FEDERAL ELECTION COMMISSION ENFORCEMENT ACTIONS: FOREIGN CAMPAIGN CONTRIBUTIONS AND OTHER FECA VIOLATIONS

HEARING

BEFORE THE

COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT HOUSE OF REPRESENTATIVES

ONE HUNDRED FIFTH CONGRESS

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FEDERAL ELECTION COMMISSION ENFORCEMENT ACTIONS: FOREIGN CAMPAIGN CONTRIBUTIONS AND OTHER FECA VIOLATIONS

TUESDAY, MARCH 31, 1998

HOUSE OF REPRESENTATIVES,
COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT,
Washington, DC.

The committee met, pursuant to notice, at 10 a.m., in room 2154, Rayburn House Office Building, Hon. Dan Burton, (chairman of the committee) presiding.

Present: Representatives Burton, Morella, Shays, Horn, Mica, Davis of Virginia, Shadegg, Pappas, Snowbarger, Barr, Waxman, Owens, Maloney, Barrett, Norton, Fattah, Cummings, Kucinich, Davis of Illinois, Tierney, and Turner.

Staff present: Kevin Binger, staff director; Richard Bennett, chief counsel; William Moschella, deputy counsel and parliamentarian; Judith McCoy, chief clerk; Teresa Austin, assistant clerk/calendar clerk; Will Dwyer, director of communications; Ashley Williams, deputy director of communications; Dudley Hodgson, chief investigator; Barbara Comstock, chief investigative counsel; Dave Bossie, oversight coordinator; James C. Wilson and Uttam Dhillon, senior investigative counsels; Bill Hanka and Robert Dold, investigative counsels; Elliott Berke, investigative attorney; Robin Butler, office manager; Tom Bossert, Barrett Davie, and Mark Sylvester, investigative staff assistants; Phil Schiliro, minority staff director; Phil Barnett, minority chief counsel; Kenneth Ballen, minority chief investigative counsel; Christopher Lu, David Sadkin, and Michael Yang, minority counsels; Rick Jauert, minority professional staff member; Ellen Rayner, minority chief clerk; and Earley Green, Jessica Robinson, and Andrew Su, minority staff assistants.

Mr. BURTON. The committee will come to order. Good morning. A quorum being present, the Committee on Government Reform and Oversight will come to order.

Without objection, all Members and witnesses statements will be included in the record.

Is this mic turned up a little bit louder than normal? I think they can hear me across the street.

Without objection, all exhibits, articles, and extraneous or tabular material referred to during this hearing will be included in the record. So ordered.

I ask unanimous consent that the letter from Judah Best to the chairman dated March 30, 1998, and the accompanying material be

included in the appropriate place in the record. Without objection, so ordered.

[NOTE.—The information referred to may be found at the end of the hearing on p. 133.]

Mr. BURTON. I ask unanimous consent that questioning in the matter under consideration proceed under Clause 2(j)(2) of House Rule XI, and that Committee Rule 14, in which the chairman and ranking minority member allocate time to committee counsel as they deem appropriate for extended questioning, not to exceed 60 minutes equally divided between the majority and the minority. Without objection, so ordered.

I ask unanimous consent that all exhibits shared with the minority for this hearing be included in the appropriate place in the record. Without objection, so ordered.

Good morning, before I begin my opening statement, I want to say a few words about our recently departed colleague, Steve Schiff. Steve Schiff was a good friend to every member of this committee. He is going to be sorely missed by everyone. He was a very hard worker. He was a person who was very well-informed. He was very concerned about the problems facing this country. He was the vice chairman under Chairman Clinger during the previous Congress.

He was one of the hardest-working Members that we had and he had a very tough time over the last couple of years. He fought a long and hard fight to overcome cancer. It's a fight that takes a lot of courage and inner strength. Those are things that Steve had a lot of. Our hearts go out to Steve's family, and I hope that everyone in New Mexico knows how much he was respected and admired by all of us here.

For the last year and a half, the Justice Department——

Mr. WAXMAN. Mr. Chairman, before you get into your opening statement, would you yield?

Mr. BURTON. I would be happy to yield to my colleague.

Mr. WAXMAN. I want to join you in expressing the fact that all of us mourn the passing of our friend and colleague, Congressman Steve Schiff. He is one of the Members of Congress that I most respected. He was a very respected Member of Congress, but also a lawyer who fought to make sure that the rights of individuals were protected.

He played a significant role—I know because of my involvement in the health area—in making sure that the Justice Department had the tools to go after fraud and abuse in the Medicare and the Medicaid programs.

I also want to express to his family and his constituents the fact that all of us will miss him, and those of us on this committee will miss him even more so, because he brought to his activities as a Member of Congress a deep respect for the rights of everyone, Democrats and Republicans, and individual liberties as well.

Thank you for yielding to me.

Mr. BURTON. Thank you, Mr. Waxman. Mrs. Morella.

Mrs. MORELLA. Thank you, Mr. Chairman, and I'm glad that you mentioned our recently departed good friend Steve Schiff. I had the honor of serving with him not only on this committee, but also on

the Science Committee, where he chaired the Basic Research Subcommittee.

And in all of those endeavors, including personal relationships on the floor of the House and otherwise, Steve Schiff was a man of great reason, a man of great fairness, a great human being. I particularly recall that we looked to him for advice and counsel when he served on the Ethics Committee, which was not an easy task, one for which he will be remembered because he was exceedingly fair and outreaching.

So he is a great human being who will be lost, but will live on in love and in our memories. And again, I offer my condolences to his family and to his friends. Thank you.

Mr. BURTON. Thank you, Connie.

Unless there are further comments, let me proceed.

For the last year and a half, the Justice Department has been investigating allegations of illegal fundraising against numerous people tied to the President's re-election campaign. The Task Force has been criticized for the slow pace of its investigation. The Attorney General clearly has a conflict of interest in investigating her boss, the President, and his top advisors. But the Attorney General has refused, time and again, to appoint an independent counsel.

Recently, the Task Force indicted Charlie Trie, Antonio Pan and Maria Hsia. Johnny Chung pled guilty. All of these indictments involve illegal contributions.

However, the Justice Department is not the only agency that enforces our campaign finance laws. The Federal Election Commission is charged with making sure that the Federal Election Campaign Act is obeyed. While the Justice Department brings criminal prosecutions, the FEC seeks civil fines and injunctions against those who do not obey the law.

The FEC has been conducting its own investigation of illegal foreign fundraising. Today, we're going to take a close look at the way the FEC has handled the case of Thomas Kramer. They have made some controversial decisions that ought to be examined.

Thomas Kramer is a German citizen who lives in Florida. He made over $380,000 in contributions to both Democrats and Republicans, despite the fact that he was not eligible to contribute. The FEC handed out over $450,000 in fines in this case—over $300,000 to Mr. Kramer himself. Yet one individual who played a very prominent role in this matter was not fined. He was not even investigated. That individual is Howard Glicken, a prominent Democratic fundraiser in Florida. When it recommended not pursuing the allegations against Mr. Glicken, the FEC staff specifically cited his close ties to Vice President Gore.

The fact that Thomas Kramer was a German citizen was not exactly a State secret. In January 1993, the Miami Herald ran a cover story about him in its Sunday magazine. It called him a, quote, "German tycoon" in big, bold letters right on the cover.

In March 1993, Forbes Magazine published an article about Kramer, and it referred to him as, quote, "the German-born Kramer" in one of the lead paragraphs.

In an affidavit Kramer filed with the FEC in 1994, Kramer said this, quote, I speak English with a German accent, and I believe most people who know me realize I am German. Nevertheless, no

one who solicited or accepted my candidate contributions ever asked me about my immigration status, advised me that it was illegal for me to contribute, or rejected my political contributions because of my citizenship, end quote.

Beginning in March 1993, he contributed over $380,000 to Federal candidates and party organizations. He gave to Republicans, he gave to Democrats. It seems he gave to everyone. The question that needs to be asked is, quote, "Who solicited these contributions?"

For starters, his lawyer did. Mr. Kramer was represented by Marvin Rosen's law firm. Marvin Rosen went on to become the finance chairman of the Democrat National Committee. Mr. Rosen's firm, Greenberg-Traurig, handled all of Mr. Kramer's immigration work. I want to state that again. They handled all of his immigration work, so they should have been aware of Mr. Kramer's status. If anyone knew that he was not a U.S. citizen or even a foreign resident, it certainly was Mr. Rosen and his lawyers. Yet the FEC cited Mr. Rosen's law firm for soliciting $91,000 in contributions from Mr. Kramer. According to documents from the DNC, Mr. Rosen himself solicited a $60,000 contribution from Mr. Kramer in 1994. His law firm was fined $77,000.

Who else solicited contributions from Mr. Kramer? Howard Glicken did. Howard Glicken is the Chairman of the Board of the Americas Group in Miami. He is a DNC trustee. He has visited the White House 70 times during the Clinton administration. In 1988, he served as then-Senator Gore's Florida finance chairman during his race for President.

According to the Democratic Senatorial Campaign Committee, Howard Glicken solicited a $20,000 contribution from Mr. Kramer in April 1993. In an affidavit filed the Federal Elections Commission, Mr. Kramer said that, quote, a Democratic party fundraiser, end quote, advised him that the DSCC would only accept contributions from U.S. citizens and that he should route his contribution through another person. Mr. Kramer did exactly that, making the contribution through his secretary, Terri Bradley.

Who was the fundraiser who asked Mr. Kramer to make this conduit contribution? Mr. Kramer will not say unless he gets immunity. His secretary will not say unless she gets immunity.

The FEC staff believes that it was Howard Glicken. The General Counsel's report states: "While this Office would generally recommend a 'reason to believe' finding against Mr. Glicken and conduct an investigation into the two DSCC contributions, because of the discovery complications and time constraints . . . this Office does not now recommend proceeding against this identified individual or the DSCC."

In other words, it has not been proven that Mr. Glicken sought conduit contributions for Mr. Kramer, but there is strong evidence that he did. There is strong evidence that Mr. Glicken knew that Mr. Kramer was not a citizen and asked him to make the conduit contributions.

Apparently, this was not the only time Mr. Glicken solicited campaign contributions from Mr. Kramer. It appears that in 1993 and 1994, Mr. Glicken twice solicited contributions from Mr. Kramer to the DNC. Mr. Kramer made these contributions through his com-

panies. DNC documents list Mr. Glicken as the solicitor. Mr. Kramer and his lawyers have conceded that these and all of his contributions were illegal and agreed to pay fines of $323,000.

The question we are trying to resolve today is this: Why didn't the FEC investigate these very serious allegations against Mr. Glicken?

They conducted a very thorough investigation of Marvin Rosen's law firm and he was fined and his firm was fined $77,000.

They conducted a thorough investigation of the Republican party of Florida and the Republican party of Florida was fined $82,000.

They fined Thomas Kramer and his secretary a combined total of $350,000.

Yet with Howard Glicken, the FEC chose not even to investigate. They had evidence that Mr. Glicken knew Mr. Kramer was a foreign national and asked him to make a conduit contribution of $20,000. They had evidence that Mr. Glicken went on to solicit two other contributions worth $85,000 for the DNC.

Why didn't they investigate? Here is what the FEC's General Counsel's Report says. And I hope all my colleagues will listen to this. "Because of Mr. Glicken's high profile as a prominent Democratic fundraiser, including his potential fundraising involvement in support of Vice President Gore's expected Presidential campaign, it is unclear that this individual would agree to settle this matter short of litigation."

Since when does someone get a free ride because he is a prominent Democratic fundraiser? Since when does someone get a free ride because he is a supporter of the Vice President? Since when does someone get a free ride because it looks like he might fight a penalty in court instead of settling?

These are very serious allegations against Mr. Glicken. I find it very disturbing that the FEC would not pursue them, when all of the other major participants were fined. The Republican party of Florida was fined $82,000. I take no issue with that. If the Florida Republican party did something wrong, they should have been fined.

However, if an equally thorough investigation was not conducted regarding Mr. Glicken because of his ties to the Vice President or because he might not be cooperative, then something is seriously wrong.

When Mr. Noble appeared before Congressman Horn's subcommittee, he stated that he recommended closing this investigation because the statute of limitations was going to run out in 8 months and he did not have time. The problem that I have with that is that Mr. Glicken continued to solicit contributions from Mr. Kramer into the spring of 1994, a full year after the conduit contribution to the DSCC. The statute of limitations hadn't expired on the most recent contribution, or has not expired on the most recent contribution. The statute of limitations does not expire for another year. Time should not have been an issue.

I also have to question the slow pace of the FEC's investigation. Mr. Kramer came forward voluntarily in 1994. He told the FEC that a prominent Democratic fundraiser had asked him to make a conduit contribution. I would expect that kind of an allegation—of individuals connected to political parties seeking illegal contribu-

tions—would be a priority of the FEC. Yet, it was not until 1997 that the FEC sought the interrogatories from the Democratic Senatorial Campaign Committee that identified Howard Glicken as the solicitor.

Why did the FEC wait for 2½ years to act? These are all questions that we will be posing to our witnesses today.

I want to thank Mr. Thomas for appearing today. Mr. Thomas is the Vice Chairman of the FEC. He is a Democrat appointee. I should note that the Commissioners' vote on this matter does not appear to be a partisan move. There are five commissioners—three Democrats and two Republicans. All five voted not to investigate Mr. Glicken. However, I would like to hear whether Mr. Thomas or any of the other commissioners questioned this recommendation from their staff, and if not, why not?

I also want to thank Lawrence Noble for appearing. Mr. Noble is the General Counsel. Accompanying him are Lois Lerner, the Associate General Counsel, and Jose Rodriguez, a Staff Attorney at the FEC. I look forward to all of your testimony.

Mr. Waxman.

Mr. WAXMAN. Mr. Chairman, it's been over 2 months since our last hearing, so it's an appropriate time to take another fresh look at this investigation.

Mr. Chairman, you began this investigation in November 1996. In those 17 months, we have spent $5 million. And at our current rate, we'll spend another $5 million before the year is up. This is the most expensive investigation by the Congress of the United States in history. It's fair to ask what have we accomplished for all this money?

Before 1996, no House chairman had ever issued unilateral subpoenas. The process had always been that the chairman would consult with the minority about issuing a subpoena or would bring it to a vote of the committee.

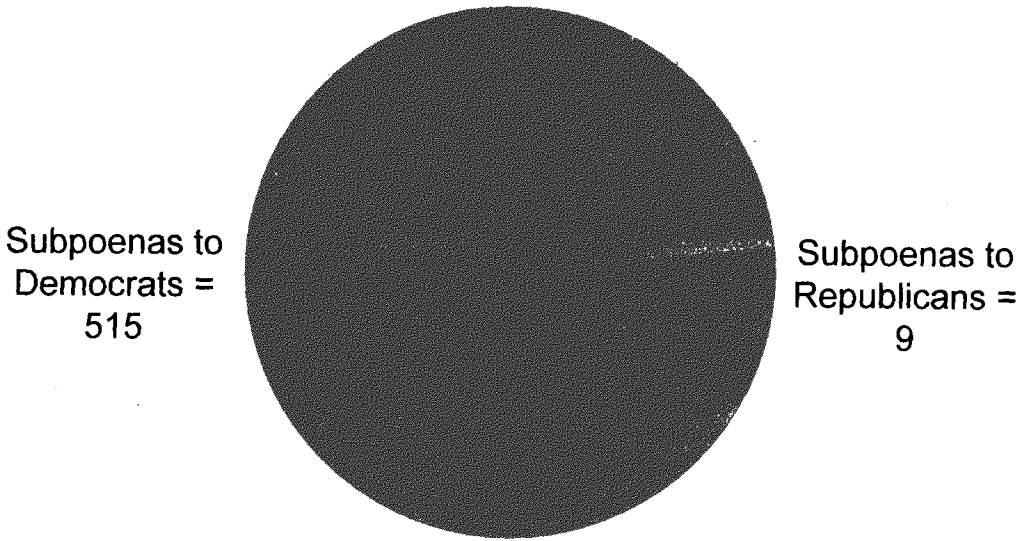
But since February of last year, Chairman Burton has issued 524 subpoenas unilaterally. Let me repeat that. In 1 year's time, the chairman and his staff have issued 524 unilateral subpoenas. That means no vote of the committee and no concurrence with the Democrats.

That's about five subpoenas for every day that the Congress has been in session. Those subpoenas were issued without debate. No one, not Chairman Burton nor his staff, are accountable for these actions. They never have to justify why they issue a subpoena or explain how it relates to the committee's work.

Of those 524 subpoenas—and I asked the staff to put up a chart—515 have been issued in relationship to alleged Democratic fundraising abuses. Only nine subpoenas relate to Republican activities, and you can see that on the chart.

[The chart referred to follows:]

The Partisan House Campaign Finance Investigation



Subpoenas Are Issued Unilaterally by the Chairman Without the Concurrence of the Ranking Minority Member or a Vote of the Committee

Mr. WAXMAN. Recently, Chairman Burton has unilaterally subpoenaed 18 different Democratic party organizations, and we're putting up a chart as well that shows that 14 State Democratic parties have been asked to produce information to the committee. In fact, they weren't asked; they were demanded to open their records to this committee's staff. And we have such State Democratic parties as California, Florida, Illinois, Louisiana, Maine, New York and 8 other States.

Why are these State Democratic Committees being investigated? Did they work with Johnny Chung? Perhaps they funneled foreign money into the political system? Or maybe their only crime was that they tried to elect Democrats to office. And these days, that's all you need in order to merit having a subpoena issued against you.

Whatever the reason, we'll never know, because Chairman Burton doesn't have to explain his staff's fishing expedition. He only has to sign the subpoenas and keep the staff on the payroll.

Now this chart is especially interesting because even though 18 Democratic party organizations have been subpoenaed, not a single Republican entity is being scrutinized or inconvenienced in any way. Now it's possible, of course, that no subpoenas have been issued because the Republican party at all levels scrupulously follows the rules.

But to believe that, one would have to ignore the Kansas Triad scandal, the Florida Republican party's acceptance of Thomas Kramer's illegal contributions, and the Haley Barbour/Republican National Committee/National Policy Forum scandal. And one would have to pretend that the biggest scandal of all, last year's $50 billion Gingrich/Lott tobacco tax break, never happened.

Of course, this is absolutely ludicrous, which is exactly what this investigation has become. There is no pretence of fairness or objectivity. We investigate Democrats because they are Democrats, and we ignore Republican abuses because that's off limits.

Mr. Chairman, before 1996, this committee had never deposed a single witness. But in the last year, your staff has deposed 143 people. Of those 143 witnesses, only 14 have ever been called to testify at our hearings.

I believe, Mr. Chairman, that you are presiding over a process that is completely out of control. Your staff can subpoena information from anyone they want without any explanation. They can depose anyone for as long and as many times as they want, without explanation and without regard for the extraordinary burdens that places upon individuals.

Three years ago, I heard a lot of Republican rhetoric about big government and getting government off the backs of the American people. But this investigation is big and intrusive government power at its worst. This committee is using taxpayers' dollars to punish people, humiliate them, harass them month after month.

We now live in a time where Independent Counsel Ken Starr can subpoena Monica Lewinsky's book purchases and this committee can eavesdrop on Webb Hubbell's phone conversations with his wife. And this information can then be made public without even a second thought to an individual's legitimate right to privacy.

The procedures we are following in this investigation should deeply trouble anyone concerned about eroding individual liberties. It should also bother anyone worried about the unlimited and unfettered power of government and the government's ability to inflict pain without any legitimate purpose.

Mr. Chairman, after at least $5 million and over 500 subpoenas, we have accomplished nothing of real value. Without question, this is the most partisan, wasteful congressional investigation in history. And even today's hearing proves this point.

The chairman started off his statement by talking about the fact that the Attorney General, Janet Reno, a very respected person, is not competent to conduct an investigation because she has a conflict of interest. What is her conflict of interest? Well, she was appointed by a Democratic President who was elected by the American people.

He also went on to say that the Federal Elections Commission must be involved in some problem that disqualifies them from being fair, even though they have two Republicans and three Democrats, all of whom agreed with the issue before us not to prosecute and move further with actions against Mr. Glicken.

They, at least, had bipartisan support for their position. This committee certainly has a conflict of interest when taxpayers' money is being used for partisan investigations only. Nothing could be more partisan than what we see in this committee's investigation.

Now, the chairman's opening statement was a complete distortion of the record of the Federal Election Commission. They collected a lot of the fines involved in this issue that's under discussion today. They got at the central players in the case. But they are being criticized because they didn't pursue action against a man by the name of Howard Glicken.

Now, this was already the subject of a subcommittee hearing just a few weeks ago, and now we're repeating that hearing here at the full committee. The Federal Election Commission has pursued—I think we ought to put this in context—in the last 5 years between 200 and 400 enforcement cases. And some of those cases they have prosecuted and some of the cases they have decided not to go further and pursue because they didn't think it was justified.

You would think that the only cases they don't pursue are cases that involve contributions to Democrats. Well, that's not true. They have gotten enforcement actions against those who have given to Democrats.

But they've also dismissed cases involving Republicans, and in the last 3 months, the following cases have been dismissed without action: Dole for President, where there was an improper corporate contribution and conduit contributions; a Dole/Kemp 1996 allegation of excessive contributions, improper contributions by government contractors, improper corporate contributions; another one against the National Republican Senatorial Committee; the National Republican Congressional Committee; Senator Alfonse D'Amato; Buchanan for President; Representative Helen Chenoweth; and Friends of Jim Inhofe.

[The chart referred to follows:]

SELECTED CASES DROPPED BY THE FEC IN 1998

COMMITTEE	ACTION TAKEN
Dole-Kemp '96	Dismissed (1/23/98)
Buchanan for President	Dismissed (1/23/98)
Friends of Jim Inhofe	Dismissed (1/23/98)
National Republican Congressional Committee	Dismissed (1/30/98)
Senator Alfonse D'Amato	Dismissed (1/30/98)
Representative Helen Chenoweth	Dismissed (1/30/98)
Dole for President	Dismissed (3/20/98)
National Republican Senatorial Committee	Dismissed (3/20/98)

Mr. WAXMAN. These are all Republicans, and the FEC found that there were not sufficient reasons to pursue those actions. No one's criticizing them for that. They are not called before a congressional hearing to explain that. They are being called to answer to this congressional hearing over one very small matter and the record of that matter is being distorted today.

My final point, Mr. Chairman, is to note the remarkable cynicism of the past 2 days. As this day unfolds, we'll hear hours of rhetoric about campaign finance issues. And yet just yesterday, we watched the Republican leadership kill campaign finance reform with an abominable procedure on the House floor.

Yesterday's charade is a disgrace that will long be remembered, and it lays bare that the objective of the Republican leadership, including the leadership of this committee, is to score partisan political points, not to improve the system.

Our investigation has never been one that would lead us in a bipartisan way to change the system. Our investigation has been partisan and the procedure yesterday was to avoid the fact that a majority of the members of the House of Representatives, Democrats and Republicans alike, were willing to vote for real campaign finance reform and, to keep that majority from working its will, the Republican leadership put on the House floor bills that required two-thirds vote, bills that were a sham, and a procedure that kept the majority from moving forward with real bipartisan campaign finance reform.

I yield back the balance of my time.

Mrs. MALONEY. Mr. Chairman, could I make an opening statement?

Mr. BURTON. We thought we would have opening statements submitted for the record. Just the chairman and the ranking minority member make opening statements to expedite the hearing, so if you would submit your statement for the record.

Mrs. MALONEY. Very well.

[The prepared statements of Hon. Carolyn B. Maloney and Hon. Danny K. Davis follow:]

Opening Statement
The Honorable Carolyn B. Maloney
Committee on Government Reform and Oversight
Hearing on the FEC
March 31, 1998

Mr. Chairman, we are here today to examine the role of the Federal Election Commission in enforcing campaign finance law. However, if our goal is to discover why certain violations of election law go unpunished, then we should look no further than the members of this House. It is Congress that for years has cut the FEC's budget and limited the FEC's authority, all to make sure that the agency remains a "toothless tiger." In three of the last four years, Congress has cut the FEC's budget request by over ten percent. In Fiscal Year 1995, the FEC requested nearly thirty million dollars, but Congress appropriated just over twenty-five million. In 1996, the agency asked for almost thirty-two million, and was given just over twenty-six million. In 1997, the agency originally requested over thirty-three million, and Congress appropriated just over twenty-five. For 1998, Congress granted nearly all of the FEC's funding requests, but then tried to fence the agency in by attaching stipulations which prevented the agency from using much of the money to investigate alleged campaign finance abuses.

To cite just one statistic, Mr. Chairman, last year, the FEC's enforcement budget was smaller than the total amount of money spent by this committee and the Senate Governmental Affairs Committee in investigating the alleged abuses of the 1996 Clinton Campaign. This Congress spent more money investigating the alleged abuses of one campaign and one political party from one election than it permitted the FEC to spend investigating all allegations from the same year.

Mr. Chairman, last night this House passed a bill which many called "FEC Reform." Yet we did so without a single hearing on the bill. We did so without a single mark-up. And we did so without consulting the FEC itself to see whether it could implement the proposed changes.

I suspect that if we had consulted the FEC beforehand, we would have been able to pass a much stronger version. If we were serious about making the FEC stronger, we would not be here today grilling these public servants. Rather, we would be holding hearings on how Congress can help the FEC better do its job.

Instead, this investigation has become the most costly, most partisan investigation in the history of Congress. The numbers speak for themselves:

We have spent five million dollars in taxpayer money. We will probably spend five million more before this investigation is over. This committee has issued 524 subpoenas. Of these, only nine have been targeted toward Republican fundraising abuses. The rest have been aimed at Democrats. Eighteen different state Democratic parties have been subpoenaed, in some cases simply for doing nothing more than supporting Democratic candidates. Not a single Republican state party has been faced with a similar subpoena.

Not only have many Democrats been unfairly targeted, but many serious allegations of alleged Republican violations have not been investigated. Triad Management Company allegedly funneled millions to nonprofit organizations to support Republican candidates, but we have not held one single hearing in this committee to investigate the issue. Nor have we investigated the connection between the tax breaks given to tobacco companies and the huge soft-money contributions which these same companies have given to the Republican party over

the years.

If this committee wanted to conduct a fair, bipartisan investigation, we would be exploring these allegations along with the allegations concerning Democratic fundraising practices.

Mr. Chairman, I have criticized this investigation many times in the past, and I do so again today. This investigation is overly partisan, one-sided, redundant, and unnecessary. Yet today's hearing is particularly ironic because it occurs the morning after the House leadership prevented the membership of this House from having a full and fair debate on campaign finance reform. Even after this committee has spent millions of taxpayer dollars on a partisan witch hunt, the leadership of the House still refuses to permit an open discussion of campaign finance reform. Mr. Chairman, the American people demand real action on campaign finance reform, not this partisan witch hunt.

Statement of Danny K. Davis (ILO7)
Campaign Finance Reform Hearing
March 31, 1998

Thank you Mr. Chairman for allowing me to express my thoughts and concerns on this morning's campaign finance reform hearing.

Although I believe that it is important to continue the discussion about real campaign finance reform, I believe that it is truly a partnership between us, the United States Congress, as

well as the Federal Election Commission (FEC). Somewhat of a check and balance system.

As exemplified by last night's debate, Congress has yet to fully deliberate campaign finance reform and pass a real sweeping measure. We need an effective, fair system guiding our donations to various campaigns. In essence, we still need the tools provided

through a worthy bill. At the same time, the FEC also needs effective "tools" to enforce current and new campaign finance laws. The FEC's compliance division's budget to operate is hardly comparable to this committee's. In FY '97, the compliance division received $6.5 million. Comparatively, this Committee received $20 million in the 105th Congress—the increase

primarily due to the current investigation.

Furthermore, it would seem somewhat redundant that we use our valuable resources to hold this particular hearing today since the FEC has already testified about this particular case on March 5, 1998 in the GMIT subcommittee.

I say, that we get back to the business of Congress by

investigating original alleged campaign finance wrongdoing by both sides of the aisle. Let's get to the heart of the issue. How many times do we depose people in this chamber, when the Senate has already deposed the same individual? Instead of spinning our wheels, let's put our wheels in motion towards full, effective reform.

Thank you very much and I yield back the balance of my time.

Mr. BURTON. On behalf of the committee, I'd like to welcome Scott Thomas, Vice Chairman of the FEC, Lawrence Noble, General Counsel of the FEC, Lois Lerner, Associate General Counsel of the FEC, and Jose Rodriguez, Attorney for the FEC.

Would you please stand and raise your right hands?

[Witnesses sworn.]

Mr. BURTON. Do any of you have statements you would like to make at the outset or would you like to get right to questions?

STATEMENT OF SCOTT E. THOMAS, VICE CHAIRMAN, FEDERAL ELECTION COMMISSION; LAWRENCE M. NOBLE, GENERAL COUNSEL, FEDERAL ELECTION COMMISSION; LOIS LERNER, ASSOCIATE GENERAL COUNSEL, FEDERAL ELECTION COMMISSION, AND JOSE RODRIGUEZ, STAFF ATTORNEY, FEDERAL ELECTION COMMISSION, ASSIGNED TO THE INVESTIGATION OF THOMAS KRAMER

Mr. THOMAS. Mr. Chairman, we're happy to go right to questions.

Mr. BURTON. Thank you, Mr. Thomas.

Mr. Bennett, you are recognized for 30 minutes, and I'd like you to yield to me.

Mr. BENNETT. Yes, Mr. Chairman, I yield my time back to you.

Mr. BURTON. Let me just take a minute or two to respond to my colleague, Mr. Waxman.

First of all, we have not spent $5 million. We have spent $2.5 million and 25 percent of that went to the minority. That's the fact.

Second, because of this committee's actions, in part, there have been some indictments that have taken place. If you look at the indictment of Charlie Trie, you will find that actions taken by this committee are right in the indictment. Charlie Trie's been indicted. Antonio Pan has been indicted. Maria Hsia has been indicted. Johnny Chung, whom we have met with, has pled guilty. Michael Brown has pled guilty. Gene and Nora Lum have pled guilty.

So this hasn't been a total exercise in futility. But let me go on just a little bit further. And I listened intently to Mr. Waxman, and I hope he'll listen just a little bit to some of the things I have to say.

First of all, it's interesting to me that the Democrats on this committee and at the White House, whenever there is something that appears to be a problem for them, attack the investigator. I have been attacked. Mr. Starr has been attacked. Senator Thompson has been attacked. Congressman Leach has been attacked. Congressman Clinger has been attacked.

Anyone who endangers in any way the DNC or the White House is viciously attacked. And I have a list, if anyone is interested, of about 40 people or organizations that have been viciously attacked because of allegations that they have made against the White House.

Now, I understand that this is some kind of a mini-war and you have to expect those things. But the fact is if you are going to investigate any allegations at all against this White House, you had better be ready for vicious attacks on your character, your background and anything you have ever done in your life, all the way back to your childhood in some cases.

Now let me talk about something else here that——

Mr. WAXMAN. Mr. Chairman, before you do, will you yield to me?

Mr. BURTON. I will not yield to you. You'll have your 30 minutes in a moment.

One of the reasons why we have not been as successful as I would have liked—and I hope you in the media will get this—89 people, many very close friends of the President have either fled the country or are taking the fifth amendment, 89 people. And I am confident before this is over, it's going to go well over 100.

Now if these people have nothing to hide, if the administration has nothing to hide, why is everybody heading for the hills? Why are they going to Thailand, Indonesia, where we are incidentally trying to bail them out with a lot of money from the World Bank and the IMF? Why are all these people taking off for China and everyplace else under the sun? Why have 90 people almost fled the country or taken the fifth amendment and will not appear or testify? Because of the fear of self-incrimination, because they may have done something wrong.

I think that's something that's significant. And when Mr. Waxman and the Democrats attack, attack, attack; and when the White House attacks, attacks, attacks; and when the spin doctors like Lanny Davis and others spin and spin and spin and attack, attack, attack, there ought to be some concern out there in the hinterlands about that.

I mean, if there's nothing to this, why won't they at least make a clean breast of it? Why won't the President make a clean breast of these things instead of heading off to Africa or wherever he's going. The fact of the matter is there are things that need to be looked into. We intend to look into them. No amount of intimidation or attacks on me or the committee will work. We can go into this week after week where every time we have a hearing, Mr. Waxman, you attack me and attack the veracity of what we're trying to do. You can do it all you want to. But we're going to continue on until we get to the bottom of this, if it's at all possible.

And with that, Mr. Bennett, you have the remainder——

Mr. WAXMAN. Mr. Chairman, will you yield to me so I can respond to your comments?

Mr. BURTON. You'll have your 30 minutes in a minute. In 30 minutes, you'll have your time.

Mr. WAXMAN. You will not yield.

Mr. BURTON. No, I won't. Mr. Bennett.

Mr. BENNETT. Thank you, Mr. Chairman. Mr. Thomas, I recognize that some of the other members of the panel have more detailed knowledge of this file, but let me just clarify one thing, if I can. It is correct, is it not, that Mr. Thomas Kramer came forward voluntarily with respect to information concerning his illegal contributions as a foreign national to both Democrats and Republicans alike, isn't that correct?

Mr. THOMAS. He did come to us initially. I gather that he was spurred somewhat by a newspaper story about his predicament that occurred just before he came to us.

Mr. BENNETT. The newspaper story was in, I believe——

Mr. BURTON. Would you pull the microphone a little bit closer so we can hear you clearly? Thank you, Mr. Thomas.

Mr. BENNETT. The newspaper story, I believe, was in the Tampa Tribune in September 1994.

Mr. THOMAS. I believe that's correct.

Mr. BENNETT. And for the members of the committee, I think a week thereafter on October 4, 1994, as reflected by exhibit 4 in the exhibit books, Mr. Kramer's law firm actually notified the FEC of the fact that he had been made aware of the fact that he was not allowed to contribute as a foreign national. Isn't that correct?

[Exhibit 4 follows:]

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

OCT 5 11 42 AM '94

WILMER, CUTLER & PICKERING
2445 M STREET, N.W.
WASHINGTON, D.C. 20037-1420

October 4, 1994

Pre-MUR 307

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

Re: Thomas Kramer

Dear Larry:

I am writing to follow up on our brief phone call last Friday. As I explained, we represent Thomas Kramer and wish to disclose voluntarily to the Commission Mr. Kramer's recent discovery that he may have inadvertently violated provisions of the Federal Election Campaign Act by making or causing contributions in connection with candidate elections notwithstanding his status as a foreign national. At the time Mr. Kramer made or caused these contributions, he was not aware that foreign nationals may not make contributions in connection with candidate elections in the United States. Mr. Kramer is willing to cooperate fully with the Commission and its staff in connection with this matter. We are reviewing Mr. Kramer's records to identify which contributions may raise questions under the FECA. We will promptly advise the Commission of any such contributions. If we conclude that any contributions were questionable, Mr. Kramer will promptly seek refunds of the contributions in question.

We would appreciate it if you would forward this letter to the appropriate person on your enforcement staff. Thank you for your cooperation.

Very truly yours,

Roger M. Witten

cc: Mr. Kramer

EXHIBIT
FEC - 4

Mr. THOMAS. That's my understanding.

Mr. BENNETT. And then 2½ months later, as reflected by exhibit 5 in the exhibit book before members of the committee, his law firm followed up with a more detailed recitation of to whom he had contributed and basically what he had done as a foreign national in making contributions. Is that correct?

[Exhibit 5 follows:]

WILMER, CUTLER & PICKERING

2445 M STREET, N. W.

WASHINGTON, D. C. 20037-1420

December 27, 1994

Joan McEnery, Esq.
Mary L. Taksar, Esq.
Central Enforcement Docket
Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Sixth Floor
Washington, D.C. 20463

Re: Pre-MUR 307

Dear Joan and Mary:

This letter follows my earlier communications regarding our client, Thomas Kramer, and his wish to disclose voluntarily to the Commission that he may have inadvertently violated provisions of the Federal Election Campaign Act by making or causing contributions in connection with candidate elections despite his status as a foreign national. We include Mr. Kramer's affidavit and a chart of his questionable contributions for your review. Although we believe we have investigated quite thoroughly, we will, of course, notify the Commission promptly of

EXHIBIT
FEC - 5

any other contributions that we may learn of after this disclosure.

Mr. Kramer did not intend to violate Section 441e, and he is quite sorry that it appears that he has done so. He was unaware of Section 441e or any legal restrictions on the ability of foreign nationals to make candidate-related contributions. Although Mr. Kramer is quite obviously a foreign national in origin, no fundraiser or candidate ever inquired into his immigration status or refused funds from him because he was a foreign national. In addition, Mr. Kramer was represented by law firms on business matters during this period, including a firm that handled his immigration matters and whose principals solicited contributions from him and suggested that he make certain other contributions. He was never advised that a foreign national could not make candidate contributions.

When Mr. Kramer learned as a result of a September 28, 1994 article in the Tampa Tribune (attached) that some of his contributions might violate the FECA, he immediately contacted legal counsel. Counsel promptly notified the FEC of the potential problem and of Mr. Kramer's intention to cooperate fully in gathering information on contributions he made or caused to be made, in seeking refunds of questionable contributions, and in making full disclosure to the Commission.

EXHIBIT
FEC - 5.2

As reflected on the enclosed chart, Mr. Kramer or his companies made or caused six contributions to candidates for federal office and numerous contributions to candidates on the state and local level. He also made several contributions to Democratic and Republican party committees, which are not clearly candidate-related but which we list in our effort to make full disclosure.

Mr. Kramer has requested refunds of all his personal and corporate contributions.[1] To date, he has received refunds from the Democratic National Committee, the Democratic Senatorial Campaign Committee, the Republican Senatorial Committee, Representative Ileana Ros-Lehtinen, and local candidates Gwen Margolis and Charles Dusseau. By letter of October 25, 1994, the Republican Party of Florida informed Mr. Kramer that it had directed the bulk of his donation to its state account for "non-campaign, non-Federal activities," and refunded the remaining $5,000. Mr. Kramer asked for a further refund of the additional $200,000 he contributed, but the Republican Party of Florida denied his request.[2] Many of the local candidates who received contributions from Mr. Kramer, particularly those who were unsuccessful in their bids for office, have indicated that they

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[1] An exception is Mr. Kramer's $1,000 contribution to Ms. Ileana Ros-Lehtinen, which the candidate refunded before Mr. Kramer made a request.

[2] The letters exchanged by the Republican Party of Florida and Mr. Kramer are attached.

no longer have open campaign accounts or funds from which to refund his contributions.

In addition to his personal and corporate contributions, Mr. Kramer also made some contributions through other people. Of the contributions Mr. Kramer made on the federal level, two were made through another, his secretary, Tarri Bradley. These are listed in the accompanying chart. We have reason to believe Mr. Kramer also made candidate-related contributions through others on the state and local level. We have included the information we have been able to gather in the enclosed chart. We did not want to further delay this submission to the Commission, and have noted "intermediary" as the contributor where we believe Mr. Kramer made a state or local campaign contribution through another.[y]

In sum, Mr. Kramer was, until recently, unaware that foreign nationals could not make candidate-related contributions. He made some of these contributions at the suggestion and with the advice of principals at his lead law firm, which also handled his immigration matters. Although he was solicited by numerous campaign fundraisers and is quite clearly of foreign origin, he was never asked about his citizenship or residency status. Mr.

---

[y] We were guided in our approach to this issue by the First General Counsel's Report in the Sports Shinko matter, dated June 4, 1993, in which the General Counsel took the position that violations of 2 U.S.C. § 441f involving contributions to state and local candidates were more properly the business of state authorities than the FEC. (Report at 17-18).

Kramer voluntarily brought this matter to the Commission's attention, and he has cooperated fully in facilitating an investigation into his contributions.

We would appreciate an opportunity to meet with you regarding this matter at your convenience to explore the possibility of pre-probable cause conciliation. In the interim, please let us know if we may provide any further information.

Sincerely,

Roger M. Witten
Margaret L. Ackerley

Enclosures

EXHIBIT
FEC - 5.5

Mr. THOMAS. I believe so, yes.

Mr. BENNETT. And I guess my question initially, sir, is that from our review of the records which Mr. Noble's staff has disclosed to the committee, it appears that—correct me if I'm wrong—literally, the Federal Election Commission had not done anything either with the initial publicity in September 1994 or anything up until December 1994 when Mr. Kramer was making this voluntary disclosure of the fact that he was not an American citizen and had donated foreign money to both Democrats and Republicans. Isn't that essentially correct?

Mr. THOMAS. That the Commission had not done anything, meaning?

Mr. BENNETT. That's correct. Basically, you had no file on Mr. Kramer. He came forward and voluntarily disclosed information, correct?

Mr. THOMAS. The matter was before us in the sense it was a pending matter. But yes, as we can explain later on, we have a fairly elaborate system for handling and processing matters like that that come in the door. There's a matter of assigning it to the central enforcement docket and so on. But the bottom line is I think by December 1994, if that was your date, no substantive action had been taken by the Commission.

Mr. BENNETT. But the point is that it was a pending matter because he had disclosed himself, he voluntarily came forward himself.

Mr. THOMAS. That's correct.

Mr. BENNETT. And then ultimately he paid a fine in 1996, is that correct?

Mr. THOMAS. That's correct.

Mr. BENNETT. And looking, if I can, at exhibit 1 on the screen, of all the fines that were assessed, you have a total of maybe $500,000 in fines which are assessed, and $320,000 of those fines were assessed against an individual who voluntarily came forward disclosing facts to the Federal Election Commission, correct?

[Exhibit 1 follows:]

GOVERNMENT REFORM AND OVERSIGHT COMMITTEE
FEDERAL ELECTION COMMISSION HEARING - MARCH 31, 1998

EXHIBIT

SCHEDULE OF FINES PAID IN REFERENCE TO THOMAS KRAMER INVESTIGATION

SUBJECT/ENTITY	FINE AMOUNT	DATE PAID
Terri Bradley	$21,000	July 1996
Thomas B. Kramer	$323,000	August 1996
Republican Party of Florida	$82,000	March 1997
Greenberg, Traurig, Hoffman, Lipoff, Rosen & Quentel, P.A.	$77,000	February 1998

EXHIBIT
FEC - 1

Mr. THOMAS. That is correct.

Mr. BENNETT. And correct me also—again, I'm just trying to make sure we're clear on the chronology, Mr. Thomas. And with respect to the entire inquiry, you have, when all is said and done, only four entities receive fines. There were many people who were listed, and there were many inquiries about many people who received money from Mr. Kramer, correct?

Mr. THOMAS. Indeed, he made contributions to many committees, many candidate committees, party committees and so on. As a general rule, yes—if you look at the case file—we decided to basically concentrate on the four entities that you just identified in terms of trying to pursue the matter through to get a conciliation agreement. On the rest, for various reasons which we can go into in as much detail as you'd like later or now, we decided to not take any further action.

Mr. BENNETT. And I guess my point is this then. Clearly, so the record is clear, Mr. Kramer was very bipartisan in his largesse. He gave to Democrats and Republicans alike, didn't he?

Mr. THOMAS. Yes, he did.

Mr. BENNETT. But when all was said and done, with an investigation that he triggered by his voluntary disclosure and the fines that were assessed, when all was said and done, he was fined, his secretary was fined in connection with her conduit contribution—and we'll get into that in more detail in a few minutes. The Republican party of Florida was fined, and then a law firm in Florida was fined, Mr. Marvin Rosen's law firm was fined, is that correct?

Mr. THOMAS. That's right.

