could you give us the dates and times that you lived in New York, and Alabama, and Europe, and the occupations that you pursued while you were in each place? Let's make it a little easier. Why don't we start when you were 18 years old.

A Well, I went to school in Washington.

Q Where is that?

A George Washington University. After that, I went to New York; after that, I went to Michigan.

Q What year did you get out of George Washington?

A '68.

Q And went to New York?

A Yes.

Q How long did you stay there?

A Oh, about two years.

Q You lived right in the city?

A Yes.

Q And then you say you went to Michigan after that?

A Yes.

Q Which city?

A Ann Arbor.

Q For how long were you there?

A Oh, about a year.

Q Can you give us the approximate dates that you were there?

A I think it was '71, '70 or '71. '72.

Q Were you employed there or going to school?

A No, I was a housewife.

Q Then approximately in 1971 you were in Michigan.

Where did you go after that?

A Europe.

Q And did you travel around?

A Yes. I worked there.

Q What did you do there?

A I was a fashion model.

Q How long have you lived in Alabama?

A I spent all my summers there as a child.

Q Just your summers?

A Yes. Well, my father was in the Navy and stationed

in Washington, so I would go to school here and go to Alabama for the summer.

Q You have relatives in Alabama, I suppose?

A Yes.

Q Who is that?

A There are too many to name. A huge family.

Q Aunts, uncles, cousins?

A Everything.

Q Which side of the family?

A Both.

Q Which city or town was that?

A Clopton.

Q Is that by any chance near Ozark, Alabama?

A It is. How did you know?

Q I just took a guess.

A I usually say Ozark because most people haven't heard of Clopton.

Q You say your present residence is in the District. How long have you been here? You did come to the District from Europe?

A I went back to Michigan and I came back here?

Q And approximately when did you get back here?

A About four years ago, three or four.

Q At that time did you take up residence at 1701 Massachusetts Avenue?

A Yes.

Q And you have been there ever since?

A Yes.

Q You said that you have been a fashion model and a housewife. What led you to your involvement in politics?

A I have always wanted to run. I just feel like people should do something good for their country.

Q Have you had any involvement with it in the past, say, in school?

A No.

Q Absolutely none?

A Yes.

MR. CONVERY: Mr. Kendrick, you have completed examining the reports. I wonder if we might at this time show these to Ms. Keahey?

MR. KENDRICK: I think they are in chronological order.

MR. CONVERY: Ms. Keahey, I will show you at this time a series of what the FEC refers to as reports of receipts and expenditures.

(Documents handed to witness.)

MR. CONVERY: Once Mr. Kendrick has completed his examination, we will give you the complete series, and they are included in 10 exhibits numbered 1 through 10.

And as far as we can determine, those are the reports that were filed either by you as a candidate or by the J. Carole Keahey for Congress Committee. And they should, when considered together and with the amendments thereto -- the amendments are to Exhibits 1, 2 and 3 -- and they should cover the calendar year 1976 from the time you began reporting expenditures until 30 days after the election.

BY MR. CONVERY:

Q Would you agree that that is an accurate statement?

A Yes.

Q And do you recognize those as the reports you or your committee filed through 1976?

A Yes.

Q Before we go any further, let's just establish two things for the record. The first is I would request that you take a look at Exhibit No. 10, which is the 30-day post-election report. Looking at the first page, the cover page of Exhibit 10, I notice that the period covered by that

report extends from October 19th through November 1st. This is by way of correction. Should that correctly cover the period October 19th through December 1st?

A That is what I was told, yes. Sure.

Q Because I noticed that --

A Yes.

Q Fine. Okay. We just wanted to get that on the record.

And if you will look at the -- I just have two questions that relate to the contributions or loans that were made. I believe it would be on the first page of that schedule. We notice that one contribution is purportedly made by the Riggs Bank; is that correct?

A That was a contribution, it looks like, from the Democratic Congressional Committee. They must have made it through the Riggs Bank.

Q Fine. That is what we thought it was.

You will notice on the same page there is also a contribution from a group by the name of Live?

A Yes.

Q And they report their address as being Carole Keahey. Can you explain that?

A It is a typo, I guess. I didn't type it.

Q Very well.

Ms. Keahey, I wish that you would go through these reports and beginning with Exhibit 1. For your convenience, I have illustrated with yellow marker pen several contributions or loans or transfers in that were reportedly made by you to the campaign. Would you identify them for the record, please, date and amount?

A 3/19/76, \$460; 3/31/76, \$108.15; 4/2/76, \$100.64.

Q Very well. And which statement is that that you are reading from?

A 3/19 through 4/10.

MR. CAMHI: Report 3/19 through 4/10.

BY MR. CONVERY:

Q Now, if you will please consider Exhibit No. 2, I will ask you to go through the same process.

A It says, "Period from April 10 to April 19, \$2,483.23."

Q And the same process in Exhibit No. 3.

A April 19th through May 10th, \$1,956.40. May 11th through 5/24 --

Q That is exhibit number what?

A Four. \$262.48.

Q That was the amended report?

A No, it was the 30th day post-election report.

Q This is May 11th through May 24th?

A Yes. There may have been an amended one.

MR. CAMHI: That is the only contribution on that report.

THE WITNESS: Exhibit 5, May 25th through 6/14, \$2,700 -- wait a minute, I am sorry, \$275.55.

Exhibit 6, 6/14 through 6/30, \$2,896. You want all of these?

BY MR. CONVERY:

Q Yes, please. I hate to be repetitious, but we have to get this in the record.

A Exhibit 7, June 30th through September 30th, 7/31/76, \$5,857; 7/6/76, \$10,000; 7/21, \$15,000.

Q Is that 7/21?

A That is what it says here.

Q Was that crossed over?

A There is something written under it but I can't read it. I think it says nine-something.

Q "9/21/76," by any chance?



A It looks like a 9/2-something. Yes, that is it.

Q Can we agree that it is 9/21/76?

A Yes. I can barely read it.

Exhibit 9, October 10th through October 18th, 10/19/76, \$5,000.

Q Let's just put it on the record that Exhibit No. 8, which is the report that we believe should cover October 1st through October 10th, although it is not so reflected on the face of the report. Exhibit 8 is a blank report and there are no contributions or expenditures noted thereon; is that correct?

A There is nothing on it.

MR. CAMHI: That is right.

MR. CONVERY: Fine.

BY MR. CONVERY:

Q You have read the information from Exhibit No. 9; is that correct?

A I am just going to, or I did.

10/19/76, \$5,000.

MR. KENDRICK: If you are uncertain, why don't you ask the reporter to read it back to you.

MR. CAMHI: It is all right.

MR. CONVERY: I remember it.

BY MR. CONVERY:

Q That is Exhibit 10, is that correct?

A Yes, October 1976 through December 1976, 10/30/76, \$6,000; 11/4/76, \$5,000; 10/29, \$3,000; 11/10/76, \$3,000; 11/10/76, \$3,000; and 11/22/76, \$9,000. But that has "10/22/76" under it, so I don't know what it means.

Q Is there another one?

A 11/27/76, \$15,000.

Q And that completes your examination of the exhibits?  
(No response.)

BY MR. CONVERY:

Q Would you please identify what those figures were that you read into the record?

A They were contributions, I suppose. I was just reading figures.

Q From whom?

A From me.

Q To the campaign?

A Yes.

Q Ms. Keahey, just to get to the primary issue of this inquiry that we are conducting today, where did those

funds come from that you contributed to the campaign?

A It was my money.

Q And where, might I ask, did you gain that money?

A Well, we have a family checking account. I write on that.

Q Would you explain for us what is the nature of that family checking account that you just spoke of?

A Well, it is -- it is a family account. My immediate family all contributes and writes on that one account.

Q Who is involved in your immediate family?

A My father, my mother, and my brother and myself.

Q What are their names?

A Thomas Keahey; my father; Edna Keahey, my mother; Thomas Keahey, my brother.

Q What are the terms, if there are any terms, of this arrangement that you have with your father and the rest of your immediate family with regard to the checking account?

A Well, it is not really an arrangement, it is just our money, mutual funds.

Q How was it set up?

A Well, originally it was set up as a business

account, but it was always used for family spending. It is just all lumped in the same account.

Q Do you have any recollection as to when it was set up?

A I think it was, gee, probably '64 or something like that.

Q Let's say at that time that it was set up, or the time that you remember that it was set up, did you have any discussion with your father or the remaining members of your immediate family about this account?

A What do you mean "discussion"?

Q Did your father come in one day from work and say, "I set up a checking account. You all have access to it"?

A We just all -- I mean it is there for spending and that is how we pay our bills and things like that. I have always written on it.

Q And how does it work?

A We all write checks on it for whatever we want.

Q Are you all issued a series of checks?

A Yes.

Q Do you carry a checkbook, and does your brother carry another checkbook, and your father another one?

A Yes.

Q Is there anyone other than the four parties, including yourself, that you have mentioned who have access to this account?

A No.

Q It is just the four members of your family?

A Yes.

MR. CAMHI: I think it would be better if you spoke up a little bit.

THE WITNESS: Okay.

BY MR. CONVERY:

Q Who contributes into this account, or who makes deposits into the account?

A Well, we all have at various times. I always used to put my paycheck from summer jobs and when I worked in college, I would give them to my mother and she would put them in that account. And my brother, when he was a page on the Hill, his went into that account. Everything goes into that account.

Q Are you employed in Washington now?

A Not right now.

Q Were you employed during the course of the campaign?

A No.

Q What was the last job that you held?

A Well, I am working now. I sell antiques.

Q Where?

A For myself.

Q Do you have a shop?

A No. I buy them and put them in someone else's shop.

Q I realize the problems that you might have with the question, but let's take the period, say, the last two years. If all of the family members contribute to this account, could you give an approximate proportion of the contributions they make? In other words, does your father put in 80 percent, your mother puts in 10 percent? If you can, would you give us the proportions of contributions to the account?

A It would be mostly my father's contributions.

Q When you were exercising your rights for the privileges in regard to this account, has your father ever questioned you or called you down on any particularly large check or any check at all on any particular account?

A No, I write anything I want anytime.

Q Are there any limits on this as far as you are

concerned?

A No. He has always made the three of us feel whatever is his is ours. That is how I think of it.

Q Do you ever see the statements that come out on this account, the bank statements?

A I don't keep up with them, but I mean I have seen them.

Q Are they mailed to you?

A They go to the family home.

Q Where is that?

A In Washington.

Q What is the address of that?

A 3806 Brandywine Street, Northwest.

Q Do you as a matter of course or as a matter of standard procedure examine those monthly bank statements?

A No, not usually.

Q Tell me this: If you don't get -- if you don't examine those reports, how do you determine whether or not you will be the party who overdraws that account?

A I am careful.

Q Well, I realize that you are careful, but you can be careful but be ignorant at the same time. You can be

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ignorant of the balance of that account; correct?

A I could be.

Q Excuse me?

A I could be. I guess I just take chances.

Q In response to the subpoena that the Commission issued to you several weeks ago, you have turned over to us a series of bank statements from the Riggs National Bank in Washington, and you have accompanied them with what I believe would be 74 checks. And in looking through these, we have noticed that there are several different designations or headings on those checks.

What I mean is some of them are headed "Keahey Moving and Storage Company" -- pardon me, "Keahey Moving and Storage;" some headed, "Thomas M. Keahey," and some headed, "Thomas, Edna and J. Carole Keahey." Can you explain the difference in the checks?

A No. It is the same account. It is a business and a personal account at the same time.

Q Do you maintain any other personal accounts?

A Yes.

Q Where, might I ask?

A Well, I have another one at Riggs. I have one in

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Alabama -- Union.

Q Which city?

A Montgomery.

Q Let me jump back to the question that I asked about the different headings on the checks, and I noted at that time one of the three headings had the three members of your family, you father, your mother and yourself. If, as you stated before, your brother had equal rights or the same rights that you do in this account, why does his name not appear on one of the check headings?

A Well, they have the same name.

Q Is he a junior?

A Yes.

Q Did you have any discussion with your father as to the financing of your campaign for the House?

A No.

Q Did you not go to him and say, for instance, and say something like, "I am thinking about running for the House and this is as close as I can approximate. It is going to cost me 'X' number of dollars to do it. And may I take it from this account"?

A I didn't ask him.

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Q Was there ever any understanding with your father that the money you spent in relation to this campaign would be repaid to the account?

A Could you repeat that?

Q Let me see if I can make that clearer. Did you ever discuss with your father the possibility of repaying to the Riggs account the money that you withdrew to pay for the campaign?

A No, I never talked about it.

Q You have stated you also maintained accounts in Riggs Bank and the Union Bank in Montgomery; is that correct?

A Yes.

Q Are those both checking accounts?

A Yes.

Q Do you have any savings accounts?

A Yes, I have a savings account.

Q Where is that located?

A Capital Savings and Loan.

Q Can you give us an approximate estimate of the balance that you have in there?

MR. KENDRICK: Today?

MR. CONVERY: Today, or as of the most recent statement.

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MR. KENDRICK: I am not sure of the relevance of her personal savings account.

MR. CONVERY: We are trying to establish the source of the contributions that were made by Ms. Keahey to the campaign.

MR. KENDRICK: But they have been made back almost a year ago, and her balance today in her personal savings account, I don't see the relevance.

MR. CONVERY: Fine. In that case, we will amend that question to what was the balance in that savings account, the average balance in that savings account during the course of the campaign. That would be from March 1976 until the election.

THE WITNESS: I can't remember.

BY MR. CONVERY:

Q Do you have any idea at all?

