



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 4079

DATE FILMED 4-3-96 CAMERA NO. 3

CAMERAMAN Jm H

9 6 0 4 3 7 3 1 3 2 9

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

OCT 7 1994

MUR 4079

October 4, 1994

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

Dear Mr. Noble:

Pursuant to the provisions of 2 U.S.C. 437g(a)(1) of the Federal Election Campaign Finance Act of 1971, as amended (the "Act"), I hereby file this complaint against Congressman Greg Laughlin and the Laughlin for Congress Committee, Everett Kennemer, III, Treasurer. In support of this complaint, I offer the following facts and information:

VIOLATION

Congressman Laughlin's Campaign Committee, Laughlin for Congress, has accepted an illegal corporate contribution from Sherwood Van Lines in violation of 2 U.S.C. 441b(a).

THE PARTIES

Congressman Greg Laughlin

1. Greg Laughlin, hereinafter called "Laughlin" is the Democratic Congressman from the 14th District of Texas. Laughlin was elected in November of 1988.
2. Laughlin for Congress is the principal campaign committee of Laughlin. The Treasurer is Everett Kennemer, III and the committee address is P.O. Box 594, West Columbia, TX 77486
3. Based upon a statement in the Politics in America 1990, Laughlin requested to be appointed to the Public Works and Transportation Committee for the 101st session of Congress. On information and belief that request would have occurred in December of 1988.
4. Laughlin was appointed to that Committee by Congressman Jim Wright in January of 1989.

Sherwood Moving Vans

5. Sherwood Moving Vans, was an independent moving company headquartered in San Antonio, Texas. The company is now bankrupt.
6. Sherwood Moving Vans was a Federal contractor providing moving services for military personnel.
7. Papers filed pursuant to the bankruptcy action reveal Sherwood Moving Vans was sued in District Court by an insurer which charged company officials engaged in racketeering. The suit was settled out of court with an agreement of confidentiality. See Exhibit H.
8. It was reported in the San Antonio Business Journal that the insurer's claim sparked an internal investigation by the Military Traffic Management Command, the U.S. Army Criminal Investigation Command and the Defense Criminal Investigative Service. The investigation uncovered no wrong doing. See Exhibit I.

Leslie Tabor

9. Leslie Tabor was the President of Sherwood Moving Vans during the occurrence of this transaction.
10. Tabor was indicted by a Federal Grand Jury proceeding in San Antonio and Las Vegas for illegally funnelling \$11,000 in corporate campaign contributions through his wife, Irene Tabor, to several Texas congressmen, including Laughlin.

THE TRANSACTION

11. As part of his transition to office, Congressman-Elect Laughlin contracted with Sherwood Van Lines to move Laughlin's family from their three bedroom home in West Columbia, Texas to Washington, D.C. more than 1400 miles.
12. The contract was reported to have been consummated personally between Leslie Tabor, President of Sherwood Van Lines and Laughlin. See Exhibit A.
13. Laughlin is reported to have said that Tabor explained that Sherwood Van Lines could bid at such a low rate (\$2,000) because it specialized in and handled so many military transfers to Washington. See Exhibit A.
14. Published reports of the normal and usual charge for a move of this type, including packing services, is \$15,000. See Exhibit B.
15. Laughlin, through Laughlin for Congress, paid Sherwood Van Lines \$2500 for their services in January of 1994, more than five years after the services were provided. See Exhibit C. This represents a price substantially less than the reported normal and usual charge. The amount actually paid also represents \$500 more than the reported initial agreement.

ON-GOING RELATIONSHIP OF THE PARTIES

16. Laughlin, as a Freshman, was named by then Congressman Jim Wright to a seat on the Public Works Committee. That Committee includes regulation of Surface Transportation carrier such as Sherwood Van Lines. The 102nd Congress considered several significant issues related to the trucking industry.
17. Sherwood Van Lines was a Federal contractor at the time discounted moving services were offered. Laughlin affirmed he had notice of Sherwood's involvement with the military. He stated Tabor told him the reason he was able to give him a special rate was that he specialized in military moves. See Exhibit A.
18. Sherwood Van Lines paid Laughlin \$2,000 in honoraria to participate in a panel discussion at the Sherwood Van Lines convention in Las Vegas in 1989. A number of other Members also were paid honoraria.
19. Laughlin reported the honoraria on his 1988 Personal Financial Disclosure Report filed with the Clerk of the House. See Exhibit D. Laughlin reported the travel reimbursement for that trip a year later on his 1989 Personal Financial Disclosure Report. See Exhibit E.
20. Laughlin is quoted in the San Antonio Express-News saying that he may have signed a letter in support of the company (Sherwood) circulated by another Texas congressman. See Exhibit B. A Roll Call article of September 15, 1994, indicates that the letter did, in fact, express support for the renewal of Sherwood Van Lines military contracts for moving services. See Exhibit F.
21. Ilene Tabor, wife of Leslie Tabor, made contributions to Laughlin dating back to 1986 according to FEC records. The contributions were \$500 given on 9/12/86; \$500 given on 8/14/90 and \$750 given on 11/8/88.
22. Tabor was indicted by the Federal Grand Jury on charges that he made illegal corporate contributions to several congressmen, including Laughlin, by funneling illegal funds through his wife. See Exhibit F.
23. Laughlin, in a September 7, 1994, article appearing in the Victoria Advocate, stated that he would refund the illegal funds. See Exhibit G.

PAYMENT OF THE DEBT

24. Within 30 days from the time Laughlin was reported to have been made aware of the Federal Grand jury investigation by a reporter, a payment in the amount of \$2500 (\$500 greater than the original amount disclosed) was issued by the Laughlin for Congress Committee to Sherwood Van Lines. See Exhibits B & C.
25. The payment was made more than five years after the services were provided. It appeared as a debt for the first time as of the first report of 1994. See Exhibit J.
26. The September 15, 1994 edition of Roll Call quotes Laughlin as saying that "he never got a bill." Further, he was "totally unaware" of the issue until a local paper called him to inquire about the unpaid move. See Exhibit F.

27. During the 1989-1994 period, Laughlin for Congress raised more than \$1.3 million in campaign contributions. Sufficient funds existed with which to pay this obligation.

THE LAW

The genesis of this transaction could only have occurred under two circumstances. First, the contract for services of Sherwood were an obligation of Laughlin personally and payable from his personal accounts. Second, the contract for services of Sherwood were an obligation of the Laughlin for Congress Committee. Such payment is permissible on the basis that "transition expenses" may be paid from campaign funds. The repayment in January of 1994 by the Laughlin for Congress Committee has characterized this transaction as a political/campaign expense.

The provision of services by corporate vendors is strictly regulated by the Act. Two standards must be met before a transaction of this nature will be regarded as permissible. The service must be provided at a rate which is consistent with its normal and usual charge extended in the ordinary course of business. Second, if credit is extended, it must be provided on terms "substantially similar to extensions of credit to nonpolitical debtors that are of similar risk and size of obligation." 100.7(a)(4).

Ordinary course of business. Sherwood Van Lines was required to charge Laughlin a price which was consistent with its practice in the ordinary course of business. Specifically, Sherwood could only offer Laughlin the same discount available to other clients similarly situated. Laughlin has stated that Tabor offered to move his household belonging to Washington, D.C. for \$2,000. It is unlikely that this amount, substantially below the estimated value, represented the cost customarily charged clients of Sherwood even considering the volume of military business Sherwood maintained it conducted.

Collection of the Debt. The lapse of more than five years in payment of this debt requires the examination of the activities of the parties. Vendors are required pursuant to 11 C.F.R. 100.7(a)(4) to make "a commercially reasonable attempt" to collect debts. If a vendor fails to make such an effort, a contribution will result. Laughlin has stated on several occasions that he "never received a bill" from Sherwood. If Laughlin did not receive a bill then it is clear Sherwood has not fulfilled the requirement that it made a commercially reasonable attempt to collect the debt and a contribution has resulted. The issue is the amount of the contribution and whether other parties should be held responsible for the resulting contribution.

A contribution is defined as "anything of value" provided in connection with any election to Federal Office. 2 U.S.C.431(b); 11 C.F.R.100.7(a)(1). A service provided free of charge or at less than the normal and usual charge by a third party on behalf of a candidate is an in-kind contribution. The amount of the contribution is determined by calculating "the difference between the normal and usual for the goods and services at the time of the contribution and the amount charged." 11 C.F.R. 100.7(a)(iii).

Sherwood Van Lines was originally organized under the laws of Missouri. As a corporation, Sherwood Van Lines was prohibited from making contributions in any amount in connection with the election of Laughlin to Federal office.

2 U.S.C.441b(a), 11 C.F.R. 114.2 clearly states:

(b) Any corporation whatever . . . is prohibited from making a contribution or expenditure . . . in connection with any Federal election.

At a minimum, Sherwood has made an impermissible corporate contribution of that amount which represents the difference between the normal and usual charge and the amount paid. Using the published estimates, the corporate contribution could be as much as \$12,500.

While Laughlin has maintained that he "never received a bill, that does not absolve him from responsibility in this matter. Section 114.2 also states:

(c) A candidate, political committee . . . is prohibited from knowingly accepting or receiving any contribution prohibited by this section.

The circumstances at hand are not an instance where a service was provided and the parties to the contract never came into contact again. Laughlin is an Incumbent Congressman with an obligation to a Federal contractor which was outstanding for a period in excess of five years. It appears the parties were involved with one another before the moving transactions and on other matters of mutual interest for a number of years after the transaction. There were several opportunities to discuss the matter of the errant invoice. Similarly, if the bill had been forgotten, there were sufficient opportunities to "jog" memories of past transactions. The parties simply do not appear to display the interest in clearing up this debt as would be expected given the Member/Federal contractor relationship. The following circumstances support this statement:

1. Ilene Tabor had been a major donor of the Laughlin for Congress Campaign since 1986. She made three contributions between 1986 and 1990.
2. Laughlin spoke personally with Tabor regarding the cost of the move.
3. Laughlin traveled to Las Vegas for the Sherwood convention at company expense where he participated in a panel discussion about transportation issues. He has acknowledged that he spoke with Tabor when he was at the convention. He received a \$2,000 honorarium.
4. Laughlin serves on the Surface Transportation subcommittee in the U.S. House of Representatives. This committee deals regularly with the issues of regulation of the trucking industry.
5. On May 15th of 1990, Laughlin filed his personal financial disclosure statement in which he discloses the \$2,000 honorarium from Sherwood. Such information is provided with knowledge that to provide false information is a violation of civil and criminal statutes. Laughlin personally signed the statement.
6. On May 15th of 1991, a year later, Laughlin filed his personal financial disclosure statement in which he discloses the travel expenses associated with the Las Vegas trip identified in #3 above. Again, such information is provided with knowledge that to provide false information is a violation of civil and criminal statutes. Laughlin personally signed the statement.
7. Laughlin signed a letter of support on behalf of Sherwood as it sought to engage or renew its military contracts.

It does appear that the only event sufficient to "jog" the memory of Laughlin with regard to this transaction was the call from the reporter in which he claims to have learned he and Sherwood were under Federal Grand Jury Investigation. The payment was made shortly thereafter.

It simply appears that Laughlin took no responsibility for payment of this obligation. He knew of the existence of the debt and the amount involved. He negotiated the contract himself. No effort was made through the campaign finance statements of the Laughlin for Congress Committee to reflect the existence, even in an estimated amount, of an obligation owed during the entire five year period.

His explanation that "he never received a bill" does not absolve him of the obligation to satisfy the debt. When these circumstances are coupled with the repeated contacts of the parties either in person or through issues, it leads to the conclusion that the failure to inquire about the status of the invoice is tantamount to a knowing and wilful acceptance by Laughlin of an illegal corporate contribution in violation of 2 U.S.C.441b(a).

PRAYER FOR RELIEF

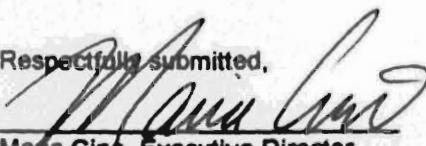
I respectfully request that the Federal Election Commission investigate this violation and find the following conclusions of law:

1. Sherwood Van Lines has made an illegal corporate contribution to Laughlin for Congress in violation of 2 U.S.C.441b(a) 11 C.F.R. 114.2(b).
2. Laughlin's failure to pay Sherwood within a commercially reasonable period of time is a knowing and wilful violation of the Act.

Further, I respectfully request that the Federal Election Commission assess all appropriate penalties for a knowing and wilful violation as provided in 2 U.S.C. 437g(d).

The above statements are true and correct to the best of my knowledge, information and belief.

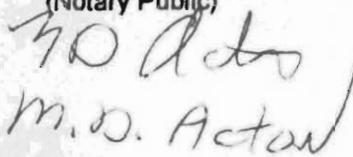
Respectfully submitted,


Maria Cino, Executive Director
National Republican Congressional
Committee
320 First Street, S.E.
Washington, D.C. 20003

Subscribed and Sworn to before me this 5 day of October, 1994.

My Commission Expires: 7/14/99

(Notary Public)


M. D. Acton

M. D. Acton
Notary Public, District of Columbia
My Commission Expires July 14, 1995

Sunday, September 4, 1984

Austin American-Statesman B7

Man accused of making illegal contributions to lawmakers

Associated Press

SAN ANTONIO — A former San Antonio resident has been charged in a federal indictment with funneling \$11,000 in illegal campaign contributions to 10 current or former congressmen.

Leslie Alfred Tabor, 62, now of Georgetown, Tenn., surrendered to the FBI in San Antonio and was released on \$50,000 bond.

The 10-count indictment by a San Antonio grand jury Friday accused the former president of Sherwood Van Lines of "causing the concealment and covering up of a material fact by scheme and device."

Citing the Federal Election Campaign Act, the indictment alleged that Tabor disguised political contributions during the 1990 campaign to hide the fact that the money came from Sherwood Van Lines.

The indictment said Tabor used his wife, Ilene Tabor, "as a conduit" to funnel Sherwood money to the political campaigns of the 10 House Democrats, including former Rep. Albert Bustamante of San Antonio.

Bustamante later was convicted in San Antonio of federal racketeering charges after he was accused of using his office for financial gain and accepting an illegal gratuity.

Bustamante, acquitted on eight other charges, is free on bond



Former U.S. Rep. Albert Bustamante said he paid for the use of Leslie Alfred Tabor's moving service.

while appealing his three-year prison sentence.

The other nine lawmakers mentioned in the indictment were Reps. Greg Laughlin of West Columbia, John Conyers of Michigan, Chet Edwards of Waco, Charles Wilson of Lufkin, Bill Sarpalus of Amarillo, Bill Hefner of North Carolina, Pete Geren of Fort Worth, Jim Chapman of Sulphur Springs and former Rep. Jim Bates, D-Calif.

Tabor resigned from Sherwood about two years ago, a company spokesman said. He now operates a moving company in Tennessee.

An answering service for Ta-

bor's Tennessee company said he was not available for comment Friday, the *San Antonio Express-News* reported.

The indictment accuses Tabor of paying each lawmaker \$1,000, except for \$2,000 paid to Conyers.

No elected official, staff member or Tabor's wife was accused of committing an illegal act.

Bustamante said December that he had used Sherwood's moving services but had canceled checks to prove he had paid for the work.

At the time Bustamante made that statement, Sherwood's new management was suing Tabor.

Laughlin told the *Express-News* that he sought bids from several moving companies for a move from West Columbia to Washington in 1988.

He said Tabor bid \$2,000, explaining he could do the work so cheaply because his company handled so many military moves to Washington.

Laughlin was on the House transportation committee but said last year that Sherwood never lobbied him.

He acknowledged being paid \$2,000 and expenses to sit in on a panel discussion of transportation matters at a Sherwood company convention in Las Vegas.

Laughlin listed the \$2,000 as an honorarium in his 1989 financial disclosure report.

9 6 0 4 3 7 3 1 3 4 6

SCHEDULE B

ITEMIZED DISBURSEMENTS

EXHIBIT C

117 TO EXHIBIT C
 Disbursements scheduled
 in such category of the
 Disbursed Summary Page

PAGE 2 OF 3
 FOR LINE NUMBER
 17

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

NAME OF COMMITTEE (In Full)

Laughlin for Congress

115991

A. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Sherwood Van Lines, Inc. 3507 Copeland San Antonio, Tx 78220	Move to Washington Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify) 1988 General Election	1/18/94	2,500.00
B. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
West Columbia National Bank P.O. Box 848 West Columbia, Tx 77486	Form 941, 4th Qtr, 1993 Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	1/27/94	1,528.92
C. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Internal Revenue Service Austin, Tx 73301	Form 940 - 1993 Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	1/27/94	32.68
D. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Texas Employment Commission P.O. Box 149037 Austin, Tx 78714-9037	SUTA - 4th Qtr. 1993 Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	1/27/94	22.10
E. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Fundraising Management Group 501 Capitol Ct., N.E., Suite 200B Washington, D.C. 20002	Fundraising Fee Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	2/04/94	2,000.00
F. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Greg Laughlin P.O. Box 504 West Columbia, Tx 77486	Meals Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	2/04/94	198.17
G. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
David L. Andrukitis, Majority Room U.S. House of Representatives Room WA29, Rayburn Bldg. Washington, D.C. 20515	Printing Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	2/04/94	74.00
H. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Laura Flores 601 Pennsylvania Ave., N.W., #201 Washington, D.C. 20006	Invoice for Toy Soldier Bear for Charity Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	2/04/94	31.80
I. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Erin Kelly 300½ F Street, N.E. Washington, D.C. 20002	Invoice for Book Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	2/04/94	29.68

SUBTOTAL of Disbursements This Page (optional) 6,467.35

TOTAL This Period (last page this line number only)

Calendar year 1988 EXHIBIT D
1726

8 9 0 7 0 2 1 3 0 6 7
UNITED STATES HOUSE OF REPRESENTATIVES

HAND DELIVERED Committee on Standards of Official Conduct

ETHICS IN GOVERNMENT ACT—FINANCIAL DISCLOSURE STATEMENT FOR 1988

FORM A—For use by Members, officers, and employees

Gregory Raines Laughlin _____
P.O. Box 564 Full Name

Mailing Address
West Columbia, Texas 77486

MC Office Use Only

PAGE 15 OF 25

Indicate the appropriate box (a) and (b) in the lines.

(a) Member of the U.S. House of Representatives—House 14 State Texas

(b) Other or Employee—Employer Other _____

(c) Child of deceased Senator _____

GENERAL INFORMATION

WHO MUST FILE AND WHEN:

(a) Each Member in office on May 15, 1988 must file a Financial Disclosure Statement on or before May 15, 1988.

(b) Any officer or employee of the Legislative Branch compensated at a rate equal to or in excess of the annual rate of base pay in offices for grades GS-14, GS-15, GS-16, or of January 1, 1988, for a period in excess of 60 days in calendar year 1988 shall file a Financial Disclosure Statement on or before May 15, 1988, if he or she continues to be such an officer or employee on May 15, 1988 and receives compensation equal to or in excess of the annual rate of base pay in offices for grades GS-14, GS-15, GS-16, or of January 1, 1988, on or before May 15, 1988.

(c) Any employee of a Member who has been designated as a principal consultant for purposes of the Ethics in Government Act of 1978 and who receives the equivalent of his or her pay for a period in excess of 60 days in calendar year 1988 shall file a Financial Disclosure Statement on or before May 15, 1988, if he or she continues to be such an employee on May 15, 1988.

WHERE TO OBTAIN ASSISTANCE: Committee on Standards of Official Conduct, U.S. House of Representatives, Room H-2, Capitol Building, Washington, D.C. 20515. Telephone No. (202) 225-7100. Additional forms and informative brochures may be obtained from the Committee office.

REPORTING INSTRUCTIONS

NOTE: Please read instructions carefully. Sign this form where indicated. Attach additional sheets if needed; identify each sheet by showing your name and the section being completed. For more assistance or information, a copy may attach a copy of other printed reporting forms, such as affidavits, declarations,gments, which may contain information may be obtained from Committee office or other organizations. In cases where such print forms are used, the material should be attached with an appropriate notation in the response area provided. Complete all parts. (If NOTE, see instructions.) Please type or print.

REPORTING PERIOD: The period covered by this Disclosure Statement is calendar year 1988 unless otherwise indicated. Child or dependent's financial activity period is the calendar year above. If reporting individual was not a Member or employee need not be disclosed.

1. SPOUSE AND DEPENDENT DISCLOSURE EXEMPTION

In general, the reporting individual is required to provide financial information concerning his or her spouse and dependents. However, in **SPECIFIC CIRCUMSTANCES WHERE ONE OR MORE FINANCIAL INTERESTS** of a reporting individual do not exceed the reporting individual's financial interest in the reporting individual's spouse or dependent(s), the reporting individual need not disclose such non-financial interest. **IF** the reporting individual's spouse or dependent(s) have financial interests in the reporting individual's financial interests are disclosed, "NO" should be checked in the space marked.

STANDARD FOR DISCLOSURE

- (1) The item is the sole interest or responsibility of the spouse or dependent child, and the reporting individual has NO KNOWLEDGE of the item and;
- (2) The item does not in any way, part, or manner, DERIVE FROM THE INCOME, ASSETS, OR ACTIVITIES of the reporting individual, and;
- (3) The reporting individual neither DERIVES NOR EXPECTS TO DERIVE, any financial or economic benefit from this item.

NOTE: Only financial interests among the students are exempted from disclosure, all other interests must be reported.

DO YOU HAVE OR ANY INTEREST IN PROPERTY OR CLAIMS OF A SPOUSE OR DEPENDENT CHILD OR PROPERTY TRANSFERS BY A SPOUSE OR DEPENDENT CHILD WHICH YOU HAVE NOT REPORTED BECAUSE THEY WERE THIS YEAR'S STANDARD FOR DISCLOSURE?	YES	NO	Y/N
--	-----	----	-----

If "No" answer, see detailed Disclosure Schedule on page 7

CHART A

1727

**57
REPRESENTATIVES**

iii Content

THE STATEMENT FOR 19

卷之五

Return statement on or before May 15

- rate equal to or in excess of the annual
2%, for a period in excess of 60 days on
or after May 15, 1939, if he or she continues
to receive equal to or in excess of the annual

years for purposes of the Ethics in Government Act, or a period of 60 days in calendar year 1989, if he or she continues to be

U.S. House of Representatives
JWD 220-7100. Additional forms and

M Action additional means if needed; however, for more extensive or destructive situations, transportation, sales, etc. Such procedures. In cases where such arrangements in the response area are used.

1982 as calendar year 1983 unless otherwise specified

STATEMENT CONCERNING USE OF HER MONEY
BY ONE OR MORE FINANCIAL INSTITUTIONS. Name not to be disclosed.
I, the depositor, have not so disclosed.
I am aware of all expenses and disbursements thus far.

THE INCOME, ASSETS, OR AC-

Our software will be updated.

**OUR SON OR DAUGHTER CHILD WAS
ONLY NOT REPORTED BECAUSE THAT**

8 9 0 7 7 ? 8 3 0 5 8
IL INCOME

GENERAL GUIDELINES

EXCLUSIONS: Income from current U.S. Government employment need not be reported. Report the **SOURCE**, **NAME AND TYPE** but not the **AMOUNT**, of a spouse's earned income which exceeds \$1,000. Income of a dependent child need not be reported.

For more information, see [Contact Customer Support or call 1-800-338-2273](#).

NAME	TYPE	AMOUNT	DISPOSITION
Griggs, Griggs & Laughlin	Legal Fee	\$148,033	none
S. Army Reserves	Salary	\$1,658	none
Berwood Van Lines	Honoraria	\$2,000	none

UNCLAIMED INCOME includes, but is not limited to, earnings derived from wages or compensation paid as interest, dividends and dividends. Unclaimed income must be determined by Part II-B when it exceeds \$100 in wages from any source during calendar year 1985. The unclaimed income of a spouse or cohabitant could also be reported under this part. Filer may use a category present or similar listing, if so desired. Only the category or value of such income need be disclosed. Category A—Net more than \$1,000; B—\$1,001-\$2,000; C—\$2,001-\$3,000; D—\$3,001-\$10,000; E—\$10,001-\$40,000; F—\$40,001-\$100,000; G—over \$100,000.

SOURCE	TYPE	CATEGORY
JUDGE & HOTEL LIMITED (Spouse)	Dividend	-
TRADITION BANK HOMER (Spouse)	Bank	-
HARV COLUMBIA NATIONAL BANK	Interest	-

NOTE: For Parts III, IV, and V below, indicate Category of Value as follows: Category A—not more than \$5,000; B—\$5,001-\$10,000; C—\$10,001-\$20,000; D—\$20,001-\$50,000; E—\$50,001-\$200,000; F—over \$200,000.

III HOLDING

GENERAL GUIDELINES

10.6.7.8. Stocks and bonds, real estate, savings accounts, and any other investment or property held for the proportionate of income, during calendar year 1988, including business interests, that had a fair market value of \$1,000 or more at the end of the year, must be reported by category of value. In listing the categories of value of your assets, when you list "real property" as an investment for your household, it can also be reported that the method of valuation is based on the "Appraised Value." (See instructions located at page 6 for methods of valuation.) In listing investments, the name of each company in which stocks worth over \$1,000 in total would be listed separately. In reporting real property holdings, a brief description of the property such as number of acres and valuation of any improvements, and its location should be included. You may use a computer printout or number listing, if so desired.

TRUSTS: Except for assets held in a Qualified Stand Trust, described below, the holdings of and income derived from a trust or other financial arrangement in which a beneficial interest in principal or income is held by the reporting individual, his spouse, or any dependent children must be disclosed. (See Exemption)

EXCLUSIONS: Any amounts aggregating \$1,000 or less in personal savings accounts as of the end of the year, and any personal contributions to charitable organizations by a member. A personal contribution would not be reported UNLESS any part of the contribution pertains to rental income. The cash value of a life insurance policy does not have to be reported. The reporting individual need only report the category of the amount of amounts received by him, his spouse, or dependents from (i) a trust which was not created directly by note individuals, his spouse or any dependents, and with respect to whom such individual, his spouse, and dependents have no ownership of the principal or interest of amounts of the trust or (ii) a "QUALIFIED BLIND TRUST," as defined in section 1651(d)(2) of the Act. Such a trust must be approved by the COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT AND APPROVED BY THE SECRETARY OF STATE. The committee may require such a trust to be filed.

DO YOU TELL SPOUSES OR DEPENDENT CHILDREN RECEIVING INCOME FROM OR HAVE A BENEFICIAL INTEREST IN A TRUST OR OTHER FINANCIAL ARRANGEMENT WHICH HOLDINGS WERE NOT REPORTED BECAUSE THE TRUST IS A "QUALIFIED PLAN"? IF YES, INDICATE AGREE, DISAGREE, TRANS.

For more information, see [Standard Testimony](#). Standard of review.

IDENTITY	PROPERTY
Super S Motel	500' ACRES, DAMON HIGHWAY, JES INTEREST
REMOVED IN ACRES, NEARBY RIVER, JES Interest	
JES ON LOUISIANA HIGHWAY, BROWNSVILLE, Texas	
DELUXE MOTEL	
INTERSTATE-INTERSTATE	
Plaza Partners	
Delta Gamblers	
Delta Gamblers, Inc.	

Calendar year 1989 EXHIBIT E

1802

0 7 0 3 2 1 4 6 9

UNITED STATES HOUSE OF REPRESENTATIVES

HAND DELIVERED

Committee on Standards of Official Conduct

ETHICS IN GOVERNMENT ACT—FINANCIAL DISCLOSURE STATEMENT FOR 1989

FORM A—For use by Members, officers, and employees

Gregory Haines Laughlin

Full Name

P.O. Box 504, West Columbia, Texas 77485
Mailing Address

5
ZUS ST 80
RECEIVED
COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT
U.S. HOUSE OF REPRESENTATIVES
JULY 11 1989

mc

With Care Only

Please use appropriate box and fill in the name.

Member of the U.S. House of Representatives—District 14 State TEXAS

Other or Employee—Employing Office _____

Other if employed elsewhere.

GENERAL INFORMATION

WHO MUST FILE AND WHEN:

- Each Member in office on May 15, 1989 must file a Financial Disclosure statement on or before May 15, 1990.
- Any officer or employee of the Legislative Branch compensated at a rate equal to or in excess of the annual rate of basic pay in effect for grade GS-16, \$67,000, as of January 1, 1989, for a period in excess of 60 days in a calendar year 1989 shall file a Financial Disclosure Statement on or before May 15, 1990, if he or she continues to be such an officer or employee on May 15, 1989, and receives compensation equal to or in excess of the annual rate of basic pay in effect for grade GS-16, \$60,461, as of May 15, 1990.
- Any employee of a Member who has been designated as a principal assistant (for purposes of the Ethics in Government Act of 1978) and who performs the duties of his or her position for a period in excess of 60 days in calendar year 1989 shall file a Financial Disclosure Statement on or before May 15, 1990, if he or she continues to be such an employee on May 15, 1990.

WHERE TO OBTAIN ASSISTANCE: Committee on Standards of Official Conduct, U.S. House of Representatives, Room HT-2, Capitol Building, Washington, D.C. 20515. Telephone No. (202) 225-7100 or 225-3787. Additional forms and instructions booklet may be obtained from the Committee office.

REPORTING INSTRUCTIONS

NOTE: Please read instructions carefully. Sign the form where indicated. Attach additional sheets if needed; identify each sheet by showing your name and the section being completed. For more questions of disclosure, a filer may contact a computer or other processor, listing source, such as nonresident, spouse, etc., such information may be obtained from financial institutions or other organizations. In those areas such "print-outs" are used, the material should be attached with an appropriate notation in the response area provided. Complete all parts. If NONE, so indicate. Please type or print.

REPORTING PERIOD: The period covered by this Disclosure Statement is calendar year 1989 unless otherwise indicated. Gifts or remunerations received during any period in the calendar year prior to reporting individual who is not a Member or employee need not be disclosed.

1. SPOUSE AND DEPENDENT DISCLOSURE EXEMPTION

In general, the reporting individual is required to include financial information concerning his or her spouse or dependent children. However, in RARE CIRCUMSTANCES, WHERE ONE OR MORE FINANCIAL INTERESTS of a spouse or dependent child meets the three standards listed below, the interest does not have to disclose. Non-dependents MUST be indicated by checking the space marked "YES". If all spouses and dependent children to financial interests are disclosed, "NO" should be checked in the space marked.

STANDARDS FOR EXEMPTION

- (1) The item is the sole interest or responsibility of the spouse or dependent child, and the reporting individual has NO KNOWLEDGE of the item; and
- (2) The item was not at any time past or present, DERIVED FROM THE INCOME, ASSETS, OR ACTIVITIES of the reporting individual; and
- (3) The reporting individual neither DERIVES NOR EXPECTS TO DERIVE, any financial or economic benefit from the item.

NOTE: Only financial interests meeting all of the above three standards are exempted from disclosure; all other interests must be reported.

ARE YOU AWARE OF ANY INTERESTS (F PROPERTY OR LIABILITIES OF A SPOUSE OR DEPENDENT CHILD) OR PROPERTY TRANSACTIONS BY A SPOUSE OR DEPENDENT CHILD WHICH YOU HAVE NOT REPORTED (EXCLUDING THOSE LISTED IN THIS FORM)? YES NO

For more information, see General Instructions Section on page 1.

E

169
REPRESENTATIVES

Official Conduct

DISCLOSURE STATEMENT FOR 1989

22486

MC Office Use Only

EXAS

DEFINITION

Financial Disclosure Statement on or before May 15.

Compensation at a rate equal to or in excess of the annual compensation for a period in excess of 60 days in calendar year or before May 15, 1989, if he or she continues to receive compensation equal to or in excess of the annual rate of May 15, 1989.

A principal assistant for purposes of the Ethics in Government Act for a period in excess of 60 days in calendar year or before May 15, 1989, if he or she continues to be an appropriate assistant in the responsible area provided.

Standards of Official Conduct, U.S. House of Representatives, 105th Congress, 2008, Telephone No. (202) 225-7108 or 225-3787, AG comes from the Committee office.

INSTRUCTIONS

Where indicated, attach additional sheets if needed; identifying being continued. For some categories of disclosure, a brief note, such as investments, transactions, assets, etc. Such notes for other organizations. In cases where such prints are appropriate, notation in the response area provided.

Disclosures statement is calendar year 1989 unless otherwise specified, as the calendar year when the reporting individual first served as the reporting individual.

PENDING DISCLOSURE

EXEMPTION

Financial information concerning the following instances where one or more financial interests are listed below, such interests need not be disclosed and the space marked "YES". If all spouses and dependents need be disclosed in the space marked.

FOR EXEMPTION

If the spouse or dependent child, and the reporting individual derived from the income, assets, or activities he expects to derive, any financial or economic benefit.

Indicates any complex financial arrangement, or other factors that require disclosure.

YES NO NO

9 7 1 7 0 3 2 1 4 7 0

II. INCOME

GENERAL GUIDELINES:

EARNED INCOME is represented by earnings from employment, or personnel efforts, such income when it exceeds \$100 from any one source must be disclosed at Part II-A, as to SOURCE, TYPE, AND GROSS AMOUNT. In reporting income, do not include amounts expended for actual travel and subsistence expenses for self and your spouse, or wife, and amounts paid or incurred for any agent's fees or compensation the DATE OF RECEIPT must be indicated. Earned income by Members is LISTED to 30% of the Congressional salary that receives in a calendar year. THE 1989 LIMIT FOR INCUMENT MEMBERS IS \$36,000 and \$34,463.51 for those Members who first took office in January 1989. Earned income in excess of the limitation may be reported to any organization described in § 5 U.S.C. 1701c. ANY honorarium, or other earned income, received by a charity (in whole or part) should be noted under "DISPOSITION" IF NONE, SO STATE.

EXCLUSIONS Income from current U.S. Government employment need not be reported. Report the SOURCE, and TYPE, but not the AMOUNT of a spouse's earned income which exceeds \$1,000. Income of a dependent need not be reported.

For more information, see detailed Instructions booklet at page 7.

SOURCE	TYPE	AMOUNT	DISPOSITION
FALCON County Independent School District	Salary		
Spouse			
Honoraria (see attached)			

UNEARNED INCOME includes, but is not limited to, earnings derived from assets or investments such as interest, rents and dividends. Unearned income must be disclosed at Part II-B when it exceeds \$100 in value from any source during calendar year 1989. The unearned income of a spouse or dependent child must also be reported under this part. Filer may use a computer printout or similar listing if so desired. Only the category of value of such income need be disclosed. Category A—not more than \$1,000; B—\$1,001-\$2,500; C—\$2,501-\$5,000; D—\$5,001-\$15,000; E—\$15,001-\$50,000; F—\$50,001-\$100,000; G—over \$100,000.

SOURCE	TYPE	CATEGORY
Super 8 Motel Limited (spouse)	Dividend	A
Brazoria Rent house (spouse)	Rent	B
West Columbia National Bank	Interest	A

NOTE: For Parts III, IV, and V below, indicate Category of Value, as follows: Category A—not more than \$5,000; B—\$5,001-\$15,000; C—\$15,001-\$50,000; D—\$50,001-\$100,000; E—\$100,001-\$250,000; F—over \$250,000.

III. HOLDINGS

GENERAL GUIDELINES:

ASSETS: Stocks and bonds, real estate, savings accounts, and any other investment or property held for the production of income, during calendar year 1989, including business interests, that had a fair market value exceeding \$1,000 as of the end of the year, must be reported by category of value. In listing the category of value of any item where it is difficult to determine an appropriate fair market value, any recognized method of valuation may be used provided that the method of valuation is indicated on the Disclosure Statement. (See Instructions booklet at page 9 for methods of valuation.) In listing securities, the name of each company in which stocks worth over \$1,000 in total must be listed separately. In reporting real property holdings, a brief description of the property (such as number of acres and indication of any improvements), and its location should be included. Filer may use a computer printout or similar listing, if so desired. IF NONE, SO STATE.

TRUSTS: Except for assets held in a Qualified Blind Trust, described below, the holders of and income derives from a trust or other financial arrangement in which a beneficial interest in principle or income is held by the reporting individual, his spouse, or any dependent children must be disclosed. (See Exclusions)

EXCLUSIONS: Any deposit aggregating \$5,000 or less in personal savings accounts as of the end of the year, and any personal liability owed to the reporting individual by a trustee. A personal residence would not be reported UNLESS any part of the residence produces rental income. The cash value of a life insurance policy need not be reported. The reporting individual need only report the category of the amount of income received by him, his spouse, or dependent from: (1) a trust which was not created directly by such individual, his spouse, or any dependent, and with respect to which such a individual, his spouse, and dependents have no ownership in the holdings or income of the trust, or (2) a "QUALIFIED BLIND TRUST," as defined in section 1402 of the Act. Such a trust must be approved by the COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT before it will be deemed a qualified blind trust under the Act. (Check the appropriate box below.)

DO YOU, YOUR SPOUSE OR DEPENDENT CHILD RECEIVE INCOME FROM OR HAVE A BENEFICIAL INTEREST IN A TRUST OR OTHER FINANCIAL ARRANGEMENT WHERE HOLDINGS ARE NOT REPORTED BECAUSE THE TRUST IS A "QUALIFIED BLIND TRUST" OR OTHER EXCEPTED TRUST? YES NO NA

For more information, see detailed Instructions booklet at page 6.

IDENTITY	CATEGORY
Super 8 Motels	B
Unimproved 18.45 Acres, Damon Highway, 1/2 interest	D
Unimproved 18 Acres, Bernard River, 1/2 interest	C
Lots on Louisiana Street, Brazoria, Texas	C
Partnership Interest	A
Delta Gamblers, Inc.	A
Eugene Island, Inc.	B

E

9 7 1 7 0 3 2 1 4 7 1

IV. TRANSACTIONS

GENERAL GUIDELINES

A brief description, the date, and category of value of any PURCHASE, SALE, OR EXCHANGE during calendar year 1969 which exceeds \$1,000 in real property, stocks, bonds, commodities futures, or other forms of investment. The amount to be reported is determined by the value of the property or investment in the category of value of the transaction price or total sales price, and is NOT related to any CAPITAL GAIN or LOSS on the transaction. INDICATE WHETHER THE PROPERTY WAS PURCHASED, SOLD, OR EXCHANGED. IF NONE, SO STATE.

EXCLUSIONS: Any purchase or sale of a personal residence, and any transactions entirely by and between the reporting individual, his spouse, or dependent children.

NOTE: A computer printout may be attached to this form if it contains the information requested.

For more information, see detailed Instructions Section at page 10.

BRIEF DESCRIPTION	DATE	CATEGORY
none		

V. LIABILITIES

GENERAL GUIDELINES

All personal obligations aggregating over \$10,000 owed to one creditor AT ANY TIME during 1969, whether secured or not, and regardless of the repayment terms or interest rates, MUST be listed. The identity of the liability should include the name of the individual or organization to which the liability is owed, and the amount due should be the category of value of the largest amount owed during the calendar year. Any contingent liability, such as that of a guarantor or endorser, or the liabilities of a business in which the reporting individual has an interest need not be listed. IF NONE, SO STATE.

EXCLUSIONS: Any mortgage secured by the PERSONAL RESIDENCE of the reporting individual or spouse (including a second residence or vacation home) that is NOT held for the PRODUCTION OF INCOME, any loan secured by a PERSONAL MOTOR VEHICLE, or household furniture or appliances, provided such loan does not exceed the purchase price of the item, and any liability owed to a relative.

For more information, see detailed Instructions Section at page 10.

IDENTITY	CATEGORY
Banc Texas, Houston, Texas	
West Columbia National Bank, West Columbia, Texas Personal Note	
Carl Schreiber Mortgage on Damon Highway Property	
S.C. Nat'l Bank, West Columbia, Texas, Mortgagor on San Bernard River Prop. A	

VI. GIFTS

GENERAL GUIDELINES

The term "gift" means a payment, advance, forbearance, rendering, or deposit of money, or any thing of value, unless consideration of equal or greater value is received by the donee. IF NONE, SO STATE.

EXCLUSIONS: Gifts from relatives, and gifts of personal hospitality of an individual, and political campaign contributions need not be reported. Gifts with a value of \$25 or less need not be aggregated towards the \$100 or \$250 disclosure threshold.

HOUSE RULE XLIII, clause 4, prohibited in 1969 acceptance of gifts aggregating \$100 or more in value from any source having a "direct interest in legislation," before the Congress, or from a foreign national. Thus, this disclosure requirement applies primarily to gifts from personal friends, consultants, and other individuals or groups that do not have a "direct interest in legislation."

For more information, see detailed Instructions Section at page 11.

A. The source and a brief description of gifts of transportation, lodging, food, or entertainment aggregating \$100 or more in value received from any source during calendar year 1969.

SOURCE	BRIEF DESCRIPTION
none	

B. The source, a brief description, and value of all other gifts aggregating \$250 or more in value received from any source during calendar year 1969.

SOURCE	BRIEF DESCRIPTION	VALUE
none		

E

0 1 1 7 0 3 2 1 4 7 3

Page 3 of 4

ETHICS IN GOVERNMENT ACT--FINANCIAL DISCLOSURE STATEMENT

Gregory Haines Laughlin

Continuation Sheet

Part II Date	Source Type Amount Category Description or Place of Appearance	Amount
Honorary		
1-3-89	Mr Nabisco	\$2000
2-2-89	British Petroleum of America	\$2000
1-3-89	Methodist Hospital	\$1000
3-4-89	Furrs Inc.	\$2000
4-1-89	The Pipeline Dinner Company	\$1000
5-10-89	Occidental Chemical Corporation	\$ 500
5-16-89	Edison Electric Institute	\$ 250
7-19-89	The Tobacco Institute	\$1000
7-23-89	National Ocean Industries Assoc.	\$1000
8-17-89	LTV Aerospace and Defense Company	\$2000
10-23-89	Shipbuilders Council of America	\$1000

Part VII Reimbursements

Sherwood Vannlines - Air to and from Nevada; food and lodging for two days; spouse included.

Furrs Inc. - Air to and from Lubbock; Food and lodging for two days.