Mr. BENNETT. But there was no fine assessed against Mr. Rosen himself, correct?

Mr. THOMAS. Correct.

Mr. BENNETT. Now let me ask you this, sir. Obviously, we'll get into the matter of the reference to Vice President Gore in the final report that was released last month. And I think if we can look at exhibit FEC 2 on the screen, the reference to Mr. Glicken's high profile and association with Vice President Gore.

On reflection, Commissioner Thomas, are you totally pleased with the way this matter was handled start to finish?

[Exhibit 2 follows:]

"[B]ecause of Mr. Glicken's high profile as a prominent Democratic fundraiser, including his potential fundraising involvement in support of Vice President Gore's expected presidential campaign, it is unclear that this individual would agree to settle this matter short of litigation."

--FEC General Counsel's Report, 12/19/97

Mr. THOMAS. Well, I guess the basic answer to that would be no. I, like all my colleagues, would like to see the Federal Election Commission be able to handle more of the matters that come before us, to not have to simply take no further action without any substantive action on as many respondents as we do.

We have a serious resource problem. We have been trying to identify that in particular to the Congress this year in our budget request. But I think on balance, what you will find at the end of today is that the Federal Election Commission is facing a very daunting compliance workload.

For example, as of the beginning of this month, we had pending 162 enforcement cases that involved over 1,500 respondents. Meanwhile, we have a staff problem to the extent that we can only assign about 24 FTE, full-time equivalents, to the compliance workloads.

Mr. BENNETT. Mr. Chairman.

Mr. BURTON. Yes, Mr. Thomas, let me just followup on that. You had four people in this series of cases who were all interrelated that were fined.

Mr. THOMAS. That's correct.

Mr. BURTON. And yet Mr. Glicken, who was very close to the Vice President, as the statement makes very clear, was not fined and the case was dropped. I understand that you may have a resource problem over there and a personnel problem because you don't have enough to do all the jobs.

But here you had four things that were working simultaneously and Mr. Glicken was part of that and you dropped it. Why would you drop it when you had the other four moving along in this case, which is very conspicuous, and it just falls out of sight. I don't understand that.

I understand the resource problem. But since you're working on the other four, why wouldn't you followup on this?

Mr. THOMAS. Well, it's always a matter of making choices, Mr. Chairman. With the resources that we have, we always are having to decide which respondents in any particular large case we're going to try to pursue.

I suppose our counsel can provide more detail, but as I look back at this case on reflection, it really seems to me that what was going on was that given the limited resources we had one staff attorney working this case, line staff attorney, and that staff attorney was basically trying to figure out how to close out the matter with regard to the remaining respondents. And the concentration, quite honestly, was at that point, trying to get a settlement with this law firm, the law firm that had been involved at least to the extent of a couple of partners in helping to solicit some of these contributions, or so it seemed.

And obviously, the focus of our resources was on trying to get that law firm to settle, because we thought that was a very significant matter. As a general rule, the Commission has not gone against soliciting entities, and we felt that it was crucial to use our resources there.

Mr. BURTON. I understand. But there's a pattern here that it seems should have been explored more thoroughly. Maybe that's

just my opinion. And I know in retrospect maybe you feel that way, but they were all interrelated and it's troubling to me. Mr. Bennett.

Mr. BENNETT. Thank you, Mr. Chairman.

Mr. Noble, the chairman made reference to the fact that Thomas Kramer was essentially a fairly high profile individual in the Miami area. You would concur with that, would you not?

Mr. NOBLE. Yes.

Mr. BENNETT. I mean, it really wasn't any secret, was it, and is not that Mr. Kramer was not an American citizen and had recently come over to the Miami area from Germany, isn't that correct?

Mr. NOBLE. We were not aware of that when the matter first came to us.

Mr. BENNETT. I understand. But during your investigation it was abundantly clear. I mean, there was a Forbes Magazine article that the chairman made reference to, a lot of publicity. He was a very wealthy individual. He was definitely known to be a German investor in the South Beach, Miami area, isn't that correct?

Mr. NOBLE. From what I understand now, yes. And we were interested in the issue of whether or not it was obvious that he was a foreign national. Keep in mind that it's not a question of whether he was an American citizen or came from Germany. It was a question of whether or not he was a foreign national and whether or not he was what's called a green card holder in this country.

Mr. BENNETT. Right.

Mr. NOBLE. So that was not necessarily clear at the beginning.

Mr. BENNETT. But it was pretty clear then that this was something that needed to be scrutinized once you realized what was involved with Mr. Kramer and these contributions, isn't that correct?

Mr. NOBLE. Yes.

Mr. BENNETT. Ms. Lerner and Mr. Rodriguez, you were, I think, the two people who have been most involved, or perhaps you, Mr. Rodriguez, with the particular work on this file, is that correct?

Mr. RODRIGUEZ. That's correct.

Mr. BENNETT. And with respect to the matter of solicitations of contributions from Thomas Kramer, it appears from our review of the records submitted by the FEC to the committee—records which are available to both the majority and the minority and I think both sides have reviewed them—it's pretty clear, is it not, that there were two particular individuals who dealt with Mr. Kramer. Specifically, Marvin Rosen, who later became the finance director of the Democratic National Committee, and Mr. Howard Glicken, isn't that correct?

Mr. RODRIGUEZ. That's what the record shows now, yes, that's correct.

Mr. BENNETT. And specifically noting, for example, I think it's FEC document 15, Mr. Glicken was the first person to solicit contributions from Mr. Kramer, was he not, Mr. Rodriguez, it appears in April 1993?

[Exhibit 15 follows:]

DEMOCRATIC NATIONAL COMMITTEE
CHECK TRACKING FORM

NØ1
#2
Florida 4/28/93
Gore
HG
$5,000

PLEASE FILL IN ALL THE FOLLOWING INFORMATION:

Name/Contact: Thomas ~~Kramer~~ Kramer [redacted]

Company/Employer: Olympus Holdings / self-employed

Main Address: 43 Star Island
Miami Beach FL 33139

Occupation: Trader/Real Estate Developer

Telephone #s: Home 305/538 4422
Work 305/532-254
Fax

Check Amount: $ 25,000 =

Federal
Non-Federal X

NFC
TRUSTEE

BLF

Event: Al Gore / Florida

Solicitor: H Glicker Gore Howard Glicken

Notes:

EXHIBIT
FEC - 15

DNC 1016334

Mr. RODRIGUEZ. Certainly one of the first.

Mr. BENNETT. At least from our review—and if I'm incorrect, please correct me, sir—but from our review of the records, it appears that's the first solicitation that we see, is the solicitation for $25,000 by Mr. Glicken from Mr. Kramer, is that correct?

Mr. RODRIGUEZ. Yes, that's the first solicitation we have documentation concerning.

Mr. BENNETT. And then we then have another solicitation by Mr. Rosen, I think exhibit 19, and that's in the amount of $60,000, I believe, isn't that correct?

[Exhibit 19 follows:]

Executive Summary

Mr. Tom Kramer
3 5 Star Island Inc.
Portofino Group
19 Star Island
Miami Beach, FL 33139

W: F: W: (305) 532-7894 F:
H: H: (305) 538-4422
T: C:
O:
E:
C: S:
E: DOB: 0/00/00 SSN:

WRITTEN 1997 Total: 0 1996 Total: 0 INDIVI

Date	Amount	Comment	Solicitor	Fundraiser

WRITTEN 1997 Total: 0 1996 Total: 0 COMC

Date	Amount	Comment	Solicitor	Fundraiser	
3/16/94	60,000	BC BOSTON PRESIDENTIAL EV	Marvin S. Rosen, Esq.	Peter O'Keefe	
3/16/94	60,000	BC BOSTON PRESIDENTIAL EV	Marvin S. Rosen, Esq.	Peter O'Keefe	
3/16/94	60,000	BC FLORIDA PRESIDENTIAL D	Marvin S. Rosen, Esq.	Peter O'Keefe	

RAISED

Name	Amount	Event	Date

PARTICIPATION

Date	Activity

EXHIBIT
FEC - 19

Mr. RODRIGUEZ. Correct.

Mr. BENNETT. If you would just—if you can very quickly, Mr. Rodriguez, in terms of the chronology, it does appear, does it not, that when these solicitation sheets have been reviewed, there really isn't any reference to Mr. Rosen's law firm? It's Mr. Rosen, individually, who is credited with soliciting that money and getting Mr. Kramer to contribute $60,000. Isn't that correct?

Mr. RODRIGUEZ. That's correct. The name that appears is Mr. Rosen's.

Mr. BENNETT. And with respect to the matter of Mr. Rosen's law firm, I note that, Ms. Lerner, that in your opinion that you ultimately signed, you, in fact, are the individual who signed—as Associate General Counsel—you signed the final General Counsel's Report. Is that correct?

Ms. LERNER. That's correct.

Mr. BENNETT. And I note that there is no reference to Mr. Rosen, individually. There is reference to Mr. Rosen's law firm and, ultimately, the law firm is fine, but there is not one mention of Mr. Rosen individually in that General Counsel's Report. Was there a reason for that?

Ms. LERNER. The focus of the investigation, from the time that we received the *sua sponte* from Mr. Kramer, was the law firm. Mr. Kramer had said that it was individuals in the law firm that had solicited him and that was how we had proceeded.

Mr. BENNETT. And there was a one time—but as you proceeded—I mean, when you say "*sua sponte,*" the phrase means that Mr. Kramer, as I said earlier, came in and volunteered this information. Correct?

Ms. LERNER. That's correct.

Mr. BENNETT. And once the investigation proceeded from our review of these records, you not only had the matter of Mr. Glicken and the reference to Mr. Glicken being a friend of the Vice President's, but you clearly have references to Mr. Rosen—individually, not his law firm—Mr. Rosen soliciting money from Mr. Kramer, and my question to you is why is there not any reference to Mr. Rosen who later became the finance chairman of the Democratic National Committee? Why is not specific reference to Mr. Rosen in the General Counsel's Report, at least as to Mr. Glicken? At least you made specific reference to him and stated why you felt that there should not be any proceeding against him.

Ms. LERNER. I think you have to go back to the beginning of the case and the decisions that were made at the time that they were made. When we received this and we looked at it, what we saw was an individual coming in indicating that he had made many contributions, and he was a foreign national and so those contributions were incorrect. He also indicated that many of these contributions had been solicited through a particular law firm. Our focus, at that point, was to proceed against him and the law firm. Ordinarily in the past, we had not really proceeded against solicitors in these kinds of cases, but here we had very specific information regarding the law firm. It was not until much farther down the road after we had already conciliated with Mr. Kramer; with Ms. Bradley; with the Florida Republican party, many months down the road, and we were working on conciliating with the law firm, that we received

information indicating who the individual solicitors might have been. At that——

Mr. BENNETT. Mr. Chairman?

Mr. BURTON. Let me just followup, if I might.

You have gone after individuals who illegally or unethically solicited contributions that were not legal, have you not?

Ms. LERNER. Foreign national contributions, I believe there's only been one other instance where we have pursued a solicitor.

Mr. BURTON. Is that right? Only one other?

Ms. LERNER. I believe so.

Mr. BURTON. In other words, if I went out and started soliciting money from a foreign national, and knew that it was illegal and was trying to get it for the Republican party, you wouldn't investigate that?

Ms. LERNER. That's not what I said. I said that in the past, I believe we've only pursued one other individual. Once again, we have to make decisions on how best to pursue the case.

Mr. BURTON. Well, let me followup. You were investigating the law firm of Mr. Rosen. It was very clear that Mr. Rosen was the person in the law firm that was making these unethical or illegal solicitations, and, yet, you never went after him. Why?

Ms. LERNER. It was not very clear that it was Mr. Rosen who was doing it. First of all——

Mr. BURTON. You didn't find that out when you got into this?

Mr. NOBLE. Mr. Chairman, we didn't find that out until last summer.

Ms. LERNER. And it was only after we began to conciliate with the law firm, and the conciliation didn't look like it was going anywhere. We got back into the investigation and we received that information, however, there's also information that there were other people in the law firm who were also involved in the solicitations, not just Mr. Rosen. Even though his name appears on the reports, there were other individuals that were involved in the solicitations.

Mr. NOBLE. Mr. Chairman, if I may? If we have evidence that a person knowingly and willfully violated the law, we obviously take that much more seriously. If we have evidence that they, in fact, knew that this was an illegal solicitation, then we take it more seriously. The issue with the law firm was that the law firm should have known that he was a foreign national, because they were doing legal work for him.

If you look at the file on this case, we did not search out any of the other solicitors. There were a lot of contributions made here. We can assume that there were a lot of solicitors, both on the Democratic and the Republican side, who solicited contributions from Mr. Kramer. We don't have the resources to go after every one of those. We had to make a decision early on in the case of what we were going to do, and you have to take it at the time of that case of what we were dealing with. In terms of just resources, we were averaging 319 cases in any given month from that year, in fiscal year 1997, of which we activated only about a third. So, if we—I would have loved to have had the resources to look at all the solicitors and to find out what they knew; how they solicited the money. This would have taken up half our staff to do this. We've

been asking Congress for the resources to do it, and we haven't been getting it.

Mr. BENNETT. If I can pick up on that, Mr. Noble. With respect to the matter of resources and trying to interview, I understand, many, many people as to solicitors, there was a very specific matter, though, that's referred to in the General Counsel's Report referring to exhibit 11. In terms of the General Counsel's Report, there was very clear early indication that there was an effort toward a $20,000 conduit payment and, Ms. Lerner, in the footnote of your opinion there, there is specific reference to the fact that Mr. Kramer's initial disclosure, voluntary disclosure, to the FEC noted that an unidentified individual associated with the Democratic Senatorial Campaign Committee had suggested that Mr. Kramer funnel a $20,000 contribution through his assistant. So, apart from all the other—I can understand the matter of all the people that solicited, but on this matter it's a very specific representation early in 1994 where Kramer's coming forward and essentially saying that someone from a major national party was suggesting an illegal conduit of $20,000. I mean, there's no ambiguity about that, would you say, Mr. Thomas? It's pretty clear that that's what the individual was representing to the FEC back in 1994.

[Exhibit 11 follows:]

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COMMISSION
SECRETARIAT
Oct 27 1 35 PM '97

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Greenberg, Traurig, Hoffman, Lipoff, Rosen & Quentel, P.A.	)	MUR 4638
	)	

GENERAL COUNSEL'S REPORT **SENSITIVE**

I. INTRODUCTION

The present matter addresses the severed portion of MUR 4398. MUR 4398 was generated by a *sua sponte* submission filed by counsel for Thomas Kramer noting that, as a foreign national, Mr. Kramer made extensive contributions to Federal, state and local elections during the 1993-1994 election cycle. The *sua sponte* also disclosed that Greenberg, Traurig, Hoffman, Lipoff, Rosen & Quentel ("Greenberg & Traurig" or "Respondent"), a law firm retained by Mr. Kramer to handle his immigration matters, had solicited an undisclosed portion of the contributions at issue. Based on this information, on June 25, 1996, the Commission found reason to believe against Mr. Kramer, his assistant Ms. Terri Bradley, his wife Mrs. Catherine Burda Kramer, several corporations under his control, various Federal, state and local recipients and the present respondent, Greenberg & Traurig. The Commission took no further action against all respondents except for Mr. Kramer, Ms. Bradley, one recipient committee -- the Republican Party of Florida -- and Greenberg & Traurig.[1]

[1] The *sua sponte* submission also contained information noting that an unidentified individual associated with the Democratic Senatorial Campaign Committee ("DSCC") had suggested that Mr. Kramer funnel a $20,000 contribution through his assistant. *See* First General Counsel's Report in MUR 4398, dated June 7, 1996 ("FGCR"), at 17-21. This Office made no recommendations concerning the DSCC at that time, informing the Commission that recommendations would follow as warranted by any new information discovered. *Id.* at 20-21. The investigation into Greenberg & Traurig's involvement in Mr. Kramer's contributions has provided an initial indication of the identity of the individual responsible for the DSCC transaction. Additional information is presently being gathered corroborating this identity. In any event, it does not appear that the individual soliciting this contribution was associated with Greenberg & Traurig.

EXHIBIT
FEC - 11

All above remaining respondents requested pre-probable cause conciliation, and the Commission successfully settled MUR 4398 as to all respondents, except for Greenberg & Traurig -- obtaining a total of $426,000 in civil penalty payments.[2] *See* the General Counsel's Report ("GCR") in MUR 4398, dated May 9, 1997, at 3-5. Because of the inability to reach settlement with Greenberg & Traurig, and so as to not adversely prejudice the successfully completed portion of MUR 4398, the Commission severed the activity concerning Greenberg & Traurig into the present matter, closed MUR 4398 and launched an investigation into the law firm's involvement in Mr. Kramer's contributions. *See id.*

Recently, rather than respond to the requested discovery, Respondent expressed a renewed interest in settling this matter at the present stage.[3] Based on the available evidence from the various recipient sources contacted during the investigation, it now appears that Greenberg & Traurig solicited approximately $92,000 from Mr. Kramer. This report recommends entering into conciliation with Greenberg & Traurig and presents for the Commission's approval a proposed conciliation agreement.

II. PRIOR CONCILIATION WITH GREENBERG & TRAURIG

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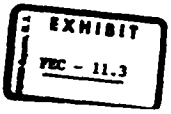
[2] The Commission also received a total $3,[illegible] in disgorgements

[3] The discovery to Greenberg & Traurig sought information into Respondent's involvement in all of Mr. Kramer's contributions and the production of all records relating to these contributions. In conversations with this Office, Respondent has represented that it considers much of the requested information to be privileged under the attorney client privilege, that Mr. Kramer will not waive this privilege, and that therefore it will refuse production on those grounds should settlement not be successful. While this Office disagrees with Respondent's application of the privilege in this matter, it appears that the issue is unlikely to be resolved short of either protracted negotiations or court action.

EXHIBIT
FEC - 11.2

III. PROPOSED PRESENT CONCILIATION WITH GREENBERG & TRAURIG



IV. RECOMMENDATIONS

1. Enter into conciliation with Greenberg, Traurig, Hoffman, Lipoff, Rosen & Quentel, P.A. prior to a finding of probable cause to believe.

2. Approve the attached conciliation agreement and appropriate letter.

Lawrence M. Noble
General Counsel

10/27/97
Date

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

EXHIBIT
FEC - 11.4

Mr. NOBLE. I think it clearly raises that possibility, no doubt.

Mr. BENNETT. And further with that, is document 10, before the members of the committee, in addition to the footnote, Mr. Rodriguez, I note that there is record of a telephone conversation that you, Mr. Rodriguez, had with a lawyer for Terri Bradley, Mr. Kramer's secretary.

[Exhibit 10 follows:]

OFFICE OF THE GENERAL COUNSEL MEMORANDUM OF TELEPHONE CALL OR VISIT

DATE 9/11/97 TIME 12:25 p.m.

MUR 4638 STAFF MEMBER J. Rodriguez

CHECK ONE: >[X] TELEPHONE CALL >[ ] VISIT

NAME OF PERSON: Lou Vendinelli, Esq.

NUMBER CALLED: (305) 379-3515

CHECK ONE: >[ ] RESPONDENT >[X] WITNESS >[ ] OTHER

SUBSTANCE: Counsel called to inform me of his client's knowledge concerning the various contributions.

20K DSCC (in her name)

Ms Bradley overheard a conversation between Mr. Kramer and another individual during which the individual asked Mr Kramer if there was "anyone else who could make the contribution in your place." This individual also explained that the requested contribution would make Mr Kramer a member of the "inner circle" with various accompanying perks. In fact, Mr Kramer later wrote an internal memo complaining about how none of the stated perks materialized after the contribution. Ms Bradley can identify this individual and his business affiliation. She was not a party to this conversation, but instead overheard it while at her desk next to Mr Kramer's office. I asked counsel if this individual was DSCC; counsel noted that his client could I.D. the individual but did not know his affiliation with the committee.

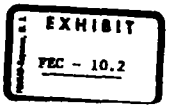
Other Contribs

Ms Bradley has information concerning various solicitations by a named partner at G&T. This individual was not the lawyer who usually handled Kramer's business matters. This individual's only interaction with Kramer was the solicitation of contributions. According to Ms. Bradley, during the period of Prop 6 (Gaming),(Bradley believes 1995, but contribs at issue 93-94), this individual began soliciting Mr Kramer for fund-raisers. There were approximately 5-6 solicits, they were either by fax or by phone. She was not privy to any of Mr. Kramer's conversations. She only knows that the individual called and faxed solicitations. She believes Mr. Kramer bought a full table for a Gore fund-raiser. She can also identify this individual.

EXHIBIT

FEC - 10

Because of its legal representation of Mr. Kramer and his corps, the firm had full knowledge that Kramer was foreign, and knowledge re: his interest in the corps.



Mr. RODRIGUEZ. Correct.

Mr. BENNETT. And, again, if we have that on the screen for the members of the committee referencing that Ms. Bradley overheard a conversation between Mr. Kramer and another individual during which the individual asked Mr. Kramer if there was anyone else who could make the contribution in your place. This individual also explained that the requested contribution would make Mr. Kramer a member of the inner circle, et cetera, and it goes on to describe the conversation, but you definitely have not only Kramer's affidavit but a conversation in which Ms. Bradley is saying that someone connected with a major political party is suggesting an illegal $20,000 conduit payment. What steps were taken to try to identify that particular individual based on the representations of both Mr. Kramer and his secretary?

Mr. RODRIGUEZ. I want to clarify, for the record, that this conversation occurred approximately 2 years after the Kramer *sua sponte* was filed. It was basically September 11, 1997. At that point, we were engaging in conciliation negotiations with the law firm. Once the conciliation was fruitful we——

Mr. BENNETT. Can I interrupt just one—I don't mean to interrupt you, sir, but just so we're clear, exhibit 6, if I can have that on the screen. Mr. Kramer, in his initial affidavit—and if I'm mistaken, Liz, correct me—but, Mr. Kramer, in his affidavit makes reference to being directly or indirectly informed that a ranking person with the Democratic Senatorial Campaign Committee had suggested making this illegal contribution. So, when was the first time you had knowledge—you, yourself, as the line attorney—that there were these two specific allegations involving one particular matter: the $20,000 conduit contribution?

[Exhibit 6 follows:]

AFFIDAVIT OF THOMAS KRAMER

STATE OF FLORIDA)
)
COUNTY OF DADE)

1. My name is Thomas Kramer. I am a real estate investor living in Miami Beach, Florida. The donor companies listed in Attachment A hereto are all corporations incorporated under the laws of the state of Florida and are wholly owned by me.

2. I am a German citizen and am in the United States on an E-2 visa. I am not lawfully admitted in the United States for permanent residence.

3. I made candidate contributions personally and through my companies during a period of approximately a year and three-quarters, beginning in early 1991. I gave to state and local candidates, the Republican Party of Florida, and the national Democratic and Republican parties. I also personally made or caused contributions to four federal candidates.

4. Prior to and during this period, I was not knowledgeable about federal campaign finance laws, including 2 U.S.C. § 441e which I now understand bars contributions by foreign nationals to political candidates.

5. I speak English with a German accent, and I believe most people who know me realize I am German. Nevertheless, no one who solicited or accepted my candidate contributions ever asked me about my immigration status, advised

EXHIBIT
FEC - 6

me that it was illegal for me to contribute, or rejected my political contributions because of my citizenship.

6. During this period, I was represented by several law firms on business matters, including Greenberg, Traurig, Hoffman, Lipoff, Rosen & Quentel and Thomson Murarc Razook & Hart. The Greenberg, Traurig firm was my principal counsel, and handled my immigration matters among other things. Principals at that firm from time-to-time solicited from me and suggested that I make certain political contributions. I did not specifically request election law advice from Greenberg, Traurig or Thomson Murarc. However, I generally requested Greenberg, Traurig to take all appropriate action to assure that my activities of which they were aware were conducted in a fashion fully compliant with the law. At no time did any attorney advise me that there was any issue as to my legal ability to make political contributions or that foreign nationals were prohibited from making such contributions.

7. On reading a September 28, 1994 article in the Tampa Tribune indicating that some of my contributions may be problematic, I was surprised and immediately consulted counsel. After consultation with counsel and investigation of my records, I requested refunds of all political contributions that I or my companies made that may be candidate-related.

EXHIBIT
FEC - 6.2

8. I made two contributions at the federal level through my secretary, Ms. Terri Bradley. I have requested refunds of these contributions.

a. I reimbursed Ms. Bradley for a $1,000 contribution made in her name to Senator George Mitchell in March 1993. I do not recall the circumstances surrounding this contribution or why the contribution was made in this way.

b. I also reimbursed Ms. Bradley for a $20,000 contribution made in her name to the Democratic Senatorial Campaign Committee ("DSCC") on April 28, 1993. To the best of my recollection, I believe that I was informed directly or indirectly by a Democratic party fundraiser that the DSCC would accept contributions only from U.S. citizens. I do not recall what, if any, explanation may have been given. In any event, I did not understand at the time that I was being advised that it was unlawful for the DSCC (or any one else) to accept political contributions from foreign nationals. I proceeded as I did because, to the best of my recollection, I understood that the solicitor suggested (in the presence of myself and my secretary) that, since the DSCC accepted contributions only from U.S. citizens, a U.S. citizen should contribute on my behalf. I have no recollection of understanding that there was any legal issue involved.

9. To the best of my knowledge, the accompanying chart of contributions (Attachment B) accurately shows the

EXHIBIT
FEC - 6.3

candidate-related and possibly candidate-related contributions I made directly or indirectly, and the status of my refund requests.

I swear under the penalty of perjury that the foregoing statements are true and correct.

Thomas Kramer

The foregoing instrument was acknowledged before me this 27th day of December, 1994 by Thomas Kramer, who is personally known to me or who has produced _____ as identification and who did take an oath.

Notary Public, State of Florida
Print Name: BRIAN A HART
Commission Number: _____
Commission Expires: _____

(SEAL)

NOTARY PUBLIC STATE OF FLORIDA
OFFICIAL NOTARY SEAL
B A HART
COMMISSION NUMBER
CC218908
MY COMMISSION EXP
AUG. 15,1996

EXHIBIT
FEC - 6.4

ATTACHMENT A

Azure Coast Development, Ltd.
Beachwalk Development Corp.
New Fiesta, Inc.
Olympus Holding Corp.
Playa Del Sol, Ltd.
Portofino Group, Inc.
Sandpoint Financial, Ltd.
Santorini Isle, Inc.
SBE, Inc.
Seagull Development Corp.
South Beach Creative Group
St. Tropez R/E Fund, Ltd.
Sun & Fun, Inc.
2 Star Island, Inc.
5 Star Island, Inc.
7th & 5th Deco Corp.
35 Star Island, Inc.

EXHIBIT
FEC - 6.5

ATTACHMENT B

Donor	Recipient	Date of Contribution	Amount of Contribution	Refund Requested?	Refund Made? (Date)
35 Star Island, Inc.	Democratic National Committee	3/04/94	60,000.00	Yes	$60,000.00 on 10/28/94
Portofino Group, Inc.	Democratic National Committee	3/15/94	40,000.00	Yes	$40,000.00 on 11/7/94
Portofino Group	Democratic National Committee (Grand Bay dinner for VP Gore)	Sometime during March-April 1993	25,000.00	Yes	$25,000.00 on 10/28/94
Tern Bradley	DSCC	4/28/93	20,000.00	Yes	
Thomas Kramer	The DSCC Senate Majority Dinner	9/17/93	3,000.00	Yes	$3,000.00 on 9/29/94
Portofino Group, Inc.	Republican Senatorial Committee	6/04/93	25,000.00	Yes	$25,000.00 on 11/30/94
Portofino Group, Inc	Republican Party of Florida-Victory '94	6/04/93	100,000.00	Yes	
Portofino Group, Inc	Statesman's Dinner	6/04/93	5,000.00	Yes	
Thomas Kramer	Republican Party of Florida	3/03/94	100,000.00	Yes	$5,000.00 on 10/25/94
Thomas Kramer	Robert Kerry for U.S. Senator	12/02/93	1,000.00	Yes	
Thomas Kramer	Rev-Lehrman for Congress	10/12/93	1,000.00	Refund preceded request	$1,000.00 on 9/30/94
Thomas Kramer	Friends of Connie Mack	11/13/93	500.00	Yes	
Thomas Kramer	Friends of Connie Mack	12/10/93	1,500.00	Yes	
Thomas Kramer	Friends of Connie Mack	12/10/93	1,500.00	Yes	
Tern Bradley	George Mitchell	3/20/93	1,000.00	Yes	
Portofino Group, Inc	Stuart Blumberg Campaign Fund	1/29/93	500.00	Yes	
Olympus	Stuart Blumberg Campaign Fund	1/29/93	500.00	Yes	
Portofino Group, Inc	Stacy Breen	7/20/93	500.00	Cannot locate recipient	
Sun & Fun	Breen Campaign	4/14/93	500.00	Cannot locate recipient	

EXHIBIT
FEC - 6.6

Donor	Recipient	Date of Contribution	Amount of Contribution	Refund Requested?	Refund Made? (Date)
Playa	Conchi Bruno	4/14/93	500.00	Cannot locate recipient	
Thomas Kramer	James Burke Campaign Fund	12/15/93	500.00	Yes	
Olympus	Jeb Bush Gubernatorial Campaign	9/27/94	100.00	Yes	
Olympus	Jeb Bush Gubernatorial Campaign	9/27/94	100.00	Yes	
New Fiesta	Charles Dussom Campaign	4/14/93	100.00	Yes	$100.00 on 11/21/94
Playa	Charles Dussom Campaign	4/14/93	100.00	Yes	$100.00 on 11/21/94
Olympus	Charles Dussom Campaign	4/14/93	100.00	Yes	$100.00 on 11/21/94
Portofino Group, Inc.	Sy Eisenberg Campaign Fund	6/22/93	500.00	Yes	
St. Tropez R/E Fund	Sy Eisenberg Campaign Fund	6/22/93	500.00	Yes	$125.00 on 12/23/93 (unrelated to request)
New Fiesta	Sy Eisenberg Campaign Fund	6/22/93	500.00	Yes	$125.00 on 12/23/93 (unrelated to request)
Sun & Fun	Sy Eisenberg Campaign Fund	6/22/93	500.00	Yes	$125.00 on 12/23/93 (unrelated to request)
Playa	Sy Eisenberg Campaign Fund	6/22/93	500.00	Yes	$125.00 on 12/23/93 (unrelated to request)
Beachwalk	Sy Eisenberg Campaign Fund	6/22/93	500.00	Yes	$125.00 on 12/23/93 (unrelated to request)
Olympus	Sy Eisenberg Campaign Fund	6/22/93	500.00	Yes	
Sanremo	Sy Eisenberg Campaign Fund	6/22/93	500.00	Yes	$125.00 on 12/23/93 (unrelated to request)
7th & 5th Deco	Sy Eisenberg Campaign Fund	6/22/93	500.00	Yes	$125.00 on 12/23/93 (unrelated to request)
Sandpoint Financial, Ltd	Sy Eisenberg Campaign Fund	6/22/93	500.00	Yes	
New Fiesta	Maurice Ferre Campaign	4/14/93	500.00	Yes	
Olympus	Maurice Ferre Campaign	4/14/93	500.00	Yes	
Portofino Group, Inc.	Larry Hawkins	9/01/94	500.00	Yes	

EXHIBIT

FEC - 6.7

Donor	Recipient	Date of Contribution	Amount of Contribution	Refund Requested?	Refund Made? (Date)
St. Tropez R/E Fund Ltd.	Larry Hawkins	9/01/94	500.00	Yes	
Samoron	Larry Hawkins	9/01/94	500.00	Yes	
New Fiesta	Bruce Kaplan Campaign	4/14/93	500.00	Yes	
Olympus	Bruce Kaplan Campaign	4/14/93	500.00	Yes	
Pensofino Group, Inc	Mike Karpel Campaign Fund	10/21/93	500.00	Yes	
St. Tropez R/E Fund Ltd.	Mike Karpel Campaign Fund	10/19/93	500.00	Yes	
New Fiesta Inc.	Mike Karpel Campaign Fund	10/19/93	500.00	Yes	
Sun & Fun Inc	Mike Karpel Campaign Fund	10/19/93	500.00	Yes	
Playa Del Sol Ltd	Mike Karpel Campaign Fund	10/19/93	500.00	Yes	
Beachwalk	Mike Karpel Campaign Fund	10/19/93	500.00	Yes	
Olympus	Mike Karpel Campaign Fund	10/19/93	500.00	Yes	
Samoron	Mike Karpel Campaign Fund	10/19/93	500.00	Yes	
7th & 5th Deco Corp	Mike Karpel Campaign Fund	10/19/93	500.00	Yes	
Sandpoint Financial Ltd	Mike Karpel Campaign Fund	10/19/93	500.00	Yes	
SBE Inc	Mike Karpel Campaign Fund	10/19/93	500.00	Yes	
Intermediary	Mike Karpel Campaign Fund	10/20/93	500.00 (reimbursed cash)		
Intermediary	Mike Karpel Campaign Fund	10/21/93	500.00 (reimbursed cash)		
Thomas Kramer	Neuren Kasdin Campaign Fund	4/23/93	500.00	Yes	$155.00 on 10/13/93 (refunded because candidate unopposed)
Intermediaries	Neuren Kasdin	April '93	Exact Amount Unknown		

EXHIBIT
FEC - 6.8

Donor	Recipient	Date of Contribution	Amount of Contribution	Refund Requested?	Refund Made? (Date)
Paradise Group, Inc.	Nancy Lehman Campaign Fund	6/15/93	500.00	Yes	
St. Tropez R/E Fund	Nancy Lehman Campaign Fund	6/15/93	500.00	Yes	
Sandpoint Financial, Ltd.	Nancy Lehman Campaign Fund	6/15/93	500.00	Yes	
New Fiesta	Nancy Lehman Campaign Fund	6/15/93	500.00	Yes	
Sun & Fun	Nancy Lehman Campaign Fund	6/15/93	500.00	Yes	
Playa	Nancy Lehman Campaign Fund	6/15/93	500.00	Yes	
Beachwalk	Nancy Lehman Campaign Fund	6/15/93	500.00	Yes	
Olympus	Nancy Lehman Campaign Fund	6/15/93	500.00	Yes	
Santorini	Nancy Lehman Campaign Fund	6/15/93	500.00	Yes	
7th & 5th Deco	Nancy Lehman Campaign Fund	6/15/93	500.00	Yes	
St. Tropez R.E Fund Ltd.	Gerald Lewis Campaign	12/08/93	500.00	Yes	
New Fiesta Inc	Gerald Lewis Campaign	12/08/93	500.00	Yes	
Sun & Fun Inc	Gerald Lewis Campaign	12/08/93	500.00	Yes	
Playa Del Sol Ltd	Gerald Lewis Campaign	12/08/93	500.00	Yes	
Beachwalk	Gerald Lewis Campaign	12/08/93	500.00	Yes	
Olympus	Gerald Lewis Campaign	12/08/93	500.00	Yes	$125.00 (unclear as to request)
7th & 5th Deco Corp	Gerald Lewis Campaign	12/08/93	500.00	Yes	
Sandpoint Financial Ltd	Gerald Lewis Campaign	12/08/93	500.00	Yes	
South Beach Creative Group	Gerald Lewis Campaign	12/08/93	500.00	Yes	
Olympus	Gwen Margolis Campaign Fund	7/28/94	100.00	Yes	$100.00 on 11/21/94

EXHIBIT

FEC - 6.9

Donor	Recipient	Date of Contribution	Amount of Contribution	Refund Requested?	Refund Made? (Date)
Summers	Gwen Margolis Campaign Fund	4/26/94	500.00	Yes	$500.00 on 11/21/94
5 Star Island, Inc.	Gwen Margolis Campaign Fund	4/26/94	500.00	Yes	$500.00 on 11/21/94
2 Star Island, Inc	Gwen Margolis Campaign Fund	4/26/94	500.00	Yes	$500.00 on 11/21/94
SBE Inc.	Gwen Margolis Campaign Fund	4/26/94	500.00	Yes	$500.00 on 11/21/94
St. Tropez R/E Fund Ltd.	Campaign for Commissioner for Javier Souto	3/03/94	500.00	Yes	
New Films Inc.	Campaign for Commissioner for Javier Souto	3/03/94	500.00	Yes	
Playa Del Sol Ltd	Campaign for Commissioner for Javier Souto	3/03/94	500.00	Yes	
Olympus	Campaign for Commissioner for Javier Souto	3/03/94	500.00	Yes	
Saxorum	Campaign for Commissioner for Javier Souto	3/03/94	500.00	Yes	
Seagull Development Corp	Campaign for Commissioner for Javier Souto	3/03/94	500.00	Yes	
Azure Coast Ltd	Campaign for Commissioner for Javier Souto	3/03/94	500.00	Yes	
Playa Del Sol	State Senate President Pro Thomas "Victory in '94"	8/26/94	500.00	Yes	

EXHIBIT
FEC - 6.10

Mr. RODRIGUEZ. If I recall the *sua sponte* correctly, his—Mr. Kramer's statement—was that a Democratic fundraiser suggested that the contribution be made through his secretary. That was the first knowledge we had, and if you look at our first General Counsel Reports and the reports after that, we informally pursued further information on that issue.

Mr. BENNETT. When did you first know that? Didn't he inform you of that early in the game when he made voluntary disclosure; when his lawyers came forward?

Mr. RODRIGUEZ. Yes, we followed the——

Mr. BENNETT. You knew that in December 1994, didn't you, sir?

Mr. RODRIGUEZ. Correct.

Mr. BENNETT. And I guess my question is up until 1997, what was done to try to deal with this very clear, specific request and, obviously, a violation of the law because Ms. Bradley did, in fact, make a $20,000 conduit payment, didn't she?

Mr. RODRIGUEZ. Yes, she did.

Mr. BENNETT. OK. And what steps did you take to try to find out who this person was?

Mr. RODRIGUEZ. The steps that were taken were taken during the conciliation process, and I can't go into detail because it's confidential information.

Mr. BENNETT. I understand.

Mr. RODRIGUEZ. We sought to gain further information on this transaction during the negotiations for conciliation. We did not—the conciliation negotiations went quickly, incidentally, settlement was reached quickly. Later on in the investigation when we could not find settlement or reach settlement with the law firm, we inquired further, and that brings us to the conversation you saw earlier on the Telecon and other information that you have in your possession.

Mr. BENNETT. But, I guess, my question is at the time, however, at the time, did you notify anyone at the Department of Justice with respect to, clearly, an indication of a violation of election law?

Mr. NOBLE. If I may answer that, we're not permitted to do that at that point. The statute is very clear that we can refer matters over to the Department of Justice only after the Commission finds probable cause to believe that there's a violation.

Mr. BENNETT. Well, let me ask you, then, Mr. Noble, if I may on that: if you have an individual voluntarily coming forward through his law firm saying, "I've read my name in the newspaper. Apparently, I'm not allowed to make these contributions. I'm not an American citizen; I'm *sua sponte,* as you say in your report—Latin, for on your own volition. Here I am." And his secretary says, "Yes, and that's what we did." And both of them say, "Yes, and we were told to do this $20,000 conduit contribution, and we do it through me; I was his secretary." Given the candor that these people are representing, I'm not sure if the committee would understand why it would take 2 or 3 years to, at least, on that matter, make a determination of why you're looking into other matters involving Mr. Kramer and all the Democrats and Republicans who got money from him. On that particular matter, it seems fairly reasonable, wouldn't it, to notify Attorney General Reno's office over at the Jus-

tice Department that we have clear indications that there apparently was a conduit contribution here?

Mr. NOBLE. I don't think, at that point, we had probable cause to believe that Mr. Glicken had made a—solicited an unlawful contribution. You have to keep in mind, also, a distinction that we drew, and it's, frankly, a triage distinction, because we are in this mode where we cannot do everything we want to do. The distinction we drew is we did not go after, generally, the solicitors in any of these cases.

What interested us in this case and in the affidavit was the suggestion that Mr. Kramer may have been told to do a contribution in the name of another. Now, actually, what the language is, is he says, "I proceeded as I did because to the best of my recollection I understood that the solicitors suggested in the presence of myself and my secretary that since the DSCC accepted contributions only from U.S. citizens, a U.S. citizen should contribute on my behalf."

Now, that is clearly an indication something was there. What we did about it was with one exception which was the Republican party of Florida for another reason—where we went reason to believe no further action, meaning close the case out, as to all the other recipient committees, we kept the DSCC in the case, because we were concerned about that. It raised enough of a flag to us that we were concerned about it, but, as Ms. Lerner said, our focus at that point was that we had Mr. Kramer coming in, and we had what we thought was a serious situation with a law firm soliciting. That's what we put our limited resources on, hoping during the conciliation—and then later you'll see we actually went out with discovery—hoping we would get further information on the DSCC and maybe be able to resolve this issue, but, as we'll discuss, time ultimately ran out on us.

Mr. BENNETT. Well, I guess, my point on this is, is that looking at, Mr. Rodriguez, looking at exhibit 40, the e-mail communication from you to Ms. Bumgarner, who I believe is there on staff as well, is that correct, Mr. Rodriguez?

[Exhibit 40 follows:]

Date: 7/22/97 8:20:15 AM
From: Jose Rodriguez
Subject: Bradley Issue
To: Mary Ann Bumgarner

Now that the story has broken, can LL check with Justice to determine if they have any interest in pursuing the reported Kramer/Bradley activity criminally? This would be good info to have before contacting Bradley's counsel.

J-

Mr. RODRIGUEZ. That's correct, she's my supervisor.

Mr. BENNETT. That is in July of last summer, and it now says, correct if I'm wrong, "Now that the story has broken, can L.L."—I assume we're referring to Ms. Lerner sitting here today, Ms. Lois Lerner—"check with Justice to determine if they have any interest in pursuing the reported Kramer-Bradley activity criminally. This would be good info to have before contacting Bradley's counsel."

I guess, again, my question is, with respect to that particular matter, and this is separate from the matter of Howard Glicken or Marvin Rosen or whoever was the person that made the suggestion, you're not in a different position there in July 1997, than you would have been earlier to make a specific referral on that matter to the Justice Department, would you, Mr. Rodriguez?

Ms. LERNER. I'll respond for him with regard to that. We still could not have referred any matter over to the Department of Justice absent finding probable cause. What this related to was we were now in the place where we had settled the matter with certain parties; we were unable—at that point, it did not look like we were going to be able to settle with the law firm. The two cases had been divided out. The information was on the public record that there had been, in fact, the Kramer situation, and, at that point, I was more in a position to be able to discuss the matter with the Department of Justice, because it was on the public record and they could be doing it on their own.

Mr. BENNETT. Well, let me just—my time is up—just let me close with this one last question, Ms. Lerner. Were Mr. Marvin Rosen or Howard Glicken ever interviewed during this inquiry?

Ms. LERNER. No, they were not.

Mr. BENNETT. Did anyone ever contact Marvin Rosen or Howard Glicken, the two people who mainly dealt with Mr. Kramer and solicited money from him, and asked their version of events with respect to this?

Ms. LERNER. No.

Mr. BENNETT. I have no further questions, Mr. Chairman. Thank you.

Mr. NOBLE. Mr. Chairman, if I may, just keep in mind, we have two investigators for our whole staff.

Mr. BURTON. Beg your pardon?

Mr. NOBLE. We have two investigators for our whole staff.

Mr. BURTON. No, you've made your case very clear as far as lack of resources and personnel. I think that our concern was why there wasn't more followup since there were four people involved. Mr. Waxman.