A No.

Q Did you make frequent deposits to that account?

A Not frequent, no.

Q If you can recall the balance at the time we are talking about, the average balance during the course of the campaign, was that balance significantly different from the balance that is in there today?

A I can't remember.

Q You have no idea?

A No.

Q Is that what you are trying to say, you have no idea what was in that account?

A No, I don't remember. I don't even know where my bankbook is.

Q From your account at Riggs, and your personal account at Riggs, and from your account at the Union Bank in Alabama, did you make contributions or loans to the campaign?

A From my other two accounts?

Q Yes.

A I didn't have the one at Union until after the campaign started, so I guess I didn't do that. I am pretty sure I just used the other one. There wasn't much in my other checking account.

Q Would it be fair to say, then, that the Riggs account that you share with the other members of your family, was that Riggs account the only source of loans and contributions that you made to the campaign?

A Yes.

Q Ms. Keahey, let's go back to those exhibits that

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I also notice that the checks that you delivered to us pursuant to the subpoena, the Riggs checks -- it might be easier to have you take a look at them. I am showing you now a series of 74 checks that you submitted to the Commission in answer to our subpoena, and I think that we have segregated in that pile the checks that you have made to the Keahey for Congress Committee. They might be at the end.

**Q Would you please move those checks from the rest?**

Q Why don't you take a few minutes now and go through the rest of that stack, other than those checks that you taken out. Go through the rest of that stack and make there are no other checks made out to the Keahey for Press Committee.

**THE WITNESS:** I think that is it.

BY MR. CONVERY:

Q Fine.

In looking through that series of checks, would it be fair to say that there were several checks made directly from the family account to pay bills and expenses that were incurred by the campaign?

A Yes.

Q Now, if you will, would you list for us the checks drawn on the Riggs account that were made payable to the campaign, just the date and the amount?

A August 18, '76, "10,000; August 30, '76, \$5,000; September 24, '76, \$15,000; October 17th, \$5,000; October 30th, \$6,000; October 27th, \$3,000; October 21st, \$9,000; November 3rd, \$1,000; November 9th, \$3,000; and 10/27, \$15,000.

Q The 10/27 activity is not a check, is it?

A No.

Q Would you identify that, please?

A It is a bank transfer.

Q To whom?

A It doesn't say to whom. It is to me, I guess. It doesn't say.

7 3 0 4 0 1 1 2 0 3 4  
7 3 7 4 0 0 3 4 3 8 4

Q Isn't there a party or bank number?

A There is a bank, but I never heard of that bank.

Q What is the name of that bank?

A It says, "First National Bank, Birmingham."

Q You have never heard of that bank, you say?

A No.

MR. KENDRICK: I think this connects with this campaign or any dealings that she has had. I don't want the people in Birmingham to become upset.

BY MR. CONVERY:

Q Ms. Keahey, you have read for the record the dates of the checks written on the Riggs account payable to the campaign. The earliest of these checks was written on August 18, 1976. It was in the amount of \$10,000. Earlier in this proceeding you have, in reading over the reports of receipts and expenditures, noted several loans, contributions and transfers into the campaign made by you.

Why do we have no evidence of those loans, contributions and transfers in --

A What do you mean?

Q Do you have any checks or any written instruments that would evidence the earlier financial activity made

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from you to the campaign?

A I don't know what you mean, the ones before this?

Q Let me go back and see if I can accurately summarize what you told us. Earlier, I believe that you read into the record that in the reporting period March 19th through April 10th, the following transfers took place: On March 19, 1976, \$460; on March 31, '76, \$108.15; on April 2, 1976, \$100.64.

Do you remember when we went through that series of questions?

A Yes.

Q Your responses to those questions, or to that process that we went through earlier where I asked you to go through the 10 exhibits, they evidenced loans or contributions or transfers to the campaign from you; is that correct?

A Yes.

Q Yet we have no documentation of those activities.

A That is on those reports.

Q But we don't have checks that show, you see, what I am getting at.

A Oh, they were made out directly. Whatever was paid for, which is written on the report, would have been paid directly by me rather than going through a separate

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account. I didn't set this account up until August.

Q You are talking about the checks you just pointed to, your father's account?

A Well, our account.

Q Pardon me, the family account?

A Yes. So I didn't set the Congress account up, so I just paid directly.

Q Earlier expenses went directly from the family account to the persons who billed you for services and goods?

A Yes.

Q From reading those reports, we note that there are some -- not very many, but some -- contributions from sources other than yourself. Where did you deposit those contributions?

A In the Keahey for Congress account.

Q Which bank?

A First, it was Southern, and then we switched to Union.

Q In the course of the campaign you switched?

A Yes.

Q Why did you do that?

A Southern is a small bank and they wouldn't clear

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a check as fast as we wanted them to so we switched to a better bank.

Q Could you estimate for me how much you either contributed or donated -- pardon me, contributed or loaned to your campaign?

A I would say it was around \$90,000 or \$100,000.

Q We just have a few questions we would like to go over and I think we might very well be completed here.

What was the name of the town that you mentioned in Alabama, the town where you spent your summers?

A Clopton.

Q And Clopton is in the same area where the remaining family members reside, your aunts, uncles, cousins?

A Yes.

Q Do they all live in the same town?

A Yes.

Q How close is Clopton to Ozark?

A Gee, I don't know. About 10 miles.

Q Is Clopton in the Second Congressional District?

A Yes.

Q When you visited Alabama, where did you live?

A Clopton.

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Q Who did you live with?

A Oh, my grandparents were there.

Q In Clopton?

A Yes.

Q Earlier when you told me that you lived in Ann Arbor, you also mentioned that you were a housewife there. Are you still married?

A No.

Q Are you divorced?

A Yes.

Q When was the date of the divorce?

A I think it was about four years ago.

Q What was the name of your husband?

A Swegart.

Q Would you spell it?

A S-w-e-g-a-r-t.

Q When you were married, did you have the same checking privileges that you now enjoy?

A I have always written on that account.

Q Even when you were married and living in Ann Arbor?

A I don't know whether I wrote when I was married, but I could have had I wanted to. I don't remember.

7 9 0 4 0 1 1 2 0 3 1  
7 8 0 4 0 0 3 4 3 8 9

Q Was your husband ever on this family checking account?

A No.

Q He had no privileges on it?

A No.

Q Did you ever have any discussions with your father as to whether you and your husband could continue to draw on this account while you were married?

A No. I can anytime that I want to.

Q Did you ever ask him about your husband?

A Well, I probably didn't. Why should I?

Q Did you ever give to the Riggs Bank any instructions that on a change of name that the name would be Swegart rather than Keahey?

A I never changed my name when I was married.

MR. CONVERY: Would you like to take a short recess here and get a drink of water?

MR. CAMHI: Are we coming to the conclusion of her testimony?

MR. CONVERY: We are getting close.

THE WITNESS: I would like a piece of chewing gum, if you don't mind.

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(Brief recess.)

MR. CONVERY: Back on the record, and I think we have just a few more questions for you and we will be able to let you go.

BY MR. CONVERY:

Q Obviously, we have noted that during the course of the campaign you made some very sizeable withdrawals from the family account. In the year preceding the election, say in 1975, how did your withdrawals from that account compare with the withdrawals in 1976?

A I wasn't running for Congress so I didn't have to spend that much money.

Q Would you characterize them as being much lighter, about the same?

A Yes.

Q Much lighter?

A They would have to be. If you are not running for Congress, you don't have to spend a lot of money.

Q In 1976, of course, there would be a distinct increase in the amount of money that you would have been withdrawing from that account, from the family account. I find it incredible that there was no discussion with your

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father as to those increased withdrawals. You had no discussion with him at all about that; is that right?

A No.

Q You never said to him, "I am running for Congress. I think I am going to be needing \$20,000 a month for the next six months"?

A He knew I was running for Congress. We never sat down and formally, you know, talked about it.

Q Do you remember his ever saying anything about, "Now you are running for Congress. I am going to have to get a lot more money to put in that account"?

A No. The money was there before, you know.

Q As far as you know, was the balance in that account always about the same as it was during the campaign?

A Sure.

Q Do you know if your father has any accounts other than this one?

A I don't think so.

Q Do you know whether or not your father has a savings account?

A Oh, he has a savings account.

Q Where is that located?

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A Capital City.

Q Is that the same account that you have, or is that a different account?

A No, it is different. Although, I have access to that, also.

Q You have access to the savings account, too?

A Yes.

Q Is it the same kind of arrangement you have as with the checking account, free access?

A Yes.

Q Do you know where his bankbook is?

A No.

Q You didn't know where your own was?

A I don't know where either of them are.

Q Did you use his savings account to finance any of the campaign?

A No, I just wrote on the checking account.

Q Are all the checks for the campaign included in what you handed over to us under the subpoena?

A Yes.

MR. CAMHI: To the best of your knowledge?

THE WITNESS: Of course.

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BY MR. CONVERY:

Q If we were to take the checks that you wrote to the campaign itself directly, checks written by you to the J. Carole Keahey for Congress Committee, and take the remainder of those checks made out to various vendors, salesmen, advertising companies. TV stations, would the total of all those checks equal what you say you spent in the campaign?

A It should.

Q Where is your brother located now?

A He is in New Orleans right now.

Q What does he do there?

A He is a doctor.

Q Does he have his own practice?

A Well, he is a prison doctor right now.

Q Excuse me?

A He is a prison doctor right now.

Q How long has he been out of medical school?

A He graduated last May.

Q Did he intern in prison?

A No, Oxford Foundation. So he got a job as a prison doctor.

Q And although he is living in New Orleans now,

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does he still have access to the account?

A Yes.

Q Do you have any idea as to whether or not he exercises his rights to the account?

A He does.

Q Does he exercise his rights to that account to a great extent? Does he spend a lot of money from this account?

A We both spend quite a bit. I don't know what you mean by a lot.

MR. CONVERY: That is true.

That is about all I can think of. Would you gentlemen care to --

MR. CAMHI: I just have a few questions.

EXAMINATION BY COUNSEL FOR J. CAROLE KEAHEY

BY MR. CAMHI:

Q Carole, these reports that are designated Exhibits 1 through 10, these are photocopies; is that correct?

A Yes.

Q At the bottom of these reports, is this your signature?

A Yes, it is. Not all of them, but most of them.

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That is not.

(Witness indicating.)

BY MR. CAMHI:

Q Some of them have your signature on them and some do not?

A Yes.

Q But the person who signed it would have authorization to sign?

A Yes.

Q With regard to the figures that are put into these reports, did you type out these figures or prepare the documents themselves?

A No. I made out one report and that is it. Somebody else made out all of the others.

Q And the document was presented to you for your signature?

A Yes.

Q Did you have occasion to go through each report and check the accuracy of those reports, or did you rely on the other person who prepared them?

A I relied on the person who prepared them. I just had time to sign one quickly once.

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Q So there could be typographical errors, minor errors, you are not aware of even though your signature is on the bottom?

A Yes.

Q With regard to the family account at Riggs Bank, just to restate what was already asked you, would you characterize your having free access or control over the funds in that account at any time?

A What do you mean?

Q The money in the Riggs account, would you say that you had complete access to that money?

A I always have.

Q And did you have access for whatever purpose you chose?

A Yes.

Q Whether it was personal or for whatever purpose?

A Yes.

Q And you did not have to get any authorization from anybody else to withdraw or use the funds for any purpose whatsoever?

A No.

Q The items referred to by Mr. Convery, he indicated

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there were designations on the exhibits. For example, on Exhibit 1, showing a designation of candidate's own funds. And if you could use the example of Exhibit 1 of \$108.15 on March 31, '76, would a check such as this one made out for \$108.15, made out directly to the Acme Printing Company, be the same as that designated in the account?

A It is from the same account.

Q But would a designation, "candidate's own funds," for \$108.15, mean a check such as this one made out directly to the vendor of the account even though designated on the report as "candidate's own funds"?

A I was paying bills.

Q You say that in the past you had access to the funds in the account and you never really worried about the account being overdrawn. Was there ever a problem about that in the past, the moneys that you wanted to use from the account before the campaign?

A No, not before the campaign.

Q So you would, in effect, write checks freely without having any worry about that account being overdrawn?

A Yes.

Q In your opinion, you knew there would be a sufficient

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amount to cover any check?

A Oh, sure.

Q And finally Mr. Convery asked you a question about your brother withdrawing funds from the account. You do not really keep tabs on what your brother writes checks for?

A No.

Q So you really wouldn't have any idea of the amount of checks he writes on the account for personal or family purposes?

A I don't keep up with his spending.

Q He doesn't have to get prior approval from the other members of the family?

A No.

MR. CAMHI: That is all I have.

MR. SCALL: One question.

FURTHER EXAMINATION BY COUNSEL FOR THE  
FEDERAL ELECTION COMMISSION

BY MR. SCALL:

Q On what did you base your opinion that the account would not be overdrawn when you entered this campaign and began to incur these greater expenses?

A I really didn't think about it.

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BY MR. CONVERY:

Q Did your father --

A There seemed to be enough in there.

BY MR. SCALL:

Q When you started?

A Yes.

BY MR. CONVERY:

Q Did your father assure you what you spent in the campaign he would be able to cover?

A I don't know. I don't remember. I was awfully busy. The money there has always been enough money, so I just really had hoped for the best.

Q I think we might be able to wrap it up with one more question.

Do you have any knowledge as to the sources of your father's deposits to the account?

A Well, sure. I know he has income from various sources.

Q What are those sources?

A Well, he has a business.