Turkish Foreign Policy Institute - Air to and from Turkey to participate in a 9 day conference on International Relations; lodging and food; spouse included.

Victoria Economic Development Corp. - Air to and from Taiwan; Food and lodging for 8 days.

National Ocean Institute Assoc. - air to and from Boston; food and lodging for 2 days.

LTV Corp. - Air to and from Dallas; food for 1 day.

Wharton County Electric Cooperative - Air fare to and from Houston.

Texas Farm Bureau - Air to Delhart from Dallas and return to Dallas. Food and lodging for 2 days.

Philadelphia Ports Authority - Train to and from Philadelphia; Food and lodging for 2 days.

NY/NJ Port Authority - Train to and from New York. Food and lodging Transco Energy Co. for 3 days.

W.H.
•
•
•
•
•
•
KHENOT
REPO
WITIN
or depa
TEREST
closed
chuden(1) The
are NO K
(2) The
TIES of th
(3) The
from the re
NOTE: Only tALL TO
PROPERTY
RIGHTS ARE
BY THIS FORM

EXHIBIT F

Page 14 ROLL CALL Thursday, September 15, 1994

Laughlin Is Hit for Cut-Rate Moving Deal

By Gabriel Kahn

Rep. Greg Laughlin (D-Texas) received what appears to be a cut-rate deal on moving services from a company whose president was charged earlier this month with making illegal campaign contributions to Laughlin and nine other House Members.

Laughlin did not even pay the \$2,500 moving bill until this January, five and a half years after his move to Washington. And moving companies say the amount is far less than would normally be charged for a similar job. The moving deal first came to light when the San Antonio Express-News reported in December 1993 that Laughlin and others had received low bids from Sherwood Van Lines.

Laughlin told Roll Call that he never received a bill after Sherwood Van Lines moved his family from their three-bedroom house in San Antonio to Washington shortly after he was elected to Congress in 1988.

Sherwood's then-president, Leslie Alfred Tiper, had contributed as much as \$2,000 to Laughlin's 1988 election campaign — some of it illegally, prosecutors allege — and offered Laughlin a \$2,000 honorarium at a Las Vegas convention.

Laughlin faces a Republican challenge from rancher Jim Deats in November. Laughlin is favored to win although Deats is mounting an aggressive campaign.

Taber was indicted by a federal grand jury Sept. 2 on ten counts, including charges he illegally funneled \$11,000 to a total of 10 current and former Congressmen. Taber allegedly disguised political contributions by using his wife as a "conduit" for monies that came directly from his company's accounts.

The other Members who received contributions from Taber were: Reps. John Conyers (D-Mich.), Chet Edwards (D-Texas), Charles Wilson (D-Texas), Bill Sarpalis (D-Texas), Pete Geren (D-Texas), Jim Chapman (D-Texas), and Bill Hefner (D-NC), and former Reps. Jim Bates (D-Calif.) and Albert Bustamante (D-Texas).

Aides to all of the current Members who received the tainted contributions said they are now looking for ways to return the money.

Sherwood, Inc., specializes in military moves, and donated to candidates for Congress, which funds those military contracts. But Taber's involvement with Laughlin, who serves on the Public Works and Transportation subcommittee on surface transportation, went beyond campaign contributions.

Lauhlin's records show that he paid Sherwood Van Lines \$2,500 on Jan. 18, 1994, a full five and a half years after he moved. A similar move in 1989, says Kade Cresswell, president of Armstrong Movers, a San Antonio company, would have cost \$5,000.

"The reason is that we never got a bill [from Sherwood]," Laughlin explained. He said he was "totally unaware" of the issue until a local paper called him to inquire about the then-unpaid move.

"We contacted the company and they said that it hadn't been billed. As a result of that I sent them a check, with a letter attached. I didn't realize that there was no bill," Laughlin said.

After his election and move to Washington, Laughlin said he had numerous bills and debts to settle and that the moving bill simply escaped him.

Asked if he thought it was odd that a moving company would forget to bill him, he responded, "I can't answer for them."

Laughlin said he chose Sherwood for his move after a staffer for then-Speaker Jim Wright (D-Texas) suggested that he call them to ask for a bid.

As it turns out, Laughlin said, they offered him a bargain price, because "they said my house was right en route." He could not recall what the other estimates he received were but said "they were not substantially higher."

Soon after Laughlin took office, Wright appointed him to the surface transportation subcommittee. His position on the panel, Laughlin said, prompted Taber to invite him to a Sherwood, Inc., company convention in Las

Vegas, in January 1989, where he received a \$2,000 honorarium, directly from Sherwood, for participating on a panel discussion about transportation issues, according to Laughlin's financial disclosure records. The Las Vegas convention, Laughlin said, was the first time he recalled meeting or speaking with Taber.

"At the time, I didn't think it was unusual [to accept money directly from a corporation, rather than a trade association, or similar organization]." The prohibition on accepting such honoraria was not passed until several months later.

At one point in 1990, Laughlin, together with other members of the Texas Congressional delegation, signed a letter of support for Sherwood, Inc.'s contracts with the military. But Laughlin asserts he did not initiate the letter, and he signed it only as a routine part of his work on the Texas delegation.

Laughlin says he plans to try to give the allegedly illegal campaign contributions back as soon as possible.

The San Antonio Express-News reported that Taber left Sherwood two years ago and started a moving firm in Tennessee. Sherwood's new management reportedly had filed a lawsuit against Taber. Calls to Sherwood's San Antonio offices went unanswered, and Taber, who was released on \$50,000 bond, could not be reached.

EXHIBIT G

THE VICTORIA ADVOCATE, Wednesday, September 7, 1984 - \$1.50

Laughlin intends to repay contribution

ROBERT R. SORRETT

The Victoria Advocate

A federal grand jury indictment against a former San Antonio moving company owner and his wife accuses U.S. Rep. Greg Laughlin, D-West Columbia, as the recipient of an illegal \$1,000 campaign contribution.

The indictment does not accuse Laughlin of any wrongdoing.

The grand jury claimed Leslie A. "Charles" Taber, the former president of Sherwood Van Lines, and his wife, Helen, contributed \$1,000 to 16 current or former congressmen four years ago.

Laughlin, who first heard of the

incident over the holiday weekend, said it was "awfully embarrassing" to be mentioned in the indictment and he was looking into the records of when the contribution was actually made.

Laughlin said that he had "every intention" of paying the money back.

Taber surrendered to the FBI in San Antonio on Friday and was released on a \$50,000 bond.

The indictment said that Taber used his wife's name to contribute Sherwood Van Lines money to congressional election campaign funds to circumvent the Federal Election Campaign Act, which sets

a \$1,000 limit per election on individual contributions.

The indictment said that Taber "did knowingly and willfully, by a scheme and device, cause the Treasurer of Laughlin for Congress to conceal and cover up a material fact" that the \$1,000 contribution was from the corporate treasury of the van lines and not a voluntary individual contribution.

Laughlin said tracing campaign money from contributors is practically impossible.

"It's hard to know exactly where the money is coming from if all you're handed is a personal check," Laughlin said.

"We don't intend to keep any of

this money," Laughlin said.

Laughlin's association with Taber was through the van line company. Sherwood Van Lines moved the congressman and his family to Washington, D.C., after he was first elected in 1980.

He said he met Taber after they moved and took part in a panel discussion at a Sherwood Van Lines company convention in Las Vegas in 1980.

Taber, who currently lives in Tennessee, has not been associated with the van lines for the past two years.

"I have every intention of paying the money back," Laughlin added.

40CI-155 EXHIBIT H

NO.

THE CLAYBURN AGENCY, INC. S IN THE DISTRICT COURT
VS. S JUDICIAL DISTRICT
LESLIE A. TABER, S
THEODORE A. COULTER, and S
SHERWOOD VAN LINES, INC. S BEXAR COUNTY, TEXAS

PLAINTIFF'S ORIGINAL PETITION

TO THE HONORABLE JUDGE OF SAID COURT:

Now comes THE CLAYBURN AGENCY, INC., a Texas corporation duly licensed to do business in this state, hereinafter "CLAYBURN," complaining of LESLIE A. TABER, THEODORE A. COULTER, and SHERWOOD VAN LINES, INC., Defendants herein, and for cause would show the court as follows:

I.

Venue

Venue is appropriate in Bexar County, Texas, as the individual defendants reside therein.

II.

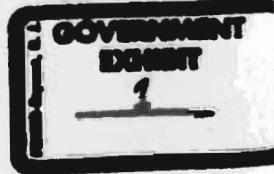
Service Upon Defendant TABER

Defendant, LESLIE A. TABER (hereinafter "TABER"), resides in Bexar County, Texas, and may be personally served with process at his business address, 3507 Copeland Drive, San Antonio, Bexar County, Texas.

III.

Service Upon Defendant COULTER

Defendant, THEODORE A. COULTER (hereinafter "COULTER"), resides in Bexar County, Texas, and may be personally served with



process at his business address, 3507 Copeland Drive, San Antonio, Bexar County, Texas.

IV.

Service upon Defendant SHERWOOD VAN LINES, INC.

Defendant SHERWOOD VAN LINES, INC., (hereinafter "SHERWOOD"), is a Missouri Corporation authorized to do business in the State of Texas, who may be served with process by serving its president, LESLIE A. TABER, at its business address, 3507 Copeland Drive, San Antonio, Bexar County, Texas.

V.

Relationship between Defendants SHERWOOD, TABER and COULTER

At all times material to this lawsuit, SHERWOOD has been operating a moving and storage company whose primary customer has been and is the United States Government. Its president, TABER, has, with its vice-president, COULTER, used SHERWOOD'S corporate fiction as a means of perpetrating fraud upon the CLAYBURNES. Further, TABER and COULTER has used corporate funds to pay personal expenses without proper accounting, failed to distinguish between corporate and personal property, and failed to maintain complete corporate and financial records. Thus, SHERWOOD'S corporate fiction should be disregarded and liability for its acts should be borne individually by TABER and COULTER, jointly and severally.

VI.

Count One -- Rico Action

a. Pattern of Racketeering Activity

The Defendants, COULTER and TABER have participated in a pattern of racketeering activity, as defined by 18 U.S.C. 1961(1) (A) and (B). This pattern consists of related multiple predicate criminal acts and/or schemes which have the same purpose, results, participants, victims, methods of commission, and the same distinguishing characteristics.

The predicate acts are as follows:

i. Bribery

Defendants TABER and COULTER violated 18 U.S.C. § 201 and Texas Penal Code § 32.43(c) (bribery laws).

Defendants TABER and COULTER each offered money on numerous occasions within the past ten years to an employee of the United States government with intent to influence an official act or influence such employee to commit or aid in the committing or collude in, or allow, fraud or make opportunity for the commission of fraud, on the United States. On the above-referenced occasions Defendants, TABER and COULTER, offered cash payments to employees of the United States Military, without its consent, which offer was, or would have been, accepted by these employees intentionally and/or knowingly, with the understanding that their conduct would be influenced with respect to the affairs of the U. S. Military. Specifically, the payments were to

X

0
6
3
1
3
7
3
4
0
6
9

insure that the employees of the U.S. Military would act and/or refrain from acting, so as to prevent the U. S. Military from learning of late shipments made by Defendant SHERWOOD. The purpose in keeping the U. S. Military unaware of late shipments was to prevent the penalty attendant to late shipments, i.e., Defendant SHERWOOD's suspension from shipping goods out of the point of origin of said late shipments for a set period of time. The suspension would have decreased both the number of vehicles operated by SHERWOOD as well as the gross receipts received by it, both factors having a direct effect on its insurance premiums. CLAYBURN would not have insured SHERWOOD if it had known about the bribes referred above.

ii. Wire Fraud

Defendants, TABER and COULTER are guilty of violating 18 U.S.C. § 1343 by using interstate wire communications for the purpose of executing schemes or artifices to defraud or for obtaining money by means of false or fraudulent pretenses, representations or promises. Specifically, Defendant TABER, on more than ten separate occasions within the past ten years, transmitted or caused to be transmitted instructions to SHERWOOD's drivers to falsify documents and/or pay money to public officials, agents or employees of the U.S. Military who were the recipients of late shipped goods in order to falsify documents; furthermore,

H

Defendant TABER, on at least ten separate occasions within the past ten years intentionally used or caused to be used interstate wires to send money across state lines for the above-referenced bribes; furthermore, Defendant TABER on at least ten occasions and COULTER, on at least three occasions, intentionally used or caused to be used, interstate wires to telephone officers, agents or employees of the U. S. Military, who were the recipients of the late delivered goods and communicated thereby the offers to pay money in consideration for falsifying documents to keep the U. S. Military from learning that the goods were delivered late. It was the Defendants' intent to execute this scheme so that SHERWOOD would continue performing shipping contracts during a period of time in which it would have otherwise been suspended because of late shipments. Such suspensions, had they occurred, would have been known to Plaintiff CLAYBURN and it would not have insured Defendant SHERWOOD nor sustained the losses it did as a result of insuring SHERWOOD.

iii. Mail Fraud

Defendants TABER and COULTER are guilty of violating 18 U.S.C. § 1341 by mailing or causing to be mailed to Plaintiff CLAYBURN, a letter dated June 28, 1988, a copy of which is attached hereto as Exhibit "A," and a letter dated March 8, 1989, a copy of which is attached hereto as Exhibit "B," incorporated by reference herein.

as if set out in full, such letters being placed in the U. S. Mail for the purpose of executing a scheme or artifice to defraud Plaintiff CLAYBURN out of money by means of false or fraudulent pretenses, representations and promises. On numerous occasions in the last 10 years Defendants TABER and COULTER caused to be mailed falsified government documents (Driver's Daily Logs) which allowed SHERWOOD to pass inspections by the Department of Transportation and thereby continue its practice of operating vehicles at speeds and for hours which are prohibited by law. Such practice materially affected the risk Plaintiff undertook to insure in a manner which caused Plaintiff damage.

b. Violations of 18 U.S.C. § 1962(c)

Defendants, TABER and COULTER, are guilty of violating 18 U.S.C. § 1962(c), because, as employees of SHERWOOD, an enterprise engaged in interstate commerce, they conducted and/or participated, directly or indirectly, in the conduct of SHERWOOD's affairs through the pattern of racketeering activity described above.

c. Violation of 18 U.S.C. § 1962(d)

Defendants TABER and COULTER are guilty of violating 18 U.S.C. § 1962(d) by conspiring to commit the acts set forth above.

d. Injury to Plaintiff Clayburne by Reason of Violations of 18 U.S.C. § 1962(c) & (d)

Plaintiff CLAYBURN has sustained an injury by reason of the Defendants' violations of 18 U.S.C. § 1962 (c) & (d)

as set above. Specifically, Plaintiff CLAYBURNIE has insured Defendant SHERWOOD for almost three years, incurring a great deal of expense in providing insurance and servicing the account. Because of the bribery referred to above, Defendant SHERWOOD continued to operate its business without suspensions. These suspensions were designed to penalize SHERWOOD and induce it to operate its business in a safe and timely manner. By avoiding suspensions, SHERWOOD was able to operate its vehicles in an unsafe manner, thereby materially affecting the risk Plaintiff CLAYBURNIE undertook to insure. But for the illegal conduct of TABER and COULTER set forth above, CLAYBURNIE would not have insured SHERWOOD and hence it would not have sustained the damages it did. Such damages consist of, among others, uncollected premiums owed by Defendant SHERWOOD, attorneys' fees incurred in fruitless negotiations of a release and defense of a groundless lawsuit, additional overhead and labor costs to service the fraudulently obtained policies in question, lost opportunities to solicit, obtain and service other clients causing a loss of future profits and excessive losses under the policies which were charged against CLAYBURNIE causing its loss ratio to exceed permissible levels. These damages are at this time in excess of TWO HUNDRED THOUSAND DOLLARS. Pursuant to 18 U.S.C. § 1964(c), Plaintiff is entitled to three times the actual damages proven at trial. This sum does not include reasonable attorneys' fees incurred in the prosecution of this action, for which claim is also made.

VII.

Count Two -- Breach of Insurance Contract

a. On or about July 1, 1988, Plaintiff CLAYBURNE contractually agreed to obtain insurance for Defendant SHERWOOD (alter ego for Defendants TABER and COULTER), the terms of which were contained in policy No. LMT233501 issued by the Insurance Company of North America. In consideration for providing that policy, Defendant SHERWOOD promised to pay Plaintiff CLAYBURNE a premium in the amount stated therein. Defendants SHERWOOD, TABER and COULTER have failed to pay all of the premiums it agreed to pay and prematurely cancelled same, thereby depriving Plaintiff CLAYBURNE of the commissions it would have received had the agreement not been breached. Accordingly, Plaintiff CLAYBURNE has been damaged in a sum in excess of the minimum jurisdictional limits of this court, for which it now sues.

b. All conditions precedent to recovering under the contract of insurance described in the preceding paragraph have been performed by Plaintiff CLAYBURNE.

c. Pursuant to Texas Civil Practice & Remedies Code, Article 38.001 et seq., Plaintiff CLAYBURNE is entitled to recover reasonable attorneys' fees incurred in the prosecution of its claim for breach of the written contract set forth herein. Plaintiff CLAYBURNE is represented by the undersigned attorneys and the claim has been presented to the Defendant SHERWOOD and payment for the just amount owed

X

has not been tendered prior to the expiration of thirty days after the claim was presented.

VIII.

Count Three -- Breach of Release Contract

2. On or about March 8, 1989, Defendant SHERWOOD (alter ego of TABER and COULTER), by and through its attorney, Kenneth B. Leeds, presented its claim (Exhibit "B") under the Deceptive Trade Practices Act and Texas Insurance Code and included an offer to settle for certain terms and conditions which were set out therein. Subsequent to this letter, authorized representatives of Defendant SHERWOOD, TABER and COULTER imbued with full authority to negotiate and settle all claims on its behalf, met with Plaintiff CLAYBURNE and its attorney, Norman J. Paul. After negotiations, it was orally agreed by both parties that, without admitting liability, but solely in the interest of saving time and money, Plaintiff CLAYBURNE would provide coverage under the original contract, for a reduction in premium of over \$40,000.00, and that Defendant SHERWOOD would pay the reduced premium in full as well as release Plaintiff CLAYBURNE, Joe Clayburne and Kenneth B. Clayburne from all alleged claims arising out of the transaction described in Kenneth B. Leeds' letter of March 8, 1989, (Exhibit "B"). In consideration and in reliance upon Defendant SHERWOOD's promise that it would pay the reduced premium, continue coverage under the original policy and release all alleged claims theretofore presented, Plaintiff

9 6 0 4 3 7 3 1 3 6 5

11

CLAYBURN~~E~~ expended further time and money in order to continue coverage. Defendants SHENWOOD, TABER and COULTER breached this oral contract by failing to pay premiums for extended coverage, failing to continue coverage, and failing to release Plaintiff CLAYBURN~~E~~ from the above-referenced claims, causing it to incur damages in the form of lost premiums, lost profits and attorneys' fees in excess of the minimal jurisdictional limits of this court for which it now sues.

b. All conditions precedent to recovering under the release contract set forth herein have been performed by Plaintiff CLAYBURN~~E~~.

c. Pursuant to Texas Civil Practice & Remedies Code, Article 38.001 et seq., Plaintiff CLAYBURN~~E~~ is entitled to recover reasonable attorneys' fees incurred in the prosecution of this claim for breach of the oral contract set forth herein. Plaintiff CLAYBURN~~E~~ is represented by an attorney, the claim has been presented to the Defendant SHENWOOD and payment for the just amount owed has not been tendered prior to the expiration of thirty days after the claim was presented.

IX.

Count Four -- Alternative Quantum Meruit Claim

a. In the alternative to recovery under the above contract claims, Plaintiff CLAYBURN~~E~~ would show that on or about July 1, 1988, the Plaintiff CLAYBURN~~E~~, upon request from Defendant SHENWOOD, (as alter ego of TABER and COULTER)

H

provided insurance to Defendant SHERWOOD in the form of Insurance Company of North America Policy No. LMT233501. As a direct result of Plaintiff CLAYBURN'S providing said insurance coverage, a benefit was conferred on the Defendant SHERWOOD by way of said insurance. Defendant SHERWOOD has accepted the benefit of the insurance provided by Plaintiff CLAYBURN, which reasonably expects payment for the insurance provided because it would not have procured such insurance had Defendant SHERWOOD not represented that it would pay for same.

b. Defendants SHERWOOD, TABER and COULTER will be unjustly enriched if allowed to retain the benefit of insurance conferred on it without payment for same. Plaintiff CLAYBURN sues for the equitable value to Defendants SHERWOOD, TABER and COULTER of said insurance.

c. Pursuant to Texas Civil Practice & Remedies Code, Article 38.001 et seq., Plaintiff CLAYBURN is entitled to recover reasonable attorneys' fees incurred in the prosecution of its claim for the services provided as set forth herein. Plaintiff CLAYBURN is and has been represented by attorneys, the claim has been presented to Defendant SHERWOOD and payment for the just amount owed has not been tendered prior to the expiration of thirty days after the claim was presented.

X.

Count Five — Fraud and Conspiracy to Commit Fraud

a. Plaintiff CLAYBURN will show that on or about June 28, 1988, and March 8, 1989, Defendants SHERWOOD, COULTER &

9 6 0 4 3 7 3 1 3 6 3

TABER, conspired to commit and did commit fraud by knowingly making representations both verbally and in writing which they knew to be false at the time said representations were made and which were made for the purpose of inducing the Plaintiff CLAYBURNIE into insuring and continuing to insure Defendant SHERWOOD. Said representations are set forth in paragraph VI. above and incorporated by reference herein as is set out in full. Plaintiff CLAYBURNIE, in reliance on said false representations, initially obtained coverage, then after Sharwood's default in paying premiums, refrained from cancelling the insurance in question, expended further time and money to continue said coverage, and incurred attorneys' fees in negotiating a release and defending a frivolous lawsuit. The value of all of the above is in excess of the minimal jurisdictional limits of this court and for which Plaintiff CLAYBURNIE now sues.

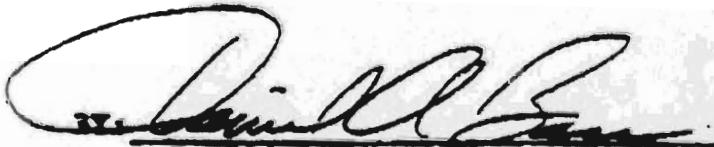
b. The fraudulent conduct of Defendants SHERWOOD, TABER & COULTER described above, was committed intentionally, wantonly, maliciously, and willfully and gives rise to exemplary damages for which Plaintiff CLAYBURNIE now sues. Plaintiff CLAYBURNIE asks that reasonable attorneys' fees incurred in its defense in the lawsuit filed by Defendant SHERWOOD in another state court action, as well as the reasonable attorneys' fees incurred in the prosecution of this action, be included in any award for exemplary damages.

H

COMPLAINTS CONSIDERED, Plaintiff CLAYBURN prays that upon a trial of this cause that it have and recover of and from said Defendants SHERWOOD, TABER and COULTER, jointly and severally, the greater of three times its actual damages under 18 U.S.C. § 1964(c) or, actual and exemplary damages under state common law actions brought herein; reasonable attorneys' fees; costs of court; pre-judgment and post-judgment interest at the maximum rate allowed by law; and, further general relief.

Respectfully submitted,

CLEMENS & SPENCER
1500 N.B.C. Bank Plaza
112 East Pecan Street
San Antonio, Texas 78205-1598
(512) 227-7121
Telecopiar (512) 227-0732



Daniel A. Bass
State Bar No. 01875695

PLAINTIFF HEREBY DEMANDS A TRIAL BY JURY.

9 6 0 4 3 7 3 1 3 6 9

I

Copyright 1991 UMI
Copyright The San Antonio Business Journal, Inc. 1991;
Business Dateline;
San Antonio Business Journal

February 1, 1991

SECTION: Vol 5; No 5; Sec 1; pg 1

LENGTH: 999 words

HEADLINE: Defense Dept. Probes Firm's Alleged Bribes

BYLINE: Travis E. Poling

DATELINE: San Antonio; TX; US; Southwest

BODY:

Three U.S. Department of Defense agencies have launched a joint investigation to determine whether a San Antonio moving company bribed military officials and falsified documents, the Business Journal has learned.

According to documents obtained by the Business Journal, the Military Traffic Management Command, the U.S. Army Criminal Investigation Command and the Defense Criminal Investigative Service are jointly investigating Sherwood Van Lines Inc., a local moving company specializing in moving the households of military personnel.

The military "is keenly interested in determining the truth of the allegations asserted against Sherwood Van Lines Inc.," reads a letter by Col. Roger F. Maguire, U.S. Army director of personal property for the Military Traffic Management Command. "If we determine that Sherwood Van Lines Inc., has violated the laws or regulations, or otherwise become unfit for further participation in the personal property program, we will take such action as is necessary to protect the interests of the Department of Defense."

In a prepared statement, Sherwood vice president Ted Coulter denied any wrongdoing, saying that the charges are the result of "false allegations made by individuals . . . in an effort to destroy Sherwood as a competitive force."

Coulter added that he is "convinced that any federal investigation would reveal how certain persons perjured themselves against Sherwood" and that some of Sherwood's competitors "have tried to manipulate the government's investigative process for their ulterior purpose of destroying competition."

The allegations against Sherwood Van Lines were first aired in early November when The Clayburne Agency, a former insurer of the mover, sued Sherwood in state district court in Bexar County, seeking \$ 600,000 over alleged racketeering.

The lawsuit, which was settled for an undisclosed amount on Dec. 13, charged that Sherwood "offered cash payments to employees of the U.S. military without its consent" -- allegedly constituting bribes to cover up late shipments Sherwood made that could have resulted in the suspension of its military contracts.

The suit also contended that Sherwood's drivers falsified logs required by the Department of Transportation and that the company committed wire fraud by mailing instructions for its employees to commit illegal acts.

Because of a confidentiality agreement, Clayburne lawyer Dan Bass declines to discuss the case, saying only that "the matters in controversy have been settled amicably to the satisfaction of all the parties."

But the day the lawsuit was settled, the Defense Department, assisted by the Justice Department, had the U.S. attorney in San Antonio secure a temporary restraining order from U.S. District Court Judge Emilio Garza to keep Sherwood from retrieving the business records, computer tapes and audio cassettes that had been subpoenaed for the Clayburne suit.

A subpoena for the records shortly thereafter put those documents in the hands of the Defense Department's Criminal Investigative Service.

Traffic Command Col. Maguire outlined the extent of the operation in a letter to the American Movers Conference, an industry association headed by retired Air Force Maj. Gen. Charles C. Irions.

"Please be advised that the Military Traffic Management Command is looking into the very serious allegations made against Sherwood Van Lines Inc. by the Clayburne Agency," the letter stated, adding that the Traffic Command was coordinating a joint investigation with the Criminal Investigation Command and the Criminal Investigative Service.

Maguire also wrote that copies of the Clayburne suit were sent to the General Services Administration, the Department of Transportation and the Interstate Commerce Commission for any action they may wish to take.

According to an article in the American Movers Conference legal and legislative brief, "it is anticipated the investigators will be looking for former Sherwood associates, employees and drivers who might clarify, support or refute the numerous allegations supported by sworn affidavits already on the record that the company has followed a corporate policy of bribing (Defense Department) personnel and falsifying documents to protect its service quality rating."

Sherwood attorney Richard Miller says the van line welcomes an investigation to clear the air. "We denied the allegations," Miller says. "We're confident we're going to get a clean bill of health."

And Sherwood vice president Coulter says he, too, is certain the company will be vindicated.

"Sherwood is proud of its record," he says, claiming that "by its reduced rate-setting in the transportation of household goods for members of the armed forces, (Sherwood) saves U.S. taxpayers an estimated \$ 100 million a year."

Coulter says that for at least 10 years, Sherwood has been "a leading competitive rate-setter among the moving companies serving the Defense Department on moves within the United States," adding that "with Sherwood out of the picture, the \$ 100 million per year of taxpayer savings would flow into the coffers of (its) competitors, charging higher rates to the Defense

Copyright 1992 UMI
Copyright The San Antonio Business Journal, Inc. 1992;
Business Dateline;
San Antonio Business Journal

February 14, 1992

SECTION: Vol 6; No 4; Sec 1; pg 1

LENGTH: 1182 words

HEADLINE: Sherwood Van Battles Military

BYLINE: Travis E. Poling

DATELINE: San Antonio; TX; US; Southwest

BODY:

The fate of Sherwood Van Lines, which faced a criminal investigation from the Department of Defense last year, is still uncertain as it battles all four branches of the military in bankruptcy court.

In one front, the San Antonio-based moving company is fighting the military over allegations that it bribed military officials and falsified documents. On another, Sherwood Van Lines is struggling to pull through its reorganization--which is roadblocked because the military refuses to hand over funds the firm claims it is owed.

But in the bankruptcy court, the firm may be holding better cards against the military. U.S. Bankruptcy Judge Leif Clark issued a court order that fines the Department of Defense as much as \$ 100,000 a day for every day it withheld funds allegedly owed Sherwood.

Sherwood Van Lines is a mover of household goods for military personnel nationwide. The firm filed for Chapter 11 reorganization in the bankruptcy court last March, citing a slowdown in personnel moves during the country's Desert Storm military action in the Persian Gulf.

One year ago the Business Journal reported that the Defense Criminal Investigative Service (DCIS) of the DOD, the U.S. Army Criminal Investigation Command and the Military Traffic Management Command were investigating allegations that Sherwood had bribed military officials and falsified documents.

That investigation stemmed from a November 1990 lawsuit filed in a state district court in Bexar County by the Clayburne Agency, a former insurer of the mover. The lawsuit later was settled for an undisclosed amount. The day the lawsuit was settled, the DOD, assisted by the Justice Department, had the U.S. Attorney in San Antonio secure a temporary restraining order from then U.S. District Court Judge Emilio Garza to keep Sherwood from retrieving its business records, computer tapes and audio cassettes that had been subpoenaed for the Clayburne suit.

Sherwood President Ted Coulter says that on Jan. 31 the DCIS returned the documents it seized from the company and declared the investigation over. Of the more than 70 cassette tapes seized by government agents, about 50 were of

San Antonio Business Journal, February 14, 1992

country and western music and the rest revealed no wrong-doing, says Coulter.

DCIS Special Agent Larry Daniels at Kelly Air Force Base could not confirm or deny whether the case was closed or not. "I can't tell you yes or no," Daniels says.

Last month, Sherwood won a victory in the bankruptcy court when Judge Clark wrote an opinion to accompany a contempt order against the Air Force, Army, Marines and Navy for holding "funds due to the debtor" totaling more than \$ 175,000.

In his Jan. 10 opinion Clark writes, "Before fashioning a remedy in this case, the court must dispose of the suggestion the United States made in its letter brief, that this court might lack jurisdiction to act effectively against the United States." Clark further says to not hold the government in contempt would be an "extraordinary invitation to governmental lawlessness."

The contempt order would cost the government \$ 1,000 a day for the first week it did not remit the funds, \$ 10,000 a day for the next week and \$ 100,000 a day for every day after that.

But Assistant U.S. Attorney Craig Gargotta received a stay on Clark's order from U.S. District Judge Edward Prado. Sherwood attorneys filed a motion to lift the stay on Jan. 27 and made a request for a hearing.

Coulter says the reorganization plan, which was approved in December, involves paying the unsecured creditors 100 percent of what they are owed over the next 10 years. However, he says the government's freeze on the funds claimed by Sherwood will hurt the reorganization.

"The military has no intention of playing by the book," Coulter says. "They have no sense of fair play."

Sherwood bankruptcy attorney Randy Osherow says the uncooperativeness of the military has been the only real sticking point in an otherwise smooth case.

"This has been one of our most successful cases," Osherow says, adding that the reorganization plan was approved in about eight months with a minimum amount of litigation--a rarity in the bankruptcy system for Chapter 11 cases.

"I think we'll be successful (in collecting from the government). I just don't want to be successful too late," Osherow says. "This is silly. Let's sit down with these people (the military) and make it work."

The government, however, shows no signs of budging.

"We respectfully disagree with the bankruptcy court," Gargotta says, adding that Sherwood improperly asserted claims for money from the various branches of the military.

"There is a lot of misunderstanding about the government's position in this thing," Gargotta says.

Unsecured creditors lawyer Edward L. Minarich says the government is keeping the creditors from being paid, thereby causing a ripple effect that could lead

to more bankruptcies.

"The payments should have started in January to the creditors," Minarich says. "They are willing to wait for a few months, but come April, there will be some people wanting to know where their money is."

If the DOD does not back down, Minarich says, "I guess what happens then is that we're going to set precedent."

Both parties have indicated that they will take the issue to the Fifth U.S. Circuit Court of Appeals in New Orleans.

Coulter claims it was not only the military effort in the Persian Gulf that forced the company to seek bankruptcy protection, but a campaign by competing movers to put them out of business.

"The noise they were making reached a crescendo," by the time Sherwood filed for bankruptcy, Coulter says. "I couldn't stay insured because of innuendo."

The military "is keenly interested in determining the truth of the allegations asserted against Sherwood Van Lines Inc.," reads a letter by Col. Roger F. Maguire, U.S. Army director of personal property for the Military Traffic Management Command. "If we determine that Sherwood Van Lines Inc. has violated the laws or regulations, or otherwise become unfit for further participations in the personal property program, we will take such action as is necessary to protect the interests of the Department of Defense."

○ The letter was addressed to the retired Air Force Maj. Gen. Charles C. Irions, who was then head of the American Movers Conference, an industry association in Arlington, Va.

○ Coulter claims that letter was part of an overall smear campaign against the company because of its consistently low bids against other major movers competing for the military contracts.

○ According to information obtained by the Business Journal through the Freedom of Information Act, the Air Force Joint Personal Property Shipping Office in San Antonio has no complaints against Sherwood on file.

○ Military quality assurance and carrier evaluation worksheets show that between March 16, 1989, and Sept. 15, 1990 (a period during which allegations were being made against Sherwood), the company had no documented missed shipments nationwide and only a handful of low evaluation scores from losses, damages and days missed.

LANGUAGE: ENGLISH

UMI-ACC-NO: 9219731

LOAD-DATE-MDC: June 21, 1994

SCHEDULE D
(Revised 3/00)

DEBTS AND OBLIGATIONS

Page _____ of _____
LINE NUMBER _____
(Use reverse side
for date numbered line)

Name of Committee (in Full)	Outstanding Balances Beginning This Period	Amount Received This Period	Payments This Period	Outstanding Balances at Close of This Period
Laughlin for Congress 115991				
A. Full Name, Mailing Address and Zip Code of Debtor or Creditor Maverick Communications 225 Congress Avenue - #245 Austin, Tx 78701	31,500.00		14,000.00	17,500.00
Nature of Debt (Purpose): Media Commission, Consulting, Winner's Fee for 1992 General Election				
B. Full Name, Mailing Address and Zip Code of Debtor or Creditor Sherwood Van Lines, Inc. 3507 Copeland San Antonio, Tx 78220	* 2,500.00		2,500.00	-0-
Nature of Debt (Purpose): Move to Washington - 1988 General Election				
C. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Nature of Debt (Purpose):				
D. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Nature of Debt (Purpose):				
E. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Nature of Debt (Purpose):				
F. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Nature of Debt (Purpose):				
1) SUBTOTALS This Period This Page (optional)				17,500.00
2) TOTAL This Period (last page this form only)				17,500.00
3) TOTAL OUTSTANDING LOANS from Schedule C (last page only)				17,500.00
4) ADD 2) and 3) and carry forward to appropriate line of Summary Page (last page only)				17,500.00

+ warfmate.net



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 20, 1994

6
7 Sandra Kennedy, Treasurer
8 Jim Bates for Congress
9 P.O. Box 152042
0 San Diego, CA 92195

RE: MUR 4079

1 Dear Ms. Kennedy:

2 The Federal Election Commission received a complaint which
3 indicates that the Jim Bates for Congress Committee and you, as
4 treasurer, may have violated the Federal Election Campaign Act
5 of 1971, as amended ("the Act"). A copy of the complaint is
6 enclosed. We have numbered this matter MUR 4079. Please refer
7 to this number in all future correspondence.

8 Due to administrative error, on October 14, 1994, a
9 notification letter was addressed and sent to Jim Bates, rather
0 than to the Committee and you, as treasurer.

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

Sandra Kennedy, Treasurer
MUR 4079
Page 2

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

If you have any questions, please contact Joan McEnergy at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

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

cc: Jim Bates



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 20, 1994

Jim Bates, Treasurer
Bring Back Bates
3246 Quesada Street NW
Washington, DC 20015

RE: MUR 4079

Dear Mr. Bates:

The Federal Election Commission received a complaint which indicates that the Bring Back Bates Committee ("Committee") and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4079. Please refer to this number in all future correspondence.

Due to administrative error, on October 14, 1994, a notification letter was addressed and sent to you, rather than to the Committee and you, as treasurer.

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

Jim Bates, Treasurer
MUR 4079
Page 2

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

If you have any questions, please contact Joan McEnergy at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary J. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

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



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 20, 1994

Nancy J. Rooks, Treasurer
Jim Chapman for Congress
P.O. Box 388
Sulphur Springs, TX 75483

RE: MUR 4079

Dear Ms. Rooks:

The Federal Election Commission received a complaint which indicates that the Jim Chapman for Congress Committee, the First Committee of Texas (Jim Chapman) and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4079. Please refer to this number in all future correspondence.

Due to administrative error, on October 14, 1994, a notification letter was addressed and sent to Jim Chapman, rather than to the Committee and you, as treasurer. However, Mr. Chapman is not considered a respondent in this matter and a response is not expected from him.

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

Nancy J. Rooks, Treasurer
MUR 4079
Page 2

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

If you have any questions, please contact Joan McEnery at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

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

cc: Honorable Jim Chapman



FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

October 20, 1994

Dorothy C. Wing, Treasurer
Geren for Congress Committee
500 Throckmorton Suite 1400
Fort Worth, TX 76102

RE: MUR 4079

Dear Ms. Wing:

The Federal Election Commission received a complaint which indicates that the Geren for Congress Committee ("Committee") and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4079. Please refer to this number in all future correspondence.

Due to administrative error, on October 14, 1994, a notification letter was addressed and sent to Pete Geren, rather than to the Committee and you, as treasurer. However, Mr. Geren is not considered a respondent in this matter and a response is not expected from him.

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

Dorothy C. Wing, Treasurer
MUR 4079
Page 2

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

If you have any questions, please contact Joan McEnery at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary J. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

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

cc: Honorable Pete Geren



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 20, 1994

George Thompson, Treasurer
Friends of Pete Geren
P.O. Box 1136
Fort Worth, TX 76101

RE: MUR 4079

Dear Mr. Thompson:

The Federal Election Commission received a complaint which indicates that the Friends of Pete Geren Committee ("Committee") and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4079. Please refer to this number in all future correspondence.

Due to administrative error, on October 14, 1994, a notification letter was addressed and sent to Pete Geren, rather than to the Committee and you, as treasurer. However, Mr. Geren is not considered a respondent in this matter and a response is not expected from him.

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

4
1 3 3 4
3 7
3 3 4 0
9 6 0

George Thompson, Treasurer
MUR 4079
Page 2

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

If you have any questions, please contact Joan McEnery at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

5
6
7
8
9
-
3
1
3
7
3
4
0
6
9

Enclosures

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

cc: Honorable Pete Geren



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 20, 1994

J. Elvin Jackson, Treasurer
Hefner for Congress Committee
P.O. Box 3016
Concord, NC 28025

RE: MUR 4079

6
3
1
3
7
3
4
0
6
9 Dear Mr. Jackson:

The Federal Election Commission received a complaint which indicates that the Hefner for Congress Committee ("Committee") and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4079. Please refer to this number in all future correspondence.

Due to administrative error, on October 14, 1994, a notification letter was addressed and sent to Bill Hefner, rather than to the Committee and you, as treasurer. However, Mr. Hefner is not considered a respondent in this matter and a response is not expected from him.

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

J. Elvin Jackson, Treasurer
MUR 4079
Page 2

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

If you have any questions, please contact Joan McEnery at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

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

cc: Honorable Bill Hefner



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 20, 1994

Bill Graham, Treasurer
Re-Elect Bill Sarpalius
P.O. Box 7926
Amarillo, TX 79114

RE: MUR 4079

Dear Mr. Graham:

The Federal Election Commission received a complaint which indicates that the Re-Elect Bill Sarpalius Committee ("Committee") and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4079. Please refer to this number in all future correspondence.

Due to administrative error, on October 14, 1994, a notification letter was addressed and sent to Bill Sarpalius, rather than to the Committee and you, as treasurer. However, Mr. Sarpalius is not considered a respondent in this matter and a response is not expected from him.

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

8
8
3
1
3
7
3
7
0
4
3
6
9

Bill Graham, Treasurer
MUR 4079
Page 2

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

If you have any questions, please contact Joan McEnergy at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Takson

9
8
3
-
3
7
3
4
0
6
9
Mary L. Takson, Attorney
Central Enforcement Docket

Enclosures

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

cc: Honorable Bill Sarpalius



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 20, 1994

Danny Needham, Treasurer
Sarpalius for Congress
P.O. Box 8105
Wichita Falls, TX 76307

RE: MUR 4079

Dear Mr. Needham:

The Federal Election Commission received a complaint which indicates that the Sarpalius for Congress Committee ("Committee") and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4079. Please refer to this number in all future correspondence.

Due to administrative error, on October 14, 1994, a notification letter was addressed and sent to Bill Sarpalius, rather than to the Committee and you, as treasurer. However, Mr. Sarpalius is not considered a respondent in this matter and a response is not expected from him.

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

Danny Needham, Treasurer
MUR 4079
Page 2

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

If you have any questions, please contact Joan McEnery at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

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

cc: Honorable Bill Sarpalius



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 20, 1994

Amy S. Trites, Treasurer
Wilson Committee
4604 Deming Avenue
Alexandria, VA 22312

RE: MUR 4079

Dear Ms. Trites:

The Federal Election Commission received a complaint which indicates that the Wilson Committee ("Committee") and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4079. Please refer to this number in all future correspondence.