Mr. WAXMAN. Thank you, Mr. Chairman. Mr. Noble, why do you say that you only had two investigators? What difference would that make?

Mr. NOBLE. All of these cases have to be understood in terms of the caseload we have and the resources we have. When we discuss how to proceed on these cases, we're aware that we can only handle a very limited amount—a very limited number of investigations, and, frankly, at the time this came up last summer, we knew that we are already dealing with large cases coming in from the 1996 election. Remember, these contributions are from 1993, 1994. We

are trying to get out of the 1993, 1994 cycle and we have to look at where the resources are going to go.

I know that when Ms. Lerner comes to me and says—and this happened in this case—that we will probably have to launch an investigation on this, that it's going to have to come from somewhere; some other case we're going to have to stop investigating. There is some other case that will not get activated because of that. And so what we do in that situation is we see if we can get, if you will, the quick hit. If we can the get settlement; if we can get substantial civil penalties and get the message out that this is a very serious violation, we will then do that and move on.

I would have—as I said before—I would have loved to have found out what Mr. Glicken knew. There are a lot of cases we have today that are going to suffer this fate where we would like to find out what's going on, but we are not able to find out what's going on.

Mr. WAXMAN. You're not able to find out because the Congress of the United States appropriated a limited amount for your budget, and I want you to know that was a big fight in the Congress, but the Republican leadership in the Congress decided they didn't want to give more money to the Federal Election Commission to pursue enforcement of campaign violations, and now we have you before us to criticize you for not being able to do more than what your money permitted.

Now, it's appropriate for this committee to call the Federal Election Commission before us as part of our congressional oversight, but it's also fair to ask for accountability of this committee, itself, and the chairman stated in his statement that he spent $2.5 million, not the $5 million that I alleged. I want to know, Mr. Chairman, whether you, by the end of this week, will give us a full accounting of the money spent by this committee? No other governmental agency would be able to get away without giving a full accounting. I think the members of this committee and the public are entitled to a full accounting of the money spent, and I'd like to yield to you for the sole purpose of responding to my request that you give us the information as to what you have been spending.

Mr. BURTON. Thank you for yielding. It's a matter of public record the amount of money that was appropriated by the House for our investigation. I mean, I don't think it's any great mystery. All you have to do is open up the books and look at it.

Mr. WAXMAN. I'd like to know, Mr. Chairman, how you came up with the $2.5 million figure. That's the figure you stated publicly, and I think we're entitled to know how you came up with it. Last year, you said that you had a data base that the Republicans were creating. We were critical because we thought we should share it, but you stated that it cost $40,000. Now, we read in the newspaper, it cost $60,000. Will you provide for us an accounting of how you've come to this figure of $2.5 million?

Mr. BURTON. Well, I will certainly check with the staff, but it's a matter of record; it's there, and I'll have the staff get that together for you, Mr. Waxman.

Mr. WAXMAN. Well, Mr. Chairman——

Mr. BURTON. Obviously, I want to cooperate with you any way I can.

Mr. WAXMAN. Mr. Chairman, I differ with you. It is not a matter of public record. There are a lot of things that are in the public record, but the statement of $2.5 million ought to be justified if you're going to make it.

Now, let me go on to some other things. I do want to ask you some questions about the matter that's before us, but I do want to talk about how it's somewhat comical to think, as the chairman stated, that this is the only investigation that's actually pursuing all these campaign violations, and if it weren't for us, no one would be looking at it. The fact of the matter is that Senator Thompson's committee held over 30 hearings on campaign finance investigations. The Justice Department has a task force of over 120 people, and they're pursuing these issues. Our committee is pursuing the matters as well, but I must say that nothing has come out of this committee's deliberations that one would not have been able to read in advance in the New York Times, the Washington Post, the L.A. Times, in any of the media that has reported and done its own investigation of campaign finance abuses.

And the chairman, in his very defensive way, to justify this committee, said that Charlie Trie has been indicted because of this committee's activities. Well, Mr. Trie has been indicted by the Justice Department for over 52 overt acts. Of those 52 overt acts, only 2 were discussed by this committee in a public hearing, and of those 2, the Democratic National Committee had already reported all the information to the Justice Department which led them to bring those indictments.

Now, I just think this committee should be held up to scrutiny. It should be held accountable just as we're asking the Federal Election Commission to be held accountable, and the chairman claims that we have all this lack of cooperation because witnesses aren't coming forward. There's some truth to that, but there's also been an enormous amount of cooperation. This committee has requested and received more material than any other investigation in the history of the Congress. We have 1.5 million pages of documents from the witnesses, particularly the Democratic witnesses. From the Republican party, we have only 17,000 pages, and this is an enormous amount of material. We have witnesses that have been deposed, not once, but two, three, and four times, and the public doesn't know about it because it's behind closed doors. They're not brought before a public hearing where the kinds of questions that are asked could be viewed by the American people and they could then exercise some judgment as to whether it's appropriate. Over 140 people have been deposed, and the committee has kept four depositions, many of them lasting more than 10 hours. So, I think that the claim that we haven't seen cooperation is a little thin.

I'd like to ask a question about the resources. How much money do you have to spend at the Federal Election Commission to enforce the law?

Mr. NOBLE. Well, there are a number of different ways you can look at it. In 1999, we've asked for approximately $10 million for the whole Compliance Program.

Mr. WAXMAN. How much?

Mr. NOBLE. $10 million for the whole Compliance Program; $10.5 million for the whole compliance, and that includes enforcement,

Reports Analysis Division, and Audits. It includes more than what's in my office. We're in a situation, now, in my office where we have 20—we can assign approximately 24 staff attorneys to investigations. As I said earlier, we have two investigators, and that is what we have to do the nationwide enforcement of the laws with; not just this case; not just the cases arising out of the 1996 election. I would note that we asked last year for $5 million, a supplemental appropriation, so that we could put that money in looking at the 1996 elections, because the 1996 elections have the potential for draining all of our resources and more, and other than money given for computers, we were not allowed to—we were not given any of the money for staff resources.

Mr. WAXMAN. How many people does the FEC having working on its enforcement staff?

Mr. NOBLE. The enforcement—as I said, we have 24 staff attorneys; we have the equivalent of 5 assistant general counsels working on enforcement; we have 12 paralegals, and 2 investigators.

Mr. WAXMAN. Well, Mr. Noble, this committee, the Government Reform and Oversight Committee, has over 70 attorneys, investigators, and support staff. Our committee dwarfs the kind of budget that you have to enforce the law, and now with all of our resources, we're now criticizing you for not doing more.

Mr. NOBLE. If I may, I'll also point out that we have reached out, besides coming to Congress, for additional money, and we have in our budget request this year a request for additional staff to help with the workload. We've also gone to the Department of Justice and asked for a detail, and we've also sought help in other ways. In fact, we wrote to this committee seeking help in getting documents that this committee may have that may help us with some of our investigations. So, we've been seeking, from a number of different sources, assistance, and, frankly, we've not been getting the assistance.

Mr. WAXMAN. Well, based on what the Republican leadership did in the House of Representatives yesterday when they made sure that real campaign finance reform would be killed. I wanted to vote for the bill authored by our colleagues, Mr. Shays and Mr. Meehan, or in the Senate, the McCain-Fiengold bill. They kept us from voting on that, and I think that's an indication that if you want more money, you're going to have to hold some bake sales, because the Republican leadership isn't interested in making sure that you get the funds to do the job to make sure that law enforcement-type agencies can really bring Democrats and Republicans to answer for their violations. In this committee, the budget is overwhelming, and they try only to go after Democrats and never to go against Republicans.

And I want to just say something else, Mr. Chairman. My words of criticism should not be interpreted as me alone saying them, because I want to quote from other sources. "The incompetence on this committee is frightening," and that's from Roll Call, quoting a Republican Member on September 29, 1997. Another one said, "This committee is so incompetent, we're never prepared." That's from the Congressional Quarterly Monitor quoting an aide to a Republican on this committee. Another source close to the investigation said, "We have management by crisis. There's lunacy without

direction; without advancement; without outlining where it was going to go." So, I think that the chairman should understand that we alone are not criticizing him. You might want to chuckle about it, but the fact of the matter is we are wasting taxpayers' money on a partisan witch hunt, and we're hamstringing the enforcement agencies that should be doing its jobs, and, Mr. Noble, I feel sorry for you, because you were just here. You just came before our committee a short time ago on March 5th, because one of our subcommittee's held a full day public hearing on oversight of the Federal Election Commission, is that right?

Mr. NOBLE. Yes.

Mr. WAXMAN. You testified at that hearing, and Chairman Burton said he had questions about Thomas Kramer and Howard Glicken, and you answered all those questions in some detail, isn't that correct?

Mr. NOBLE. Yes.

Mr. WAXMAN. Now, I've reviewed the transcript of that prior hearing, and I'm struck by the fact that you've already answered questions extensively about Thomas Kramer, some of which we've just heard asked and answered again. I don't think I can do a better job at this hearing than Mr. Horn did—who's the chairman of the subcommittee—at his hearing. So, rather than ask different questions, I want to go through Mr. Horn's questions, and I asked my staff to provide you with a copy of the court reporter's transcript of that prior hearing. I'm going to read Mr. Horn's part. I want you to play yourself. I hope you can do that probably a lot easier than I can play Mr. Horn. But let me refer you to the transcript. On page 187—I'm sorry, 180, Mr. Horn says, after you answered some question, he said, "That's fine, that's fine; glad to hear it. OK. Let me move, then, to the last question. This is from Chairman Burton who wanted to join us, but he couldn't. And it's directed at Mr. Noble as General Counsel. What Chairman Burton would like to know is a few answers here on the Thomas Kramer case. I don't know if you're familiar with that."

Mr. NOBLE. "Yes, I am."

Mr. WAXMAN. "Mr. Burton notes, 'As you know, Mr. Kramer paid over $320,000 in fines for illegal political contributions to candidates and political parties, Democrat and Republican. Two things trouble me,' says Chairman Burton, 'the first is a statement that you made about a fundraiser close to the Vice President, named Howard Glicken. The second is, why didn't you go after a Democratic National Committee fundraiser who allegedly advised Mr. Kramer on how to break the law?'

"As for Howard Glicken—Mr. Burton notes that in the Federal Election Commission report about the investigation of Mr. Glicken, the following comment was made: 'Because of Mr. Glicken's high profile as a prominent Democratic fundraiser, including his potential fundraising involvement and support of Mr. Gore's expected presidential campaign, it is unclear that this individual would agree to settle this matter short of litigation.' Mr. Burton notes, 'This troubles me,' and he says, 'Mr. Noble, why didn't you pursue the investigation of Mr. Glicken?'"

Mr. NOBLE. "I'll answer that question directly, then I'll give some background on it. We did not pursue the investigation of Mr.

Glicken because it was—most of the activity at issue was 1993 activity; some was 1994. We have a 5-year statute of limitations. Mr. Glicken's name came up late in the process. We have not found reason to believe against Mr. Glicken. We would have had to start from the beginning with Mr. Glicken. The statute of limitations on the main part of a solicitation runs this April. The reason that comment was made——"

Mr. WAXMAN. Let me interrupt you—you can read the rest of the transcript; it's already part of the record of the subcommittee—aren't those the answers you just gave a few minutes ago to Mr. Bennett?

Mr. NOBLE. Yes.

Mr. WAXMAN. Those are the answers you gave a few weeks ago to Mr. Horn?

Mr. NOBLE. Yes.

Mr. WAXMAN. Now, I have accused this committee of redundancy with Senator Thompson's investigation, because we called witnesses that appeared there and then came here and said the same thing. I've accused this committee of redundancy with other committees of the House, because we have other committees of the House pursuing parallel investigations. Now, we see this committee involved in redundancy with its own subcommittees, because we're going over the same issues, same ground, that was pursued by not another House, not another committee, but our own subcommittees.

Let me skip to the last two pages of the transcript, pages 199 and 200, where Representative Turner was asking you questions. Representative Turner asked whether there was any evidence that the commission or its staff had any communications or influence from the Vice President, the White House, or anyone acting on their behalf regarding the decisions to drop the Glicken matter. Is it correct that both you and Commissioner Aikens testified that you knew of no such communication or influence? Mr. Noble, I'd like to know if you have—what you said there and if you have anything new to add?

Mr. NOBLE. I said that there was none that I was aware of, and I have nothing new to add.

Mr. WAXMAN. Well, that seems to be what you said in the subcommittee as well. You were asked that question; that was your answer. You've been asked that question here, and that's still your answer. I'd like to know if you have anything new to add, today, that wasn't covered in the earlier hearing this month.

Mr. NOBLE. We have no further testimony other than answering questions.

Mr. WAXMAN. I still have time, and for those who might be watching this on C–SPAN and don't understand how the procedure works, when we get time, we have a half hour, and we don't have to yield to the other side, and they don't have to yield to us. You noted, Mr. Burton, those of you who watched this thing, wouldn't yield to me when I asked him to. I want to ask Members of my Democratic side if they have any questions they want to pursue. Yes, Mr. Fattah.

Mr. FATTAH. Thank you to the ranking member. Let me see if I can try to put this in some context beyond the instance case. The

Federal Election Commission did review in the past activities of the, for instance, the Clinton-Gore campaign in 1992, is that correct?

Mr. NOBLE. Yes.

Mr. FATTAH. And the Republican campaign in the same year and there were resulting agreements in which—I don't know if you would call them fines—but penalties were agreed to, is that correct?

Mr. NOBLE. I believe so, yes.

Mr. FATTAH. Well over $1 million, as I recall. In fact, this general knowledge that the Federal Election Commission and the reason why you've gotten such a paltry budget from the Congress, has been an equal opportunity enforcer over the years, and you went after many, many Democratic allegations in the past and successfully have tried to ferret out wrongdoing and also it is the case for Republicans. Since you've been at the FEC, isn't it true that a fair number of Members of both parties and Independent campaigns have been the subject of enforcement actions?

Mr. NOBLE. Absolutely, and we do not look at whether they're Democrats, Republicans, or Independents. I would note that—I believe it was last summer—the Fair Government Foundation which reviewed our civil penalties in cases came out with a statement that they did not see any bias on the part of the Commission with regard to civil penalties in terms of Democrats or Republicans. In terms of the case you mentioned, there are also—I think what you are talking about, they are repayments that the Commission ordered.

Mr. FATTAH. Yes, I guess the point I'm making is that until this hearing today, there's never been any serious suggestion by anyone that I'm aware of that the FEC has been partisan in its approach to enforcement of the election laws. Are you aware of any allegations that have been on the public record of partisanship by the FEC?

Mr. NOBLE. I don't think there are any serious allegations. I will say that when we are attempting to conciliate and get a civil penalty out of somebody, that they do—often they will say, "Well, you're just doing this, because I'm a fill-in-the-blank, Democrat, Republican, Independent.

Mr. FATTAH. Everybody complains.

Mr. NOBLE. Everybody we go after complains that we're only going after them, and if we drop a case where somebody complains, they complain that we dropped it only because of who the person was.

Mr. FATTAH. It's also true that if you look at the tens of millions that have been spent by the Congress, that is both the upper chamber or as they call it here the other body, or the House in its enthusiasm to find wrongdoing in the 1996 elections, that there is but one agency of the Federal Government that was set up to and has the expertise and the experience to thoroughly investigate campaign irregularities, and that is the FEC, is that correct?

Mr. NOBLE. Correct. We're the only agency with exclusive civil jurisdiction.

Mr. FATTAH. And you have, in your agency, a great deal of expertise and experience in these matters. So, even though you have in-

vestigated less than, for instance, this committee has, to work on these matters, you actually bring to these types of inquiries, a level of expertise that even this committee hopes to bring.

Mr. NOBLE. We have a level of expertise developed over 20 years of doing this, and that expertise and that judgment goes into decisions we make about what to do on cases.

Mr. WAXMAN. Will the gentleman yield?

Mr. FATTAH. I'll be glad to.

Mr. WAXMAN. I want to make one comment, and then I want to yield some of the time to Mr. Tierney, and then we'll come back for another round for Members to ask individual 5-minute questions.

You here being criticized, Mr. Noble, and others from the FEC, that you're not doing enough, and you say you don't have enough resources to do more, but I want to point out that President Clinton asked for an extra $1.7 million for the current fiscal year which expires September 30th, and this was a letter sent to Speaker Newt Gingrich. He asked if Congress could meet that budget request. The House Appropriations Committee Chairman, Bob Livingston, who's openly hostile to the FEC, put extra money into the supplemental appropriations bill, but he put in a proviso that it can only be used for computers, and then the House rules stripped the appropriations from that measure on the grounds that an emergency did not exist. So, we see the Republican leadership in the Congress refusing to give you money even for computers let alone more staff, and you're being criticized for not doing more with your budget. But, Mr. Noble, this is the second time you've been here this month, and I see four people at the table, and maybe others behind you that are from the FEC, answering the same questions. Doesn't that require a lot of use of your time and money for your time that could have been directed to other activities? Don't you have anything better to do than to come before the Congress and answer the same questions twice in the same month?

Mr. NOBLE. We are, of course, glad to be here and answer any questions the committee has. Obviously, it does take time from other things that we would be doing.

Mr. WAXMAN. I'll bet it does. Mr. Tierney, I want to yield some time to you.

Mr. TIERNEY. Thank you, Mr. Waxman. Let me just say that it's a little appalling to see what passes for Government these days or exercising Government, and I think that we all ought to take a real hard look at the time that we're spending here today and forcing you people to spend recreating the wheel.

If you had $2.5 million—such has been spent according to, I think, the short estimate of the chairman here—could you put that to good use fulfilling your responsibilities?

Mr. NOBLE. Absolutely.

Mr. TIERNEY. Could you give me some example of what you'd do with that $2.5 million that we're twittering away here?

Mr. THOMAS. Well, that's really only a part of the additional increment we're actually seeking for the compliance component for fiscal year 1999, but as we have said with regard to that full amount, we would use that to hire investigators, auditors, attorneys, all the people you need to dig into these kinds of allegations and to get to the bottom of them.

Mr. TIERNEY. If you had a counsel of the capabilities of Mr. Bennett, would that be useful to your staff also, if you were spending his good services in your agency instead of with this committee.

Mr. THOMAS. We would like having someone with that gentleman's skills, no doubt.

Mr. TIERNEY. Let me ask each of you what your normal duties would be on a day like today if you weren't sitting here telling us again for the third or fourth time, which you've already mentioned to subcommittees and individuals and depositions and the like. Just starting from my left to right, tell me what you would be doing today.

Mr. THOMAS. Well, I suppose, since I'm Vice Chairman of the Commission, I would probably be spending some time today working on following up on our budget request, because we are working very hard on that, and that's my primary responsibility this year. But aside from that, I'd be basically looking at all of the reports that the Counsel's Office sends to us making recommendations in pending enforcement cases, pending regulation projects, and pending advisory opinion projects, and all the recommendations coming out of the Audit Division on audit reports, the whole 9 yards. That's what I do on a daily basis.

Mr. NOBLE. I'd be reviewing reports from the various areas in my office. Enforcement is one of four areas in the office; there's public financing; there's litigation, and there's policy. I'd be reviewing reports; having meetings; probably meeting with Lois several times during the day to discuss what we've been doing on cases and resource allocation issues.

Ms. LERNER. I would be reviewing any reports that come to me, because all enforcement reports are funnelled through me either to the General Counsel or directly to the Commission. I would be meeting with staff team leaders and the attorneys to determine which way we should proceed in our investigations, and because it's Tuesday, I might also be at a Commission meeting.

Mr. RODRIGUEZ. Well, it varies day to day. I'd work my cases. I'd be trying to enforce the acts.

Mr. TIERNEY. You indicated that you have currently two investigators.

Mr. NOBLE. Correct.

Mr. TIERNEY. How many do you estimate that you need in order to fulfill your statutory responsibilities appropriately?

Mr. NOBLE. We broke it down in the request which I will have to find.

Mr. TIERNEY. Give me an estimate.

Mr. THOMAS. I can say in the actual budget request, Congressman, we didn't specify how many of the 34 staff that would be going to the Office of General Council would be investigators per se. We did specify that 26 of those 34 would be going to the enforcement teams of which there are 4, so within that compliment of 26—Larry Noble might have a further breakdown—but some would be investigators; some would be attorneys; some would be support staff.

Mr. NOBLE. We can provide that to the committee. I did not bring that with me.

[The information referred to follows:]

The staff breakdown for our FY 1999 budget request is: 17 Attorneys; 8 Paralegals; 2 Investigators; 7 General Support and Administrative Staff; and 3 Auditors.

Mr. TIERNEY. Is it fair to say that by and large what you're investigating and what the root of most of these problems and issues that you deal with on a day-to-day basis involves is the money in politics?

Mr. NOBLE. Absolutely.

Mr. TIERNEY. And that if this committee or other committees here spent more time reviewing some of the proposals on campaign finance reform that talked about decreasing the amount of money in politics, that we might make some progress in reforming the system?

Mr. THOMAS. Well, we are anxious to enforce whatever Congress passes. That's our job; that's the way we look at it, and we're happy to advise the Congress on recommendations. We do that every year. We sent over a list of 60-some legislative recommendations just recently. We would hope that there could be some effort to streamline the law whenever possible, and we make several recommendations along those lines.

Mr. TIERNEY. What success have you had in the past with those recommendations that you've sent over to Congress?

Mr. THOMAS. Well, I'd have to say not a great deal. Those things tend to get caught up in the big philosophical battles involving larger scale efforts to change the law.

Mr. WAXMAN. Mr. Tierney, you use the figure in the questions of the these witnesses that this committee spent $2.5 million——

Mr. TIERNEY. Actually, Mr. Waxman, what I said was that the chairman underestimated, I believe, the $2.5 million.

Mr. WAXMAN. Well, that figure's a fixed——

Mr. TIERNEY. I understand that.

Mr. WAXMAN. I believe this committee has spent over $5 million, and I want the chairman of this committee to account for every penny that's been spent, because I think we're entitled to know how he comes up with the $2.5 million, and we ought to have that information. We're entitled to it. This committee is not above some accountability at least to the members of the committee, and so I did want to raise that point.

Mr. TIERNEY. I yield some time back to Mr. Waxman.

Mr. WAXMAN. I want to yield to Mr. Kucinich, but I want to ask one question, if I might. The FEC is, you're being attacked for partisanship, and the contributions underlying this whole question before us, and Mr. Kramer, involved, I think, a lot more money to the Republican party in Florida than to the Democratic party in Florida. Is that an accurate statement?

Mr. RODRIGUEZ. Accurate statement.

Mr. WAXMAN. Chairman Burton has focused his investigation solely on Democrats. For example, although the Florida Democratic party didn't take any money from Thomas Kramer, it was subpoenaed. But the Republican party, which received more money than the Democratic party in Florida, never got a request for information, never got a subpoena from our committee. When you undertake your investigations, did you request documents from both the Democratic and Republican parties?

Mr. RODRIGUEZ. Correct, Congressman.

Mr. WAXMAN. It sounds to me that rather than accusing you of partisanship, it seems to me this committee stands indicted of the accusation of partisanship when they only go after the Democratic party of Florida and never ask for information from the Republicans. Mr. Davis, you had one question, then I wanted to yield to Mr. Tierney and then we'll——

Mr. DAVIS OF ILLINOIS. Thank you very much, Mr. Waxman.

Mr. WAXMAN [continuing]. To Mr. Kucinich.

Mr. DAVIS OF ILLINOIS. Thank you very much. My question is: How active has the FEC been in pursuing compliance with foreign national cases?

Mr. NOBLE. We've been very active in pursuing compliance in foreign national cases. We've taken the matter very seriously. In the 1992, 1994, and 1996 election cycles, we had foreign national cases dealing with 580 respondents and we got over $800,000 in civil penalties.

Mr. DAVIS OF ILLINOIS. And is a foreign national the same as a legal resident?

Mr. NOBLE. The definition of foreign national is someone who is not a legal resident, is not a citizen or is not a legal resident and does not have a green card.

Mr. DAVIS OF ILLINOIS. So when we're talking about one, we're not talking about the other?

Mr. NOBLE. When we're talking about a foreign national, we're not talking about somebody who has a green card and is a legal resident.

Mr. DAVIS OF ILLINOIS. Thank you very much. Thank you, Mr. Waxman.

Mr. WAXMAN. I'd like to yield whatever time I have to Mr. Kucinich.

Mr. KUCINICH. Thank you, Mr. Waxman. I think what we're witnessing here, at the beginning, with the FEC being investigated, is the metastatic state of campaign investigations. Now we're investigating the FCC.

Mr. Waxman raised some very important points about the FEC. We have an investigation of the FEC, which is underfunded, can't enforce campaign laws, which we acknowledge are insufficient, and our counsel for the committee is now asking the FEC not just to enforce the laws, but to prefer charges prior to the finding of probable cause. Now I want to ask the gentleman, how significant is this concept of probable cause to the FEC?

Mr. NOBLE. The FEC has several stages by statute that it has to go through. One is reason to believe, we cannot do any investigation until we find reason to believe. After the investigation, the Commission has to find probable cause to believe there was a violation. So it is a higher threshold than reason to believe and it is meant to be that after investigation now, there is probable cause to believe a violation occurred.

Mr. KUCINICH. Why do you do that?

Mr. NOBLE. The statute requires it.

Mr. KUCINICH. But why, what other principles are at work?

Mr. NOBLE. The principles, I think, the congressional principle is that the Congress did not want the Commission pursuing a case unless there was strong evidence with regard to the case.

Mr. BURTON. The gentleman's time has expired. The subpoena that was sent to the Democratic party in Florida had nothing to do with Mr. Kramer. Mr. Horn, you're recognized for 5 minutes.

Mr. HORN. Thank you very much, Mr. Chairman. Let me pursue where the general counsel left off a little bit, as to Mr. Glicken. Mr. Noble, I refer you to Federal Election Commission exhibit 12, where you will find also on 12.3 the language at the bottom of the page, it says, "Similarly, this Office does not recommend further proceedings concerning the two Democratic National Committee contributions apparently solicited by Mr. Glicken. Unlike the Democratic Senatorial Campaign Committee contributions, the larger of these two contributions would not be timebarred until March 1999—approximately a year and 4 months from now. However, because of Mr. Glicken's high profile as a prominent Democratic fundraiser, including his potential fundraising involvement in support of Vice President Gore's expected presidential campaign, it is unclear that this individual would agree to settle this matter short of litigation. Therefore, rather than continuing this matter for an unspecified period in pursuit of one participant and because of the low prospect for timely resolution, the age of the matter and already successful resolution concerning all principals in this case, the Office does not recommend further proceedings concerning these two DNC contributions either. Instead, the Office recommends the closing of the entire file."

Now, that was your recommendation, as I remember, to the Commission, was it not?

[Exhibit 12 follows:]

BEFORE THE FEDERAL ELECTION COMMISSION

SENSITIVE

In the Matter of	)	
	)	
Greenberg, Traurig, Hoffman, Lipoff, Rosen & Quentel, P.A., *et al.*	)	MUR 4638
	)	

GENERAL COUNSEL'S REPORT

I. INTRODUCTION

On October 30, 1997, the Commission entered into conciliation with Greenberg, Traurig, Hoffman, Lipoff, Rosen & Quentel ("Greenberg & Traurig" or "Respondent") in connection with violations of 2 U.S.C. § 441e resulting from Respondent's involvement in contributions made by Thomas Kramer, a foreign national, to Federal, state and local elections during the 1993-1994 election cycle.[1] At the same time Respondent was provided with the Commission's proposed conciliation agreement. *See* the General Counsel's Report in this matter ("GCR") dated October 27, 1994

Additionally, this report analyzes the remaining issues and participants involved in Mr. Kramer's contributions and recommends closing the matter without further proceedings.

[1] Mr. Kramer's contributions were addressed in predecessor MUR 4398

EXHIBIT
FEC - 12

B. Remaining Participants

As noted in previous reports in this matter and in predecessor MUR 4398, in his *sua sponte* submission Mr. Kramer suggests that an unnamed individual associated with the Democratic Senatorial Campaign Committee ("DSCC") had instructed him to make his $20,000 April 28, 1993 contribution in the name of his secretary, in violation of 2 U.S.C. § 441f. During the course of the matter, this Office sought information concerning this transaction, including the identity of the individual involved. While this Office has discovered information identifying an individual credited for soliciting four of Mr. Kramer's contributions to the Democratic Party (two each to the DSCC and the Democratic National Committee ("DNC")), including the contribution made in the name of his secretary, the available evidence is inconclusive as to this individual's actual involvement in suggesting that the contribution be made in the name of another.[2]

Specifically, the available evidence obtained from the DSCC suggests that Howard Glicken, a south Florida fundraiser, was responsible for both of Mr. Kramer's contributions to the DSCC, including the $20,000 contribution made in the name of his secretary. However, this information is not conclusive. In its response to the Commission's interrogatories, the DSCC notes that it is "without any specific information responsive to this request other than to state its belief that Howard Glicken may have been involved in soliciting these contributions." DSCC response dated July 16, 1997, at 4. Accompanying this response are documents relating to the contributions; however, these documents do not confirm Mr. Glicken as the solicitor, instead

[2] These contributions include Mr. Kramer's April 28, 1993 $20,000 contribution (made in the name of his secretary) and September 17, 1993 $3,000 contribution to the DSCC and Mr. Kramer's April 14, 1993 $25,000 contribution (made through Portofino Group, Inc.) and March 15, 1994 $40,000 contribution to the Democratic National Committee

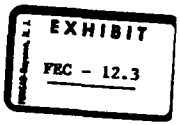
EXHIBIT
FEC - 12.2

they show two unidentified entries under the fundraising heading—"Cooper" for the $20,000 contribution and "MJV" for the $3,000 contribution.

Moreover, there is only limited evidence regarding the Section 441f scheme. Mr. Kramer in his *sua sponte* submission, while suggesting that the he was instructed by a DSCC fundraiser to make his $20,000 contribution in the name of his secretary -- Terri Bradley, fails to identify this individual or provide details of the conversation. Similarly, in conversations with this Office, counsel for Ms. Bradley, while noting that his client recalls the suggestion being made to Mr. Kramer, refuses to provide further information or the identity of the fundraiser without a grant of immunity from criminal prosecution. While further inquiry of the DSCC may clarify the apparent inconsistency concerning Mr. Glicken's attribution as the solicitor, because of the discovery complications concerning the Section 441f issue, this Office does not believe that sufficient time remains within the statute of limitations period to adequately investigate the more substantial April 1993 contribution made in the name of another.

While this Office would generally recommend a reason to believe finding against Mr. Glicken and conduct an investigation into the two DSCC contributions, because of the discovery complications and time constraints addressed above, and the fact that the transactions at issue took place during the 1993-1994 election cycle, this Office does not now recommend proceeding against this identified individual or the DSCC.

Similarly, this Office does not recommend further proceedings concerning the two DNC contributions apparently solicited by Mr. Glicken. Unlike the DSCC contributions, the larger of these two contributions would not be time barred until March of 1999 -- approximately a year and four months from now. However, because of Mr. Glicken's high profile as a prominent



Democratic fundraiser, including his potential fundraising involvement in support of Vice President Gore's expected presidential campaign, it is unclear that this individual would agree to settle this matter short of litigation. Therefore, rather than continuing this matter for an unspecified period in pursuit of one participant and because of the low prospect for timely resolution, the age of the matter and the already successful resolution concerning all principals in this case, this Office does not recommend further proceedings concerning these two DNC contributions either. Instead, this Office recommends closing the entire file in MUR 4638

Therefore, this Office recommends that should the Commission agree with the above assessment concerning further proceedings in this matter, it close MUR 4638. Should the Commission not agree with this assessment, this Office recommends that the Commission close the matter only as to Greenberg and Traurig.

III. RECOMMENDATIONS

1. Accept the attached conciliation agreement with Greenberg, Traurig, Hoffman, Lipoff, Rosen & Quentel, P.A. in settlement of MUR 4638 and close the matter as to this Respondent.
2. Close MUR 4638
3. Approve the appropriate letter(s).

Lawrence M. Noble
General Counsel

12/19/97
Date

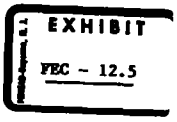
BY: [signature]
Lois G. Lerner
Associate General Counsel

EXHIBIT
FEC - 12.4

Attachment:

1. Greenberg & Traurig Proposed Signed Conciliation Agreement

Staff Member: Jose M. Rodriguez



Mr. NOBLE. Yes, it was.

Mr. HORN. And clearly there was a time, wasn't there, within the period of limitations, when you could've proceeded with Mr. Glicken. Is that not true?

Mr. NOBLE. There was a time in the summer-fall of 1997, the information—it was in July 1997—the first information regarding Mr. Glicken came into the office.

As I just said, we have statutory proceedings we have to follow. We had not found reason to believe against Mr. Glicken because we had not seen his name prior to that. So we would have had to find reason to believe against Mr. Glicken to launch an investigation.

If you look at the procedures in the statute that we have to follow, we have figured out that not counting any work the FEC does, we have to take approximately 120 to 130 days to get a case through. That's not counting any investigation, any writing of reports. We know, as a practical matter, based on our experience, that it would take us a long time to get that case through, unless it was going to settle early.

Mr. HORN. You knew at that time, though, that he was a prominent fundraiser for Vice President Gore, did you not?

Mr. NOBLE. Yes.

Mr. HORN. You did know that?

Mr. BURTON. Mr. Horn, would you yield briefly?

Mr. HORN. Yes.

Mr. BURTON. You never even called Mr. Glicken or Mr. Rosen about this, right?

Mr. NOBLE. We would——

Mr. BURTON. You never even called them?

Mr. NOBLE. No, we did not.

Mr. BURTON. You didn't even call them at all. You didn't——

Mr. NOBLE. We did not call any of the solicitors.

Mr. HORN. Well, I was going to get to that point because I've heard a lot about staff manpower here, and womanpower, and I remember that incident on the floor where the Appropriations Committee Chairman was rather upset; you were given $3 million in the budget to use on computerization, and you didn't. You went out and hired people in complete violation of the law because that Appropriations Act is a law, and you violated it. And here we have all this whining about, we don't have enough resources. As the chairman said, couldn't you just pick up a phone? How much time does that take?

Mr. NOBLE. It does not take much time. I'd like to note, though, as we've already answered, I believe to your subcommittee, that we do not believe we did violate the law on that matter. And I believe——

Mr. HORN. Well, you did. That's why the chairman hit the ceiling. I was on the floor when he did. He was outraged. I would be outraged. The law said spend it on computerization. There were thousands of complaints of people saying, we can't get the data we need out of the FEC. You didn't spend it on that; you spent it on people. That isn't what the Congress gave it to you for. It gave it to you to modernize your computing.

Mr. THOMAS. Mr. Horn, I have to interject here. I respect there might be a difference of opinion, but I strongly urge you to look

very closely at the letter that we prepared. We think it is abundantly clear that there was not any law that mandated that we spend $3 million on our computerization effort. We did want to spend as much as we could——

Mr. HORN. Do you regard an Appropriations Act as a law?

Mr. THOMAS. I certainly do, but if you look——

Mr. HORN. Well, thank you very much.

Mr. THOMAS [continuing]. Closely at our letter, it was not in the appropriation law, sir.

Mr. HORN. You were given $3 million for modernization, not for personnel. Let's get back to the case at hand, which is a fascinating case. Despite the clear indications that Mr. Glicken solicited significant contributions from an individual, who was a known foreign national, there was a decision to do nothing with him. Is that not correct, Mr. Noble?

Mr. NOBLE. As with all of the solicitors—we assumed there were solicitors of all these contributions; we did not pursue the solicitors.

Mr. HORN. But, the——

Mr. NOBLE. What we were interested in with Mr. Glicken was the suggestion that he may have suggested to somebody that they make a contribution in the name of another. And that took it up to another level which is why we held on to that part of the case, thinking that we might be able to do something about it. But by the time that—that was in the DSCC information. We did not find Mr. Glicken's name until July 1997, and that particular contribution, where there was a suggestion that it was a contribution in the name of another, or solicited as a contribution in the name of another, the statute of limitations would have run at the end of April of this year.

Mr. HORN. Well, the fact was, was there ever a discussion besides the General Counsel's Office? Did you discuss it with the commissioners at all in terms of the choices you had?

Mr. NOBLE. I think this report laid out the choices that we thought we had.

Mr. HORN. Well, they did nothing about it, right? The Commission? They took your word for it and said, let's get rid of this case.

Mr. NOBLE. They approved our recommendation——

Mr. HORN. Did they know that he was a prominent solicitor for Vice President Gore?

Mr. NOBLE. They had the report in front of them; the report mentions that——

Mr. HORN. So they knew that? Were they trying to duck tangling with a powerful person or what?

Mr. NOBLE. No, not at all. It is not uncommon that we have to tell the Commission that there are a lot of threads in a case but we don't think we have the resources or the time to do it.

And I have to tell you a little bit about what was going on at that time. We had just lost a court case where the Democratic Senatorial Campaign Committee sued us for how long we were taking on a case involving the National Republican Senatorial Campaign Committee. And in May 1997, the court said to us that we were arbitrary and capricious, that were taking too long in the investigation.

The prior year we had closed a very long investigation against Presidential candidate Pat Robertson that went on for years. And we took depositions, we went to subpoena enforcement, and we ultimately closed——

Mr. HORN. Well, that's very interesting, but let's get back to Mr. Glicken. And I would hope, frankly, Mr. Chairman, that somebody picks up FEC exhibit 44 and starts in on that when Justice asked you, why don't you send us this matter.

Mr. BURTON. The gentleman's time has expired. I'll let the gentleman answer.

Mr. NOBLE. In the Pat Robertson case, as we learned a lot from this, we spent so much time investigating, and following the leads, that the statute of limitations ran, and we ended up having to dismiss the case without even going to probable cause to believe. We fought in court the statute of limitations, saying it should not apply to us, and we lost that in court. Congress can amend the statute of limitations and take us out of it.

Mr. BURTON. Mr. Majors. Mr. Owens. I'm sorry.

Mr. OWENS. Mr. Chairman, I yield to the ranking member.

Mr. WAXMAN. I just find it bewildering that Mr. Horn asked you the questions he asked, especially with the tone: You did something wrong by trying to beef up your enforcement resources. He thinks you violated the appropriations because that was supposed to go for something else, computers, but not for enforcement. And then once you put it into enforcement, he beats you up because you didn't do more. And you're saying you don't have the resources to do more. It just seems to me you can't win.

And I find it just so amazing that Mr. Horn would have that line of questioning.

I must say Mr. Horn plays Mr. Horn better than I play him, and there are limits on how far I want to go there——

Mr. OWENS. Will the gentleman—I don't want to be redundant, and I had several questions that you already asked, but I think it's important to note that today we're considering the emergency supplemental Appropriations Act. We're going to take money—it's being proposed by the majority—that we take money as an offset from bilingual and immigrant education, Section 8 low-income rental assistance program, et cetera. We are, on this committee, wasting millions of dollars, and where as I don't question the sincerity of the chairman, I do think it's pretty obvious that the competence of this committee is such that we are wasting millions of dollars. We talked about 70 employees for this so-called investigation, while the FEC is forced by the same majority to operate on a shoestring budget knowing—it's common knowledge all over America, that the FEC is underfunded and not staffed properly to deal with the gigantic tasks it has before it.

I yield to Mr. Kucinich for a question he might have.

Mr. KUCINICH. I want to thank my colleague.

I would like to submit for the record a recent article from the National Journal, dated March 14, 1998, called, "Infinite Jeopardy" and quote this paragraph, in part, "No matter how hard even the most honest politician tries to obey the law, he can no longer go about his business without fear of one or more ruinous corruption investigations. The law's first duty is not to catch the guilty, but

to provide a zone of comfort for the innocent. On that score, the ethics process has reached a point of collapse. Ethics investigations can bring down the honest and dishonest alike."

[The information referred to follows:]

COVER STORY

Infinite Jeopardy

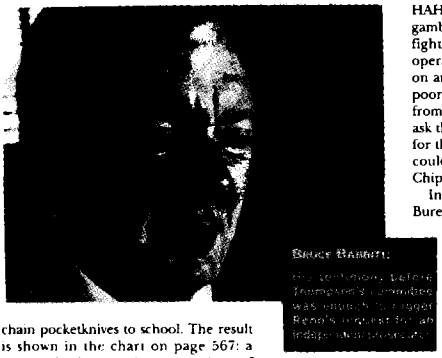
TODAY, EVEN THE MOST HONEST POLITICIAN RUNS THE RISK OF RUINOUS CORRUPTION INVESTIGATIONS. TO UNDERSTAND THE BREAKDOWN OF THE ETHICS PROCESS, ASSUME THE CHARGES AGAINST BRUCE BABBITT ARE TRUE—AND THEN DECIDE WHETHER HE COMMITTED A CRIME.

On Feb. 11, Attorney General Janet Reno called for an independent prosecutor to find out whether Interior Secretary Bruce Babbitt lied to Congress last year when he testified about a controversial Indian casino deal. For Babbitt and some other Administration insiders, the most important aspect of the case is presumably its outcome. For the rest of us, however, its broader implications matter a good deal more.

BY JONATHAN RAUCH

Assume, for the next few minutes, that the charges against Babbitt are true. If he is, therefore, guilty of corruption, then 535 Members of Congress, give or take one or two, and most of the executive branch's political appointees—and, of course, their staffs—would be well advised to get lawyers.

Since the 1970s, criminal law has been reaching ever deeper into politics. The post-Watergate reforms brought a fine screen of campaign finance rules and, in 1978, the independent counsel law. The 1980s brought the "zero tolerance" prosecutorial mind-set, putting wetlands-fillers in jail with muggers and expelling students for bringing Advil or key-



BRUCE BABBITT: [illegible] Thompson's committee was [illegible] Reno's request for an independent counsel.

chain pocketknives to school. The result is shown in the chart on page 567: a spectacular increase in prosecutions of public officials, stabilizing in the late 1980s at an unprecedented level (though dropping off a bit in 1995). Through it all, the public became convinced that all politicians are crooked, if you only dig a little.

Politics is not like arson or battery, however. Politics is a messy affair, in which no two people will draw quite the same line between lobbying and peddling influence, or between rewarding supporters and paying them off. As zero-tolerance advanced, it was inevitable that at some point the ethics process would lose the ability to distinguish in any-predictable way between politics and crime. With the Babbitt case, that point has now arrived.

To say this is to make no judgment about what, if anything, Babbitt's independent prosecutor will come up with. It is to say that, no matter how hard even the most honest politician tries to obey the law, he can no longer go about his business without fear of one or more ruinous corruption investigations. The law's first duty is not to catch the guilty, but to provide a zone of comfort for the innocent. On that score, the ethics process has reached the point of collapse. Ethics investigations can bring down the honest and dishonest alike.

To see that this is true, you need not believe any of Babbitt's denials. Just the reverse. The best way to understand what has happened is by adopting the Alice-in-Wonderland theory of justice—verdict first, charges after. For the purposes of this article, the verdict is Guilty. That is, in all important disputes of fact, this article will assume that Babbitt's accusers are right about what actually happened. Wonderland jurisprudence is not fair to Babbitt, who has strenuously denied the charges; the box on page 566 tells his side of the story. For now, however, never mind which side you believe, and consider what it is that Babbitt is charged with, and what it means if those charges can ignite four separate corruption investigations.