Q What is the business?

A A moving and storage company. He is retired from

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the Navy. He worked on Capitol Hill, so he had that income.  
From savings account, and that is all I know.

(Documents entitled "Short Form Report of Receipts and Expenditures for a Candidate or Principal Campaign Committee" were marked Exhibit Nos. 1 through 10, inclusive, for identification, and attached to the Commission copy of this deposition.)

MR. CONVERY: I think that should do it. Thank you very much for your attendance and cooperation.

(I have read the foregoing pages 4 through 43, inclusive, which contain a correct transcript of the answers made by me to the questions therein recorded.)

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J. CAROLE KEAHEY

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## CERTIFICATE OF SHORTHAND REPORTER.

I, James R. Hunton, shorthand reporter, do hereby certify that the testimony of the witness appearing in the foregoing deposition at pages 4 through 43, inclusive, was taken by me in shorthand and thereafter reduced to typewriting by me; that the said deposition at said pages is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.

---

Shorthand Reporter



FEDERAL ELECTION COMMISSION

----- x  
: In the Matter of :  
: J. CAROLE KEAHEY and :  
: THE CAROLE KEAHEY FOR : NUR 384 (77)  
: CONGRESS COMMITTEE :  
: :  
----- x

Washington, D. C.

Tuesday, August 2, 1977

Deposition of

THOMAS M. KEAHEY

a witness in the above-entitled matter, called for examination by counsel for the Federal Election Commission, pursuant to notice, taken at the offices of the Federal Election Commission, 1325 K Street, N. W., Washington, D. C., beginning at 11:35 o'clock a.m., before Vincent J. Convery, Jr., Esq., when were present on behalf of the respective parties:

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For the Federal Election Commission:

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and

LESTER SCALL, ESQ.

Federal Election Commission

1325 K Street, N. W.

Washington, D. C. 20463

For Thomas M. Keahey:

JOHN A. KENDRICK, ESQ.

and

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233 Massachusetts Avenue, N. E.

Washington, D. C. 20002

C O N T E N T S

EXAMINATION BY COUNSEL FOR:

FEDERAL ELECTION COMMISSION

(Mr. Convery and Mr. Scall)

WITNESS:

THOMAS M. KEAHEY

3, 54

THOMAS M. KEAHEY

(Mr. Kendrick and Mr. Camhi)

52

E X H I B I T S

Marked for identification and attached:

Page

No. 11 -- bank statement

30

No. 12 -- bank statement

32

No. 13 -- bank statement

34

No. 14 -- bank statement

36

E X H I B I T S - Continued

<u>Marked for identification and attached:</u>	<u>Page</u>
No. 15 -- bank statement	36
No. 16 -- bank statement	37
No. 17 -- bank statement	39
No. 18 -- transfer of funds document	39
No. 19 -- bank statement	42

- - -

Thereupon

THOMAS M. KEAHEY

a witness, was called for examination by counsel for the Federal Election Commission and, after having been sworn by Vincent J. Convery, Jr., Esq., was examined and testified as follows:

MR. CONVERY: By way of introduction, let me first state I am sure you are well aware that the reason we are here today is just to conduct an inquiry into the financing of the campaign for the House of Representatives that was engaged in by your daughter J. Carole Keahey in 1976.

For the record, I would like to make note of the individuals who are present here. It would be Mr. Thomas M. Keahey, Mr. John A. Kendrick, Esq., and Mr. Stanley Camhi, Esq., attorneys for Mr. Keahey. And Lester Scall, the Assistant General Counsel, and myself, Vincent J. Convery, Jr., representing the Federal Election Commission.

EXAMINATION BY COUNSEL FOR THE FEDERAL  
ELECTION COMMISSION

BY MR. CONVERY:

Q Mr. Keahey, just to get things started on the record why don't you give us your name and your address, complete name and address.

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A Thomas M. Keahey, 3806 Brandywine Street, Northwest, Washington, D. C., zip code 20016.

Q How long have you resided at the Brandywine Street address?

A Well, I have owned that house since 1956.

Q Have you lived in there steadily since then?

A Yes.

Q Earlier today, of course, we had a conversation with your daughter Carole, and she indicated to us that you had spent some time in the service, as much as you indicated yourself before you started here. Could you give us some background as to your experience, your career in the service and what you have done since then?

A Well, I went into the Navy November 3rd of 1938, and come out November 3, 1958.

Q What else?

A Then I was in business with my brother for a while.

Q What type of business was that?

A Moving.

Q Where is it located?

A 2301 Fourteenth Street, Northwest.

Q Here in the District?

7 9 0 4 0 1 1 2 1 0 5  
7 8 0 4 0 1 3 4 4 0 7

A D.C.

Q And what were the approximate dates that that business was in existence?

A Well, I helped him quite a bit before I got out of the Navy. I was stationed at the David Taylor Model Basin.

Q Which base?

A David Taylor. It is out here past Glen Echo. The David Taylor was there for a good while. I retired from there.

Q What type of job did you have in the service?

A I was a chief pharmacist mate, and they had three chiefs on duty there and I happened to be one of them. We stood the duty. I was on 24 and off 48.

Q And you got out in 1958. I take it the last several years you were in the service and you helped your brother part-time. And then once you left the service, once you retired from the Navy, did you go into business with him full-time?

A Yes, I went in business for myself, and stayed in business until 1968 when we got burned out. I stayed until 1969, and then just partially. And in 1971, I got a job

at the Capitol and held that until September 15th of last year. I was still -- you know, I kept my moving business intact.

Q What was the nature of the job that you had at the Capitol?

A I was a doorman. I worked for Mr. "Fishbait" Miller, and now it is Mr. Molloy. I could still be there if I wanted to. They call me up every day. I could go back there tomorrow.

Q But what line of business are you in now?

A I am in the moving business.

Q Do you have your own company?

A Yes.

Q How large an operation is that?

A Well, I -- it is a pretty good operation.

Q Do you have a permanent pool of employees?

A Well, no, we don't. We just -- we more or less like the labor pool, Staff Builders, something like that. Some days we might work a lot of men and the next day drop down to zero.

Q Do you have anyone under permanent employ there?

A Oh, yes.

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Q How many?

A I would say about 10.

Q And if need be, you are able to go out --

A Sure. You can go out and get a hundred people right this morning when you walk out of here if you need them.

Q Is this moving concern of yours -- moving and storage, is that the proper designation?

A That is correct.

Q Keahey's Moving and Storage?

A That is correct.

Q Is that licensed with any government agency?

A Yes.

Q Which ones?

A Department of State.

Q And what is the nature of the moving business you do? Do you move offices?

A Just like if you wanted this stuff moved in here, we would move it for you. It is just local office moving.

Q And who do you move, primarily private offices?

A Private offices like the Secretary of State. Like he is on a trip right now. See, maybe we took him to the airport. I know we took his luggage, stuff like that. We

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always do that. The Department of State would furnish the car.

It is just like the other day on Elliot Richardson, I had to go there myself and do some things for her, for his wife. That was pertaining to moving.

Q Do I take it correctly that you work primarily under government contract?

A That is correct.

Q Do you do any private moving?

A Unless it was somebody like you. Just a personal favor. We used to, but we quit it. No money in it.

Q Are you licensed in the District or the State of Virginia, anything like that?

A I think we can operate in the commercial zone of Washington, D. C.

Q But as far as you know, you don't have any licenses or certificates, anything like that?

A Not to my knowledge.

Q Do your people have to be bonded?

A No.

Q Do you have to go there to get a license with the Department of State?

7 9 0 4 0 1 1 2 1 1 1  
7 8 0 4 0 3 4 4 1 2

A Well, any type of job, whether Department of State or probably right here, you go up for a bid, controlled by a bid. You have to bid on it. Like if you are the Labor Department, HUD, every one of it is a competitive bid. They don't give it to you on your own. Like if you was going to move this office and everything here, it would either be a walk-through or you might decide on an hourly rate. It would depend on you. Everything is done by contract.

Q So you don't exclusively subcontract to the Department of State? You were using that as an example?

A We don't subcontract to any --

Q Are you on a retainer or anything like that with the Department of State?

A Any office moving, it would come to me. But if it is overseas, I don't know who it would go to.

Q We can pretty well summarize that you almost exclusively do government work?

A That is correct.

Q And done almost exclusively in the Washington area?

A That is correct.

Q Not necessarily in the District, but what you termed

A That is correct.

A     No, we have everyday jobs.

A That is correct.

**A** Yes.

**A Yes.**

A Well, I get some interest. I have some stocks and stuff like that. I don't know what amount.

Q I would like to get into the subject of what we could probably term for the record family checking accounts that you have arranged with your daughter and, as I understand

it, the other members of your immediate family; that is, your wife and your son.

A Yes.

Q When did you begin this arrangement?

A Well, I don't know the exact date, but it's always been where my son, or my daughter or my wife would write a check on the account when I had it at 17th and G, and always that way where it is now.

Q How old is your son, by the way?

A Twenty-six. He will be 27 the 15th of December.

Q Your son and your daughter are your only two children?

A Only two, yes.

Q Could you give us some kind of a description of the terms of this banking arrangement that you have? Does your wife, and your daughter and your son, do they have completely free access to this account?

A Yes, sir.

Q I suppose they all have signature cards on file with the bank?

A That is correct.

Q Have you ever placed any ceilings on what they

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would be allowed to withdraw from this account?

A No.

Q How is this account maintained? Who makes the deposits to the account?

A Well, I usually do, me and my wife. If Carole happens to be there, she might make them, or if my son is there, he might make them.

Q Does your wife work?

A No.

Q There is a possibility that you may have misconstrued my last question. Whose money is it that goes into the account?

A Well, as it is now, I have always considered anything that I had, that belonged to my two children and my wife, the same as me.

Q Whose money is deposited into the account?

A Some of it would be --

MR. CAMHI: Are you looking for the source of the money that goes into the account?

MR. CONVERY: Right.

MR. CAMHI: I think he answered that before, that he works as a contractor.

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MR. CONVERY: What I meant was who makes deposits to the account?

THE WITNESS: Just anybody who is available. Whoever is available, whether it be Carole, or young Tom or my wife.

BY MR. CONVERY:

Q I don't mean pick up the check and carry it over to the bank, but is it their money that goes into the account and your money that goes into --

A As much theirs as it is mine.

Q No, at the time it goes in.

A At the time it goes in, it would still be just as much theirs as mine. That is the way I have always looked at it, like that.

Q Your daughter or your son, do they make deposits from their earnings to this account?

A Yes.

Q Are they in comparison to your deposits, or are they significant at all?

A No.

Q I think it would be obvious that in the year that your daughter ran for the House that the expenses or the withdrawals that she would be making from this account would

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be significantly greater than they were at any period of time with regard to her; is that right?

A Well, sure. I would say that is correct.

Q At any time before she entered into this campaign, or even after she entered into the campaign, did you have any discussions with her as to the increased spending that the campaign would entail?

A Entail? No.

Q Have you ever told her -- let's put it this way: You knew that since she was running for the House it would cost a lot more than before to maintain this account.

MR. KENDRICK: Is that a question?

MR. CONVERY: No, just a statement.

BY MR. CONVERY:

Q Did you find it necessary to deposit more into the account than you did in previous years?

A Well, I would say yes.

Q And how were you able to allow for these increased expenses?

A Well, I had money. I am 65 years of age and I have accumulated a few dollars prior to now.

Q You didn't have to go out and get more moving jobs

7 2 0 4 0 1 1 2 1 1 5  
7 3 7 4 7 7 6 4 4 1 7

than you did the year before?

A No.

Q Is the moving company the primary source of your funds?

A That and my retirement and the retirement from the Capitol.

Q How much do you figure they are worth, retirement from the service and retirement from the Capitol?

A I just don't know right off.

Q Is this moving concern an incorporated entity?

A No.

Q How is it set up, what is the nature of it?

A It is set up just in my name only.

Q You never had to tell Carole that when she was running for the House there would be no limit on the amount of money she could spend in relation to that campaign?

A No, I never told her anything to that effect. I haven't told them right up to now, neither one of them, or my wife.

Q Do you by any chance maintain the deposit forms for this account?

A Yes.

7 9 0 4 0 1 1 2 1 1 7  
7 8 0 4 0 0 3 4 1 8



Q Do you maintain any other accounts, any accounts other than this family checking account?

A No.

MR. KENDRICK: You mean any other checking accounts?

MR. CONVERY: Any other accounts.

MR. KENDRICK: Including savings?

MR. CONVERY: Including savings.

THE WITNESS: I have a savings account.

BY MR. CONVERY:

Q Where is that located?

A In Washington, D. C.

Q What is the name of the --

A Capital City.

Q Do you have the same arrangement as to that account in Capital City as you do with the checking account with your children?

A Yes. I can't be 100 percent, but I am pretty sure that Carole's name and my son's name and my wife's name is on everything that I have.

Q When the staff here was examining the checks that you submitted to the Commission in response to the subpoena that we issued, we noticed that although the statements were

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made out to the name "Keahey Moving and Storage," that the headings on the checks were different. That is, some of the checks were headed "Keahey Moving and Storage;" others were headed "Thomas M. Keahey;" others were headed with the names of the three family members, yourself, and your wife and your daughter.

Can you explain for us why there are differences in the checks?

A I would have to see the check and look at it.

Q I will show to you the checks and the copies of checks, which amount to 74, that were submitted to the Commission in response to the subpoena.

(Documents handed to witness.)

THE WITNESS: You want me to look at all of them?

MR. CONVERY: No, sir. Just generally go through them.