Due to administrative error, on October 14, 1994, a notification letter was addressed and sent to Charles Wilson, rather than to the Committee and you, as treasurer. However, Mr. Wilson is not considered a respondent in this matter and a response is not expected from him.

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

Amy S. Trites, Treasurer
MUR 4079
Page 2

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

If you have any questions, please contact Joan McEnery at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

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

cc: Honorable Charles Wilson



FEDERAL ELECTION COMMISSION
WASHINGTON, DC 20463

October 20, 1994

Bernice M. Beck
Chet Edwards for Congress
P.O. Box 182
Waco, TX 76703

RE: MUR 4079

Dear Mr. Beck:

The Federal Election Commission received a complaint which indicates that the Chet Edwards for Congress Committee ("Committee") and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4079. Please refer to this number in all future correspondence.

Due to administrative error, on October 14, 1994, a notification letter was addressed and sent to Chet Edwards, rather than to the Committee and you, as treasurer. However, Mr. Edwards is not considered a respondent in this matter and a response is not expected from him.

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

Bernice M. Beck, Treasurer
MUR 4079
Page 2

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

If you have any questions, please contact Joan McEnery at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

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

cc: Honorable Chet Edwards



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 20, 1994

Nathan Conyers, Treasurer
Conyers for Congress
1833 E. Jefferson
Detroit, MI 48207

RE: MUR 4079

6
Dear Mr. Conyers:

7
8
9
The Federal Election Commission received a complaint which
3
indicates that the Conyers for Congress Committee ("Committee")
-
Campaign Act of 1971, as amended ("the Act"). A copy of the
3
complaint is enclosed. We have numbered this matter MUR 4079.
Please refer to this number in all future correspondence.

7
3
4
Due to administrative error, on October 14, 1994, a
0
notification letter was addressed and sent to John Conyers,
9
rather than to the Committee and you, as treasurer. However,
Under the Act, you have the opportunity to demonstrate in
writing that no action should be taken against the Committee and
you in this matter. Please submit any factual or legal
materials which you believe are relevant to the Commission's
analysis of this matter. Where appropriate, statements should
be submitted under oath. Your response, which should be
addressed to the General Counsel's Office, must be submitted
within 15 days of receipt of this letter. If no response is
received within 15 days, the Commission may take further action
based on the available information.

Nathan Conyers, Treasurer
MUR 4079
Page 2

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

If you have any questions, please contact Joan McEnergy at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

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

cc: Honorable John Conyers



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20461

October 20, 1994

James W. Wise, Treasurer
Friends of John Conyers
104 N. West Street
Alexandria, VA 22314

RE: MUR 4079

Dear Mr. Wise:

The Federal Election Commission received a complaint which indicates that the Friends of John Conyers ("Committee") and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4079. Please refer to this number in all future correspondence.

Due to administrative error, on October 14, 1994, a notification letter was addressed and sent to John Conyers, rather than to the Committee and you, as treasurer. However, Mr. Conyers is not considered a respondent in this matter and a response is not expected from him.

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

James W. Wise, Treasurer
MUR 4079
Page 2

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

If you have any questions, please contact Joan McEnergy at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary J. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

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

cc: Honorable John Conyers



FEDERAL ELECTION COMMISSION
WASHINGTON DC 20463

October 20, 1994

R. Laurence Macon, Treasurer
Bustamante for Congress Committee
P.O. Box 120010
San Antonio, TX 78230

RE: MUR 4079

Dear Mr. Macon:

The Federal Election Commission received a complaint which indicates that the Bustamante for Congress Committee ("Committee") and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4079. Please refer to this number in all future correspondence.

Due to administrative error, on October 14, 1994, a notification letter was addressed and sent to Albert Bustamante, rather than to the Committee and you, as treasurer. However, Mr. Bustamante is not considered a respondent in this matter and a response is not expected from him.

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

R. Laurence Macon, Treasurer
MUR 4079
Page 2

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

If you have any questions, please contact Joan McEnergy at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

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

cc: Albert Bustamante



FEDERAL ELECTION COMMISSION
WASHINGTON DC 20461

October 14, 1994

Honorable Preston M. "Pete" Geren
P.O. Box 1136
Fort Worth, TX 76101

RE: MUR 4079

Dear Congressman Geren:

The Federal Election Commission received a complaint which indicates that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4079. Please refer to this number in all future correspondence.

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

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

If you have any questions, please contact Joan McEnery at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

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

9604337140



FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20461

October 14, 1994

Mr. Jim Bates
P.O. Box 152042
San Diego, CA 92195

RE: MUR 4079

Dear Mr. Bates:

The Federal Election Commission received a complaint which indicates that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4079. Please refer to this number in all future correspondence.

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

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

04043137343009

If you have any questions, please contact Joan McEnery at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

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

9 6 0 4 3 7 3 1 4 0 5



FEDERAL ELECTION COMMISSION
WASHINGTON DC 20461

October 14, 1994

Honorable Jim Chapman
P.O. Box 388
Sulpher Springs, 75483

RE: MUR 4079

Dear Congressman Chapman:

The Federal Election Commission received a complaint which indicates that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4079. Please refer to this number in all future correspondence.

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

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

9 6 0 4 3 1 4 0 5

96043731407

If you have any questions, please contact Joan McEnery at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

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



FEDERAL ELECTION COMMISSION
WASHINGTON DC 20461

October 14, 1994

Honorable Bill Hefner
245 Country Club Dr., Apt. 3-A
Concord, NC 28025

RE: MUR 4079

Dear Congressman Hefner:

The Federal Election Commission received a complaint which indicates that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4079. Please refer to this number in all future correspondence.

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

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

9604371405

96043731409

If you have any questions, please contact Joan McEnery at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

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



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 14, 1994

Honorable Bill Sarpalius
P.O. Box 8105
Wichita Falls, TX 76307

RE: MUR 4079

Dear Congressman Sarpalius:

The Federal Election Commission received a complaint which indicates that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4079. Please refer to this number in all future correspondence.

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

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

0 9 6 0 4 3 7 3 1 4 1 0

If you have any questions, please contact Joan McEnery at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

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

9 6 0 4 3 7 3 1 4 1 1



FEDERAL ELECTION COMMISSION
WASHINGTON, DC 20461

October 14, 1994

Honorable Charles Wilson
1000 Crooked Creek
Lufkin, TX 75901

RE: MUR 4079

Dear Congressman Wilson:

The Federal Election Commission received a complaint which indicates that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4079. Please refer to this number in all future correspondence.

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

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

9 6 0 4 3 7 3 1 4 1 2

If you have any questions, please contact Joan McEnergy at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

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

9 6 0 4 3 7 3 1 4 1 5



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Honorable Chet Edwards
2910 Columbus Ave.
Waco, TX 76710

October 14, 1994

RE: MUR 4079

Dear Congressman Edwards:

The Federal Election Commission received a complaint which indicates that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4079. Please refer to this number in all future correspondence.

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

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

96043731415

If you have any questions, please contact Joan McEnery at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

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



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 14, 1994

Mr. Albert Bustamante
4035 Mt. Laurel Dr.
San Antonio, TX 78240

RE: MUR 4079

Dear Mr. Bustamante:

The Federal Election Commission received a complaint which indicates that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4079. Please refer to this number in all future correspondence.

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

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

9 6 0 4 3 3 7 1 4 1 6

If you have any questions, please contact Joan McEnery at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

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

9 6 0 4 3 7 3 1 4 1 7



FEDERAL ELECTION COMMISSION
WASHINGTON DC 20463

October 14, 1994

Ilene Taber
102 West View Rd.
Georgetown, TN 37336

RE: MUR 4079

Dear Mrs. Taber:

The Federal Election Commission received a complaint which indicates that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4079. Please refer to this number in all future correspondence.

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

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

9 6 0 4 3 7 3 1 4 1 8

9 6 0 4 1 9

If you have any questions, please contact Joan McEnery at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

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



FEDERAL ELECTION COMMISSION
WASHINGTON DC 20463

October 14, 1994

Ilene Taber
P.O. Box 504 FD RR 3
San Antonio, TX 78218

RE: MUR 4079

Dear Mrs. Taber:

The Federal Election Commission received a complaint which indicates that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4079. Please refer to this number in all future correspondence.

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

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

If you have any questions, please contact Joan McEnery at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar.

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

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

9 6 0 4 3 7 3 1 4 2 1



FEDERAL ELECTION COMMISSION
WASHINGTON, DC 20461

October 14, 1994

Mr. Leslie A. Taber
102 West View Rd.
Georgetown, TN 37336

RE: MUR 4079

Dear Mr. Taber:

The Federal Election Commission received a complaint which indicates that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4079. Please refer to this number in all future correspondence.

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

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

CN
C
4
-
3
7
3
7
4
3
0
4
0

If you have any questions, please contact Joan McEnery at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

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

2
1 4 2 3
1 3 7 3 1
9 6 0 4 3



FEDERAL ELECTION COMMISSION
WASHINGTON DC 20461

October 14, 1994

Mr. Leslie A. Taber
P.O. Box 504 FD RR 3
San Antonio, TX 78218

RE: MUR 4079

Dear Mr. Taber:

The Federal Election Commission received a complaint which indicates that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4079. Please refer to this number in all future correspondence.

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

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

9 6 0 4 3 7 3 1 4 2 4

If you have any questions, please contact Joan McEnergy at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary J. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

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

9 6 0 4 3 7 3 1 4 2 5



FEDERAL ELECTION COMMISSION
WASHINGTON DC 20461

October 14, 1994

Mr. Joseph Rebman, Registered Agent
Sherwood Van Lines
275 N. Lindberg Blvd.
St. Joseph, MO 63141

RE: MUR 4079

Dear Mr. Rebman:

The Federal Election Commission received a complaint which indicates that Sherwood Van Lines may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4079. Please refer to this number in all future correspondence.

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

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

9 6 0 4 3 7 3 1 4 2 6

If you have any questions, please contact Joan McEnery at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary J. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

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

9 6 0 4 3 7 3 1 4 2 7



FEDERAL ELECTION COMMISSION
WASHINGTON DC 20461

October 14, 1994

Congressman Greg Laughlin
P.O. Box 504
West Columbia, TX 77486

RE: MUR 4079

Dear Congressman Laughlin:

The Federal Election Commission received a complaint which indicates that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4079. Please refer to this number in all future correspondence.

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

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

9 6 0 4 3 7 3 1 1 4 2 9
If you have any questions, please contact Joan McEnery at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

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



FEDERAL ELECTION COMMISSION
WASHINGTON DC 20461

October 14, 1994

Mr. Everett Kennemer, III, Treasurer
Laughlin for Congress Committee
P.O. Box 504
West Columbia, TX 77486

RE: MUR 4079

Dear Mr. Kennemer:

The Federal Election Commission received a complaint which indicates that the Laughlin for Congress Committee ("Committee") and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4079. Please refer to this number in all future correspondence.

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

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

If you have any questions, please contact Joan McEnery at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary F. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

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

9 6 0 4 3 7 3 1 4 3 1



FEDERAL ELECTION COMMISSION
WASHINGTON DC 20461

October 14, 1994

Maria Cino, Executive Director
National Republican Congressional Committee
320 First St. SE
Washington D.C. 20003

RE: MUR 4079

Dear Ms. Cino:

This letter acknowledges receipt on October 7, 1994, of your complaint which you filed on behalf of the National Republican Congressional Committee alleging possible violations of the Federal Election Campaign Act of 1971, as amended ("the Act"). The respondent(s) will be notified of this complaint within five days.

You will be notified as soon as the Federal Election Commission takes final action on your complaint. Should you receive any additional information in this matter, please forward it to the Office of the General Counsel. Such information must be sworn to in the same manner as the original complaint. We have numbered this matter MUR 4079. Please refer to this number in all future communications. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosure
Procedures

Law Office
E. DEAN ROPER

1213 Amarillo National's Plaza/Two
500 S. Taylor, Box #258
Amarillo, TX 79101
(806)372-5895
Fax (806)373-8768

October 21, 1994

Nov 1 9 1994

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

Mr. Lawrence Noble
General Counsel
Federal Election Commission
999 E Street, NW
Washington, DC 20463

Re: MUR 4079

Dear Mr. Noble:

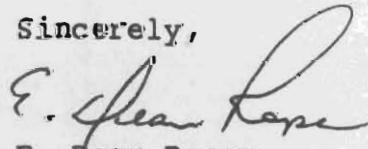
I am in receipt of your letter of October 14, 1994 in reference to the above-captioned case. The information I have received appears to be a Federal Election Commission complaint filed against someone, other than my client, Congressman Bill Sarpalius.

Your letter says this complaint indicates my client may have violated the Federal Election Campaign Act of 1971. After reviewing the complaint I find no mention of my client in the complaint that was filed. There are references to Congressman Sarpalius in two newspaper articles attached to the complaint on this other person but they do not reference any wrong doing on the part of my client.

I would appreciate it if you or someone on your staff could let me know in writing what specific allegations or complaints exist regarding my client and let me know what sections of the Federal Election Campaign Act of 1971 you believe he may have violated.

I look forward to hearing from you on this matter.

Sincerely,


E. Dean Roper

EDR/kas

STATEMENT OF DESIGNATION OF COUNSEL

WY 1 9 17 M.W.H.

FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

MUR 4079

NAME OF COUNSEL: Dean Roper

ADDRESS: Amarillo National Plaza II
Suite 1212
500 South Taylor
Amarillo, Texas 79101

TELEPHONE: (806) 372-5805

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

10/21/94
Date

Bill Sarpalius
Signature

RESPONDENT'S NAME: Bill Sarpalius

ADDRESS: 126 Cannon HOB
Washington, D.C. 20515

HOME PHONE: _____

BUSINESS PHONE: (202) 225-3706

9 6 0 4 3 7 3 1 4 3 4

SAM D. MILLSAP, JR.

ATTORNEY AT LAW
ONE RIVERWALK PLACE, SUITE 1000
700 NORTH ST. MARY'S STREET
SAN ANTONIO, TEXAS 78205
(210) 227-7565 (210) 271-0252 TELECOPIER

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

OCT 31 9 08 AM '94

October 26, 1994

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

RE: MUR 4079

Dear Ms. McEnery:

In connection with the above captioned matter, my client, Ilene Taber, has received a copy of a complaint filed by the National Republican Congressional Committee against Sherwood Van Lines and Greg Laughlin. In Mary Taksar's correspondence of October 14, 1994, Ms. Taber is referred to mistakenly as a Respondent, advised that she "may have violated the Federal Election Campaign Act of 1971," and told that she has fifteen (15) days in which to respond to the allegations and show that no action should be taken against her. While we appreciate being advised that a complaint has been filed in which Ms. Taber's name appears, the face of the complaint establishes that response from her would be inappropriate at this time.

Having carefully reviewed the materials that were forwarded to Ms. Taber, it appears to me that she has mistakenly been designated by the Commission as a Respondent. I note, for example, that the alleged violation is that Congressman Laughlin's Campaign Committee "accepted an illegal contribution from Sherwood Van Lines." I further note that the relief prayed for is against Sherwood Van Lines and Congressman Laughlin. Finally, although Ms. Taksar's letter to my client refers to her as a Respondent, the National Republican Congressional Committee's complaint does not. In the complaint, she is simply mentioned in passing: (i) paragraph 10 makes reference to the fact that her name appears in her husband's indictment; (ii) paragraph 21 lists contributions to Congressman Laughlin by Ms. Taber, with no suggestion of impropriety; (iii) paragraph 22 again makes passing reference to Ms. Taber in connection with her husband's indictment; and (iv) in subparagraph 1 of the complaint's section, entitled "The Law," Ms. Taber is described as a "major donor" to Congressman Laughlin (during the five years, between 1986 and 1990, she reportedly made three contributions to Congressman Laughlin), with no suggestion of impropriety on her part.

In short, it appears to me that no complaint has been filed against Ms. Taber, that her designation as a Respondent in Ms. Taksar's correspondence was an error, and that no response is appropriate as the matter now stands. Let me assure you, in closing, that, if in fact your

Mr. Lawrence Noble

October 26, 1994

Page -2-

investigation is directed, in whole or in part, at Ms. Taber's conduct, we wish to be advised and given the opportunity to respond to specific allegations against her. In that connection, I am returning her executed "Designation of Counsel" for your files and ask that future correspondence of any type be directed to my attention.

Sincerely yours,



Sam D. Millsap, Jr.

SDM:rmg
Enclosure

9 6 0 4 3 7 3 1 4 3 6

STATEMENT OF DESIGNATION OF COUNSEL

MUR 4079

NAME OF COUNSEL: Sam D. Millsap, Jr.

ADDRESS: Law Offices of Sam D. Millsap, Jr.
One Riverwalk Place, Suite 1000
700 N. St. Mary's Street
San Antonio, Texas 78205

TELEPHONE: (210) 227-7565

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

Oct 17 1994
Date

Ilene Taber
Signature

RESPONDENT'S NAME: Ilene Taber

ADDRESS:

HOME PHONE:

BUSINESS PHONE:

9 6 0 4 3 7 3 1 4 3 7

10-OCT-30 '94 18:13 FROM CONG. CHARLES WILSON

OCT 18 '94 17:30

P.2 PG2

P.48

STATEMENT OF DESIGNATION OF COUNSEL

ITEM 4079

NAME OF COUNSEL: Abba Lowell/David Frulla

ADDRESS: Brand & Lowell

923 15th Street, NW

Washington, D.C. 20005

TELEPHONE: 202/662-9700

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

October 20, 1994

Date

Charles Wilson

Signature

RESPONDENT'S NAME:

Charles Wilson

ADDRESS:

1000 Crooked Creek

Lufkin, TX 75901

HOME PHONE:

409/632-6749

BUSINESS PHONE:

202/225-2401

Oct 20 12:14 PM '94
FEDERAL ELECTION
COMMISSION
OFFICE OF THE CHAIRMAN

STATEMENT OF POWERS AND AUTHORITY OF COUNSELMCR 4079NAME OF COUNSEL: Abbe Lowell/David FrullaADDRESS: Brand & Lowell923 15th Street, NWWashington, D.C. 20005TELEPHONE: 202/662-9700

10/24/94
12:00 PM '94
RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF SECRETARY

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

10/24/94
DateAmy S. Trites
Signature

9 6 0 4 3 7 3 1 4 3 9

RESPONDENT'S NAME: The Wilson Committee/Amy S. Trites, TreasurerADDRESS: 4604 Deming AvenueAlexandria, VA 22312HOME PHONE: 703/354-8011BUSINESS NUMBER: 202/225-2401 or 703/914-2548

OCT 24
1994

PATTON BOGGS, L.L.P.
2550 M STREET, N.W.
WASHINGTON, D.C. 20037-1350
(202) 457-6000
FACSIMILE (202) 457-6316

WINTER'S DIRECT DIAL
(202) 457-6310

October 27, 1994

VIA FACSIMILE

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

OCT 27 5 26 PM '94
OFFICE OF THE
COMMISSIONER
FEDERAL ELECTION
COMMISSION

Re: Matter Under Review 4079

Dear Ms. McEnery:

Attached please find Congressman Laughlin's designation of counsel form, which authorizes Patton Boggs, L.L.P. to represent him in MUR 4079. Shortly, you should receive a similar designation of counsel form for the Laughlin for Congress Committee, which was also named as a defendant in the case.

Sincerely,



Michael N. Druckman

Attachment

PB LLP 6TH FL Ju

ID:202-457-6315

OCT 27 '94 17:15 No.039 P.03

OCT 27 '94 18:42:00

PB LLP 6TH FL Ju

ID:202-457-6315

OCT 27 '94 18:48 No.032 P.02

P.2

STATEMENT OF APPOINTMENT OF COUNSEL

NAME: Greg Loughlin

NAME OF COMMISSIONER: Donald M. McRae, Roger S. Ballantine,

ADDRESS: Michael J. Tamm

Patton Boggs, L.L.P.

2000 M Street, N.W.

Washington, DC 20037

TELEPHONE: 202/227-6900

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

27 Oct 94
DATE

Greg Loughlin
SIGNATURE

REPRESENTATIVE'S NAME: Commissioner Donald Ballantine

ADDRESS: 1025 Van Ness Place

Walls Church, VA 24111

HOME PHONE: 703/733-1731

BUSINESS PHONE: 703/733-1731

E-073

210 017 5205

10-27-94 00:00AM POCN 400

2-863

210 017 5206

10-27-94 11:40AM POCN 400

PATTON BOOGHS, L.L.P.
2550 M STREET, N.W.
WASHINGTON, D.C. 20037-1350

(202) 457-6000

FACSIMILE: (202) 457-6315

WRITER'S DIRECT DIAL

(202) 457-6310

October 27, 1994

VIA FACSIMILE

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

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

Oct 29 7 59 AM '94

Re: Matter Under Review 4079

Dear Ms. McElroy:

This letter is a formal request for an extension of time to reply in the above-captioned matter on behalf of Congressman Greg Laughlin and the Laughlin for Congress Committee. Attached please find Congressman Laughlin's designation of counsel form, which authorizes me to make this request.

Due to the circumstances surrounding this matter and to Congressman Laughlin's official responsibilities outside of the country immediately following the election, Respondents request an extension until December 13, 1994 to respond to the complaint, which is 42 days beyond the initial 15-day response date (the complaint was received October 18, 1994). While this is longer than the normal extension granted by the Commission, Respondents respectfully request this extension for the following reasons:

(1) As the timing of the complaint makes clear, the complaint is a blatant, partisan attempt to use the procedures of the FEC to disrupt Congressman Laughlin's campaigning in a tightly contested race. The complaint itself acknowledges that the circumstances of Congressman Laughlin's move from Texas (which occurred in 1988 before he was even sworn in as a Member) on which its allegations are based have been reported in the media for at least ten months. See Exhibit B to the complaint (December 19, 1993 news article). Therefore, it would be unfair to force Congressman Laughlin, his campaign committee, and its staff to take time out from the campaign to respond to the complaint;

2
1
4
4
3
7
3
1
4
2
9
6
0
4
3

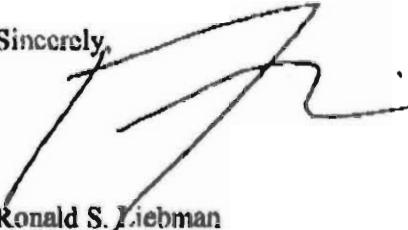
PATTON, BOGGS & BLOW, L.L.P.

Joan McEnery, Esquire
October 27, 1994
Page 2

(2) Immediately following the election, Congressman Laughlin is scheduled to be outside of the country from November 12 through November 28, 1994. Specifically, he will be traveling to Russia as the Senior Representative of the United States Government at the International Conference on Energy and Law, co-sponsored by the U.S. Dept. of Energy and the Russian Ministry of Fuel and Energy;

(3) Finally, since Congressman Laughlin will not be available to respond to the complaint until he returns from Russia on November 28, Respondents respectfully request 15 days (the ordinary amount of time provided to respond to FEC complaints) from his return date in which to prepare his response.

For those reasons, Respondents respectfully request an extension until December 13, 1994 to respond to this complaint.

2
3
4
1
4
1
3
7
3
0
4
3
7
0
4
0
9
6
Sincerely,

Ronald S. Liebman

Enclosure

cc: Congressman Greg Laughlin

OCT.27 '94 19:40AM

P.2

STATEMENT OF APPOINTMENT OF COUNSEL4071

NAMES OF COUNSEL: Ronald B. Johnson, Roger S. Ballantine,
Richard W. Thompson,
Patterson, Bell & Givens,
2500 M Street, N.W.
Washington, DC 20037

TELEPHONE: 202/467-5900

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

27 Oct 94
Date

Greg Fauschuk

RESPONDENT'S NAME: Commissioner Greg Fauschuk
ADDRESS: 2025 1/2 New York Place
Falls Church, VA 22046

HOME PHONE: 703/533-1711
BUSINESS PHONE: 202/225-3931

PATTON BOOGES, L.L.P.
2550 M STREET, N.W.
WASHINGTON, D.C. 20037-1350
(202) 457-6000

Facsimile (202) 457-6310

WRITER'S DIRECT DIAL

(202) 457-5604

October 28, 1994

Oct 28 1994
10 32 AM '94
FEDERAL ELECTION COMMISSION
OFFICE OF THE GENERAL COUNSEL
WASHINGON, D.C.

VIA FACSIMILE

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

Re: Matter Under Review 4079

Dear Ms. Smith:

This letter is a formal request for an extension of time to reply in the above-captioned matter on behalf of Congressman Greg Laughlin and the Laughlin for Congress Committee. As I mentioned on the phone this morning, Respondents previously submitted a request for an extension until December 13, 1994, which is 42 days beyond the original response date (the complaint was received October 18, 1994). However, considering the immediacy of the original response date and the fact that both Joan McEnery and Mary Taksar are out of the office today, at your suggestion I am submitting this request for an intermediate extension of 20 days in an effort to have it processed today.

In addition to the reasons for seeking an extension until December 13, 1994, which we mentioned in the previous extension request and which we will repeat below, we have another immediate reason for seeking a shorter extension. The attorney from our office who had originally been assigned to address the FEC complaint and to secure an extension had a serious injury which requires surgery and will keep him out of the office for an extended period of time.

Finally, the reasons that we requested the longer extension until December 13, 1994 are as follows (we realize that you will not be able to process a longer extension, but we are listing these other reasons for you so that you will have the entire picture):

(1) As the timing of the complaint makes clear, the complaint is a blatant, partisan attempt to use the procedures of the FEC to disrupt Congressman Laughlin's campaigning in a tightly contested race. The complaint itself acknowledges that the circumstances of Congressman

9 6 0 4 3 1 3 7 3 1 4 4 5

PATTON BOGGS, L.L.P.

Xiva F. McElroy
John McElroy, Esquire

October 28, 1994

Page 2

Laughlin's move from Texas (which occurred in 1988 before he was even sworn in as a Member) on which its allegations are based have been reported in the media for at least ten months. See Exhibit B to the complaint (December 19, 1993 news article). Therefore, it would be unfair to force Congressman Laughlin, his campaign committee, and its staff to take time out from the campaign to respond to the complaint;

(2) Immediately following the election, Congressman Laughlin is scheduled to be outside of the country from November 12 through November 28, 1994. Specifically, he will be traveling to Russia as the Senior Representative of the United States Government at the International Conference on Energy and Law, co-sponsored by the U.S. Dept. of Energy and the Russian Ministry of Fuel and Energy;

(3) Finally, since Congressman Laughlin will not be available to respond to the complaint until he returns from Russia on November 28, Respondents respectfully request 15 days (the ordinary amount of time provided to respond to FEC complaints) from his return date in which to prepare his response.

Thank you very much for your assistance with this expedited extension request, and for agreeing to attempt to process it today. Please call me at the above-listed direct dial number if you have any questions.

3
1
4
4
6
1
3
7
3
0
4
9
6
0
Sincerely,

Michael Druckman

Michael N. Druckman

cc: Congressman Greg Laughlin

PATTON BOGGS, L.L.P.
2550 M STREET, N.W.
WASHINGTON, D.C. 20037-1350
(202) 457-6000
FACSIMILE: (202) 457-6315

WIRELESS DIRECT DIAL
(202) 457-5604

October 28, 1994

Oct 31 8 02 AM '94

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL

VIA FACSIMILE

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

Re: Matter Under Review 4079

Dear Ms. Smith:

This letter is to confirm the conversation we had this afternoon in which you communicated that the Federal Election Commission has granted our request for a 20-day extension of time, until November 22, 1994, to reply in the above-captioned matter on behalf of Congressman Greg Laughlin and the Laughlin for Congress Committee. Please let me know immediately if this information is incorrect.

Thank you very much for your help in this matter.

Sincerely,

Michael Druckman

Michael N. Druckman

cc: Congressman Greg Laughlin

2 6 0 4 3 7 3 1 4 4 7

NOTE 4079NAME OF COUNSEL: Ronald S. Lishman, Roger S. Ballantine,Michael N. DruckmanADDRESS: Patton Monroe, L.L.P.2530 N Street, N.W.Washington, D.C. 20037TELEPHONE: 202/457-6000Oct 31 5 PM '94 REC'D
FEDERAL ELECTION
COMMISSION
OFFICE OF COUNSEL

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

10-31-94
DateEveret Kennemer
Signature

Laughlin for Congress Committee,

RESPONDENT'S NAME: Everet Kennemer, III, as Treasurer

ADDRESS:

P. O. Box 504West Columbia, TX 77486

HOME PHONE:

409/345-5865

BUSINESS PHONE:

409/297-4075

9 6 0 4 3 7 3 1 4 4 5

LAW OFFICES
ELI GOLDSTEIN
GERALD H. GOLDSTEIN
VAN G. HILLEY
PATRICK T. PERANTEAU
CYNTHIA HUJAR ORR

GOLDSTEIN, GOLDSTEIN AND HILLEY

29TH FLOOR TOWER LIFE BUILDING
310 S. ST. MARY'S STREET
SAN ANTONIO, TEXAS 78205-3199

RECEIVED
FEDERAL ELECTION
COMMISSION
MAIL ROOM

RECEIVED
FEDERAL ELECTION
COMMISSION
MAIL ROOM

AREA CODE 210
TELEPHONE 226-1463
AREA CODE 210
TELEFAX 226-8367

OCT 28 10 49 AM '94

October 27, 1994

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

RE: MUR 4079

RECEIVED
FEDERAL ELECTION
COMMISSION
MAIL ROOM
OFFICE OF COUNSEL

OCT 28 12 42 PM '94

Dear Sir or Madame:

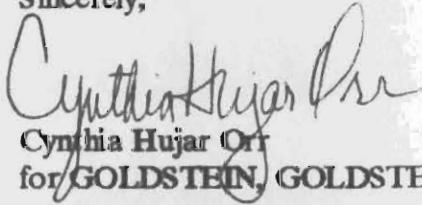
On advice of counsel Leslie A. Taber has decided to assert his Fifth Amendment Privilege in response to the above entitled and numbered complaint. As you are aware, the Federal Election Campaign Finance Act provides for criminal sanctions both in the form of fines and other punishment. See 2 U.S.C. §437g (d)(1)(A) and §437g(a)(5)(A), (B), and (C), for example.

Please note that many statements in the complaint are not supported by the Exhibits they cite. For example, paragraph twelve of the complaint claims that Congressman Laughlin contracted personally with Taber to move his family to Washington. It cites Exhibit A. Exhibit A is an Austin American newspaper article which does not substantiate the claim. Instead, the article reads that Laughlin "said Taber (sic) bid \$20,000, explaining" at some undisclosed time that "he could do the work so cheaply because his company handled so many military moves to Washington." At best, this passage supports the proposition that an explanation by Leslie Taber for the cost of this move was relayed by someone to Congressman Laughlin at some undetermined time.

Please also examine the Exhibits attached to the complaint for inconsistencies. For example Exhibit F supports the proposition that Laughlin and Taber never met or spoke to each other until after the move referenced above. Exhibit F reports that "...Sherwood Van Lines moved [Laughlin's] family ...to Washington shortly after he was elected to Congress in 1988" and Taber "invited him to a Sherwood, Inc., company convention in Las Vegas in January 1989." It further states that the "Las Vegas convention, Laughlin said, was the first time he recalled meeting or speaking with Taber." This is inconsistent with the claim that Taber and Congressman Laughlin personally arranged for the move with each other.

Finally, please note the numerous unsupported allegations made in the complaint. Please do not hesitate to call our office if you have any questions.

Sincerely,


Cynthia Hujar Orr
for GOLDSTEIN, GOLDSTEIN & HILLEY

STATEMENT OF DESIGNATION OF COUNSEL

MUR 4079

NAME OF COUNSEL: Gerald Goldstein

ADDRESS: Goldstein, Goldstein & Hillel

29th Floor Tower Life Bldg.

310 S. St. Mary's

San Antonio TX 78205-3199

TELEPHONE: 210/226-1463

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

18 Oct 1994
Date


Signature

RESPONDENT'S NAME: Leslie A. Taber

ADDRESS: 102 Westview Rd NW

Georgetown TN 37336

HOME PHONE: 615/339-1929

BUSINESS PHONE: 615/476-7416

AKIN, GUMP, STRAUSS, HAUER & FELD, L.L.P.

ATTORNEYS AT LAW

1333 NEW HAMPSHIRE AVENUE, N.W.
SUITE 400
WASHINGTON, D.C. 20036
(202) 887-4000

65 AVENUE LOUISE, P.B. NO. 7
1050 BRUSSELS, BELGIUM
(010) 32-2 535.29.11

65 EAST 55TH STREET
33RD FLOOR
NEW YORK, NEW YORK 10022
(212) 872-1000

A REGISTERED LIMITED LIABILITY PARTNERSHIP
INCLUDING PROFESSIONAL CORPORATIONS

1500 NATIONS BANK PLAZA

300 CONVENT STREET

SAN ANTONIO, TEXAS 78205

(210) 270-0800

FAX (210) 224-2035

WRITER'S DIRECT DIAL NUMBER (210) 270-

1700 PACIFIC AVENUE
SUITE 4100
DALLAS, TEXAS 75201-4618
(214) 969-2800

2100 FRANKLIN PLAZA
III CONGRESS AVENUE
AUSTIN, TEXAS 78701
(512) 499-6200

1900 PENNZOIL PLACE-SOUTH TOWER
711 LOUISIANA STREET
HOUSTON, TEXAS 77002
(713) 220 5800

November 1, 1994

Ms. Mary L. Taksar
Attorney
Central Enforcement Docket
Federal Elections Commission
Washington, D.C. 20463

FEDERAL EXPRESS

Now
10 04 AM '94

RECEIVED
FEDERAL ELECTIONS
COMMISSION
OFFICE OF GENERAL
COUNSEL

Re: MUR 4079

Dear Ms. Taksar:

Today I received your letter dated October 20, 1994 which said it enclosed a copy of a Complaint against the Bustamante For Congress Committee. As a matter of fact, the only enclosure was a Complaint against Laughlin For Congress Committee, a copy of which Complaint is enclosed. If there is a Complaint against Bustamante For Congress Committee, please send it to me.

Please also send to me copies of the appropriate FEC filings, as a Federal Grand Jury has all of the Bustamante Committee's records through July 1992.

Please call if you have any questions.

Sincerely,

R L M

R. Laurence Macon, P.C.

RLM/rd
Enclosure
C:BUSTAMANTE-5

PERKINS COIE

A LAW PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS
607 FOURTEENTH STREET, N.W. • WASHINGTON, D.C. 20005-2011
(202) 628-6600 • FACSIMILE (202) 434-1690

November 4, 1994

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF COUNSEL

NOV 14 1994
1206 PM
MUR 4079

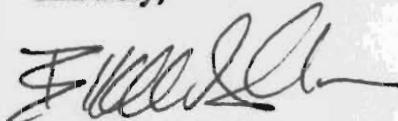
Ms. Joan McEnergy
Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 4079

Dear Ms. McEnergy:

On behalf of Chet Edwards for Congress and Bernice M. Beck, as treasurer, I request an extension of time to respond to the complaint in MUR 4079 received by the Committee on October 27, 1994. Due to the recent designation of Perkins Coie as counsel (attached), we do not have an adequate opportunity to respond. An extension of time is necessary in order to review the record, have an adequate opportunity to discuss the issues with our client, collect factual information, and prepare a comprehensive response. Therefore, I am requesting an extension of 20 days until December 1, 1994.

Sincerely,



B. Holly Schadler
Counsel to Respondents

Attachment

[15823-0001/DA943060.026]

STATEMENT OF DESIGNATION OF COUNSEL

File # 4019

NAME OF COUNSEL: B. Holly Schadler/Robert F. Bauer

ADDRESS: Perkins Coie

607 14th Street, N.W., #800

Washington, D.C. 20005-2011

TELEPHONE: (202) 628-6600

Mar 14 1994
H.S. PHM 1207 M/S

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL

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

October 28, 1994
Date


Signature

RESPONDENT'S NAME: Bernice M. Back, as treasurer

ADDRESS: Chas Edwards for Congress

P.O. Box 182

Waco, TX 76703

HOME PHONE: (817) 699-7000

BUSINESS PHONE: (817) 793-2601

9 6 0 4 3 7 3 1 4 5 3



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 7, 1994

9 6 0 4 3 7 3 1 4 5 4

B. Holly Schadler, Esq.
Perkins Coie
607 Fourteenth Street, N.W.
Washington, D.C. 20005-2011

RE: MUR 4079
Chet Edwards for Congress and
Bernice M. Beck, as Treasurer

Dear Ms. Schadler:

This is in response to your letter dated November 4, 1994, requesting an extension until December 1, 1994 to respond to the complaint filed in the above-noted matter. After considering the circumstances presented in your letter, the Office of the General Counsel has granted the requested extension. Accordingly, your response is due by the close of business on December 1, 1994.

If you have any questions, please contact Joan McEnery at (202) 219-3400.

Sincerely,

Mary L. Taksar (827)
Mary L. Taksar, Attorney
Central Enforcement Docket

Nov 4 S 40 AM '94 Friends Congressman John Conyers

Oct 30, 1994

Ms. Mary Taksar
Central Enforcement Docket
Federal Elections Commission
999 E Street, N.W.
Washington, D.C. 20463

Nov 4 H 8 95 NY

FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

Re: MUR 4079

Dear Ms. Taksar:

I am in receipt of your letter of October 20, 1994 to the Friends of John Conyers Committee regarding the complaint filed against the Laughlin for Congress Committee. This letter responds to the allegations raised in the news articles accompanying the complaint and to issues outlined in your letter.

The Friends of John Conyers Campaign received a contribution from Ilene Taber on May 15, 1990. The contribution was for \$2,000.00 with a designation by our committee that \$1,000 be used for the primary election and the second \$1,000 for the general election. The check was drawn on Ms. Taber's personal checking account. The contribution was itemized on our July, 1990 Quarterly Report for this period.

There was never any indication to our campaign that these funds may have been subsequently reimbursed by Ms. Taber's husband, Sherwood Van Lines (Ms. Taber's employer), or any other person. We believed then as we believe now, that, in the absence of any information to the contrary, these funds were provided voluntarily and solely by Ms. Taber. Accordingly, our campaign reported this contribution as required under the law.

As a footnote, it might be of interest to the commission that as soon as our campaign committee became aware that the contribution provided by Ms. Taber might have been subsequently reimbursed by either Mr. Taber, a third party or Sherwood Van Lines, we refunded \$2,000 to Ms. Taber.

We refunded this money not because we believe that our committee was in any violation of House rules or Federal Election

1500 Wilson Blvd., Suite 320, Arlington, VA 22209

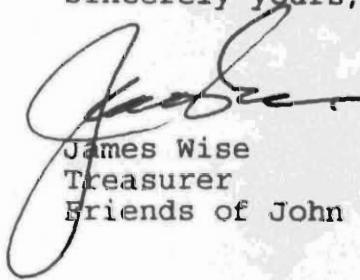
Paid for and authorized by Friends of Congressman John Conyers

Page two of two
October 30, 1994

Commission regulations in accepting this money. On the contrary, we refunded this money to ensure that our committee always adheres to and fully lives up to the spirit of the law. A copy of our letter of transmittal to Ms. Taber is attached.

Should you have any questions regarding this matter, please feel free to contact me at (703) 516-0103.

Sincerely yours,



James Wise
Treasurer
Friends of John Conyers

Enclosure

6
5
4
1
3
7
3
4
0
9

Friends of Congressman John Conyers

October 26, 1994

COPY

Ms. Ilene Taber
Box 504, FD RR3
San Antonio, TX 78218

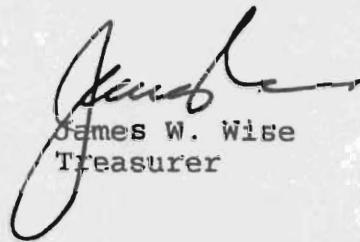
Dear Ms. Taber:

At the request of Chairman Conyers, I am enclosing a check to you in the amount of \$2,000.00. This check represents a refund of the \$2,000 in contributions that you had provided to the Chairman's re-election campaign in 1990.

While I know that your original contributions to our campaign were drawn on your personal account, recent inquiries from the Federal Elections Commission raise the possibility that your contributions may have been reimbursed with corporate dollars. As you can appreciate, the Chairman would like to adhere to both the letter and spirit of the law. In order to avoid any hint of impropriety, we are returning these funds to you.

Should you have any questions regarding this matter, please feel free to contact me at (703) 516-0103.

Sincerely yours,


James W. Wise
Treasurer

1500 Wilson Blvd., Suite 320, Arlington, VA 22209

Paid for and authorized by Friends of Congressman John Conyers

GEREN FOR CONGRESS COMMITTEE
500 THROCKMORTON, SUITE 1400
FORT WORTH, TEXAS 76102

RECEIVED
FEDERAL ELECTION
COMMISSION
MAIL ROOM

Nov 7 11 34 AM '94

November 1, 1994

Mr. Lawrence Noble, General Counsel
Federal Election Commission
999 E Street NW
Washington, DC 20463

RECEIVED
FEDERAL ELECTION
COMMISSION
MAIL ROOM

Nov 7 11 55 AM '94

RE: MUR 4079

Dear Mr. Noble:

The Pete Geren for Congress Committee, of which I am treasurer, was Congressman Geren's campaign committee for his unsuccessful 1986 bid for the 6th Congressional District of Texas. This committee did not receive any contributions from Leslie or Ilene Taber.

Very truly yours,

Dorothy C. Wing
Dorothy C. Wing, Treasurer
Pete Geren for Congress Committee

DCW:ls

FRIENDS OF PETE GEREN
P. O. BOX 1136
FORT WORTH, TEXAS 76101

Nov 7 1994

REC'D BY MAIL
FEDERAL ELECTION COMMISSION
WASH. D.C.