Raising the Stakes

From the day it opened in 1991, the St. Croix Meadows Greyhound Park, in the town of Hudson, Wis., lost money. The dog track's owner, a Miami company called HAH Associates Inc., was losing something like $7 million a year. HAH attributed its ill fortunes to competition from casino gambling on Indian reservations nearby, and it decided to fight back by turning St. Croix Meadows into a gaming operation. Unfortunately, though, the dog track was not on an Indian reservation. So HAH made a deal with three poor Chippewa tribes, whose reservations were anywhere from 85 miles-188 miles from Hudson. The Indians would ask the Interior Department to take the dog track "in trust" for them, effectively making it Indian land. Then the place could be converted to a casino, and both HAH and the Chippewas would make money.

In due course, a regional office of the department's Bureau of Indian Affairs blessed the plan and, in November of 1994, sent it to the central office in Washington, which had the final say. A lot of money was at stake, not only for HAH and the Chippewas but, on the other side, for several Indian tribes that operated casinos near Hudson and did not relish the new competition. That winter and spring, a fierce lobbying battle took place. The casino's opponents—call them, for clarity in this article, the Winners—hired a small phalanx of Washington insiders, including Patrick J. O'Connor, a former Democratic Party treasurer who lobbied, among others, the chairman of the Democratic National Committee, the White House and, at a reception, President Clinton. In a letter, O'Connor pointedly reminded Harold M. Ickes, who was then the White House deputy chief of staff, of the Winners' "previous financial support" for Democrats and Clinton. For their part, the Losers hired one of Babbitt's oldest and best friends, a lawyer in Phoenix named Paul Eckstein, who lobbied the Interior Department, including Babbitt himself.

The department usually follows the recommendations of its regional offices. On the other hand, an application for an off-reservation casino was itself unusual. Such casinos are controversial with local communities, which fear that the Interior Department might use federal muscle to force casinos into unwilling towns or neighborhoods. Only one off-reservation casino had been approved—and that one with the community's support. The people in and near Hudson, by contrast, were bitterly divided on the dog track proposal, and the area's two city councils opposed it. On July 14, 1995, the Interior Department, citing local opposition, announced that the casino application would be denied.

Subsequently, between March and November of 1996, the Winners, renewing their "previous financial support," donated $230,000 or more (various figures are cited) to the Democrats. The Losers, meanwhile, sued. Suit soon blossomed into scandal.

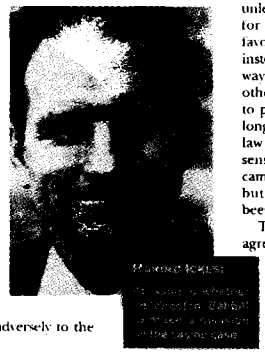
Those are the raw facts. To them, add one sharply contest-

ed piece of information, the only direct evidence of a link between the money and the decision. In July of 1995, on hearing that his clients' casino application was about to be denied, Eckstein rushed to Washington. On July 14, as the denial was about to be issued, he met with his old friend and pleaded for time. Babbitt refused. In his testimony before the Senate Governmental Affairs Committee last Oct. 30—which, in this article, we will assume to be definitive—Eckstein said: "And his response was that Harold Ickes [in the White House] had directed him to issue the decision that day."

Eckstein recalled something else, too: "At some point, the Secretary said to me, 'Do you have any idea how much these Indians, Indians with gaming contracts . . . have given to Democrats?' I said I didn't have the slightest idea, and he said, 'half a million dollars.'"

Now the charge. It was spelled out clearly and accurately (with one factual slip, which, to avoid confusion, I have elided) in the Senate hearings by Sen. Pete V. Domenici, R-N.M.:

"The issue is whether or not this permit was denied to these three rather poor Indian tribes because of political pressure put on by the opposition, namely, other tribes who had permits; and whether or not that opposition ripened into campaign contributions and whether . . . high officials in this Administration, including possibly the Secretary of the Interior, acted adversely to the Indians based on that."



Harold Ickes: "[I] spoke to whether [Secretary Babbitt] or Michael Brown [of the Interior Department] . . . in the Hudson case."

A Crucial Distinction

The first thing to notice here is what is not being alleged: bribery. The omission may seem strange, given the charge that money was tacitly exchanged for favors. But in fact the law, according to a number of experts I interviewed, is quite clear. On the facts alleged, bribery did not occur.

The Hudson case involves campaign contributions rather than gifts, a distinction that turns out to matter. Whereas politicians draw salaries so that they need not take personal gifts, campaign donations are an intrinsic part of American politics, for better and, of course, for worse. For exactly that reason, in a 1991 case called *U.S. v. McCormick*, the Supreme Court laid down a refreshingly bright line. A state legislator who had supported a bill favored by a certain group complained to the group's lobbyist that campaigns were expensive and that he had not heard anything from them. The group then coughed up a $900 donation. The official was convicted, but the Supreme Court overturned the verdict.

Campaign contributions—as opposed to personal gifts—do not violate the law, the Court held, unless "the payments are made in return for an *explicit* promise" of some official favor (emphasis added). Why "explicit" instead of tacit, which would be the usual way to make such a promise? "To hold otherwise," the Court said, "would open to prosecution not only conduct that has long been thought to be well within the law but also conduct that in a very real sense is unavoidable so long as election campaigns are financed by private contributions or expenditures, as they have been from the beginning of the nation."

The lawyers and scholars I talked to all agreed that the Eckstein version of events, in which Babbitt mentioned both White House pressure and campaign contributions but said nothing about a deal, does not even approach the Court's bright line. "'Abortion-rights groups are big supporters of mine,' or whatever—that's just politics," says Michael I. Krauss, a law professor at George Mason University. On the facts alleged, neither Babbitt nor Ickes could be convicted of bribery without reshaping the law itself.

Of course, even if criminal bribery didn't occur, the process might still have been politically tainted. And that, not bribery, is what is actually charged in this case.

Look back at Domenici's summary: "The issue is whether . . . this permit was denied . . . because of . . . political pressure

Babbitt's Side of the Story

The main article assumes that the core allegations in the Hudson casino case are well-founded, but there is another side to the story. According to Bruce Babbitt and the Interior Department:

■ Babbitt never discussed the Hudson matter with Harold M. Ickes or anyone else at the White House, and was unaware of the casino opponents' allegedly improper White House lobbying until long after the fact.

■ He did tell Paul Eckstein, the lobbyist for the casino advocates, that Ickes wanted a decision that day, but this was merely an excuse he made up to close the conversation with the persistent Eckstein.

■ Staff members in Ickes's office called staff members of the Interior Department to inquire about the case, but those were routine status checks.

■ To the best of his recollection, Babbitt said nothing in the conversation with Eckstein about Indians' campaign contributions.

■ Babbitt also never intervened in the Hudson case within the department, which properly followed both the law and its own rules. The key recommendation to deny the Hudson application was made by a career civil servant named George Tallchief Skibine, the director of the Indian Gaming Management Staff. Skibine has testified that he made his recommendation strictly on the merits, and that he never met or spoke to Babbitt until this year.

. . . and campaign contributions." In effect, the charge is improper political influence—not a criminal-justice concept at all, but still relevant, since it is improper for a federal agency to decide government business on the basis of partisan politics or campaign contributions. Assume, then, in keeping with Wonderland justice, that politics skewed the Interior Department's deliberations against the Losers, as they believe.

Charges of this sort are actually quite common. Aggrieved claimants often say that government agencies handled their cases unfairly or improperly, whether because of politics, animus or stupidity. And there is something they can do about it: sue. The Interior Department faces about 2,000 such lawsuits at any given time, according to John D. Leshy, its general counsel, of which a handful charge unfair politicking. In the Hudson lawsuit, the Losers are alleging that because of politicking they were left out of an important meeting, not given enough time to rebut the Winners' claims and otherwise not given a fair shake. If the federal court in Wisconsin decides that the Interior Department broke its rules or behaved unfairly, it will vacate the Hudson decision and send the department back to the drawing board to make the decision properly.

That civil procedure is an adjudicatory process about fairness, not a criminal or ethical procedure about corruption. No one goes to jail, faces a grand jury or is declared a crook. For just that reason, civil charges of improper political influence and the like can be handled routinely, without wrecking careers and reputations. Launching formal corruption investigations on charges of improper politicking, however, is a different sort of thing, and a departure with sweeping implications.

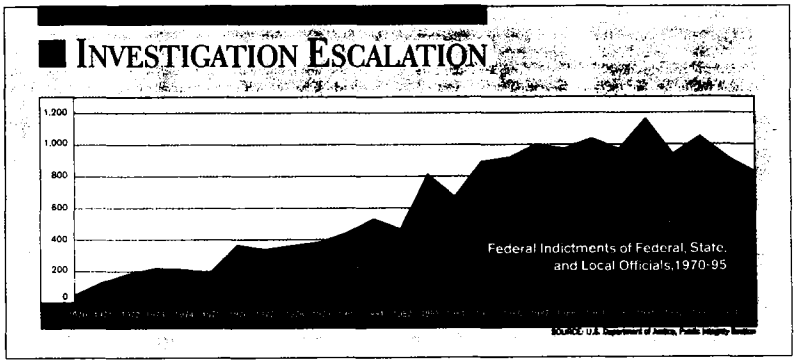
The Risk of Talking Politics

On our Wonderland theory of justice, continue to assume Babbitt did in fact tell Eckstein, "Do you have any idea how much these Indians . . . have given to Democrats?" The comment might, of course, be evidence that the fix was in. Absent any pattern of venality, however, it might also be frank political talk between adults. If Babbitt's (alleged) remark is presumed corrupt, then it is also presumably corrupt for a Republican Congressman talking about his opposition to gun control to say, "Fred, do you have any idea how much the NRA [National Rifle Association] has given this party over the years?"—or for a Democrat opposing school vouchers to say, "The teachers' unions have been some of our best backers, so you bet we listen to them." If the ethics process is going to assume the worst about such talk, then honest discussion of politics is at an end.

Back in Wonderland, assume also that Babbitt did indeed say "that Harold Ickes had directed him to issue the decision that day." Here an important detail swims to the surface: Ickes is not directing a *particular* decision, only a *prompt* decision. Eckstein himself told the Senate that the alleged direction was "simply as to timing" and that he had "no basis to believe" that Ickes had directed the substance of the decision.

Sometimes, of course, the timing of a decision can affect the outcome. Presumably the Losers thought so, or they would not have sent Eckstein to wheedle more time from his old friend. On the other hand, one reason we elect politicians is "to prod bureaucrats to get things done. For a White House aide to tell a Cabinet officer to hurry up with a controversial and heavily lobbied decision involving a big contributor is a very long way from any traditional notion of corruption. Congressmen do it all the time. In fact, they are sometimes known even to drop strong hints about the outcome of a case.

"I know at times we made calls to EPA [Environmental Protection Agency]," says former Rep. Timothy J. Penny, D-Minn. His office contacted the Environmental Protection Agency on behalf of businesspeople fighting wetlands battles, and it contacted the Agriculture Department on behalf



On being the issue:

[illegible] rights, with [illegible] charge [illegible] on political money and pressure.

of farmers trying to get their loans restructured. "The list goes on and on of activities like this," Penny says, "and you have to make a judgment call on what's meritorious."

Politicians may misjudge the merits when assessing the grievances of their big donors. They may even think, "I wouldn't waste my time on this trivia if the guy hadn't given me so much money." That may not be pretty, but it's politics, inherently and unalterably. The Supreme Court made precisely that point in *McCormick*, which specifically renounces an "appearance" standard where campaign contributions are concerned: "Whatever ethical considerations and appearances may indicate, to hold that legislators commit the federal crime of extortion [McCormick was tried for extortion rather than bribery] when they act for the benefit of constituents or support legislation furthering the interests of some of their constituents, shortly before or after campaign contributions are solicited and received from those beneficiaries, is an unrealistic assessment of what Congress could have meant."

On Capitol Hill, however, the ethics process now effectively stands *McCormick* on its head: If favors even appear to have been traded for contributions, let fly the congressional subpoenas, and the more, the merrier. Charles Tiefer, a University of Baltimore law professor and a former deputy general counsel of the House, says that as recently as the early 1990s, "a congressional investigation was quite serious if it used even a couple of dozen subpoenas." In its current campaign fund-raising investigation, by contrast, the House Government Reform and Oversight Committee (whose chairman, Rep. Dan Burton, R-Ind., has himself been accused by Democrats of fund-raising improprieties) has issued 479 subpoenas, many of which land the recipient with legal bills in the four, five or even six figures.

Oddly, all but nine of those 479 subpoenas were issued to Democrats, according to the committee's Democratic staff. Still more oddly, none at all were issued to Members of Congress or their staffs. If congressional investigators are serious about the new corruption standards, they will have to do a more thorough job.

They might start with subpoenas for the 61 Senators who voted in 1996 to preserve the federal sugar subsidy, and who (according to the Center for Responsive Politics, a watchdog group) received an average of $13,500 in sugar-industry money from 1991-96, as against the $1,500 received by Senators who voted the other way. Then the investigators might summon the 213 House Members who voted for Northrop Grumman Corp.'s B-2 bombers, and who received an average of $2,100 each from defense contractors in the 1996 election cycle, versus less than $100 for the Members who voted the other way. Then they might pitch a tent outside the door of, for example, Sen. Alfonse M. D'Amato, R-N.Y., who (writes the center's Jennifer Shecter) received $42,800 in campaign contributions from executives of Alliance Capital Management three days after he introduced a bill exempting partnerships such as Alliance from certain taxes.

Asked about the Babbitt allegations, Penny replied, "What he [allegedly] did is replicated day in and day out in virtually every office on the Hill." When Mark Twain called Congress the only "distinctly native American criminal class," he presumably did not foresee that his assessment might come to be taken literally.

One Investigation Triggers Another

In the wake of Congress's investigation of Babbitt, another charge arose: perjury. And that charge, not the original allegation itself, is what triggered the request last month for an independent prosecutor.

In a crucial respect, the perjury issue is different from the improper-influence issue: If the charge is true, than Babbitt clearly did commit a crime. In another crucial respect, though, the issues are similar. In both cases, a wide-ranging and potentially devastating corruption inquiry can just as easily be triggered by innocuous political behavior as by evidence of criminality.

Reasonable people can argue about whether Kenneth W. Starr, the Whitewater independent counsel, had enough to go on when he embarked on a major perjury investigation of President Clinton. Starr, however, had tape-recorded evidence that the President's alleged perjury was an integral part of a larger cover-up scheme. The Hudson case is something else again.

Very rarely would a busy public prosecutor pursue a perjury allegation without first having some fairly strong indications of a larger crime or cover-up (though he might poke around a bit). Even more rarely would he embark on a broad corruption investigation merely to back up a perjury charge. But, in the Hudson case, both are happening. Like Escher's two hands sketching each other, the perjury investigation and the corruption investigation justify each other. Never mind that the conduct of which Babbitt was originally accused is almost certainly not criminal: In effect, the investigative process triggers itself.

This needs a bit of explaining. Tracing the logic takes

some effort, but is worth the trouble.

Most people assume that Babbitt's perjury problem is that he changed his story about his conversation with Eckstein, or seemed to change it. Actually, though, that is not the issue. Instead, as Reno explains in her request for an independent prosecutor, the problem is that Babbitt's revised story conflicts with Eckstein's story on one point.

Recall that Eckstein told the Senate committee last Oct. 30, "And his response was that Harold Ickes had directed him to issue the decision that day." But that is not what Babbitt, who also testified on Oct. 30, recalled saying. Babbitt's version was: "What I believe I've said is that Mr. Ickes expects me, or Mr. Ickes wants me, to make a decision."

Reno notes that there is a crack of daylight between those two accounts. "Expecting" probably wouldn't suggest arm-twisting by Ickes, but "directing" might, so the word choice is relevant. Moreover, says Reno, "if Eckstein's testimony is true, Secretary Babbitt's testimony on those points would be false." So that would be false testimony on a matter of concern to a Senate investigation—potential perjury, if Babbitt had criminal intent.

REP. DAN BURTON: All but none of my committee's [illegible] subpoenas [illegible] Democrats.

The difference between "directed" and "expected" might not imply criminal intent, of course. Both Babbitt and Eckstein enjoy reputations for honesty, and by the time of their Senate testimony, the conversation in question was more than two years old. When I asked two memory experts whether the difference between "expected" and "directed" in a years-old conversation can be assumed to be suspicious, they said, in effect, of course not.

"The verbatim words of a conversation fade away very quickly," says Elizabeth Loftus, a University of Washington psychologist who is the president-elect of the American Psychological Society, "and what you're left with is the gist of the conversation"—or rather the interpreted gist, because even the most honest and sincere people remember themselves in "prestige-enhancing" ways. (They often recall voting in elections when they didn't, for example, or giving more to charity than was the case.) I asked Robert A. Bjork, a psychologist at the University of California (Los Angeles), about "directed" versus "expected." "That is such a subtlety—you could have both sides be entirely confident and sincere, and nobody was lying," he said.

Reno, however, is required to assume the worst about Babbitt's motives if she is in doubt. To set the case aside, she notes, she would need "clear and convincing evidence" that Babbitt *lacked* criminal intent—and she is "unable to conclude" that the evidence is clear and convincing, because (she implies) Eckstein's testimony is plausible. So, under the terms of the independent-counsel law, she must appoint a prosecutor to settle the matter.

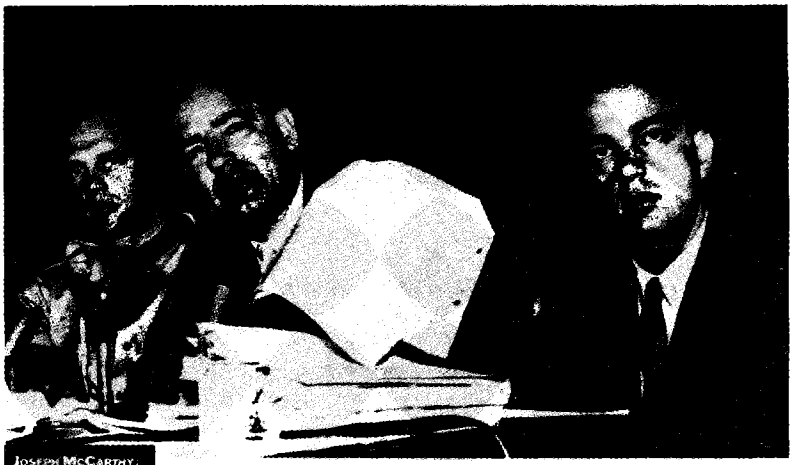
And now a final step—one that, by jujitsu, turns a narrow perjury question into an expansive criminal inquiry. To find out if Babbitt's "expected" was a deliberate lie, the prosecutor will need to know if Babbitt had anything to lie about. To do that, he will need to investigate "any potential criminal violations in connection with the underlying casino decision." Though the prosecutor's mandate is narrow, his authority is very broad.

Here, in microcosm, is the closed-loop logic that has given recent corruption investigations their peculiar quality of self-propulsion. The Hudson case has already been formally investigated by the FBI, the Senate and the House. Some of the people involved in the Hudson matter, including mid-level civil servants and political appointees who aren't accused of anything and never will be, have already been deposed three times. (In the Hudson case, one career staff member of the Interior Department has so far been questioned under oath for a total of 16 hours.) None of the investigations found a crime, and indeed it is doubtful that any crime was alleged to begin with. Nevertheless, the mere suspicion of perjury in the second investigation triggered yet a fourth investigation.

Far from being odd, this hall-of-mirrors pattern is becoming the standard. "The same ground gets churned again and again and again by multiple and redundant inquiries," says Tiefer, the Baltimore law professor. "And the subsequent investigations go over the responses to the previous investigations, producing what looks to the people caught in it like a never-ending cycle of being investigated for what was said in the last investigation." The "Travelgate" scandal, he says, produced five successive investigations. The Hudson matter is at four, and counting.

Babbitt is a wealthy man who aimed for national prominence in a game that he knew to be hardball; but the same is not necessarily true of the bureaucrats and political functionaries at Interior who are swept along behind him. An hour before a grand jury typically costs $1,000 or more in legal fees, according to a recent report in *The Kansas City* (Mo.) *Star*. As the subpoenas dropped on their doorsteps, more than a few Clinton Administration officials have been landed with legal bills ranging well into the six figures. Mere innocence is no protection.

"The legal bills are shocking to relatively junior people, who find themselves paying for lawyers both for grand jury



JOSEPH MCCARTHY: Flanked by David Schine and Roy Cohn, McCarthy waves a transcript during his 1954 hearings.

appearances and congressional depositions, even though they themselves have done absolutely nothing wrong and are mere bit players," says Tiefer. "We're not talking about rich people. These are people for whom the legal fees represent a sizable amount of all they have in the world." Or had, as the case may be.

CIRCLES OF FEAR

At the end of the day, Babbitt or somebody else may be found guilty of a crime. But indiscriminating investigations are not excused by the fact that they unearth wrongdoing, any more than McCarthyism was excused by the fact that some of its targets were Communist agents. Nor are such investigations excused by ultimately clearing their targets, it, along away, they have tormented or bankrupted scores of people who are guilty only of politics.

Bruce Babbitt is not Alger Hiss, and mindless legal process is not opportunism or paranoia. But imagine, for a moment, that you set personalities and circumstances aside, and just put 1950s McCarthyism and 1990s ethics investigating side by side in black boxes, so that all you could see is how both systems behave. Then certain similarities emerge. Formal investigations can be triggered by ordinary political conduct, with no showing that a crime has been committed; once the investigation begins, it justifies its expansive scope on the grounds that, after all, some people are guilty; the investigation exacts from even the innocent a toll in money and time and anguish that is itself often hard to distinguish from a form of punishment; above all, a cascade of investigations-of-investigations creates a maze of infinite jeopardy. At no stage is there protection from bankruptcy or exhaustion, or shelter from the radiating circles of fear as the subpoenas pour forth.

What to do? The independent-counsel law will almost certainly be revised and narrowed next year, when it is due to expire; it could be repealed altogether, or its hair trigger could be changed so that, for instance, no investigation would be allowed on less strong suspicion, or on less serious charges, than a busy public prosecutor would ordinarily pursue. In other words, it could presume innocence rather than guilt.

As for formal congressional investigations, which are hardly less onerous, they could be required to provide standard due-process protections, so that subpoenas could not be issued willy-nilly by curious congressional staffers, witnesses could not be badgered under oath, and formal investigations could not begin in the first place without strong indications of criminal intent and activity. (Congress would still be free to conduct informal investigations, such as ordinary hearings, and to criticize anybody for anything.)

More broadly, multiple jeopardy might be restrained, so that echo-chamber investigations could not repeat each other ad infinitum. Restraints might also be placed on the investigation of "naked perjury," so that free-standing perjury allegations could not be telescoped into open-ended searches for possible cover-ups. Arrangements could be made to help pay legal bills for people who are investigated but never charged. And so on.

None of that, however, would be enough without a further change: a recognition on the part of the broad public that politics will never be a virginal enterprise and that, while voters can and perhaps should be cynical about politicians, formal investigative processes must never be. When politicians' natural behavior becomes probable cause for inquisition, ethics investigations become random eruptions, avoidable only by avoiding public life altogether. Whether the ethics process has quite yet become legal McCarthyism is debatable, but the Babbitt case clearly hovers over the abyss. ■

Mr. KUCINICH. This article relates to the assumption of guilt which seems to have permeated the investigative process in this Congress. And, therefore, in raising the issue earlier about the presumption of innocence, I think we have to require that that principle, which is so important to the democratic process, let alone the criminal justice process, be enforced, and that questioning which drills the FEC as to why they should regard the presumption of innocence as being such a sacrosanct matter, ought to be, in itself, scrutinized.

Now I want to ask some questions here. The FEC has come under criticism from members of this committee and from outside groups for dropping the Glicken case. I'd like to show a chart prepared by the minority staff. When they produce the chart, this chart represents some of the cases against Members of the other side of the aisle dropped in the last 3 months. And as you can see, when you look at it—you can see that the FEC has dropped cases against quite a few Republican party organizations including the Dole-Kemp Campaign, the National Republican Campaign Committee, and the National Republican Senatorial Committee. And the FEC has also dropped cases against many prominent Republican officials, and I'd like to emphasize that these cases were all dropped within the last 3 months.

Now, I don't mean to suggest from it that I'm trying to criticize the FEC, but it's my understanding that the FEC is forced to drop many of the cases it receives. Is that correct?

Mr. NOBLE. That is correct.

Mr. KUCINICH. And in many instances, aren't cases dropped even after your preliminary investigation has discovered that there's some basis to believe a violation has occurred?

Mr. NOBLE. Yes.

Mr. KUCINICH. And would it be fair to say that there have been cases dropped by the Commission which appear to be more serious than the Glicken case?

Mr. NOBLE. There have been, yes, there have been very serious cases——

Mr. KUCINICH. And why have you been forced to drop those cases?

Mr. NOBLE. Resource or statute of limitation problems.

Mr. KUCINICH. And can you tell me approximately what percentage of cases the Commission receives in a year that are closed without action?

Mr. NOBLE. We are able to activate at any given time only about a third of our cases. I can tell you that we have an enforcement prioritization system and we've dismissed under the enforcement prioritization system, for example, in 1997, 133 cases, and 55 percent of those, of our total caseload, was dismissed under the enforcement prioritization system. Now the enforcement prioritization system identifies cases that are either low-rated, meaning they're not important, or cases that are stale, meaning that they were too old.

Mr. KUCINICH. One final question: It's my understanding that the first step you take in a case is to find reason to believe that a violation occurred. Has the Commission closed cases after finding reason to believe that a violation has occurred?

Mr. NOBLE. Yes, and it has closed cases after finding probable cause to believe, which is the higher step, has occurred.

Mr. KUCINICH. So even in cases where they might yield some finding of wrongdoing, you've closed cases?

Mr. NOBLE. Absolutely.

Mr. BURTON. The gentleman's time has expired. Mr. Davis.

Mr. DAVIS OF VIRGINIA. Thank you. I've got a few questions, let me start with the FEC document No. 44. On that screen there, that's an e-mail from Lois Lerner to Lawrence Noble. Looking at the FEC exhibit, Ms. Lerner, you in fact, were called by Mr. Donsanto from the Department of Justice last month after the story of Mr. Glicken and his association with the Vice President was reported in a major newspaper. Isn't that correct?

[Exhibit 44 follows:]

Date: 2/12/98 3:55:02 PM
From: Lois G. Lerner
Subject: GREENBERG TRAURIG(sp?)
To: Lawrence M. Noble
CC: Jose Rodriguez

Donsanto just called. They've seen the "offending language." While he was sure there must be more to the story than this was Gore's friend, he wanted to know why this hadn't been referred to DOJ. He said the Task Force would be revving up an investigation unless he could provide them with something clarifying this. While I have no problem with them investigating, I thought it would be useful to provide them with whatever statement we make to the press.

EXHIBIT
FEC - 44

Ms. LERNER. Yes.

Mr. DAVIS OF VIRGINIA. Specifically, the language in this e-mail notes that with respect to the matter of Mr. Glicken being the Vice President's friend, this official at the Justice Department wanted to know why this hasn't been referred to DOJ. He said the Task Force would be wrapping up an investigation unless he could provide them with something clarifying this. Who is Mr. Donsanto?

Ms. LERNER. Mr. Donsanto works in the Public Integrity Section at the Department of Justice.

Mr. DAVIS OF VIRGINIA. Why did he call you?

Ms. LERNER. He is my contact at the Department of Justice. When there's—we're liaisons for the two organizations.

Mr. DAVIS OF VIRGINIA. What was your response with respect to his question of why this matter hadn't been referred to the Department of Justice?

Ms. LERNER. We hadn't found probable cause in the matter, so there couldn't be any referral, but what Mr. Donsanto was really saying to me was that he had seen the article and based just on that article, he wondered what was going on and he assumed that there was more to it than just the fact that Mr. Glicken had been a fundraiser for Al Gore, as to why we hadn't gone forward.

Mr. DAVIS OF VIRGINIA. And you just didn't have enough information before, was your position?

Ms. LERNER. No, I'm sorry, I didn't make myself clear. Mr. Donsanto had only seen the statement that Mr. Glicken was a fundraiser for Al Gore, and he assumed that the Commission had not closed the case simply on that fact, but that's all that the article that he read had focused on. So he was asking me about that.

Mr. DAVIS OF VIRGINIA. But your argument was that you really didn't have enough information to move forward at that point——

Ms. LERNER. I told him, yes, I told him where we were in the case, and what the status was, and how it had all come about.

Mr. DAVIS OF VIRGINIA. OK. Let me just—in retrospect, do you think that maybe you should've called Mr. Glicken or Mr. Rosen, and just talk to them before this was closed?

Mr. NOBLE. Not necessarily. I would like to say, yes, given everything that's happened but, frankly, I know all the other cases we have in-house, and I can tell that this is going to happen, time and time again, with our resources. That we're going to dismiss cases, or, in this case, keep in mind we've got over half-a-million dollars in civil penalties that we're going to take parts and move forward on them, and other parts, not look into, that can people honestly criticize us and say, you should have looked into it. And my answer is, I would have loved to have looked into it; we had to make a triage decision here.

Mr. DAVIS OF VIRGINIA. But in this case, you have no regrets that you didn't look forward, given your priorities within the Department, or referring it over to Justice.

Mr. NOBLE. Referring it over to Justice, I have no regrets; we had no probable cause to believe, we could not have done it.

Mr. DAVIS OF VIRGINIA. But if you didn't have the resources——

Mr. NOBLE. I regret we didn't have the resources——

Mr. DAVIS OF VIRGINIA. But you didn't have the resources—I just want to understand——

Mr. NOBLE. Right.

Mr. DAVIS OF VIRGINIA. Given your resource load, you don't regret not having called them or having referred it over to Justice and saying this is something you might look at?

Mr. NOBLE. I regret not having the resources. I could not have referred it over to Justice, so it's not a question of regret. I could regret, in some of these cases, that if the statute wasn't different, that we couldn't refer something at an earlier stage. But, given what we had to work with, given the statute, no, I don't regret it, I regret the lack of resources.

Mr. DAVIS OF VIRGINIA. Let me ask this: Last September, it became public knowledge that the DNC was engaging in the practice of siphoning off the first $20,000 of soft money contributions into hard money accounts. Are you familiar with what I'm talking about?

Mr. NOBLE. We are all aware of newspaper reports, of course.

Mr. DAVIS OF VIRGINIA. Well, OK. I'm calling that public knowledge. Under the law, individuals are allowed to contribute up to $20,000 in hard money to national political parties; they can give an unlimited amount of soft money, of course. This practice came to light during investigations of fundraising phone calls that the Vice President had made from the White House. According to the Washington Post a total of $120,000 in hard money was siphoned off from soft money donations solicited by the Vice President. This revelation forced the Attorney General to open a preliminary criminal investigation under the independent counsel law. To quote from the Washington Post article, "Unless the donor specified otherwise, the DNC's policy during the 1996 election cycle was to treat the first $20,000 of most large contributions as hard money, with the remainder going into soft money accounts."

Now these are newspaper reports; I'm not asking you for any other——

Now, without referring to any specific enforcement actions, is it your belief that under the law it is legal for a political party to contribute the first $20,000 of a soft-money contribution to a hard money account without the donor's permission? Just your understanding of the law; I'm not asking you what happened. I'm just saying in your understanding of the law, do you believe that under the law, it's legal for a political party to attribute the first $20,000 of a soft money contribution to a hard money account without the donor's permission?

Mr. THOMAS. I would say the way you stated that, where you said without the donor's consent, I think is the phrase——

Mr. DAVIS OF VIRGINIA. Permission.

Mr. THOMAS. Permission. That would pose problems, but——

Mr. DAVIS OF VIRGINIA. OK, that's——

Mr. THOMAS [continuing]. There are many factors that go into——

Mr. DAVIS OF VIRGINIA. Well, I'm not—I just——

Mr. THOMAS. The way you phrased it——

Mr. DAVIS OF VIRGINIA. I'm not asking the facts, I'm just giving the general law.

Mr. THOMAS. We have a regulation that specifies what has to be done to put money into a Federal account.

Mr. DAVIS OF VIRGINIA. What would be the penalties for such an action, under the FEC——

Mr. THOMAS. The penalties, of course, are set out in the statute. The possible penalties can range from, for a non-knowing and willful violation, the amount of the violation in question, or as much as $5,000 if it's larger.

Mr. DAVIS OF VIRGINIA. And last, individuals can contribute up to $25,000 in hard money contributions to Federal candidates and parties combined. They can give up to $20,000 in hard money to any one political party. If a party organization attributes $20,000 of a soft money contribution to a hard money account, without the contributor's knowledge, isn't it possible that they might put that person over his or her $25,000 personal limit?

Mr. THOMAS. We have seen cases where that has happened, yes.

Mr. DAVIS OF VIRGINIA. And if a contributor goes over the $25,000 limit, whether inadvertently or not, what are the potential penalties that he or she would face?

Mr. THOMAS. Well, we are mindful of the contributor's predicament in those circumstances. So, it would depend on the circumstances, whether the contributor was fully aware of what was going on or not. But conceivably, if the contributor was actually aware of that having happened, and that——

Mr. DAVIS OF VIRGINIA. Or should reasonably have been aware?

Mr. THOMAS. Or should have been reasonably—we might pursue the contributor in those kinds of circumstances.

Mr. DAVIS OF VIRGINIA. And what would be the penalty?

Mr. THOMAS. Well, again, the penalty would be the same statutory penalty laid out for a non-knowing and willful violation: as much as 100 percent of the amount in violation or $5,000, whichever is larger.

Mr. DAVIS OF VIRGINIA. OK, thank you.

Mr. BURTON. The gentleman's time has expired. I'll take my 5 minutes now. Mr.——

Mr. KUCINICH. Mr. Chairman, point of order. Are we going back and forth still, or are we changing——

Mr. BURTON. Did you not—you have not yet had 5 minutes?

Mr. KUCINICH. No, it was yielded to me.

Mr. BURTON. Mr. Kucinich, you're recognized for 5 minutes.

Mr. KUCINICH. I appreciate that, thank you very much.

Am I correct that both Democrats and Republicans are being equally treated by the FEC's process?

Mr. NOBLE. Yes.

Mr. KUCINICH. In the case of Mr. Kramer, Republican Political Committee has received over $230,000 from him. Do you know whether that money was solicited by someone, or whether Mr. Kramer just gave $230,000 to Republicans without any prompting? Do you know that?

Mr. NOBLE. I don't believe we know, but——

Mr. RODRIGUEZ. No, we don't.

Mr. KUCINICH. OK, the next question is then, did the FEC ever open an investigation into any Republican who solicited money from Mr. Kramer?

Ms. LERNER. Not in this case.

Mr. KUCINICH. And I understand that your office settled with the law firm Greenberg, Traurig, et al, and received a $77,000 fine from that firm, presumably for its solicitations of Mr. Kramer?

Ms. LERNER. Yes.

Mr. NOBLE. Correct.

Mr. KUCINICH. And apart from this action, however, you did not open investigations into any individuals who may have solicited money from him, is that——

Mr. NOBLE. That's correct.

Mr. KUCINICH. And that goes for Democrats and Republicans?

Ms. LERNER. Right.

Mr. NOBLE. Correct.

Mr. KUCINICH. That's all correct?

Mr. NOBLE. Yes.

Mr. KUCINICH. Although the majority here is criticizing the FEC for not pursuing Howard Glicken, your answers make clear that this wasn't a partisan decision. There were Republicans who solicited money from Mr. Kramer, who also weren't pursued by the FEC.

Ms. LERNER. That's right.

Mr. KUCINICH. Is that correct?

Mr. NOBLE. Correct.

Mr. KUCINICH. Then, I think that given the facts that we have heard in the last few minutes, it's difficult to argue that FEC closes its cases with an eye toward protecting one political party. The fact is that the FEC, as we have been fully aware, is underfunded, overworked, often forced to drop promising cases. And, frankly, until this Congress is serious about reforming the system and giving the FEC the power to effectively enforce the campaign finance laws, I suspect we're going to see cases closed against prominent Republicans and Democrats.

And I think that singling out the Glicken case for criticism is a curious exercise in selective outrage. Once again we see where a process that could be beneficial to the American people in terms of pointing out the difficulties in the campaign finance system is not being used effectively. And we have had many hearings in this committee, and as a new Member of Congress, I'm very concerned that we have missed the opportunity to capitalize on a chance to strengthen our campaign finance laws.

We have had such a volume of testimony from people at every level; from people who have been contributors, from people who have been fundraisers, from individuals who have been involved with contributors and fundraisers, now from the FEC. You would think that with all the information that we're gathering, we'd be given an opportunity to come up with some proposals that would strengthen the campaign finance process, and give the American people increased faith in this system. But for some reason, we haven't taken that opportunity. And it's really a shame.

And the FEC now that we're calling them, we're now investigating the FEC. I think that we need to continue to review the purpose of these hearings. And if the purpose of these hearings is simply to conduct a partisan onslaught, then this committee has fulfilled its purpose. But I would like to think, given the honorable nature of all the members of this committee, that this committee

has a higher purpose, and that that purpose is to strengthen the political process in this country through examining not only the existing campaign laws, but through examining the process to see if we can report it.

It's really the height of cynicism to be here today investigating the FEC when yesterday we voted down campaign finance reform, and even lost a chance to have serious bills brought to the floor. I have to tell the members of this committee, most of whom are senior in their years in the Congress, that we have a long way to go before these hearings have some relevancy to the American people.

People want to know: Why does any of this matter? It matters when our political process is corrupted by money, but we still have to meet the test of coming up with the way that we will do it better, and nothing in these hearings has suggested how we're going to do it better. And until that happens, frankly, these hearings are an exercise in chewing gum for the political mind. And, frankly, I think we can do better and I hope we will before this is all over.

Mr. Chairman, I will yield back the balance of my time. Thank you.

Mr. BURTON. The gentleman's time has expired. I'll take my time now.

Let me start off by saying, in 1994, Mr. Kramer told you of his activities. In 1994, Mr. Kramer told you that he gave $20,000 illegally through his secretary to the DNC, and it wasn't until 2½ years later that you even sent out an interrogatory on this incident in this case—2½ years later.

He did say, as I understand it, that somebody, unidentified, solicited this $20,000 to be laundered through his secretary. He said that he would not tell who it was unless there was a grant of immunity and his secretary said a similar thing, she wouldn't make a comment on this unless there was a grant of immunity. Is that correct?

Mr. NOBLE. That is essentially correct.

Mr. BURTON. It just troubles me, and I can't figure out why this wasn't investigated more thoroughly, especially in view of the fact that you investigated these other cases. Why didn't you call Mr. Rosen, and why didn't you call Mr. Glicken. Didn't even pick up the phone, and it took 2½ years before you sent any interrogatories.

And then you say, Ms. Lerner, that there wasn't any probable cause, and that's why it wasn't referred to the Justice Department. Would you please tell me what you mean by probable cause? Give me your definition of probable cause.

Ms. LERNER. Probable cause is one of the steps that we have to meet——

Mr. BURTON. Well, what is your definition of probable cause?

Ms. LERNER. That there's enough evidence for the Commission to make that finding.

Mr. BURTON. Well, you knew that there was $20,000 that was laundered through his secretary. You did know that, did you not?

Ms. LERNER. That Mr. Kramer said he had used his secretary's name to make a contribution——

Mr. BURTON. Right. Illegally. You knew that was illegal?

Ms. LERNER. Yes.

Mr. BURTON. And that is not probable cause?

Ms. LERNER. We went forward with Mr. Kramer with regard to that contribution.

Mr. BURTON. But you did not pursue who asked for that money to be laundered through the secretary.

Ms. LERNER. That's not true.

Mr. BURTON. Well who did—who was it then? Who did ask? Did you ask who——

Ms. LERNER. Ask——

Mr. BURTON. Did you say to Mr. Kramer: Who said to launder this money through your secretary?

Ms. LERNER. There were discussions with regard to that in the context of conciliation which I cannot go into any further. It was not until 19——

Mr. BURTON. But you did discuss this with Mr. Kramer, who asked you to give the money through your secretary.

Ms. LERNER. As I said, there were some discussions in the context of——

Mr. BURTON. If you did have that discussion, then, they knew that somebody, somebody, asked Mr. Kramer to run the money through his secretary, which is an illegal act. Why was that not referred to the Justice Department?

Ms. LERNER. We were pursuing that matter. That matter is exactly what we were pursuing with Mr. Kramer, exactly what Mr. Kramer paid a portion——

Mr. BURTON. I know. I understand.

Ms. LERNER [continuing]. Of the $300,000 for.

Mr. BURTON. Why was it not referred to the Justice Department? It was a criminal act. It was an illegal act.

Ms. LERNER. All of the acts under the Federal Election Campaign Act are illegal but we have the authority to pursue them civilly. And that's what the Commission does. It pursues all of these illegal acts——

Mr. BURTON. I understand. You have the civil responsibility, but the criminal responsibility rests with the Justice Department. Why was this not referred to the Justice Department, and why did you not even call Mr. Rosen or Mr. Glicken?

Ms. LERNER. We did not know Mr. Glicken's name or Mr. Rosen's name until 1997. At that point, as we explained before, we were in the middle of our conciliation negotiations with the law firm, and when we completed that we had to make a determination——

Mr. BURTON. I understand.

Ms. LERNER [continuing]. As to whether it made sense to go forward with this case any further or to use our resources to pursue other more recent cases.

Mr. BURTON. If you were on this side of the chair, and you were reading this, "Because of Mr. Glicken's high profile as a prominent Democratic fund-raiser, including his potential fund-raising and support of Vice President Gore's expected Presidential campaign, it is unclear that this individual would agree to settle this matter short of litigation." And then you drop the case, you did not send a criminal referral to the Justice Department, and yet you knew that that was a $20,000 illegal campaign contribution. Illegal. It was against the law.

And when you read this, along with the actions that were not taken by your agency, it certainly appears as though there was a reason why you didn't send this to Justice. And then you have the Justice Department call you about this. Did you not?

Ms. LERNER. Yes——

Mr. BURTON. And you didn't say that this is something you should investigate?

Ms. LERNER. Actually, I had talked to Mr. Donsanto with regard to this some time before that, and the Department of Justice, at that time, was not involved or interested in it, at that time. These were 1993 and 1994 contributions. I believe the Department of Justice and its Task Force was looking into 1996 activity.

Mr. BURTON. It doesn't make any difference. If it's a criminal activity involving campaign contributions of this type, it should have been referred to the Justice Department for action, and you didn't do it.

Ms. LERNER. We can't do it under the statute. We can only do what the statute allows us to.

Mr. NOBLE. Mr. Chairman, we would've violated our law had we referred Mr. Glicken over without finding probable cause to believe.

Mr. BURTON. But the probable cause, you know——

Mr. NOBLE. It's a formal finding by the Commission. This is not just something we decide is probable cause. We have to put a case before the Commission and we have to put the evidence before the Commission and say there's probable cause. And they have to vote by four votes that there's probable cause.

Mr. BURTON. One aspect of this, I mean it's very clear that there was an illegal campaign contribution; it's very clear you didn't call Mr. Rosen; you didn't call Mr. Glicken; you didn't take it before the Commission; and you just dropped it. And it was illegal.

Mr. NOBLE. We did take it before the Commission. In that last report that you're quoting, we did, in fact, take the issue before the Commission. We told the Commission what our concerns were; the Commission approved——

Mr. BURTON. And you recommended dropping it?