THE WITNESS: You are talking about these?

(Witness indicating.)

MR. CONVERY: Right.

THE WITNESS: I don't know why they did that. I never requested it. I don't know why that is there.

MR. KENDRICK: May the record show that Mr. Keahey is looking at the checks, referring to the printed designations

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of the account at the top.

THE WITNESS: If you look at the checks today, they don't have anything printed on them.

BY MR. SCALL:

Q Mr. Keahey, you said the checks today have no printing at all regarding names?

A I don't believe they do. Some might or some might not.

Q Do you know who informed the bank that all headings be deleted?

A No, I don't.

Q Do you know the reason for such request to the bank?

A No. I would say there is no real reason.

Q In whose name is the account now listed?

A It is listed in Keahey's Moving and Storage.

Q Did it arouse your interest or your curiosity at any time when the printing on the checks changed from one designation to another without your authorization?

A Not at all.

Q How long has the account been in the name of Keahey's Moving and Storage?

7 9 0 1 2 1 1 2 1 2 0  
7 8 0 4 0 3 6 4 4 2 1

A It's probably been there -- I don't know. It used to be at 17th and G, and then we moved it up to Wisconsin Avenue, and I think that is when they changed. I would say probably several years. I just couldn't give you an exact answer, exact time on that.

Q Do any of your employees at Keahey Moving and Storage deposit any checks from the firm to the bank?

A No, unless I just happen to send somebody over. If I send somebody over there to deposit anything, they could do it, even including you.

Q Do any of your employees have the right to withdraw money for business expenses?

A If I sign the check.

Q But only your signature?

A Only my signature, either Carole's signature, or mine, or my son's, either one, or my wife's, whoever signs the ticket. If I was out of town, my son could sign the ticket himself, sign the check himself.

Q How many trucks or vehicles does your firm own?

A Eleven.

Q Is there any business address other than your home address for the firm?

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A Well, I have a post-office box number. The reason for that is if you send mail -- I have an office over here on Florida Avenue, so you can't get any mail in there. If you wrote me a letter there, I would never get it.

Q Is your firm listed in the phone book with a phone number?

A No.

Q How would somebody who wanted to use you get in touch with you?

A Just by the word-of-mouth.

Q During the time that your daughter ran for Congress, as was testified to before, the withdrawals from the account increased greatly; that is correct, isn't it?

A That is correct.

Q Is it also, then, correct that you were depositing more money in the account during that period than you were normally depositing in other banks before those things happened?

A No.

Q Are you saying, then, that you, even without Carole's campaign for Congress, you were keeping large balances of money in the checking account?

A That is correct.

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Q What was the reason that you kept money there earning no interest rather than in a savings account?

A Well, in case -- if you put it in a savings account, you have to sign up for one year or four years. I just keep about what I thought that I would need in the checking account.

Q But before Carole ran for Congress, you really didn't need all that money?

A Well, there wasn't too much in there then.

Q What I am saying is if there wasn't too much in there, that means the regular income either changed during the period that Carole ran for Congress or you began depositing your income checks to the checking account rather than to some other account; which one was it?

A It was all the checks went there.

Q Even before Carole ran for Congress?

A That is correct.

Q And at that period, the withdrawals from the account, as you testified, were much less than they were during the time that Carole was running?

A That is correct. Sure.

Q So I am getting back to the original question. If

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you always deposited the bulk of your income checks in the checking account, you carried very large balances in there during the period that Carole was not running for Congress?

A I would say there was always quite a bit of money in that account, yes.

Q And you say the reason for that was because the only way to deposit in a savings account where it would earn interest is to put it in a one- or four-year certificate?

A Yes.

Q Couldn't you simply deposit it in a demand account and earn as much as, let's say, 6-percent interest and get your money back should you need it on a one-day's notice?

A I don't know about that. During all the time that you are talking about -- you know, my son was in medical school over here at G.W., and my daughter was in college, and you had to keep that money so you wouldn't be overdrawn. You had to do that, so I never did do too much over that.

If you notice, those statements were overdrawn for a long time there.

Q Well, immediately before the campaign your daughter was not in college, but your son was in medical school; is that correct?

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A That is correct.

Q Are you saying that during that period immediately before the campaign the withdrawals from that account were extremely large because of your son's being in medical school?

A Well, that was part of it, and I was, you know, setting up my business again so I had to keep some money there for that, big trucks and so forth.

Q Are you saying that your business was set up immediately prior to Carole's entering the campaign?

A About a year or so, about that.

Q How did your business change in that period? What was the difference immediately before then and after, as you say, it was set up?

A Well, I would say since I started back in business it has doubled.

Q Is it simply more of the same kind of clientele?

A Yes.

Q Was that the period immediately after you left your job on Capitol Hill?

A Well, I had it going before then. I was working there at the same time. I was putting what money I got

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from Capitol Hill, plus my Navy retirement, interest and everything else, in this same account.

Q How many of your jobs would you say are the result of bids to the government?

A Well, right now, one. One. You see, just one, and that is the Department of State. We do some work for the USIA and the ICC occasionally, but all of the rest of them are strictly bids, 100 percent. You have to go to the Labor Department and you have to bid against 14 or 15 other people, and you are lucky if you get one.

Q So the jobs you are describing are a combination of moving clothing material such as when the Secretary of State travels abroad and moves within the District?

A Office moves. And when the President goes on a trip, or the Secretary goes on a trip, or anybody -- dignitaries come over here -- we are there. We are there before and we are there after.

Q Moving clothing and personal effects?

A Now, on the clothes and stuff like that, we might pack them and stuff like that if they ask us to. But if they didn't ask us to -- the Secretary of State, he does his own. But we do take their clothing and stuff to the plane.

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Q As a matter of curiosity, how much luggage would one person have even if he goes abroad for three weeks?

A I don't know. We shouldn't be referring to names and everything, but we just sent some stuff up to New York, and it had something to do with international law of the sea, I believe. And we sent that up for Mr. Richardson and Mrs. Richardson. I went over and did that myself.

I shouldn't even be mentioning names, I guess. They wouldn't care, but I don't know how much stuff they had. I know we just barely did get it in the vehicle that we had there. And if we had taken the stuff that they told us to take, we wouldn't have had room. And if I had carried more people other than me and one other gentleman, we wouldn't have had the room but would have had to order another truck.

Q You said earlier in your testimony that you considered all the money that goes into the account as money belonging to the family; is that correct?

A That is 100 percent correct.

Q By the same token, do you consider your family members as officers of the firm, the moving firm?

A Well, if I passed away they would take over. Probably even my son right now if he wanted to quit the medical

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school, he would probably come up here. But it is too uncertain because when you go down there and you are bidding against 15 people, you lose one contract, it will put you out of business. You will be out at least a year or three years, so you have to hang on until you can grab hold of another. You have never seen any rich movers, I will tell you that.

Q Is there anything in writing that you have in your family that sets out that any of your family members have the right to run the business at any particular time or upon the occurrence of any particular event?

A I don't know whether there is anything in writing right now. I won't say one way or another, but if there isn't, there will be. Because if I died right today, I doubt if my wife could run that business; I doubt if my daughter could. My son could probably do it, but he would have to leave the medical profession. And he would have run for Congress instead of Carole had it not been for that medical school. We had him groomed for that job. My son was a pageboy over there and we always pooled our finances, all of us.

Q You say groomed for this job. Which job did

7 9 0 4 0 1 1 2 1 2 3  
7 8 0 4 0 0 3 4 4 2 9

you mean?

A If he hadn't been in medical school, he would have run for Congress against Dickinson.

Q This was, in other words, a plan in the family to do this, a family goal?

A That is right. When my son was first born, I said that he would be a pageboy, and he was. So then -- I could have brought the letter and showed it to you. George Andrews said he would succeed him in Congress. But he got out of school last May 21st, and he just didn't have time to do that so we threw Carole in there.

Q Was this in part the reason for setting up the so-called family account in this way?

A No, it was set up before.

Q You said when he was first born there was this goal?

A I said this myself, and just about anything that I ever said, it always comes true. But he didn't want to quit the medicine right there at the finish, so Carole said she would run. Carole was just as smart as he was, or smarter.

Q Did you expand the business when you said you did

7 3 0 1 1 2 1 2 9  
7 3 0 1 1 2 1 2 9

in part to help support the campaign of your daughter for Congress?

A No. In fact, we didn't expect it to cost that much money. We thought we would get some contributions, which we didn't. We got very few contributions. So we were caught in a bind and had to pay it.

Q There is still one thing I have to confess I don't understand, and that is we have gotten some testimony that there was no specific communication between you and your daughter that expenses for her campaign would greatly increase the outflow from this account. Is that correct?

A Well, I don't remember having discussed that because people down there, they said we would collect in contributions between \$85,000 and \$90,000, and we didn't do that. Fell far below that.

Q That would change your expectations even more? In other words, you would have expected, if that was so, to have to contribute less money to your checking account and as it turned out those contributions did not materialize; isn't that so?

A They are all on that list. I don't know how much she got.

7 9 0 4 0 1 1 2 1 3 0  
7 8 7 4 0 0 3 4 4 3 1

Q What I am driving at is how could you possibly know how much money to divert to your checking account if you did not have these discussions with your daughter as to what her expectation for expenditures were?

MR. KENDRICK: Mr. Scall, I am going to have to interpose an objection on your use of the word "divert." There was no foundation of any diversing of funds from any depository or source. I believe that Mr. Keahey has testified that all of the income went through that account, not only his own but what earnings there were of other members of the family all went into that account.

From there, it was disbursed in various ways. But there has been no indication of any diversion from one source to the checking account, or anything of that sort.

BY MR. SCALL:

Q Let me rephrase this. You said that you were using checking account funds prior to Carole's campaign for the expansion of the business; is that correct?

A Well, it was there for any use that it needed to be used for.

Q But in the amounts that Carole needed it, you had previously been using those amounts to expand the business;

is that what you testified to?

A Well, I think those overdrawn statements there would answer your question. You will see how long it went overdrawn there, and overdrawn up until April of this year.

Q Mr. Keahey, I am going to show you statements of the checking account which your daughter submitted to us pursuant to the subpoena. I will ask you to identify them. They run from April 30, 1976 to November 30, 1976. The most recent one is on top, and I will mark them as soon as you have a chance to look at them.

(Documents handed to witness.)

BY MR. SCALL:

Q Have you examined them?

A Yes.

MR. SCALL: I intend to mark the Xeroxes as exhibit numbers and will retain the originals without any additional markings on them and return to you at the appropriate time.

I would like to have the statement of April 30, 1976 marked as the next consecutive exhibit number.

MR. CONVERY: I believe that would be Exhibit 11.

(The document referred to was marked Exhibit 11, for identification, and attached to the court copy of this deposition.)

7 9 0 4 0 1 1 2 1 3 3  
7 9 0 4 0 1 1 2 1 3 3

BY MR. SCALL:

Q Mr. Keahey, could you explain to us the source of the deposit indicated to have occurred on April 21st for \$28,366.50?

A I don't understand the question there.

Q Let me backtrack. Where did that money come from, do you know?

A I would say that was probably a government check.

Q Was that a retirement check or --

A Oh, no, no. It could have been retirement check and everything could have been blended in there with it, but I don't think so.

Q Can you explain the figure that is indicated to be April 28th of \$18,787.50?

A That would probably be a government check.

Q Including the same items that you mentioned for the previous one?

A Yes.

Q Would you look on the bottom and tell us if there are any notations as to overdrawn on that monthly statement?

A There is no overdraws on this statement.

Q Let me backtrack a minute and ask you, first,

7 2 0 4 0 1 1 2 1 3 3  
7 8 0 4 0 0 3 4 4 3 4



can you identify this statement and the others that you have looked at for the period April 30th to November 30th as the statements of your moving firm account?

A I would say yes.

Q Turning to the May 28, 1976 statement, there is a figure printed next to May 18th --

MR. CAMHI: Are we marking this?

MR. SCALL: I think I ought to do it by individual pages. This will be Exhibit 12.

(The document referred to was marked Exhibit 12, for identification, and attached to the Commission copy of this deposition.)

BY MR. SCALL:

Q The amount next to May 18th is \$17,237. There appears to be a pencil mark, pencil line through it with a different figure above it. Can you explain what this printed figure is and what the penciled figure above it indicates?

A No. I never noticed that before.

Q Can you explain where the \$17,237, or perhaps \$14,370, came from?

A I would say that was a government check.

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Q The same sources that you indicated previously?

A Yes.

Q And over in the balance column, are there any notations of overdrawn?

A No, sir.

Q Would you turn to the back of the May 28th statement, Mr. Keahey.

(Witness complied.)

BY MR. SCALL:

Q There are some penciled notes indicating dates, dollar amounts and two words. Can you explain the significance of those items?

A Probably my wife wrote that. I know that is some kind of a store that they call Hob Nob. That is all I know about that.

Q Is that in Washington?

A I really don't know. It might be here; it might be in Alabama.

Q Does that have any connection with the campaign?

A I don't think so.

MR. CAMHI: Hob Nob, I believe, is a clothing store.

MR. SCALL: Here in Washington?

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MR. CAMHI: I think there is a Hob Nob.

MR. SCALL: Would you turn to the statement of June 30th.  
We will mark it Exhibit 13.

(The document referred to was marked Exhibit 13, for identification, and attached to the Commission copy of this deposition.)

BY MR. SCALL:

Q Let me call your attention, to speed things up, to two figures, two dollar amounts in the balance forward column. One is \$16,698.40, and the next one is \$19,328.12. Can you tell us where those deposits came from?