November 1, 1994

Mr. Lawrence Noble, General Counsel
Federal Election Commission
999 E Street NW
Washington, DC 20463

RE: MUR 4079

Dear Mr. Noble:

I am the treasurer of Friends of Pete Geren, hereinafter referred to as "the Committee," which is the principal campaign committee for Preston M. Geren III, Congressman from the 12th District of Texas. The committee was formerly known as Geren for Congress Committee. I am responding to a notification letter dated October 20, 1994 which refers to a complaint made by the National Republican Congressional Committee with respect to Congressman Greg Laughlin and the Laughlin for Congress Committee. While Congressman Geren is not named in the complaint, he is mentioned in two newspaper articles, Exhibits A and F, attached to the complaint. These two articles are also attached to this letter.

The newspaper articles state that a Leslie Alfred "Tabor" or "Taber" was indicted by a federal grand jury and that included in the indictment were charges that he made illegal disguised political contributions from a corporation through his wife Ilene to members of Congress including Congressman Geren.

The Committee deposited a \$1,000 check (copy enclosed) on October 16, 1990 which was drawn on an account styled Charles Leslie or Ilene Taber. The contribution was reported on the Committee's Report of Receipts and Disbursements for the period October 1, 1990 through October 17, 1990. There was nothing about the check to suggest that it was anything other than a contribution from an individual. Neither myself, the candidate, nor anyone that I know of involved with the campaign knew Mr. or Mrs. Taber or had any reason to believe that this contribution might be other than a permissible individual contribution.

Laurence Noble, General Counsel
November 1, 1994
Page 2

To the best of my knowledge and belief there has been no violation by the Committee of the Federal Election Campaign Act of 1971, as amended.

If the commission has any questions, wishes to have any statements under oath, or examine any records, please call me at (817) 332-1923.

Very truly yours,

George Thompson

George Thompson
Treasurer, Friends of Pete Geren

GT:ls
Enclosures

0
6
4
1
3
7
3
4
0
9 6 0

Sunday, September 4, 1988

Austin American-Statesman B7

Man accused of making illegal contributions to lawmakers

Associated Press

SAN ANTONIO — A former San Antonio resident has been charged in a federal indictment with funneling \$11,000 in illegal campaign contributions to 10 current or former congressmen.

Leslie Alfred Tabor, 62, now of Georgetown, Tenn., surrendered to the FBI in San Antonio and was released on \$50,000 bond.

The 10-count indictment by a San Antonio grand jury Friday accused the former president of Sherwood Van Lines of "causing the concealment and covering up of a material fact by scheme and device."

Citing the Federal Election Campaign Act, the indictment alleged that Tabor disguised political contributions during the 1980 campaign to hide the fact that the money came from Sherwood Van Lines.

The indictment said Tabor used his wife, Ilene Tabor, "as a conduit" to funnel Sherwood money to the political campaigns of the 10 House Democrats, including former Rep. Albert Bustamante of San Antonio.

Bustamante later was convicted in San Antonio of federal racketeering charges after he was accused of using his office for financial gain and accepting an illegal gratuity.

Bustamante, acquitted on eight other charges, is free on bond



Former U.S. Rep. Albert Bustamante said he paid for the use of Leslie Alfred Tabor's moving service.

while appealing his three-year prison sentence.

The other nine lawmakers mentioned in the indictment were Reps. Greg Laughlin of West Columbia, John Conyers of Michigan, Chet Edwards of Waco, Charles Wilson of Lubbock, Bill Sarapallus of Amarillo, Bill Hefner of North Carolina, Pete Cullen of Fort Worth, Jim Chapman of Sulphur Springs and former Rep. Jim Bates, D-Calif.

Tabor resigned from Sherwood about two years ago, a company spokesman said. He now operates a moving company in Tennessee.

An answering service for Tri-

boration's Tennessee company said he was not available for comment Friday, the *San Antonio Express-News* reported.

The indictment accuses Tabor of paying each lawmaker \$1,000, except for \$2,000 paid to Conyers.

No elected official staff member or Tabor's wife was accused of committing an illegal act.

Bustamante said December that he had used Sherwood's moving services but had canceled checks to prove he had paid for the work.

At the time Bustamante made that statement, Sherwood's new management was suing Tabor.

Laughlin told the *Express-News* that he sought bids from several moving companies for a move from West Columbia to Washington in 1988.

He said Tabor bid \$1,000, explaining he could do the work so cheaply because his company handled so many military moves to Washington.

Laughlin was on the House transportation committee but said last year that Sherwood never lobbied him.

He acknowledged being paid \$2,000 and expenses to sit in on a panel discussion of transportation matters at a Sherwood company convention in Las Vegas.

Laughlin listed the \$2,000 as an honorarium in his 1989 financial disclosure report.

1461
1433
7334
960

Grand jury shocker: the goodies congressmen don't get

Federal grand jurors meeting here and in Las Vegas are likely to be shocked by something they discover in their probe of former Congressman Albert Bustamante (D-Tex.) and reportedly some other congressmen.

It won't be what the congressmen are suspected of doing. It will be what Congress hasn't done.

Somewhere, in more than two centuries of taking care the nation, their friends and themselves, members of Congress have never got around to authorizing payment of household moving expenses for newly elected representatives and senators.

Being a member of Congress may be the only job in America that pays \$123,000 or more and doesn't include moving expenses.

It may be the only perk the politicians haven't provided themselves. Congress has, on the other



**Rick
Casey**

hand, provided moving expenses for high-level employees of the executive and judicial branches.

Several congressional staffers said they had no explanation for this oversight. It may be some weird form of hazard of freshman members, many of whom are financially strapped after a year or more of campaigning with little or no income.

This shocking state of affairs has come into play because the grand jury here is investigating the possibility that Bustamante and other members of Congress received free moves from a San

“My memory is I had been in Congress four to eight weeks. I sat on the Transportation Committee.”

— Greg Laughlin, Texas representative

Antonio moving company. As noted in this space last Sunday, the former president of that company filed an affidavit in U.S. Bankruptcy Court here saying he had been subpoenaed by a Las Vegas, Nev., grand jury investigating Bustamante, apparently in a related matter.

Bustamante told the San Antonio Express-News this week he had used Sherwood Van Lines, which now is under new management and is suing its former president, Leslie Taber. But, Bustamante said he had paid for those moves, and has canceled checks to show it.

Another congressman this week described an arrangement with the moving company that may shock the innocent, but is not nearly so startling as the fact the government doesn't pay for the moves.

Greg Laughlin, the Democrat who was elected to represent Texas' 14th District (an area between here and Houston) in 1988, said he received several bids from moving companies to take the furniture from his three-bedroom house in West Columbia to the Washington area.

He said Taber gave him a bid of \$2,000, explaining he could

move the goods himself because the company handled so many military moves to Washington. (Sherwood specialized in military moves, which made its relations with Congress particularly helpful.) That price included full packing.

A check with another moving company indicated the market price for a move of that size with full packing would be about \$15,000. About half of that would be for packing.

But it got even better for Laughlin. Sherwood had an annual company convention held in Las Vegas about the time of Laughlin's move in early 1989. He was invited to be on a panel discussing transport-related issues.

“My memory is I had been in Congress four to eight weeks,” recalled Laughlin. “I sat on the Transportation Committee.”

Being simply a panel member, Laughlin said, he was not required to prepare any remarks. He was paid \$2,000, he said, plus travel expenses. The honorarium is listed in his financial disclosure report for 1992.

Laughlin said he was never lobbied by the company, though he may have signed a letter in support of the company circulated by another Texas congressman.

He said he contacted the company's executives when he was raising money for re-election, but by that time the company was in Chapter 11 bankruptcy, and the president who had flown him to Las Vegas was gone.

He said he wasn't aware of the grand jury investigation.

Welcome to Congress, where the taxpayer won't pay your freight, somebody else will be glad to help out.

EXHIBIT F

Page 14 ROLL CALL Thursday, September 15, 1994

Laughlin Is Hit for Cut-Rate Moving Deal

By Gabriel Kahn

Rep. Greg Laughlin (D-Texas) received what appears to be a cut-rate deal on moving services from a company whose president was charged earlier this month with making illegal campaign contributions to Laughlin and nine other House Members.

Laughlin did not even pay the \$2,500 moving bill until this January, five and a half years after his move to Washington. And moving companies say the amount is far less than would normally be charged for a similar job. The moving deal first came to light when the San Antonio Express-News reported in December 1993 that Laughlin and others had received low bids from Sherwood Van Lines.

Laughlin told Roll Call that he never received a bill after Sherwood Van Lines moved his family from their three-bedroom house in San Antonio to Washington shortly after he was elected to Congress in 1988.

Sherwood's then-president, Leslie Alfred Taber, had contributed as much as \$2,000 to Laughlin's 1988 election campaign — some of it illegally, prosecutors allege — and offered Laughlin a \$2,000 honorarium at a Las Vegas convention.

Laughlin faces a Republican challenge from rancher Jim Deats in November. Laughlin is favored to win although Deats is mounting an aggressive campaign.

Taber was indicted by a federal grand jury Sept. 2 on ten counts, including charges he illegally funneled \$11,000 to a total of 10 current and former Congressmen. Taber allegedly disguised political contributions by using his wife as a "conduit" for monies that came directly from his company's accounts.

The other Members who received contributions from Taber were: Reps. John Conyers (D-Mich.), Chet Edwards (D-Texas), Charles Wilson (D-Texas), Bill Sarpalius (D-Texas), Pete Green (D-Texas), Jim Chapman (D-Texas), and Bill Hefner (D-NC), and former Reps. Jim Bales (D-Calif.) and Albert Bustamante (D-Texas).

Aides to all of the current Members who received the tainted contributions said they are now looking for ways to return the money.

Sherwood, Inc., specializes in military moves, and donated to candidates for Congress, which funds those military contracts. But Taber's involvement with Laughlin, who serves on the Public Works and Transportation subcommittee on surface transportation, went beyond campaign contributions.

Laughlin's records show that he paid Sherwood Van Lines \$2,500 on Jan. 18, 1994, a full five and a half years after he moved. A similar move in 1989, says Kade Cresswell, president of Armstrong Movers, a San Antonio company, would have cost \$5,000.

"The reason is that we never got a bill [from Sherwood]," Laughlin explained. He said he was "totally unaware" of the issue until a local paper called him to inquire about the then-unpaid move.

"We contacted the company and they said that it hadn't been billed. As a result of that I sent them a check, with a letter attached. I didn't realize that there was no bill," Laughlin said.

After his election and move to Washington, Laughlin said he had numerous bills and debts to settle and that the moving bill simply escaped him.

Asked if he thought it was odd that a moving company would forget to bill him, he responded, "I can't answer for them."

Laughlin said he chose Sherwood for his move after a staffer for then-Speaker Jim Wright (D-Texas) suggested that he call them to ask for a bid.

As it turns out, Laughlin said, they offered him a bargain price, because "they said my house was right en route." He could not recall what the other estimates he received were but said "they were not substantially higher."

Soon after Laughlin took office, Wright appointed him to the surface transportation subcommittee. His position on the panel, Laughlin said, prompted Taber to invite him to a Sherwood, Inc., company convention in Las

Vegas, in January 1989, where he received a \$2,000 honorarium, directly from Sherwood, for participating on a panel discussion about transportation issues, according to Laughlin's financial disclosure records. The Las Vegas convention, Laughlin said, was the first time he recalled meeting or speaking with Taber.

"At the time, I didn't think it was unusual [to accept money directly from a corporation, rather than a trade association, or similar organization]." The prohibition on accepting such honoraria was not passed until several months later.

At one point in 1990, Laughlin, together with other members of the Texas Congressional delegation, signed a letter of support for Sherwood, Inc.'s contracts with the military. But Laughlin asserts he did not initiate the letter, and he signed it only as a routine part of his work on the Texas delegation.

Laughlin says he plans to try to give the allegedly illegal campaign contributions back as soon as possible.

The San Antonio Express-News reported that Taber left Sherwood two years ago and started a moving firm in Tennessee. Sherwood's new management reportedly had filed a lawsuit against Taber. Calls to Sherwood's San Antonio offices went unanswered, and Taber, who was released on \$50,000 bond, could not be reached.

CHARLES LESLIE OR ILENE TABER 274

3991

Oct 9, 10

600047140



9 6 0 4 3 7 3 1 4 6 4

Nov 7 1157 AM '94



W. G. (BILL) HEFNER
MEMBER OF CONGRESS
8th DISTRICT
NORTH CAROLINA

November 2, 1994

re: MUR 4079

Federal Election Commission
Office of General Counsel
999 E St. NW
Washington, DC 20463

Dear Ms. McEnergy:

This letter is in response to your correspondence dated October 20, 1994, which we received on October 28. In September of 1990 Congressman Hefner flew to Texas to appear at a fund raiser to support the reelection of Congressman Chet Edwards. Several weeks later we received a number of checks from Texas that Congressman Edwards had collected to support Congressman Hefner's campaign. Among them was the check from Charles & Ilene Taber, a copy of which is enclosed. Most of the people that sent us checks including the Taber's were unknown by the Congressman or any of his staff.

We accepted all of the contributions in good faith since to the best of our knowledge they all appeared to be completely within the guide lines of the FEC regulations.

If the Commission determines that a refund of the contribution funds is necessary to resolve this problem we will be happy to comply if you will but advise us as to who to return it to. If you need additional information please contact our office and we will do our best to do what ever we need to do to achieve a speedy resolution to the problem.

Sincerely yours,

J. Jackson
Elvin Jackson,
treasurer

JEJ/94
Enc. 1

CHARLES

JUE OR ILENE TABER 3/74

3958

30-264/1140

BY TO
ORDER

Sept 7, 1970

\$ 1000.00

DOLLARS

FOR

RS CITY

9 6 0 4 3 7 3 1 4 6 6

PATTON BOGGS, L.L.P.
2550 M STREET, N.W.
WASHINGTON, D.C. 20037-1350
(202) 457-6000
FACSIMILE: (202) 457-6315

WRITER'S DIRECT DIAL
(202) 457-5604

November 3, 1994

VIA FIRST-CLASS MAIL

Joan McEnergy, Esquire
Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

RECEIVED
FEDERAL ELECTION COMMISSION
NOV 9 1994
H.S. HILL

Re: Matter Under Review 4079

Dear Ms. McEnergy:

Enclosed is an original of Congressman Laughlin's designation of counsel form in the above-captioned matter. I previously sent you his designation form by fax, and am now providing you with an original for your files. Shortly, I will send you an original for the Laughlin for Congress Committee, which I also previously had sent to you be fax.

If you have any questions, please call me directly at (202) 457-5604.

Sincerely,

Michael N. Druckman

Michael N. Druckman

Enclosure

STATEMENT OF DESIGNATION OF COUNSEL

MUR 4079

NAME OF COUNSEL: Ronald S. Liebman, Roger S. Ballentine,
Michael N. Druckman

ADDRESS: Patton Boggs, L.L.P.

2550 M Street, N.W.

Washington, DC 20037

TELEPHONE: 202/457-6000

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

27 Oct 94
Date

Greg Laughlin
Signature

RESPONDENT'S NAME: Congressman Greg Laughlin

ADDRESS: 2076 Van Tuyl Place

Falls Church, VA 22043

HOME PHONE: 703/533-1733

BUSINESS PHONE: 202/225-2831

PATTON BOGGS, L.L.P.
2550 M STREET, N.W.
WASHINGTON, D.C. 20037-1350
(202) 457-6000

FACSIMILE: (202) 457-6315

RECEIVED
FEDERAL ELECTION
COMMISSION
ADMINISTRATIVE DIVISION

Nov 14 9 22 AM '94

WRITER'S DIRECT DIAL
(202) 457-5604

November 10, 1994

VIA FIRST-CLASS MAIL

Joan McEnergy, Esquire
Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

Nov 14 10 27 AM '94

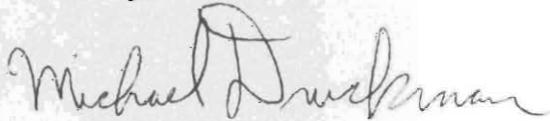
Re: Matter Under Review 4079

Dear Ms. McEnergy:

Enclosed is an original designation of counsel statement by the Laughlin for Congress Committee in the above-captioned matter. I previously sent you a designation form by fax, and am now providing you with an original for your files.

If you have any questions, please call me directly at (202) 457-5604.

Sincerely,



Michael N. Druckman

Enclosure

STATEMENT OF DESIGNATION OF COUNSEL

MUR 4079

NAME OF COUNSEL: Ronald S. Liebman, Roger S. Ballentine,

ADDRESS: Michael N. Druckman
Patton Boggs, L.L.P.

2550 M Street, N.W.

Washington, D.C. 20037

TELEPHONE: 202/457-6000

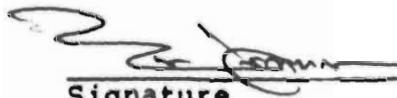
Nov 14 10 27 AM '96

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL

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

10-31-94

Date



Signature

Laughlin for Congress Committee,

RESPONDENT'S NAME: Everet Kennemer, III, as Treasurer

ADDRESS: P. O. Box 504

West Columbia, TX 77486

HOME PHONE: 409/345-5865

BUSINESS PHONE: 409/297-4075

9 6 0 4 3 7 3 1 4 7 0

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

BRAND & LOWELL

A PROFESSIONAL CORPORATION
923 FIFTEENTH STREET, N.W.
WASHINGTON, D.C. 20005

Nov 7 11 40 AM '94

TELEPHONE: (202) 662-9700
TELECOPIER: (202) 737-7565

November 7, 1994

VIA HAND DELIVERY

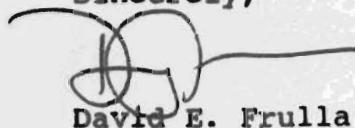
Joan McEnery, Esquire
Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: Matter Under Review 4079

Dear Ms. McEnery:

Enclosed please find the Response of the Wilson Committee and Amy S. Trites, as Treasurer, to the Notification of the Filing of a Complaint Against Congressman Laughlin, Congressman Laughlin's Principal Campaign Committee, and Sherwood Van Lines, as well as the Declaration of Amy S. Trites.

Sincerely,


David E. Frulla

DEF:mob
Enclosures

1
4
7
3
1
4
3
7
0
4
0
9
6

BEFORE THE UNITED STATES FEDERAL ELECTION COMMISSION

Nov 7 11:49 AM '94

IN THE MATTER OF:)
THE WILSON COMMITTEE,)
and) MATTER UNDER REVIEW 4079
AMY S. TRITES,)
as treasurer.)

RESPONSE OF THE WILSON COMMITTEE AND AMY S. TRITES,
AS TREASURER, TO THE NOTIFICATION OF THE FILING
OF A COMPLAINT AGAINST CONGRESSMAN LAUGHLIN,
CONGRESSMAN LAUGHLIN'S PRINCIPAL CAMPAIGN COMMITTEE,
AND SHERWOOD VAN LINES¹

Respondents, The Wilson Committee and its treasurer, Ms. Amy S. Trites, hereby respond to the Complaint filed by the National Republican Congressional Committee in the above-referenced matter under review, and ask that it be promptly dismissed as against them. Respondents received the complaint materials on October 22, 1994.

96043731472
Respondents must stress at the outset that the complaint herein neither names them as Respondents, nor charges them with any wrongdoing. In fact, information set out in attachments to the complaint exonerates them from any conceivable allegation that might have been on the Commission staff's mind in including them herein. It is difficult to understand why the FEC has even asked for a response. Respondents, accordingly, respectfully request that the Federal Election Commission find, pursuant to 2

¹ The Wilson Committee and Ms. Trites have captioned their response in this manner because, as explained below, the Complaint did not name them as respondents. Their interposition into this matter under review has simply happened by fiat.

U.S.C. Section 437g(a), no "reason to believe" exists that they violated federal campaign finance law and regulations in connection with the matters at issue in this Congressman Laughlin-based MUR.

I. THE COMPLAINT IS INSUFFICIENT AS AGAINST THESE RESPONDENTS BECAUSE THEY WERE NOT NAMED AS RESPONDENTS IN IT AND NO WRONGDOING ON THEIR PART IS ALLEGED, EXPRESSLY OR OTHERWISE

Complainant did not file charges against either of these Respondents. Rather, it named Congressman Greg Laughlin; his principal campaign committee, Laughlin for Congress; and Sherwood Van Lines. The complaint did note that Mr. Leslie Tabor, President of Sherwood Van Lines, had been indicted for "funnelling \$11,000 in corporate campaign contributions through his wife, Ilene Tabor, to several Texas Congressman, including Laughlin."

The complaint did not present this allegation as an FECA violation by these unnamed congressmen, however. The gravamen of the complaint is that Sherwood Van Lines moved Congressman Laughlin from Texas to Washington, D.C. upon his election to Congress for free. Complainant expressly only proffered allegations about alleged Sherwood-reimbursed contributions as a background allegation to demonstrate an "on-going relation" between Sherwood and Congressman Laughlin -- one of the alleged recipients of Sherwood's largesse. Complainant explained that this "on-going" relationship discredited Congressman Laughlin's committee's argument, made in response to the "free move" allegations when they were first aired in the press, that the

committee had delayed paying Sherwood for the move because Sherwood had not billed the committee and the committee simply forgot about the debt. The Wilson Committee thus does not even factor into Complainant's theory of liability as an afterthought.

Because the complaint alleges no wrongdoing by these Respondents, the Commission has no authority to open an MUR based on this complaint as against them. Commission complaint acceptance and processing regulations require that each complaint "clearly identify as a respondent each person or entity who is to have committed a violation." 11 C.F.R. § 111.4(d)(1) (1994). This, the complaint does not do as to these Respondents; in fact, Complainant's clear design was not to involve them. As a party congressional campaign committee, the Complainant is not unsophisticated in the ways of FEC proceedings. It could have taken the partisan step of naming all ten Democratic Party member recipients of the allegedly illegal Sherwood contributions as respondents, had it seen fit. Indeed, representatives of the Complainant themselves would no doubt be almost as surprised The Wilson Committee is a respondent as The Wilson Committee itself is.

Commission regulations also require an acceptable complaint to "contain a clear and concise recitation of the facts which describe a violation of statute or regulation over which the Commission has jurisdiction" before it can be accepted. 11 C.F.R. § 111.4(d)(3) (1994). This complaint arguably contains -- judging by most complaints -- a fairly comprehensive recitation

of the facts describing alleged FECA violations by Congressman Laughlin, his committee, and Sherwood. It makes no effort to recite a violation by these Respondents. The regulations thus provide the Commission no authority to bootstrap these Respondents into this matter under review via the instant complaint because of the requirements of Section 111.4(d)(3), as well.

Because of the impact a Commission investigation has on First Amendment protected speech and expression, courts strictly enforce the above-described requirements that a complaint-based Commission investigation begin with a properly filed complaint against a particularly named (or at least identified) respondent. The Court of Appeals for the District of Columbia Circuit has explained why the Commission must scrupulously comply with its enforcement regulations, in the following terms:

A . . . consideration making careful judicial scrutiny of jurisdiction necessary in this case is the obvious difference between the scope of investigatory authority vested in agencies such as the FTC, SEC, or the Administrator of the Department of Labor's Wage and Hour Division on the one hand, and the FEC on the other. The former agencies are vested with broad duties to gather and compile information and to conduct periodic investigations concerning business practices. But the FEC has no such roving statutory functions. On the contrary, investigations such as the one conducted here may begin only if an individual first files a signed, sworn, notarized complaint with the Commission.

Federal Election Commission v. Machinists Non-Partisan Political League, 655 F.2d 380, 387-88 (D.C. Cir. 1981) (emphasis added). The Commission must thus expeditiously dismiss the complaint as against these respondents because applicable regulations and

caselaw prohibit inclusion of these Respondents into a complaint-based matter under review in which they were deliberately not named as respondents.

II. THE NEWSCLIPS ATTACHED TO THE COMPLAINT PROVIDE NO INDEPENDENT BASIS FOR INCLUDING THESE RESPONDENTS IN THIS MATTER UNDER REVIEW

Complainant attached to its complaint two news articles that alleged Mr. Tabor, formerly of Sherwood, had been indicted for providing disguised corporate contributions through his wife, Ilene Tabor, to the committees of certain House members, including The Wilson Committee. See Complaint attachments A and F. The indictment apparently charges that nine \$1,000 and one \$2,000 of these disguised contributions (\$11,000 in all) were made to ten different members, allegedly including Congressman Wilson. Complainant did not, however, attach the underlying indictment to its charges.

These two vague newsclips cannot be seen as providing an independent basis for including these Respondents in this matter under review. The Commission acknowledged the inherent unreliability of newsclips as a basis for initiating matters under review in Agenda Document 79-299 (Nov. 5, 1979). Accordingly, the Commission requires that any such newsclip-based allegations contain their own "clear and concise statement of the acts which are alleged to constitute a violation of the Act"; sufficiently document the charges alleged; and be "substantive in [their] . . . facts." Commission Agenda Document 79-299, at 3.

Nothing in the newsclips reflects that Congressman Wilson, his committee, or Ms. Trites, let alone any of these members of Congress or their committees, were in any way in complicity with this alleged wrongdoing by Mr. Tabor and his (then) company. Indeed, one article (Exhibit A) actually reports that, "No elected official, staff member or Tabor's wife was accused of committing an illegal act." (Emphasis added.) Thus, the newsclips do not meet the standards for acceptance of a newsclip-based complaint because, on their face, they allege no violation of law by The Wilson Committee or its treasurer. In fact, the newsclips do just the opposite.

Moreover, the newsclips do not explain whether the charges against Mr. Tabor have been resolved; it is likely that they have not, in that the indictment was apparently filed just last month. Indictment charges, particularly as reported in newspapers, are simply that. It is the most fundamental and elementary constitutional precept that such charges are not proof of wrongdoing of Mr. Tabor, not to mention these Respondents.

Based on this record, not a scintilla of evidence exists to include The Wilson Committee and Ms. Trites in this MUR. The Commission must, therefore, dismiss these proceedings as against them. See In Re Federal Election Campaign Act Litigation, 474 F. Supp. 1044, 1047 (D.D.C. 1979) (failure to allege and present "even the slightest evidence that the accused parties" knowingly committed acts constituting an FECA violation "is, by itself,

3
1 4 7 3
5 sufficient reason [for the Commission] not to investigate the
allegation.").

6
3 III. **IN THAT NO CHARGES HAVE BEEN LEVELLED AGAINST THESE**
RESPONDENTS, IT IS INAPPROPRIATE AS A CONSTITUTIONAL MATTER
TO REQUIRE THEM TO CONJURE UP CHARGES AGAINST THEMSELVES AND
THEN REBUT THEM

7 If Respondents are not dismissed from this matter under
8 review, they will be left in the untenable position of having to
9 divine the charges the Commission believes might conceivably be
0 able to pend against them -- and then to try to rebut them.

1 The Constitution does not permit such Star Chamber-like
2 proceedings. See, e.g., Russell v. United States, 369 U.S. 749,
3 763-64 (1962) (an indictment must, inter alia, "sufficiently
4 appris[e] the defendant of what he must be prepared to meet").
5 In words that apply equally here, the Supreme Court held that
6 neither the defendant, nor the grand jury, prosecutor, or court
7 (in the FEC milieu, the respondent, complainant, Commission OGC
8 attorney, and the Commission, respectively) could be required to
9 "guess" what the charges are. 369 U.S. at 770.

0 Moreover, federal appellate courts have long required the
1 Commission to exercise its investigatory power with
2 circumspection because of its direct impact on constitutionally
3 protected speech and association. Indeed, a court has ordered
4 Commission proceedings dismissed because they were brought on
5 "official curiosity" as opposed to hard complaint-based
6 allegations of wrong-doing. Machinists Non-Partisan Political
7 League, 655 F.2d at 388.

IV. ANY CONCEIVABLE BASIS FOR COMMISSION JURISDICTION OVER THESE RESPONDENTS DOES NOT EXIST BECAUSE THE WILSON COMMITTEE HAS COMMITTED NO VIOLATION OF LAW OR COMMISSION REGULATIONS IN FACT

Left to conjecture, Respondents can only conclude the following theory might form the basis for their being dragged into this matter under review:

If it is reported in Roll Call that an individual was indicted -- not convicted -- for making an illegal campaign contribution to a member's committee, that committee must thereupon refund the allegedly improper contribution or else the Commission will open a matter under review.

The Commission might, alternatively, be engaging in a flight of "official curiosity" to ascertain if The Wilson Committee and its treasurer knew that Ms. Tabor's contribution was made from Sherwood Van Lines's corporate funds -- if, indeed, the indictment's charges can be and are proven.

The attached Declaration of Amy S. Trites addresses and resolves both such potential issues. Ms. Trites declares that The Wilson Committee received only one thousand dollar contribution check dated over four years ago, May 30, 1990, from Ms. Ilene Tabor. Declaration of Amy S. Trites, ¶ 3. Ms. Trites declares, however, that neither The Wilson Committee nor she had any knowledge or suspicion when The Wilson Committee received Ms. Tabor's contribution that it was made from Sherwood Van Lines corporate funds.² Declaration of Amy S. Trites, ¶ 4. Indeed,

² Indeed, based on this record, Respondents must add they still have no positive indication the contribution was, in fact, illegal.

Ms. Tabor's check was personal and bore no indicia it was a disguised corporate contribution. Declaration of Amy S. Trites, ¶ 5. It should be noted that federal campaign finance regulations recognize that a contribution made in the name of another will generally not present a "genuine question" of legality pursuant to 11 C.F.R. Section 103.3(b)(1) when it is first received. Obviously, such a contribution is camouflaged to prevent a treasurer from knowing it was made in the name of another. The check in question from Ms. Tabor in no way indicates the funds were actually Sherwood's. On these facts, no inference of these Respondents' knowing receipt of an illegal contribution can exist.

Second, Ms. Trites's declaration also explains the committee has been considering refunding the contribution since before they were notified of this MUR. Declaration of Amy S. Trites, ¶¶ 6-7.³ However, an actual refund has proven difficult because the Tabors have moved from Texas and Sherwood's successor in interest following bankruptcy has indicated it will refuse to accept a refund. Declaration of Amy S. Trites, ¶¶ 7-8. The Wilson

³ The decision to try to refund has been made from an abundance of caution and not from any actual requirement of federal campaign finance law and regulations we can ascertain. These regulations require a refund when a treasurer discovers a contribution "is illegal based on new evidence not available to the political committee at the time of receipt and deposit . . ." 11 C.F.R. § 103.3(b)(2) (1994) (emphasis added). As explained above, an indictment charge, reported in a newspaper, does not prove the contribution "is" in fact illegal.

Committee is now considering donating the \$1,000 to charity.

Declaration of Amy S. Trites, ¶ 9.

Thus, insofar as Respondents have accurately conjured up what potential FECA violations might have been on the Commission staff's mind in including them as Respondents in this matter under review, these "charges" have no basis and must not be permitted to proceed.

V. CONCLUSION

For the foregoing reasons, Respondents respectfully request that the matter under review as against them be expeditiously dismissed.

Respectfully submitted,

BRAND & LOWELL
(A Professional Corporation)

Dated: November 7, 1994


Abbe David Lowell
David Earl Frulla
923 Fifteenth Street, N.W.
Washington, D.C. 20005
(202) 662-9700

Counsel for Respondents

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

BEFORE THE UNITED STATES FEDERAL ELECTION COMMISSION

Nov 7, 11 49 AM '94

IN THE MATTER OF:)
THE WILSON COMMITTEE,)
and) MATTER UNDER REVIEW 4079
AMY S. TRITES,)
as treasurer and in her)
individual capacity.)

DECLARATION OF AMY S. TRITES

I, Amy S. Trites, declare as follows:

1. I have been employed on the official staff of Texas Congressman Charles Wilson since 1975. I have also served the Congressman by working, in my spare time, as the treasurer of his principal campaign committee, The Wilson Committee. I have held this position since 1984.

2. I make this Declaration based on my personal knowledge gained during my official employment with and campaign service for the Congressman, and in connection with the above-captioned Matter Under Review.

3. The Wilson Committee received only one thousand dollar contribution check dated over four years ago, May 30, 1990, from Ms. Ilene Tabor.

4. Neither I nor, to the best of my knowledge, The Wilson Committee had any knowledge or suspicion when The Wilson Committee received Ms. Tabor's contribution that it was made from Sherwood Van Lines corporate funds or from any funds other than Ms. Tabor's personal funds.

5. Indeed, the contribution check, attached hereto as Exhibit 1, was a personal check from Ms. Tabor to The Wilson Committee.

6. Upon learning of the indictment of Mr. Leslie Tabor for allegedly making disguised corporate contributions through Sherwood Van Lines, The Wilson Committee has considered refunding Ms. Tabor's \$1,000 contribution.

7. Refund efforts started before notification of this MUR are, however, proving difficult. The Tabors have moved from Texas.

8. I have been advised by counsel that representatives of the duly constituted successor in interest to Sherwood following its bankruptcy refuse to accept a refund on the company's behalf.

9. The Wilson Committee is now considering donating Ms. Tabor's \$1,000 contribution to charity.

FURTHER DECLARANT SAYETH NOT.

I declare under the penalty of perjury that the foregoing is true and correct.

Amy S. Trites
Amy S. Trites

Executed on: November 4, 1994

CHARLES LESLIE OR ILENE TABER 374

3797

30-264
1140

PAY TO THE
ORDER OF Charles

May 31 1990

\$ 1,000.00

One Thousand

DOLLARS

P.O. Box 3074
San Antonio, Texas

FIRST CITY TEXAS

FOR

Charles Taber

9 6 0 4 3 7 3 1 4 3 4

CONGRESSMAN
CHAPMAN
★ ★ ★ DEMOCRAT ★ ★ ★

November 10, 1994

Nov 14 12:17 PM '94
RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

Federal Election Commission
Mary L. Taksar, Attorney
Central Enforcement Docket
999 E Street, NW
Washington, D.C. 20463

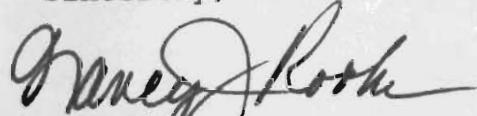
Re: MUR 4079

Dear Ms. Taksar:

I am writing in response to your letter of October 20, 1994, which was received in my office on October 25, 1994 regarding the above-referenced matter.

After careful review of the complaint enclosed with your letter, I can find no reference to the Jim Chapman for Congress Committee or to me personally. Please do not hesitate to let me know if I can provide additional information.

Sincerely,


Nancy J. Rooks
Treasurer

P.O. Box 388
Sulphur Springs, Texas 75482
214-885-3199

Paid for and authorized by Chapman for Congress Committee.

9 6 0 4 3 7 3 1 4 8 5

AKIN, GUMP, STRAUSS, HAUER & FELD, L.L.P.

ATTORNEYS AT LAW

A REGISTERED LIMITED LIABILITY PARTNERSHIP
INCLUDING PROFESSIONAL CORPORATIONS

WASHINGTON, D.C.
DALLAS, TEXAS
AUSTIN, TEXAS
HOUSTON, TEXAS
NEW YORK, NEW YORK

1500 NATIONSBANK PLAZA
300 CONVENT STREET
SAN ANTONIO, TEXAS 78205
(210) 270-0800
FAX (210) 224-2035

Nov 9, 1994
RECEIVED
FEDERAL ELECTION
COMMISSION
U.S. POSTAL SERVICE

WRITER'S DIRECT DIAL NUMBER (210) 270-0810

November 14, 1994

General Counsel's Office
Federal Election Commission
Washington, D.C. 20463

Via Federal Express

Re: MUR 4079

Gentlepersons:

On November 1, 1994, I received a letter dated October 20, 1994 from Mary L. Taksar enclosing a Complaint against Laughlin For Congress Committee. Although the Complaint filed by Maria Cino, Executive Director of National Republican Congressional Committee, does not mention or refer to Albert Bustamante of the Bustamante for Congress Committee, former Congressman Bustamante is mentioned in some of the newspaper articles attached to the Complaint.

No action should be taken against the Bustamante For Congress Committee or its Treasurer since there is no evidence or allegation of any kind in the Complaint or the attached articles that there were corporate contributions made to the Bustamante Committee or that any corporation wrongfully funneled illegal funds through an individual to the Bustamante Committee, or that the Bustamante Committee failed to pay any debts to any corporation when the Bustamante Committee had the financial capability to pay such debts.

6 5 4 3 2 1 0 9 8 7 6 5 4 3 2 1 0

- AKIN, GUMP, STRAUSS, HAUER & FELD, L.L.P.

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

Nov 15 958 AM '94

Gentlepersons

November 14, 1994

Page Two

If there are any such facts or allegations, please notify the undersigned so that I can respond. As I previously informed Ms. Taksar, a Federal Grand Jury has all of the Bustamante For Congress Committee records through July, 1992.

Please call if you have any questions.

Sincerely,



R. Laurence Macon, P.C.

RLM/rd

C:MISC1-226

9 6 0 4 3 7 3 1 4 3 7

STINSON, MAG & RIZZELL
A PROFESSIONAL CORPORATION

FACSIMILE COVER PAGE

100 South Fourth Street
St. Louis, Missouri 63102
Telephone: (314) 259-4500
Facsimile: (314) 259-4599

Date: November 14, 1994

No. of Pages (including cover page): 1

TO:	Ms. Joan McEnergy	RECIPIENT'S FAX NO.	202-219-3923
FIRM NAME:		PHONE NO.	
FROM:	Joseph E. Rebman	SENDER'S PHONE NO.:	
		CLIENT/MATTER NO.:	000068.000

IF COPY IS ILLEGIBLE OR INCOMPLETE, PLEASE IMMEDIATELY CALL (314) 259-4500 FOR RETRANSMISSION

COMMENTS

Dear Ms. McEnergy: This is to respectfully request additional time to respond to the Complaint issued in Matter No. MUR 4079. By letter dated October 14, 1994, Ms. Mary L. Taksar forwarded the above referenced complaint against Sherwood Van Lines, Inc., to me, as "Registered Agent" at "275 N. Lindberg Blvd., St. Joseph, MO 63141." My former address was "275 N. Lindbergh, St. Louis, Mo. 63141" and my current address is as listed above on this facsimile cover sheet. Presumably because of the incorrect address (St. Joseph rather than St. Louis, Mo.), the mailing did not arrive at my former office address until late last week. Because some of my mail still is delivered to my old office, once every week I go to that office to pick up any mail that might have been delivered there during the preceding week. Accordingly, it was not until this past Saturday (Nov. 12, 1994) that I discovered Ms. Taksar's letter and the accompanying complaint. Under the circumstances, I would respectfully request an additional 15 days to respond, to and including Nov. 29, 1994. At least that much time is needed as I first must forward this Complaint to Sherwood Van, which I believe is located in San Antonio, TX. Please advise as soon as possible. Thank you, Joseph E. Rebman

NOV 14 1994

 RECEIVED
 FEDERAL BUREAU OF INVESTIGATION
 OFFICE OF CIVIL RIGHTS
 BY [Signature]

THE INFORMATION CONTAINED IN THIS COMMUNICATION IS CONFIDENTIAL, MAY BE ATTORNEY-CLIENT PRIVILEGED, MAY CONSTITUTE INSIDE INFORMATION, AND IS INTENDED ONLY FOR THE USE OF THE ADDRESSEE. UNAUTHORIZED USE, DISCLOSURE OR COPYING IS STRICTLY PROHIBITED AND MAY BE UNLAWFUL. IF YOU HAVE RECEIVED THIS COMMUNICATION IN ERROR, PLEASE IMMEDIATELY NOTIFY US AT (314) 259-4500.



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 21, 1994

Joseph E. Rebman, Registered Agent
Sherwood Van Lines, Inc.
100 South Fourth Street
St. Louis, MO 63102

RE: MUR 4079
Sherwood Van Lines

Dear Mr. Rebman:

This is in response to your letter dated November 14, 1994, requesting a 15-day extension to respond to the complaint filed in the above-noted matter. After considering the circumstances presented in your letter, the Office of the General Counsel has granted the requested extension. Accordingly, your response is due by the close of business on December 12, 1994.

If you have any questions, please contact Joan McEnery at (202) 219-3400.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

9 6 0 4 3 7 3 9 4 8 9

BRAND & LOWELL

A PROFESSIONAL CORPORATION
923 FIFTEENTH STREET, N.W.
WASHINGTON, D.C. 20005

TELEPHONE: (202) 662-9700
TELECOPIER: (202) 737 7865

November 14, 1994

Nov 14 12 12 PM '94

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL COUNSEL

VIA HAND DELIVERY

Joan McEnergy, Esquire
Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: Matter Under Review 4079

Dear Ms. McEnergy:

We represent The Wilson Committee and Ms. Amy S. Trites, its treasurer, respondents in this matter under review brought against Congressman Laughlin, his principal campaign committee, and Sherwood Van Lines.

On November 7, 1994, we filed a submission on behalf of The Wilson Committee and Ms. Trites demonstrating no "reason to believe" exists for them to have been named as respondents in this matter under review filed against others.

In that submission, we explained that these Respondents were seeking to refund the \$1,000 contribution from Ms. Ilene Tabor, the wife of the former president of Sherwood, Mr. Leslie Tabor. Press reports attached to the complaint for this MUR indicate that Mr. Tabor was indicted for allegedly having his wife make federal political contributions using Sherwood funds. Press reports indicate one such contribution may have been made to The Wilson Committee. These Respondents explained in their "no reason to believe" submission that they were having difficulty refunding the contribution because the Tabors have moved from Texas and a representative of the successor in interest to Sherwood following its bankruptcy refused to accept a refund.

We submit this letter as a supplement to Respondent's November 7 filing to inform the Commission that, by letter dated November 14, 1994, we transmitted on The Wilson Committee's and Ms. Trites's behalf a check in the amount of \$1,000 to Ms. Ilene Tabor, care of Mr. Gerald H. Goldstein. We have learned that Mr. Goldstein, a San Antonio attorney, represents Mr. Tabor in the pending criminal proceedings, described above. We attach to this letter a copy of our letter to Mr. Goldstein and of the refund

BRAND & LOWELL

Joan McElroy, Esquire
November 14, 1994
Page 2

check. As the attached letter indicates, we have directed the \$1,000 be returned to Ms. Tabor.