Mr. NOBLE. And we recommended dropping it——

Mr. BURTON. Because of the volume of things that they have before that Commission, I'm sure they don't go into great detail on everything that you put before them. They probably took your recommendation at face value. This is something that should have gone to Justice. It should've been looked into. Mr. Kramer would've cooperated, his secretary would've cooperated, if they had been given immunity in this case, and it wasn't even given to Justice, and I think it's a miscarriage. I really do.

Mr. NOBLE. Mr. Chairman, I know this is not going to be comforting to the committee, but the present situation we're in, we're dropping a lot of cases like this, there are a lot of matters that should be looked into, there are a lot of matters that should be investigated, that we just can't do. And in regard to this specific contribution, you also have to recognize that there was some issue as to the evidence. The DSCC referred to Mr. Glicken as the person who may have solicited this $20,000 contribution, but the documents turned over to us did not show Mr. Glicken's name on the solicitation material——

Mr. BURTON. And you didn't even call him, and you didn't call Rosen, and you did make this statement, this statement that he's connected to Gore, and, for that reason, we ought to——

Mr. NOBLE. Mr. Chairman, that is not what that statement says. What the whole report says is that there were a lot of reasons—there were resource reasons and statute of limitations reasons—and what we're analyzing for the Commission was the possibility of a quick settlement because, remember, when we took this case, when we activated this case, we were looking for a quick settlement with Mr. Kramer because he came in on his own. We were trying to get a quick settlement and get out. We then pursued the law firm because we were concerned about the law firm deal, the negotiations lasted longer than we wanted them to. We kept the DSCC in the case because we were concerned about this but ultimately, as it turned out, as it does in many of our cases, we decided that the statute of limitations was running on this, and there was no way we were going to resolve this. We did not say in that report, and I know it's been reported this way, that "do not proceed against Mr. Glicken because he is a fundraiser."

Mr. BURTON. One last statement, and I'll yield to you, Mr. Waxman. I'll give you your time.

Up to the last day, you could have referred this to the Justice Department, could you not?

Mr. NOBLE. No, we could not have.

Mr. BURTON. You could not have?

Mr. NOBLE. We would have first had to have gone to the Commission and gotten reason to believe.

Mr. WAXMAN. Well let—I'll let him answer on my time.

Mr. NOBLE. We would have had to gone to the Commission and have gotten reason to believe there was a violation. We would have had to investigate the matter, then we would have had to have gone to the Commission—first we then would have to send out a brief to Mr. Glicken, and give Mr. Glicken 15 days to respond to the brief where we would have had to analyze the law and the facts. His response, and our report, would have then gone to the Commission. The Commission would have to vote that there was probable cause to believe and that it was a knowing and willing violation, and then the Commission could have referred it over to the Justice Department. I don't believe we could have gotten all that done.

Mr. WAXMAN. I thank the chairman for allowing me to have you further answer the question. Now I want to take up my questions. And it seems to me that there's just no reason why witnesses ought to be browbeat when they come before a committee of the Congress because there's a difference of opinion. And I also think that it's somewhat dishonest for the chairman to put on the screen a statement that you wrote, but only to use that part of it that could substantiate the innuendo that they want to cast upon your actions.

Your statement said that this man was, "a prominent Democratic fundraiser including his potential fundraising involvement in support of Vice President Gore's expected Presidential campaign, it is unclear that this individual would agree to settle this matter short of litigation." Now that's all one sentence, but do you think he's not going to settle the litigation because he's a friend of Gore's?

Mr. NOBLE. Our experience has been that the more prominent somebody is, the higher the profile that he is, that they are going to fight you more.

Mr. WAXMAN. OK. So, he's going to get a fight, you've got a limited amount of resources——

Mr. NOBLE. And a limited amount of time at that point.

Mr. WAXMAN. You have to come here twice a month, so you don't have time to pursue all of these cases, and you also don't have the budget. And the innuendo is, you dropped this case because he was a prominent supporter of the Vice President's. Now, he's violated the law, a lot of people seem to violate the campaign laws, but not all of them are pursued to the point where there's a referral to the Justice Department. Isn't that correct?

Mr. THOMAS. We don't know he violated the law, by the way. I think you said that he violated the law, I don't know that we know that he violated the law.

Mr. WAXMAN. I see. There's an allegation.

Mr. NOBLE. An allegation, yes.

Mr. WAXMAN. OK. You pursue allegations of people that might have violated the law, some of which you're going to refer to Justice for prosecution.

Mr. NOBLE. Yes.

Mr. WAXMAN. If you had unlimited funds, you can pursue every allegation to see if there's any possibility of some accuracy. In fact, Mr. Kramer had given some money to the Republicans, I think Senator Mack of the Republican party, and it was in violation of the law, apparently, but you decided not to pursue it because it was a small amount of money. Is that just a prioritization decision because you have to go after the people that are most in violation of the law?

Mr. NOBLE. Yes.

Mr. WAXMAN. You have the people who make the contribution. If they have made a contribution that's illegal, you will pursue those allegations?

Mr. NOBLE. As many as we can. We can't pursue all of those.

Mr. WAXMAN. Now we have the level of people who solicited the contributions. Let's say there was an illegal contribution somebody solicited. They may or may not have known that there was an illegal contribution. So in order to go after someone who solicited or requested the contribution, you have to decide whether they knew there was a violation, that the contribution was illegal.

Mr. NOBLE. Correct. And in addition, with the 441e violation, the foreign national violation, there's a question whether we could even go after the solicitors at all, with regard to the foreign national part of it. Again, what we were concerned about is that he may have suggested, or someone suggested, that they make a contribution in the name of another, which we do go after the people who help in that.

Mr. WAXMAN. And when you make these decisions, are you making them on a partisan basis or are you making them on the basis of what is the most likely to result in successful prosecution?

Mr. NOBLE. We're making——

Mr. WAXMAN. Given your resources?

Mr. NOBLE. Yes, given our resources, what will best effectuate the purposes of the act and how we can best use our resources in a triage mode to get the best effect for what we're doing.

Mr. WAXMAN. Now Mr. Kramer gave to Republican party sources $230,000. This was a Republican. And did you pursue who might have asked him to give that money?

Mr. NOBLE. No.

Mr. WAXMAN. Why?

Mr. NOBLE. The same issue: We were not looking at that. We did not have the resources to look at that. We were trying to keep the case narrow and focused.

Mr. WAXMAN. So you're being criticized for not going after Mr. Glicken when you found out, that he requested that Mr. Kramer give the Democrats, but you're not being criticized for not going after the person or persons who asked Mr. Kramer to give money to the Republicans? Is that an accurate statement?

Mr. NOBLE. Those are the questions that are being raised now, yes.

Mr. WAXMAN. I just don't understand. Your budget is limited by the Republican leadership. You're being criticized because you don't do more, and you don't have the money to do it. And then you're brought up here twice in 1 month to get beat up by these questions. So you don't have the time, as you prepare not just to be here, but to prepare for these hearings, to go out and further enforce the law. And what we have is a hearing by innuendo. There's just nothing substantive that you've done that warrants a committee of Congress to take our time to pursue this not once, but twice.

I just see nothing coming from this hearing that we didn't know about after Mr. Horn's committee hearing, and if anything, we ought to draw the conclusion that you don't have the resources to go after everybody who may have violated the law, and your decisions are not partisan, are they?

Mr. NOBLE. No, they're not.

Mr. WAXMAN. Well, I ask the chairman, do you have evidence other than this one case that maybe there's a suggestion that it's partisan? Because it seems to me they're taking one case and one sentence from your letter and blowing it up into the allegation that you go after Republicans—or maybe you don't go after Republicans, but you're not going after Democrats who solicited contributions. You did go after Mr. Rose's law firm, didn't you?

Mr. NOBLE. Yes, we did.

Mr. WAXMAN. And there you had some additional evidence——

Mr. NOBLE. Yes.

Mr. WAXMAN [continuing]. To justify it.

Mr. NOBLE. Well, we also thought it was a very serious matter for the law firm who knew he was a foreign national to actually solicit contributions from him; we thought that was a serious matter.

Mr. WAXMAN. So it's a question of whether the solicitor or requestor of the funds had knowledge, maybe even participated in getting a contribution that might have been illegal?

Mr. NOBLE. Yes, we had to make a judgment about where to put the resources. We thought the law firm was in a unique enough position that it warranted us putting our resources there.

Mr. WAXMAN. You made your best judgment, and now you're being requested to justify it, I think, in the context of an innuendo.

Mr. BURTON. The gentleman's time has expired. Mr. Cummings.

Mr. CUMMINGS. Thank you, Mr. Chairman. I was listening to all of this, and as a new Member of Congress it does concern me that public servants who are doing the best they can, as Thurgood Marshall says, with what they have, are brought before our committee, this committee, and beaten up on. As a lawyer, as one who has made discretionary types of decisions, I understand that everybody won't agree with me or agree with you or agree with the chairman, or anybody here. People have disputes all the time. I guess, but then to be beaten up over it is a whole other question and concern.

I guess my question simply goes to—I mean, is there anything unusual about the procedure that you used in this case than other cases that you all pursue?

Mr. NOBLE. There was nothing unusual.

Mr. CUMMINGS. And so I take it would be fair to say that you would use the same procedure no matter who the donor was, no matter who the solicitor was? I mean, you all are—I think all of you are lawyers?

Mr. NOBLE. Yes, sir.

Mr. CUMMINGS. And you are officers of the court——

Mr. NOBLE. Yes.

Mr. CUMMINGS [continuing]. And you at some point or another, when you were admitted to the bar, you raised your hand and swore that you would do the honorable thing and do the right thing, according to the laws of this country. And then you came into public service at some point, and the agency that you work for is one which has to be—I mean, you can't be partisan, is that right? I mean, I guess you have no room for partisanship?

Mr. NOBLE. No.

Mr. CUMMINGS. As a matter of fact, I would guess that if you were partisan, if there were people on your staff who are partisan, and it's quite clear that they are, then they would—can I have—can I have just a little silence, please? I can't hear myself.

But when you have that, I guess that person would not be looked on too nicely by superiors in your agency, is that right?

Mr. NOBLE. That's absolutely correct.

Mr. CUMMINGS. Yes, you wouldn't have that, and so there's a chart—where's that chart? Can you see this?

Mr. NOBLE. Somewhat.

Mr. CUMMINGS. All right. Well, let me—this says, "FEC Reason Not to Believe Findings Not Pursued in Kramer Case," and it goes down and it says, "National Republican Senatorial Committee, party: Republican; action taken: no investigation or fine." Is that accurate?

Mr. NOBLE. That's correct.

Mr. CUMMINGS. All right, and then we go down; we have Senator Connie Mack, a Republican, no investigation or fine, is that correct?

Mr. NOBLE. That is correct.

Mr. CUMMINGS. I don't want to make this one-sided. So let me skip a little bit. We have Jeb Bush, Republican, no investigation or fine. Then we have the Democratic National Committee, no in-

vestigation or fine, and Senator Robert Kerry, Democrat, no investigation or fine, and then we have a list of State and local offices. You've got Gerald Lewis, State and local office, no investigation or fine.

I guess my point is that this is consistent with what you said a little bit earlier, and that is that what you try to do is be fair; you try to do the best you can with what you have, and you use discretion all the time. And the discretion that you do use is based upon your best judgment, your best information, and all you're trying to do is do your job?

Mr. NOBLE. That's correct, and we recognize people can disagree with our judgment. Our point here only, though, is the judgment is made on a nonpartisan basis with our best intentions of prosecutorial discretion. They are not judgments made based on the politics involved, on whether somebody's a Republican or Democrat or Independent.

Mr. CUMMINGS. So I would take it that if you were partisan, there would probably—if you were—there would probably be a whole slew of people, I guess, assuming you had the money, from one party or another, that would go through the whole wringer, and you wouldn't—you probably wouldn't come to some of these conclusions, is that right? Is that a reasonable assumption?

Mr. NOBLE. I guess so. Our credibility depends on us not being partisan.

Mr. CUMMINGS. Right.

Mr. NOBLE. And so I don't know what we would do if we were partisan, and we're not.

Mr. CUMMINGS. Well, I couldn't stand by and—because I know for myself, when I fill out my reports, I try to make sure all the "I's" are dotted, all the "T's" are crossed, because I know you all are looking, and you're only trying to uphold the law. And I understand that; I think all of us understand that.

And I just pause for a moment to thank you for your public service and apologize to you for having been beaten up, and that's what I consider it here today.

Mr. BURTON. The gentleman's time has expired. Mr. Horn.

Mr. HORN. Thank you, Mr. Chairman.

Ms. Lerner, I believe you said, in response to one of Mr. Davis' questions about exhibit 44, that you had talked to Mr. Donsanto previously. Is that correct?

Ms. LERNER. Yes.

Mr. HORN. What's the type of conversation you had with him? Was he your regular contact in Justice?

Ms. LERNER. Yes. I had contacted him earlier to talk to him about whether or not the Department of Justice would be able to do anything to let Terri Bradley know that Justice was not going to pursue her. We have no way of granting immunity.

Mr. HORN. And you're correct, only Justice or this committee has the grant of immunity, I believe, and we check with Justice first. So this case was discussed with Mr. Donsanto in at least that respect that you've told us right now?

Ms. LERNER. Yes.

Mr. HORN. Had you ever called him on any other cases and said, "Look, this is one we simply don't have the resources to deal with it. Why don't you people look at it?"

Ms. LERNER. That's not how we do it. We either refer something over to the Department of Justice that's an FEC violation, or if we're talking about violations of other statutes, there is a provision in our statute that allows us to report violations of other statutes. Other than that, Justice ordinarily, if we were to close a case, may pick up on it or they may have a concurrent investigation that we're not aware of.

Mr. HORN. Now in Ms. Bradley's case, she was the secretary, assistant to Mr. Kramer, is that not correct?

Ms. LERNER. Yes.

Mr. HORN. And she was the one that was the conduit of Mr. Kramer's money to various political figures in both parties, is that not correct?

Ms. LERNER. I'm aware of two contributions that her name was used in.

Mr. HORN. Yes, now at that point did she know and you know that there was somebody advising Mr. Kramer as to how to get money into the political system who was Mr. Glicken or Mr. Rosen? Did you know that at that time?

Ms. LERNER. No.

Mr. HORN. Even though you wanted immunity for her, right?

Ms. LERNER. Oh, I'm sorry, I misunderstood your question. I did not know who the individuals were. In the original affidavit there was a statement that Ms. Bradley was present when the Democratic fundraiser spoke with Mr. Kramer, and later on, when we were—after our discussions with the law firm had not gone forward, and we were back into an investigative mode, Ms. Bradley had indicated that she may know who the people were, but she was unwilling to give us any information without a grant of immunity. And that was when I spoke with Mr. Donsanto.

Mr. HORN. I see. So you had a total of two conversations with him? One you initiated; the other he initiated, is that correct?

Ms. LERNER. One during the context of the matter and one after the Kramer matter had been closed that he called me on.

Mr. HORN. OK. It seems to me, Mr. Chairman, we ought to be granting Ms. Bradley immunity to get at the bottom of this, because she apparently knows who was the person that was giving the, shall we say, encouraging people to commit criminal acts, because that's what it gets down to, and that's sort of what surprises me—when you've got somebody in a very high place that is encouraging people how to illegally get money into political campaigns, when that person knows Mr. Kramer is not an American citizen, and he's giving advice as to how you use your secretary, who is an American citizen, or whatever.

And, of course, what you've seen in the number of Members here, we're talking about priorities, and what greater priority does the Federal Election Commission have than someone close to, or employed by, one of the national parties who's advising a foreign national on how to break the law? And it would seem to me that would be justification to say this isn't just an inadvertent act here; this is a planned way to do business, and this is a way to get

around the law, and we ought to shut this person off, whoever that is, Republican, Democrat, you name it. They're simply advising people to break the law, and you can, I think, assume, and certainly what we can assume after listening to a lot of the various conspiracies in the 1996 Presidential campaign, that this is a planned operation, and those are the people we ought to be putting out of business, and not the inadvertent people that does some dumb thing because they don't know. And Mr. Kramer eventually knew, and that's when the money was asked to come back.

But it just seems to me, when you've got somebody clearly advising people to break the law, that you ought to be able to deal with it, and it ought to be a major priority, not simply an inadvertent act. Inadvertent acts you've got, I'm sure, all over every report practically everybody files with you, but this, it seemed to me, should have had the warning flags go up very early.

And I guess, why wasn't that the No. 1 priority last year? Here you have a solicitor, a lawyer, affiliated with a national party, and he's urging people to—it doesn't matter; just get the money to us; that's what it's all about. It seems to me we should realize that at that time, not just now.

And I'd just like to ask a couple of questions here. Mr. Noble——

Mr. BURTON. The gentleman's time has expired. Do you have anyone—Mr. Cummings?

Mr. CUMMINGS. Yes, just——

Mr. BURTON. I'll yield to you when I get my time next time.

Mr. Cummings.

Mr. CUMMINGS. Yes, just one question, and then I want to yield to Mr. Waxman.

Again, tell us—I mean, you just heard the lengthy statement, and I just want one more time, because there are people watching this, and some people heard what was just stated, and they didn't hear your response. Would you give it to us now? Because there are people who will get the impression that it ends there, and you did not have a response to that. So I want you to respond to that, if you don't mind, what you just heard.

Mr. NOBLE. Yes. I agree, Mr. Horn, that the idea of somebody suggesting making an illegal contribution is a very serious idea, is a very important priority. As I said earlier, we don't have the resources to do all of those. We have asked Congress for the resources.

But important here is you asked—and I think very correctly—why last year, last summer, we did not consider that a No. 1 priority. Because by last summer we were already focused on the 1996 election cycle, as we told this committee; that this is a 1993–94 contribution; that the statute of limitations on the specific $20,000 contribution we're talking about was going to run out this April, and I, frankly, think it would have been a bad decision at that point to put a lot of resources, to get reason to believe to investigate it, when we are looking at how we're going to handle all the allegations from the 1996 election.

And I think the criticism of us at that point now would have been, how come you were still stuck back at 1993 and 1994 when you have all these cases from 1996 that you should be dealing with? And that's the dilemma we have right now, and we don't

have the resources now to deal with the 1996 cases. So that's a judgment that we had to make, that we weren't going to pursue that. Yes, it's a serious matter, and I fully agree that it should have been pursued, given the resources to pursue it. Eight months before the statute of limitations run it's a very difficult decision to decide to open up an investigation like that.

Mr. CUMMINGS. If you had the resources that you need to do your job the way you just described—I mean, that you would have liked to have done things—I take it that that would increase your personnel quite a bit, is that right?

Mr. NOBLE. Yes, we have actually asked I think the Office of General Counsel for 34 additional staff, and that's really focusing on the 1996 election now and the other violations we have now.

Mr. CUMMINGS. That's just for 1996?

Mr. NOBLE. Well, that would also include some others, but the main focus was for 1996, yes.

Mr. CUMMINGS. And how many people do you have right now? I mean, what kind of——

Mr. NOBLE. We have 24 staff attorneys right now. I can give you the full staffing. Enforcement has approximately 24 staff attorneys, 5 supervisors, 2 investigators, and 12 paralegals. Our whole Office of General Counsel, which does a lot more than enforcement, has onboard strength of approximately 100 people authorized for 1996.

Mr. CUMMINGS. OK. So at 34, it would be about a—what—about a one-third increase, just to be able to do 1996 and some priority things from——

Mr. NOBLE. Yes.

Mr. CUMMINGS [continuing]. The past?

Alright, I'd yield the balance of my time to Mr. Waxman.

Mr. WAXMAN. I thank you for yielding.

I've listened to this hearing—we've been here for many hours. This is, as I pointed out, the second hearing on this very subject in the same month. And if I were to say that the evidence is thin, I'd be overstating it, because I don't think there's anything here. You're either being accused of incompetence—and I don't think this committee's in a good position to be accusing anybody of incompetence—or you're being accused of partisanship, and I don't think this committee's in a position to be accusing anybody of partisanship.

I want to point out that Mr. Burton to date has unilaterally issued 524 subpoenas, 515 to Democrats; he's deposed 143 witnesses, including 141 Democrats. In other words, there's 1,000 information requests; 99 percent of them from this committee have been against Democrats; 1 percent dealing with Republicans.

Based on your experience at the Federal Election Commission, are Democrats responsible for 99 percent of the campaign finance abuses?

Mr. NOBLE. Not based on my experience. I think it's spread pretty evenly.

Mr. WAXMAN. It's what?

Mr. NOBLE. It's spread pretty evenly, I think.

Mr. WAXMAN. Spread pretty evenly. Can you estimate what percentage of the violations you investigate are Democratic, and what percentage are Republican?

Mr. NOBLE. I don't have that. Our office does not keep figures in that regard.

Mr. THOMAS. Mr. Chairman, I might be able to help you there. I have been sensitive to this kind of criticism since a recent Wall Street Journal article came out a while back, wherein it suggested that someone was under the impression 9 out of 10 of our cases were against Republicans. And I had my assistant go back and look at what the status was at the beginning of 1995 and again at the beginning of 1998. Of the active cases that we had going back in the beginning of 1995, as I strike the percentages of the cases involving Republicans versus Democrats, 53 percent were involving Democrats; the remaining percentage, out of 100 percent, would have involved Republicans, roughly the same percentage in the beginning of 1998.

Mr. WAXMAN. Is it accurate to say you just don't take political affiliation into consideration?

Mr. THOMAS. It is not even mentioned for the most part who the party affiliation is in the context of them.

Mr. WAXMAN. Thank you, Mr. Chairman. I see my time has expired.

Mr. BURTON. The gentleman's time has expired.

Mr. WAXMAN. May I ask unanimous consent to put into the record a letter from the Federal Election Commission?

Mr. BURTON. Without objection.

[The letter referred to follows:]

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 17, 1998

Charles W. Burson, Esq.
Counsel to the Vice President
Office of the Vice President
of the United States
Old Executive Office Building
Washington, DC 20501

Dear Mr. Burson:

This is in response to your letter of February 13, regarding the General Counsel's Report in MUR 4638, In the Matter of Greenberg, Traurig, et.al. The language in the report to which you refer, and which has been the focus of some press reports, was not intended in any way to imply that I was recommending that the Commission not pursue Mr. Glicken because of concern about fallout due to his past relationship or presumptive future fundraising role with Vice President Gore. Any such implication would be incorrect.

As the report makes clear, there were a number of factors that gave rise to my recommendation that the Commission exercise prosecutorial discretion and not pursue the matter any further. Among those factors were the age of the case, the fact that we had allegations, but little hard evidence, and the unlikelihood of a quick resolution. With regard to Mr. Glicken, we were only at the beginning of what can be a lengthy administrative process and we had to assess the probability that we could reach a timely resolution of any issues that pertained to him. This analysis was particularly important in light of the fact that the contributions in question were made in 1993 and 1994 and we had already resolved the heart of the case with significant civil penalties totaling over $500,000. The language referred to was meant as an analysis of one of the factors we have learned may affect the likelihood of someone settling early - the possibility of future involvement in fundraising. Frankly, as you can imagine, this factor carries weight on both sides of the equation.

Let me assure you that I share your concerns about any implication that inappropriate consideration of Mr. Glicken's status as a supporter of Vice President Gore influenced the decision not to pursue the matter. Unfortunately, because of our limited resources we regularly find ourselves in the position of having to exercise prosecutorial

Lette to Charles W. Burson, Esq.
Page Two

discretion and not pursue matters that might otherwise warrant pursuit. Although this is a decision many prosecutors have to make, what is unusual in the case of the FEC is that our commitment to openness results in some of the more delicate discussions reaching the public record.

The report in question is on the public record, therefore, I will ensure that your letter and this reply is also made part of that record.

If you wish to discuss this matter, please feel free to call me at 202-219-3690.

Sincerely,

Lawrence M. Noble
General Counsel

Mr. BURTON. You could have taken part of the investigation involving Ms. Bradley and Mr. Kramer and sent that to the Justice Department or you could have gone to the full Commission and asked for approval because you had probable cause that there was a violation. That could have been sent to the Justice Department, could it not?

Ms. LERNER. We had not gone through the probable cause phase, which requires a briefing stage, notification, responses——

Mr. BURTON. I understand——

Ms. LERNER [continuing]. Et cetera.

Mr. BURTON [continuing]. But you knew about this transaction, and you could have gone through that independently and sent that to the full Commission and then sent it on over to the Justice Department, could you not have?

Mr. NOBLE. If I may explain, to do that, we would have had to have foregone settlement with Mr. Kramer and the law firm and Ms. Bradley, and found probable cause to believe against them and refer the whole matter over to the Justice Department. We thought that it was better in this situation, especially given the evidence as to them, to get a settlement in it and get the matter out on the public record.

Mr. BURTON. But you knew that somebody had solicited an illegal campaign contribution to be laundered through his secretary? You knew that had taken place?

Mr. NOBLE. There was some evidence of that, yes.

Mr. BURTON. And you knew that there was someone in all probability that was coming from the Rosen law firm or Mr. Glicken, one of the two that had done that, right?

Mr. NOBLE. As a matter of fact, we don't know who it is still at this point, but Mr. Glicken, as far as I know, doesn't have a relationship with the Rosen firm——

Mr. BURTON. But they would have, under grant of immunity, told you?

Mr. NOBLE. If Justice Department had granted them immunity, Ms. Bradley, presumably, would have told us. I think she said——

Mr. BURTON. I know, but the point is, when they said that at that point, you knew that we could have gotten to the bottom of it, had it been passed by the Commission and referred to the Justice Department?

Mr. NOBLE. Had we begun an investigation on that aspect of it and found probable cause to believe, we could have then referred it over to the Justice Department.

Mr. BURTON. In retrospect, do you think you should have done that?

Mr. NOBLE. In looking at the whole file, in retrospect, and knowing what we—how we were making those decisions then, no. I will tell you that I could pick this case out and say we should not have settled with Mr. Kramer; we should have launched a major investigation with Mr. Glicken when his name came forward; the statute of limitations would have run. And I suspect the upshot of that would have been we would have been dismissing another case investigated but with no resolution, because the statute of limitations——

Mr. BURTON. But there was apparent criminal intent here. I mean, Mr. Kramer, when he came and started giving these contributions, he came to you and said, hey, I didn't really know I was doing anything illegal; I'm a German national, and I was doing this because I was soliciting—but you knew that there was criminal intent with this $20,000. Somebody said, hey, you can't give this as a German national; you're going to have to give this to an American citizen; you've got to launder this money through your secretary. There's criminal intent there. There wasn't in the other case. Why wouldn't you pursue the criminal intent?

Mr. NOBLE. I'm not sure—again, it's not our judgment whether there's criminal intent there. I'm not sure that what Mr. Kramer said rises to that level. What he said was that a suggestion was made that somebody else make it on his benefit, and if I remember correctly, his affidavit also says that he does not remember any discussions about the legal reasons for this.

Mr. BURTON. Well, in your conciliation agreement with the law firm of Greenberg and Traurig, you note that partners in the law firm were involved in soliciting contributions from Mr. Kramer. However, you avoid to mention the names of the partners at the firm. The General Counsel's Report notes that DNC documents indicate that Marvin Rosen was a solicitor of some of Mr. Kramer's contributions, but the conciliation agreement avoids any mention of the partners at the firm who solicited donations, including Mr. Rosen. This is a fairly serious matter because, as you noted, the firm does Mr. Kramer's immigration work, and had reason to know that he was a foreign citizen.

So I have about three questions all tied together here. Mr. Thomas, in your earlier remarks you noted that a couple of the partners at the law firm were soliciting donations from Mr. Kramer.

The first question is—answer these collectively, if you like—who were those partners? We know one of them was Marvin Rosen. Did the FEC develop knowledge during the investigation and negotiations with Greenberg-Traurig about who the partners were who solicited the donations? Why were their names not included in the report? Why did you leave the names out? Did Greenberg-Traurig request that the names not be included during the negotiations over the conciliation agreement? And, finally, were the names of these lawyers not included in the conciliation agreement to avoid embarrassment for prominent members of the firm?

Mr. THOMAS. I'm not sure—I think you mentioned me first. I think your question, if I remember, Mr. Chairman, to me was, who were the lawyers associated with the firm that we're aware were involved with soliciting? I'm not sure that I can honestly say that we are aware that more than one lawyer at the law firm was involved with soliciting. There is some information which we've turned over to your committee which notes that there were some lawyers who were involved with the law firm who were at various fundraising events, some for Republicans as well as Democrats.

But we can provide more detail in terms of the specific names of each of the lawyers, if you want.

[The information referred to follows:]

The only Greenberg-Traurig individual specifically identified as a solicitor of Mr. Kramer's contributions in the file of this matter is Marvin Rosen. However, the record indicates that other firm lawyers attended fund raisers. Based on a review of the staff attorney's file, these persons are:

Event; 3/22/93 fund raiser for Senator George Mitchell at the Biltmore Hotel:

-- Mark P. Schnapp ($500)
-- Martin Kalb ($1,000)
-- Larry J. Hoffman ($1,000)
-- Mathew B. Gorson ($2,000)
-- Cesar Alvarez ($1,000)
-- Hilarie Bass ($250)

Event; 10/12/93 fund raiser for Ileana Ros-Lehtinen at the Biscayne Bay Marriott:

-- Sue M. Cobb ($750)
-- Robert. H. Traurig ($150)

Mr. THOMAS. As to why there was some reference in the conciliation agreement to some aspects and not others, I would defer to the counsel's staff.

Mr. NOBLE. Again, as explained before, the problem we have is, by statute, we're not allowed to discuss information we derive during conciliation. I will say generally with regard to cases that when you're in conciliation you discuss a lot of things, and to get settlements on cases sometimes you forego going against some people; you go against other people. Now I'm not talking specifically about this case, because we're not allowed to discuss what goes on in conciliation in specific cases.

I don't know that we ever knew all of the solicitors who were involved.

Mr. RODRIGUEZ. We did not.

Mr. BURTON. Thank you.

Mr. Horn has just a couple of questions. Do you want to ask them real quick?

Mr. WAXMAN. Well, Mr. Chairman, I can't understand why, after Mr. Horn had these people before his subcommittee and was able to pursue extensive questioning with him, and he's had two rounds today, he should have further time that he wants to take up of these witnesses. Can he submit them in writing?

Mr. BURTON. I told Mr. Horn I would grant him some of my time, and we ran out. So I'd like to give him the opportunity to ask one or two questions, if you——

Mr. WAXMAN. Then I'll pursue my 5 minutes——

Mr. BURTON. That's fine. That's fine.

Mr. WAXMAN [continuing]. And then Mr. Horn can do whatever he wishes to do, whatever the chairman wishes him to do.

What we're talking about is a contribution from Mr. Kramer. More money went from him to the Republicans than to the Democrats in Florida, right?

Mr. RODRIGUEZ. Right.

Mr. WAXMAN. And so you wanted to find out what was going on. You found out that these contributions were illegal, and you pursued it, and you got fines, penalties, against whom? The Republican party?

Mr. RODRIGUEZ. Fines against the Republican party, against Kramer, against the law firm, and against the secretary.

Mr. WAXMAN. OK. So you went after Mr. Kramer, his secretary, the law firm of Mr. Rosen, who was an active Democrat——

Mr. RODRIGUEZ. Correct.

Mr. WAXMAN [continuing]. And the Republican party?

Mr. RODRIGUEZ. Correct.

Mr. WAXMAN. And now you're being questioned why you didn't pursue it even further, to go after the person who solicited the money from Mr. Kramer for the Democrats, but you're not being criticized for not going after the solicitor from Mr. Kramer to the Republicans. In fact, you don't even know who that was, is that right?

Mr. NOBLE. That's correct.

Mr. WAXMAN. So it just seems to me that to complain that you're being partisan can't be justified from the facts. The charge can be made; any Congressman can say anything. We are up here; we are

on the risers. We look down at you. We can ask you the questions. You have to respond to the questions. You work for the Federal Government, and we oversee your agency. So we can be as rude to you as we want. And you've seen enough evidence of it from some of my colleagues.

But the fact of the matter is, it sounds to me like you're doing a commendable job, given the fact you don't have the resources. The Republican leadership made sure you didn't get any more resources.

Mr. Horn criticized you because he thought maybe you took some money from computers and put it into more staff, which would allow you to even pursue more of these enforcement violations.

And I just have to ask this question: You're to be commended for wanting to do your job the best you can, but I wonder why anybody would want to work for the Federal Government or for the Federal Election Commission? Because if I were trying to make sure that no enforcement actions ever took place against politicians, I'd shortchange your money and I'd beat you up when you came before the congressional committees; I'd complain, and then when good people won't want to take these jobs anymore, because they have to be bullied by Congressman, then we'd be sure that any violations that are occurring by the politicians up on the rostrum won't be prosecuted.

I hope you don't get discouraged by the fact you have to be here, spend so much time, take this kind of abuse. I don't think it's justified, and I hope you don't feel that some of us—and many Americans, Democrats and Republicans appreciate the fact that you're trying to enforce the law to the best you can.

I just want to point out one clear example. You issued subpoenas in this Kramer case, didn't you? I think six or seven subpoenas?

Mr. RODRIGUEZ. Right, yes.

Mr. WAXMAN. Democrats and Republicans?

Mr. RODRIGUEZ. Correct, correct.

Mr. WAXMAN. This committee doesn't issue subpoenas to both Democrats and Republicans. This committee issues subpoenas only to Democrats and people who support Democrats. At least you're being fair about it.

Now someday people who run this committee should be down there answering to the American people about how they've conducted their activities, and I still expect that the chairman will give us a full accounting of the resources of this committee, particularly when we give these low estimates of how much money is being spent, when we know, in fact, at least $5 million and a lot more.

So I want to yield to Mr. Horn on my time and let him pursue the questions, and if he then has need to go beyond it and wants to take up more of your time, then it will be up to the chairman whether he wants to go for a third round, and if he wants to go for a third round, then we'll all decide whether we want to ask more questions. But I yield to Mr. Horn.

Mr. HORN. I'm delighted my colleague has yielded me the time, because the first thing I want to do is set the record straight from the way he has stated it.

Mr. Thomas, have you ever appeared before my subcommittee?

Mr. THOMAS. No, I have not. It was Chairman Aikens——

Mr. HORN. Thank you very much.

Ms. Lerner, have you ever appeared before my subcommittee?

Ms. LERNER. No, I have not.

Mr. HORN. Thank you very much.

Mr. Rodriguez, have you ever appeared before my subcommittee?

Mr. RODRIGUEZ. No, I have not.

Mr. HORN. Thank you very much.

Three of the four witnesses here have not appeared before the Subcommittee on Government Management.

Now, Mr. Noble, you have appeared. Mr. Noble, how much time did we take to look at the workings of the FEC?

Mr. NOBLE. If I remember correctly, the actual hearing part of it where we testified was about an hour and a half or so. We were there all day because of delays, but——

Mr. HORN. Well, that's correct. We spent most of our time on trying to extract what your needs were and what some of the problems were that you confronted, despite Mr. Waxman's complete misstatement of what went on.

And when did I ask the question about Mr. Kramer and Mr. Glicken?

Mr. NOBLE. It was at the end of the hearing.

Mr. HORN. That's right; I did it at the end of the hearing, after a couple of hours, on behalf of the chairman, who had to get back to Indiana that day and couldn't make it to that particular meeting.

So you were well-prepared, and I was kidding you on that. You had a rather thick brief book. You're very bright, and you are well-prepared. And when I asked that question, you went right to the tab, and you had all the facts laid out, as you saw them. Is that not correct?

Mr. NOBLE. That's correct.

Mr. HORN. OK. So, so much for the business that we've gone over this ground before. It's utter nonsense. The gentleman should have been there.

So let me just ask you a few last questions. No. 1, as the chairman noted in his opening statement, he said, quote, I should note that the Commissioner's vote on this matter does not appear to be a partisan move, unquote. No one is saying it was a partisan move. We're simply saying, look, we know it's tough; not everybody in every agency gets all the resources they would like, but the question was: If you had to do it over again, would you do it differently? The way I get some of the answers here are you would have done it differently if you had to do it over again, because I think we've pursued the question of, when you've got a person that is systematically telling other individuals how to commit a crime, it might be worth dealing with that.

Now what we're trying to find out is, are there formal ways——

Mr. WAXMAN. Mr. Chairman, the gentleman's time has expired, but I'd like to ask unanimous consent that Mr. Horn be given 2 additional minutes, providing he lets Mr. Noble respond to that, whether he would have liked to have done it differently, because I think Mr. Horn is putting words in his mouth. But I think he

ought to be given 2 more minutes, and I hope you'll let the gentleman respond to your accusation.

Mr. BURTON. Without objection.

Mr. HORN. Yes, I have no problem with that. I think we pursued in previous questioning the fact that here you have an individual that we don't completely know now, because we haven't given him immunity through the Department of Justice or this committee, who is systematically telling individuals how to violate the campaign finance laws. What we've been pursuing with you is, even though you don't have all the staff you'd like, you've got 100 individuals on your own staff; couldn't someone have made a telephone call and gotten the answers to some of this?

And it sort of boggles the mind of most of us that have run large organizations that you can't find someone somewhere that could followup on that thing, and that's what this is all about. And I'm sorry we have to get at it from three or four different angles, but that's what's concerning us: Why couldn't you get 1 of those 100 lawyers on your staff to do something about it?

Mr. NOBLE. Well, first, we don't have 100 lawyers; we have 24 lawyers working on enforcement cases. But——

Mr. HORN. Well, you said you had 100 people in the Office of General Counsel, and you had 24 staff attorneys, plus 5 supervisors, and 2 investigators. That was your testimony.

Mr. NOBLE. Right, that is correct, working on enforcement. But, in response to your question, again, I don't think I would do it any differently, even knowing what I know now, even knowing that it meant coming before this committee. The fact of the matter is that in July, when we had Mr. Glicken's name, in 8 months the statute of limitations would have run. We have to make these decisions.

Now you said in your question that he was systematically soliciting contributions—we don't know that he systematically did that. The evidence that we had, as I said, was not that clear. We had the DSCC referring to Mr. Glicken with regard to this $20,000 contribution. The solicitation material that we had did not refer to Mr. Glicken; it referred to others.

I could have had somebody pick up the phone and make a phone call. To what end? So if we're not going to pursue the matter—and we've been through this before in our agency; we know what it means. If we're not going to pursue the matter—yes, if we had known that this would have stopped all of this, it was in the record who it was, maybe it would have been worth doing, but, frankly, we make these decisions all the time just to stop at this point; we're going to stop, and we're going to move on to another case.

Because last year and right now what we're facing is the 1996 election. We're coming on to 1998 and 2000, and just trying to answer, if you will, for intellectual curiosity or just for the record who everybody is, we don't have the resources to do that. We don't have the luxury to do that. We do it if we think we can pursue the matter. We couldn't pursue the matter.

Mr. HORN. Yes, Mr. Noble, I guess I'd go on the assumption, if I were in your shoes, that who's doing the evil deeds in 1994 will do them in 1996, and who's doing evil deeds in 1996, knowing they got away with it in 1996, will do it in 1998. And it just seems to

me, when you've got something like that going, that's where you target somebody.

Mr. NOBLE. And I'm not at liberty to discuss what we have going on that's open involving 1996 or anything else. But those are things you take into consideration. Yes, obviously, people do turn up again, and those are things you have to take into consideration.

Mr. HORN. Thank you.

Mr. BURTON. The gentleman's time has expired.

I ask unanimous consent that the record remain open to receive answers to questions the committee may submit to the FEC.

[The information referred to follows:]

DAN BURTON, INDIANA
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ONE HUNDRED FIFTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT

2157 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515–6143

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BERNARD SANDERS, VERMONT
INDEPENDENT

April 6, 1998

Honorable Scott E. Thomas, Vice-Chairman
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Dear Commissioner Thomas:

Pursuant to a unanimous consent agreement reached at the conclusion of the Committee on Government Reform and Oversight's hearing of March 31, 1998, on the Federal Election Commission's (FEC) enforcement actions, I am submitting the enclosed questions for inclusion in the record on behalf of Rep. McIntosh.

Please reply to these questions by Friday, April 17, 1998, and refer all correspondence to my chief clerk, Judy McCoy. Thank you for your cooperation.

Sincerely,

Dan Burton

Dan Burton
Chairman

cc: Hon. David M. McIntosh
Hon. Henry A. Waxman

DAN BURTON, INDIANA
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BERNARD SANDERS, VERMONT
INDEPENDENT

April 3, 1998

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

Dear Mr. Noble:

I appreciate your appearance before the House Committee on Government Reform and Oversight on Tuesday, March 31. This letter contains questions for the record of that hearing.

1. How is the value of a reportable in-kind contribution determined?

2. Does the person making a reportable in-kind contribution ordinarily provide the national political party or federal candidate with his or her estimate of the market value of an in-kind contribution?

3. Do national political parties or federal campaigns that receive reportable in-kind contributions ordinarily take any steps to verify the value of an in-kind contribution?

4. Please provide copies of any written Commission policy statements, guidelines, advisory opinions, conciliation agreements, decisions, or court cases involving the valuation of in-kind contributions.

5. Please provide copies of any written Commission policy statements, guidelines, advisory opinions, conciliation agreements, decisions, or court cases involving the contribution of mailing or telephone lists to a national political committee or federal campaign.

6. It is my understanding that White House employees are permitted to engage in partisan political activity while on duty, provided they do not use government resources, such as vehicles, photocopiers, computers, etc., and that if they use such resources for partisan political activities, the value of the use of those resources must be reimbursed by the national political party or federal campaign for whose benefit those resources were used.

A. If the White House were not reimbursed for the use of those resources, would the

use of those resources constitute a reportable in-kind contribution to the national political party or federal campaign for whose benefit the resources were used?

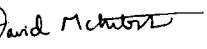
B. If reported and not reimbursed, would such an in-kind contribution constitute a contribution from a prohibited source?

C. Has the Commission ever investigated whether the use of government resources for partisan political purposes was properly reimbursed?

D. Please provide any written Commission policy statements, guidelines, advisory opinions, conciliation agreements, decisions, or court cases regarding the reimbursement of the government for the value of the use of any government resources for the benefit of a national political party or federal campaign.

Thank you very much for your assistance in providing the answers to these questions for the record.

Sincerely,



David M. McIntosh
Chairman
Subcommittee on National Economic Growth,
Natural Resources, and Regulatory Affairs

Responses to Post-Hearing Questions Submitted by Congressman David McIntosh in Conjunction with the House Committee on Government Reform and Oversight Hearing on FEC Enforcement Actions March 31, 1998

Question 1: How is the value of a reportable in-kind contribution determined?

Answer: The Federal Election Campaign Act defines "contribution" to include, *inter alia*, "any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for federal office..." 2 U.S.C. §431(8)(A)(i) (emphasis added). Pursuant to the Commission's regulations, "the provision of any goods or services without charge or at a charge that is less than the usual and normal charge for such goods or services is a contribution." 11 CFR 100.7(a)(1)(iii)(A). The regulations also define "usual and normal charge" and, when applied to goods, this term means "the price of those goods in the market from which they ordinarily would have been purchased at the time of the contribution." 11 CFR 100.7(a)(1)(iii)(B). When applied to services, other than those provided by an unpaid volunteer, it means "the hourly or piecework charge for the services at a commercially reasonable rate prevailing at the time the services were rendered." *Id.* The value of in-kind contributions must be reported by a political committee in accordance with 11 CFR 104.13.

Question 2: Does the person making a reportable in-kind contribution ordinarily provide the national political party or federal candidate with his or her estimate of the market value of an in-kind contribution?