A I would say the same source.

Q A combination of moving income and government checks to you?

A That is correct.

Q And over in the right-hand column are there any indications of overdrawn?

A No, sir.

Q There is also on that June 30th statement two items in the balance forward column with the notation "RT" next to it. Do you see what I am referring to?

A Yes.

7 9 0 4 0 1 1 2 1 3 5  
7 8 0 4 7 7 6 4 4 3 7

Q Can you explain what they are?

A Well, I think those were postdated checks that went to -- probably to General Truck Sales and they sent them in. It will tell you down over here what "RT" means. Returned Item. Like if I wrote you a check and put down the -- put down the 2nd of August of this year and you sent -- if I put down the 25th of August and you send it up there, they would cash it right today. Most of the time they would do that and wouldn't wait until the 25th.

But on those two particular checks, I remember Mr. Edmonds calling me about those.

Q Deposit checks?

A No, payments, probably for a truck or parts or something. But they were legitimate checks.

Q I see. Yes.

A They were just returned because they probably looked at them and said if I put the 15th of August, sometimes they will stop them. But most of the time GMAC over here in Virginia -- I quit doing that because the bank would cash them six months ahead of time.

They don't look at them, they just go ahead and cash them.

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Q Would you turn to the statement marked July 30, 1976, which would be Exhibit No. 14.

(The document referred to was marked Exhibit No. 14, for identification, and attached to the Commission copy of this deposition.)

BY MR. SCALL:

Q There are two items that I want to ask you about in the balance forward column. One is a deposit or credit on July 13th of \$32,768.50, and the other is one on July 27th for \$22,920.50. Can you explain where they came from?

A I would say the same source.

Q And over in the balance column, are there any overdrawn indications?

A No, sir.

Q Would you turn to the statement for August 31st, which I will have marked as Exhibit No. 15.

(The document referred to was marked Exhibit No. 15, for identification, and attached to the Commission copy of this deposition.)

BY MR. SCALL:

Q Let me ask you about a deposit or credit in that column on August 23rd of \$27,227.50. Can you tell us where

7 9 0 1 0 1 1 2 1 3 3  
7 8 0 4 0 0 3 4 4 3 0

that came from?

A Same source.

Q And over in the balance column, are there any overdrawn notations?

A No, sir.

Q And turning to the statement of September 30th, which I will mark Exhibit No. 16, I would like to ask you about three deposits or credits. One on September 7th of \$14,214, and one on September 17th of \$25,989, and on September 28th of \$13,326. Can you tell us where those funds came from?

(The document referred to was marked Exhibit No. 16, for identification, and attached to the Commission copy of this deposition.)

THE WITNESS: Same source.

BY MR. SCALL:

Q And over in the balance column, are there any overdrawn notations listed?

A No, sir.

Q Mr. Keahey, in the left-hand-most column on the September 30th statement, four figures up from the bottom, there is an indication of \$2,500, followed by the letters

7 9 0 4 0 1 1 1 1 3 9  
7 9 0 4 0 1 1 1 1 3 9

"DM." Can you explain that check or debit?

A I don't know what that was for. Right offhand, I wouldn't know.

Q I would like to call your attention now to the statement of October 29, 1976, and ask you about three items listed in the deposit and credit column. One of \$9,108.50 on October 6th; one of \$19,813.50 on October 20th; and one of \$12,608.04 on October 29th. Can you explain those deposits and credits as to where they came from?

A It would be from the same source.

Q And over in the right-hand column, the balance column, you do notice some "OD" notations there; is that correct?

A That is correct.

Q I would also like to call your attention to the left-hand-most column and two items from the bottom. There is an amount of \$15,000, with a notation "DM" next to it. Can you explain that?

A Well, I would say that probably had -- I don't know for sure, but that was probably just transferred direct from the Riggs Bank to the bank in Alabama. That is what I would say.

7 9 0 4 0 0 6 4 4 4 1

Q For your daughter's campaign?

A I would say, to the best of my knowledge, that would be right.

Q Can you explain why that transfer of funds was apparently handled differently from some of the others, or most of the other expenses for your daughter's campaign?

A Well, the only reason for that would have been that Carole was in Alabama. She was busy, and I was in Alabama and I was busy. And so I remember calling up about that, and they transferred it down to Carole's checking account.

Q I would like to show you a document and ask if you can identify it. We will make a copy of it.

(The documents referred to were marked Exhibit Nos. 17 and 18, for identification, and attached to the Commission copy of this deposition.)

THE WITNESS: Well, I have never seen this before. If I have seen it, I just don't know. I may have seen it before and I may have not.

BY MR. SCALL:

Q If I were to tell you that it was included with the package of checks that was produced pursuant to the

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subpoena, checks in accordance with the account of Keahey Moving and Storage, would you say that it is possible it is part of that?

A Yes, I would say that.

Q I would like to introduce this as the next exhibit, and I will refrain from marking on it until we can make a copy so we can return it to you. We will call this 18.

Mr. Keahey, can you explain why the account credited on that document is indicated to be a bank in Birmingham?

A I just don't know why that would be on there.

Q Do you have any recollection of that bank or any connection with it?

A Never had any connection with the First National Bank of Birmingham. The only way I would try to explain that -- they have the name misspelled, to begin with there -- I just don't know how these bankers handle this stuff. They probably send it there and on down to Montgomery. They have it crossed out. I just wouldn't want to make any guess, to tell you the truth about it. I don't know.

Q Have you ever transferred funds before?

A Yes.

Q Does it ever occur that there is an intermediary

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bank that is neither the sender nor the receipient, some bank along the way; have you ever noticed that?

A Never noticed that.

Q Mr. Keahey, you have testified that you were in Alabama at the time; is that correct?

A I was in Alabama the last two weeks of October, I am sure.

Q Was that in connection with your daughter's campaign, to assist her?

A That is correct.

Q Had you been in Alabama for other periods of time during her campaign?

A Well, I had been in Alabama two or three times a year for the last 30 years.

Q But this particular period?

A I would say I probably had, yes. I just don't know for sure.

Q Were they for periods of time as long as two weeks?

A It wouldn't be very much time off, because if I went to Alabama, I would have to fly on the weekend and come right back. I was holding that job over there.

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Q This was for a period of time that you say was the last two weeks in October?

A Yes, sir. I am pretty sure I was there the last two weeks of October.

Q During that period, as the statement of October 29th indicates -- if you have it in front of you -- and specifically on October 20th and 29th, two deposits of \$19,813.50 and one of \$12,608.04 were made. Do you know who actually made those deposits?

A I would say somebody at my office made those.

Q So what you are saying is sometimes you go away and someone under you is in charge of the moves and receipts of funds?

A That is correct.

Q Turning now to the statement of November 30, 1976, we will mark that as Exhibit 19.

(The document referred to was marked Exhibit No. 19, for identification, and attached to the Commission copy of this deposition.)

BY MR. SCALL:

Q I want to call your attention to the deposit and credit column and ask you about two items there. One

is \$21,257 on November 12th, and the other is \$25,700 on November 18th. Can you explain where those funds came from?

A Same source.

Q And over in the right-hand column there is an indication of overdrawn or "OD" next to all the figures; is that correct?

A There is "OD" all the way down, all the way from the 29th.

Q When was the first time that you learned that your account was overdrawn in this period?

A Never.

Q Well, I mean did you learn it first when you read the bank statement?

A That is the only time. That is the only time. Let me say this: I got a statement every day from the bank.

Q Every day?

A Every day. If you are overdrawn, they will send you daily statements.

Q So the first time you learned of it was the day you first received that daily statement?

A That is correct.

Q Do you remember which day that was?

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A No, I don't. Not offhand, I don't.

Q When you received it, or when you first learned of it, did you take any specific steps to replace that balance in the account?

A Well, no. No, I didn't.

Q Did you speak to your daughter about it?

A No.

Q Did she question you about it?

A No.

Q From the statement that ends with November 30th that you produced to the subpoena, how much longer did your account remain overdrawn?

A Well, I think probably until -- I couldn't be for sure -- probably May or June of this year, April, May or June. One of those. It was still overdrawn.

Q What kind of campaign expenses, if any, did your daughter incur after the November 30th statement, that you recall?

A I just don't know. She would probably have that. I wouldn't know. Let's see, after November? I just wouldn't know the answer to that.

Q Can you recall whether if after November 30th the

7 2 0 1 2 1 1 2 1 4 6  
7 3 0 4 0 0 3 4 4 4 7

expenses or the withdrawals from the account were greatly reduced?

A I didn't understand that. Will you say that again, please?

Q In other words, after the statement of November 30th, were withdrawals from the account at a much lower level?

A Why, certainly. All of these other checks that Carole wrote, you didn't have those anymore.

Q Did you deposits to the account continue at the same level, roughly, as they had in the past?

A That is correct.

Q But the account remained overdrawn, nevertheless, until June?

A Well, I just wouldn't say. I would have to check with the bank statements and see. But I know one time it was just overdrawn by just a few dollars, but the bank always -- never turned any check down for me or Carole, or my son or my wife. They would pay them. All they did was send out a statement, and really that comes from downtown and should never have been mailed out.

Q To continue your account on an overdrawn basis, does that require a special rearrangement with the bank?

7 2 0 4 0 1 1 2 1 4 7  
7 8 0 4 0 0 3 4 4 4 8

A Well, I just don't know how to -- I just have a good rating there with the bank. And the president of the bank, I could go there right now and get a hundred thousand dollars and probably wouldn't have to sign anything if I sign my name. That would be all.

Q I mean have you ever been overdrawn before so that you know what kind of arrangement that the bank has with you?

A Oh, yes.

Q Have they specified what their arrangement would be?

A I really don't know. People at the bank knew me and what type of person I was, and if I owed them anything, it would be paid.

Q Did you have to pay any kind of interest or service charge on the overdrawn balance?

A No. If they did, they would always correct that.

Q If they charged you interest, they would remove it?

A They would remove it. The way they would do, they were supposed to charge you \$5 for each statement, but they would always scratch through that.

7 2 0 4 0 1 1 2 1 4 8  
7 8 0 4 0 0 3 4 4 4 9

Q Do you know during the period when the overdrawn notations appeared and following that into June, did your daughter ever make deposits to the account to cover some of the overdrawn part of it?

A I just don't know. If she did, it would have been a small amount.

Q Do you still have copies of those daily statements or any of them that you received from the bank concerning the overdrawn aspect?

A Oh, yes, I think so. I think I have them.

MR. SCALL: I think that would be part of the subpoena that we had called for.

MR. CAMHI: Which is this?

MR. KENDRICK: The overdrawn statements?

MR. SCALL: Overdrawn statements.

MR. CAMHI: Prior to the campaign?

MR. SCALL: During this period.

MR. CAMHI: You have every statement for the period involving the campaign.

MR. SCALL: But Mr. Keahey testified about the receipt of daily statements indicating an overdrawn aspect of the account, and this appears to be a monthly statement which

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simply lists --

MR. KENDRICK: These little forms? You have obviously not overdrawn your account, but I have. And you get a little form that says you have overdrawn and make it up. That is not a bank statement.

MR. SCALL: I think the subpoena asked for records and books containing this. What I am driving at is we would like to see that. And certainly you could produce it at some reasonable time.

MR. CAMHI: Are these papers that you received on a daily basis reflected in that statement so they are identical?

THE WITNESS: I think I gave them to you.

MR. CAMHI: I would have to check.

THE WITNESS: You have got them because they are in an envelope. You have them.

MR. CAMHI: He is correct.

THE WITNESS: Every one of them is right there.

MR. SCALL: You are saying right here on the table?

THE WITNESS: No, no. I think that I gave them to this gentleman here.

MR. CAMHI: They are reflected, however, in the statements.

MR. SCALL: I would like to see those statements as

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part of the information. If you could produce them at some time in the future, that would be helpful.

BY MR. CONVERY:

Q Mr. Keahey, looking at the statements, the monthly statements, beginning April 30th and ending November 30, 1976, I notice that in the deposit column there is one figure that recurs frequently, and that is the figure \$326.42. I notice that it is not on the April report, but it is on the May 28th report; it is on the June 30th report; it is on the July 30th report; it is not on the August 31st report; it is on the September 30th report; it is on the October 29th report; it is on the November 30th report.

Is there any possibility that this recurring deposit to your account of \$326.42 is your military pension?

A That is correct. You will notice on some of those statements it would probably appear on the same one twice.

Q Yes, sir.

A They send it right direct to the bank.

Q Then considering the fact that is your military pension, these other large deposits that have been made to the account would have to be primarily, if not exclusively, from the moving business; is that correct?

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A That is correct.

Q There are some very large deposits that have been realized from the moving business. What kind of money did that business make in 1975 and in 1976?

A Well, I would say -- I would say a half a million dollars.

Q Each year?

A Yes.

MR. CAMHI: You are talking about profit?

THE WITNESS: Not profit. Good gracious alive.

BY MR. CONVERY:

Q What went into the deposit, that would be net earnings?

A That would be the earnings, but far from being the profit.

MR. KENDRICK: I am sorry, would you read that question back.

(Record read by the reporter.)

MR. KENDRICK: No, gross would go into the deposit. You are speaking of profit only.

BY MR. CONVERY:

Q Were the expenses paid before the deposit was

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made?

MR. KENDRICK: I am sorry, I don't understand that.

BY MR. CONVERY:

Q Why don't you give us the gross earnings for the firm in 1975 and in 1976.

MR. KENDRICK: To the best of your recollection.