This latest correspondence demonstrates even further that no conceivable basis can exist for the Commission to choose to include these Respondents in this matter under review directed against others. Not only does the complaint allege no wrongdoing by these Respondents, but Respondents have taken the extra step of refunding the contribution even though no actual proof exists that it was, in fact, illegal.

Respectfully submitted,

BRAND & LOWELL, P.C.



Abbe David Lowell
David E. Frulla

Counsel to The Wilson Committee
and Ms. Amy S. Trites

1 4 9 1
3 7 3 0 4 3 0 4 9 6

BRAND & LOWELL

A PROFESSIONAL CORPORATION
923 FIFTEENTH STREET, N.W.
WASHINGTON, D.C. 20005

TELEPHONE: (202) 662-8700
TELECOPIER: (202) 737-7565

November 14, 1994

BY CERTIFIED U.S. MAIL,
RETURN RECEIPT REQUESTED

Gerald H. Goldstein, Esquire
Goldstein, Goldstein and Hilley
Twenty-Ninth Floor
Tower Life Building
San Antonio, TX 78205

Re: Refund of Campaign Contribution to the Wife of Your Client, Mr. Leslie Tabor

Dear Mr. Goldstein:

We represent The Wilson Committee and Ms. Amy S. Trites, its treasurer. The Wilson Committee is the principal campaign committee of U.S. Representative Charles Wilson.

We are writing to you in your capacity as counsel for Mr. Leslie Tabor, formerly President of Sherwood Van Lines of San Antonio. We have learned that Mr. Tabor has been indicted in federal court in San Antonio for allegedly having his wife, Ms. Ilene Tabor, make contributions in her name using Sherwood Van Lines funds.

A review of The Wilson Committee records indicates that it received a \$1,000 contribution from Ms. Tabor made by check dated May 30, 1990. Press reports have indicated that the indictment of Mr. Tabor alleged that a \$1,000 contribution to The Wilson Committee from Ms. Tabor was one of those made with Sherwood funds.

As you know, federal campaign finance regulations require a political committee to refund a contribution the committee discovers is illegal. While we recognize that press reports and an indictment are not in any way proof of wrongdoing by Mr. Tabor or any other person¹, The Wilson Committee has directed us, from

¹ It is important to emphasize, also, that The Wilson Committee has no knowledge, independent of these indictment charges reported in the press, that Ms. Tabor's contribution was illegal.

BRAND & LOWELL

Gerald H. Goldstein, Esquire
November 14, 1994
Page 2

**an abundance of caution, to refund the \$1,000 contribution
described above. The refund check is attached to this letter.**

**Please ensure that these funds are returned to Ms. Tabor.
Thank you very much for your attention to this matter.**

Sincerely,



David E. Frulla

**DEF/mtl
Attachment**

9 6 0 4 3 7 3 1 4 9 5

9 6 0 4 3 7 3 1 4 2 4

THE WILSON COMMITTEE [REDACTED] 1810

PAY TO THE ORDER OF ILENE TABER \$ 1,000.00
NOV. 10, 1994 88-2280/1131

ONE THOUSAND + 00/100 DOLLARS

First Bank & Trust EAST TEXAS
P.O. BOX 610 DIBOLL, TX 75941

FOR [REDACTED]

Charles Wilson



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20563

RECEIVED
FEDERAL ELECTION
COMMISSION
SECRETARIAT

NOV 7 1994

SENSITIVE

November 7, 1994

MEMORANDUM

TO: The Commission

FROM: Lawrence M. Noble
General Counsel

By: Lois G. Lerner *SL*
Associate General Counsel

SUBJECT: MUR 4079 - Extension Request for
Congressman Greg Laughlin; Laughlin for Congress
Committee and Everett Kennemer, III, as treasurer

By letter dated October 27, 1994, counsel requested a forty-two day extension until December 13, 1994, to respond to the complaint filed in MUR 4079. See Attachment 1. By letter dated October 28, 1994, counsel requested a twenty-day extension. See Attachment 2. On October 31, 1994, the Office of the General Counsel contacted counsel to clarify and confirm that the second request, dated October 28, 1994, for a shorter extension was an interim request and was not meant to supersede the earlier request for an extension until December 13, 1994.

Counsel has outlined three bases for granting the extension: original counsel's unanticipated absence from the office due to surgery, the proximity to the election and the candidate's extended travel outside the country on official business.

In an October 27, 1994, conversation, as confirmed in his October 28, 1994 letter, counsel stated that the original counsel responsible for this matter had suffered a recent injury requiring surgery and was expected to be out of the office for a month.

1. Based on the receipt date of October 18, 1994, an extension until December 13, 1994, is a forty-one day extension. Counsel confirmed in a November 3, 1994, conversation with the Office of the General Counsel that his request was for an extension until December 13, 1994.

MUR 4079
Extension Request
Page 2

Additionally, in his letters, counsel alleges that the timing of the complaint was politically motivated and states that "it would be unfair to force Congressman Laughlin, his campaign committee, and its staff to take time out from the campaign to respond to the complaint." Counsel further states that Congressman Laughlin will be out of the country from November 12 through November 28, 1994, representing the United States at an international conference in Russia. Counsel indicates that the request until December 13, 1994, was calculated to give the respondents 15 days to respond after the Congressman's return from overseas.

This Office believes that the mere proximity of a complaint to an election does not merit such an extension. However, this Office believes that the injury and resulting absence from the office of original counsel combined with candidate's travel to Russia on official business are unusual and extenuating circumstances. This Office concludes that the granting of this extension is appropriate. Therefore, this Office recommends that the Commission approve the respondents' request for a 41-day extension until December 13, 1994.

RECOMMENDATION

1. Approve respondents' request for a 41-day extension until December 13, 1994.
2. Approve the appropriate letter.

Attachments

1. October 27, 1994 Request for Extension
2. October 28, 1994 Request for Extension
4. Complaint

Staff Assigned: Joan F. McEnery, CED

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Congressman Greg Laughlin;) MUR 4079
Laughlin for Congress Committee)
and Everett Kennemer, III, as)
treasurer.)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on November 10, 1994, the Commission decided by a vote of 6-0 to take the following actions in MUR 4079:

1. Approve respondents' request for a 41-day extension until December 13, 1994, as recommended in the General Counsel's Memorandum dated November 7, 1994.
2. Approve the appropriate letter, as recommended in the General Counsel's Memorandum dated November 7, 1994.

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

Attest:

11-10-94
Date

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

Received in the Secretariat: Mon., Nov. 07, 1994 12:25 p.m.
Circulated to the Commission: Mon., Nov. 07, 1994 4:00 p.m.
Deadline for vote: Thurs., Nov. 10, 1994 4:00 p.m.

bjr



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 30, 1994

9 6 3
0 4 0
1 4 3
3 7 3
4 3 7
0 4 3
9 6 0
Ronald S. Liebman, Esq.
Patton, Boggs, L.L.P.
2550 M Street, N.W.
Washington, D.C. 20037-1350

RE: MUR 4079
Congressman Greg Laughlin,
Laughlin for Congress Committee
and Everett Kennemer, III,
as Treasurer

Dear Mr. Liebman:

This is in response to your letter dated October 27, 1994, requesting an extension until December 13, 1994 to respond to the complaint filed in the above-noted matter. After considering the circumstances presented in your letter, the Commission has granted the requested extension. Accordingly, your response is due by the close of business on December 13, 1994.

If you have any questions, please contact Joan McEnery at (202) 219-3400.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

PERKINS COIE

A LAW PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS
607 FOURTEENTH STREET, N.W. • WASHINGTON, D.C. 20005-2011
(202) 628-6000 • FACSIMILE (202) 434-1690

December 1, 1994

By Hand Delivery

Lawrence M. Noble, Esq.
Office of the General Counsel
Federal Election Commission
6th Floor
999 E Street, NW
Washington, DC 20463

REC'D 12/1/94
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL COUNSEL

Re: MUR 4079

Dear Mr. Noble:

I am responding on behalf of Chet Edwards for Congress (the "Committee") and Bernice Beck, as Treasurer, (collectively referred to as "Respondents") to the complaint filed by Maria Cino, Executive Director of the National Republican Congressional Committee, dated October 4, 1994. While the complaint was filed against the Laughlin for Congress Committee, its Treasurer, and Congressman Laughlin, it appears that the Committee has been asked to respond in this matter based the appearance of Congressman Edwards' name in a newspaper article, marked as Exhibit A, accompanying the complaint.¹

Respondents have reviewed the Committee's contributor records and confirmed that the Committee received a contribution of \$1000 from Ilene Taber on June 7, 1990. Her employer is identified as Sherwood Van Lines on the Committee's FEC report. As indicated by the Committee's records, this contribution was entered into

¹Ms. Taksar's letter states that the complaint indicates that Respondents may have violated the Federal Election Campaign Act. It is not clear, since the complaint is not directed toward the Committee, what the violation might be. Nevertheless, we have assumed for purposes of preparing this response that the issue arises out of a contribution to the Committee from Ms. Ilene Taber, the wife of Leslie A. Taber, former President of Sherwood Van Lines.

Lawrence M. Noble, Esq.

December 1, 1994

Page 2

the Committee's database as an individual contribution for the 1990 general election. There was absolutely no reason for the Committee to question whether the contribution was made up of legal funds. It appeared on the face of the check to be from an individual and was within the permissible contribution limits. The Committee has not received any other contributions from Mrs. Taber.

An article, published in the Austin American-Statesman, that accompanied the complaint as Exhibit A reports that certain contributions that appeared to have been made by Mrs. Taber may, in fact, have been made out of funds diverted from Sherwood Van Lines by her husband. Respondents had no information at the time of receiving Mrs. Taber's contribution that would have caused them to question its legality. Indeed, the news report is based on information only recently available to the public. Nevertheless, in light of the questions raised about the legality of Mrs. Taber's contributions, the Committee has taken prompt steps to remove the money from its account.

In accordance with the Commission's advice in Advisory Opinion 1991-39, the Committee has disbursed funds in the amount of \$1000 to a qualified charitable organization described in 26 U.S.C. § 170(c). In that opinion, a committee had received contributions and later received information sufficient to question the legality of those funds. Since the committee could not determine with certainty the identity of the original contributor, the Commission advised the committee to disburse the funds for a lawful purpose unrelated to any Federal election, campaign or candidate.

In the present case, since Mr. Taber has denied using Sherwood Van Lines' funds to make contributions, Respondents have insufficient information to determine whether the contribution was in fact made up of impermissible funds or, if so, who the original contributor was if it was not Ilene Taber. Nonetheless, the Committee wishes to avoid any question relating to the contribution at issue. Accordingly, the Committee has made a donation to Caritas in an amount equal to the amount of the questioned contribution. See Exhibit B.

The Committee had no knowledge of any legal issues related to Mrs. Taber's contribution at the time it was received. Indeed, only recently has the Committee become aware that there may be some question whether the contribution was made up of other than legal funds. In light of these facts and the Committee's prompt steps to

Lawrence M. Noble, Esq.

December 1, 1994

Page 3

disburse the funds in question, Respondents request that this matter be dismissed, with regard to the Committee and Bernice Beck, as treasurer, and that the Commission take no further action.

Sincerely,



B. Holly Schadler
Counsel to Respondents

Attachment

1 5 0 1
3 7 3 0 4 3 0 6 9

Exhibit A

9 6 0 4 3 7 3 1 5 0 2

SCHEDULE A

ITEMIZED RECEIPTS

Use separate schedules
for each category of the
Detailed Summary Page

PAGE 9	OF 9
FOR LINE NUMBER 11a	

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

NAME OF COMMITTEE (in Full)

CHET EDWARDS FOR CONGRESS

A. Full Name, Mailing Address and ZIP Code

Mrs. Ilene Taber
Box 504 FD RR 3
San Antonio, TX 78218

Receipt For: Primary General
 Other (specify):

Name of Employer

Sherwood Van Lines

Date (month,
day, year)
6/7/90Amount of Each
Receipt this Period
1000.00

Occupation

Corporate Secretary

Aggregate Year-to-Date > \$ 1000.00

B. Full Name, Mailing Address and ZIP Code

Jene W. Gravley
1707 Henderson Court
Irving, TX 75240

Receipt For: Primary General
 Other (specify):

Name of Employer

Bankers Commercial
Life InsuranceDate (month,
day, year)

6/4/90

Amount of Each
Receipt this Period
500.00

Occupation

Insurance Executive

Aggregate Year-to-Date > \$ 500.00

(In-kind
contribution)

C. Full Name, Mailing Address and ZIP Code

John Abdnor
13428 Hughes Lane
Dallas, TX 75240

Receipt For: Primary General
 Other (specify):

Name of Employer

Bankers Commercial
Life InsuranceDate (month,
day, year)

6/4/90

Amount of Each
Receipt this Period
1000.00

Occupation

Insurance Executive

Aggregate Year-to-Date > \$ 2000.00

(In-kind
contribution)

D. Full Name, Mailing Address and ZIP Code

Willa Mae Abdnor
13428 Hughes Lane
Dallas, TX 75240

Receipt For: Primary General
 Other (specify):

Name of Employer

Bankers Commercial
Life InsuranceDate (month,
day, year)

6/4/90

Amount of Each
Receipt this Period
1000.00

Occupation

Insurance Executive

Aggregate Year-to-Date > \$ 1000.00

(In-kind
contribution)

E. Full Name, Mailing Address and ZIP Code

Receipt For: Primary General
 Other (specify):

Name of Employer

Occupation

Date (month,
day, year)

Aggregate Year-to-Date > \$

Amount of Each
Receipt this Period
1000.00

F. Full Name, Mailing Address and ZIP Code

Receipt For: Primary General
 Other (specify):

Name of Employer

Occupation

Date (month,
day, year)

Aggregate Year-to-Date > \$ 15

Amount of Each
Receipt this Period
1000.00

G. Full Name, Mailing Address and ZIP Code

Receipt For: Primary General
 Other (specify):

Name of Employer

Occupation

Date (month,
day, year)

Aggregate Year-to-Date > \$

Amount of Each
Receipt this Period
1000.00

TOTAL of Receipts This Page (optional) 3500.00

TOTAL This Period (last page this line number only) 41303.82

* RECORD: A106037 SUPPORTER: FIM ID: 100418 EMTD: 09-09-91 RVSD: 09-09-91
 * LAST..: Taber RECV DT.: 06-07-90 BANK DT: 06-07-90
 * FIRST.: Ilene LINE#...: 11A Contributions from In
 * MIDDLE: ACCOUNT#: 9200 INDIVIDUAL CONTRIBUTI
 * PREFIX: Mrs. SUFFIX: ELECTION: G90 General 1990
 * PERS..: Ilene HEAD..: AMOUNT...: 1,000.00 PLEDGED:
 * MAIL NAME: BATCH...: HB ADDR.: H
 * HOME ADDRESS SOURCE...:
 * ADR1.: Box 504, FD RR 3 :
 * ADR2.: EMPLOY...: Sherwood Van Lines
 * CITY.: San Antonio OCCUP...: Corporate Secretary
 * ZIP..: 87218 CNTY: DISBUR...:
 * TELE.: TRACK1...:
 * TRACK2...:
 * ETH..: SEX: F PART: ATTEND...: MEMO:
 * PRCNT: DOB: AG: UNKNOWN unknown
 * DESCRIPTION
 *
 * SUPP ID: A106037 GL ID: 10408 MAIL:
 * Window" Enter "Sv " "SoftKeys" "FINANCE "100418
 * F1-Help CF2-Concept Help F2-Options F6-Softkeys F8-Clear F9-Save CF10-Filter

0
 1
 2
 3
 4
 5
 6
 7
 8
 9

Exhibit B

9 6 0 4 3 7 3 1 5 0 5

CHET EDWARDS FOR CONGRESS

P. O. BOX 70628
WASHINGTON, DC 20024

26043731506

1755

12/1/94 86-718/1100

PAY TO THE
ORDER OF

CARITA S
One Thousand and 00
One Thousand

\$1000.00

DOLLARS

Central National Bank
P.O. BOX 2000, WACO, TEXAS 76701-2000

FOR CONTRIBUTION

1755P 12119071990 P 203934W

J. Ed Kline

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

SHERWOOD VAN LINES, INC.
10237 North I.H. 35
San Antonio, Texas, 78220
210 / 590-9373

November 23, 1994

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

IN RE: Matter Under Review Number 4079

Via Certified Mail No: P 745 727 090
Attn: Ms. Joan McEnery
Ms. Mary L. Taksar
Mr. Lawrence Noble

RESPONSE OF PARTY SHERWOOD VAN LINES, INC.
TO THE FEDERAL ELECTION COMMISSION
MATTER UNDER REVIEW #4079

9 6 0 4 3 1 5 0 7
COMES NOW Theodore A. Coulter, as President and stockholder, responding to the Federal Election Commission ("FEC") on behalf of Sherwood Van Lines, Inc. ("Sherwood") to those certain allegations set forth in Matter Under Review ("MUR") number 4079.

HISTORY AND BACKGROUND:

It should perhaps be the first order of business to point out to the FEC that Sherwood has gone through Chapter 11 Bankruptcy Proceedings, beginning in March of 1991 (Case No 91-5115-C, United States Bankruptcy Court, Western District of Texas, San Antonio Division). To the understanding of this respondent all allegations of wrongdoing listed in MUR #4079 took place prior to the initiation of the Bankruptcy proceedings and at a time when the company was under different management and ownership.

At this time Sherwood has one (1) paid employee and is very nearly on the verge of having to totally cease operations. Therefore, and the following statement is not made nor intended with any adversarial intent, Sherwood is in no position to conciliate, retain legal counsel, or produce documents.

Further, as the charging party has pointed out, the United States Department of Justice ("Justice") and its investigative branch, the Federal Bureau of Investigation ("FBI"), have been

conducting an investigation into the activities of Sherwood's former chief executive officer, other officers and employees, as well as certain congressional members and staff. Sherwood, and its remaining officers and employee, has totally cooperated with Justice and the FBI - in fact it was Sherwood that originally contacted the FBI and surrendered those documents and other evidence which appear to have formed the entire basis of the complaint at hand.

Additionally, staff of Sherwood have voluntarily provided all records requested by the FBI and Justice in this matter. Because of staff and financial limitations, and the massive amounts of documents that were culled through and handed over to the Federal authorities, no photocopies were made by Sherwood. By contacting Mr. Jackie Bennett of Justice's Ethics in Government section you can verify that the records of Sherwood which may be germane to the FEC MUR are indeed already in the hands of the Federal government. It is the understanding of Sherwood and this respondent that United States Attorney Bennett is attached to the Ethics in Government section of Justice and lead counsel in the Federal Grand Jury investigation's as well as chief prosecutor in all indictments which have been handed down.

RESPONSE TO ALLEGATIONS:

At page two of the October 4, 1994, complaint filed by the National Republican Congressional Committee ("NRCC"), under the heading Sherwood Moving Vans, four (4) allegations are made against Sherwood at paragraphs 5. through 8.. Sherwood assumes that the FEC is seeking responses from Sherwood to these allegations and therefore Sherwood states as follows:

5. "Sherwood Moving Vans (Sic Sherwood Van Lines, Inc), was an independent moving company headquartered in San Antonio, Texas. The company is now bankrupt."

As stated above, Sherwood did indeed file for Chapter 11 Reorganization protection in the Federal Bankruptcy Court in 1991. This event took place under the control and guidance of Mr. Leslie A. Taber who was President and Chairman of the Board at the time that the decision was made and the filing initiated. The company is indeed headquartered in San Antonio, Texas, and has been for over twenty-five years.

6. "Sherwood Moving Vans was a Federal contractor providing moving services for military personnel."

Sherwood is indeed a Interstate Commerce Commission ("ICC") certificated motor carrier with authority to move household goods throughout points in the Continental United States. It provided moving services for the general public as well as the United States Government - the largest shipper of household goods in the world.

7. "Papers filed pursuant to the bankruptcy action reveal Sherwood Moving Vans was sued in District Court by an insurer which charged company officials engaged in racketeering. The suit was settled out of court with an agreement of confidentiality. See Exhibit H."

This allegation is a gross and patently self-serving misrepresentation of fact. The law suit filed in Texas State District Court was initiated by Sherwood and was originally styled as a Texas Deceptive Trade Practices Act claim with a San Antonio insurance agency as defendant. That defendant, as a counter to the Sherwood litigation, filed a RICO cross complaint in the same Texas court. All of this activity took place years prior to the filing of the Sherwood Bankruptcy and has no apparent relationship to the matter at hand in this Response.

O
C
-
M
-
3
4
O
5
The
C
-
M
-
3
4
O
5
9
Notwithstanding the confidentiality agreement, the FEC needs to be aware that, at the time the suit was filed, Justice filed an action in Federal District Court seeking to gain access to all documents referred to by the cross-plaintiff insurance agency in order to gain time to fully investigate the allegations in the RICO complaint. Sherwood immediately called for a meeting with Justice which promptly took place in Justice's offices in San Antonio. At that meeting Sherwood voluntarily offered to provide Justice with any and all documents and cooperation that the government required. For a period of thirteen months an investigative branch of the United States Department of Defense (the Defense Criminal Investigative Service based at Kelly and Lackland Air Force Base's), working in conjunction with Justice, performed an exhaustive investigation into the RICO allegations. The FEC should also be advised that, coupled with the Justice investigation, the ICC and the Department of Transportation conducted investigations of their own. The results of all of these investigations are a matter of public record and are available to the FEC from the various agencies involved. NOT A SINGLE ALLEGATION MADE IN THE SEVEN SWORN STATEMENTS WHICH FORMED THE BASIS OF THE RICO COMPLAINT WAS BORN OUT OR PROVEN TRUE DURING THE INVESTIGATIONS. Perhaps the FEC would have a clearer understanding of the situation if it was aware of the fact that Sherwood had money judgements against several of the parties swearing oaths, and had fired the others for gross negligence.

The point being that if anyone wants to know about Sherwood's tiff with its insurance agent they need only go to the government agencies identified above and the entire matter is there for all to see.

8. "It was reported in the San Antonio Business Journal that the insurer's claim sparked an internal investigation by the Military Traffic Management Command, the U.S. Army Criminal Investigation Command and the Defense Criminal Investigative Service. The Investigation uncovered no wrong doing. See Exhibit I."

1
5
1
0

1
3

7

3
0
6
9

Sherwood trust that media articles will not be the basis of decisions made in any FEC investigation. A cursory examination of the articles presented in the complaint will find repeated contradictions, obvious misstatements, and blatant exaggerations - often by the same reporters. If indeed the U.S. Army Criminal Investigation Command exist and if indeed it investigated Sherwood, then this respondent is unaware of such an organization or investigation. As stated above Sherwood cooperated fully with the Defense Criminal Investigative Service ("DCIS") for a period of thirteen months. At the end of that period, all records were returned to Sherwood and no findings of any wrongdoing were forthcoming from the DCIS, or Justice, or the ICC.

To the knowledge of this respondent, the sum total of the Military Traffic Management Command ("MTMC") investigation consisted of a three page letter addressed to Sherwood which contained a series of questions for Sherwood to answer and document. Sherwood, via its legal counsel, provided more information and detail than MTMC requested and satisfied all interest they had in the matter. It is also interesting to note that the questions posed by MTMC were nearly identical to questions posed by the United States Trustee's office and Justice's bankruptcy representative at a later date. In a sworn deposition in the bankruptcy, audio tapes of telephonic conversations between two attorney's were produced, one attorney attempting to coerce the other to use these same questions to force Sherwood into a liquidating Chapter 11 or even Chapter 7 bankruptcy.

ADDITIONAL STATEMENTS OF FACT:

- Sherwood would respectfully advise the FEC of the following:
1. If indeed any employee, officer, or director of Sherwood, past or present, is guilty of any criminal wrongdoing or violation of any Federal code or regulation, that individual did so without the direction, support or approval of the corporation. There is not a single corporate record in the Minutes of the Stockholders or Board of Directors Meetings authorizing any action as alleged in the complaint at hand.
 2. The movement of household goods for any person or persons, which were accomplished by Sherwood, should have been done in strict accordance with Federal, state, and local laws and regulations. It is an often repeated charge in the corporate minutes that all applicable laws be obeyed by corporate employees. As it appears that, in certain cases, this may not have been the case - Sherwood would wish to clearly state for the record that it could only have been accomplished by maverick employees, doing so without official corporate knowledge, direction or approval.
 3. Sherwood has taken every legal course of action that it can afford to recover those monies which it discovered in the

course of its bankruptcy proceedings had been misapplied or misused. The vast majority of funds herein under discussion and investigation appear to have been channeled to one or two highly placed corporate officers (and/or directors) through secretive means and deception. What these individuals ultimately did with these monies is unknown to Sherwood or this respondent.

4. Regarding the movement of any given government representative or employee, without charging that shipper for such services, Sherwood would state as follows. As the result of discovery proceedings in Bankruptcy Court adversarial actions, Sherwood became aware that former staff had indeed accomplished moves without benefit of properly accomplished booking documents, and/or shipping documents, and/or invoicing documents. Immediately upon discovery of these findings Sherwood made Justice aware of these possible wrongdoing's. The revelations to Justice took place as early as the spring of 1993. The former majority stockholder of Sherwood and its current remaining management and ownership deplore these actions and would ask that the FEC take note that indictments of current or former Sherwood staff is limited to one individual who has not been associated with the company for a period of over three years. Further, the ordinary business files of the corporation had been secreted away so as to make their existence, and the fact that services had not been paid for, impossible for the vast majority of honest corporate employees, officers and stockholders to discover them.
5. Sherwood has openly sought the advice of the ICC in this matter concerning the nature and extent of any charges which would apply. The matter is lengthy and complicated and the overly simplistic statements of the NRCC at paragraphs one, three and four under the general heading "THE LAW" are not only inaccurate, but incomplete. The position of the ICC in this matter is available to the FEC upon request to the ICC's motor carrier staff. Sherwood has neither the legal expertise, nor the financial wherewithal to parse out a very complicated situation and arrive at a clear understanding of what is owed by who to whom. Further it would be irresponsible of Sherwood to interfere with the Justice Grand Jury investigations and criminal prosecutions at this time. It appears to Sherwood that since the Federal courts are now in the process of deciding if a key player and former employee of Sherwood is guilty of the very wrongdoing which is the subject of this MUR - that the Court should be allowed to decide before any further action is taken by the FEC. Should the Defendant/Former Employee prevail in that matter, then it could very well be that the entire MUR may be without merit or basis in fact.
6. Sherwood, the corporation, never intended to make a political contribution to the campaign of any congressional

candidate outside of the Federally mandated guidelines for such contributions. It was always the stated desire of the former majority owner of the company to have employees, including himself, give on their own. In pursuit of this position Sherwood was instrumental in the establishment of a properly constituted Political Action Committee. That a rogue employee avoided the use of this proper vehicle and contravened the stated instructions of the corporate ownership should be more than adequate proof that Sherwood, the corporation, is not guilty of any wrongdoing. Rather, that individual or individuals, who may or may not be responsible for violations of FEC regulation, were acting on their own, and should be judged accordingly.

For all of the above stated reasons, in addition to evidence and sworn testimony before Federal Grand Juries and made available to Justice officials and FBI representatives, Sherwood denies any wrongdoing on the part of the corporation as alleged in MUR #4079. Sherwood would respectfully request that the Federal Election Commission find that Sherwood did not knowingly and willfully violate sections 441b(a) of 2 U.S.C. and 114.2(b) of 11 C.F.R. and that such a finding result in no penalty being assessed against Sherwood.

Respectfully submitted,

Theodore A. Coulter
Theodore A. Coulter
President
Sherwood Van Lines, Inc.

9 6 0 4 3 7 3 1 5 1 2

PATTON BOGGS, L.L.P.
2550 M STREET, N.W.
WASHINGTON, D.C. 20037-1350
(202) 457-6000
FACSIMILE (202) 457-6315

WRITER'S DIRECT DIAL

(202) 457-6310

December 13, 1994

Joan McEnergy, Esquire
Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

REC'D ELECTION
FEDERAL COMMISSION
COMMISSIONER
OFFICE OF GENERAL
12/13/94
4:39 PM
HJM

Re: MUR 4079

Dear Ms. McEnergy:

This letter responds to the Complaint filed by the National Republican Congressional Committee ("NRCC") against our clients, Congressman Greg Laughlin and the Laughlin for Congress Committee, Everet Kennemer, III, as Treasurer (the "Committee"), in the closing weeks of the 1994 election campaign. By waiting until the final weeks of the campaign to file the Complaint (even though the allegations in the Complaint were widely publicized over nine months beforehand),¹ the NRCC has made it clear that politics and tactics, rather than any legitimate grievance, motivated its Complaint. Given the Complaint's strategic nature² -- exploiting Commission procedures in an attempt to disrupt Congressman Laughlin's campaign -- it is not surprising that the NRCC's allegations are of so little merit.³ Not only is the Complaint

¹ See, e.g., Exhibit B to the Complaint (Dec. 1993 newspaper article).

² That the NRCC intended to use the Complaint for purely political reasons is further demonstrated by the fact that copies of the Complaint were sent to numerous Texas newspapers even before it was ever filed. Attached as Exhibit 1 are copies of faxes from 3 of the many Texas newspapers which received the October 7, 1994 Complaint on or before October 5, 1994.

PATTON BOGGS, L.L.P.
Joan McEnergy, Esquire

December 13, 1994

Page 2

legally deficient, as discussed in detail below, but it is also barred by the statute of limitations because the events on which its allegations are based occurred over six years ago. On behalf of our clients, we respectfully request that the Commission find no reason to believe that Congressman Laughlin or the Committee violated the Federal Election Campaign Act ("Act"), and that it take no action on this Matter Under Review ("MUR").

I. Statement of Facts

Amidst the flurry of activity in the weeks after Congressman Laughlin's initial election to Congress in November, 1988, he arranged to move his family and their belongings from West Columbia, Texas to the Washington, D.C. area, specifically, Falls Church, Virginia.

Congressman Laughlin contacted several moving companies, including Sherwood Van Lines, Inc. ("Sherwood"), to inquire about the cost of such a household goods move. A representative of Sherwood told him over the telephone that Sherwood could move his household goods for approximately \$2,000. At the time, household goods carriers were experiencing extremely strong downward price pressure as a result of fierce competition in the industry, which had been intensifying since the industry was deregulated in 1980.⁴ As one 1989 industry study stated,

³ For example, the allegation that Congressman Laughlin "signed a letter of support on behalf of Sherwood as it sought to engage or renew its military contracts," Complaint at 4, ¶ 7, is false. The letter to which the Complaint refers is a bipartisan colleague letter which recommends a U.S. General Accounting Office report to Secretary of Defense Richard Cheney. See letter attached as Exhibit 2. The GAO report was a general analysis of the military moving contract bidding system, and neither it nor the colleague letter endorsed Sherwood or any other particular moving company. See GAO report attached as Exhibit 3.

⁴ See Ettorre, *Trucking: The Squeeze Gets Tighter*, Industry Week, Apr. 4, 1988 (attached as Exhibit 4), at T2 ("competitive pressures are not allowing carriers to raise rates much in order to recover from declining margins" and "are putting a downward pressure on price . . ."); Thomas, *An Empirical Investigation of Product Differentiation and Pricing Strategy: An*

PATTON BOGGS L.L.P.

Joan McEnergy, Esquire

December 13, 1994

Page 3

although "[r]ate bureaus still exist and continue to file tariffs for their membership discounting the tariff rate by individual carriers has become commonplace" and such discounting "is not legally controlled by the ICC" *Empirical Investigation*, *supra* n. 3, at 66. In fact, in December 1988, it was common practice for household goods carriers automatically to give customers discounts of 25% to 40% from their published tariff rates and it was not extraordinary for a carrier to give a discount of 50%.²

On December 28, 1988, Sherwood picked up Congressman Laughlin's belongings and departed for his three-bedroom townhouse in Falls Church, Virginia. The move included furniture and other items from three bedrooms, a living room, a den, a kitchen, and a dining room. By the time the Sherwood truck traveled the approximately 1413 miles to its destination,⁶ Congressman Laughlin had already left Washington. He was not present when Sherwood unloaded his family's household goods.

Application to the Household Goods Motor Carrier Industry [hereinafter *Empirical Investigation*], Southern Economic J., July 1989 (attached as Exhibit 5), at 65 ("competitive activity . . . has become vigorous since the industry was partially deregulated under the Household Goods Transportation Act of 1980 (HGTA)"; *id.* at 66 ("The Motor Carrier Act of 1980 marked the beginning of deregulation of the trucking industry, with specific rulings for household goods carriers incorporated in the HGTA.").

² See Affidavit of Will Armstrong (attached as Exhibit 6), ¶ 2; See also Augello, *The Unclear But Present Danger*, Distribution, May 1994 [hereinafter *Unclear Danger*], at 72 (attached as Exhibit 7) ("The practice of discounting class rates started soon after Congress enacted the Motor Carrier Act of 1980. This was facilitated by regular general increases to the bureaus class rates which resulted in an artificial and inflated 'list price' in the tariffs. Carriers began to employ 'discounts' as a marketing device").

⁶ Attached as Exhibit 8 is a computer printout from the Household Goods Carriers' Bureau indicating that the mileage for a motor carrier traveling from West Columbia, Texas to Falls Church, Virginia is 1413 miles.

PATTON BOGGS L.L.P.

Joan McEnery, Esquire

December 13, 1994

Page 4

Sherwood never sent Congressman Laughlin a bill, never attempted to collect the debt, and never even reminded Congressman Laughlin that an obligation existed. With the onslaught of new Member activities and obligations, Congressman Laughlin simply forgot about it. Nothing in the Complaint suggests that Congressman Laughlin had a reason to avoid the debt. As the Complaint admits (at 4), it was perfectly permissible for the Committee to pay for Congressman Laughlin's moving expenses,⁷ and "[s]ufficient funds existed with which to pay this obligation." Complaint at 4, ¶ 27. Furthermore, the actions that Congressman Laughlin took when he learned in 1993 that an outstanding debt to Sherwood might exist demonstrate that he had no intention of receiving any special treatment.

Specifically, in December, 1993, a local newspaper asked him whether he had ever paid for his household goods move to the Washington, D.C. area. Congressman Laughlin and the Committee immediately reviewed their files, but no documentation on the move was found. On January 5, 1994, Congressman Laughlin's assistant, Ken Bryan, met with Sherwood's president to attempt to obtain records documenting Congressman Laughlin's move. *See Letter from Laughlin for Congress Committee Treasurer, Everet Kennemer, III, to Sherwood President Ted*

⁷ The primary political committee of a Member of Congress is authorized to use "excess campaign funds" and "funds donated" to pay for the expense of moving the Member-elect and his family to Washington, D.C. because such costs constitute "ordinary and necessary expenses incurred in connection with his or her duties as a holder of Federal office" pursuant to 11 C.F.R. §113.2. *See AO 1980-138 ("[T]he expense of moving the Senator-elect and his family to Washington, D.C. . . [is] incurred by the Senator-elect as a result of his election to Federal office and therefore [is] 'incidental' to his status under 11 C.F.R. 113.1(c) as a 'Federal officeholder.' As ordinary and necessary expenses incidental to holding Federal office, payment for these expenses from excess campaign funds would not constitute a 'personal use' of campaign funds prohibited by § 439a.").*

PATTON BOGGS, L.L.P.
Joan McEnergy, Esquire

December 13, 1994

Page 5

Coulter, dated January 20, 1994 (attached at Exhibit 9) ("Since we were unable to locate any receipt or other documentation evidencing our payment of this move and, since we needed to determine that we have indeed forwarded payment for this move, Mr. Bryan met with you on January 5 for the purpose of seeking your copies of documentation which we could not locate.").

Sherwood failed to produce any documentation on the move, and revealed its lack of records by asking Congressman Laughlin for his records. *See Letter from Ted Coulter to Congressman Laughlin, dated January 7, 1994 (attached as Exhibit 10)* (requesting Congressman Laughlin to send Sherwood all shipping documents or correspondence in his files concerning his move); Letter from Ted Coulter dated Jan. 27, 1994 (attached as Exhibit 11) ("Sherwood will now take the position that there are no documents existant which would alter the tariff charges from those officially published by Sherwood."); *see also Exhibit 9 (Jan. 20 Kennemer letter to Coulter)* ("It now appears that neither your office or ours has any records concerning the move. We conclude from this, of course, that no bill was sent to us and, consequently, no payment made. You apparently were unable to tell Mr. Bryan how much the move cost when he met with you on January 5.").

Despite the Committee's efforts to obtain a precise determination of the cost of Congressman Laughlin's move, Sherwood has never provided such a determination. In the absence of any guidance from Sherwood, the Committee took prompt action to try to settle the debt, sending Sherwood a check for \$2,500.00 on January 20, 1994. *See Exhibit 9 (Jan. 20 Kennemer Letter)* (copy of check attached) ("To resolve the debt, the committee has executed the

PATTON BOGGS L.L.P.

Joan McEnergy, Esquire

December 13, 1994

Page 6

enclosed in the amount of \$2,500.00. This is an estimate for the expenses incurred in the move, as we discovered no records which would assist us in either documenting the cost of the move or that the move had already been paid for by the committee."). The Committee also told Sherwood that it will pay any additional amounts owed upon being notified of those amounts. *Id.* ("We would greatly appreciate your notifying us promptly if the enclosed check covers the expense of the move or if it is less or more than needed.").

II. Discussion

A. Usual and Normal Charge

Neither Congressman Laughlin nor the Committee received an "in-kind contribution" from Sherwood because the \$2,500 that the Committee paid was well within the "normal and usual" price range for the move performed. In the absence of any documentation on the move, the most reasonable way to determine the "usual and normal" price for a move like the one performed for Congressman Laughlin in 1988 is: (1) to apply the tariff rate published on Sherwood's behalf by the association to which it then belonged, the Households Goods Carriers' Bureau, and (2) to reduce that amount by the discount commonly granted to customers in the industry at that time (as mentioned above, the carriers were not required to follow the published tariffs, and commonly gave substantial discounts from those published rates, *see discussion supra* at 2-3 & nn. 3 & 4).

A copy of the Household Goods Carriers' Bureau tariff rates in effect in December 1988 is attached as Exhibit 12. Under the tariff schedule, the two facts necessary to find the

PATTON BOOGES L.L.P.

Joan McEnergy, Esquire

December 13, 1994

Page 7

appropriate fee per 100 pounds of goods moved are miles traveled and weight of the goods.

According to the Household Goods Carriers' Bureau, the mileage for a carrier traveling from West Columbia, Texas to Falls Church, Virginia is 1413 miles. See computer printout from the Household Goods Carriers' Bureau Committee, attached as Exhibit 8. As to weight of the move, unfortunately, no records have been found that would enable Congressman Laughlin and the Committee to establish precisely the weight of the move. Nevertheless, a fair estimate can be made using the long-standing industry rule of thumb that the approximate weight of a household goods move is one thousand pounds per room. See Affidavit of Will Armstrong, ¶ 3 (attached as Exhibit 6). In Congressman Laughlin's case, Sherwood moved household goods from seven rooms (3 bedrooms, a den, a dining room, a living room, and a kitchen). Therefore, a fair estimate of the weight would be 7,000 pounds.

Using these two figures, the applicable published tariff rate for household goods weighing between 4,000 and 7,999 pounds, going a distance of between 1401 and 1450 miles, would have been \$58.55 per 100 pounds of goods. See Exhibit 12. Applying that rate to the estimated weight of the move, $\$58.55 \times 70$ (7,000 lbs. divided by 100 to yield weight per 100 pounds) yields a fee of \$4,098.50. Considering that it was common practice to discount from that published rate up to 40%, and that a discount of 50% was not extraordinary, the discounted price would come to between \$2,049.25 and \$2,459.10. Considering that the Committee has already paid \$2,500.00 to Sherwood, the Complaint's allegations that Congressman Laughlin or the Committee received a household goods move for less than Sherwood's "normal and usual

PATTON BOGGS, L.L.P.

Joan McEnery, Esquire

December 13, 1994

Page 8

"charge" is simply incorrect. Therefore, Sherwood did not provide Congressman Laughlin or the Committee with an in-kind "contribution" within the meaning of the Federal Election Campaign Act.

B. Statute of Limitations

Even if the Complaint could raise a legally cognizable claim, the Commission would still have to dismiss the Complaint with prejudice because the applicable statute of limitations has expired, and the Commission therefore lacks jurisdiction to proceed in this MUR. Congress has provided a five-year statute of limitations for civil government actions. Specifically, 28 U.S.C. § 2462 provides that "[e]xcept as otherwise provided by Act of Congress, an action, suit or proceeding for the enforcement of any civil fine, penalty, or forfeiture, pecuniary or otherwise, shall not be entertained unless commenced within five years from the date when the claim first accrued . . ."). Because the Federal Election Campaign Act ("the Act"), 2 U.S.C. §§ 431-454, does not contain any statutes of limitations for initiating civil enforcement matters,⁸ the five-year limitations period set forth in 28 U.S.C. §2462 applies to matters under review by the Commission. *See 3M Co. (Minnesota Min. & Mfg.) v. Browner*, 17 F.3d 1453, 1461 (D.C. Cir. 1994) ("§2462 is a general statute of limitations, applicable . . . to the entire federal government in all civil penalty cases, unless Congress specifically provides otherwise.")

Simply stated, the statute sets a fixed period of time after which claims may no longer be asserted against a party. *Board of Regents v. Tomanino*, 446 U.S. 478, 487 (1990) (finding

⁸ The only limitations period provided in the Act, set forth at 2 U.S.C. § 455, applies exclusively to the bringing of criminal matters. *FEC v. Lance*, 617 F.2d 365, 372 (1980).

PATTON BOGGS L.L.P.