Answer: The Commission is not in a position to know what information in-kind donors ordinarily provide to recipients, as the agency does not get involved in such relationships unless a question or problem emerges. However, the Commission advises donors to provide recipient candidates with the amount of an in-kind contribution. *See*, e.g., Federal Election Commission Campaign Guide for Party Committees (August 1996) p. 13. See also, documents provided in response to questions 4 and 5.

Question 3: Do national political parties or federal campaigns that receive reportable in-kind contributions ordinarily take any steps to verify the value of an in-kind contribution?

Answer: The Commission is not in a position to know whether recipients ordinarily take steps to verify the value of an in-kind contribution. If a question arises, these issues are addressed on a case-by-case basis.

Question 4: Please provide copies of any written Commission policy statements, guidelines, advisory opinions, conciliation agreements, decisions, or court cases involving the valuation of in-kind contributions.

Answer: Numerous advisory opinions issued over a period of many years have considered specific fact patterns involving the valuation of various goods or services that may have represented contributions in-kind, either in their entirety or in part. Examples include: Advisory Opinions 1996-29 [independent appraisal to value donated computer equipment should include its future useful life]; 1995-08 [loan of office equipment valued at market rental rate for each piece of similar equipment]; 1990-19 [valuation of fundraising items for use by campaign committee to retire debts must include profit/cost analysis where identical items were sold in retail marketplace]; 1986-14 [value of motor vehicle owned by campaign committee can be set using "Bluebook" upon its sale to arms-length purchaser]; 1984-60 [value of partnership real property sold by former candidate to family member to raise cash to retire campaign debts best determined by independent real estate appraisal, see footnotes 2 and 5]; 1984-37 [value of campaign services paid by PAC, in advance, and provided to candidates by employees of PAC's sponsoring corporation was set at same rate for outside political consultants rendering similar campaign services]. Copies of these opinions are enclosed. Other opinions treating this topic less directly or in some special circumstances are: Advisory Opinions 1996-13, 1995-24, 1994-22, 1991-37, 1990-11, 1989-21, 1989-04, 1988-17, 1985-01, 1982-08, 1979-36, 1979-24, 1977-12. Copies are not provided at this time, but are readily available, if desired. We also are enclosing copies of 19 Conciliation Agreements the Commission entered into with various campaign committees or other entities during the period from 1986 to 1997. These Agreements present fact patterns involving the making and receipt of in-kind contributions, and are identified as Federal Election Commission Matter Under Review ("MUR") 1741, 1816, 2177, 2602, 2750, 2921, 3000, 3020 (3), 3164, 3191, 3360 (2), 3562 (includes other MUR's), 3608, 3918, 3991, 4048.

Question 5: Please provide copies of any written Commission policy statements, guidelines, advisory opinions, conciliation agreements, decisions, or court cases involving the contribution of mailing or telephone lists to a national political committee or federal campaign.

Answer: Commission regulations, 11 CFR 100.7(a)(1)(iii)(A), provide that membership lists and mailing lists are examples of goods or services that, if provided at less than usual and normal charge, are in-kind contributions to the extent of the difference. If donated without any charge, the full amount of the usual and normal charge would be the in-kind contribution. Several advisory opinions have addressed specific situations where these types of lists were donated or sold or exchanged by or between committees. *See* Advisory Opinions 1991-18, 1988-01, 1987-16, 1982-41, 1981-46, 1981-11, 1979-18, 1979-03. Copies enclosed.

Question 6: It is my understanding that White House employees are permitted to engage in partisan political activity while on duty, provided they do not use government resources, such as vehicles, photocopiers, computers, etc., and that if they use such resources for partisan political activities, the value of the use of those resources must be reimbursed by the national political party or federal campaign for whose benefit those resources were used.

Question 6A: If the White House were not reimbursed for the use of those resources, would the use of those resources constitute a reportable in-kind contribution to the national political party or federal campaign for whose benefit the resources were used?

Answer: No. The Federal Election Campaign Act excludes the "Federal Government or any authority of the Federal Government" from the definition of "person" in 2 U.S.C. §431(11); therefore, the Federal Government cannot be considered under the law to have made a "contribution" under section 431(8). *See*, Letter dated May 14, 1991, from FEC Chairman to Rep. Robert E. Wise and H. Rep. 96-422 (96th Cong. 1st Sess.) at 6-7, 11 (copies enclosed); *see also*, Advisory Opinions 1976-34 and 1976-44 (copies enclosed). Other federal statutes administered by other agencies, however, do address the use of appropriated funds. *See*, e.g., 31 U.S.C. §1301(a) and 18 U.S.C. §641.

Question 6B: If reported and not reimbursed, would such an in-kind contribution constitute a contribution from a prohibited source?

Answer: As noted in the response to question 6A, the Federal Government cannot make a contribution. Thus, the answer to this question is no.

Question 6C: Has the Commission ever investigated whether the use of government resources for partisan political purposes was properly reimbursed?

Answer: Yes. While the Federal Government is not a "person" under the law, publicly-funded Presidential candidates must defray their campaign expenses with funds regulated under the FECA and the public funding laws. For example, the Commission's regulations at 11 CFR 9004.7 and 9034.7 state that expenses for campaign-related travel by publicly-funded Presidential candidates are considered qualified campaign expenses and reportable expenditures. Paragraphs (b)(4) and (5) of those sections govern reimbursement for campaign-related trips using government conveyance, including aircraft and vehicles, and the use of other accommodations paid for by a government entity during campaign travel. Reimbursement issues regarding the use of Federal Government aircraft for campaign travel have been considered in several past Commission audits of Presidential candidates: the Carter-Mondale 1980 campaign, the Bush-Quayle 1988 campaign, and the Bush-Quayle 1992 campaign. The Commission also considered reimbursement issues regarding the use of State (Virginia) aircraft and other State-owned equipment in its audit of the 1992 Wilder Presidential campaign. (The Commission's Presidential audit file materials are extensive and cover many other topics besides the Government reimbursement issue. Please contact the

Commission's Staff Director if further documentation from these files is needed.) Please note it can be difficult to determine whether a particular trip is campaign-related or official business when an incumbent is running for re-election or another Federal office. The Commission's legislative recommendations seek Congressional guidance to clarify these distinctions. *See*, 1998 Legislative Recommendations, Distinguishing Official Travel From Campaign Travel, p.15.

Question 6D: Please provide any written Commission policy statements, guidelines, advisory opinions, conciliation agreements, decisions, or court cases regarding the reimbursement of the government for the value of the use of any government resources for the benefit of a national political party or federal campaign.

Answer: See the response to Question 6C and the documents cited therein. As explained above, the Federal Government is not a "person" under the FECA and cannot be treated as making a "contribution" if Government equipment or resources are used to benefit any political committee and are not reimbursed. The Commission has also addressed the application of FECA and its regulations to the use of state government resources by Congressional candidates who concurrently held state office. *See*, e.g., Advisory Opinions 1992-34 and 1984-48 (copies enclosed). These opinions applied the Commission's regulations at 11 CFR 106.3(e) which provide guidelines for non-publicly funded candidates using government conveyance or accommodations for campaign travel. For a comprehensive treatment of this subject (including citations to and summaries of numerous Federal court opinions) from a broader prospective than the FECA and the Presidential campaign funding statutes, *see generally*, Maskell, "Use of Federal Appropriations for Non-Official, Political Campaign Purposes," American Law Division, Congressional Research Service, Library of Congress (Sept. 6, 1996). Copy enclosed.

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ONE HUNDRED FIFTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT

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BERNARD SANDERS, VERMONT
INDEPENDENT

April 6, 1998

Honorable Scott E. Thomas, Vice-Chairman
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Dear Commissioner Thomas:

Pursuant to a unanimous consent agreement reached at the conclusion of the Committee on Government Reform and Oversight's hearing of March 31, 1998, on the Federal Election Commission's (FEC) enforcement actions, I am submitting the following questions to be included in the record on behalf of Rep. Pappas:

(1) I believe Mr. Lawrence Noble and others alluded to decisions being made to pursue or not pursue possible FEC regulation violations because of limited resources and limited staff. Do you agree? If so, what changes in funding and staff would you need from Congress or someone else to accomplish what the FEC was established to attend to?

(2) Do you believe either of the campaign reform measures, H.R. 34 and H.R. 3582, that the House approved on March 30, 1998, would be of any help?

(3) Who makes decisions on what is being investigated? What are those decisions based upon?

Please reply to these questions by Friday, April 17, 1998, and refer all correspondence to my chief clerk, Judy McCoy. Thank you for your cooperation.

Sincerely,

Dan Burton

Dan Burton
Chairman

cc: Hon. Michael Pappas
Hon. Henry A. Waxman

Responses to Post-Hearing Questions
Submitted by Congressman Michael Pappas
in Conjunction with the
House Committee on Government Reform and Oversight
Hearing on
FEC Enforcement Actions
March 31, 1998

Question 1: I believe Mr. Lawrence Noble and others alluded to decisions being made to pursue or not pursue possible FEC regulation violations because of limited resources and limited staff. Do you agree? If so, what changes in funding and staff would you need from Congress or someone else to accomplish what the FEC was established to attend to?

Answer: It is certainly true the FEC has not been able to pursue as many potential violations as it otherwise would if it had more resources. Perhaps the best indicator of this is the growing number of cases the FEC has dismissed in recent years because the cases became "stale." These "stale" cases were significant enough to avoid being rated as "low priority" matters under the Enforcement Priority System, but could not be activated and assigned because of inadequate resources. In FY 1997, there were 32 such stale case closings (13% of all closings). In FY 1998, already there have been 73 stale closings as of March 2 (47% of all closings). Even some cases involving significant allegations arising from the 1996 election are becoming stale and have been dismissed because resources must be devoted either to other matters from the 1996 election or to matters stemming from the 1998 election.

The FEC sought additional funding last year to head off this problem. A $1.7 million supplemental appropriation for FY 1997 was requested to begin hiring staff for an enforcement task force. This request was denied. An additional $4.9 million was sought in our FY 1998 request, all but about $1.4 million of which was to acquire and support 37 FTE for similar purposes, but this request too was denied. The FY 1998 appropriation provided a $3.5 million increase over FY 1997, but $750,000 of this was allotted for a GAO supervised audit of the FEC, $1.3 million was allotted for computerized document management, and $300,000 was allotted for placing computerized images of campaign finance filings on the Internet. The FY 1998 funding level only allows for an increase in staffing from the 306.9 FTE level of FY 1997 to a planned level of 313.5 FTE in FY 1998–well short of the 37 FTE increase sought.

For FY 1999, the FEC is seeking an appropriation of $36.5 million, about $3.4 million of which is, again, to support an additional 37 FTE for our compliance effort. This 37 FTE includes: 17 attorneys, 8 paralegals, 2 investigators, 7 general support and administrative staff, and 3 auditors.

As we explain in our attached FY 1999 Budget Justification and Performance Plan, with the additional 37 FTE, the Commission would be much better equipped to handle the enforcement workload. We could increase the active caseload from about 87 cases (30% of 290 cases) to about 120 cases (40% of 300 cases); we could increase the number of cases on which substantive action is taken from about 90 cases (40% of 225) to about 113 cases (45% of 250); we could continue to pursue 10 to 20 active enforcement cases from the earlier election cycles that otherwise might have to be dropped; and we could increase the number of enforcement suits initiated from 8 to 15. With the additional audit staff, we could initiate as many as 30 audits under 2 U.S.C. § 438(b), instead of only 25. Apart from these numeric increases in cases handled, we would endeavor to process all cases activated more expeditiously.

Question 2: Do you believe either of the campaign reform measures, H.R. 34 and H.R. 3582, that the House approved on March 30, 1998, would be of any help?

Answer: H.R. 34, which extends the ban on foreign national contributions to resident aliens, would likely neither increase nor decrease the demands on our enforcement staff. The statutory content requirements for campaign finance disclosure reports exclude any reference to citizenship status so there is no indication on the face of a report that an individual donor may be an alien--with or without a permanent residency visa. If an allegation of non-citizen contributions came to the Commission's attention through a complaint, the evidentiary burden on us to prove donors were not citizens would probably be about the same as it is today to prove they were neither citizens nor "green-card" holders. Initially, the Commission likely will incur some litigation expenses because such a provision probably would be challenged in court.

H.R. 3582, which has several provisions, is another matter:

Section 2(a) imposes more extensive last minute reporting obligations on all committees. Present law requires candidates to file 48-hour notices on all contributions of $1,000 or more between 20 days and two days before an election. During the 1996 election cycle, we processed about 11,600 such last minute reports. Contributions reported piecemeal in 48-hour notices also must be reported in the first scheduled report after the election; in the case of a general election, the 30-day post election report. We monitor compliance with this requirement by comparing that report with the 48-hour notices filed by the same candidate. We have found many omissions through this process and the more egregious have generated enforcement actions. H.R. 3582 would require candidates, PACs, and party committees to file 24-hour notices on contributions and expenditures of any amount from 90 days before an election through the closing of the polls [underlining highlights the distinctions from current law]. We cannot predict how many more last-minute reports would be required under this proposal, but it obviously would be many more than now received. This suggests a need for more Reports Analysts (desk auditors) to make the necessary comparison as well as more attorneys and investigators to prosecute gross instances of failure to report fully financial activity on essentially a daily basis 90 days before an election. Apart from the compliance costs of H.R. 3582, there obviously will be additional costs for the Commission to capture these new reports and their component

transactions on our disclosure systems. The greater aggregate cost, however, will fall on political committees obliged to file these comprehensive and frequent reports.

Section 2(b) requires any committee that raises or spends more than $50,000 to file their reports electronically. Just over 3,000 of the 8,000 political committees active in the 1996 cycle exceeded that threshold. The vast bulk of detailed transactions are filed by these larger committees. If filed electronically, the Commission would save several hundred thousand dollars in coding and entry costs. More important, the public would have faster computer-based access to this information and the information would be more comprehensive. It is, however, difficult to project whether there would be a potential cost or saving to the compliance program. In the first election cycle, some unknown number of committees exceeding the financial activity trigger likely would try to continue filing on paper and the Commission might have to compel compliance with the requirement to file electronically. Whether this would be an ongoing problem is difficult to predict.

Section 2(c) requires cycle-by-cycle aggregation of financial reporting rather than annual aggregation on candidate committee reports. The present contribution limitations for candidates are expressed on an election-by-election basis, so neither annual nor cycle aggregation requirements directly satisfy our reports review. Indirectly, however, cycle aggregation provides more information per contributor because the reporting committee must carry balances forward from one year to the next. This, in turn, provides the basis for calculating if and when a contribution limit has been exceeded. If, as the Commission has recommended, the limitations on contributions to candidates were made cycle-by-cycle as a companion amendment, both reporting and desk auditing the reports would be easier.

Section 3(a) requires record keeping and reporting of disbursements to secondary payees for goods and services if the amount paid exceeds $500 or more. It is difficult to gauge the number of complaints potentially generated alleging a failure to report such information. Currently, some committees use the equivalent of "prime contractors" that farm out significant work and large sums of money to "sub-contractors." Absent other information, however, missing secondary payee expenditures would not be evident on the face of the report. Therefore, the Commission likely would rely upon interested persons to monitor this reporting and advise us through the complaint process of incomplete reporting.

Section 3(b) requires all committees to aggregate the total contributions received and expenditures made as of the date of an election in their post election reports. Here also, we see no appreciable impact on enforcement.

Section 3(c) requires all reporting committees to aggregate by election all itemized contributions from individuals and political committees. This satisfies the deficiency noted in Section 2(c) above for candidate committees; however, it imposes this same requirement for non-candidate committees (PACs and Parties). Contributors to PACs and political party committees are subject to an annual contribution limit, not an election limit. The new aggregation requirements in this bill have candidate (authorized) committees aggregating by election cycle and election; and non-candidate (unauthorized) committees aggregating by calendar year and election. Commission monitoring would continue to focus on the

aggregation period identified for a given contribution limit, i.e., currently, by election for candidate committees and by calendar year for non-candidate committees.

Section 4 provides for an informal advisory opinion process to address questions amenable to "clear and unambiguous" answers. Such a process would encourage the regulated community to check with the Commission before engaging in an activity or transaction which might violate the law. Additional legal staff would be required to respond to such inquiries. How many of the violations possibly avoided otherwise would have generated a complaint and triggered our enforcement thresholds for prosecution is difficult to project.

Section 5 bans the receipt of cash contributions over $100 in aggregate. This parallels the ban at §441g on contributing over $100 in cash in aggregate "to any campaign ... for nomination for election, or for election, to Federal office." Covering both sides of the transaction, as is done for other contribution limits, is a useful amendment, but of no great resource impact.

Question 3: Who makes the decisions on what is being investigated? What are those decisions based upon?

Answer: Ultimately, the Commissioners decide which cases will be investigated. Pursuant to 2 U.S.C. §437g(a)(2), no investigation can be undertaken unless the Commission determines, by at least four affirmative votes, there is reason to believe a law under the Commission's jurisdiction has been violated. The Office of General Counsel makes recommendations to the Commission regarding which cases it believes should be investigated. Because the Commission does not have adequate resources to investigate all of the matters that come before it, the Commission has adopted the Enforcement Prioritization System (EPS). The EPS sets forth several criteria the Office of General Counsel uses in deciding which cases should be activated and forwarded to the Commission with a recommendation. In addition, the Commission gets a monthly report from the Office of General Counsel which lists all cases activated and deactivated during the month. At any time, the Commission may direct the activation or deactivation of a case.

All cases evaluated under the Enforcement Priority System are assigned a numerical score. Because the ratings are crucial to the Commission's decisions regarding its prosecutorial discretion, as with other law enforcement thresholds, the specifics of the rating criteria are not public. However, the Commission has made public the general elements covered by the EPS ratings. Those elements are: Respondents/Players; Impact on the Process; Intrinsic Seriousness of the Violations; Topicality of the Issues or the Activity; Development of the Law; Subject Matter; and Countervailing Considerations.

Mr. BURTON. Anyone else seek time?

[No response.]

Mr. BURTON. This committee stands adjourned, and thank you for your participation.

[Whereupon, at 12:55 p.m., the committee adjourned subject to the call of the Chair.]

[The letter dated March 30, 1998, and the accompanying material submitted for the hearing record from p. 2 follows:]

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March 30, 1998

By Hand

The Honorable Dan Burton, Chairman
Committee on Government Reform
and Oversight
U.S. House of Representatives
2157 Rayburn House Office Building
Washington, D.C. 20515-6143

Re: Democratic National Committee

Dear Mr. Chairman:

Enclosed at the request of the Democratic National Committee is a declaration of Joseph E. Sandler, prepared in response to the Committee on Government Reform and Oversight's March 24, 1998 interrogatories to the DNC.

Should you have any questions regarding this matter, please do not hesitate to contact us.

Sincerely,

Judah Best

Enclosure

cc: The Honorable Henry Waxman

BEFORE THE
COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT
UNITED STATES HOUSE OF REPRESENTATIVES

DECLARATION OF JOSEPH E. SANDLER

A. I am the General Counsel of the Democratic National Committee ("DNC"). This Declaration is submitted in response to the Interrogatories accompanying the letter dated March 24, 1998, addressed to Judah Best, Esq., from Chairman Dan Burton.

B. The information set forth in this Declaration and the accompanying Exhibit is based on a review of such records of the DNC and such other inquiries as I deemed necessary to provide the following answers to the Interrogatories.

C. Based on my review of this fourth set of interrogatories from the Committee, I believe it is impossible for the DNC to answer certain of these Interrogatories, and that those questions should more properly be directed to individuals or entities other than the DNC. Certain other interrogatories call for information relating to time periods up to five years ago, which I believe the DNC could endeavor to develop only through an extensive search of archived records. If the Committee wishes the DNC to prioritize searches for any such materials over the DNC's ongoing document search efforts for the Committee, the DNC is prepared to do so, consistent with its legal obligations to other investigative bodies.

Interrogatory No. 1: Please describe all contacts between any DNC employee or DNC office-holder and Thomas Kramer (a German national with Florida business ties).

Answer:

Corporations reportedly owned and/or controlled by Thomas Kramer made three contributions to the Democratic National Committee, by checks of the following dates and amounts:

Olympus Holdings, Inc.	4/14/93	$ 25,000
35 Star Island, Inc.	3/4/94	$ 60,000
Portofino Group, Inc.	3/15/94	$ 40,000

Attached as Exhibit A are copies of the check tracking forms and the summary printouts from the DNC's A/S 400 system for these contributions. All of these contributions were refunded on or about November 7, 1994.

The information presently available to us indicates that the following DNC personnel had or may have had some contact with Mr. Kramer, by telephone, in person and/or in writing:

David Wilhelm	DNC Chair
Terry McAuliffe	National Finance Chair
Laura Hartigan	DNC Finance Division
Peter O'Keefe	DNC Finance Division
Eric Sildon	DNC Finance Division

A copy of a memorandum from Mr. Sildon relating to Mr. Kramer is attached as Exhibit B.

The DNC's records indicate that Marvin Rosen, who subsequently became the DNC's National Finance Chair, also had some contact with Mr. Kramer, and that Scott Pastrick, who subsequently became the DNC's Treasurer, may have had some contact with Mr. Kramer.

In addition, I received a letter from Mr. Kramer requesting a refund of the above-listed contributions, and I wrote a letter back to Mr. Kramer, on or about November 7, 1994, enclosing the requested refunds.

The DNC's records indicate that the $ 25,000 contribution from Olympus Holdings was solicited by Howard Glicken; that the $ 60,000 contribution from 35 Star

Island was solicited by Marvin Rosen; and that the $ 40,000 contribution from Portofino Group was solicited by Howard Glicken, with Peter O'Keefe listed as the DNC fundraiser.

We are unable to address more specifically the detailed questions raised in the Preliminary Statement to the Interrogatories based on the information available at this time.

Interrogatory No. 2: Please describe all contacts between any DNC employee or DNC office-holder and Terry Bradley (Thomas Kramer's secretary).

Answer:

We have not identified any information indicating the existence of any contacts between Terry Bradley and any DNC employee or office-holder.

Interrogatory No 3: Please list the names of any and all DNC employees or DNC office-holders who solicited Thomas Kramer for financial contributions.

Answer:

See Answer to Interrogatory No. 1.

Interrogatory No. 4: Please list the names of any and all employees or DNC office-holders who solicited Terri Bradley for financial contributions.

Answer:

See Answer to Interrogatory No. 2.

Interrogatory No. 5: What DNC events or meetings was Mr. Kramer invited to during 1993 and 1994?

5a. What was the purpose of these meetings?
5b. When were these meetings?
5c. How many people attended the event or meeting?

Answer:

As shown on Exhibit A, the contributions by companies associated with Mr. Kramer were credited on the DNC's records as having been received in connection

with the following events:

1. Fundraising event held in Miami, Florida on April 29, 1993, with Vice President Gore as featured speaker and honored guest. The purpose of this event was to raise funds for the DNC. I am advised that the event included a seated dinner for about 50 guests and a reception for approximately 150 people.

2. Fundraising dinner held in Florida for the Democratic Business Council on March 21, 1994, with President Clinton as featured speaker and honored guest. The purpose of this event was to raise funds for the DNC. I am advised that the dinner was attended by approximately 1,000 people, and DNC records indicate that a separate reception was attended by approximately 40 people.

In addition, DNC records which we have identified indicate that invitations to Mr. Kramer may have been extended for the following events:

1. DNC Dinner in Washington, D.C., June 10, 1993, with Vice President Gore as featured speaker and honored guest. The purpose of this event was to express appreciation to substantial contributors. I am advised that approximately 20-25 people attended.

2. White House Jazz Festival, June 18, 1993. We have not identified information indicating the specific purpose of this event or how many people attended.

3. Meet-and-Greet with President Clinton, Miami, Florida, September 5, 1993. The purpose of this event was to express appreciation for support of the DNC. DNC records suggest that approximately 27 people attended. Mr. Kramer may also have been invited to a reception with President Clinton in Miami on the same day. I understand that about 75 people were invited to that reception. We have not identified documentation indicating the number of people who attended that reception.

4. DNC Reception in Tampa, Florida, September 23, 1993. We have not identified information indicating the specific purpose of this event or how many people attended.

5. DNC Trustee Retreat, in October or November of 1993. We have not identified information indicating the specific purpose of this event or how many people attended.

6. DNC Donor Breakfast in Fort Lauderdale, Florida, February 2, 1994, with DNC Chair David Wilhelm as the featured speaker. The purpose of this event was to inform donors and prospective donors regarding DNC programs, and to solicit support for a March 1994 Florida fundraiser. DNC records suggest that approximately 65 people attended.

7. DNC Dinner, planned to be held on or about February 2, 1994. We have not identified information indicating the specific purpose of this event or how many people attended.

8. DNC Trustee Retreat, in April 1994. The purpose of this event was to provide members of the DNC's Trustee Program an opportunity to receive briefings about the agenda and program of the Administration and the Democratic Party from Administration officials, Members of Congress, Party officials and others. We have not identified information indicating how many people attended.

9. DNC Business Leadership Forum Issues Conference, Washington, D.C., June 21-22, 1994. The purpose of this event was to provide members of the DNC's Business Leadership Forum donor council with an opportunity to receive briefings about the agenda and program of the Administration and the Democratic Party from Administration officials, Members of Congress, Party officials and others. I am advised that the various briefings and meetings were attended by approximately 150-200 people. I

understand that there was also a related reception at the White House. We have not identified reliable information as to the number of people who attended that reception.

10. DNC Gala, Washington, D.C., June 22, 1994, with President Clinton as featured speaker and honored guest. The purpose of this event was to raise funds for the DNC. I am advised that the event was attended by approximately 2,000 people.

I declare under penalties of perjury that the foregoing is true and correct to the best of my present knowledge, information, and belief. Executed this 30th day of March, 1998.

Joseph E. Sandler

Exhibit A

DNC Finance 10:10:
Executive Summary

Mr. Tom Kramer
Miami Beach, FL 33139

Mr. Thomas Kramer
Olympus Holdings Inc.
446 Collins Avenue
Miami Beach, FL 33139

W: F:
H: (305) 538-4422
T:
O:
E:
C:
Z:

W: (305) 532-4678 F:
H: (305) 538-4422
C: Business Council

S:
DOB: 0/00/00 SSN:

WRITTEN 1997 Total: 0 1996 Total: 0 INDIVIDU

Date	Amount	Comment	Solicitor	Fundraiser

WRITTEN 1997 Total: 0 1996 Total: 0 COMPA

Date	Amount	Comment	Solicitor	Fundraiser	
5/06/93	25,000	GORE, APRIL 29, MIAMI FLO			NO
4/28/93	25,000	GORE, APRIL 29, MIAMI FLO			NO.
4/28/93	25,000	GORE, APRIL 29, MIAMI FLO			NO.

RAISED

Name	Amount	Event	Date

PARTICIPATION

Date	Activity

8/20/97 DNC Finance 10:09:1

Executive Summary

Portofino Group, Inc.
Mr. Tom Kramer
19 Star Island
Miami, FL 33130

Mr. Tom Kramer
Miami Beach, FL 33139

W: (305) 532-2519 F: (305) 538-1020
H: (305) 532-2519
T:
O:
E:
C:
E:

W: F:
H: (305) 538-4422
C:
S:
DOB: 0/00/00 SSN:

WRITTEN 1997 Total: 0 1996 Total: 0 INDIVIDUA

Date	Amount	Comment	Solicitor	Fundraiser	
3/31/94	40,000	BC FLORIDA PRESIDENTIAL D		Peter O'Keefe	NO

WRITTEN 1997 Total: 0 1996 Total: 0 COMPAN

Date	Amount	Comment	Solicitor	Fundraiser

RAISED

Name	Amount	Event	Date

PARTICIPATION

Date	Activity

8/20/97 DNC Finance 10:09:2

Executive Summary

Mr. Tom Kramer
3 5 Star Island Inc.
Portofino Group
19 Star Island
Miami Beach, FL 33139

W: F: W: (305) 532-7894 F:
H: H: (305) 538-4422
T: C:
O:
E:
C: S:
E: DOB: 0/00/00 SSN:

WRITTEN 1997 Total: 0 1996 Total: 0 INDIVIDUA

Date	Amount	Comment	Solicitor	Fundraiser

WRITTEN 1997 Total: 0 1996 Total: 0 COMPAN

Date	Amount	Comment	Solicitor	Fundraiser	
3/16/94	60,000	BC BOSTON PRESIDENTIAL EV	Marvin S. Rosen, Esq.	Peter O'Keefe	N01
3/16/94	60,000	BC BOSTON PRESIDENTIAL EV	Marvin S. Rosen, Esq.	Peter O'Keefe	N01
3/16/94	60,000	BC FLORIDA PRESIDENTIAL D	Marvin S. Rosen, Esq.	Peter O'Keefe	N01

RAISED

Name	Amount	Event	Date

PARTICIPATION

Date	Activity

DEMOCRATIC NATIONAL COMMITTEE

CHECK TRACKING FORM

NØ1
#2
Florida 4/28/93
Gore
HG
$5,000

PLEASE FILL IN ALL THE FOLLOWING INFORMATION:

Name/Contact: Thomas ~~Kramer~~ Kramer [redacted]

Company/Employer: Olympus Holdings / self-employed

Main Address: 43 Star Island
Miami Beach FL 33139

Occupation: Trader/Real Estate Developer

Telephone #s: Home 305/538 4422
Work 305/532-2519
Fax

Check Amount: $ 25,000.00 Federal
Non-Federal X

NFC
TRUSTEE
BLF

Event: Al Gore / Florida

Solicitor: H Glicker GRN Howard Glicken

Notes:

DNC 1016334

OLYMPUS HOLDINGS, INC

UNITED NATIONAL BANK
MIAMI, FL 33130
63 984 670 - 05

3277

PAY TO THE ORDER OF DNC / Non-Federal Account

DATE 4/24/93

CONTROL NO.

AMOUNT $25,000.00

Twenty five thousand and no cents

NBI NMM GKN ⑈003277⑈ ⑆067009646⑆ 0051128106⑈

NEW HAMPSHIRE OAK, INC.
Liberty Lane
Hampton, New Hampshire 03842

MELLON BANK, N.A.
MELLON SQUARE
PITTSBURGH, PA 15230

Nº 000502

4/12 93

PAY The sum of 40000 dol's 00 cts $40,000.00

NEW HAMPSHIRE OAK, [redacted]

TO THE ORDER OF DNC - NON FEDERAL ACCOUNT

Kenneth Theriault [redacted]
AUTHORIZED SIGNATURE

Paula J. Bauzauskas
AUTHORIZED SIGNATURE

NBI | PNY | PC ⑈000502⑈ ⑆043301601⑆ 139⑈2907⑈

DNC 1016336

PORTOFINO GROUP, INC.

UNITED NATIONAL BANK
MIAMI, FL 33130
53-886-670

166

PAY TO THE ORDER OF Democratic National Committee

DATE 3/15/94

CONTROL NO

AMOUNT $40,000.00

Forty thousand dollars

⑈001663⑈ ⑆067009646⑆ 0051127595⑈

NO1
3/31/94
#1

CHECK TRACKING FORM
(All information must be provided before deposit)

Name/Contact: Tom Kramer

Company/Employer:

Occupation:

Main Address: 35 Star Island
Miami FL

Telephone(s):

Home: Work: Fax:

Social Security #: Date of Birth:

Check Amount: $ Federal: Non-Federal:

Program: NFC WLF TRU BLF LAB SAX

Event:

Solicitor:

DNC Contact: Code:

DNC 0335486

STAR ISLAND INC.

UNITED NATIONAL BANK
BRICKELL BANKING CENTER
MIAMI, FLORIDA 33130
63-864-670

0119

PAY TO THE ORDER OF Democratic National Committee

DATE 3/4/94

CONTROL NO.

AMOUNT $60,000.00

- Sixty thousand dollars

⑈000119⑈ ⑆067009646⑆ 0051130987⑈

CHECK TRACKING FORM
(All information must be provided before deposit)

Name/Contact: Tom Kramer

Company/Employer: 35 Star Island Inc

Occupation: CEO

Mass Address: Portofino Group
19 Star Island
Miami Beach 33139

Telephone(s):

Home: 305 538 4422 Work: 305 538 4422 Fax: 305 532 7844

Social Security #: 582 19 5624 Date of Birth: April 23, 1957

Check Amount: $ 60,000 Federal: ____ Non-Federal: X

Program: NPC ____ WLF ____ TRU ____ RLF ____ LAB ____ SAX ____

Event: Florida PONS

Solicitor: Marvin Rosen

DNC Contact: NJ Pulle Code: GUO

DNC 033628

Exhibit B

MEMORANDUM

TO: Laura Hartigan
cc: Nancy Jacobson
Peter O'Keefe
FROM: Eric Sildon

DATE: June 6, 1993

RE: Thomas Kramer
****

As we discussed, I have spoken to Thomas Kramer, prominent real estate developer in South Florida, about his future commitment to the DNC (Kramer made a $25,000 contribution to the April Gore dinner in Florida.) In conversations I have had with him since the dinner, he has expressed a strong desire to increase his support to the party.

On friday, using the Thursday dinner with the Vice President as an opening, I moved the process beyond the discussion phase and asked Kramer to commit another $75,000 to the party before the end of the year. He signed on and made the commitment.

He has the ability to write much more than $100,000 and runs in wealthy, yet untapped, circles. Let's sit down and discuss how you can more fully engage him.

GOVERNMENT REFORM AND OVERSIGHT COMMITTEE
FEDERAL ELECTION COMMISSION HEARING - MARCH 31, 1998

EXHIBIT

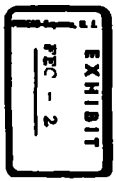
SCHEDULE OF FINES PAID IN REFERENCE TO THOMAS KRAMER INVESTIGATION

SUBJECT/ENTITY	FINE AMOUNT	DATE PAID
Terri Bradley	$21,000	July 1996
Thomas B. Kramer	$323,000	August 1996
Republican Party of Florida	$82,000	March 1997
Greenberg, Traurig, Hoffman, Lipoff, Rosen & Quentel, P.A.	$77,000	February 1998

EXHIBIT
FEC - 1

"[B]ecause of Mr. Glicken's high profile as a prominent Democratic fundraiser, including his potential fundraising involvement in support of Vice President Gore's expected presidential campaign, it is unclear that this individual would agree to settle this matter short of litigation."

--FEC General Counsel's Report, 12/19/97



HOWARD GLICKEN: DEMOCRATIC EVENTS ATTENDED

Date	Event Attended	Location
2/18/93	Vice Presidential Clutch	Tampa, Florida
3/15/93	White House Breakfast	Washington, DC
3/16/93	Presidential Lunch at White House Mess	Washington, DC
3/16/93	Presidential Meeting/Dinner at White House	Washington, DC
4/28/93	Private lunch between reception and dinner	Unknown
4/29/93	DNC Fund-raiser at Grand Hotel	Miami, Florida
5/21/93	Victory Retreat	Washington, DC
6/28/93	Decatur House Lunch	Washington, DC
7/93	White House tickets	Washington, DC
7/30/93-8/1/93	DNC Retreat	Newport, Rhode Island
8/93	White House tickets	Washington, DC

EXHIBIT
FEC - 3

9/93	Young Leaders Breakfast	Washington, DC
9/5/93	Presidential Clutch Small Group	Miami, Florida
10/14/93	Trustee Retreat	Washington, DC
11/23/93	Korean State Dinner	Washington, DC
12/1/93 3/22/94	Managing Trustees Dinner Approved by Clinton as appointment to the President's Export Council	Unknown
11/23/94	White House dinner	Washington, DC
3/22/94	Dinner honoring President and Mrs. Clinton; Co-chair of the event, which raised $3.4 million	Miami, Florida
6/25/94-7/2/94	Invited by Clinton Administration on a Commerce Department trade mission to South America	
8/16/94	Considered a priority in memo for participation in the Miami Hemispheric Conference	
12/11/94	Vice Presidential dinner	Brickell Key, Florida

EXHIBIT
FEC - 3.2

1/13/95-1/16/95	Winter Trustee Retreat	Aspen, Colorado
2/3/95	Scheduled to have had lunch with Mack McLarty	Washington, DC
2/9/95	Summit of the Americas	Miami, Florida
2/18/95	DNC Vice Presidential Reception	Miami, Florida
3/28/95	Air Force One Passenger	
5/9/95	Steering committee breakfast	Unknown
6/15/95	Air Force One Passenger	Halifax-Washington, DC
6/30/95	"Core" fundraising dinner at Gore's house	Washington, DC
7/20/95	White House Coffee	Washington, DC
7/26/95	White House Visit	Washington, DC
7/28/95	Mentioned on NSC fax as potential member of delegation for inauguration of President of Peru	Washington, DC

EXHIBIT
FEC - 3.3

8/1/95	White House Visit	Washington, DC
9/11/95	DNC DLF Reception at State Floor	Washington, DC
9/13/95	White House Visit	Washington, DC
9/15/95	Dinner with POTUS	Unknown
12/1/95	Managing Trustee Dinner	Unknown
12/7/95	POTUS Coffee	Unknown
12/9/95	Dinner for Gore	Miami, Florida
12/13/95	White House Visit	Washington, DC
3/7/96	White House Visit	Washington, DC
3/18/96	Lunch with McLarty	Unknown
3/19/96	POTUS Coffee	Unknown
3/19/96	POTUS Dinner at Hay Adams Hotel	Washington, DC
4/8/96	POTUS Dinner #1 at Sheraton Carlton Hotel	Washington, DC

EXHIBIT
FEC - 3.4

4/22/96	Sent memo to Middleton about McLarty arranging meeting between Clinton and President Menem during 4/29/96 gala.	
4/29/96	Democratic dinner--thanked by Clinton during remarks	Coral Gables, Florida
5/8/96	Vice Presidential Reception at Washington Convention Center	Washington, DC
5/16/96	White House Visit	Washington, DC
5/22/96	White House Visit	Washington, DC
5/22/96	Met with McLarty in the Ward Room	Washington, DC
7/3/96	At Glicken's suggestion, Clinton met with Genaro Arriagada, Minister Secretary General to the Presidency of Chile, on an unofficial visit to Washington to discuss the reinventing government initiative.	
7/9/96	White House Visit	Washington, DC
7/17/96	White House Visit	Washington, DC

EXHIBIT
FEC - 3.5

7/29/96	Probable White House Sleepover	Washington, DC
10/15/96	Vice President Breakfast	
10/22/96	Took entourage of South American businessmen to meet Clinton at fund-raiser held at the Biltmore Hotel	Miami, Florida
12/4/96	White House Visit	Washington, DC
12/5/96	White House Visit	Washington, DC
12/20/96	White House Visit	Washington, DC

EXHIBIT
FBC - 3.6

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

OCT 5 11 42 AM '94

WILMER, CUTLER & PICKERING
2445 M STREET, N.W.
WASHINGTON, D.C. 20037-1420

October 4, 1994

Pre-MUR 307

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

Re: Thomas Kramer

Dear Larry:

I am writing to follow up on our brief phone call last Friday. As I explained, we represent Thomas Kramer and wish to disclose voluntarily to the Commission Mr. Kramer's recent discovery that he may have inadvertently violated provisions of the Federal Election Campaign Act by making or causing contributions in connection with candidate elections notwithstanding his status as a foreign national. At the time Mr. Kramer made or caused these contributions, he was not aware that foreign nationals may not make contributions in connection with candidate elections in the United States. Mr. Kramer is willing to cooperate fully with the Commission and its staff in connection with this matter. We are reviewing Mr. Kramer's records to identify which contributions may raise questions under the FECA. We will promptly advise the Commission of any such contributions. If we conclude that any contributions were questionable, Mr. Kramer will promptly seek refunds of the contributions in question.

We would appreciate it if you would forward this letter to the appropriate person on your enforcement staff. Thank you for your cooperation.

Very truly yours,

Roger M. Witten

cc: Mr. Kramer

EXHIBIT
FEC - 4

WILMER, CUTLER & PICKERING

2445 M STREET, N.W.

WASHINGTON, D.C. 20037-1420

December 27, 1994

Joan McEnery, Esq.
Mary L. Taksar, Esq.
Central Enforcement Docket
Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Sixth Floor
Washington, D.C. 20463

Re: Pre-MUR 307

Dear Joan and Mary:

This letter follows my earlier communications regarding our client, Thomas Kramer, and his wish to disclose voluntarily to the Commission that he may have inadvertently violated provisions of the Federal Election Campaign Act by making or causing contributions in connection with candidate elections despite his status as a foreign national. We include Mr. Kramer's affidavit and a chart of his questionable contributions for your review. Although we believe we have investigated quite thoroughly, we will, of course, notify the Commission promptly of

EXHIBIT
FEC - 5

any other contributions that we may learn of after this disclosure.

Mr. Kramer did not intend to violate Section 441e, and he is quite sorry that it appears that he has done so. He was unaware of Section 441e or any legal restrictions on the ability of foreign nationals to make candidate-related contributions. Although Mr. Kramer is quite obviously a foreign national in origin, no fundraiser or candidate ever inquired into his immigration status or refused funds from him because he was a foreign national. In addition, Mr. Kramer was represented by law firms on business matters during this period, including a firm that handled his immigration matters and whose principals solicited contributions from him and suggested that he make certain other contributions. He was never advised that a foreign national could not make candidate contributions.

When Mr. Kramer learned as a result of a September 28, 1994 article in the Tampa Tribune (attached) that some of his contributions might violate the FECA, he immediately contacted legal counsel. Counsel promptly notified the FEC of the potential problem and of Mr. Kramer's intention to cooperate fully in gathering information on contributions he made or caused to be made, in seeking refunds of questionable contributions, and in making full disclosure to the Commission.

EXHIBIT
FEC - 5.2

As reflected on the enclosed chart, Mr. Kramer or his companies made or caused six contributions to candidates for federal office and numerous contributions to candidates on the state and local level. He also made several contributions to Democratic and Republican party committees, which are not clearly candidate-related but which we list in our effort to make full disclosure.

Mr. Kramer has requested refunds of all his personal and corporate contributions.[1] To date, he has received refunds from the Democratic National Committee, the Democratic Senatorial Campaign Committee, the Republican Senatorial Committee, Representative Ileana Ros-Lehtinen, and local candidates Gwen Margolis and Charles Dusseau. By letter of October 25, 1994, the Republican Party of Florida informed Mr. Kramer that it had directed the bulk of his donation to its state account for "non-campaign, non-Federal activities," and refunded the remaining $5,000. Mr. Kramer asked for a further refund of the additional $200,000 he contributed, but the Republican Party of Florida denied his request.[2] Many of the local candidates who received contributions from Mr. Kramer, particularly those who were unsuccessful in their bids for office, have indicated that they

---

[1] An exception is Mr. Kramer's $1,000 contribution to Ms. Ileana Ros-Lehtinen, which the candidate refunded before Mr. Kramer made a request.

[2] The letters exchanged by the Republican Party of Florida and Mr. Kramer are attached.

no longer have open campaign accounts or funds from which to refund his contributions.

In addition to his personal and corporate contributions, Mr. Kramer also made some contributions through other people. Of the contributions Mr. Kramer made on the federal level, two were made through another, his secretary, Terri Bradley. These are listed in the accompanying chart. We have reason to believe Mr. Kramer also made candidate-related contributions through others on the state and local level. We have included the information we have been able to gather in the enclosed chart. We did not want to further delay this submission to the Commission, and have noted "intermediary" as the contributor where we believe Mr. Kramer made a state or local campaign contribution through another.[F]

In sum, Mr. Kramer was, until recently, unaware that foreign nationals could not make candidate-related contributions. He made some of these contributions at the suggestion and with the advice of principals at his lead law firm, which also handled his immigration matters. Although he was solicited by numerous campaign fundraisers and is quite clearly of foreign origin, he was never asked about his citizenship or residency status. Mr.