THE WITNESS: I would say \$400,000 or \$500,000, roughly. That would include, now, everything.

BY MR. CONVERY:

Q Per year?

A Yes, everything.

Q Now, subtracting all the expenses, the salaries for employees, the upkeep on the equipment, what would be the profit, to the best of your recollection, for those two years?

A I just wouldn't know.

Q These checks that are written by your family members, are they considered as part of the operating expenses of the moving firm?

A Well, I don't know. If my wife paid a bill, made a payment on a truck or something like that, it would be considered. But I guess if she went and bought a dress or

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pair of shoes, it would be the same as using your salary, the same thing.

Q You said you had 10 employees. Did you pay these employees from this account?

A Yes.

Q And your company expenses were always handled from this account?

A Yes.

MR. CONVERY: I have nothing further. Thank you, Mr. Keahey.

MR. KENDRICK: I have only the one question.

EXAMINATION BY COUNSEL FOR THOMAS M. KEAHEY

BY MR. KENDRICK:

Q When you were being asked, Mr. Keahey, by Mr. Scall, primarily as to the number of deposits that were shown on the account, and then asked where did they come from, and you said the same source, so that there will be no question -- particularly after about the 10th one -- by "the same source," do you include in that the receipts from Keahey Moving and Storage, your Social Security, your pension from the Navy, retirement from the House of Representatives, together with any contributions which would have been made by Carole,

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Thomas junior, and your wife to the account?

A Everything would have been just thrown in there with that.

Q And when you spoke of the same source, would that be everything going into the pot?

A That is correct.

MR. CONVERY: I think we did exclude the Navy pension from that, didn't we?

MR. KENDRICK: By this subsequent question, but I was referring to the time Mr. Scall was examining so that we knew what "same source" means.

BY MR. CAMHI:

Q I would like to re-ask a question to you that I had addressed to Carole before. This family account that you had in Riggs Bank, did Carole and every other member of the family have total access to any amount of money in that account, prior to the campaign, for whatever purpose they chose, whether for personal reasons or any other reasons, without getting authority from you to use money in that account?

A That is correct.

Q You also indicated that you received notices of overdrawn amounts on the account. Did you make Carole aware

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of these overdrawn amounts?

A No.

Q She had no idea that the account had been overdrawn?

A No.

Q And she continued to write checks freely as if there was money in the account?

A That is correct.

MR. CAMHI: I have no further questions.

MR. SCALL: I have one item that I do want to clear up.

FURTHER EXAMINATION BY COUNSEL FOR THE  
FEDERAL ELECTION COMMISSION

BY MR. SCALL:

Q In your question, or rather in your answer just a moment ago, you said something that had not been my understanding up to this point. When you repeated "same source," based on the elaboration of that source in the earlier answers, I had only understood it to mean your government checks and your moving company. However, did you amend that to include contributions, or rather deposits from possibly your daughter and wife in those large sums that we talked about?

A Well, let me say this: I have three or four checks out there right now on my dresser, and they are

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various sources, so they will all go into the same account. Like if I had a government check and I had a check from the Capitol or some other check, regardless of where it was from, it would be added to that.

Q I understand.

In any event, most of those funds deposited were yours?

A Yes. From the government, I would say that. I would say possibly \$3,000 a month might be from some other source, probably. You could look at the statements there and you could tell.

Q Let me ask you this, too: Did you son deposit money into this account during the year Carole was running for Congress, during this period?

A I just don't know. He wasn't working the last four years he went to medical school. So I would say that he probably didn't earn any money.

Q Carole testified that he is now working at the prison hospital in New Orleans. Is that correct?

A That is correct.

Q Now that he is working, is he depositing money into the account?

A I imagine he will be. You know, he was at Oxford

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Medical Foundation there in New Orleans, and I think he is saving what money he makes right now. You know, he has been assigned to Saint John's Hospital in England, and he will be going there in September.

But what money he brings up here will probably be put in the account. And when he wants money over in England, we will just have it wired from the bank. You just walk up there and tell them.

Q Can you say whether he was working or still in school at the time Carole was running for Congress?

A He didn't graduate from medical school until the latter part of May.

Q Of '76?

A '76, last year. So he has been there at Oxford for one year and now has this job. He resigned from Oxford in order to go to Saint John's to specialize in dermatology. What money he has -- what money we have here, he will just have access to it just the same as Carole did.

MR. SCALL: I have no further questions.

MR. CAMHI: I would like to make a request that we be permitted to submit a memorandum in support of the position they may make on this matter.

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MR. CONVERY: Certainly.

MR. CAMHI: If the reporter will tell me approximately how long it would take to have the transcript?

THE REPORTER: Two weeks.

MR. CAMHI: As long as we have a reasonable time after the receipt of the transcript to provide any memorandum we have.

MR. CONVERY: Sure.

(I have read the foregoing pages 3 through 56, inclusive, which contain a correct transcript of the answers made by me to the questions therein recorded.)

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THOMAS M. KEAHEY

- - -

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7 3 0 4 0 0 6 4 4 5 0

## CERTIFICATE OF SHORTHAND REPORTER

I, James R. Hunton, shorthand reporter, do hereby certify that the testimony of the witness appearing in the foregoing deposition at pages 3 through 56, inclusive, was taken by me in shorthand and thereafter reduced to typewriting by me; that the said deposition at said pages is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.

\_\_\_\_\_  
Shorthand Reporter

July 29, 1977

Stanley A. Camhi, Esquire  
Kendrick Law Offices  
233 Massachusetts Avenue, N.E.  
Washington, D.C. 20002

Re: MUR 384 (77)

Dear Mr. Camhi:

This will confirm our meeting of July 26, 1977, and will serve to reduce its subject matter to writing.

In light of your court schedule, this office will not object to continuing from July 29 until August 2, 1977, the taking of the depositions of your clients, Ms. J. Carole Keahey and Mr. Thomas M. Keahey. Ms. Keahey's deposition will be taken at 10:00 o'clock that morning and will be followed by the taking of her father's at 10:30. Because of the Commission's interest in proceeding expeditiously, this schedule must be considered to be firm.

Sincerely yours,

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Vincent J. Convery, Jr.

VConvery:dks:7/29/77

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Received from Carol Keeshey and Thomas  
M. Keeshey the following items:

- 1) 74 checks written on a Riggs National Bank checking account plus eight monthly bank statements;
- 2) Southern Bank, bank statement (8/25/76) and four supporting documents;
- 3) Southern Bank, bank statement (8/26/76 - 9/23/76);
- 4) Southern Bank, bank statement (10/27/76 - 11/22/76) and 38 supporting documents;
- 5) Southern Bank, bank statement (11/23/76 - 12/28/76) and one supporting document;
- 6) Union Bank and Trust Company, bank statement (10/29/76 - 11/30/76) and 42 supporting documents;
- 7) Southern Bank, bank statement (5/24/76 - 10/26/76) and 53 supporting documents.

July 28

, 1977

original signed WRC

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# FEDERAL ELECTION COMMISSION

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

## AUTHORIZATION TO ADMINISTER OATHS

The Commission hereby designates Lester Scall and Vincent J. Convery, Jr., to take the depositions which have been authorized in connection with MUR 384 and authorizes the named individuals to administer the oaths necessary to any such deposition.

*Thomas E. Harris*

THOMAS E. HARRIS

Chairman

DATE: July 28, 1977

*William L. Springer*

WILLIAM SPRINGER

Commissioner

DATE: July 28, 1977

JOAN AIKENS

Vice Chairman

DATE: \_\_\_\_\_

*Neil Staebler*

NEIL STAEBLER

Commissioner

DATE: July 28, 1977

*Robert O. Tiernan*

ROBERT TIERNAN

Commissioner

DATE: July 28, 1977

VERNON W. THOMSON

Commissioner

DATE: \_\_\_\_\_





FEDERAL ELECTION COMMISSION

1325 K STREET N.W.  
WASHINGTON, D.C. 20461

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

July 11, 1977

Stanley A. Camhi, Esquire  
Kendrick Law Offices  
233 Massachusetts Avenue, N.E.  
Washington, D.C. 20002

Re: MUR #384 (77)

Dear Mr. Camhi:

This will confirm our telephone conversation of this afternoon and will serve to reduce its subject matter to writing.

This office will not object to continuing from July 14 until July 29, 1977, the taking of the depositions of your clients, Ms. J. Carole Keahey and Mr. Thomas M. Keahey. Ms. Keahey's deposition will be taken at 10:00 o'clock that morning, and will be followed by the taking of her father's at 10:30.

The delivery of the subpoenaed documents may be accomplished at any time convenient to you until 2:00 P.M., Thursday, July 28, 1977.

I expect to be out of town from July 18 through July 24, and suggest that you contact Assistant General Counsel Lester Scall at 523-4162 should you have any questions or need the assistance of this office during that period.

Sincerely,

Vincent J. Convery, Jr.



OGC MUR 384 (77)

PS Form 3811, Mar. 1976

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

<b>● SENDER:</b> Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.		
1. The following service is requested (check one).		
<input checked="" type="checkbox"/> Show to whom and date delivered..... 15¢		
<input type="checkbox"/> Show to whom, date, & address of delivery.. 35¢		
<input type="checkbox"/> RESTRICTED DELIVERY. Show to whom and date delivered..... 65¢		
<input type="checkbox"/> RESTRICTED DELIVERY. Show to whom, date, and address of delivery 85¢		
2. ARTICLE ADDRESSED TO: Stanley Camh., Esq.		
3. ARTICLE DESCRIPTION:		
REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	25595	
(Always obtain signature of addressee or agent)		
I have received the article described above.		
SIGNATURE <input checked="" type="checkbox"/> Addressee <input type="checkbox"/> Authorized agent		
<i>Alan Hirsch</i>		
4. DATE OF DELIVERY 7/13/77		POSTMARK
5. ADDRESS (Complete only if requested)		
6. UNABLE TO DELIVER BECAUSE:		CLERK'S INITIALS





FEDERAL ELECTION COMMISSION

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

In the Matter of

J. Carole Keahey  
and  
The Carole Keahey for  
Congress Committee

MUR 384 (77)

79040112155  
79040954967

This is to certify that at <sup>4:34</sup> o'clock, P.M., on Friday, July 8, 1977, Keith Vance of the Office of General Counsel, Federal Election Commission, served upon the undersigned at the law offices of John A. Kendrick, Esquire, subpoenas calling for the sworn testimony of, and the delivery of documents by, Ms. J. Carole Keahey and Mr. Thomas M. Keahey. Cover letters to accompany the subpoenas also were delivered at the time specified above.

Keith Vance





FEDERAL ELECTION COMMISSION

1325 K STREET N.W.  
WASHINGTON, D.C. 20543

MEMORANDUM TO: Vincent J. Convery

FROM: Bill Oldaker *Bill*

RE: MUR 384

DATE: June 23, 1977

I would like a General Counsel Report recommending Reason to  
Believe for the loan issue by 3:00 P.M., June 24, 1977.

Thank-You

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FEDERAL ELECTION COMMISSION

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

July 8, 1977

Mr. Thomas M. Keahey  
c/o John A. Kendrick, Esquire  
233 Massachusetts Avenue, N.E.  
Washington, D.C. 20002

Re: MUR 384(77)

Dear Mr. Keahey:

This is to inform you that, on June 28, 1977, the Commission found reason to believe that violations of the Federal Election Campaign Act of 1971, as amended ("the Act"), have occurred in connection with the candidacy of J. Carole Keahey for election to the U.S. House of Representatives.

In particular, the Commission found that contributions in excess of those allowed by 2 U.S.C. §441a (a)(1) and 2 U.S.C. §441a(a)(3) may have been made to the candidate and to the Carole Keahey for Congress Committee; that the candidate and the Committee knowingly accepted such improper contributions in violation of 2 U.S.C. §441a(f); and that contributions made to the Committee were not reported in accordance with the provisions of 2 U.S.C. §434(b). The candidate has indicated that you were the source of the contributions that now are under scrutiny.

Under the Act, you have the opportunity to demonstrate that no action should be taken against you. Your attorney, Mr. John A. Kendrick, has been in contact with this office and has indicated that you will not object to being subpoenaed to give your sworn testimony and to produce documentary evidence pertinent to the questioned contributions.

Since the Commission is under a duty to investigate this matter expeditiously, we enclosed the subpoena with this letter. You will note that it calls for you to deliver the documents to this office by 2:00p.m., Wednesday, July 13, 1977, and to give your deposition at 10:30a.m., Thursday, July 14, 1977. If you find these



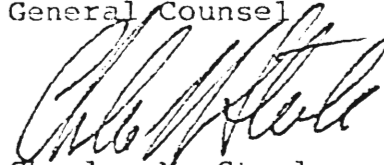
times to be inconvenient and would care to suggest alternatives which would still allow us to proceed in an expeditious manner, please contact Vincent J. Convery, Jr., the attorney assigned to this case, at 202/523-4060.

For your information, your daughter, J. Carole Keahey, is being served with a subpoena that is, in substance, identical to the one addressed to you.

Please note that 2 U.S.C. §434g(a)(3)(B) enjoins any person from making public the fact of "any notification or investigation" by the Commission unless the respondent agrees in writing to make the investigation public. The unauthorized disclosure of this matter is subject to the fine provided in 2 U.S.C. §437g(c).