Joan McEnergy, Esquire

December 13, 1994

Page 9

statutes of limitation having "long been respected as fundamental to a well-ordered judicial system"). In the above-captioned MUR, the Complaint was not even filed until over five years after Sherwood's December 1988 move of Congressman Laughlin's household goods. Consequently, 28 U.S.C. § 2462 precludes the Commission from now commencing a "proceeding for . . . any civil fine [or] penalty"⁹ because five years have passed since the date the Commission's potential claims accrued. *See United States v. Core Lab., Inc.*, 759 F.2d 480 (5th Cir. 1985) ("Core Lab.") (claim accrues on the date of the act giving rise to the violation); *United States v. Meyer*, 808 F.2d 912 (1st Cir. 1987) (concurring with *Core Lab.* as to date required to initiate administrative proceedings); 11 C.F.R. § 110.1(b)(6) (an in-kind contribution is made on the date the contributor provides the goods and services).¹⁰

The statute of limitations is not a technical way of avoiding enforcement proceedings; it exists to protect parties "from having to confront controversies in which the search for truth may be thwarted by the loss of evidence." *Gould v. United States Dep't of Health & Human Servs.*,

⁹ The D.C. Circuit has made it clear that the language in 28 U.S.C. § 2462 applying its limitations period to actions "for the enforcement of any civil fine [or] penalty" does not restrict the statute to actions seeking to collect or enforce previously imposed penalties, but instead, includes actions or proceedings that may ultimately result in the imposition of a penalty. *3M Co. (Minnesota Min. & Mfg.) v. Browner*, 17 F.3d at 1458 ("The pre-1948 version [of the statute] applied to any suit or prosecution 'for' a penalty. Nothing restricted its operation to actions seeking to collect penalties already imposed in other proceedings, and we can discern no reason why Congress would have thought such a restriction desirable.").

¹⁰ In a government action to impose a civil penalty, the action accrues when the act in question occurred, regardless of when the alleged violation was discovered. *See 3M*, 17 F.3d at 1460 (rejecting a "discovery of violation" rule on the grounds that the rationale for that rule in private civil actions -- that "a claim cannot realistically be said to accrue until the claimant has suffered harm" -- is inapplicable in civil enforcement actions, in which the government's burden is simply to prove the violation, and injuries or damages resulting from the violation neither are a part of the cause of action nor are necessary to maintain the suit).

PATTON BOGGS L.L.P.
Joan McEntee, Esquire

December 13, 1994

Page 10

905 F.2d 738, 741-42 (4th Cir. 1990). As one court in this district explained, "[t]raditionally, statutes of limitation are 'designed to promote justice by preventing surprises through the revival of claims that have been allowed to slumber until evidence has been lost, memories have faded, and witnesses have disappeared.' " *Common Cause v. Federal Election Commission*, 630 F. Supp. 508, 511 (D.D.C. 1985) (quoting *American Pipe & Construction Co. v. Utah*, 414 U.S. 538, 554 (1974)). In addition:

Statutes of limitations also reflect the judgment that there comes a time when the potential defendant "ought to be secure in his reasonable expectation that the slate has been wiped clean of ancient obligations[.]" Here again it is of no moment whether the proceeding leading to the imposition of a penalty is a proceeding started in a court or in an agency. From the potential defendant's point of view, lengthy delays upset "settled expectations" to the same extent in either case.

3M, 17 F.3d at 1457 (citations omitted).

Applying the statute of limitations is particularly appropriate for the allegations against Congressman Laughlin and the Committee in MUR 4079. First, none of the original moving documents or related papers appears to exist any more.¹¹² Therefore, this is clearly a situation in which the respondents' ability to put forth the facts in their defense "may be thwarted [or at least unfairly hampered] by the loss of evidence." *Gould*, 905 F.2d at 741-42. Second, the NRCC's allegations "have been allowed to slumber" for a great deal of time now, *Common Cause*, 630

¹¹² See Exhibit 9 (Jan. 20 Kennemer letter to Coulter) ("It now appears that neither your office or ours has any records concerning the move. . . . You apparently were unable to tell Mr. Bryan how much the move cost when he met with you on January 5."); Exhibit 11 (Jan. 27 letter from Coulter) ("Sherwood will now take the position that there are no documents existant which would alter the tariff charges from those officially published by Sherwood.").

PATTON BOGGS, L.L.P.
Joan McEnergy, Esquire

December 13, 1994

Page 11

F.Supp. at 511, and Congressman Laughlin "ought to be secure in his reasonable expectation that the slate has been wiped clean" of these allegations arising from events that occurred just after he was elected to his first term of office over six years ago. *3M Co.*, 17 F.3d at 1457.

III. Conclusion

For the reasons set forth above, we respectfully request that the Commission find no reason to believe that Congressman Laughlin or the Committee violated the Federal Election Campaign Act ("Act"), and that it take no action on this Matter Under Review.

Respectfully submitted,

Ronald S. Liebman

Attachments

cc: Congressman Greg Laughlin
Everet Kennemer, III, as Treasurer, Laughlin for Congress Committee

BY:THE BRAZOSPORT FACTS :10- 5-94 : 2:30PM :
-84 WED 11:58

14082658052→

120222311061W
P.02

1

Post-it brand fax transmittal memo 7671 <small>outbox</small> 6	
To: Greg Laughlin	From: Greg Rabel
cc: U.S. House of Representatives Brazosport Facts	
Dept:	(409) 265-7411
Fax: (720) 225-1108	(707) 265-9052

October 4, 1994

Mr. Lawrence Noble, General Counsel
Federal Election Commission
900 E Street, N.W.
Washington, D.C. 20463

Dear Mr. Noble:

Pursuant to the provisions of 2 U.S.C. 437g(a)(1) of the Federal Election Campaign Finance Act of 1971, as amended (the "Act"), I hereby file this complaint against Congressman Greg Laughlin and the Laughlin for Congress Committee, Everett Kennemer, III, Treasurer. In support of this complaint, I offer the following facts and information:

VIOLATION

Congressman Laughlin's Campaign Committee, Laughlin for Congress, has accepted an illegal corporate contribution from Sherwood Van Lines in violation of 2 U.S.C. 441b(a).

THE PARTIES

Congressman Greg Laughlin

1. Greg Laughlin, herein after called "Laughlin" is the Democratic Congressman from the 14th District of Texas. Laughlin was elected in November of 1988.
2. Laughlin for Congress is the principal campaign committee of Laughlin. The Treasurer is Everett Kennemer, III and the committee address is P.O. Box 584, West Columbia, TX 77486
3. Based upon a statement in the Politics in America 1990, Laughlin requested to be appointed to the Public Works and Transportation Committee for the 101st session of Congress. On information and belief that request would have occurred in December of 1990.
4. Laughlin was appointed to that Committee by Congressman Jim Wright in January of 1991.

1/05/94 17:42

NO.

The Dallas Morning News

Washington Bureau
1012 National Press Building
Washington, D.C. 20045
Telephone, 202/662-7575

FAX TRANSMITTAL INFORMATION

DATE: 10-5

TO: Rep. Laughlin

FROM: Anne Marie Kilday

NUMBER OF PAGES, INCLUDING THIS ONE: 7

Our FAX number is: (202) 662-7590

Any questions, please call: (202) 662-7575

t Newspapers

REAU
212 Avenue NW
C 22000

An Operating Group of The Hearst Corporation

FACSIMILE TRANSMISSION COVER SHEET

DATE:

Oct 5

TO:

Erin

FAX NUMBER:

225-1108

TOTAL PAGES:

9

(including cover page)

NAME OF SENDER:

KURTIN

WASHINGTON BUREAU FAX # 202 298 7862

OFFICE PHONE # 202 298 6920

REMARKS:

IF YOU HAVE PROBLEMS RECEIVING THIS TRANSMISSION
CALL OUR OFFICE NUMBER ABOVE. THANK YOU!

Congress of the United States

House of Representatives

Washington, DC 20515

April 23, 1990

The Honorable Richard B. Cheney
Secretary of Defense
The Pentagon, Room 3E880
Washington, D.C. 20301-1000

Dear Secretary Cheney:

We are pleased to bring to your attention the enclosed United States General Accounting Office (GAO) report to the Chairman, Legislation and National Security Subcommittee, Committee on Government Operations, the Honorable John Conyers, Jr. The report, entitled "HOUSEHOLD GOODS, Competition Among Commercial Movers Serving DOD Can Be Improved," outlines the problems inherent in the current system used to award military moves to moving and forwarding companies. Furthermore, it offers several important recommendations to improve the current system.

As it stands, the system being used by the Department of Defense (DoD) Office of Military Traffic Management Command (MTMC), rewards the high bidder and punishes the low bidder. We are confident that you will find the recommendations both useful and worthwhile in addressing this situation.

In the interest of economy and the development of a fair and competitive system, we urge you to begin implementation of a new bidding system based on the GAO's proposals.

Sincerely,

9 6 0 4 3 7 3 1 5 2 7

Congress of the United States

House of Representatives

Washington, DC 20515

April 23, 1990

Dear Colleague:

In an effort to look for increased savings in the DoD budget, we would like to commend to you this GAO report entitled "HOUSEHOLD GOODS, Competition Among Commercial Movers Serving DoD Can Be Improved." This report accurately portrays a classic "David and Goliath" struggle involving a few, small moving companies that have blazed the path in establishing low rates for moving military personnel. Estimates of savings to the government exceed \$100 million a year, and the GAO report shows that even more can be saved by establishing a fair, competitive bidding system.

At the present time, every carrier in the country submits a bid for moving military household goods for a six month period. When all the bids are in, they are then published allowing every carrier the opportunity to meet or "me too" the low bid. Then traffic is awarded on an equal basis: not only to the carrier who originally submitted the low bid, but to all of those who decided after the fact that they could meet the low bidder's quote.

The result is that the company submitting the original low bid will get no more tonnage than any of the companies who have the opportunity to "peek" at the low bid and then say "me too." On one route, where the low bid was copied by more than three dozen carriers who had originally bid at a higher rate, the low bidder never did receive any business. During that six month period only thirty (30) shipments were awarded on that route and since there were almost forty (40) carriers, the luck of the draw did not reach the low bidder. He got nothing while thirty other shippers took advantage of the opportunity to copy his low bid and get the business. In this "me too" system, the companies that are responsible for saving the government \$100 million a year are rewarded by getting only a small fraction of the business or even getting nothing.

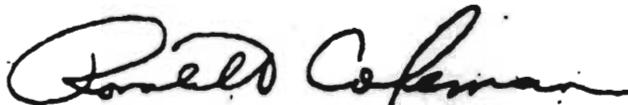
The free market system is not being allowed to work. "Me too" bidding punishes the low rate setter. Under the current system, the companies which set the low rate would get to move the same amount of tonnage if they submitted the full tariff rate like most other companies. The difference is that the government would lose the discounts it receives off the full tariff rate offered by the low bidders thereby increasing the cost to DoD by more than \$100 million per year.

Let's take this opportunity to bring some fairness to the system.
Please join us in asking the Secretary of Defense to implement a
new bidding system as recommended by the GAO. To co-sign the
letter being sent to Secretary Cheney, a copy of which is
attached, please call Tamara at 5-6894 or 5-4511.

Sincerely,


Albert G. Bustamante


Greg Laughlin


Ronald D. Coleman


Jim Chapman

9 6 0 4 3 7 3 - 5 2 9

GAO

United States General Accounting Office

**Report to the Chairman, Legislation
and National Security Subcommittee,
Committee on Government Operations,
House of Representatives**

February 1990

HOUSEHOLD GOODS

**Competition Among
Commercial Movers
Serving DOD Can Be
Improved**



GAO

United States
General Accounting Office
Washington, D.C. 20548

**National Security and
International Affairs Division**

B-237671

February 12, 1990

The Honorable John Conyers, Jr.
Chairman, Legislation and National
Security Subcommittee
Committee on Government Operations
House of Representatives

Dear Mr. Chairman:

This report responds to a request by the former Subcommittee Chairman that we review the practices and procedures of the Department of Defense in procuring commercial household goods shipping services for personnel being transferred at government expense between duty stations within the United States.

Unless you publicly announce its contents earlier, we plan no further distribution of this report for 30 days. At that time, we will send copies to the Secretaries of Defense, the Army, the Navy, and the Air Force; the Chairmen, House and Senate Committees on Armed Services and on Appropriations; the Director, Office of Management and Budget; and to other interested parties.

This report was prepared under the direction of Richard Davis, Director, Army Issues, who may be reached at (202) 275-4141 if you or your staff have any questions. GAO staff members who made major contributions to this report are listed in appendix IV.

Sincerely yours,

Frank C. Comahan

Frank C. Comahan
Assistant Comptroller General

Executive Summary

Purpose

The Department of Defense spends over \$400 million dollars a year to ship and store the household goods of its members authorized to make a transfer or to relocate within the 48 contiguous United States. The money is paid to commercial household goods carriers and their agents located throughout the United States.

The former Chairman of the Legislation and National Security Subcommittee, House Committee on Government Operations, asked GAO to study the methods the Department used to solicit rates from moving companies and to select the companies it used. GAO was also asked to examine the Department's effectiveness in managing temporary storage required in conjunction with shipments of personal effects.

Background

A military member or civilian employee of the Department of Defense who is ordered to make a permanent change-of-station or other approved move is entitled to ship and/or store, at government expense, an authorized amount of household goods and personal effects. The Army's Military Traffic Management Command, on behalf of the entire Department of Defense, is responsible for soliciting rates from commercial moving companies for the packing, transportation, and storage of such goods and for providing traffic management guidance to the local personal property shipping offices that arrange for the moves.

Rates are offered the Department of Defense under a two-step or two-phase bidding system. In the first phase, each carrier submits a specific, or qualifying, bid—stated as a percentage of a fixed baseline—for any or all of the more than 7,000 routes for which the Department asks for rates. The percentage can be at, above, or below the baseline.

In the second bidding step, which is commonly called the "me-too" phase, each carrier is given a chance to see what the other carriers bid and is permitted to match any lower bid. The carriers' final bids, called "rates," are ranked in a low-to-high order and given to the local shipping office officials for distribution of shipments. When more than one carrier qualified to serve a location has offered the same low rate, the officials are required to distribute the shipments as equally as possible to each such carrier without regard to which carrier submitted the low rate first. When there are more shipments than the low rate carriers can handle, the officials are required to move up the rate ladder to the next rate level and distribute the traffic as equally as possible to all such qualified carriers at that level.

Results in Brief

The Department of Defense's two-phase system for obtaining rates for moving household goods is not truly competitive. Carriers that bid the lowest rates initially are not rewarded, so there is no incentive to provide the lowest rate initially. Knowing that they will have the opportunity to meet the lowest rate offered and to eventually share equally in any traffic generated, most carriers make no effort to bid competitively during the initial bidding phase. Instead, most carriers merely bid a qualifying rate—often the same rate for every route they intend to serve—and then rebid, as necessary, at lower levels during the second phase. The result is that there is often little difference between many carriers' rates, and carriers that make the effort to initially submit the lowest rates are not given any greater reward than those that simply wait to meet whatever other rates are offered.

To obtain a larger share of Department of Defense household goods shipments, many carriers have established, on paper, subsidiary companies. Providing an equal share of the traffic to such "paper" companies makes the current system inequitable to the other low bidders.

GAO believes that a change is needed in the Department of Defense's bidding system to encourage carriers to offer their lowest rates during the initial bidding phase and then reward those with the best offers. GAO concludes that replacing the current two-phase bidding process with a one-phase system, whereby all carriers have equal incentive to bid the lowest possible rates and those offering the lowest rates are rewarded with all the traffic they can handle on the route for which they are the low bidders, would probably provide the carriers the most incentive to offer their lowest rates initially. If the Department of Defense determines that such a bidding system would not provide it the moving capability needed or would result in an unacceptable quality of service, it could modify the two-phase system so that the carrier offering the lowest rate during the first phase is allocated a greater share of the traffic than any other carrier simply meeting the low rate.

With respect to storage, the Department of Defense lacks data on the total actual cost and incidence of temporary storage. Estimates suggest that the overall figure is in excess of \$100 million a year. At 9 of the 10 local shipping offices that GAO visited, goods were stored for over 50 percent of the shipments. Although the need for some storage will always exist, storage costs could be reduced by making greater use of storage at origin, which is generally less costly than storage at destination. In addition, reducing the incidence of storage should be possible.

1
2
3
4
5
6
7
8
9

through better coordination and communication among the shipping offices, the carriers, the receiving offices, and the military members.

Principal Findings

Carriers That Set the Low Rates Are Not Rewarded

GAO found that carriers typically offered their initial bids at or above the baseline and then surveyed the competition to decide which rates to lower. Few carriers made any attempt to initially establish below baseline rates. Only 49 of the 487 carriers bidding on the traffic for over 7,000 routes during the May 1988 6-month rate cycle initially bid below the baseline, and only 3 of these 49 carriers made more than a few such below baseline bids.

Most carriers rebid and lowered their initially bid rates. Nevertheless, the carriers that initially established the lower rates that others subsequently met received no greater reward than the carriers that simply waited until the second phase to meet the rates. Whatever incentive any carrier has for initially bidding low is eliminated when the Department of Defense gives every other carrier the opportunity to meet the low rate and to share equally in the traffic on that route.

- 4
- 5
-
- 6
- 7
- 3
- 4
- Other Bidding Systems
- Have Worked for Other Government Moves
-

The Department of Defense at one time employed a two-phase bidding concept similar to the current interstate bidding system to obtain rates for its international moves. Without reference to any baseline, carriers bid an initial rate for each route they intended to serve and were then allowed to "me-too" the low carrier's rate and to share equally in the available business. In 1976 GAO reviewed that system and concluded that introducing more competition by rewarding the initial low rate carrier would reduce rates, thereby resulting in savings in transportation costs. GAO's position was supported by the fact that rates on a test route were reduced by an average of 19 percent.

The General Services Administration, which obtains household goods rates for civilian government agencies, uses a single phase bidding system in which carriers bid against a carrier-adjusted baseline. Nearly all the bids the General Services Administration receives are below the baseline and are dispersed at many different rate levels.

GAO recognizes that the Department of Defense's domestic household goods market is different from its international markets and those of the civilian agencies in terms of carrier investment, numbers of carriers, types of carriers, carrier capabilities, and numbers of shipments. Nevertheless, the experiences of the Department of Defense with its international bidding system and the General Services Administration suggest that when no "me-tooing" is permitted or the original low bidders are rewarded, competition is enhanced.

Storage-in-Transit
Program Can Be Improved

Goods were generally stored in transit because members were not in positions to receive their personal effects at their new duty stations when deliveries were attempted. Often, members had not found adequate and/or affordable housing; receiving units had not been able to find members to arrange for delivery; or shipments had arrived at destination before the personnel.

Storage costs could be reduced by using storage at origin instead of at destination because storage at origin is generally chargeable at discounted or lower long-term storage rates. Also, reducing the incidence and/or the cost of storage should be possible through better coordination and communication among shipping activities, members, carriers, and receiving activities. Such coordination includes ensuring that the shipping/receiving offices know when the members can take possession of their goods at destination, the members give the shipping/receiving offices addresses where they can be located when the household goods are expected to be delivered, and all parties know when carriers are planning to deliver the goods.

Recommendations

GAO recommends that the Secretary of Defense direct the Commander of the Military Traffic Management Command to replace or modify the current two-phase bidding process so that all carriers have incentive to initially bid the lowest possible rates and the lowest bidder is rewarded for offering the lowest rate. GAO is also making other recommendations to the Secretary of Defense designed to improve the management of storage-in-transit.

Agency Comments

As requested, GAO did not obtain official agency comments on this report. However, it discussed the report with agency and moving industry officials.

Contents

Executive Summary	2
Chapter 1	8
Introduction	8
DOD's Interstate Program Objectives, Scope, and Methodology	9
Chapter 2	12
Two-Phase Bidding System Is Not Truly Competitive	12
The Bidding and Traffic Allocation Process	12
Few Carriers Bid Below Baseline Rates During Initial Phase	14
Most Carriers Rebid Rates During the Second Phase	15
Rates for Most Routes Were Bunched at One Level	17
"Paper" Companies Often Created to Increase Market Shares	18
Other Bidding Systems Have Worked for Other Government Moves	21
Military Versus Commercial Rates	23
Military and Industry Views	24
Conclusions	27
Recommendation	28
Chapter 3	29
Opportunities to Reduce Storage Costs	29
Storage-in-Transit Entitlements and Management Responsibilities	29
Carrier Charges for Storage-in-Transit Services	30
Summary Data on Cost and Extent of Storage-in-Transit Is Lacking	31
Major Reasons for Storage-in-Transit	32
Cost and Incidence of Storage Can Be Reduced	34
Conclusions	36
Recommendations	36
Appendixes	38
Appendix I: Companies Visited by GAO	38
Appendix II: DOD Shipping Offices Visited by GAO	39
Appendix III: Shipping Offices' Carrier, Rate, and Work Load Data	40
Appendix IV: Major Contributors to This Report	47
Tables	9
Table 1.1: Fiscal Year 1988 DOD Interstate Household Goods Data	9

	Table 2.1: Extract From MTMC's Interstate Baseline Rate Table	13
	Table 2.2: Number of Initial and Final Rates by Rate Level Bid During the May 1988 Bidding Cycle	17
	Table 2.3: Principal Carriers and Other Carriers Under Their Control	20
	Table III.1: Comparison of DOD Shipping Offices' Data	41
Figure	Figure 2.1: Comparison of Initial Phase and Final Rates Filed During the May 1988 Household Goods Bidding Cycle	16

9 6 0 4 3 7 3 1 5 3 7

Abbreviations

DOD	Department of Defense
GAO	General Accounting Office
GSA	General Services Administration
MTMC	Military Traffic Management Command

Introduction

Under the applicable federal travel regulations, a military member or civilian employee of the Department of Defense (DOD) ordered to make a permanent-change-of-station move is entitled to move, at government expense, an authorized amount of household goods and personal effects. The entitlement includes the actual transportation and any necessary associated services, such as packing, unpacking, and temporary storage.

Worldwide, DOD spends over a billion dollars a year to move the household goods and personal effects of its military and civilian personnel. Domestically, it spends over \$400 million a year for household goods moves. The money is paid to commercial household goods carriers and their agents located throughout the United States.

The Army's Military Traffic Management Command (MTMC) provides the technical direction, supervision, and evaluation of the traffic management aspects of the DOD personal property shipment and storage program worldwide. Some of its more important responsibilities include approving carriers for participation in the household goods shipping program; soliciting the commercial carrier industry for shipping rates; negotiating, analyzing, assessing, and accepting rates; establishing standards for measuring and evaluating carrier performance; prescribing rules for allocating shipments among competing carriers; and collecting, analyzing, maintaining, and disseminating data required for effective program management.

The overall goal of the DOD household goods moving program is to provide quality and responsive moving and storage service to its personnel. In promoting that goal, DOD's policy is to procure services only from responsible carriers, storage firms, and contractors. Carriers, their agents, storage firms, and contractors must have appropriate authority to provide the required services, evidence of the ability to provide satisfactory service, evidence of satisfactory equipment and facilities, and evidence of appropriate financial resources to perform.

DOD's Interstate Program

In fiscal year 1988, DOD made about 228,000 domestic shipments, most in interstate service, involving more than one billion pounds of household goods. The cost of moving these shipments was approximately \$321 million. Table 1.1 breaks this data down by branch of service.

Table 1.1: Fiscal Year 1988 DOD
Interstate Household Goods Data

Branch of service	Shipments (thousands)	Weight (millions of pounds)	Cost (millions)
Army	78	342	\$101
Navy	63	284	63
Air Force	69	343	112
Marine Corps	17	80	24
Other DOD	1	4	1
Total	228	1,053	\$321

In addition to the \$321 million, DOD estimated it spent another \$109 million for temporary storage and other household goods-related services for interstate shipments.

The day-to-day management of individual interstate shipments is done by DOD shipping offices. There are 152 shipping offices in the contiguous United States and 5 in Alaska. Within their designated areas, the shipping offices approve carriers for service, procure the necessary shipping and storage services, allocate the shipments among competing carriers, determine and evaluate carrier performance, take punitive action against carriers whose performance does not measure up to acceptable standards, and provide MTMC with shipment and performance information needed to carry out its functions.

DOD procures most of the necessary moving and storage services from commercial carriers who are held accountable for movement from origin to destination. It uses two types of carriers: (1) moving van companies, which are motor common carriers issued certificates by the Interstate Commerce Commission and (2) household goods freight forwarders, which are surface common carriers permitted by the Interstate Commerce Commission to assemble and consolidate shipments of household goods and other personal effects and use motor, rail, or water carriers to transport them. The moving van companies and freight forwarders are represented throughout the country by agents who are usually independent contractors operating under agreement with the carriers to handle the packing, loading, storing, unloading, and unpacking of the goods, wherever needed.

Objectives, Scope, and Methodology

The former Chairman of the Legislation and National Security Subcommittee, House Committee on Government Operations, requested that we review DOD's program for the interstate movement of military members' household goods. He said that he was concerned about the

level of competition among carriers in establishing the prices to charge DOD and about the equity in the manner in which DOD distributes shipments among the competitors. He asked us to study the methods and procedures DOD used to solicit rates from moving companies and to select the companies it used.

He also asked us to ascertain the cost of storage for the DOD household goods and personal effects program, the extent to which DOD personal effects shipments are stored, and reasons for any unusually high incidence of storage.

To obtain information about the household goods industry and how it interacts with DOD in the transportation of interstate shipments, we interviewed officials of 25 companies—some moving van carriers, some forwarders, and a few agents. (These companies are listed in appendix I.) Because many of these companies also control other companies participating in the DOD program, the interviews provided us with opinions and comments from a total of 96 of the 590 DOD-approved carriers in the May 1988 interstate program. On the basis of fiscal year 1987 shipment data, we estimate that these companies received about half of the DOD interstate shipment revenues. We also used information provided to us by other carriers.

We met with and solicited comments from officials of various household goods carrier associations and rate bureaus, including the American Movers Conference, an association of household goods carriers; the Household Goods Forwarders Association of America, an association of household goods freight forwarders; the Household Goods Carriers' Bureau, a household goods carrier rate and tariff publishing bureau; and the Alaska Movers Association, an association of carriers involved in the Alaskan DOD shipment market. We also used information provided to us by other carrier associations.

We met with officials of the Office of the Assistant Secretary of Defense (Production & Logistics), MTMC, the Army, the Navy, the Air Force, the Marine Corps, and 10 DOD shipping offices representing each branch of service to discuss DOD's interstate household goods program (including DOD's storage procedures) and DOD's interaction with the household goods industry. (The shipping offices are listed in appendix II.)

To obtain information with which to compare DOD's program with that of civilian agencies of the federal government, we met with the household goods program manager of the General Services Administration in

Overland Park, Kansas. We also used information provided by the Interstate Commerce Commission in Washington, D.C., to obtain an understanding of the regulatory aspects of the household goods carrier industry.

To give us a snapshot of carrier rate-filing patterns and the rates on each route in the DOD interstate household goods program, we analyzed all the rates filed with MTMC during the May 1988 rate cycle. Although rates for shipments to and from Alaska and for the Coast Guard are included in the interstate program, we concentrated our review on the rates for DOD shipments within the contiguous United States. We selected 30 routes for detailed analysis and supplemented this sample with an analysis of selected rates for the November 1988 and May 1989 rate cycles.

Our work was done from September 1988 to September 1989 in accordance with generally accepted government auditing standards. As requested, we did not obtain official agency comments on this report. However, we discussed its contents with agency and moving officials.

1 5 4 1
—
3 1 7 3 4 3 0 4 0 9 6

Two-Phase Bidding System Is Not Truly Competitive

Under DOD's two-phase bidding system, carriers that bid the lowest rates initially are not rewarded, so there is no incentive to provide the lowest rate initially. Knowing that they will have the opportunity to meet the lowest rate offered and to eventually share equally in any traffic generated, most carriers make no effort to bid competitively during the initial bidding phase. Instead, most carriers merely bid a qualifying rate—often the same rate for every route they intend to serve—and then rebid, as necessary, at lower levels during the second phase of the bidding cycle. We believe that a change is needed in DOD's bidding system to encourage carriers to offer their lowest rates during the initial bidding phase and then reward those with the best offers.

The Bidding and Traffic Allocation Process

Twice each year MTMC solicits rates from the commercial moving industry to meet the DOD household goods shipping requirements over more than 7,000 routes. A route consists of one origin shipping office—typically including a large geographical area surrounding it—to one destination state or the District of Columbia. There are 152 DOD shipping offices in the contiguous United States and 49 destinations, resulting in 7,448 separate routes in the contiguous United States. The volume of traffic intended for a route is not known ahead of time, but history has shown that some routes may generate more than 500 shipments over the life of the 6-month contract, while other routes may generate none.

Bidding is done in two steps. Initially, or in the first step or phase, which is commonly called the "increase/decrease" phase, each carrier submits a specific or qualifying bid—stated as a percentage of a fixed baseline—for each route it intends to serve. Once these bids are accepted, they are made public for review by all bidders. Then in the second step or phase, which is commonly called the "me-too" phase, carriers are permitted to change any rate they had offered to match that of a lower bidder.

The carriers' final bids, called "rates," are ranked in a low-to-high order and given to the local shipping office officials for distribution of shipments. Where more than one carrier qualified to serve that location has offered the same low rate, the officials are required to distribute the shipments as equally as possible to each such carrier without regard to which carrier submitted the low rate first. The carrier that initially submitted the low bid is not entitled to any greater reward than another carrier that met the low rate during the "me-too" bidding phase. When there are more shipments than the low rate carriers can handle, the officials are required to move up the rate ladder to the next rate level and

distribute the traffic as equally as possible to all such qualified carriers at that level.

The baseline on which carriers file their rates has remained at the same level since the summer 1984 rate cycle. According to MTMC, the baseline is intended as a point of reference and is not intended to influence the setting of rates.

An extract of the baseline table is shown in table 2.1. For example, on a 5,000-pound shipment moving from Hyattsville, Maryland (a locality in the Cameron Station, Virginia, origin rate area), to San Antonio, Texas (a locality in the Texas destination rate area), a distance of 1,548 miles, the baseline rate is \$44.90 per hundred pounds.

Table 2.1: Extract From MTMC's Interstate Baseline Rate Table

Mileage bracket	Rates in dollars per hundred pounds							
	Weight (pounds)							
500 to 999	1,000 to 1,999	2,000 to 3,999	4,000 to 7,999	8,000 to 11,999	12,000 to 15,999	16,000 to 99,999		
1,401-1,450	\$77.90	\$57.60	\$49.45	\$42.80	\$37.25	\$36.35	\$35.80	
1,451-1,500	78.80	58.75	50.60	43.80	38.05	37.45	36.65	
1,501-1,550	79.65	59.50	51.85	44.90	39.05	37.90	37.40	
1,551-1,600	80.30	60.15	52.75	45.80	39.95	38.45	37.80	
1,601-1,650	80.95	60.95	53.80	46.90	40.90	39.35	38.55	

If a carrier had bid 70 percent of the baseline on this route, its applicable rate—the price DOD would have been charged to move this shipment—would have been \$31.43 per hundred pounds (\$44.90 times 70 percent). If a carrier had bid 120 percent of the baseline, the price would have been \$53.88 (\$44.90 times 120 percent).

Because rates are set based on an assumption of full competition, MTMC does not ask for cost data, and consequently it makes no attempt to determine whether any carrier's bid covers its cost of providing the service. Carriers are free to offer rates as low as they wish under statutory authority contained in the Interstate Commerce Act. A portion of that act provides that a common carrier

"may transport property for the United States Government...without charge or at reduced rates; except that any rates for the transportation of household goods for the United States Government shall not be predatory."¹

The maximum rate a carrier can bid is one offered to the general public and listed in the carrier's tariff filed with the Interstate Commerce Commission. Carriers must certify to MTMC that their rates will not result in DOD's paying higher charges than those available to it under the carriers' tariffs.

Rates must remain fixed and available to DOD for at least the first 1-1/2 months of the contract, after which time they may be unilaterally canceled by the carrier offering them. There are four such cancellation periods during the 6-month contract.

4
4
5 Few Carriers Bid
— Below Baseline Rates
3 During Initial Phase
7
3
4
0
6
9

To assess how carriers bid their rates for DOD traffic, we analyzed all the carriers' rates bid during the first and second phases of the May 1988 6-month bidding cycle. We found that few of the carriers initially bid any rate below the baseline MTMC had given them to formulate their bids. Most carriers typically offered all their initial bids at or above the baseline—which MTMC had kept fixed since 1984 and was set only to serve as a bench mark for filing rates.

In the May 1988 bidding cycle, 503 carriers offered DOD one or more rates to move interstate shipments. All told, the carriers offered 1,045,897 separate rates. For our analysis, we concentrated on motor van service rates—rates for the movement of household goods in a motor van from origin residence to destination residence—and eliminated the container service rates—rates for the movement of household goods in containers because very little traffic moved at those rates. We also eliminated all rates to and from Alaska because shipments to and from Alaska often move in part over water and rates for shipments from the Coast Guard shipping offices because Coast Guard shipments are not managed by DOD. This left us with 539,424 rates, 487 carriers, and 7,448 routes.

We found that only 49 of the 487 carriers bidding during the May 1988 6-month bidding cycle bid below baseline rates and only 3 of those carriers bid more than a few such rates. It was a common practice of most

¹49 U.S.C. 10721(b). According to an Interstate Commerce Commission official, the Commission has not suspended any rate because it was determined to be "predatory."

carriers—about 83 percent of them—to bid a single rate, at or above the baseline, across-the-board for every route on which they bid during this phase. Although the specific rate varied among carriers, most—or about 58 percent of these carriers—bid a rate equal to the baseline for every route on which they submitted a bid during the initial bidding phase. Others bid a single rate above the baseline, in some cases as high as 200 percent of the baseline.

We believe that the two-phase bidding system offered no incentive to initially bid anything other than a baseline or an above-baseline rate. Prior to 1984, MTMC allowed the carriers to file rates based on the carriers' collective rate-making bureaus' baseline rate levels. The bureaus maintained that those levels were reasonable and reflected the carriers' cost of providing service for DOD. For the May 1984 rate cycle, MTMC precluded the filing of rates based on collective rate-making and substituted its own baseline at the same 1983 level as was contained in the collectively made baseline rate schedule. It has never changed that baseline, arguing that carriers have the right to bid any level they care to, whether at, above, or below that baseline.

Most Carriers Rebid Rates During the Second Phase

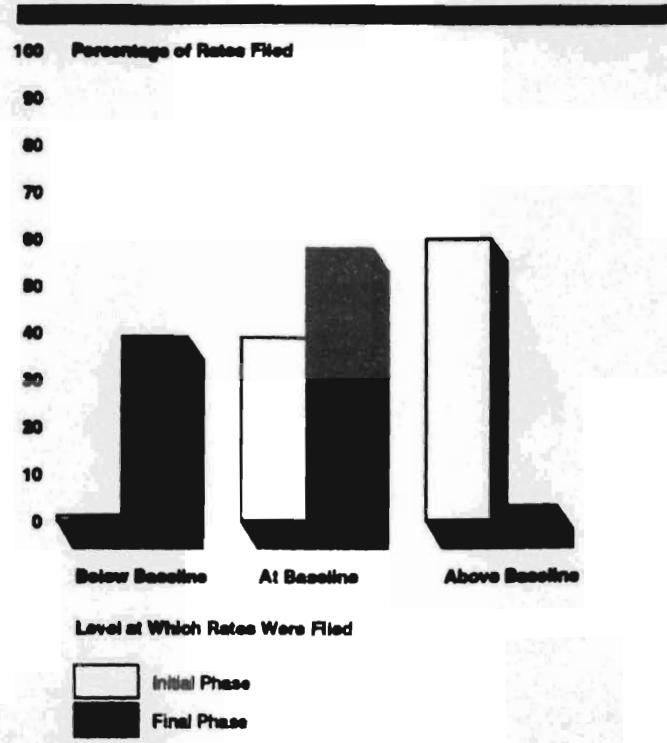
In the second phase, 39 percent of the rates were bid below the baseline, yet the carriers that initially established the rates that others met received no greater reward than the carriers that simply waited until the second phase to meet the rates. Whatever incentive any carrier bidding the initial low rate had was eliminated when DOD gave every other carrier the opportunity to meet the low rate and to share equally in the traffic on that route.

About 78 percent of the 487 carriers rebid one or more of their rates during the second phase of bidding. About 73 percent of the 539,424 rates were rebid. The result of the rebidding was that the average level of all the rates available to DOD dropped and the percentage of rates below the baseline increased.

After the initial filing period, 18 percent of the rates were at the low rate level. After the "me-too" phase, more than 76 percent were at the low rate level. The average of all the rates available to DOD after the "me-too" phase was 90 percent of the baseline compared to 118 percent after the initial phase. As shown in figure 2.1, the percentage of rates below the baseline increased from less than 1 percent after the initial bidding phase to 39 percent after the "me-too" phase. The changes in percentages of rates at and above the baseline are also shown.

**Figure 2
Two-Phase Bidding System Is Not
Truly Competitive**

Figure 2.1: Comparison of Initial Phase and Final Rates Filed During the May 1988 Household Goods Bidding Cycle



Source: Our analysis of MTMC data.

The numbers of rates bid by rate level during the initial bidding phase and the number available to DOD after the "me-too" phase for the May 1988 bidding cycle are shown in table 2.2.

Table 2.2: Number of Initial and Final Rates by Rate Level Bid During the May 1988 Bidding Cycle

Rate (percent of baseline)	During the initial bidding phase		After the "me-too" phase	
	Number of rates	Percent of total	Number of rates	Percent of total
40-49	1	0	6	0
50-59	472	0.09	9,371	1.74
60-54	312	0.06	14,000	2.60
65	637	0.12	21,718	4.03
66-69	33	0.01	1,089	0.20
70-74	86	0.02	3,698	0.69
75	2,274	0.42	138,726	25.72
76-79	48	0.01	1,319	0.24
80-89	548	0.10	8,719	1.62
90-99	266	0.05	12,969	2.40
100 ^a	210,915	39.10	310,985	57.65
101-109	28,390	5.26	1,927	0.36
110-119	27,921	5.18	2,447	0.45
120	89,003	16.50	4,771	0.88
121-129	48,566	9.00	4,918	0.91
130-139	65,428	12.13	1,924	0.36
140-149	9,079	1.68	155	0.03
150-159	32,779	6.08	472	0.09
160-169	6,133	1.14	18	0
170-179	0	0	0	0
180-189	24	0	19	0
190-199	0	0	0	0
200	16,509	3.06	173	0.03
Total	539,424	100.00^b	539,424	100.00

^aThis is the baseline.

^bPercentages may not total 100 percent because of rounding.

Rates for Most Routes Were Bunched at One Level

On a majority of the 7,448 routes for which MTMC asked for rates, once the carriers had the opportunity to rebid their rates they met the low rate bid during the initial bidding phase by the low rate carrier. Consequently, nearly all the rates for most routes were bunched at one level. And because DOD offered every carrier meeting the low rate on a route the opportunity to share equally in any traffic moving on that route, the carrier initially offering the lowest rate did not benefit any more than every other carrier meeting its low rate. Because of the lack of any reward, carriers had no incentive to bid the low rate initially.

At 13 of the 152 DOD shipping offices, we found that after the "me-too" bidding phase all the carriers' rates were at the low rate levels. At 74 more offices, at least 90 percent of the carriers' rates were at the low rate levels. And at 10 more offices, at least 80 percent of the carriers' rates were at the low rate levels. The average for the 152 offices was 83 percent of the rates at the low rate level. The data for all 152 DOD shipping offices during the May 1988 rate cycle are shown in appendix III.

For most routes, there was insufficient traffic to allocate to each carrier filing a low rate and, consequently, no guarantee that the initial low bidder would receive any traffic even though that carrier's low bid caused the rate for all traffic on that route to be as low as it was. On a route where there were 30 shipments during the contract period and 40 carriers meeting the low rate on that route, the carrier initially filing the low rate, if selected, could end up with only 1/30th of the traffic that moved.

"Paper" Companies Often Created to Increase Market Shares

Because of the opportunity to "me-too" other carriers' rates and to share equally in all the available traffic, many carriers have set up subsidiary or subsidiary-like companies to get additional shares of DOD traffic. These created companies are usually nothing more than "paper" companies that operate with the parent companies' existing resources and bid the same rates as their parent companies. Their presence distorts the allocation of traffic among the bidders that provide DOD its physical hauling capability, yet they neither enlarge the capability available to DOD nor add to the bidding competition.

Many carriers said that the sole function of the "paper" companies was to gain a larger share of the traffic on a given route. For example, if 10 carriers bidding the same rate served a particular installation, each carrier would be in a position to get 10 percent of any traffic generated. If 1 of the 10 established another company, a "paper" company, and bid the same rate, the number of carriers available to share the traffic would be increased to 11, and the parent and its "paper" company would be able to get $2/11$ ths of the traffic, or roughly 18 percent. This has often led to a distorted allocation of traffic between carriers with "paper" companies and those without them.

At the carriers we visited, an individual or a committee within the company was responsible for establishing and filing the rates of both the parent and its "paper" companies. Generally, we found that the rates

for the "paper" companies were the same as the parent company's rates. Also, the "paper" companies generally used the physical hauling equipment of their parent companies and thus added nothing to DOD's hauling capability.

There are no limits on the number of "paper" companies a company can establish to serve DOD as long as each new company obtains DOD approval and reaches agreement with an agent to represent it at the places it intends to offer service. Some carriers, particularly the smaller van carriers and forwarders, have told us that finding an agent can be a problem because MTMC maintains a rule limiting the number of carriers an agent may represent. An agent may represent no more than four DOD-approved carriers, no more than two of which can be forwarders. Whereas those numbers may have been adequate when carriers did not have "paper" companies, the proliferation of "paper" companies by the larger van carriers, which tend to keep the existing agents for their own carriers, has meant that the smaller carriers sometimes cannot find enough agents to enter or increase their presence in many markets.

Our review indicated that nearly every large moving van carrier we visited or spoke with had set up one or more such companies—for example, two companies had each set up eight such subsidiaries. Data on 30 of the larger companies providing household goods moving service to DOD and the numbers and types of carriers they control, according to the May 1988 MTMC records, are shown in table 2.3.