[F] We were guided in our approach to this issue by the First General Counsel's Report in the Sports Shinko matter, dated June 4, 1993, in which the General Counsel took the position that violations of 2 U.S.C. § 441f involving contributions to state and local candidates were more properly the business of state authorities than the FEC. (Report at 17-18).

EXHIBIT
FEC - 5.4

Kramer voluntarily brought this matter to the Commission's attention, and he has cooperated fully in facilitating an investigation into his contributions.

We would appreciate an opportunity to meet with you regarding this matter at your convenience to explore the possibility of pre-probable cause conciliation. In the interim, please let us know if we may provide any further information.

Sincerely,

Roger M. Witten
Margaret L. Ackerley

Enclosures

EXHIBIT
FOC - 5.5

AFFIDAVIT OF THOMAS KRAMER

STATE OF FLORIDA)
)
COUNTY OF DADE)

1. My name is Thomas Kramer. I am a real estate investor living in Miami Beach, Florida. The donor companies listed in Attachment A hereto are all corporations incorporated under the laws of the state of Florida and are wholly owned by me.

2. I am a German citizen and am in the United States on an E-2 visa. I am not lawfully admitted in the United States for permanent residence.

3. I made candidate contributions personally and through my companies during a period of approximately a year and three-quarters, beginning in early 1991. I gave to state and local candidates, the Republican Party of Florida, and the national Democratic and Republican parties. I also personally made or caused contributions to four federal candidates.

4. Prior to and during this period, I was not knowledgeable about federal campaign finance laws, including 2 U.S.C. § 441e which I now understand bars contributions by foreign nationals to political candidates.

5. I speak English with a German accent, and I believe most people who know me realize I am German. Nevertheless, no one who solicited or accepted my candidate contributions ever asked me about my immigration status, advised

EXHIBIT
FEC - 6

me that it was illegal for me to contribute, or rejected my political contributions because of my citizenship.

6. During this period, I was represented by several law firms on business matters, including Greenberg, Traurig, Hoffman, Lipoff, Rosen & Quentel and Thomson Murare Razook & Hart. The Greenberg, Traurig firm was my principal counsel, and handled my immigration matters among other things. Principals at that firm from time-to-time solicited from me and suggested that I make certain political contributions. I did not specifically request election law advice from Greenberg, Traurig or Thomson Murare. However, I generally requested Greenberg, Traurig to take all appropriate action to assure that my activities of which they were aware were conducted in a fashion fully compliant with the law. At no time did any attorney advise me that there was any issue as to my legal ability to make political contributions or that foreign nationals were prohibited from making such contributions.

7. On reading a September 28, 1994 article in the Tampa Tribune indicating that some of my contributions may be problematic, I was surprised and immediately consulted counsel. After consultation with counsel and investigation of my records, I requested refunds of all political contributions that I or my companies made that may be candidate-related.

EXHIBIT
FEC - 6.2

8. I made two contributions at the federal level through my secretary, Ms. Terri Bradley. I have requested refunds of these contributions.

a. I reimbursed Ms. Bradley for a $1,000 contribution made in her name to Senator George Mitchell in March 1993. I do not recall the circumstances surrounding this contribution or why the contribution was made in this way.

b. I also reimbursed Ms. Bradley for a $20,000 contribution made in her name to the Democratic Senatorial Campaign Committee ("DSCC") on April 28, 1993. To the best of my recollection, I believe that I was informed directly or indirectly by a Democratic party fundraiser that the DSCC would accept contributions only from U.S. citizens. I do not recall what, if any, explanation may have been given. In any event, I did not understand at the time that I was being advised that it was unlawful for the DSCC (or any one else) to accept political contributions from foreign nationals. I proceeded as I did because, to the best of my recollection, I understood that the solicitor suggested (in the presence of myself and my secretary) that, since the DSCC accepted contributions only from U.S. citizens, a U.S. citizen should contribute on my behalf. I have no recollection of understanding that there was any legal issue involved.

9. To the best of my knowledge, the accompanying chart of contributions (Attachment B) accurately shows the

EXHIBIT
FEC - 6.3

candidate-related and possibly candidate-related contributions I made directly or indirectly, and the status of my refund requests.

I swear under the penalty of perjury that the foregoing statements are true and correct.

Thomas Kramer

The foregoing instrument was acknowledged before me this 21st day of December, 1994 by Thomas Kramer, who is personally known to me or who has produced _____ as identification and who did take an oath.

Notary Public, State of Florida
Print Name: BRIAN A HART
Commission Number: _____
Commission Expires: _____

(SEAL)

NOTARY PUBLIC STATE OF FLORIDA
OFFICIAL NOTARY SEAL
B A HART
COMMISSION NUMBER
CC219909
MY COMMISSION EXP
AUG. 15,1996

EXHIBIT
FEC - 6.4

ATTACHMENT A

Azure Coast Development, Ltd.
Beachwalk Development Corp.
New Fiesta, Inc.
Olympus Holding Corp.
Playa Del Sol, Ltd.
Portofino Group, Inc.
Sandpoint Financial, Ltd.
Santorini Isle, Inc.
SBE, Inc.
Seagull Development Corp.
South Beach Creative Group
St. Tropez R/E Fund, Ltd.
Sun & Fun, Inc.
2 Star Island, Inc.
5 Star Island, Inc.
7th & 5th Deco Corp.
35 Star Island, Inc.

EXHIBIT
FBC - 6.5

ATTACHMENT B

Donor	Recipient	Date of Contribution	Amount of Contribution	Refund Requested?	Refund Made? (Date)
35 Star Island, Inc.	Democratic National Committee	3/04/94	60,000.00	Yes	100,000.00 on 10/28/94
Portofino Group, Inc.	Democratic National Committee	3/15/94	40,000.00	Yes	140,000.00 on 11/7/94
Portofino Group	Democratic National Committee (Grand Bay dinner for VP Gore)	Sometime during March-April 1993	25,000.00	Yes	125,000.00 on 10/28/94
Tom Bradley	DSCC	4/28/93	20,000.00	Yes	
Thomas Kramer	The DSCC Senate Majority Dinner	9/17/93	3,000.00	Yes	33,000.00 on 9/29/94
Portofino Group, Inc.	Republican Senatorial Committee	6/04/93	25,000.00	Yes	125,000.00 on 11/30/94
Portofino Group, Inc	Republican Party of Florida-Victory '94	6/04/93	100,000.00	Yes	
Portofino Group, Inc	Stoneman's Dinner	6/04/93	5,000.00	Yes	
Thomas Kramer	Republican Party of Florida	3/03/94	100,000.00	Yes	25,000.00 on 10/25/94
Thomas Kramer	Robert Kerry for U.S. Senator	12/02/93	1,000.00	Yes	
Thomas Kramer	Ros-Lehtinen for Congress	10/12/93	1,000.00	Refund preceded request	$1,000.00 on 9/30/94
Thomas Kramer	Friends of Connie Mack	11/13/93	500.00	Yes	
Thomas Kramer	Friends of Connie Mack	12/10/93	1,500.00	Yes	
Thomas Kramer	Friends of Connie Mack	12/10/93	1,500.00	Yes	
Tom Bradley	George Mitchell	3/20/93	1,000.00	Yes	
Portofino Group, Inc	Susan Blumberg Campaign Fund	1/29/93	500.00	Yes	
Olympus	Susan Blumberg Campaign Fund	1/29/93	500.00	Yes	
Portofino Group, Inc	Stacy Brown	3/20/93	500.00	Cannot locate recipient	
Sun & Fun	Brown Campaign	4/14/93	500.00	Cannot locate recipient	

EXHIBIT
FEC - 6.6

Donor	Recipient	Date of Contribution	Amount of Contribution	Refund Requested?	Refund Made? (Date)
Plays	Combil Items	4/14/93	[illegible]	Cannot locate recipient	
Thomas Kramer	James Baxter Campaign Fund	12/15/93	[illegible]	Yes	
Olympus	Jeb Bush Gubernatorial Campaign	9/27/94	100.00	Yes	
Olympus	Jeb Bush Gubernatorial Campaign	9/27/94	100.00	Yes	
New Plans	Charles Dunson Campaign	4/14/93	100.00	Yes	$100.00 on 11/21/94
Plays	Charles Dunson Campaign	4/14/93	100.00	Yes	$100.00 on 11/21/94
Olympus	Charles Dunson Campaign	4/14/93	100.00	Yes	$100.00 on 11/21/94
Petroleum Group, Inc.	Sy Rosenberg Campaign Fund	6/22/93	500.00	Yes	
St. Tropez R/E Fund	Sy Rosenberg Campaign Fund	6/22/93	500.00	Yes	$125.00 on 12/23/93 (returned to request)
New Farm	Sy Rosenberg Campaign Fund	6/22/93	500.00	Yes	$125.00 on 12/23/93 (returned to request)
Sun & Fun	Sy Rosenberg Campaign Fund	6/22/93	500.00	Yes	$125.00 on 12/23/93 (returned to request)
Plays	Sy Rosenberg Campaign Fund	6/22/93	500.00	Yes	$125.00 on 12/23/93 (returned to request)
Beachwalk	Sy Rosenberg Campaign Fund	6/22/93	500.00	Yes	$125.00 on 12/23/93 (returned to request)
Olympus	Sy Rosenberg Campaign Fund	6/22/93	500.00	Yes	
Sanovus	Sy Rosenberg Campaign Fund	6/22/93	500.00	Yes	$125.00 on 12/23/93 (returned to request)
7th & 5th Deco	Sy Rosenberg Campaign Fund	6/22/93	500.00	Yes	$125.00 on 12/23/93 (returned to request)
Sandpoint Financial, Ltd	Sy Rosenberg Campaign Fund	6/22/93	500.00	Yes	
New Farm	Maurice Ferre Campaign	4/14/93	500.00	Yes	
Olympus	Maurice Ferre Campaign	4/14/93	500.00	Yes	
Petroleum Group, Inc.	Larry Hawkins	9/21/94	500.00	Yes	

EXHIBIT
PBC - 6.7

Donor	Recipient	Date of Contribution	Amount of Contribution	Refund Requested?	Refund Made? (Date)
St. Tropez R/E Fund Ltd.	Larry Hawkins	9/01/94	500.00	Yes	
Sunstone	Larry Hawkins	9/01/94	500.00	Yes	
New Fiesta	Bruce Kaplan Campaign	4/14/93	500.00	Yes	
Olympus	Bruce Kaplan Campaign	4/14/93	500.00	Yes	
Permfino Group, Inc.	Mike Karpel Campaign Fund	10/21/93	500.00	Yes	
St. Tropez R/E Fund Ltd.	Mike Karpel Campaign Fund	10/19/93	500.00	Yes	
New Fiesta Inc.	Mike Karpel Campaign Fund	10/19/93	500.00	Yes	
Sun & Fun Inc.	Mike Karpel Campaign Fund	10/19/93	500.00	Yes	
Playa Del Sol Ltd.	Mike Karpel Campaign Fund	10/19/93	500.00	Yes	
Benchwalk	Mike Karpel Campaign Fund	10/19/93	500.00	Yes	
Olympus	Mike Karpel Campaign Fund	10/19/93	500.00	Yes	
Santorini	Mike Karpel Campaign Fund	10/19/93	500.00	Yes	
7th & 5th Dune Corp	Mike Karpel Campaign Fund	10/19/93	500.00	Yes	
Sandpoint Financial Ltd.	Mike Karpel Campaign Fund	10/19/93	500.00	Yes	
SBE Inc	Mike Karpel Campaign Fund	10/19/93	500.00	Yes	
Intermediary	Mike Karpel Campaign Fund	10/20/93	500.00 (reimbursed cash)		
Intermediary	Mike Karpel Campaign Fund	10/21/93	500.00 (reimbursed cash)		
Thomas Kramer	Noreen Kaplan Campaign Fund	4/23/93	500.00	Yes	$125.00 on 10/13/93 (refunded because candidate unopposed)
Intermediaries	Noreen Kaplan	April '93	Exact Amount Unknown		

EXHIBIT
FEC - 6.8

Donor	Recipient	Date of Contribution	Amount of Contribution	Refund Requested?	Refund Made? (Date)
Portofino Group, Inc.	Nancy Lofkman Campaign Fund	6/15/93	500.00	Yes	
St. Tropez R/E Fund	Nancy Lofkman Campaign Fund	6/15/93	500.00	Yes	
Sandpoint Financial, Ltd.	Nancy Lofkman Campaign Fund	6/15/93	500.00	Yes	
New Fiesta	Nancy Lofkman Campaign Fund	6/15/93	500.00	Yes	
Sun & Fun	Nancy Lofkman Campaign Fund	6/15/93	500.00	Yes	
Playa	Nancy Lofkman Campaign Fund	6/15/93	500.00	Yes	
Beachwalk	Nancy Lofkman Campaign Fund	6/15/93	500.00	Yes	
Olympus	Nancy Lofkman Campaign Fund	6/15/93	500.00	Yes	
Sassoon	Nancy Lofkman Campaign Fund	6/15/93	500.00	Yes	
7th & 5th Deco	Nancy Lofkman Campaign Fund	6/15/93	500.00	Yes	
St. Tropez R/E Fund Ltd.	Gerald Lewis Campaign	12/08/93	500.00	Yes	
New Fiesta Inc.	Gerald Lewis Campaign	12/08/93	500.00	Yes	
Sun & Fun Inc.	Gerald Lewis Campaign	12/08/93	500.00	Yes	
Playa Del Sol Ltd.	Gerald Lewis Campaign	12/08/93	500.00	Yes	
Beachwalk	Gerald Lewis Campaign	12/08/93	500.00	Yes	
Olympus	Gerald Lewis Campaign	12/08/93	500.00	Yes	$125.00 (unrelated to request)
7th & 5th Deco Corp	Gerald Lewis Campaign	12/08/93	500.00	Yes	
Sandpoint Financial Ltd.	Gerald Lewis Campaign	12/08/93	500.00	Yes	
South Beach Creative Group	Gerald Lewis Campaign	12/08/93	500.00	Yes	
Olympus	Gwen Margolis Campaign Fund	7/29/94	100.00	Yes	$100.00 on 11/21/94

EXHIBIT

FEC - 6.9

Donor	Recipient	Date of Contribution	Amount of Contribution	Refund Requested?	Refund Made? (Date)
Sanmoro	Owen Margolis Campaign Fund	4/26/94	500.00	Yes	$500.00 on 11/21/94
5 Star Island, Inc.	Owen Margolis Campaign Fund	4/26/94	500.00	Yes	$500.00 on 11/21/94
2 Star Island, Inc	Owen Margolis Campaign Fund	4/26/94	500.00	Yes	$500.00 on 11/21/94
SBE Inc.	Owen Margolis Campaign Fund	4/26/94	500.00	Yes	$500.00 on 11/21/94
St. Tropez R/E Fund Ltd.	Campaign for Commissioner for Javier Souto	3/03/94	500.00	Yes	
New Fifth Inc.	Campaign for Commissioner for Javier Souto	3/03/94	500.00	Yes	
Playa Del Sol Ltd.	Campaign for Commissioner for Javier Souto	3/03/94	500.00	Yes	
Olympus	Campaign for Commissioner for Javier Souto	3/03/94	500.00	Yes	
Sanmoro	Campaign for Commissioner for Javier Souto	3/03/94	500.00	Yes	
Seagull Development Corp.	Campaign for Commissioner for Javier Souto	3/03/94	500.00	Yes	
Azure Coast Ltd	Campaign for Commissioner for Javier Souto	3/03/94	500.00	Yes	
Playa Del Sol	State Senate President Pat Thomas "Victory in '94"	8/26/94	500.00	Yes	

EXHIBIT

FEC - 6.10

Date: 7/17/97 11:30:25 AM
From: Jose Rodriguez
Subject: MUR 4638
To: Mary Ann Bumgarner

Just spoke with Terri Bradley's counsel, Lou Vendittelli, regarding her response to our discovery seeking information concerning Greenberg & Traurig's and the DSCC's involvement in the Kramer contributions made in her name. Counsel noted that his client had much information on Mr. Kramer's contributions (beyond just what was asked for in the discovery), but feared that by providing this info she'd expose herself to possible criminal liability. In this regard, counsel asked what her criminal exposure could be and asked if we would be willing to offer immunity from criminal prosecution in exchange for her testimony. I noted, with the usual caveats, that because the Commission had already settled with his client, it was unlikely to either refer or report her to Justice for criminal prosecution. I further noted, however, that Justice could always act independent of any Commission action. Concerning the immunity request, I noted that we do not usually offer immunity (and in fact may not have the power to do so). He responded that his client would not respond to the discovery absent some assurances and that he was referring her to a criminal attorney to advise her on this issue. I noted that I'd run the request up the line and get back to him with a more solid response.

So .....

EXHIBIT
FMC - 7

Date: 7/17/97 11:50:17 AM
From: Mary Ann Bumgarner
Subject: Re: MER 4638
To: Jose Rodriguez

'ow. It is amazing to me that we can't even get a return phone call from some le and others want immunity. I don't think we can offer immunity and we no control over DOJ. I wonder if what she has is so good we might want to L. . Lois talk to Donsanto. I know we will not be reporting or referring it ourselves. Good advice to the attorney. I am going to forward your EM to Lois. Thanks.

MA

OFFICE OF THE GENERAL COUNSEL MEMORANDUM OF TELEPHONE CALL OR VISIT

DATE 8/18/97 TIME 2:20 a.m.

MUR 4638 STAFF MEMBER J. Rodriguez

CHECK ONE: >[X] TELEPHONE CALL >[ ] VISIT

NAME OF PERSON: Lou Vendinelli, Esq.

NUMBER CALLED: (305) 379-3515

CHECK ONE: >[ ] RESPONDENT >[X] WITNESS >[ ] OTHER

SUBSTANCE: Counsel called to inform me that he would be negotiating the proffer, and not criminal counsel. Counsel noted that he had spoken with his client briefly and that she had knowledge of who solicited the two contributions at issue, and solicitation knowledge regarding numerous other contributions. Much of her knowledge was first hand, but some involved info she received from another party. Counsel hinted that G&T was involved in the two solicitations and in many of the other solicitations. Counsel agreed to only verbally provide information at this time concerning his clients solicitation knowledge ("without naming names"), including an indication of which contributions his client has first hand knowledge about, and which info she received from a third party (including an indication of the source). Counsel agreed to call either this Fri or Mon. I informed counsel that I would be out of the Office beginning this Thurs, but provided MAB as a contact.

I also reiterated that while we accept a verbal response for now, a precise written proffer would be required before immunity could be granted.

EXHIBIT
FEC - 9

OFFICE OF THE GENERAL COUNSEL MEMORANDUM OF TELEPHONE CALL OR VISIT

DATE 9/11/97 TIME 12:25 p.m.

MUR 4638 STAFF MEMBER J. Rodriguez

CHECK ONE: >[X] TELEPHONE CALL >[ ] VISIT

NAME OF PERSON: Lou Vendittelli, Esq.

NUMBER CALLED: (305) 379-3515

CHECK ONE: >[ ] RESPONDENT >[X] WITNESS >[ ] OTHER

SUBSTANCE: Counsel called to inform me of his client's knowledge concerning the various contributions

20K DSCC (in her name)

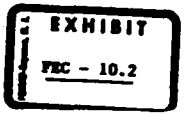
Ms Bradley overheard a conversation between Mr. Kramer and another individual during which the individual asked Mr Kramer if there was "anyone else who could make the contribution in your place " This individual also explained that the requested contribution would make Mr Kramer a member of the "inner circle" with various accompanying perks. In fact, Mr Kramer later wrote an internal memo complaining about how none of the stated perks materialized after the contribution Mr Bradley can identify this individual and his business affiliation She was not a party to this conversation, but instead overheard it while at her desk next to Mr Kramer's office I asked counsel if this individual was DSCC; counsel noted that his client could I.D the individual but did not know his affiliation with the committee.

Other Contribs

Ms Bradley has information concerning various solicitations by a named partner at G&T. This individual was not the lawyer who usually handled Kramer's business matters. This individual's only interaction with Kramer was the solicitation of contributions. According to Ms. Bradley, during the period of Prop 6 (Gaming).(Bradley believes 1995, but contribs at issue 93-94), this individual began soliciting Mr Kramer for fund-raisers. There were approximately 5-6 solicits, they were either by fax or by phone She was not privy to any of Mr. Kramer's conversations She only knows that the individual called and faxed solicitations. She believes Mr. Kramer bought a full table for a Gore fund-raiser She can also identify this individual.

EXHIBIT
FEC - 10

Because of its legal representation of Mr. Kramer and his corps, the firm had full knowledge that Kramer was foreign, and knowledge re: his interest in the corps.



FEDERAL ELECTION COMMISSION
SECRETARIAT
OCT 27 1 35 PM '97

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Greenberg, Traurig, Hoffman, Lipoff, Rosen & Quentel, P.A.	)	MUR 4638
	)	

GENERAL COUNSEL'S REPORT

SENSITIVE

I. INTRODUCTION

The present matter addresses the severed portion of MUR 4398. MUR 4398 was generated by a *sua sponte* submission filed by counsel for Thomas Kramer noting that, as a foreign national, Mr. Kramer made extensive contributions to Federal, state and local elections during the 1993-1994 election cycle. The *sua sponte* also disclosed that Greenberg, Traurig, Hoffman, Lipoff, Rosen & Quentel ("Greenberg & Traurig" or "Respondent"), a law firm retained by Mr. Kramer to handle his immigration matters, had solicited an undisclosed portion of the contributions at issue. Based on this information, on June 25, 1996, the Commission found reason to believe against Mr. Kramer, his assistant Ms. Terri Bradley, his wife Mrs. Catherine Burda Kramer, several corporations under his control, various Federal, state and local recipients and the present respondent, Greenberg & Traurig. The Commission took no further action against all respondents except for Mr. Kramer, Ms. Bradley, one recipient committee -- the Republican Party of Florida -- and Greenberg & Traurig.[1]

[1] The *sua sponte* submission also contained information noting that an unidentified individual associated with the Democratic Senatorial Campaign Committee ("DSCC") had suggested that Mr. Kramer funnel a $20,000 contribution through his assistant. *See* First General Counsel's Report in MUR 4398, dated June 7, 1996 ("FGCR"), at 17-21. This Office made no recommendations concerning the DSCC at that time, informing the Commission that recommendations would follow as warranted by any new information discovered. *Id.* at 20-21. The investigation into Greenberg & Traurig's involvement in Mr. Kramer's contributions has provided an initial indication of the identity of the individual responsible for the DSCC transaction. Additional information is presently being gathered corroborating this identity. In any event, it does not appear that the individual soliciting this contribution was associated with Greenberg & Traurig.

EXHIBIT
FEC - 11

All above remaining respondents requested pre-probable cause conciliation, and the Commission successfully settled MUR 4398 as to all respondents, except for Greenberg & Traurig -- obtaining a total of $426,000 in civil penalty payments.[2] See the General Counsel's Report ("GCR") in MUR 4398, dated May 9, 1997, at 3-5. Because of the inability to reach settlement with Greenberg & Traurig, and so as to not adversely prejudice the successfully completed portion of MUR 4398, the Commission severed the activity concerning Greenberg & Traurig into the present matter, closed MUR 4398 and launched an investigation into the law firm's involvement in Mr. Kramer's contributions. *See id.*

Recently, rather than respond to the requested discovery, Respondent expressed a renewed interest in settling this matter at the present stage.[3] Based on the available evidence from the various recipient sources contacted during the investigation, it now appears that Greenberg & Traurig solicited approximately $92,000 from Mr. Kramer. This report recommends entering into conciliation with Greenberg & Traurig and presents for the Commission's approval a proposed conciliation agreement.

II. PRIOR CONCILIATION WITH GREENBERG & TRAURIG

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[2] The Commission also received a total $[illegible] in disgorgements.

[3] The discovery to Greenberg & Traurig sought information into Respondent's involvement in all of Mr. Kramer's contributions and the production of all records relating to these contributions. In conversations with this Office, Respondent has represented that it considers much of the requested information to be privileged under the attorney client privilege, that Mr. Kramer will not waive this privilege, and that therefore it will refuse production on those grounds should settlement not be successful. While this Office disagrees with Respondent's application of the privilege in this matter, it appears that the issue is unlikely to be resolved short of further protracted negotiations or court action.

EXHIBIT
FEC - 11.2

III. PROPOSED PRESENT CONCILIATION WITH GREENBERG & TRAURIG

IV. RECOMMENDATIONS

1. Enter into conciliation with Greenberg, Traurig, Hoffman, Lipoff, Rosen & Quentel, P.A. prior to a finding of probable cause to believe.

2. Approve the attached conciliation agreement and appropriate letter.

Lawrence M. Noble
General Counsel

10/27/97
Date

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

EXHIBIT
FGC - 11.4

BEFORE THE FEDERAL ELECTION COMMISSION

SENSITIVE

In the Matter of	)	
	)	
Greenberg, Traurig, Hoffman, Lipoff, Rosen & Quentel, P.A., *et al*	)	MUR 4638
	)	

GENERAL COUNSEL'S REPORT

I. INTRODUCTION

On October 30, 1997, the Commission entered into conciliation with Greenberg, Traurig, Hoffman, Lipoff, Rosen & Quentel ("Greenberg & Traurig" or "Respondent") in connection with violations of 2 U.S.C. § 441e resulting from Respondent's involvement in contributions made by Thomas Kramer, a foreign national, to Federal, state and local elections during the 1993-1994 election cycle.[1] At the same time Respondent was provided with the Commission's proposed conciliation agreement. *See* the General Counsel's Report in this matter ("GCR") dated October 27, 1994

Additionally, this report analyzes the remaining issues and participants involved in Mr. Kramer's contributions and recommends closing the matter without further proceedings.

[1] Mr. Kramer's contributions were addressed in predecessor MUR 4398

EXHIBIT
FEC - 12

B. Remaining Participants

As noted in previous reports in this matter and in predecessor MUR 4398, in his *sua sponte* submission Mr. Kramer suggests that an unnamed individual associated with the Democratic Senatorial Campaign Committee ("DSCC") had instructed him to make his $20,000 April 28, 1993 contribution in the name of his secretary, in violation of 2 U.S.C. § 441f. During the course of the matter, this Office sought information concerning this transaction, including the identity of the individual involved. While this Office has discovered information identifying an individual credited for soliciting four of Mr. Kramer's contributions to the Democratic Party (two each to the DSCC and the Democratic National Committee ("DNC")), including the contribution made in the name of his secretary, the available evidence is inconclusive as to this individual's actual involvement in suggesting that the contribution be made in the name of another.[2]

Specifically, the available evidence obtained from the DSCC suggests that Howard Glicken, a south Florida fundraiser, was responsible for both of Mr. Kramer's contributions to the DSCC, including the $20,000 contribution made in the name of his secretary. However, this information is not conclusive. In its response to the Commission's interrogatories, the DSCC notes that it is "without any specific information responsive to this request other than to state its belief that Howard Glicken may have been involved in soliciting these contributions." DSCC response dated July 16, 1997, at 4. Accompanying this response are documents relating to the contributions; however, these documents do not confirm Mr. Glicken as the solicitor, instead

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[2] These contributions include Mr. Kramer's April 28, 1993 $20,000 contribution (made in the name of his secretary) and September 17, 1993 $3,000 contribution to the DSCC and Mr. Kramer's April 14, 1993 $25,000 contribution (made through Portolino Group, Inc.) and March 15, 1994 $40,000 contribution to the Democratic National Committee

EXHIBIT
FEC - 12.2

they show two unidentified entries under the fundraising heading—"Cooper" for the $20,000 contribution and "MJV" for the $3,000 contribution.

Moreover, there is only limited evidence regarding the Section 441f scheme. Mr. Kramer in his *sua sponte* submission, while suggesting that the he was instructed by a DSCC fundraiser to make his $20,000 contribution in the name of his secretary -- Terri Bradley, fails to identify this individual or provide details of the conversation. Similarly, in conversations with this Office, counsel for Ms. Bradley, while noting that his client recalls the suggestion being made to Mr. Kramer, refuses to provide further information or the identity of the fundraiser without a grant of immunity from criminal prosecution. While further inquiry of the DSCC may clarify the apparent inconsistency concerning Mr. Glicken's attribution as the solicitor, because of the discovery complications concerning the Section 441f issue, this Office does not believe that sufficient time remains within the statute of limitations period to adequately investigate the more substantial April 1993 contribution made in the name of another.

While this Office would generally recommend a reason to believe finding against Mr. Glicken and conduct an investigation into the two DSCC contributions, because of the discovery complications and time constraints addressed above, and the fact that the transactions at issue took place during the 1993-1994 election cycle, this Office does not now recommend proceeding against this identified individual or the DSCC.

Similarly, this Office does not recommend further proceedings concerning the two DNC contributions apparently solicited by Mr. Glicken. Unlike the DSCC contributions, the larger of these two contributions would not be time barred until March of 1999 -- approximately a year and four months from now. However, because of Mr. Glicken's high profile as a prominent

EXHIBIT
FEC - 12.3

Democratic fundraiser, including his potential fundraising involvement in support of Vice President Gore's expected presidential campaign, it is unclear that this individual would agree to settle this matter short of litigation. Therefore, rather than continuing this matter for an unspecified period in pursuit of one participant and because of the low prospect for timely resolution, the age of the matter and the already successful resolution concerning all principals in this case, this Office does not recommend further proceedings concerning these two DNC contributions either. Instead, this Office recommends closing the entire file in MUR 4638

Therefore, this Office recommends that should the Commission agree with the above assessment concerning further proceedings in this matter, it close MUR 4638. Should the Commission not agree with this assessment, this Office recommends that the Commission close the matter only as to Greenberg and Traurig.

III. RECOMMENDATIONS

1. Accept the attached conciliation agreement with Greenberg, Traurig, Hoffman, Lipoff, Rosen & Quentel, P.A. in settlement of MUR 4638 and close the matter as to this Respondent.

2. Close MUR 4638

3. Approve the appropriate letter(s).

Lawrence M. Noble
General Counsel

12/13/97
Date

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

EXHIBIT
FEC - 12.4

Attachment:

1. Greenberg & Traurig Proposed Signed Conciliation Agreement

Staff Member: Jose M. Rodriguez

EXHIB
FEC - 12.

5

Democratic National Committee

Steve Grossman, *National Chair* • Governor Roy Romer, *General Chair*

September 3, 1997

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

BULK FILE

Attention: Jose Rodriguez

Re: MUR 4638

Dear Mr. Rodriguez:

Enclosed are documents that the Democratic National Committee ("DNC") has located which are responsive to the Interrogatories and Request for Documents served on the DNC in the above-referenced MUR. We have identified but have been unable to retrieve and copy an additional handful of responsive documents. We expect to be able to produce those remaining documents to you within the next week to ten days.

Answers to the Interrogatories are also enclosed. As noted therein, the answers were prepared by counsel for the DNC based on the DNC's records and the documents that we have located. To the best of our knowledge, no current employee of the DNC was directly involved in the solicitation of the contributions at issue and, therefore, we were not able to obtain any additional information, for purposes of answering the interrogatories, from any current DNC employee with first-hand knowledge of the circumstances surrounding the solicitation of the contributions at issue.

If you have any questions or need any additional information, please contact the undersigned

Sincerely yours,

Joseph E. Sandler
General Counsel

Democratic Party Headquarters • 430 South Capitol Street, S.E. • Washington, D.C. 20003 • 202 863-8000

EXHIBIT
FEC - 13

GREENBERG
ATTORNEYS AT LAW
TRAURIG

Marvin S. Rosen
305-579-0535

April 20, 1993

VIA FEDERAL EXPRESS

Senator George Mitchell
c/o Frances Cromartie
321 D Street, NE
Washington, D.C. 20002

Dear Senator Mitchell:

Enclosed please find checks totalling $74,000.00 collected in conjunction with the March 22nd cocktail reception. There are still remaining outstanding checks, which had to be returned and recut and others to be collected. I will forward them to you as soon as possible.

Sincerely,

Marvin S. Rosen

MSR:vlm

EXHIBIT
FBC - 13.2

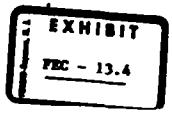
SENATOR GEORGE MITCHELL
March 22, 1993

ALVAREZ, CESAR Greenberg Traurig 1221 Brickell Avenue Miami, Florida 33131 305-579-0500	Attorney	1,000.
BASS, HILARIE Greenberg, Traurig 1221 Brickell Avenue Miami, Florida 33131 579-0500	Attorney	250.
BERGER, JAMES L. 00 N.E. Third Avenue Suite 400 Fort Lauderdale, Florida 33301 305-525-9900	Attorney	1,500.
BRADLEY, TERRI E. 371 NW 1st Street Plantation, Florida 33324 38-4422	Executive Assistant	1,000.
BROWN, ILIANA 7801 NW 16th Street Pembroke Pines, Florida 33029	Real Estate Accountant	1,000.
CAPLAN, SHEILA 2 Poinciana Drive North Miami Beach, Florida 33160	Interior Designer	2,000.

EXHIBIT
FEC - 13.3

Senator George Mitchell, March 22nd, Biltmore Hotel
page 2

CEJAS, PAUL L. Care Florida 7950 NW 53rd Avenue Suite 300 Miami, Florida 33166 305-370-1950	Chairman	1,000.
CUNNINGHAM, ALLEN A. 68 East 3rd Street, No. 23 New York, New York 10003	Real Estate Executive	1,000.
CRUZ, GLORIA Eldorado Trading Co. 7290 NW 43rd Street Miami, FLorida	C.F.O.	250.
COFFEY, JONI ARMSTRONG 5320 SW 99th Terrace Miami, Florida 33158	Housewife	1,000.
DALY, STACY 811 Brookwood Place Ann Arbor, Michigan 48104	Student	2,000.
DALY, THOMAS III c/o 32 Simpson Road Briarcliff Manor, NY 10510	Student	2,000.
DALY, TRUDY 32 Simpson Road [illegible]	Housewife	2,000.



Senator George Mitchell, March 22, Biltmore Hotel
page 3

ENGEL, FAITH 13258 S.W. 114 Terrace Miami, Florida 33186	Accountant	1,000.
FERNANDEZ, MIGUEL 125 Gavilan Coral Gables, Florida 33143	Heath Insurance Executive	1,000.
FLETCHER, PATRICIA Shapo, Freedman & Fletcher ite 4750 J South Biscayne Blvd. Miami, Florida 33131 305-358-4440	Attorney	1,000
GARCIA, ANTONIO 2828 SW 112th Avenue Miami, Florida 33165	Developer	1,000.
GORSON, MATTHEW B. Greenberg, Traurig 1221 Brickell Avenue Miami, Florida 33131 305-579-0500	Attorney	2,000.
GREER, EVELYN LANGLIEB 2400 South Dixie Highway ite 200 ami, Florida 33133 305-854-8989	Attorney	1,000.

EXHIBIT
FEC - 13.5

Senator George Mitchell, March 22nd, Biltmore Hotel
page 4

GUZMAN, LEO Guzman & Guzman 701 Brickell Avenue Miami, Florida 33131	Investment Banker	250.
HOFFMAN, LARRY J. Greenberg, Traurig 1221 Brickell Avenue Miami, Florida 33180 305-579-0500	Attorney	1,000.
ISAZA, LUIS Eldorado Trading Co. 7290 NW 43rd Street Miami, Florida	President	250.
KALB, MARTIN Greenberg Traurig 1221 Brickell Avenue Miami, Florida 33131 305-579-0500	Attorney	1,000.
KRIES, LAWRENCE Care Florida 7950 NW 53rd Avenue Suite 300 Miami, Florida 33166 305-470-1950	President	1,000.
LANNES, ANGELA P. 359 Alcazar Coral Gables, Florida 33134	Land Surveyor	1,000.

EXHIBIT
FEC - 13.6

Senator George Mitchell, March 22nd, Biltmore Hotel
page 5

MARTINEZ, MANUEL 43 Madeira Avenue, No. 2 Coral Gables, Florida 33134	Bookkeeper	1,000.
MARTINEZ, OSVALDO 14548 Balgowan Road Miami Lakes, Fl 33016	Health Care Executive	1,000.
McALPINE, M.E. 3410 Creekbriar Houston, Texas 77068	Real Estate Executive	1,000
McDONALD, THOMAS M 8833 NW 70th Court Parkland, Florida 33067 305-739-6400	President Kraven Thomas Engineers	500.
MEDINA, LISETTE 5 Star Island Miami Beach, Florida 33139	Housewife	2,000.
MEDINA, MANUEL Terremark 44 West Street, Suite 1275 Miami, Florida 33131	Developer	2,000.
MONTERO, HILDA 1605 Bay Road, Apt. 507 Miami Beach, Florida 33139	Executive Assistant	1,000.

EXHIBIT
FEC - 13.7

Senator George Mitchell, March 22nd, Biltmore Hotel
page 6

MURPHY, LINDA F. 200 Leucadendra Drive Coral Gables, Flo9r4ida 33156	Developer	1,000
PUGH, JAMES H. Jr. Epoch Properties Inc. 359 Carolina Avenue Winter Park, FL 407-644-9055	Developer	1,000.
RELATED GROUP OF FLORIDA 828 Coral Way, PH1 Miami, FLorida 33145 Contact: Mr. Jorge Perez 305-460-9900	Health Care	1,000.
RUGG, JOSEPH W.N. 305 Bonnie Brae Way Hollywood, Florida 33021	Attorney	1,000.
SCHNAPP, MARK P. Greenberg, Traurig 1221 Brickell Avenue Miami, Florida 33131 305-579-0500	Attorney	500.
SHAPO, RONALD A. Shapo, Freedman & Fletcher 200 South Biscayne Blvd. Miami, Florida 33131 305-358-4440	Attorney	1,000.

EXHIBIT
FEC - 13.8

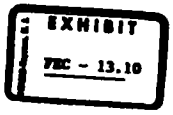
Senator George Mitchell, March 22nd, Biltmore Hotel
page 7

STACK, CHARLES "Bud" 3929 Ponce De Leon Blvd. Coral Gables, Florida 33134 305-443-3329	Attorney	1,000.
TANNENBAUM, Dr. JEROME Ren Corporation 6820 Charlotte Pike Nashville, Tennessee 37209	President	2,000.
TAPLIN, MARTIN W Taplin & Associates 1177 Kane Concourse #201 Bay Harbor, Florida 33154 305-865-5760	Attorney	1,000.
WALLACE, MILTON Centrust Financial Center 100 S.E. 2nd Street Suite 2100 Miami, Florida 33131 305-371-2223	Attorney	1,000.
WEINSTEIN, MARK Government Affairs VIACOM 1515 Broadway New York, New York 10036 212-258-6110	Senior V.P.	1,000.
WILLIAMS, JAMES 5441 Buchanan Street Hollywood, Florida 33021	Printer	2,000.

EXHIBIT
FEC - 13.9

Senator George Mitchell, March 22nd, Biltmore Hotel
page 8

WILLIAMS, JOSEPH 5441 Buchanan Street Hollywood, Florida 33021	Printer	2,000.
ZIFF, Dr. SANFORD L. 881 Ocean Drive Costa Del Mar Condo-26B Key Biscayne, Florida 33149 305-361-1009	Investor	1,000.



ALLEN BERNKRANT
BEATRICE BERN[redacted]

2035

MARCH 16, 1993

PAY TO THE ORDER OF MITCHELL FOR SENATE COMMITTEE $ 500.00

FIVE HUNDRED AND NO/100 DOLLARS

INTERCONTINENTAL BANK

FOR CONTRIBUTION

[redacted]

ALLEN BERNKRANT
BEATRICE BERNKRANT
[redacted]

2040

3/22/93

PAY TO THE ORDER OF MITCHELL FOR SENATE $ 500.00

FIVE HUNDRED AND NO/100 DOLLARS

INTERCONTINENTAL BANK

FOR SENATOR GEORGE MITCHELL
C/O STUZIN & CARRON, P.A.

[redacted]

BRIAN L. BILZIN
MARSHA D. BILZIN
[redacted]

3158

March 22, 1993

PAY TO THE ORDER OF Mitchell for Senate $ 500.00

Five hundred and 00/100 DOLLARS

United National Bank

MEMO

[redacted]

TERRI E. BRADLEY
[redacted]

0210

March 22, 1993

PAY TO THE ORDER OF Mitchell for Senate $ 1,000.00

One Thousand and 00/100 DOLLARS

FIRST UNION

FOR

[redacted]

EXHIBIT
FEC - 13.11

BEFORE THE FEDERAL ELECTION COMMISSION

Aug 14 3 07 PM '97

In the Matter of	)))	MUR 4638

Response of Mitchell for Senate and Barbara J. Keefe, Treasurer to Subpoena to Produce Documents and Order to Submit Written Answers

DOCUMENT REQUESTS AND INTERROGATORIES

These Document Requests and Interrogatories refer to the following contribution made to Mitchell for Senate:

Named Contributor	Date	Amount
Terri Bradley	3/20/93	$1,000

For the listed contribution separately:

1. a) State if the contribution was solicited by a person associated with Greenberg & Traurig and identify all persons involved in the solicitation and describe their substantive involvement.

To the best of our knowledge, the reception around which the $1,000 contribution from Terri Bradley (hereafter, the "contribution") came was organized by Capital Communications, a Washington fundraising firm hired by Mitchell for Senate to coordinate fundraising events outside of Maine. Robert L. Redding, Jr. owned Capital Communications at the time and employed Frances Cromartie to record and document contributions from receptions. We do not know if any person associated with Greenberg & Traurig solicited the contribution.

We do not know if Capital Communications still exists today. We understand that Robert Redding presently works as a lobbyist in Washington. While we do not have his address, we have several telephone numbers for him:

(202) 543-7464 (office)
(202) 543-4575 (fax)

We do not know the whereabouts of Frances Cromartie today.

EXHIBIT
FEC - 14

b) If not solicited directly by Greenberg & Traurig, identify the person who solicited the contribution and state if there was any mention of Greenberg & Traurig as part of the solicitation or if Greenberg & Traurig had any other involvement in the solicitation.

As set forth in our answer to Question 1(a) above, we do not know if Greenberg & Traurig had any involvement in the solicitation.

2. State if the contribution was transmitted from Greenberg & Traurig and identify the person transmitting the contribution.

Marvin S. Rosen, Esq. of Greenberg & Traurig did transmit to Frances Cromartie $74,000 worth of checks collected in conjunction with a fundraising reception held for Senator Mitchell's reelection campaign in Miami, Florida on March 22, 1993. Attached is a true copy of Attorney Rosen's transmittal letter of April 20, 1993 plus his eight page summary of the names and occupations of donors along with contribution amounts for each. Ms. Bradley is listed as an Executive Assistant and having made a $1,000 contribution. We believe Ms. Cromartie would likely have transmitted these checks to Mitchell for Senate in Maine for deposit.

Attached is a copy of Ms. Bradley's check. There are two handwritten notations on it. One is a date stamp located in the upper right hand corner near the check number 0210. The date stamp would have been done by staff of the Mitchell for Senate campaign to indicate the date the check was received in Maine. As it is, the date is not clearly imprinted. Also, to the right and slightly below the check number 0210 is the number "17." This number, or solicitation code, was assigned by the campaign staff to indicate that the contribution was transmitted from Marvin Rosen for this specific fundraising event in Florida.