Sincerely yours,

William C. Oldaker  
General Counsel



Charles M. Steele  
Acting General Counsel

VJC  
7/8/77

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## UNITED STATES OF AMERICA

## FEDERAL ELECTION COMMISSION

SUBPOENA TO APPEAR FOR DEPOSITION UPON  
ORAL EXAMINATION AND TO PRODUCE BOOKS,  
RECORDS AND OTHER RELEVANT DOCUMENTS

TO: Mr. Thomas M. Keahey  
c/o John A. Kendrick, Esquire  
233 Massachusetts Avenue, N.E.  
Washington, D.C. 20002

At the instance of the Federal Election Commission and pursuant to Section 437d of Title 2 of the United States Code, you are hereby subpoenaed to appear for deposition with regard to contributions made in connection with the candidacy of J. Carole Keahey for election to the United States House of Representatives. Notice is hereby given that the deposition is to be taken at 1325 K Street, N.W., Washington, D.C., at 10:30 o'clock, A.M., on Thursday, July 14, 1977, and at any and all adjournments thereof.

Additionally, you are hereby subpoenaed to produce at 1325 K Street, N.W., Washington, D.C., not later than 2:00 o'clock, P.M., July 13, 1977, all correspondence, memoranda, financial records and other relevant documents under your control which pertain to contributions made to the candidacy of J. Carole Keahey for election to the United States House of Representatives, including, but not limited to, bank statements, deposit slips, cancelled checks and savings account records for any and all accounts from which funds were received or were expended in direct or indirect support of the candidacy of J. Carole Keahey.

WHEREAS, the Chairman of the Federal Election Commission has hereunto set his hand at Washington, D.C., this 6 day of July, 1977.

Thomas E. Harris  
THOMAS E. HARRIS  
Chairman

ATTEST:

Marion Williams  
Secretary to the Commission



FEDERAL ELECTION COMMISSION

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

July 8, 1977

Ms. J. Carole Keahey  
c/o John A Kendrick, Esquire  
233 Massachusetts Avenue, N.E.  
Washington, D.C. 20002

Re: MUR 384(77)

Dear Ms. Keahey:

This is to inform you that, on June 28, 1977, the Commission found reason to believe that violations of the Federal Election Campaign Act of 1971, as amended, ("the Act"), have occurred in connection with your candidacy for election to the U.S. House of Representatives.

In particular, the Commission found that contributions in excess of those allowed by 2 U.S.C. §441a(a)(1) and 2 U.S.C. §441a(a)(3) may have been made to you and to the Carole Keahey for Congress Committee, of which you served as Treasurer; that you and the Committee knowingly accepted such improper contributions in violation of 2 U.S.C. §441a(f); and that contributions made to you and to the Committee were not reported in accordance with the provisions of 2 U.S.C. §434(b).

Under the Act, you now have the opportunity to demonstrate that no action should be taken against you or against your Committee. Your attorney, Mr. John A. Kendrick, has been in contact with this office and has indicated that you will not object to being subpoenaed to give your sworn testimony and to produce documentary evidence pertinent to the questioned contributions.

Since the Commission is under a duty to investigate this matter expeditiously, we have enclosed the subpoena with this letter. You will note that it calls for you to deliver the documents to this office at 2:00p.m. Wednesday, July 13, 1977, and to give your deposition at 10:00a.m., Thursday, July 14, 1977. If you find these times to be inconvenient and would care to suggest alternates which would still allow us to proceed in an expeditious manner, please contact Vincent J. Convery, Jr., the attorney assigned to this case, at 202/523-4060.



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For your information, your father, Thomas M. Keahey, is being served with a subpoena that is, in substance, identical to the one addressed to you.

We appreciate the cooperation you have afforded us thus far, and hope to be able to conclude this matter within a short period of time.

This matter will remain confidential in accordance with 2 U.S.C. §437g(a)(3), unless you notify the Commission in writing that you wish the investigation to be made public.

Sincerely yours,

William C. Oldaker  
General Counsel

  
Charles N. Steele  
Acting General Counsel

VJC  
7/8/77

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UNITED STATES OF AMERICA  
FEDERAL ELECTION COMMISSION

SUBPOENA TO APPEAR FOR DEPOSITION UPON  
ORAL EXAMINATION AND TO PRODUCE BOOKS,  
RECORDS AND OTHER RELEVANT DOCUMENTS

TO: Ms. J. Carole Keahey  
c/o John A. Kendrick, Esquire  
233 Massachusetts Avenue, N.E.  
Washington, D.C. 20002

At the instance of the Federal Election Commission and pursuant to Section 437d of Title 2 of the United States Code, you are hereby subpoenaed to appear for deposition with regard to contributions made in connection with the candidacy of J. Carole Keahey for election to the United States House of Representatives. Notice is hereby given that the deposition is to be taken at 1325 K Street, N.W., Washington D.C., at 10 o'clock, A.M., on Thursday, July 14, 1977, and at any and all adjournments thereof.

Additionally, you are hereby subpoenaed to produce at 1325 K Street N.W., Washington, D.C., not later than 2:00 o'clock, P.M., July 13, 1977, all correspondence, memoranda, financial records and other relevant documents under your control which pertain to contributions made to the candidacy of J. Carole Keahey for election to the United States House of Representatives, including, but not limited to, bank statements, deposit slips, cancelled checks and savings account records for any and all accounts from which funds were received or were expended in direct or indirect support of the candidacy of J. Carole Keahey.

WHEREAS, the Chairman of the Federal Election Commission has hereunto set his hand at Washington, D.C, this 7 day of July, 1977.

Thomas E. Harris  
THOMAS E. HARRIS  
CHAIRMAN

ATTEST:

Margaret W. Emerson  
Secretary to the Commission





# FEDERAL ELECTION COMMISSION

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

MEMORANDUM TO: The Commission

FROM: William C. Oldaker *WCO*

SUBJECT: Subpoenas in MUR 384 (77)

Attached is a draft of the subpoena we propose to issue in MUR 384. We recommend that Ms. J. Carole Keahey and her father, Thomas M. Keahey, each be served with this subpoena.

You will recall that this is the case in which we are faced with the question of excessive loans made by the father to the daughter in support of her candidacy for election to the House of Representatives.

The return dates will be inserted after the format has been approved by the Commission.

## RECOMMENDATION APPROVED:

*Thomas E. Harris*  
Thomas E. Harris

7-6-77  
Date

*Joan D. Aikens*  
Joan D. Aikens

7/6/77  
Date

*Neil Staebler*  
Neil Staebler

7/6/77  
Date

*William L. Springer*  
William L. Springer

7/6/77  
Date

*Vernon W. Thomson*  
Vernon W. Thomson

7-6-77  
Date

*Robert O. Tiernan*  
Robert O. Tiernan

July 6, 1977  
Date



## FEDERAL ELECTION COMMISSION

SUBPOENA TO APPEAR FOR DEPOSITION UPON  
ORAL EXAMINATION AND TO PRODUCE BOOKS,  
RECORDS AND OTHER RELEVANT DOCUMENTS

TO:

At the instance of the Federal Election Commission and pursuant to Section 437d of Title 2 of the United States Code, you are hereby subpoenaed to appear for deposition with regard to contributions made in connection with the candidacy of J. Carole Keahey for election to the United States House of Representatives. Notice is hereby given that the deposition is to be taken at \_\_\_\_\_

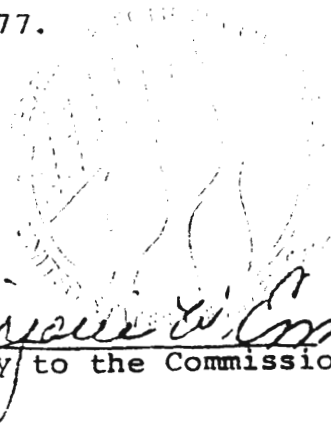
\_\_\_\_\_ and at any and all adjournments thereof.

Additionally, you are hereby subpoenaed to produce at \_\_\_\_\_

\_\_\_\_\_ all correspondence, memoranda, financial records and other relevant documents under your control which pertain to contributions made to the candidacy of J. Carole Keahey for election to the United States House of Representatives, including, but not limited to, bank statements, deposit slips, cancelled checks and savings account records for any and all accounts from which funds were received or were expended in direct or indirect support of the candidacy of J. Carole Keahey.

WHEREAS, the Chairman of the Federal Election Commission has hereunto set his hand at Washington, D.C., this 6 day of

July, 1977.

  
Thomas E. Harris  
THOMAS E. HARRIS  
Chairman

ATTEST:

Marjorie W. Cannon  
Secretary to the Commission

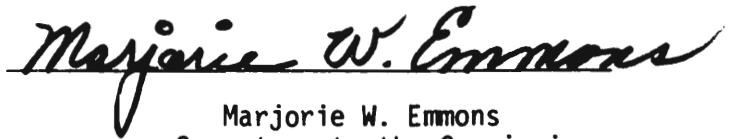
BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
J. Carole Keahey )

MUR 384 (77)

CERTIFICATION

I, Marjorie W. Emmons, Secretary to the Federal Election Commission, do hereby certify that on June 28, 1977, the Commission approved the General Counsel's recommendation to find reason to believe that violations of 2 U.S.C. Sections 441a(a)(1), 441a(a)(3), 441a(f) and 434 (b) have occurred in the above-captioned matter, and authorized the staff to issue subpoenas to produce all records pertaining to the financial transfers and other records pertinent to this matter, as recommended by the General Counsel.



Marjorie W. Emmons  
Secretary to the Commission

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# FEDERAL ELECTION COMMISSION

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

JUNE 28, 1977

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE EMMONS *mwe*

RE: MUR 384 (77)

Our office circulated the General Counsel's 48-hour report on MUR 384 (77) at 9:00 a.m. on June 27, 1977.

At 2:45 p.m. on June 28, 1977, we have received no objections to the recommendations in the report.

We have, therefore, drawn a "certification" for this action, and it is appended hereto.

Attachment: RTB certification





# FEDERAL ELECTION COMMISSION

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

June 24, 1977

MEMORANDUM TO: Marge Emmons  
FROM: William Oldaker  
SUBJECT: MUR 384 (77)

Please distribute the attached 48 Hour General Counsel Report on MUR 384 to the Commission on a 24-hour no objection basis.

Thank you.



FEDERAL ELECTION COMMISSION  
Washington, D.C.

48 HOUR GENERAL COUNSEL REPORT

MUR NO. 384

DATE AND TIME OF TRANSMITTAL  
BY OGC TO THE COMMISSION \_\_\_\_\_

DATE COMPLAINT RECEIVED  
BY OGC 3/31/77

ATTORNEY Convery

Complainant's Name: Neil H. Acker  
P.O. Box 116  
Montgomery, Alabama 36101

Respondent's Name: J. Carole Keahey

Relevant Statute: 2 U.S.C. §441a(a)(1); 2 U.S.C. §441a(f); 2 U.S.C. §434(b)  
2 U.S.C. §441a(a)(3)

Internal Reports Checked: \_\_\_\_\_ Federal Agencies Checked \_\_\_\_\_

SUMMARY OF ALLEGATION

Respondent purportedly financed this campaign largely with her own funds. Her filings indicate that she loaned approximately \$75,000, and that she contributed approximately \$30,000, to her campaign. Complainant does not believe that respondent had the wherewithal to support her campaign to this extent. Therefore, he charges that the respondent received contributions and loans in excess of the legal limits and that she failed to report these contributions and loans in the manner prescribed by statute.

BACKGROUND

The question of these loans and contributions was discussed at the Commission meeting of March 16, 1977, during the consideration of MUR 363, which was a "non-filer" case concerning the same candidate. In taking its action on MUR 363 the Commission returned the file to the Office of General Counsel for its recommendation as to whether an audit of the candidate's records should be conducted. The Office of the General Counsel recommended such an audit to the

Compliance Review Division on March 31, 1977.

The present complaint was received at the Commission on March 31, 1977, and was forwarded to the appropriate staff attorney on April 5, 1977. Since, by that time, the recommendation for audit had gone forward, it was determined that the complaint should be held in abeyance pending the completion of that audit.

In early June, 1977, the respondent, who had served as treasurer of her campaign committee, met with members of the audit staff. She informed the staff that her father had loaned her the money that she, in turn, had loaned or contributed to the campaign. However, she also explained that she had signatory authority over her father's account at a bank in Washington, D.C. (See Attachment).

#### PRELIMINARY LEGAL ANALYSIS

The pivotal issue in this matter is that of the ownership of the funds which the respondent loaned/contributed to her campaign. The process of arriving at a determination was made more difficult when the respondent gave two, apparently inconsistent, interpretations as to ownership.

If the respondent, consistent with her claim of signatory authority over her father's account, did in fact have legal and rightful title over the assets at the time she became a candidate, then she would have been free to make unlimited expenditures therefrom. See 41 Fed. Reg. 35,952 (1976).

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78040034481

On the other hand, if these funds were transferred to the respondent as loans from an account over which she had no legal and rightful title, then the transfers are clearly in excess of the limitations set forth in 2 U.S.C. §441a (a) (1) (A) and in 2 U.S.C. §441a(a) (3).

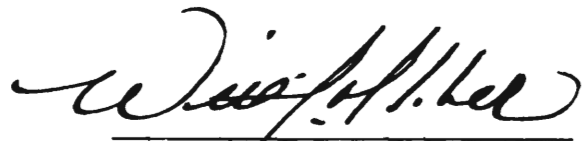
The respondent has not explained the apparent inconsistency in her explanations as to the source of the funds nor has she provided the audit staff with the documentation necessary to a determination of this issue.

#### RECOMMENDATION

We recommend that the Commission find reason to believe that violations of 2 U.S.C. §441a(a) (1), 2 U.S.C. §441a(a) (3), 2 U.S.C. §441a(f) and 2 U.S.C. §434(b) have occurred and that the respondent be so advised.