**Chapter 2
Two-Phase Bidding System Is Not
Truly Competitive**

Table 2.3: Principal Carriers and Other Carriers Under Their Control

Principal carrier	Number of other carriers		Percentage of total revenues earned by the controlled carriers*
	Forwarders	Van lines	
Affiliated Transportation Systems, Inc.	1	0	31
Albert Moving & Storage	8	0	60
Allied Van Lines, Inc.	8	0	59
American Movers	2	0	60
American Red Ball Transit Company, Inc.	2	0	50
Andrews Van Lines, Inc.	1	1	48
Atlas Van Lines, Inc.	3	0	37
Bekins Van Lines Company	1	0	44
Burnham Service Company, Inc.	1	0	31
Cartwright Van Lines, Inc.	4	2	50
Coleman American Moving Services, Inc.	1	1	61
Continental Van Lines, Inc.	1	0	37
Global Van Lines, Inc.	2	3	59
Interstate Van Lines, Inc.	1	4	65
Mayflower Transit, Inc.	3	0	66
National Van Lines, Inc.	7	2	70
North American Van Lines, Inc.	4	0	63
Pacific Van & Storage Company, Inc.	1	0	45
Paul Arpin Van Lines, Inc.	4	1	64
Paramount Movers, Inc.	3	0	50
Security Van Lines, Inc.	3	3	59
Sherwood Van Lines, Inc.	1	0	1
Starck Van Lines, Inc.	2	1	68
Stevens Van Lines, Inc.	1	2	61
Suddath Van Lines, Inc.	2	0	45
Towne Services Household Goods Transportation Company, Inc.	1	1	59
Towne Van Lines, Inc.	1	1	44
United Van Lines, Inc.	7	0	60
Von der Ahe Van Lines, Inc.	1	2	43
Wheaton Van Lines, Inc.	3	0	40
Total	80	24	
Average			55

*Based on fiscal year 1987 DOD revenue data.

Other Bidding Systems Have Worked for Other Government Moves

At one time DOD used a two-phase bidding concept to obtain rates for its international moves. This concept was similar to the one it now uses for interstate moves. However, in 1976, DOD modified the two-phase international bidding system to reward the carrier that offered the low rate first with a guaranteed percentage of traffic on the given route.

The General Services Administration (GSA), which obtains household goods rates for civilian government agencies, uses a single-phase bidding system in which carriers bid against a carrier-adjusted baseline. Nearly all the bids GSA receives are below the baseline and dispersed at many different rate levels.

Incentive Is Present in DOD's International Household Goods Program

DOD at one time employed a two-phase bidding concept similar to the interstate bidding system to obtain rates for its international moves. Without reference to any baseline, carriers bid an initial rate for each route they intended to serve and were then allowed to "me-too" the low carrier's rate and to share equally in the available business.

In reviewing that system, we concluded in our 1976 report that introducing more competition into the rate-setting process would reduce rates, thereby resulting in savings in transportation costs. Our conclusion was supported by the fact that rates on a test route were reduced by an average of 19 percent when the "me-too" concept was modified.² Responding to that report, DOD modified its rate-setting procedure. The carrier offering the lowest rate in the initial bidding cycle was guaranteed a specific percentage of any tonnage generated. The residual tonnage was then made available equally to all other carriers who agreed to meet the low rate. Although the "me-too" phase was not entirely abolished, its impact was substantially reduced. Incentive in the form of guaranteed tonnage was introduced into the rate process.

²Adoption of a Single Method of Shipping Household Goods Overseas—Pros and Cons (GAO/LCD/76-225, May 6, 1976).

Competition in the DOD international market differs from that in the domestic market in part because international carriers have less investment in the physical resources needed to move goods overseas. These bidders are forwarders that arrange for the moves and use other carriers' equipment. They do not provide the actual equipment themselves. In the domestic market, most carriers are motor carriers, and many have made significant investments in equipment. Nevertheless, the experiences of DOD suggest that when the original low bidders are rewarded, competition is enhanced.

The General Services Administration Uses a Modified Single-Phase System for Civilian Moves

GSA uses a single-phase bidding system in which carriers bid against a carrier-adjusted baseline. It gets a wider disparity of rates, nearly all below the baseline, than does DOD under its two-phase system.

Like carriers under the DOD bidding system, carriers under the GSA bidding system bid rates as a percentage of a baseline. However, the baseline is a carrier-set baseline, and rates apply on an area-to-area basis, with an area consisting of one or more states.

After carriers submit their rates to GSA, it reviews the rates on selected routes and asks each carrier to review its filing, without having the ability to see what others have bid. If they desire, carriers may rebid rates at some lower level. GSA officials said that they have the right to (1) accept any offer without further negotiation, (2) reject any unreasonable offer without negotiation, or (3) conduct such negotiation as it deems proper.

In 1988, GSA instituted a practice of returning some rates to carriers saying that they were "unreasonably high" or that they "would more than likely not be in your best interests in attracting Government business." The GSA officials believe that they have a responsibility to negotiate a certain number of rates. This philosophy differs from that of DOD in that MTMC does not select any rates for special negotiation.

Under GSA's contracts, carriers may adjust their rates downward on three dates during the rate cycle: July 1, October 1, and January 1. The contract with the carriers also permits them to charge a peak season (May 15 to September 30) surcharge on rates, often 10 percent. Sometimes the contract also allows an increase related to insurance. In 1988, the allowed increase for each rate was 4 percent.

For every route, we found there are 20 or more rate levels available to move a civilian agency interstate shipment. On a comparable DOD shipment, there are often only a few rate levels. For example, on shipments from central Indiana to Virginia, where both bidding systems had about 90 carriers making bids, GSA's bidding system for the summer 1989 season produced 28 different rate levels, whereas DOD's system produced only 3.

There are differences between the two systems. The biggest is that the carriers can adjust the baseline under the GSA system but cannot under the DOD system. GSA requires carriers to hold their rates for 1 year, whereas DOD has a 6-month rate cycle. Even so, GSA has been able to obtain many different rate levels—most well below the baseline. The fact that GSA has been able to get many bidders at many different rate levels raises questions about the value of MTMC's system, which allows "me-tooing" and does not reward the initial low bidder.

Military Versus Commercial Rates

Moving industry officials argue that military rates are far lower than those offered to commercial customers. They cite this point to support their position that the two-phase bidding system provides adequate competition.

We believe that because of differences in military and commercial business, a comparison of commercial and military rates is not valid. For example, no commercial shipper makes as many shipments as the military in such diverse shipping patterns. Also, commercial shippers typically offer preferred customers discounts, which are normally not disclosed.

We have been unable to find data that would allow us to independently verify what rates commercial shippers are actually paying. Under today's regulatory environment, rates do not have to be made public, and no carrier we met would come forward and show us the precise rates it was charging its largest commercial customers. Sometimes, carriers operate as common carriers and list in their tariffs the level of discounts they offer commercial customers. The customers are not revealed because the shipper account codes shown with the discounts are kept secret between the carrier and the account holder. Sometimes, carriers operate as contract carriers, and the levels of discounts provided the shippers are also kept secret. A recent Traffic Management magazine survey of van line shippers showed that a majority of the shippers surveyed moved household goods shipments under moving van contracts.

The respondents received an average shipment discount of 32 percent off the published rates, with some receiving discounts as high as 50 percent.

Although most carrier officials we interviewed said that the military rates were extremely low in comparison to the commercial tariff rates, when we asked them what percentage of their commercial shipments were moving at these tariff rates, the response was usually "few" or "none." When we asked to see the actual rates they charged their commercial customers, all declined our request. We therefore have no basis on which to compare military and actual commercial rates.

Military and Industry Views

MTMC has stated that the primary purpose of the two-step system is to allow every carrier the opportunity to offer DOD the lowest possible rates and to allow DOD the opportunity to enlarge its pool of household goods carriers at low rates. In its interstate rate solicitation, it says that the first, or initial, filing period

"provides carriers maximum flexibility to establish the specific, compensatory rates at which they desire to move personal property shipments from any origin...."

The second filing period

"provides carriers with the opportunity to precisely adjust their rates downward to (equal) the lower rates of other carriers established during the I/D [first-phase] filing period."

There are pro and con views on the necessity for a two-phase bidding system. On one hand, some carriers have told us that it is only during the period after the initial rates are bid that the carriers' agents can look at the competition and assist the carriers in deciding which rates to match and which ones to lower from the initial bidding levels. If carriers were not given the opportunity to meet the low rates, they say, many of their agents would not be able to stay in business and, without agents, carriers could not provide DOD with the capability it needs.

On the other hand, other carriers say that MTMC's two-phase bidding system is basically anticompetitive, or if not anticompetitive, at least unnecessary. They point out that MTMC's continued use of the two-phase bidding system—when coupled with DOD's traffic allocation procedures under which carriers bidding the same rates have the opportunity to share equally in traffic on a given route—does not provide them with an

incentive to offer their lowest rates during the initial bidding period or reward them for bidding low rates. They said that a one-phase system under which a carrier having the lowest rate would be offered all the traffic it could handle, with only the residual traffic offered to the other carriers, would be more advantageous to them and to DOD.

The basic problem, this group said, is that for a carrier to make a profit at low rates, it must have volume. Volume could come from bidding low rates on certain targeted, typically high volume routes and having the right to that traffic. Under MTMC's current procedures, they said, there are no assurances that such volume can be acquired because MTMC gives all other carriers the opportunity to meet the lowest rates during the second phase of the bidding system.

On the other side of the issue, many in the industry—including the larger van carriers—told us that they strongly objected to a one-phase bidding system. No "winner-take-all" system, they said, would be advantageous to DOD or the industry. First, they said that the group of carriers advocating the one-phase system has only limited capability to serve DOD. If DOD were to turn over much of the traffic to these carriers, it would soon see that its needs would not be met. Moreover, they questioned whether this group would provide the same level of service that they provided DOD.

They also said that such a system would have a devastating effect on agents—the people providing the local packing and warehousing services—and, consequently, on DOD. Agents are often located in areas that depend heavily on military traffic for their livelihoods. If a single carrier were to lock up all the traffic at one military installation, such agents could be forced out of business. The loss of this capability, including their storage warehouses, they said, would be catastrophic for DOD. They said that if carriers were not given the opportunity to review the industry's first set of rates and then decide on which ones to meet, DOD would be left with a small group of carriers and agents that would not be able to serve all of DOD. They believe the result would be that, in order for DOD to find the additional hauling and agent capacity—assuming that it was still around—DOD would have to pay much higher rates than it is currently paying.

These carriers also said that the bidding system needs to be viewed in conjunction with the baseline. The same baseline has been used to solicit rates since 1984. MTMC's failure to adjust the baseline, we were told by many carriers, has caused military household goods shipment rates to

9 6 0 4 3 7 3 1 5 5 6

fall to what they argue are unprofitable levels. The rates have become so low, they said, that many carriers can no longer offer DOD service comparable to that offered their commercial customers who are paying higher rates. Moreover, they believed that DOD will soon find its traditional moving capability in short supply.

MTMC advised us that it is concerned about the loss of moving capability and the possibility of increased rates, but thus far, it has not seen an argument compelling enough to adjust the baseline. According to MTMC, the fixed baseline is useful because it provides a simplified method for soliciting rates; it allows for uniformity in stating rates; and it does not have to be adjusted after each solicitation because the carriers can effectively adjust the baseline each time they bid new rates. Nothing compels them, MTMC said, to bid rates that are not compensatory. We agree with MTMC.

In response to this, the carriers said that MTMC fails to understand that they cannot adjust their rates the way MTMC thinks they can. They noted that the Consumer Price Index had increased by at least 27 percent since 1983 but that MTMC had not adjusted the baseline. They said that they found that the baseline was acting as a real barrier to bidding compensatory rates, or any rate above the baseline. Their experience was that rates above the baseline had usually not resulted in receipt of any traffic at most shipping offices. Moreover, they said that they feared possible Department of Justice antitrust investigations should they bid rates above the baseline. Although Justice has been looking at the interstate rates for several years, these carriers offered no rationale why Justice would necessarily want to review all rates bid above the baseline, and we have not found any either.

Regarding the low rate level, many carriers showed us summary data indicating that the military rates were extremely low, ranging from 24 to 60 percent below published commercial rates. They said that most of the cost burden resulting from such low rates was falling on the carriers' local agents and the owner-operators, who are finding that military traffic is no longer attractive to them during the peak summer shipping season when DOD has the greatest shipping needs. MTMC, they said, has placed unacceptable economic pressures on the industry to the extent that many carrier agents and owner-operators are deciding to withdraw their commitment of resources to the military.

7
5
5
1
3
1
7
3
4
0
9
6
0

These carriers would like to see MTMC adjust the baseline to reflect the commercial rate baseline, the Consumer Price Index, or some other indicator. Increases to the carriers' commercial rate baseline are authorized by the Interstate Commerce Commission based on industry cost studies. Were similar adjustments made to the DOD baseline, the carriers said, DOD would still receive discounts but from a higher and fairer level.

MTMC disagrees with this argument. It has consistently taken the position that the carriers still have the ability to adjust their rates every 6 months when they rebid their rates. We agree with MTMC's position that carriers have the prerogative to bid any rate they believe is warranted. Moreover, we are not convinced that changes in the bidding system would hurt the industry or result in decreased service. The industry is made up of many different types and sizes of carriers and many agents. We believe that there is ample opportunity to allow the marketplace to work and still maintain adequate capability for DOD.

Conclusions

DOD's two-phase system for obtaining rates for moving household goods is not truly competitive in that it limits the incentive carriers have to initially offer low rates. While the second phase of this system has generally brought down the initial rates of many carriers, a better method would be to encourage carriers to offer their low rates first and then reward those with the best offers.

A one-phase bidding system, whereby all carriers have equal incentive to bid the lowest possible rates and those offering the lowest rates are rewarded with all the traffic they can handle on the route for which they are the low bidders, would probably provide the carriers the most incentive to offer their lowest rates initially. If DOD determines that such a bidding system would not provide it the moving capability it needed or would result in an unacceptable quality of service, it could modify the two-phase bidding system so that the carrier offering the lowest rate during the first phase is allocated a greater share of the traffic than any other carrier simply meeting the low rate.

There is no way to predict with any certainty the impact that eliminating the second phase of the two-phase system or modifying the system would have on the rates offered to DOD. On some routes, those with relatively low volumes of shipments, the rates might increase. But, on the higher volume routes, we would expect that the marketplace, often involving more than 50 carriers, would produce lower rate levels.

Recommendation

We recommend that the Secretary of Defense direct the Commander of MTMC to replace or modify the current two-phase bidding process so that all carriers have incentive to initially bid the lowest possible rates and the lowest bidder is rewarded for offering the lowest rate.

9 6 0 4 3 7 3 1 5 5 8

Opportunities to Reduce Storage Costs

The Department of Defense has no overall data showing how much the Department has spent on temporary storage, how many shipments have gone into storage, or how often shipments have been stored prior to delivery. The Military Traffic Management Command, however, estimates that in fiscal year 1988 the Department of Defense spent about \$114 million to temporarily store household goods and unaccompanied baggage when members moved to new permanent duty stations. This storage is referred to as "storage-in-transit."

Goods were generally stored in transit because members were not in positions to receive their personal effects at their new duty stations when deliveries were attempted. Often, members had not found adequate and/or affordable housing; receiving units had not been able to contact members to arrange for delivery; or shipments had arrived at destination before the personnel.

Storage costs could be reduced by using storage at origin instead of at destination because storage at origin is generally chargeable at discounted or lower long-term storage rates. Also, reducing the incidence and/or the cost of storage should be possible through better coordination and communication among shipping activities, members, carriers, and receiving activities.

Storage-in-Transit Entitlements and Management Responsibilities

When moving to new permanent duty stations, military members are entitled to temporarily store their household goods or unaccompanied baggage at government expense. This basic entitlement lasts for 90 days from the date the goods are placed into storage. It can be extended by the authorizing transportation officer for up to two additional 90-day periods if requested by the member because of conditions beyond the member's control. Any subsequent extension must be approved by a major command-level official or as otherwise dictated by the member's branch of service.

Reasons for extending storage beyond the basic 90-day period include serious illness of the member, serious illness or death of a member's dependent, impending assignment to government quarters, directed temporary duty after arrival at the new duty station, the nonavailability of suitable civilian housing or incomplete residence construction, and acts of God.

MTMC establishes storage-in-transit policy by issuing and revising the DOD Personal Property Traffic Management Regulation, which is approved

by the military services. MTMC field office personnel make management assistance visits to each DOD shipping office and provide written reports to MTMC headquarters. Over the last 3 years, storage-in-transit has been a special agenda item for these visits.

Most management of storage-in-transit occurs at the installation level. According to the DOD Personal Property Traffic Management Regulation, an installation transportation officer may use storage-in-transit when necessary to meet a member's requirements. However, the transportation officer is to make every effort to prevent the unnecessary use of storage-in-transit by maintaining a close liaison with installation personnel assignment officers and housing officers. To aid in limiting storage-in-transit, the destination transportation officer is expected to establish a file for inbound personnel. This file includes advanced documentation received from the origin transportation officer and other member information such as telephone numbers, temporary address, and name and address of a local contact. This file can then be used to facilitate the delivery of household goods rather than putting them in storage-in-transit.

Once household goods have been placed in storage-in-transit, installation transportation office personnel monitor the member's storage entitlement. Transportation office personnel advise the member of when this entitlement is about to expire and what is required to extend it. Installation transportation office personnel also advise carrier agents that member storage entitlements are about to expire.

Carrier Charges for Storage-in-Transit Services

Carriers' charges for storage-in-transit are based on five elements: (1) a charge per hundred pounds for the first day of storage, (2) a charge per hundred pounds for each additional storage day, (3) a charge for insurance, (4) a charge per hundred pounds for warehousing, and (5) a charge per hundred pounds for delivery from the warehouse. For example, the applicable charges for a 5,000-pound shipment stored in northern Virginia during the May 1988 rate cycle for 5 days would be \$618.45 (\$50.50 for the first day of storage, \$3.50 for each additional day of storage, \$6.45 for insurance, \$135.00 for warehousing, and \$422.56 for delivery from the warehouse to the member's residence).

MTMC initially established the storage-in-transit rates through negotiations with the carrier industry, using as a basis rates published in the 1985 Household Goods Carriers' Bureau's military rate tender. These rates are established geographically, according to where the household

goods are stored. Since the rates were first established, MTMC has revised the rates once, based on the estimated September 30, 1987, Consumer Price Index. Rates for storage-in-transit at destination are not subject to the percentage discounts or premiums that carriers bid for the transportation discussed in chapter 2.

Summary Data on Cost and Extent of Storage-in-Transit Is Lacking

Although MTMC has estimated the cost of storage-in-transit, neither MTMC nor the military services compile data on the actual cost of storage-in-transit, the number or percentage of shipments going into storage-in-transit, or the amount of time shipments are in storage-in-transit. Much of the data is available only at the installation level and then only on a shipment-by-shipment basis.

For fiscal year 1988, MTMC estimated the cost of storage-in-transit to be about \$113.8 million: \$78.5 million for about 130,000 domestic household goods shipments, \$25.6 million for about 112,000 international household goods shipments, and \$9.7 million for about 107,000 unaccompanied baggage shipments. These estimates are based on a formula developed by MTMC, which estimated the number of shipments in storage-in-transit, the median time in storage-in-transit, the average weight per shipment, and the average storage-in-transit rate. Because of the many estimates, a MTMC official questioned the reasonableness of the storage-in-transit estimate.

The only actual cumulative storage-in-transit cost data we obtained from MTMC was generated for us from individual shipment documentation the Navy provided to MTMC. This data, which is not used by MTMC and is based on shipment pickup dates, showed that for fiscal year 1988 storage-in-transit cost the Navy about \$20.4 million for about 33,000 domestic household goods shipments.

Each of the 10 shipping or receiving offices we visited maintained individual household goods shipment records including storage-in-transit data associated with each shipment. These records included the date each shipment had gone into and come out of storage. In addition, the offices maintained logs listing the storage-in-transit shipments and the dates they had gone into storage.

Some of the shipping or receiving offices also generated work load reports, which stated the number of shipments processed and the number of shipments that had gone into storage-in-transit. On the basis of these work load reports and other data, we found that for 9 of the

10 offices we visited, over 50 percent of the personal property shipments they received—either household goods or household goods and unaccompanied baggage—had gone into storage-in-transit. At the other office, about 45 percent of the domestic household goods shipments it received had gone into storage-in-transit.

At 9 of the 10 offices we visited, the only records we found concerning the length of time shipments had been in storage-in-transit were those showing the date a shipment had gone into storage and the date the shipment had come out of storage. These records showed that shipments had been stored for as little as a few days to over 270 days. The other office had done a study on how long shipments were in storage-in-transit, and its data showed that the longest time a shipment had been in storage at that installation was 7 months, and typically the shipments were in storage between 21 and 30 days.

Major Reasons for Storage-in-Transit

Goods were generally stored in transit because members were not in positions to receive their personal effects at their new duty stations when deliveries were attempted. Often, members had not found adequate and/or affordable housing; receiving units had not been able to find members to arrange for delivery; or shipments had arrived at destination before the personnel.

Lack of Housing

One major reason that household goods are placed into storage-in-transit is the lack of available and/or affordable housing. For example, according to a shipping office official at Cameron Station, Virginia, in over 50 percent of the cases in which shipments go into storage-in-transit, members do not have housing. Most of the installations covered by the offices we visited did not have available on-base housing. Most installations had waiting lists for on-base housing of at least several months, the length depending in part on the member's rank. According to a shipping office official at the Naval Supply Center, San Diego, California, members of the installation must wait for 18 months to 4 years for on-base housing.

Similar problems exist concerning off-base housing. At most of the installations we visited, adequate and/or affordable off-base housing is not available. According to an Army personal property official at the Pentagon, housing problems at Ft. Ord, California, had resulted in the extension of DOD storage-in-transit entitlements beyond 180 days with no definite limit.

Locating Members Is Difficult

Goods are often stored in transit because installation transportation office personnel have difficulty locating military members when their household goods are ready for delivery. The problems are that there is only a limited amount of time available to locate the members, and members (1) have not arrived at their new duty stations, (2) have arrived at their new duty stations but have not contacted the installation transportation offices, or (3) have arrived at their new duty stations but are unavailable to receive the goods. If members or their designated representatives cannot be located, their household goods will be put into storage-in-transit. According to an official at one installation, over 50 percent of household goods shipments arrived there before members had reported to the base locator.

According to MTMC's rate solicitations for household goods, once a carrier's representative advises an installation transportation office that a member's household goods are ready to be delivered, delivery of the goods must begin within 2 hours for domestic shipments—when the distance between pickup and delivery is 200 miles or more—and within 3 hours for international shipments. Otherwise, DOD will be charged \$17 for each additional hour for nondelivery plus hourly charges for vehicle drivers and helpers. This nondelivery, or waiting time, is calculated at the discretion of the carrier's representative. Generally, it is less costly to pay for waiting time up to 8 hours than to put goods into storage. However, if transportation office personnel cannot locate military members within a few hours to begin delivery of household goods, the goods will usually be put into storage-in-transit.

According to the DOD Personal Property Traffic Management Regulation, members are to contact the responsible destination installation transportation officer immediately upon arrival and provide contact addresses and telephone numbers where they can be reached to arrange delivery. However, we found that members had not always reported to the transportation officer upon arrival because they believed that their goods would not be delivered until the required delivery date, which had been established prior to the time of pickup. Therefore, they believed that they did not need to contact the transportation officer until the required delivery date.

Deliveries of household goods are based on required delivery dates established by the shipping offices in discussions with members before their goods are moved. However, unless computations of required delivery dates include other than actual transit times, such as leave, the required delivery dates may be unrealistic.

Members may report to their new duty stations but be unavailable to receive their household goods for several reasons: members may be on travel, on temporary duty, aboard ship, or on duty for extended periods of time.

Also, members may change their minds as to when they will report to their duty stations or fail to include some leave time in their required delivery date calculations.

Members may be granted latitude in reporting to their new duty stations; orders may state that they must report to their new duty stations within a given month. According to personnel at two installations we visited, members sometimes believed that required delivery dates were the actual dates that their household goods would be delivered. Therefore, members often did not report to their new stations before the required delivery dates. The installation transportation office personnel said that this misunderstanding might have resulted from improper counseling at the origin transportation office.

4
5
6
7
1
3
4
5
6
0
9
6
7

Carriers Are Not Penalized for Early Delivery Even If It Causes Storage-in-Transit

In some cases, carriers themselves contribute to storage-in-transit. One factor DOD uses to measure carriers' performance is how well the carriers meet the agreed-upon required delivery dates. Carriers failing to meet these dates may be suspended, or their performance scores lowered. Yet carriers who deliver shipments early and create the need for storage are not penalized.

The incentive for storage rests mostly with the carriers' agents. Most of the storage revenue is kept by the destination agents, and the possibility of additional revenues from military traffic is used by the carriers as an inducement to have agents represent them at shipment destinations.

Cost and Incidence of Storage Can Be Reduced

Storage at origin, when it can be determined that some storage will be needed, is more cost-effective than storage at destination because it is chargeable at discounted or lower long-term storage rates. Reducing the incidence and/or the cost of storage should be possible through better coordination and communication among shipping activities, members, carriers, and receiving activities. Such coordination includes ensuring that the shipping/receiving offices know when the members can take possession of their goods at destination, the members give the shipping/

receiving offices addresses where they can be located when the household goods are expected to be delivered, and all parties know when carriers are planning to deliver the goods.

Use of Storage at Origin

The Joint Federal Travel Regulations provide that nontemporary storage and storage-in-transit at origin may be used to store members' household goods when it is in the best interest of the government to do so. However, we found that in some cases involving lack of housing, temporary duty assignments, and duty at sea, storage-in-transit at destination was used instead of storage at origin.

For example, the Navy personal property transportation regulation entitles members to nontemporary storage when they are ordered to new permanent duty stations within the United States and their orders indicate a scarcity of available or adequate civilian housing at their new duty stations. At the two Navy installations we visited, civilian housing is scarce, yet many members' household goods shipments are in destination storage-in-transit.

In addition, officials at several receiving offices we visited stated that storage costs could be reduced if members used storage-in-transit at origin while they are on temporary duty assignments or assigned to duty at sea.

Finally, many shipments are being taken from nontemporary storage at origin and placed into storage-in-transit at destination. According to one carrier we met with, about 40 percent of shipments coming out of nontemporary storage go into storage-in-transit at destination. Several carriers advised us that shipments should not come out of nontemporary storage until members provide actual delivery addresses. If the shipments had remained at origin, the costs could have been reduced. In addition, according to several carriers, it is beneficial to the member not to have goods moved from one warehouse to another because the goods can be damaged during each move.

Nontemporary storage is generally less costly than storage-in-transit at destination. For example, a 10,000-pound household goods shipment stored in the Washington, D.C., area (shipment origin) at nontemporary storage rates would cost about \$1,200 for 180 days. Storing the same shipment would cost about \$1,730 for 180 days at storage-in-transit destination rates in San Diego, California. Adding 10 percent to the storage-in-transit cost for carrier liability insurance, which is not charged for

5
6
5
-
3
7
3
4
0
9
6
9

nontemporary storage, results in about \$1,900 in storage-in-transit costs, or almost 60 percent more than the nontemporary storage costs.

Storage-in-transit at origin is also less costly than storage-in-transit at destination because origin storage rates are subject to the percentage discounts carriers bid for the line-haul rates and destination storage rates are not. The differences can be as much as 50 percent or more in some instances.

Better Coordination

As we noted above, members do not always report to the transportation officer upon arrival because they believe that their goods will not be delivered until the required delivery date. Also, unless the computation of the required delivery date includes time other than actual transit time, such as leave, the required delivery date may be unrealistic. And carriers who deliver shipments early and create the need for storage are not penalized.

Considering these matters, good coordination and communication among shipping activities, members, carriers, and receiving activities is important if storage management is to be effective. This coordination includes ensuring that the shipping/receiving offices know when the members can take possession of their goods at destination, the members give the shipping/receiving offices addresses where they can be located when the household goods are expected to be delivered, and all parties know when carriers are planning to deliver the goods.

Conclusions

Storage-in-transit cannot be totally eliminated, but the cost, and possibly the incidence, can be reduced. To accomplish these reductions, DOD should select the type of storage that is most advantageous to the member and DOD, and shipping activities, members, carriers, and receiving activities should more closely coordinate their efforts.

Recommendations

We recommend that the Secretary of Defense direct the military services to take the following actions:

- Use nontemporary storage and storage-in-transit at origin to the extent possible, rather than the more costly storage-in-transit at destination.
- Take steps to ensure better coordination and communication among DOD shipping/receiving offices, carriers, and military members in the delivery of household goods.

9 6 0 4 3 7 3 1 5 6 7

Companies Visited by GAO

A Olympic Forwarder, Inc.	Lynnwood, Washington
A.D. McMullen, Inc.	North Dartmouth, Massachusetts
Air Van Lines International, Inc.	Bellevue, Washington
Alberti Van & Storage Company, Inc.	Gaithersburg, Maryland
Allied Van Lines, Inc.	Naperville, Illinois
American Ensign Van Service, Inc.	Long Beach, California
American Red Ball Transit Company, Inc.	Indianapolis, Indiana
Crowder Transfer and Storage	Alexandria, Virginia
Culver Moving & Storage	San Antonio, Texas
Door-to-Door Moving & Storage	St. Louis, Missouri
Global Van Lines, Inc.	Orange, California
Interstate Van Lines, Inc.	Springfield, Virginia
Mayflower Transit, Inc.	Indianapolis, Indiana
National Van Lines, Inc.	Broadview, Illinois
New-Bell Storage Corporation	Norfolk, Virginia
North American Van Lines, Inc.	Ft. Wayne, Indiana
Pan American Van Lines, Inc.	Long Beach, California
Paul Arpin Van Lines, Inc.	East Greenwich, Rhode Island
RFC World Wide	San Antonio, Texas
Sherwood Van Lines, Inc.	San Antonio, Texas
Stevens Van Lines, Inc.	Saginaw, Michigan
Suetzer Van Lines	Ft. Wayne, Indiana
Towne Van Lines, Inc.	San Antonio, Texas
United Van Lines, Inc.	Fenton, Missouri
Wheaton Van Lines, Inc.	Indianapolis, Indiana

9 6 0 4 3 7 3 1 5 6 3

DOD Shipping Offices Visited by GAO

Army Offices

Joint Personal Property Shipping Office-Washington, Cameron Station,
Alexandria, Virginia
Fort Hood, Texas
Fort George G. Meade, Maryland
Fort Benjamin Harrison, Indiana

Navy Offices

Naval Supply Center-San Diego, California
Naval Training Station-Great Lakes, Illinois

Air Force Offices

Joint Personal Property Shipping Office-San Antonio, Texas
Scott Air Force Base, Illinois

Marine Corps Offices

Marine Corps Air Station-El Toro, California
Camp Pendleton, California

9 6 0 4 3 7 3 1 5 6 9

Shipping Offices' Carrier, Rate, and Work Load Data

In table III.1, we list data covering the routes from the 152 DOD shipping offices in the contiguous United States for the May 1988 rate cycle. A "route" covers all traffic offered to industry from a single shipping office to all points in one destination state or the District of Columbia. Thus, from each shipping point there are 49 routes.

In presenting figures, we have averaged the numbers of carriers offering rates and the low rate from each DOD shipping office. Therefore, in Fort McClellan's case, we have averaged the numbers of carriers offering rates from Fort McClellan's office to each of the 49 destinations to which it ships. For all of its destinations, an average of 58 carriers submitted rates.

Our column "Average low rate from shipping office" represents the average low rate, stated as a percentage of MTMC's baseline rate, for all destinations from Fort McClellan, in this case, 82 percent. Our next column indicates the percentage of carriers' rates at the low rate level for all of Fort McClellan's destinations. In this case, 60 percent of all the carriers' rates were at the low rate level. Column 4 represents the average number of interstate shipments per day from Fort McClellan to all 49 of its shipment destinations, and column 5 represents the average number of interstate shipments per day from Fort McClellan to its destination with the highest volume of shipments.

Appendix III
Shipping Offices' Carrier, Rate, and Work
Load Data

Table III.1: Comparison of DOD Shipping Offices' Data

Shipping office	Average number of carriers	Average low rate from shipping office	Percentage of carriers' rates at low rate level	Average number of shipments per day to	
				All destinations	Highest volume destination
Alabama					
Fort McClellan	58	82	60	3.8	0.6
Fort Rucker	92	69	65	7.0	1.1
Maxwell Air Force Base	62	99	96	7.7	1.3
Redstone Arsenal	62	100	100	2.8	0.4
Arizona					
Davis-Monthan Air Force Base	65	98	93	2.9	0.6
Fort Huachuca	50	100	97	4.1	0.4
Marine Corps Air Station, Yuma	20	100	100	1.7	0.4
Williams Air Force Base	70	70	67	7.1	1.0
Arkansas					
Eaker Air Force Base	36	100	99	1.4	0.2
Fort Chaffee	45	100	99	0.9	0.1
Little Rock Air Force Base	92	90	91	3.4	0.4
California					
Beale Air Force Base	60	100	99	3.4	0.4
Castle Air Force Base	55	65	52	2.4	0.4
Edwards Air Force Base	32	100	96	1.5	0.2
Fort Ord	156	66	54	12.2	1.5
George Air Force Base	49	100	99	1.1	0.2
Marine Corps Air-Ground Combat Center, Twentynine Palms	38	100	100	2.1	0.3
Marine Corps Air Station, El Toro	139	65	42	10.6	1.1
Marine Corps Base, Camp Pendleton	87	65	49	8.1	1.1
Marine Corps Logistics Base, Barstow	47	100	99	0.7	0.1
McClellan Air Force Base	90	66	50	5.2	0.8
Naval Air Facility, El Centro	6	100	84	0.0	0.0
Naval Air Station, Lemoore	65	100	99	1.4	0.2
Naval Construction Battalion Center, Port Hueneme	46	83	74	1.6	0.2
Naval Supply Center, Oakland	206	66	52	13.1	1.3
Naval Supply Center, San Diego	148	65	49	19.0	2.9
Naval Weapons Center, China Lake	6	100	84	0.3	0.1
Norton Air Force Base	95	91	84	5.0	0.6
Sharpe Army Depot, Lathrop	50	75	47	0.3	0.0
Vandenberg Air Force Base	75	73	52	2.1	0.2

(continued)

Appendix III
**Shipping Offices' Carrier, Rate, and Work
 Load Data**

Shipping office	Average number of carriers	Average low rate from shipping office	Percentage of carriers' rates at low rate level	Average number of shipments per day to	
				All destinations	Highest volume destination
Colorado					
Joint Personal Property Shipping Office-Colorado Springs	124	70	63	14.4	1.6
Lowry Air Force Base	123	71	68	7.2	1.0
Connecticut					
Naval Submarine Base, New London	62	76	80	4.8	0.5
Delaware					
Dover Air Force Base	55	70	60	3.6	0.5
Florida					
Eglin Air Force Base	106	96	96	4.5	0.5
Homestead Air Force Base	75	82	66	3.5	0.6
MacDill Air Force Base	134	70	59	3.8	0.4
Naval Air Station, Key West	23	100	100	0.6	0.1
Naval Supply Center, Pensacola	132	95	94	8.2	1.7
Naval Supply Center, Jacksonville	122	71	70	9.5	1.3
Naval Training Station, Orlando	89	70	56	5.4	1.1
Patrick Air Force Base	51	100	97	2.8	0.2
Tyndall Air Force Base	50	94	92	2.6	0.3
Georgia					
Fort Benning	80	100	97	9.3	1.3
Fort Gordon	70	76	67	5.0	0.5
Fort McPherson	110	100	97	5.7	0.7
Fort Stewart	70	70	61	7.6	0.9
Marine Corps Logistics Base, Albany	30	100	89	1.1	0.2
Moody Air Force Base	19	100	98	1.4	0.2
Naval Supply Corps Schools, Athens	31	100	96	0.4	0.1
Robins Air Force Base	67	100	94	2.6	0.2
Idaho					
Mountain Home Air Force Base	27	100	96	2.2	0.4
Naval Administrative Unit, Idaho Falls	18	100	94	1.9	0.6
Illinois					
Chanute Air Force Base	31	100	86	3.6	0.4
Charles Melvin Price Support Center, Granite City	102	73	72	4.2	0.5
Naval Training Station, Great Lakes	136	73	68	13.7	3.0
Rock Island Arsenal, Rock Island	52	100	96	1.7	0.2
Scott Air Force Base	98	100	97	6.1	0.8

(continued)

Appendix III
**Shipping Offices' Carrier, Rate, and Work
 Load Data**

Shipping office	Average number of carriers	Average low rate from shipping office	Percentage of carriers' rates at low rate level	Average number of shipments per day to	
				All destinations	Highest volume destination
Indiana					
Fort Benjamin Harrison	80	100	98	4.4	0.4
Grissom Air Force Base	50	100	98	2.1	0.3
Naval Weapons Support Center, Crane	61	100	99	1.1	0.2
Kansas					
Fort Leavenworth	108	73	35	8.8	1.0
Fort Riley	72	100	99	6.3	0.7
McConnell Air Force Base	64	100	99	1.9	0.3
Kentucky					
Fort Campbell	117	100	99	10.3	1.1
Fort Knox	103	83	69	7.4	0.9
Lexington-Blue Grass Army Depot, Lexington	77	100	96	1.6	0.2
Louisiana					
Barksdale Air Force Base	67	100	99	3.5	0.5
England Air Force Base	23	100	99	1.7	0.2
Fort Polk	76	100	99	4.7	0.7
Naval Support Activity, New Orleans	82	100	97	4.7	0.8
Maine					
Loring Air Force Base	36	99	92	1.5	0.2
Naval Air Station, Brunswick	59	71	58	2.3	0.3
Maryland					
Aberdeen Proving Ground	97	82	59	2.5	0.4
Fort Detrick	38	100	93	1.4	0.2
Fort George Meade	102	82	61	6.0	0.8
Naval Air Station, Patuxent River	21	100	95	1.8	0.3
U.S. Naval Academy, Annapolis	30	99	96	1.1	0.2
Massachusetts					
Hanscom Air Force Base	103	71	50	7.2	0.8
Michigan					
K. I. Sawyer Air Force Base	59	74	76	1.9	0.3
Selby Air National Guard Base	101	74	70	5.8	0.9
Wurtsmith Air Force Base	55	74	70	1.6	0.3
Minnesota					
Fort Snelling	88	73	62	3.3	0.6
Mississippi					
Columbus Air Force Base	42	100	97	4.0	0.7
Keesler Air Force Base	150	99	96	6.8	0.9
Naval Air Station, Meridian	49	100	99	1.7	0.3

(continued)

Appendix II
**Shipping Offices' Carrier, Rate, and Work
 Load Data**

Shipping office	Average number of carriers	Average low rate from shipping office	Percentage of carriers' rates at low rate level	Average number of shipments per day to	
				All destinations	Highest volume destination
Missouri					
Fort Leonard Wood	78	100	99	3.9	0.4
Whiteman Air Force Base	36	100	99	1.4	0.1
Montana					
Malmstrom Air Force Base	53	100	99	2.4	0.2
Nebraska					
Offutt Air Force Base	109	100	97	8.8	1.1
Nevada					
Naval Air Station, Fallon	30	100	100	0.5	0.2
4 Nellis Air Force Base	67	100	98	4.8	0.6
Sierra Army Depot, Reno	32	100	100	0.7	0.2
7 New Hampshire					
Pease Air Force Base	56	100	99	3.7	0.5
15 New Jersey					
Joint Personal Property Shipping Office-New Jersey, Fort Dix	121	71	50	7.7	0.9
13 New Mexico					
Cannon Air Force Base	51	100	99	1.6	0.2
17 Holloman Air Force Base	46	100	98	3.1	0.4
3 Kirtland Air Force Base	57	100	93	3.8	0.5
3 White Sands Missile Range	29	100	100	1.2	0.3
4 New York					
Fort Drum	53	100	100	1.2	0.2
10 Fort Hamilton	116	71	39	4.7	0.6
10 Griffiss Air Force Base	56	100	99	2.6	0.2
10 Naval Administrative Unit, Scotia	51	100	98	3.7	0.7
9 Pittsburgh Air Force Base	33	100	90	2.0	0.3
Seneca Army Depot, Romulus	52	97	88	2.8	0.4
U.S. Military Academy, West Point	80	99	92	2.2	0.5
North Carolina					
Marine Corps Base, Camp Lejeune	112	71	70	10.1	1.9
Fort Bragg	144	97	89	19.9	2.3
Marine Corps Air Station, Cherry Point	73	67	62	3.9	0.5
Seymour Johnson Air Force Base	70	98	95	3.4	0.4
North Dakota					
Grand Forks Air Force Base	46	100	100	3.1	0.4
Minot Air Force Base	46	100	100	3.3	0.3

(continued)

**Appendix III
Shipping Offices' Carrier, Rate, and Work
Load Data**

Shipping office	Average number of carriers	Average low rate from shipping office	Percentage of carriers' rates at low rate level	Average number of shipments per day to	
				All destinations	Highest volume destination
Ohio					
Naval Finance Center, Cleveland	84	100	98	2.9	0.4
Wright-Patterson Air Force Base	160	74	74	7.7	1.1
Oklahoma					
Altus Air Force Base	32	100	96	1.8	0.3
Fort Sill	103	76	89	8.9	1.1
McAlester Army Ammunition Plant, McAlester	19	100	95	0.8	0.1
Tinker Air Force Base	71	81	70	4.1	0.5
Vance Air Force Base	19	100	90	1.5	0.2
Pennsylvania					
Carlisle Barracks	67	90	76	5.5	0.7
Charles E. Kelley Support Facility, Oakdale	62	100	99	4.3	0.5
Naval Station, Philadelphia	77	81	63	7.8	3.0
Tobyhanna Army Depot, Tobyhanna	30	100	96	0.6	0.1
Rhode Island					
Naval Education and Training Center, Newport	86	69	57	7.8	1.2
South Carolina					
Fort Jackson	80	100	99	3.9	0.6
Marine Corps Air Station, Beaufort	40	100	97	3.2	0.6
Myrtle Beach Air Force Base	31	100	90	1.7	0.2
Naval Supply Center, Charleston	134	76	59	12.6	2.1
Shaw Air Force Base	47	100	99	3.0	0.3
South Dakota					
Ellsworth Air Force Base	46	100	94	2.3	0.3
Tennessee					
Naval Air Station, Memphis	85	100	98	5.2	1.0
Texas					
Bergstrom Air Force Base	71	69	58	3.6	0.5
Carswell Air Force Base	113	70	54	4.9	0.9
Dyess Air Force Base	41	100	100	2.3	0.3
Fort Bliss	119	68	55	9.6	0.8
Fort Hood	92	68	51	13.1	1.3
Goodfellow Air Force Base	45	82	68	1.9	0.2
Joint Personal Property Shipping Office-San Antonio	150	66	46	22.4	3.1
Naval Air Station, Corpus Christi	64	65	42	5.6	1.4
Red River Army Depot, Texarkana	34	100	100	1.5	0.2
Reeves Air Force Base	32	100	100	1.8	0.3
Sheppard Air Force Base	41	100	92	2.2	0.3

(continued)

**Appendix III
Shipping Offices' Carrier, Rate, and Work
Load Data**

Shipping office	Average number of carriers	Average low rate from shipping office	Percentage of carriers' rates at low rate level	Average number of shipments per day to	
				All destinations	Highest volume destination
Utah					
Hill Air Force Base	84	100	95	4.2	0.7
Virginia					
Consolidated Personal Property Shipping Office-Langley Air Force Base	71	100	98	8.9	0.8
Consolidated Personal Property Shipping Office-Norfolk	113	70	67	22.9	3.1
Fort Lee	73	96	89	5.1	0.6
Joint Personal Property Shipping Office-Washington, D.C., Cameron Station	187	67	24	41.1	7.1
Washington					
Fairchild Air Force Base	70	100	98	2.5	0.5
Joint Personal Property Shipping Office-Fort Lewis	189	67	55	15.7	2.5
Naval Air Station, Whidbey Island, Oak Harbor	78	100	98	3.1	1.0
Naval Supply Center, Puget Sound, Bremerton	135	69	65	6.0	1.6
Wyoming					
F.E. Warren Air Force Base	41	100	97	2.3	0.5
Average	72	89	83	4.9	0.7

Major Contributors to This Report

National Security and
International Affairs
Division, Washington,
D.C.

Edward M. Balderson, Assistant Director
J. Kenneth Brubaker, Evaluator-in-Charge
H. Donald Campbell, Evaluator
Martin E. Scire, Evaluator

9 6 0 4 3 7 3 1 5 7 7



HOUSEHOLD GOODS
CARRIERS' BUREAU
COMMITTEE

8

SIGN-ON IS COMPLETE: M101

MILEMAKER

PROGRAMS, DATA AND SUPPORTING MATERIAL
COPYRIGHT 1993, 1990, 1987, 1985, 1983 BY RAND McNALLY-TDM, INC.

TYPE MENU OR
ENTER OPTION: 1

ENTER FIRST CITY, ST: WEST COLUMBIA, TX

ENTER NEXT CITY, ST: FALLS CHURCH, VA

ENTER NEXT CITY, ST:

MI101-117 MILEMAKER INQUIRY GDE 16.1
CITY/STATE SPLC
W COLUMBIA TX 686277 000
FLS CH VA 250200 000 1413 MILES (S) 1413 TOTAL MILES
ENTER FIRST CITY, ST:

YOU MUST ENTER AT LEAST TWO POINTS
ENTER FIRST CITY, ST:

GREG LAUGHLIN

129 E. Hopkins
San Marcos, Texas 78666
(512) 353-3800

U.S. Congress

2217 Avenue L
Bay City, Texas 77414
(409) 245-0437

January 20, 1994

Mr. Ted Coulter
Sherwood Van Lines, Inc.
3507 Copeland
San Antonio, TX 78219

Dear Mr. Coulter:

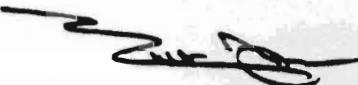
On January 5, 1994, Congressman Laughlin's assistant, Ken Bryan, met with you at the offices of Sherwood Van Lines, Inc., in San Antonio, and requested records documenting the invoicing and payment of Congressman Laughlin's move after his election to Congress from his home district in Texas to Falls Church, Virginia. As you may know, a newly-elected member of Congress is permitted by law to have his move to Washington, D.C. funded by his or her campaign committee's funds.

Since we were unable to locate any receipt or other documentation evidencing our payment of this move and, since we needed to determine that we have indeed forwarded payment for this move, Mr. Bryan met with you on January 5 for the purpose of seeking your copies of documentation which we could not locate.

After Mr. Bryan's January 5 meeting with you, a letter was sent to him dated January 7, 1994 from Sherwood Van Lines, Inc. requesting copies of documents which we might have concerning invoicing and payment for this move. It now appears that neither your office or ours has any records concerning the move. We conclude from this, of course, that no bill was sent to us and, consequently, no payment made. You apparently were unable to tell Mr. Bryan how much the move cost when he met with you on January 5.

To resolve the debt, the committee has executed the enclosed in the amount of \$2,500.00. This is an estimate for the expenses incurred in the move, as we discovered no records which would assist us in either documenting the cost of the move or that the move has already been paid for by the committee. We would greatly appreciate your notifying us promptly if the enclosed check covers the expense of the move or if it is less or more than needed.

Very truly yours,



Treasurer, Greg Laughlin's Campaign Committee

Enclosure

9 6 0 4 3 7 3 - 1 5 7 9

**GREG LAUGHIN
CAMPAIGN FUND**

2042

WEST COLUMBIA, TX 77486

Jan. 10 1974

FOR Sherwood VanLines, Inc.

\$ 2,500.00

Two Thousand Five Hundred and No/100----- DOLLARS

WCNB

New Orleans National Bank

P.O. Box 5000

New Orleans, LA 70130

FOR *D. Greg Laughlin*
#0002042 #1111238745 101 8399#
\$0000250000#

DAY TO THE ORDER OF
BROADWAY NATIONAL BANK
SAN ANTONIO, TEXAS
1/10/74
FOR *D. Greg Laughlin*
SHERWOOD VAN LINES, INC.
COLUMBIA

9 6 0 4 3 7 3 1 5 8 0

Sherwood VAN LINES INC.

10

January 7, 1994

The Honorable Greg Laughlin
United States Congress
236 Cannon House Office Building
Washington, D.C. 20515-4314

ATTN: Mr. Ken Bryan
P.O. Box 2483
Victoria, Texas 77902

In Re: Household Goods Move of January, 1989 / Mr. Bryan's visit of January 5,
1994

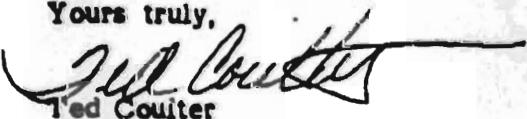
Dear Congressman,

Thank you for your inquiry about your household goods move(s) with Sherwood Van Lines, Inc.

At this time, Sherwood would request that you send this office all shipping documents or correspondence in your files concerning your move(s). This request would necessarily include any bill of lading, weight ticket, inventory, claim document, order for service, estimate of cost, invoice, etc.

All payments made to this company for any move must be in full compliance with prevailing Interstate Commerce Commission rules and regulations. You may very well be in possession of information which would effect the position of Sherwood in responding to your request.

Yours truly,


Ted Coulter

President

The New
Sherwood
VAN LINES INC.

January 27, 1994

Treasurer
Greg Laughlin, U.S. Congress
P.O. Box 2483
Victoria, TX 77902

IN RE: Your Letter Of January 20, 1994

Dear Sir:

1 Thank you for your referenced correspondence and the enclosed
2 check in the amount of \$2,500.00. Per your instructions this
3 amount has been credited to the account of Congressman Laughlin
4 pending final determination of the status and cost of his house-
5 hold goods move.

1 There appears to be a misunderstanding of the exact intent of
2 our letter of January 7, 1994. It does not say, and you should not
3 construe its contents to mean, that an invoice was not sent, or
4 that records do not exist in the files of Sherwood relating to
5 the move in question. The precise purpose of the letter was to
attempt to determine if there existed any records, currently in
the possession of the Congressman, which would in any way impact
the decision as to the exact amount of the final charges.

9 We trust that Mr. Bryan accurately reported that Sherwood is
making every effort to accurately and precisely determine the charges
which apply on this move. This precaution is being taken for the
protection of both the Congressman as well as Sherwood in light of
the fact situation behind the move itself.

Sherwood will now take the position that there are no documents
existant which would alter the tariff charges from those officially
published by Sherwood. You may be assured that once the applicable
tariff has been determined, the proper charges will be applied to
the available rate and your office immediately notified as to the
result.

Yours truly,

Thel A Coulter
Thel Coulter
President

(ALL RATES ON THIS PAGE ARE SUBJECT TO ITEM 60, INSURANCE CHARGE)

HOUSEHOLD GOODS CARRIERS' BUREAU

12

ICC HGB 400-F

HOUSEHOLD GOODS TARIFF HGB 400-F

OPTIONAL PAGE 196

SECTION 3 - TRANSPORTATION RATES

MILES	500 TO 999 LBS. INCL.	BREAK POINT	1,000 TO 1,999 LBS. INCL.	BREAK POINT	2,000 TO 3,999 LBS. INCL.	BREAK POINT	4,000 TO 7,999 LBS. INCL.	BREAK POINT	8,000 TO 11,999 LBS. INCL.	BREAK POINT	12,000 TO 15,999 LBS. INCL.	BREAK POINT	16,000 LBS. AND OVER
1151-1200	99.20	719	71.30	1,673	59.60	3,473	51.15	6,992	44.70	11,813	44.80	15,491	42.60
1201-1250	100.80	720	72.85	1,676	60.50	3,475	52.85	6,995	45.95	11,713	44.80	15,753	42.05
1251-1300	102.50	721	74.80	1,684	62.50	3,480	54.50	6,999	47.15	11,711	46.25	15,672	45.30
1301-1350	104.10	723	77.50	1,693	65.75	3,488	56.25	7,001	48.30	11,727	47.50	15,663	46.40
1351-1400	105.70	723	77.50	1,699	68.75	3,493	56.80	6,987	49.65	11,723	48.50	15,654	47.45
1401-1450	107.05	740	79.15	1,716	67.90	3,450	58.55	6,962	50.95	11,706	49.70	15,759	48.95
1451-1500	108.50	746	80.85	1,720	69.55	3,461	60.80	6,921	51.90	11,804	51.05	15,624	49.85
1501-1550	109.50	748	81.80	1,761	71.70	3,458	61.55	6,961	53.40	11,618	51.70	15,768	50.95
1551-1600	110.30	748	83.50	1,756	72.55	3,470	62.35	6,953	54.55	11,572	52.60	15,696	51.60
1601-1650	111.25	752	83.50	1,785	73.80	3,477	64.15	6,978	55.95	11,496	53.80	15,702	52.60
1651-1700	112.00	756	85.50	1,776	75.10	3,486	65.40	6,961	56.90	11,473	54.40	15,736	53.50
1701-1750	112.95	759	85.70	1,790	76.70	3,500	67.10	6,973	58.25	11,392	55.20	15,769	54.80
1751-1800	113.75	761	86.50	1,802	77.70	3,502	68.20	7,009	59.25	11,377	56.15	15,730	55.20
1801-1850	114.65	762	87.35	1,804	78.75	3,503	69.75	7,037	61.35	11,365	58.10	15,656	56.85
1851-1900	115.40	769	88.65	1,799	79.70	3,579	71.30	7,061	62.75	11,227	59.75	15,679	58.55
1901-1950	116.30	771	89.60	1,809	81.00	3,588	72.65	7,070	64.20	11,468	63.35	15,714	60.25
1951-2000	117.40	773	90.55	1,806	81.85	3,607	73.80	7,128	65.75	11,517	63.10	15,671	61.80
2001-2050	118.40	774	91.55	1,813	82.75	3,603	74.70	7,173	67.35	11,555	64.85	15,667	63.50
2051-2100	119.10	776	92.55	1,814	83.75	3,623	76.05	7,233	68.75	11,555	66.20	15,733	65.10
2101-2150	120.15	780	93.65	1,814	84.90	3,621	76.85	7,281	69.75	11,562	67.20	15,719	66.00
2151-2200	120.90	782	94.50	1,816	85.80	3,635	77.95	7,346	70.60	11,567	68.05	15,777	67.10
2201-2250	122.80	785	95.55	1,819	86.85	3,655	78.75	7,369	71.55	11,590	69.00	15,769	68.00
2251-2300	123.20	782	96.50	1,829	88.80	3,661	79.70	7,383	72.55	11,537	69.75	15,777	68.75
2301-2350	124.00	786	97.45	1,822	88.70	3,666	80.85	7,368	73.45	11,533	70.80	15,808	69.75
2351-2400	124.80	788	98.65	1,831	89.90	3,660	81.80	7,287	74.20	11,556	71.45	15,799	70.55
2401-2450	125.60	790	99.20	1,828	90.65	3,661	82.50	7,263	75.10	11,561	72.35	15,801	71.45
2451-2500	126.50	793	100.25	1,827	91.55	3,666	83.40	7,291	76.90	11,543	73.10	15,825	72.30
2501-2550	127.20	796	101.20	1,823	92.20	3,653	84.20	7,288	76.70	11,563	73.90	15,827	73.10
2551-2600	127.80	799	102.15	1,826	93.10	3,655	85.50	7,276	77.35	11,531	74.45	15,861	73.80
2601-2650	128.40	803	103.05	1,823	93.90	3,653	85.80	7,269	77.95	11,670	75.80	15,894	74.35
2651-2700	129.05	807	104.10	1,817	94.55	3,660	86.50	7,274	78.65	11,619	76.15	15,790	75.15
2701-2750	129.50	808	104.65	1,817	95.50	3,655	87.25	7,285	79.45	11,646	77.10	15,783	76.05
2751-2800	130.65	807	104.95	1,824	96.20	3,666	88.15	7,306	80.20	11,626	77.70	15,815	76.80
2801-2850	130.95	808	105.70	1,831	96.75	3,668	88.70	7,306	81.00	11,608	78.35	15,806	77.40
2851-2900	131.10	808	106.90	1,833	97.15	3,668	89.50	7,276	81.40	11,610	78.75	15,838	77.95
2901-2950	131.55	810	106.55	1,836	97.80	3,668	90.15	7,309	82.35	11,585	79.50	15,829	78.65
2951-3000	132.05	810	107.05	1,836	98.65	3,677	90.80	7,305	82.65	11,645	80.20	15,801	79.20
3001-3050	132.85	813	108.00	1,838	99.20	3,692	91.55	7,288	83.40	11,655	81.00	15,803	80.00
3051-3100	133.85	813	108.55	1,843	100.00	3,699	92.20	7,308	84.20	11,658	81.80	15,815	80.85
3101-3150	134.05	816	109.45	1,862	100.80	3,695	93.10	7,309	85.05	11,634	82.40	15,787	81.35
3151-3200	135.05	815	110.00	1,847	101.55	3,699	93.90	7,307	85.70	11,643	83.15	15,760	81.90
3201-3250	135.85	816	110.80	1,851	102.50	3,690	94.55	7,307	86.50	11,625	83.65	15,781	82.50
3251-3300	136.75	815	111.45	1,850	103.80	3,707	95.50	7,288	87.00	11,621	84.30	15,801	83.20
3301-3350	137.35	817	112.20	1,853	103.95	3,708	96.20	7,277	87.50	11,671	85.10	15,765	83.85
3351-3400	137.75	820	112.95	1,849	104.60	3,713	96.90	7,290	88.30	11,647	86.70	15,795	84.60
3401-3450	138.50	820	113.45	1,851	104.95	3,717	97.50	7,307	89.05	11,643	86.40	15,825	85.45
3451-3500	139.70	822	113.90	1,859	105.85	3,713	98.25	7,321	89.90	11,613	87.80	15,780	86.80
3501-3600	139.35	823	114.65	1,854	106.25	3,731	99.10	7,290	90.30	11,608	87.35	15,845	86.50
3601-3700	140.05	823	115.20	1,851	106.80	3,734	99.50	7,301	90.80	11,650	88.15	15,792	87.00
3701-3800	140.10	824	115.40	1,856	107.05	3,737	100.00	7,297	91.20	11,619	88.30	15,810	87.25

THIS SPACE INTENTIONALLY LEFT BLANK

CONGRESSMAN CHAPMAN

★ ★ ★ DEMOCRAT ★ ★ ★

December 12, 1994

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

DEC 14 11 48 AM '94

Federal Election Commission
Mary L. Taksar Attorney
Central Enforcement Docket
999 E Street, NW
Washington, D.C. 20463

Re: MUR 4079

Dear Ms. Taksar:

This letter is in further response to MUR 4079. This supplement to my response of November 10, 1994 is prompted by a telephone call from Joan McHenry suggesting that a further response was necessary. I need the guidance of the FEC in this matter.

I have again reviewed the MUR in question. The Chapman for Congress Committee is not mentioned anywhere in the notarized complaint. In one attachment to the complaint, a newspaper article, the Chapman for Congress Committee is mentioned as a recipient of a contribution now being questioned as to its propriety.

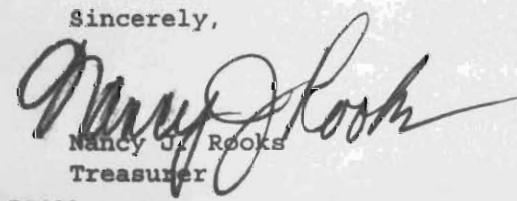
The contribution mentioned in the attachment to the complaint was accepted, deposited and reported by the Committee. It was from an individual and within the allowable limit. The Chapman for Congress Committee did not receive or accept any corporate contribution.

It has apparently been alleged by a Federal Grand Jury that the individual contributor was reimbursed by a corporation for her contribution. If true, this was done without the knowledge or consent of the Chapman for Congress Committee.

I am uncertain about the policy of the Federal Election Commission in this matter. Is it the policy of the FEC to require the refund of contributions that are alleged to be illegal? In this specific case, if refunded, to whom would the Chapman for Congress Committee refund the contribution? The Chapman for Congress Committee would be happy to comply with the Commission's policy on this matter, if the Commission will provide appropriate guidance.

I look forward to your prompt response.

Sincerely,


Nancy J. Rooks
Treasurer

P.O. Box 388
Sulphur Springs, Texas 75482
214-885-3199

Paid for and authorized by Chapman for Congress Committee.



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 17, 1995

POSTMASTER

San Diego, CA
92195

MUR

4079

ADDRESS INFORMATION REQUEST

Pursuant to 39 C.F.R. § 265.6(d)(1), please furnish this agency with a new address, if available, for the individual or entity listed below, or verify whether the address given below is one at which mail for this individual or entity is currently being delivered.

NAME: Jim Bates
LAST KNOWN ADDRESS: P.O. Box 152042
San Diego CA 92195

Under 39 C.F.R. § 265.9(g)(5)(i), we request a waiver of fees. In this connection I hereby certify that the Federal Election Commission, an agency of the U.S. Government, requires the information requested above in the performance of its official duties, and that all other known sources for obtaining it have been exhausted. A return envelope is enclosed for your convenience.



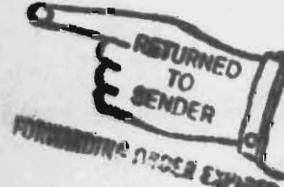
Lois G. Lerner

Associate General Counsel

FOR POST OFFICE USE ONLY

- () Mail is Delivered to Above Address
() Moved, left no forwarding address
() No such address
() Other (Please Specify)

New Address : 3246 QUESADA
WASHINGTON, DC



20015



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

POSTMASTER

San Diego, CA
92195

MUR 4079

ADDRESS INFORMATION REQUEST

Pursuant to 39 C.F.R. § 265.6(d)(1), please furnish this agency with a new address, if available, for the individual or entity listed below, or verify whether the address given below is one at which mail for this individual or entity is currently being delivered.

NAME: Jim Bates

LAST KNOWN ADDRESS: P.O. BOX 152042

San Diego, CA 92195

Under 39 C.F.R. § 265.9(g)(5)(i), we request a waiver of fees. In this connection I hereby certify that the Federal Election Commission, an agency of the U.S. Government, requires the information requested above in the performance of its official duties, and that all other known sources for obtaining it have been exhausted. A return envelope is enclosed for your convenience.



Lois G. Lerner
Associate General Counsel

FOR POST OFFICE USE ONLY

- () Mail is Delivered to Above Address
() Moved, left no forwarding address
() No such address
 X Other (Please Specify)



New Address : 3246 QUESADA

WASHINGTON DC 20015



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

MAR 2 11 45 AM '95

February 17, 1995

POSTMASTER

Washington DC
20015

MUR 4079

ADDRESS INFORMATION REQUEST

Pursuant to 39 C.F.R. § 265.6(d)(1), please furnish this agency with a new address, if available, for the individual or entity listed below, or verify whether the address given below is one at which mail for this individual or entity is currently being delivered.

NAME: Jim Bates
LAST KNOWN ADDRESS: 3246 Quesada St NW
WDC 20015

Under 39 C.F.R. § 265.9(g)(5)(i), we request a waiver of fees. In this connection I hereby certify that the Federal Election Commission, an agency of the U.S. Government, requires the information requested above in the performance of its official duties, and that all other known sources for obtaining it have been exhausted. A return envelope is enclosed for your convenience.


Lois G. Lerner
Associate General Counsel

FOR POST OFFICE USE ONLY

- () Mail is Delivered to Above Address
() Moved, left no forwarding address
() No such address
(X) Other (Please Specify)

New Address : 1517 BOLTON STREET
BALTIMORE, MD 21217

SAM D. MILLSAP, JR.

ATTORNEY AT LAW

ONE RIVERWALK PLACE, SUITE 1000

700 NORTH ST. MARY'S STREET

SAN ANTONIO, TEXAS 78205

TELEPHONE (210) 227-7565 TELECOPIER (210) 271-0252

RECEIVED
FEDERAL ELECTION
COMMISSION
MAIL ROOM

May 15 11 56 AM '95

May 9, 1995

via CM RRR #P 910 250 544

Ms. Deborah Rice
Federal Election Commission
Office of the General Counsel
999 E. Street, N.W.
Washington, D.C. 20463

Re: MUR 4079; Leslie A. Taber

cc: Dear Ms. Rice:

This letter is to confirm our telephone conversation in regards to MUR 4079 (complaint against Leslie A. Taber). As we discussed yesterday, it is the position of your office that no additional response is mandated at this time in regards to your April 19, 1995 correspondence to our client. Please contact me as soon as possible if any action is needed by our client at this time. As a reminder, Mr. Taber invoked his Fifth Amendment privilege on October 27, 1994.

Sincerely yours,

Seth Bell

Seth Bell
Law Clerk to Sam D. Millsap, Jr.

cc: Mr. Les Taber

STATEMENT OF DESIGNATION OF COUNSELMR. 4079**NAME OF COUNSEL:** Sam D. Millsap, Jr.**ADDRESS:** One Riverwalk Place, Suite 1000
700 N. St. Mary's Street
San Antonio, Texas 78205
(210) 227-7565 Telephone
(210) 271-0252 Telecopier**TELEPHONE:** _____

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

May 8, 1995Date
Signature
Sam D. Millsap, Jr.

9 6 0 4 3 7 3 1 5 3 9

RESPONDENT'S NAME: Leslie A. Taber**ADDRESS:** 102 Westview Rd. NW
Georgetown, TN 37336**HOME PHONE:** (615) 339-1929**BUSINESS PHONE:** (615) 476-7416

RECEIVED
FEDERAL ELECTION
COMMISSION
SECRETARIAT

BEFORE THE FEDERAL ELECTION COMMISSION

FEB 6 12 10 PM '96

In the Matter of

)
) Enforcement Priority
)

SENSITIVE

GENERAL COUNSEL'S REPORT

I. INTRODUCTION

This report is the General Counsel's Report to recommend that the Commission no longer pursue the identified lower priority and stale cases under the Enforcement Priority System.

II. CASES RECOMMENDED FOR CLOSING

O
C
5
—
M
1
M
4
O
6
9
A. Cases Not Warranting Further Pursuit Relative to Other Cases Pending Before the Commission

A critical component of the Priority System is identifying those pending cases that do not warrant the further expenditure of resources. Each incoming matter is evaluated using Commission-approved criteria and cases that, based on their rating, do not warrant pursuit relative to other pending cases are placed in this category. By closing such cases, the Commission is able to use its limited resources to focus on more important cases.

Having evaluated incoming matters, this Office has identified 10 cases which do not warrant further pursuit relative to the other pending cases.¹ A short description of each case and the factors leading to assignment of a relatively

1. These matters are: MUR 4165 (Attachment 2); MUR 4187 (Attachment 3); MUR 4188 (Attachment 4); MUR 4199 (Attachment 5); MUR 4211 (Attachment 6); MUR 4212 (Attachment 7); MUR 4216 (Attachment 8); MUR 4224 (Attachment 9); MUR 4243 (Attachment 10); MUR 4245 (Attachment 11).

low priority and consequent recommendation not to pursue each case is attached to this report. See Attachments 2-11. As the Commission requested, this Office has attached the responses to the complaints for the externally-generated matters and the referrals for matters referred by the Reports Analysis Division in instances where this information was not previously circulated. See Attachments 2-11.

B. Stale Cases

Investigations are severely impeded and require relatively more resources when the activity and evidence are old.

Consequently, the Office of General Counsel recommends that the Commission focus its efforts on cases involving more recent activity. Such efforts will also generate more impact on the current electoral process and are a more efficient allocation of our limited resources. To this end, this Office has identified 33 cases that

do not

warrant further investment of significant Commission resources.²

2. These matters are: PM 308 (Attachment 12); RAD 94L-29 (Attachment 13); RAD 94L-34 (Attachment 14); RAD 94NF-10 (Attachment 15); RAD 94NF-13 (Attachment 16); MUR 4027 (Attachment 17); MUR 4028 (Attachment 18); MUR 4033 (Attachment 19); MUR 4042 (Attachment 20); MUR 4045 (Attachment 21); MUR 4047 (Attachment 22); MUR 4049 (Attachment 23); MUR 4057 (Attachment 24); MUR 4059 (Attachment 25); MUR 4062 (Attachment 26); MUR 4065 (Attachment 27); MUR 4066 (Attachment 28); MUR 4067 (Attachment 29); MUR 4069 (Attachment 30); MUR 4070 (Attachment 31); MUR 4077 (Attachment 32); MUR 4079 (Attachment 33); MUR 4086 (Attachment 34); MUR 4089 (Attachment 35); MUR 4095 (Attachment 36); MUR 4099 (Attachment 37); MUR 4102 (Attachment 38); MUR 4104 (Attachment 39); MUR 4111 (Attachment 40); MUR 4113 (Attachment 41); MUR 4117 (Attachment 42); MUR 4127 (Attachment 43); and MUR 4132 (Attachment 44).

Since the recommendation not to pursue the identified cases is based on staleness, this Office has not prepared separate narratives for these cases. As the Commission requested, the responses to the complaints for the externally-generated matters and the referrals for the internally-generated matters are attached to the report in instances where this information was not previously circulated. See Attachments 12-44.

This Office recommends that the Commission exercise its prosecutorial discretion and no longer pursue the cases listed below in Section III.A and III.B effective February 13, 1996. By closing the cases effective February 13, 1996, CED and the Legal Review Team will respectively have the additional time necessary for preparing the closing letters and the case files for the public record.

III. RECOMMENDATIONS

A. Decline to open a MUR and close the file effective February 13, 1996 in the following matters:

- 1) PM 308
- 2) RAD 94L-29
- 3) RAD 94L-34
- 4) RAD 94NF-10
- 5) RAD 94NF-13

B. Take no action, close the file effective February 13, 1996, and approve the appropriate letter in the following matters:

- 1) MUR 4027
- 2) MUR 4028
- 3) MUR 4033
- 4) MUR 4042
- 5) MUR 4045
- 6) MUR 4047
- 7) MUR 4049
- 8) MUR 4057
- 9) MUR 4059
- 10) MUR 4062
- 11) MUR 4065
- 12) MUR 4066
- 13) MUR 4067
- 14) MUR 4069
- 15) MUR 4070
- 16) MUR 4077
- 17) MUR 4079
- 18) MUR 4086
- 19) MUR 4089
- 20) MUR 4095
- 21) MUR 4099
- 22) MUR 4102
- 23) MUR 4104
- 24) MUR 4111
- 25) MUR 4113
- 26) MUR 4117
- 27) MUR 4127
- 28) MUR 4132
- 29) MUR 4165
- 30) MUR 4187
- 31) MUR 4188
- 32) MUR 4199
- 33) MUR 4211
- 34) MUR 4212
- 35) MUR 4216
- 36) MUR 4224
- 37) MUR 4243
- 38) MUR 4245

M
O
C
I
5
3
7
3
3
4
0
9
6

Date

2/6/96

Lawrence M. Noble
General Counsel

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Enforcement Priority) Agenda Document #X96-13

CORRECTED CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission, do hereby certify that the Commission decided by votes of 4-0 to take the following action in the above-captioned matter:

A. Decline to open a MUR and close the file effective March 5, 1996, in the following matters:

- 1) PM 308
- 2) RAD 94L-29
- 3) RAD 94L-34
- 4) RAD 94NF-10
- 5) RAD 94NF-13

B. Take no action, close the file effective March 5, 1996, and approve appropriate letter in the following matters:

- 1) MUR 4027
- 2) MUR 4028
- 3) MUR 4033
- 4) MUR 4042
- 5) MUR 4045
- 6) MUR 4047
- 7) MUR 4049
- 8) MUR 4057
- 9) MUR 4059

(continued)

Federal Election Commission
Certification: Enforcement Priority
March 6, 1996

Page 2

10) MUR 4062
11) MUR 4065
12) MUR 4066
13) MUR 4067
14) MUR 4069
15) MUR 4070
16) MUR 4077
17) MUR 4079
18) MUR 4086
19) MUR 4089
20) MUR 4095
21) MUR 4099
22) MUR 4102
23) MUR 4104
24) MUR 4111
25) MUR 4113
26) MUR 4117
27) MUR 4127
28) MUR 4132
29) MUR 4165
30) MUR 4187
31) MUR 4188
32) MUR 4199
33) MUR 4211
34) MUR 4212
35) MUR 4216
36) MUR 4224
37) MUR 4243
38) MUR 4245

9 6 0 4 3 7 3 0 5 5

(continued)

Federal Election Commission
Certification: Enforcement Priority
March 5, 1996

Page 3

Commissioners Aikens, Elliott, McDonald, and Thomas
voted affirmatively on the above-noted decisions.
Commissioner McGarry was not present.

9 6 0 4 3 7 3 1 5 2 6

Attest:

3/7/96
Date

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



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 7, 1996

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Maria Cino, Executive Director
National Republican Congressional Committee
320 First Street, S.E.
Washington, D.C. 20003

RE: MUR 4079

Dear Ms. Cino:

On October 7, 1994, the Federal Election Commission received the complaint you filed on behalf of the National Republican Congressional Committee alleging certain violations of the Federal Election Campaign Act of 1971, as amended ("the Act").

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action in the matter. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on March 5, 1996. This matter will become part of the public record within 30 days.

The Act allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

Sincerely,

Mary L. Taksar
(7B4)

Mary L. Taksar, Attorney
Central Enforcement Docket

Celebrating the Commission's 20th Anniversary

YESTERDAY, TODAY AND TOMORROW
DEDICATED TO KEEPING THE PUBLIC INFORMED



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 7, 1996

Ronald S. Liebman, Esquire
Roger S. Ballentine, Esquire
Michael N. Druckman, Esquire
Patton Boggs, L.L.P.
2550 M. Street, N.W.
Washington, DC 20037

RE: MUR 4079
Laughlin for Congress Committee and
Everet Kennemer, III, as treasurer
Congressman Greg Laughlin

Dear Mr. Liebman, Mr. Ballentine and Mr. Druckman:

On October 20, 1994, the Federal Election Commission notified your clients of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action against the Laughlin for Congress Committee and Everet Kennemer, III, as treasurer and Congressman Greg Laughlin. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on March 5, 1996.

The confidentiality provisions of 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

Celebrating the Commission's 20th Anniversary

YESTERDAY, TODAY AND TOMORROW
DEDICATED TO KEEPING THE PUBLIC INFORMED

Mr. Liebman, Esq.
Mr. Ballentine, Esq.
Mr. Druckman, Esq.
Page 2

If you have any questions, please contact the Central Enforcement Docket at (202) 219-3400.

Sincerely,

Mary L. Taksar (7B4)
Mary L. Taksar, Attorney
Central Enforcement Docket

9 6 0 4 3 7 3 1 5 2 9



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 7, 1996

Theodore A. Coulter, President
Sherwood Van Lines, Inc.
10237 North I.H. 35
San Antonio, TX 78220

RE: MUR 4079

Dear Mr. Coulter:

On October 20, 1994, the Federal Election Commission notified you of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action against Sherwood Van Lines and you, as President. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on March 5, 1996.

The confidentiality provisions of 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact the Central Enforcement Docket at (202) 219-3400.

Sincerely,

Mary L. Taksar
(TBH)
Mary L. Taksar, Attorney
Central Enforcement Docket



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 7, 1996

Sam D. Millsap, Jr., Esquire
Law offices of Sam D. Millsap, Jr.
One Riverwalk Place, Suite 1000
700 N. St. Mary's Street
San Antonio, TX 78205

RE: MUR 4079
Ilene Taber, Leslie A. Taber

Dear Mr. Millsap:

On October 20, 1994, the Federal Election Commission notified your clients, Ilene and Leslie A. Taber of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action against Ilene and Leslie A. Taber. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on March 5, 1996.

The confidentiality provisions of 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact the Central Enforcement Docket at (202) 219-3400.

Sincerely,

Mary L. Taksar (7B4)
Mary L. Taksar, Attorney
Central Enforcement Docket



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

March 7, 1996

B. Laurence Macon, Treasurer
Bustamante for Congress Committee
P.O. Box 120010
San Antonio, TX 78230

RE: MUR 4079

Dear Mr. Macon:

On October 20, 1994, the Federal Election Commission notified you of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action against Bustamante for Congress Committee and you, as treasurer. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on March 5, 1996.

The confidentiality provisions of 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact the Central Enforcement Docket at (202) 219-3400.

Sincerely,

Mary L. Taksar
(JBT)

Mary L. Taksar, Attorney
Central Enforcement Docket



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 7, 1996

Robert F. Bauer, Esquire
B. Holly Schadler, Esquire
Perkins Coie
607 14th St. N.W. #800
Washington, DC 20005-2011

RE: MUR 4079
Chet Edwards for Congress and
Bernice M. Beck, as treasurer

Dear Mr. Bauer and Ms. Schadler:

On October 20, 1994, the Federal Election Commission notified your clients, Chet Edwards for Congress and Bernice M. Beck, as treasurer of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action against Chet Edwards for Congress and Bernice M. Beck, as treasurer. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on March 5, 1996.

The confidentiality provisions of 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

Mr. Bauer, Esq.
Ms. Schadler, Esq.
Page 2

If you have any questions, please contact the Central Enforcement Docket at (202)
219-3400.

Sincerely,

Mary L. Taksar
(7BH)
Mary L. Taksar, Attorney
Central Enforcement Docket

9 6 0 4 3 7 3 1 6 0 4



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

March 7, 1996

Abbe Lowell, Esquire
David Fruella, Esquire
Brand & Lowell
923 15th Street, N.W.
Washington, DC 20005

RE: MUR 4079
Wilson Committee and
Amy S. Trites, as treasurer

Dear Mr. Lowell and Mr. Fruella:

On October 20, 1994, the Federal Election Commission notified your clients, the Wilson Committee and Amy S. Trites, as treasurer, of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action against the Wilson Committee and Amy S. Trites, as treasurer. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on March 5, 1996.

The confidentiality provisions of 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact the Central Enforcement Docket at (202) 219-3400.

Sincerely,

Mary L. Taksar
(784)
Mary L. Taksar, Attorney
Central Enforcement Docket

Celebrating the Commission's 20th Anniversary

YESTERDAY, TODAY AND TOMORROW
DEDICATED TO KEEPING THE PUBLIC INFORMED



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 7, 1996

Bill Graham, Treasurer
Re-Elect Bill Sarpalius
P.O. Box 7926
Amarillo, TX 79114

RE: MUR 4079

Dear Ms. Graham:

On October 20, 1994, the Federal Election Commission notified you of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action against Re-Elect Bill Sarpalius Committee and you, as treasurer. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on March 5, 1996.

The confidentiality provisions of 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact the Central Enforcement Docket at (202) 219-3400.

Sincerely,

Mary L. Taksar
(S.B.A.)
Mary L. Taksar, Attorney
Central Enforcement Docket

Celebrating the Commission's 20th Anniversary

YESTERDAY, TODAY AND TOMORROW
DEDICATED TO KEEPING THE PUBLIC INFORMED



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 7, 1996

Carol Sarpalius, Treasurer
Sarpalius for Congress
1200 N. Washington Street
Prospect House #512
Arlington, VA 22209

RE: MUR 4079

Dear Ms. Sarpalius:

On October 20, 1994, the Federal Election Commission notified you of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action against Sarpalius for Congress and you, as treasurer. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on March 5, 1996.

The confidentiality provisions of 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact the Central Enforcement Docket at (202) 219-3400.

Sincerely,

Mary L. Taksar
(7B4)

Mary L. Taksar, Attorney
Central Enforcement Docket

Celebrating the Commission's 20th Anniversary

YESTERDAY, TODAY AND TOMORROW
DEDICATED TO KEEPING THE PUBLIC INFORMED



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 7, 1996

J. Elvin Jackson, Treasurer
Hefner for Congress Committee
P.O. Box 3016
Concord, NC 28025

RE: MUR 4079

Dear Mr. Jackson:

On October 20, 1994, the Federal Election Commission notified you of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action against Hefner for Congress Committee and you, as treasurer. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on March 5, 1996.

The confidentiality provisions of 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact the Central Enforcement Docket at (202) 219-3400.

Sincerely,

Mary L. Taksar
(JBT)

Mary L. Taksar, Attorney
Central Enforcement Docket

Celebrating the Commission's 20th Anniversary

YESTERDAY, TODAY AND TOMORROW
DEDICATED TO KEEPING THE PUBLIC INFORMED



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 7, 1996

Nancy J. Rooks, Treasurer
Jim Chapman for Congress
P.O. Box 388
Sulphur Springs, TX 75482

RE: MUR 4079

Dear Ms. Rooks:

On October 20, 1994, the Federal Election Commission notified you of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action against Jim Chapman for Congress Committee, the first Committee of Texas (Jim Chapman) and you, as treasurer. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on March 5, 1996.

The confidentiality provisions of 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact the Central Enforcement Docket at (202) 219-3400.

Sincerely,

Mary L. Taksar
(AB4)

Mary L. Taksar, Attorney
Central Enforcement Docket

Celebrating the Commission's 20th Anniversary

YESTERDAY, TODAY AND TOMORROW
DEDICATED TO KEEPING THE PUBLIC INFORMED



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

March 7, 1996

Jim Bates, Treasurer
Jim Bates for Congress
Bring Back Bates
Route 2, Box 85
Homedale, ID 83628

RE: MUR 4079

Dear Mr. Bates:

On October 20, 1994, the Federal Election Commission notified you of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action against Jim Bates for Congress and you, as treasurer, and Bring Back Bates and you, as treasurer. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on March 5, 1996.

The confidentiality provisions of 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact the Central Enforcement Docket at (202) 219-3400.

Sincerely,

Mary L. Taksar (J.B.H.)
Mary L. Taksar, Attorney
Central Enforcement Docket



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 7, 1996

George Thompson, Treasurer
Geren for Congress/Friends of Pete Geren
P.O. Box 1136
Fort Worth, TX 76101

RE: MUR 4079

Dear Mr. Thompson:

On October 20, 1994, the Federal Election Commission notified you of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action against Geren for Congress/Friends of Pete Geren and you, as treasurer. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on March 5, 1996.

The confidentiality provisions of 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact the Central Enforcement Docket at (202) 219-3400.

Sincerely,

Mary L. Taksar (FBA)
Mary L. Taksar, Attorney
Central Enforcement Docket

Celebrating the Commission's 20th Anniversary

YESTERDAY, TODAY AND TOMORROW
DEDICATED TO KEEPING THE PUBLIC INFORMED



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 7, 1996

James W. Wise, Treasurer
Friends of John Conyers
1560 Wilson Boulevard, Suite 320
Arlington, VA 22209

RE: MUR 4079

Dear Mr. Wise:

On October 20, 1994, the Federal Election Commission notified you of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action against Friends of John Conyers and you, as treasurer. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on March 5, 1996.

The confidentiality provisions of 2 U.S.C. § 437g(a)(2) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact the Central Enforcement Docket at (202) 219-3400.

Sincerely,



Mary L. Taksar
(FBI)

Mary L. Taksar, Attorney
Central Enforcement Docket



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 7, 1996

Nathan Conyers, Treasurer
Conyers for Congress
1833 E. Jefferson
Detroit, MI 48207

RE: MUR 4079

Dear Mr. Conyers:

On October 20, 1994, the Federal Election Commission notified you of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action against Conyers for Congress and you, as treasurer. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on March 5, 1996.

The confidentiality provisions of 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact the Central Enforcement Docket at (202) 219-3400.

Sincerely,

Mary L. Taksar
(7B4)

Mary L. Taksar, Attorney
Central Enforcement Docket

Celebrating the Commission's 20th Anniversary

YESTERDAY, TODAY AND TOMORROW
DEDICATED TO KEEPING THE PUBLIC INFORMED



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 4079

DATE FILMED 4-3-86 CAMERA NO. 3

CAMERAMAN JMX

9 6 0 4 3 7 3 1 6 1 4