We recommend that the respondent and her father, Thomas Keahey, be subpoenaed to testify under oath and to produce all records pertaining to the financial transfers. Additionally, we recommend that the appropriate bank officers in Washington and in Alabama be subpoenaed to produce all pertinent records in their possession.

6/24/77  
Date

  
William Oldaker  
General Counsel

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FEDERAL ELECTION COMMISSION

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

*To E. G.  
for Muck*

MEMORANDUM

TO: BILL OLDAKER  
FROM: ORLANDO B. POTTER  
DATE: JUNE 21, 1977

*BT  
ORP*

Here is the audit material on Carole Keahey.

70040112191  
73040034481



Tom Haselhorst

June 10, 1977

MEMORANDUM TO: Charlie Steele  
FROM: Dan Swillinger *D.S.*  
SUBJECT: Audit of Carol Keahey

As the attached memo indicates, the on-going audit of the Carol Keahey for Congress Committee has turned up significant apparent violations.

Subsequent to receipt of the memo, Ms. Keahey's counsel, John Kendrick, contacted Tom Haselhorst to arrange a meeting to discuss the situation. A tentative meeting has been set for 10:00 a.m. on next Tuesday, June 14. If you agree that the meeting should take place, Tom and I will attend, along with whoever has the Keahey MUR 384. Please let me know.

Attachment

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## FEDERAL ELECTION COMMISSION

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

June 10, 1977

MEMORANDUM

TO: DAN SWILLINGER  
THROUGH: *RJC* BOB COSTA/*JPS for* BOB HAMM  
FROM: TOM HASELHORST/*TH* FRAN HAGAN/*fk*  
SUBJECT: KEAHEY FOR CONGRESS AUDIT

On June 1, 1977, the audit of the above candidate/committee commenced based on a May 16, 1977 memo from the Office of General Counsel advising the Audit Division of the Commission's vote on March 16, 1977, to conduct this audit. Ms. Carole Keahey, Candidate/Treasurer, has been the staff's primary contact on this matter to date.

Findings To Date

On June 2, 1977, Ms. Keahey contacted the staff by telephone to advise that based on our request at the June 1, 1977 meeting, she had located some of the missing records for her primary campaign and had requested from the bank certain monthly statements which were missing from the records of her general election campaign. She further advised that the bank records for the Riggs account, used during the primary, were the records of her father's account. She explained that she had signatory authority on the account and that her father had loaned her the money for the primary. She stated that the majority of the transactions on the Riggs account related to her father's personal affairs and not to her campaign. She was advised that all the records of the account would be needed for purposes of the audit.

On June 7, 1977, Ms. Keahey again met with the staff to present the additional bank records for the accounts used during the general election campaign. She did not present any records of the Riggs account relating to her primary campaign. She explained that certain statements were needed to complete the records of this account and that they had been requested from the bank and should be received next week, at which time she would make them all available to the staff.



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78040734485

At this meeting Ms. Keahey was again asked if the funds used to finance her campaigns were controlled by her personally, or if they were funds of her father. She demurred, saying that her father lent her the money, but that she had control of it. During further discussion of this matter Ms. Keahey attempted to defend the transactions and indicated that she had been advised by the executive director of the Democratic Congressional Campaign Committee that it was legal for her father to lend her the funds, which she in turn, lent the Committee for both her primary and general election campaigns. It appears that there is no loan agreement between Ms. Keahey and her father.

The staff advised that they felt the loans from her father were a problem under the provisions of the Federal Election Campaign Act, as amended on May 11, 1976, and the matter would be referred to the Office of General Counsel for their interpretation. It was suggested that she seek legal counsel on this matter and she stated she had counsel and would discuss this with him.

At the present time the staff can make no conclusions as to the accuracy of the candidate and committee reports due to a lack of documentation. Based on our meetings to date, there appears to be no invoices to support any of the expenditures and the only contributor records are the Schedules A and notations on the bank deposit slips. It is the opinion of the staff that the basic records needed to draw at least preliminary conclusions are a complete set of bank statements with supporting documentation and therefore, these records have been the focal point of our requests to date. Ms. Keahey is being afforded a reasonable time to voluntarily take these steps necessary to produce these records.

It is the recommendation of the Audit Division that, due to severity of this apparent violation, this finding be made a Matter Under Review by either initiating an internally generated MUR or by including this recommendation within MUR 384.

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73040054485

*Docket*

MEMORANDUM

JUNE 9, 1977

TO: V. CONVERY

FROM: WILLIAM OLDAKER *Bill*

A memo should be sent to the Audit Section asking them when MUR 384 will be ready.

June 16, 1977

MEMORANDUM TO:

WILLIAM C. OLDAKER

FROM:

VINCENT J. CONVERY *WJC*

MUR 384 is being held in abeyance pending the audit suggested by the Commission at the time the finding of probable cause in MUR 363 was rescinded on March 16, 1977.

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FEDERAL ELECTION COMMISSION

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

*Lie*  
May 20, 1977

MEMORANDUM TO: BILL LOUGHREY  
FROM: MARJORIE W. EMMONS *mwe*  
SUBJECT: CAROLE KEAHEY AUDIT *MURs 363 & 384*

The above-mentioned document was transmitted to the Commissioners at 11:00 a.m., May 19, 1977.

As of 11:15, May 20, 1977, no objections have been received regarding the recommendations in your Memorandum of May 19, 1977, subject as above.

CC: B. Oldaker  
B. Costa





FEDERAL ELECTION COMMISSION

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

April 15, 1977

MEMORANDUM TO: Charles Steele

FROM: Marjorie W. Emmons *mwe*

SUBJECT: MUR 378 (77), MUR 381 (77), and MUR 384 (77)

The above-mentioned documents were transmitted to the Commissioners on April 14, 1977 at 9:00 a.m.

As of 10:00 a.m., April 15, 1977, no objections have been received regarding the recommendations in MURs 378 (77), 381 (77), and 384 (77).



DATE AND TIME OF TRANSMITTAL: \_\_\_\_\_

NO. MUR 384 (77)

REC'D: April 5, 1977

FEDERAL ELECTION COMMISSION  
Washington, D. C.

Complainant's Name: Neil H. Acker

P.O. Box 116; Montgomery, Alabama 36010

Respondent's Name: J. Carole Keahey

Relevant Statute: 2 U.S.C. §441a(f); 2 U.S.C. §441(a)(1); 2 U.S.C. §434(f)

Internal Reports Checked: \_\_\_\_\_

Federal Agencies Checked: \_\_\_\_\_

RELATED CASE: MUR 363

SUMMARY OF ALLEGATION

Respondent's filings indicate that she loaned herself or her campaign committee approximately \$75,000 in her unsuccessful campaign for Congress. A newspaper article which accompanies the complaint suggests that the candidate did not have the financial wherewithal to support her campaign to this extent. Complainant believes that the candidate received contributions in excess of the legal limit and that she failed to report contributions as required.

PRELIMINARY LEGAL ANALYSIS

This issue was raised at the Commission meeting of March 24, 1977, during the consideration of MUR 363. At that time the Commission directed that the file be returned to the Office of General Counsel for further study. On March 31, 1977, the Office of General Counsel forwarded the matter to Compliance Review, recommending that the candidate's personal banking records be audited.

RECOMMENDATION

We recommend that this matter be held in abeyance until the audit of the candidate's personal banking records has been completed.

Date of Next Commission Review: \_\_\_\_\_



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FEDERAL ELECTION COMMISSION

GEC  
#103

1. Complainant: Neal H. Acker  
Mailing Address - P. O. Box 116  
Montgomery, Alabama 36101 771038  
  
Home Address - 3137 Rolling Road  
Montgomery, Alabama 36111  
  
Telephone Number - Office: (205) 834-7600  
Home: (205) 834-6390
2. Respondent: Ms. J. Carole Keahy  
Address - Unknown to Complainant  
Former Addresses  
Include: 4301 Woodley Square  
Montgomery, Alabama 36116  
  
500 South Hull Street  
Montgomery, Alabama 36104  
  
P. O. Box X  
Ozark, Alabama 36350

3. Charge:

Pursuant to the Federal Election Campaign Act of 1971 as amended, 2 U.S.C. 437g(a)(1), the undersigned hereby charges that the above named respondent has apparently engaged in violations of 2 U.S.C. 441a(f) in that she received contributions and loans within the meaning of the Act in excess of the legal limits prescribed by 2 U.S.C. 441a(a)(1). Complainant further charges that respondent apparently failed to properly report these contributions in the manner prescribed by 2 U.S.C. 434(b).

Respondent was a candidate for Congress from the Second District of Alabama in the general election held on November 2, 1976.

Respondent purportedly financed this campaign largely with her own funds. Respondent's Thirtieth Day Post Election Report filed with the Commission on December 3rd indicated total Calendar Year to date expenditures of \$109,568.56. Respondent's filings show that the respondent loaned herself or her campaign committee approximately \$75,000.00 during the course of her campaign. Her filings show contributions of approximately \$30,000.00 from her personal account to her campaign. It should be noted that the figures set out in this complaint are necessarily somewhat approximate because the confusing and incomplete style of respondent's filings make precision in this area impossible.

It further appears from Respondent's filings that of her total calendar year to date expenditure referred to above, only \$4,436.00 of the total expenditures were from donors other than herself. This would indicate that Respondent is personally very wealthy. Indeed from what little known information there is available concerning respondent's finances, the contrary inference could be drawn. In a recent press interview it appeared that respondent was presently unemployed and that, "she earned the campaign funds as a fashion model and from her Washington antique business, which she is now liquidating". (See attached article.) While complainant has no personal knowledge of the respondent's economic circumstances, it would appear that neither her lifestyle nor her employment history would indicate that she

has or had the resources necessary to support her campaign to the extent to enable her to make total loans and contributions to her campaign of approximately \$105,000.00.

Based on information and belief, the undersigned suspects that there is reason to believe that violations of the Federal Election Campaign Act have occurred and complainant respectfully requests the Federal Election Commission to initiate appropriate action to determine the accuracy and completeness of respondents reports of receipts and expenditures.

Neal H. Acker  
Complainant

SWORN to and subscribed before me on this 28th day of March, 1977.

Rouise McCarty Sinsom  
Notary Public  
State of Alabama, Montgomery County

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29040112191

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SHE FAILED TO UNSEAT DICKINSON

# Keahey's Campaign Cost Figured At \$109,568

By PETER B. SLEEPER  
Eagle Washington Bureau  
WASHINGTON — Ozark Democrat, Carole Keahey spent \$109,568 of her own money in last year's unsuccessful bid to unseat Second Congressional District Rep. William L. Dickinson.

That was more than twice Dickinson's \$48,382 expenditure, according to the most recent campaign finance reports on file with the Federal Election Commission.

A 30-year-old political novice who usually lives in Washington, Keahey started the year with \$3,390 in her campaign treasury, which she contributed herself. Throughout the year, she made "loans" to the campaign, often in hefty \$10,000 and \$15,000 chunks.

In a telephone interview from Montgomery with The

Eagle Washington Bureau, Keahey said the large campaign expenditure was not worth it. "It would have been worth it if I had won. I have a lot of mixed feelings that I have not sorted out yet," she said. "But I don't think politics is the finest way to make a living."

Keahey, who maintained an Ozark voting residency but lived in Washington before the election, said she earned the campaign funds as a fashion model and from her Washington antique business, which she is now liquidating.

Her future plans are uncertain, she said, although remaining in Alabama and running again in two years is a possibility. She said she is also considering coming to Washington to work for the Carter Administration although she has yet to apply and has not been offered a

job.

Although Keahey filed the required FEC reports, they were sometimes incomplete and inaccurately filled out. An FEC staff member said Keahey was "apparently very confused on the (required) reporting dates."

It is not exactly clear how much Keahey poured into the race in its closing weeks. But from Oct. 19 through Nov. 22 — the last regular FEC reporting period — it appears she spent \$64,000.

By contrast, Dickinson spent only \$24,700, although this amounted to half of his entire spending.

The Montgomery Republican who was elected to his sixth term, defeated Keahey with 57 per cent of the vote. Dickinson garnered 29,974 votes compared to Keahey's 66,519.

In 1974, Dickinson won 66 per cent of the vote when he

defeated Clair Chisler. In that election, Dickinson spent only \$33,000.

Keahey did not completely fill in the most recent FEC campaign report but it appears she ended the campaign with no financial debts and \$550 left over.

Dickinson also showed no campaign debts, but finished the race with a \$37,910 surplus.

In addition to her own funds, Keahey received contributions from organized labor. Among the unions to contribute were: rubber workers' union and the Communications Workers Union political funds, \$500 each; the teamsters political fund, \$200; and the carpenters political fund, \$300.

Of the \$75,815 Dickinson raised this year, all but \$10,000 was raised in the final weeks of the campaign. Some of Dickinson's Dothan backers were: G. Milton Adams, \$600; Glenn F. Wise, \$600; J. W. Parkman Jr. \$200; Stanhope Elmore, \$400; Mack Dove, \$600; Dick Bell, \$200; C. H. Chapman, Jr. \$200 and Dorman Frith, \$300.

Among the special interest groups to support Dickinson were: United Technologies Corp. political fund, \$1000; Association of General Contractors, \$500; (the



FEDERAL ELECTION COMMISSION

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

THIS IS THE BEGINNING OF MUR # 384

Date Filmed 3/22/79 Camera No. --- 2

Cameraman SPC