3. State if the contribution counted against the fundraising commitment, or any other credit or tracking system, of any person associated with Greenberg & Traurig. Identify each such person.

We do not know of any fundraising commitment or other credit or tracking system of any person associated with Greenberg & Traurig or anyone else. As suggested in 2 above, a solicitation code was assigned to contributions received from individual fundraising events. This was done so the campaign would know the total amount of contributions received from individual events and was assigned based on the individual who transmitted the checks to the campaign. No individual donor and no person organizing or sponsoring a fundraising event was ever given or held to a fundraising commitment of any kind.

4. State if the contribution resulted from a fundraising event. If so, state the name or title given the event, the date of the event, the location where the event took place, and the

EXHIBIT
FEC - 14.2

time the event took place. Identify the sponsor of the event. Also, identify all persons associated with Greenberg & Traurig involved in the event and describe their substantive involvement.

The contribution resulted from a fundraising event held at the Biltmore Hotel in Miami, Florida on March 22, 1993. We do not know the sponsor of the event. We do not know of any persons associated with Greenberg & Traurig who were involved in the event other than Marvin Rosen who later transmitted the contribution checks to Ms. Cromartie in Washington.

5. Separately identify and produce all documents, including but not limited to all contribution cards, pledge cards (or other similar documents attributing a contribution to a solicitor) fundraiser invitations, cover letters, enclosures and handwritten notations, and all other documents, including all electronic copies, versions and drafts, containing, relating to or referencing each solicitation responsive to question 1, each transmission of a contribution responsive to question 2, each commitment or credit responsive to question 3, and each fundraiser responsive to question 4. For each document produced indicate to which above response the document relates. For each cover letter, enclosure and note accompanying a communication, indicate the communication containing such document by identifying the communication's recipient. Concerning each handwritten notation, identify the person making the notation.

The only document approximating a contribution card in the possession of Mitchell for Senate is an Individual Receipts Report, copy attached. The campaign's database is stored on computer in binary form that can only be accessed by Informix Software. We could, at your request, supply you with an ASCII dump of the data for this Individual Receipts Report. It should be noted, however, that the computerized report would look no different than the hard copy supplied with this Response.

The documents referred to in the answer to Question 2 relate to that question.

6. a) For each communication not in writing containing, relating to or referencing each solicitation, responsive to question 1, each transmission of a contribution responsive to question 2, each commitment or credit responsive to question 3, and each fundraiser responsive to question 4, separately describe in detail the substance of each such communication. Separately identify each person involved in the communication and describe in detail their substantive participation in the communication. For each communication, also state the date of the communication, the time of the communication, the location where the communication occurred, and the duration of the communication

Also attached are copies of a letter from Attorney Alfred R. Camner dated March 25, 1993 transmitting to Frances Cromartie checks totaling $25,000 collected in conjunction with the March 22, 1993 fundraiser. Attached to his letter is a three page summary of the donors, their occupations and contribution amounts. These

EXHIBIT
FEC - 14.3

contributions are unrelated to those of Terri Bradley, but are nonetheless supplied here because they appear to have been raised from the same event.

b) Identify and produce all documents, including but not limited to all electronic copies, versions and drafts, containing, relating to or referencing each communication responsive to question 6(a), including but not limited to calendar entries, appointment books, telephone logs, meeting agendas, handwritten notations and transcripts of the solicitation communication. Concerning each handwritten notation, identify the person making the notation.

There are no other documents relating to or referring each communication responsive to Question 6(a).

7. To the extent not identified and produced in response to the preceding questions, identify and produce all documents, including all electronic copies, versions and drafts, containing, relating to or referencing the listed contribution, including but not limited to contribution cards, pledge cards (or other similar documents attributing a contribution to a solicitor), cover letters, enclosures, calendar entries, appointment books, telephone logs, meeting agendas, handwritten notations, and transcripts of the activity. For each cover letter, enclosure and note accompanying a communication, indicate the communication containing such document by identifying the communication's recipient. Concerning each handwritten notation, identify the person making the notation.

Following are the other documents in our possession regarding the listed contribution.

First is a copy of a letter from Barbara Keefe to Terri Bradley dated June 4, 1993. This letter requested the name of her employer and occupation. Ms. Bradley's occupation and employer information are provided at the bottom of the letter in what we assume to be her handwriting.

The only other documents we have pertaining to the listed contribution have to do with the refund of that contribution. By letter dated December 6, 1994, Thomas Kramer wrote to Senator Mitchell in Portland, Maine, requesting a refund of the $1,000 contribution which had been made by Terri Bradley and stating that any questions should be referred to his counsel, Margaret Ackerly, at Wilmer, Cutler & Pickering in Washington. The handwriting on the letter other than Mr. Kramer's signature is that of Sharon Sudbay, an employee of the Mitchell for Senate Campaign, who made handwritten notes of her efforts on the refund.

Mr. Kramer's request was what the campaign considered a "third-party request," that is, it was the request by a third party to return the contribution made by another. It was the practice of Mitchell for Senate in such cases to get a written request for a refund from the original donor. Accordingly, on January 19, 1995, Sharon Sudbay called Attorney Ackerly to request a letter from Terri Bradley, confirming the request for a refund. No response was received. On April 12, 1995, Ms. Sudbay called Attorney Ackerly again

EXHIBIT
FEC - 14.4

and was told to contact Ms. Bradley directly. Ms. Sudbay immediately called Terri Bradley to ask her for a letter requesting the refund. Ms. Bradley indicated she would fax the request which was received the next day. A copy of Ms. Bradley's letter, dated April 13, 1995, requesting the refund is attached. A check for a refund of the contribution was drawn on April 21, 1995 and signed by Barbara Keefe. A copy of the front and back sides of the check is attached along with a copy of the Payee and Disbursements Report which shows that a $1,000 refund was made to Ms. Bradley.

We would note that the chart of contributions (Attachment B) accompanying Thomas Kramer's *sua sponte* submission to the Federal Election Commission does not indicate that a refund was made. We further note that in footnote 22 on page 21 of the First General Counsel's Report on Pre-MUR #307, the Commission considered asking Mitchell for Senate to "disgorge to the United States Treasury the unrefunded $1,000 contribution at issue." We believe it important to set the record straight and inform the Commission that Mitchell for Senate in fact refunded the contribution upon receipt of proper documentation.

8. a) To the extent not described in response to the preceding questions, describe in detail the purpose and substance of all non-written communications relating to or referencing the listed contributions, both before and after they were made. For each communication, separately identify each person involved in the communication and describe in detail their substantive participation in the communication. For each communication, also state the date of the communication, the time or the communication, the location where the communication occurred, and the duration of the communication.

The non-written communication associated with the refund is described in the answer to Question 7.

b) Identify and produce all documents, including but not limited to all electronic copies, versions and drafts, containing, relating to or referencing each such communication, including but not limited to calendar entries, appointment books, telephone logs, meeting agendas, handwritten notations and transcripts of the communication. Concerning each handwritten notation, identify the person making the notation.

There are no documents referencing such communication. The only handwritten notations were made by Ms. Sudbay on the face of Mr. Kramer's letter.

9. Identify each person who provided any information used in the preparation of the responses to these questions and for each person identified, describe for which question the information was used

Sharon Sudbay is the individual who would be most capable of furnishing testimony on the answers given to each of the above questions. Sharon Sudbay provided verbal information on all of the above questions and written documents for questions 2, 5, 6(a),

and 7. Barbara Keefe provided verbal information on all of the above questions. Larry Benoit, a volunteer adviser to the campaign, provided verbal information for small portions of questions 5 and 7. Estelle A. Lavoie, Esq. assisted in drafting all responses which were reviewed by Senator George J Mitchell. See Attached Exhibit A for the addresses and telephone numbers of all such individuals.

Dated at Portland, Maine this 13th day of August, 1997.

Barbara J. Keefe, Treasurer and
on behalf of Mitchell for Senate

STATE OF MAINE
Cumberland, ss.

August 13, 1997

Personally appeared the above-named Barbara J. Keefe and made oath to the truth of the foregoing statements.

Before me,

Notary Public/Attorney at Law

DEBORAH J. JEAN
NOTARY PUBLIC, MAINE
COMMISSION EXPIRES APRIL 6, 2004

EXHIBIT
FEC - 14.6

DEMOCRATIC NATIONAL COMMITTEE
CHECK TRACKING FORM

NØ1
#2
Florida 4/28/93
Gore
HG
25,000

PLEASE FILL IN ALL THE FOLLOWING INFORMATION:

Name/Contact: Thomas ~~[illegible]~~ Kramer [redacted]

Company/Employer: Olympus Holdings / self-employed

Main Address: 43 Star Island
Miami Beach FL 33139

Occupation: Trader/Team/Estate Developer

Telephone #s: Home 305/538 4422
Work 305/532-254
Fax

Check Amount: $ 25,000 Federal / Non-Federal X

NFC TRUSTEE ____ BLF ____

Event: Al Gore / Florida

Solicitor: H Gluck Gail Howard Glickman

Notes:

EXHIBIT
FEC - 15

DNC 1016334

Velanta Corporation SOL: PAUL CEJAS	Mr. Don Garson Sugarmill Division 316 Royal Poinciana Plaza Palm Beach, FL 33480		3000.00	W01 7/09/93
Olympus Holdings, Inc. SOL: EDWARD GLICKEN	Mr. Thomas Kramer 43 Star Island Dr Miami Beach, FL 33139-5146	Home (305) 538-4422 Work (305) 532-2519	25000.00	W01 4/28/93
Olympus Holdings, Inc.	Mr. Thomas Kramer 43 Star Island Dr Miami Beach, FL 33139-5146	Home (305) 538-4422 Work (305) 532-2519	25000.00	W01 4/28/93
Olympus Holdings, Inc.	Mr. Thomas Kramer 43 Star Island Dr Miami Beach, FL 33139-5146	Home (305) 538-4422 Work (305) 532-2519	25000.00	W01 5/06/93
Oriental Family Medicine SOL: JEROME C. BERLIN	Dr. Borgjian Ma, MD 901 N. Hercules Ave. 8F Clearwater, FL 34625	Work (813) 442-9220	200.00	W01 5/14/93
Panza, Maurer, Maynard and Neto SOL: BETTY CASTOR	JEAN D HUNTER 3081 E Commercial Blvd Fort Lauderdale, FL 33308-432		500.00	F03 5/26/93
Par Pharmaceutical,Inc. SOL: MITCH BERGER	KEN SANTER 1 Ram Ridge Rd Spring Valley, NY 10977-6719	Work (914) 425-7100	2500.00	W01 5/14/93
Mr. Edward C. Peddie	6502 SW 37th Way Gainesville, FL 32608-5103	Home (904) 376-9040	1000.00	F01 5/05/93
Mr. J. David Pena SOL: MARIA ELENA TORARO	960 NE 95th St Miami Shores, FL 33138-2563		1000.00	F01 5/14/93
Ms. Patricia E. Pepper SOL: Bud Stack	3527 Inagua Ave Miami, FL 33133-3811	Home (305) 858-9171 Work (305) 940-5844	1000.00	F01 6/04/93
Dr. Lee M. Perdoch	8861 SW 57th St Cooper City, FL 33328-5118		100	

EXHIBIT
FEC - 16

DNC 0415921

DSCC Finance Division - Check Tracking Memorandum

From: _____ Date: 5/3

Fundraiser Cooper Lehner (auth.) mr

Check amount $ 20000

PAC/Contributor Name: Terri Bradley

Business Address: _____

_____ Contact: _____

Business Phone: _____ Fax: _____

Home Address: 9871 NW 1st Court

Plantation, FL 33324 Spouse: _____

Home Phone: _____ Fax: _____

Occupation Information Requested

Employer _____

Attribute the following program and event code:

✓ Majority Trust- MT0001 ___ Women's Council _____

___ Leadership Circle- _____ ___ Labor Council

___ Business Roundtable- _____ ___ Miscellaneous

___ Fall/Spring Dinner- _____ ___ Building Fund

___ Road Show- _____ ___ Other

Club _____

Active _____

Exp. Date _____

Tally: Credit Senator/Challenger _____

Through _____ Lehner(auth.) _____

Raised by _____ Batch # _____

11A

05-001

I93BR2299

TERRI E. BRADLEY 10-92

[redacted]

0244

April 26 1993

Democratic Senatorial Campaign Committee $ 20,000.00

Twenty Thousand + 00/100 DOLLARS

Majority Trust Membership Terri Bradley

[redacted]

EXHIBIT

FEC - 17

[redacted]

[redacted]

0113

AY Democratic National Committee DATE 3/4/94 CONTROL NO. AMOUNT $60,000.00

- Sixty thousand dollars

[redacted]

CHECK TRACKING FORM
(All information must be provided before deposit)

Name/Contact: Tom Kramer

Company/Employer: 35 Star Island Inc.

Occupation: CEO

Main Address: Portofino Group
19 Star Island
Miami Beach 33139

Telephone(s):
Home: 305 538 4422 Work: 305 538 4422 Fax: 305 532 7894

Social Security #: 592 19 5624 Date of Birth: April 27, 1957

Check Amount: $ 60,000 Federal: ____ Non-Federal: X

Program: NFC ____ WLP ____ TRU ____ SLP ____ LAB ____ SAX ____

Event: Florida Pops

Solicitor: Marvin Rosen

DNC Contact: NJ PU'lL Code: 900

EXHIBIT
FEC - 18

DNC 033628

Executive Summary

Mr. Tom Kramer
3 S Star Island Inc.
Portofino Group
19 Star Island
Miami Beach, FL 33139

W: F:
H:
T:
O:
E:
C:
E:

W: (305) 532-7894 F:
H: (305) 538-4422
C:

S:
DOB: 0/00/00 SSN:

WRITTEN 1997 Total: 0 1996 Total: 0 INDIVI

Date	Amount	Comment	Solicitor	Fundraiser

WRITTEN 1997 Total: 0 1996 Total: 0 COM

Date	Amount	Comment	Solicitor	Fundraiser
3/16/94	60,000	BC BOSTON PRESIDENTIAL EV	Marvin S. Rosen, Esq.	Peter O'Keefe
3/16/94	60,000	BC BOSTON PRESIDENTIAL EV	Marvin S. Rosen, Esq.	Peter O'Keefe
3/16/94	60,000	BC FLORIDA PRESIDENTIAL D	Marvin S. Rosen, Esq.	Peter O'Keefe

---

RAISED

Name	Amount	Event	Date

ANTICIPATION

Date	Activity

EXHIBIT
FEC - 19

[illegible] DEMOCRATIC NATIONAL COMMITTEE

[illegible] -- 3/31/96 D E T A I L P O S T I N G / N O N - F E D E R A L -- POSTING DATE: 3/10/96 PAGE- 1

Contributor Name/Address	DoProgram/Solicitor		Source
[illegible]			
Mr. Tom Kramer	80,000.00	Trustees	DC DOCTOR PRESIDENTIAL STUDY
3 S Star Island Inc.		Marvin S. Rosen, Esq.	
Portofino Group			
10 Star Island			
Miami Beach, FL 33110			
[illegible]			
Mr. Tom Kramer	80,000.00	Trustees	DC FLORIDA PRESIDENTIAL DINNER
3 S Star Island Inc		Marvin S. Rosen, Esq.	
Portofino Group			
10 Star Island			
Miami Beach, FL 33110			
Total: Non-Federal Corporate	.00		

EXHIBIT
FEC - 20

DNC 1075016

Backout

FIRMAN 3/31/98 FINANCE SYSTEM PAGE 1

DEMOCRATIC NATIONAL COMMITTEE

DEBIT REPORT

ACCOUNT #	MAIL NAME	CITY	ST	ZIP	AMOUNT
30510000	3 S Star Island Inc.	Miami Beach	FL	33139	
3/10/98	1000-DC DOCTOR PRESIDENTIAL DYNOT	-Non-Federal Corporate		TWO-Transfers	$50,000.00-
	Solicitor: Marvin S Rosen, Esq.				

Totals for Batch 001 Batch Receipts: 1 Batch Amount: $50,000.00

EXHIBIT
FEC - 20.2

DNC 1075017

PERKINS COIE

A Limited Partnership Including Professional Corporations
607 Fourteenth Street, N.W., Washington, D.C. 20005-2011
Telephone: 202 628-6600 Facsimile: 202 434-1690

July 16, 1997

Jose M. Rodriguez, Esq.
Office of the General Counsel
Federal Election Commission
6th Floor
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 4638

Dear Mr. Rodriguez:

Enclosed please find Democratic Senatorial Campaign Committee's response to your subpoena dated June 10, 1997 in connection with MUR 4638.

If you have any questions, please do not hesitate to contact me at (202) 434-1625.

Very truly yours,

Marc E. Elias

MEE:dml
Enclosure

EXHIBIT
FEC - 21

DEMOCRATIC SENATORIAL CAMPAIGN COMMITTEE'S RESPONSE TO FEDERAL ELECTION COMMISSION'S DOCUMENT REQUESTS AND INTERROGATORIES IN MUR 4638

1. a) State if the contribution was solicited by a person associated with Greenberg and Traurig and identify all persons involved in the solicitation and describe their substantive involvement.

   b) If not solicited by Greenberg & Traurig, identify the person who solicited the contribution and state if there was any mention of Greenberg and Traurig as part of the solicitation or if Greenberg & Traurig had any other involvement in the solicitation.

Response:

The Democratic Senatorial Campaign Committee's ("DSCC" or the "Committee") records do not reflect any involvement by Greenberg & Traurig or any person associated with Greenberg & Traurig in the solicitation of these contributions. The Committee believes that these contributions may have been solicited by Howard Glicken.

2. State if the contribution was transmitted from Greenberg & Traurig and identify the person transmitting the contribution.

Response:

The Committee has no information or materials that suggest that the contribution was transmitted from Greenberg & Traurig.

3. State if the contribution counted against the fundraising commitment, or any other credit or tracking system, of any person associated with Greenberg & Traurig. Identify each such person.

EXHIBIT
FEC - 21.2

Response:

The Committee has no information or materials that would suggest the contribution counted against the fundraising commitment, or any other credit or tracking system, of any person associated with Greenberg & Traurig.

4. State if the contribution resulted from a fundraising event. If so, state the name or title given the event, the date of the event, the location where the event took place, and the time the event took place. Identify the sponsor of the event. Also, identify all persons associated with Greenberg & Traurig involved in the event and describe their substantive involvement.

Response:

From the available records, it does not appear that Ms. Bradley's contribution resulted from any particular fundraising event. The available records do reflect that Mr. Kramer's $3,000 contribution resulted from the DSCC's annual Fall dinner. That event is sponsored by the DSCC. The Committee cannot respond to your request to "identify all persons associated with Greenberg & Traurig involved in the event." While it is possible that some members or employees of Greenberg & Traurig may have contributed to or attended the event, it is not clear if this is what is meant be "involvement." The event is a DSCC fundraising event that is organized and sponsored solely by the DSCC.

5. Separately identify and produce all documents, including but not limited to all contribution cards, pledge cards (or similar documents attributing a contribution to a solicitor) fundraiser invitations, cover letters, enclosures and handwritten notations, and all other documents, including all electronic copies, versions and drafts, containing, relating to or referencing each solicitation responsive to each question 1, each transmission of a contribution responsive to question 2, each commitment or credit responsive to question 3, and each fundraiser responsive to question 4. For each document produced indicate to which above response the document relates. For each cover letter, enclosure

EXHIBIT
FEC - 21.3

and note accompanying a communication, indicate the communication containing such document by identifying the communication's recipient. Concerning each handwritten notation, identify the person making the notation.

Response:

The DSCC does not possess any documents responsive to this request.

6. a) For each communication not in writing containing, relating to or referencing each solicitation responsive to question 1, each transmission of a contribution responsive to question 2, each commitment or credit responsive to question 3, and each fundraiser responsive to question 4, separately describe in detail the substance of each such communication. Separately identify each person involved in the communication and describe in detail their substantive participation in the communication. For each communication, also state the date of the communication, the time of the communication, the location where the communication occurred, and the duration of the communication.

b) Identify and produce all documents, including but not limited to all electronic copies, versions, drafts, containing, relating to or referencing each communication responsive to question 6(a), including but not limited to calendar entries, appointment books, telephone logs, meeting agendas, handwritten notations and transcripts of the solicitation communication. Concerning each handwritten notation, identify the person making the notation.

Response:

The DSCC does not possess any information or materials responsive to this request.

7. Concerning Mr. Kramer's $20,000 contribution to The Democratic Senatorial Campaign Committee of 4/28/93 made in the name of his assistant, Terri E. Bradley, please describe the details surrounding the making of the contribution. Also:

a) Identify each person, including their association with the DSCC, who suggested that the contribution be made in Ms. Bradley's name.

EXHIBIT
FEC - 21.4

7/15/97

b) Identify any person associated with Greenberg & Traurig present when the suggestion was made that the contribution be in Ms. Bradley's name, and describe in detail their substantive participation in the conversation.

c) Identify and produce all documents, including but not limited to all fundraiser invitations, cover letters, enclosures and handwritten notations, and all other documents, including all electronic copies, versions and drafts, containing, relating to or referencing the contribution. For each cover letter, enclosure and note accompanying a communication, indicate the communication containing such document by identifying the communication's recipient. Concerning each handwritten notation, identify the person making the notation.

Response:

The DSCC is without any specific information responsive to this request other than to state its belief that Howard Glicken may have been involved in soliciting these contributions. The only information or materials the Committee maintains regarding either of these contributions is contained in the documents that have been attached. The DSCC has attached, as potentially responsive, several documents related to how these contributions were tracked and ultimately refunded. To the extent that these documents are responsive, they constitute the only responsive documents within the possession of the DSCC.

8. To the extent not identified and produced in response to the preceding questions, identify and produce all documents, including all electronic copies, versions and drafts, containing, relating to or referencing the listed contributions, including but not limited to contribution cards, pledge cards (or other similar documents attributing a contribution to a solicitor), cover letters, enclosures, calendar entries, appointment books, telephone logs, meeting agendas, handwritten notations, and transcripts of the activity. For each cover letter, enclosure and note accompanying a communication, indicate the communication containing such a document by identifying the communication's recipient. Concerning each handwritten notation, identify the person making the notation.

EXHIBIT

FEC - 21.5

Response:

Other than documents produced pursuant to request no. 7, the DSCC does not have any responsive materials.

9. a) To the extent not described in response to the preceding questions, describe in detail the purpose and substance of all non-written communications relating to or referencing the listed contributions, both before and after they were made. For each communication, separately identify each person involved in the communication and describe in detail their substantive participation in the communication. For each communication, also state the date of the communication, the time of the communication, the location where the communication occurred, and the duration of the communication.

b) Identify and produce all documents, including but not limited to all electronic copies, versions and drafts, containing, relating to or referencing each such communication, including but not limited to calendar entries, appointment books, telephone logs, meeting agendas, handwritten notations and transcripts of the communication. Concerning each handwritten notation, identify the person making the notation.

Response:

Other than documents produced pursuant to request no. 7, the DSCC does not have any responsive materials.

10. Identify each person who provided any information used in the preparation of the responses to these questions and for each person identified, describe for which question the information was used.

Response:

The answers to these interrogatories are derived largely from the documents provided herewith. Stephanie Cooper provided information for all requests. Darlene Setter, the Committee's Comptroller, provided information regarding what documents

EXHIBIT
FEC - 21.6

the Committee maintains that may be responsive to these requests or might aid in providing information that might be responsive to these requests.

I declare under penalty of perjury that the foregoing is true and correct. Executed on July 15, 1997.

Paul Johnson

[04083-0001/DA971930.061]

-(1)-

EXHIBIT
FEC - 21.7

Laura Hartigan Calls

Ms. Merle C Chambers
President & CEO
Axem Resources, Inc.
Denver Technological Center
7800 E. Union Ave., Suite 1100
Denver, CO 80237-2757
Office Phone: 303-740-9000
Home Phone: 303-770-2183
Fax: 303-488-0206
Spouse Name: Hugh Grant
Status: Z

Mr Lester Crown
222 North La Salle Street
Chicago, IL 60601-1003
Office Phone: 312-236-6300
Fax: 312-899-5039
Spouse Name Renee Crown
Status Z

Mr Tom Kramer
Owner
The Portofino Group
446 Collins Avenue
Miami Beach, FL 33139
Office Phone 305-532-2519
Home Phone 305-532-2519
Fax 305-538-1020
Notes Gave 100K during Inauguration
Spouse Name Catherine Burda Kramer
Written Total 25,000 00
1993 Contribution Total 25,000 00
Invoice Date 4/29/93
Event AG,Miami(25K)
Status W

Confidential Information

DNC 4026023

EXHIBIT
FEC - 22

MEMORANDUM

TO: Nancy Jacobson, National Finance Director
Laura Hartigan, Director, Trustee Program
Jane Hearst, Director, BLF
Sam Newman, Director, NFC

FROM: Team Florida

DATE: May 7, 1993

RE: Florida donors

****

The following is a list of donors whose contribution to the April 29, 1993 dinner in Miami honoring Vice President Al Gore has earned membership to either the NFC or BLF. Only contributions given, not contributions raised, were counted towards such credit.

The individuals who raised more than $50,000 should be included as members of the Trustee program, as should individuals who made significant contributions as "partial payment" towards Trustee status, with the understanding they will finish their $50,000 commitment by the end of the year.

In addition, there are several individuals who raised substantial money but did not make a contribution towards the event. Their names, a brief explanation of their situation and the amount each raised or gave is listed at the end of this memo in the Honorable Mention section. We recommend each receive special consideration for membership in one of the programs.

EXHIBIT
FEC - 23

TRUSTEE (raised at least $50,000)

Marvin Rosen
Jerry Berlin
Mitchell Berger
Howard Glicken
Russ Barakat
Austin Forman
Monte Friedkin
Bud Stack

BLF ($10,000 contribution)

Michael Adler
Bell South (Danny Murray)
Gladys Cofrin
Arthur Courshon
Florida Medical Center - Eddie Dauer
U.S. Generate (Steve Herman)
Charles Intriago
Tom Kramer
Richard Machado
Steve Scott (Nevco Partners)
Jorge Bolanos
Jim Pugh
Sel Maduro
Hugh Westbrrok (Vitas Health Care)
Dr. Sandy Ziff
Environmental Sal (David Block)
Hamilton Forman

DNC 4025934

NFC ($5,000 contribution)

Harold Altschuler
William Amlong
Dan Ashland
Alan Becker
Abel Holtz
Mickey Arison (Carnival Cruise)
Michael Chizner
Bucky Clarkson
Michele Cohen
Larry Hawkins
Bill Crotty
Fred Estrada
Max Salas
Ada Fiedkin
Shawn Friedkin
Lisa Friedkin
Arnold Friedman
Joseph Gehl
Sherman Podolsky (Gold Star Medical)
Ira Leesfield
Dennis Ross
Bob Kagan
Harvey Kaltsas
Albert Knoll

EXHIBIT
FEC - 23.3

DNC 4025935

Mickie Leonard
Fernando Alvarez (Mercy Lu Enterprises)
Mark Michaels (Vitreo-Retinal Consultants)
Soloman Melgan (Vitreo-Retinal Consultants)
Montenay Power Corp/Montenay-Dade, Ltd.
Carol Moody
William Rand
Janet Robbie
Nelsn Rodriguez
Diane Sepler
Special Committee for Health Care Reform (David Schiering)
Larry Stewart
Morris Stoltz
Parker Thompson
Maria Elana Torano
Norm Tripp (Alamo Rental Car)
Windmere Corporation
Louis Wolfson
Richard Zelman
Armando Munoz
Mike Pecora
Bret Berlin
Pat Bickford
Belin Saborido

HONORABLE MENTION

Tom Daly - raised $20,000, including $5,000 personally written. He should be considered a Trustee, and certainly will write and raise more than enough by the end of the year to qualify for the program.

Bud Chiles - Raised over $30,000 as of this memo, with additional money likely to "come in" during the next few weeks.

Linda Murphy McCool - Wrote $30,000. We have listed her as a BLF member, but if "teed-up" properly, could write or raise an additional $20,000 to be a Trustee.

Simon Ferro - Raised $30,000. We would like to list him as a BLF member.

EXHIBIT
FEC - 23.4
DNC 4025930

Joe Chapman - Wrote $20,000 and raised $5,000. He wants to remain a trustee and has the ability to write the remainder. We recommend his Trustee status be renewed.

Jack Bendheim - Wrote $25,000 and gave check to Monte Friedkin. He did so under the assumption that $25,000 was the membership cost to be a Trustee, as indicated to him by Monte.

Jim Blosser - President of Blockbuster Video, which wrote a $10,000 check for dinner. We need to find an event for them to write the remaining $5,000 to allow them to join the BLF.

Paul Cejas - Wrote $25,000 and has committeed to write or raise at least $25,000 more, although he is aiming for Managing Trustee status and hopes to raise the additional $75,000 necessary for that program.

Larry Hawkins - Raised $40,000 in 3 days! Wrote $5,000 himself. As a County Commissioner, he has the ability to raise hundreds of thousands of additional dollars in Miami. We should get him fully engaged by asking him to be a Trustee and commit to raise an additional "chunk" of money.

Doc Cullison - As President of MEBA, he controls several labor groups contributions nad has the potential of giving hundreds of thousands of dollars. He gave $15,000 to our event while also giving $15,000 to the Labor Council. His Trustee status should be renewed. He'll certainly give another $20,000 prior to year's end.

Tom Kramer - Gave $25,000 to the event. Is the developer who will build much of South Miami Beach and is worth tens of millions. Make him a Trustee and stroke him and he'll do more than $50,000 for the program.

Maria Elana Torano - Raised $42,000, including $5,000 she wrote. At minimum, she will do remaining $8,000 in the near future and should be listed as a Trustee at this time.

EXHIBIT
FEC - 23.5

MEMORANDUM

TO: Laura Hartigan
cc: Nancy Jacobson
Peter O'Keefe
FROM: Eric Silden

DATE: June 6, 1993

RE: Thomas Kramer

****

As we discussed, I have spoken to Thomas Kramer, prominent real estate developer in South Florida, about his future commitment to the DNC (Kramer made a $25,000 contribution to the April Gore dinner in Florida.) In conversations I have had with him since the dinner, he has expressed a strong desire to increase his support to the party.

On friday, using the Thursday dinner with the Vice President as an opening, I moved the process beyond the discussion phase and asked Kramer to commit another $75,000 to the party before the end of the year. He signed on and made the commitment.

He has the ability to write much more than $100,000 and runs in wealthy, yet untapped, circles. Let's sit down and discuss how you can more fully engage him.

EXHIBIT
FEC - 24

DNC 1040292

From: Eric Sildon (SILDON)
To: Hartigan
Date: Tuesday, June 8, 1993 1:09 pm
Subject: Thomas Kramer

Per your request, here is some background information on Thomas Kramer.

Kramer is the owner of the Portifino Group, a major real estate development firm in Florida. Kramer's current project is the development of 35 acres of prime real estate in Miami's South Beach area. (He bought the land with cash for $100 million, though the value of the property developed is $2 billion.)

He met the Vice President at the April dinner in Miami. Kramer was a new player to the DNC at that dinner (he had never been involved in national political fundraisers prior to the Miami dinner.) He gave $25,000 to that event, and has committed to contribute another $75,000 to the party in the next year.

contact:
Marshall McAlpine, CEO
or
Lizette (personal assistant)

for

Thomas Kramer
The Portifino Group
446 Collins Avenue
Miami Beach, Florida 33139
(H) 305-538-4422
(W) 305-532-3519
(F) 305-538-1020

CC: Scully

EXHIBIT
FEC - 25

DNC 1040281

Event Form for Chairman Wilhelm

Date of the Event:	June 10, 1993
Name of the Event:	Vice Presidential Private Dinner
Sponsor:	Democratic National Committee, Finance Contact: Laura Hartigan 202.737.3500 800.SKY.PAGE 277.8476
Location:	The Four Seasons Hotel 2800 Pennsylvania Avenue, NW Washington, DC 20007 p 202.342.0444 f 202.342.1673
Even: begins:	Cocktails, 6:30 pm
	Dinner, 7:00 pm
Lasts until:	8:30 (approx)
DW arrives:	7:45 pm
departs:	8.15 pm
(possible) program:	8.00 pm (see end note)
Estimated attendence:	20-25 people

Greeter: Laura Hartigan, Director of the Trustees Program

the event will be closed to the press.

Note:

This is an informal gathering of twenty-some trustees and active supporters of the DNC and specifically of the President's Dinner.

Accordingly, no program is scheduled. *However*, it is possible that DW will introduce the Vice President for closing remarks as he departs. When the Chairman arrive, we will decide if a program is necessary. This is a very casual evening and it might be more beneficial to the the Chairman spend a few moments with each of the guests.

Laura Hartigan will inform the Chairman on the status of this when she greets him upon

EXHIBIT

FEC - 26

his arrival.

Please find attached a copy of the Vice President's briefing. It includes background and event notes for AGJ, as well as a guest list with biographical sketches for your use.

DNC 1102175

EXHIBIT
FEC - 26.2

ATTENDEES AT THE VICE PRESIDENT'S DINNER

spouses will not be attending, names appear FYI

Table A

Dr. Benjamin Armstrong, PhD. Madison, NJ

- Trustee
- Former Executive Director of National Religious Broadcasting
- Knows Mrs. Gore from his work with PMRC
- Has built a relationship with radio networks around the nation
- PhD in Communications from NYU
- Is significantly contributing to the President's Dinner that you are scheduled to attend on June 28
- spouse: Ruth

Mr. Morton Bahr (Morty) Washington, DC

- Managing Trustee (he will be seated on your left)
- President of Communications Workers of America
- CWA gave $300K in 1992 and has committed to $200K in 1993
- Has met with the Vice President before
- Attended White House meeting in AFL-CIO in May
- spouse: Florence

Mr. Bob Barrie Washington, DC

- Managing Trustee
- Senior Vice President of Governmental Affairs for General Electric
- long time Democratic supporter
- raised $200K in NYC, and $150K for President's Dinner
- spouse: Paula

DNC 1102182

EXHIBIT
FEC - 26.3

Mr. Thomas Blair Washington, DC

- Managing Trustee (he will be seated on your right)
- employed at America's Health Plan (organization does not use titles)
- Is hosting tonight's dinner
- Wrote a check for $100K during the general election
- Former member of Bush Team 100
- Needs to cultivated as a lead contributor
- In 1989, joined in venture with H. Ross Perot, formed Direct Health Inc. The firm was purchased by The Principal Financial Group in 1992.
- spouse: Alice

Mr. Larry Ellison Redwood Shores, CA

- Managing Trustee
- President of the Oracle Corporation
- Prior, was vice president of systems development at Omex
- Recipient; Harvard School of Business Entrepreneur of the Year
- not married

Ellen Globaker Washington, DC

- Political Director, AFSCME
- Just returned from Krueger's race, worked on Clinton/Gore
- just gave $100K to the DNC through AFSCME
- AFSCME was very instumental in the inaugural, lending over 100 employees to the effort. One of those employees, Terry Raynor, worked full time in your office.

Nancy Jacobson Washington, DC

- Director of Finance, DNC
- 1992 Mid Atlantic Finance Director
- Not married

Mr. Tom Jolly Washington, DC

- Managing Trustee
- Tom Quinn's law partner, O'Connor and Hannon
- Former General Counsel to Congressman William Ford
- Very close with the Vice President, supported him in the 1988 campaign
- Early financial supporter in the 1992 campaign
- $100K towards the President's Dinner

DNC 1102183

EXHIBIT
FEC - 26.4

Congressman Bob Matsui Washington, DC

- Treasurer of the DNC
- spouse: Doris Matsui, who works under Alexis Herman at the office of Public Liaison in the Old Executive Office Building

Mr. Tony Podesta Washington, DC

- Trustee
- President; Podesta Association, a national public policy consulting and public affairs firm.
- Former counsel to Senator Ted Kennedy
- Founding President; People for the American Way, a national non-partisan citizen's organization designed to protect constitutional liberties
- Member; Clinton for President Finance Committee
- Co-chaired 1991 Gala
- JD; Georgetown Law, 1976
- Brother John Podesta is Assistant to the President and Staff Secretary
- not married

DNC 1102184

EXHIBIT
FEC - 26.5

Table B

Mr. Tom Bresnahan, III Washington, DC

- Trustee
- Manager, Federal Relations, Chevron Company
- long time Democratic supporter
- former member of the BLF, moving up to Trustee level
- $40K in towards the President's Dinner

Mr. Keith Geiger Washington, DC

- Managing Trustee
- President, National Education Association
- Gave $75K this year
- spouse: Janet

Ms. Laura Hartigan Washington, DC

- Director of the Trustee Programs, DNC
- Former Member of Secretary Brown's transition team
- 1992 Illinois Finance Director
- not married

Mr. Tom Kramer Miami, FL

- Born in Germany
- Major real estate developer in Miami, owns Portofino Group
- Met AGJ earlier this year at the Miami dinner
- Gave his very first DNC contribution ($25K) for the Miami dinner
- Has committed additional $75K this year
- spouse: Katherine

DNC 1102185

EXHIBIT
FEC - 26.6

Mr. Frank Moore Washington, DC

- Managing Trustee
- President and CEO, Waste Management Systems
- Met with the Vice President in Chicago two weeks ago with Krueger
- Knows the Vice President and has spoken with him on several occasions
- Brought in $175K to New York, brought in $100K to the President's Dinner
- spouse: Nancy

Mr. Scott Pastrick Bethesda, MD

- Managing Trustee
- Works with Peter Kelly
- Was Deputy National Finance Director in the Mondale-Ferraro Campaign
- was heavily in involved in 1992 campaign
- Served in the Carter Administration as a special assistant in Legislative Affairs at Treasury
- Is the Chairman of the President's Dinner on June 28, has been working directly out of the DNC Finance office since early May, will be credited for raising close to $500K.
- Partner in Stone, Manafort, Black and Kelly
- spouse: Courtney Clark Pastrick

Mr. G. Kirk Raab (pronounced "Rob") San Francisco, CA

- Will be seated to your left
- President and CEO, Genentech
- Lived in Latin America for 11 years
- Serves on the Board of Directors for
  - Pharmaceutical Manufacturers' Association
  - Industrial BioTech Association
  - Cholestech, Inc.
  - University of California-San Francisco
- Serves on the Board of Trustees
  - Colgate University
  - San Francisco Ballet
- He is a new prospect to the DNC
- spouse: Molly

DNC 1102186

EXHIBIT
FEC - 26.7

Mr. Steve Wilson Chicago, IL

- Will be seated at your right
- Managing Trustee
- Has agreed to be Co-chair of the Presidential Dinner
- Will play a substantial role in the upcoming Chicago dinner in July
- Prior involvement also with the DSCC
- Spouse: Patty

Chairman David Wilhelm

- spouse: Degee

DNC 1102187

EXHIBIT
FEC - 26.8

DNC Event Brief

Attended a private dinner with the Vice President

June 10, 1993 at the Four Seasons Hotel, Georgetown.

See attached OVP briefing memo for details.

Others that attended:

Ben Armstrong
Morton Bahr
Bob Barrie
Thomas Blair
Thomas Brennahan
Larry Ellison
Keith Geiger
Tom Jolly
Tom Kramer
Gerald McEntee
Frank Moore
R. Scott Pastrick
Kirk Raab
Steve Wilson (canceled at last moment)

Hosts present. The Vice President, Chairman and Representative Matsui

Staff: Nancy Jacobson, Laura Harrigan
Jennifer Scully, Hannah Spillman (not at dinner)

EXHIBIT
FEC - 27

DNC 1040291

MEMORANDUM

NT
What do you think.

TO: [redacted]
Nancy
cc: Peter, Jay

FROM: Eric

DATE: September 20, 1993

RE: Clinton in Florida

As you know, the POTUS is traveling to Florida this week. The itinerary is fluid and will be finalized later today. Current plan calls for a late afternoon departure from Washington on Thursday. Thursday night appearance on the ABC News special, A Health Care Town Hall Meeting. This will occur in Tampa. A Friday event somewhere in the state on crime.

Josh King, who is scheduling the trip, has indicated there will be no time for a "supporters event" on this trip. However, I asked if he could give us some time for our top Floridians and he said he thought he could work it into the trip. He asked for a prioritized list of our top 15 people, with no guarantees that he could take care of ALL of them He thinks there will be a "watch room" set up at the site of the Town Hall, and the President will spend time in there as a holding room either prior to, or immediately after, the show. That, he thinks is the best shot for time with the President. FYI, the trip is tight, because they want the President to have maximum speech prep time before his address to the UN at the end of the weekend

As Laura requested, I have taken a first stab at names for the priority list. PLEASE GIVE ME YOUR PROMPT REACTION, SO WE CAN QUICKLY FINALIZE OUR LIST. THEY ARE NOT PRIORITIZED. Let's first determine who should be added or dropped from this list before we prioritize. I have tried to combine key trustees from Florida with health care people from Florida. I also have added Tom Kramer because things like this might get him jazzed-up to start writing those big checks, as I previously explained in a memo

THE LIST

1 Mitchell Berger 2
2 Phil Frost (health) 1
3 Paul Cejas (health) 3
4 Thomas Kramer 17
5 Dennis Ross (Tampa) 10
6 George Sheldon (Tampa) 21
7 Hugh Westbrook (health) 4
8 Arthur Courshon (he was the one who did not get invited to Miami clutch and was very upset 16
9 Arnold Friedman (Health) [redacted] 19
10 Jerry Berlin 7
11 Howard Glicken [redacted] 18
12 Don Madden [redacted] 20
13 Russ Barakat 5
14 Michael Adler 8
15 Bud Chiles 22

Possible additional names include Gladys Cofrin 25, Alfie Fanjul 9, Dr. Saloman Melgen 23, Dr. Richard Machado 24, Bud Stack 12, Marvin Rosen 11, Joe Chapman 13, Monte Friedkin 14, Paul Prosperi 15, Jay Stein 16, Jim Pugh 26

DNC 1102040

EXHIBIT
FEC - 28

Call Sheet for
CHAIRMAN DAVID WILHELM

REQUESTED BY: Trustee Programs

DATE SUBMITTED: November 16, 1993 DEADLINE: November 19, 1993

DNC CONTACT: Jennifer Scully or Jay Webber

PHONE: x7152 or x7147

NAME: Tom Kramer

TITLE:

ORGANIZATION: The Pompano Group

PHONE: (305) 532-2519 (Home #) (305) 532-2519

CONTACT:

PHONE:

PURPOSE OF CALL: To encourage Mr. Kramer to stay active and involved in the Trustee Program through the November 22 Dinner with the Vice President.

BACKGROUND/RELATIONSHIP WITH DNC: 1992 Trustee, gave $100,000 to the Inaugural Committee

ACTIVITY/FOLLOW-UP:

Call sheet prepared by John C. Weiner

EXHIBIT
FEC - 29

DNC 1121910

November 16, 1993

Call Requests from the Trustee Program

	Date Requested	Name	Request and Further Developments
2.	11/4	Arthur Glatfelter Work: (717) 741-0911 TCC -	To encourage him to become involved with the DNC. 1 CC K Many Trustee - Scott will call.
	11/15	Marc Turtletaub Work: (916) 965-5241	To encourage him to stay involved with the DNC. He has mentioned that he would like to write $100,000.
1.	11/16	Alfie Fazjul 50K Work: (407) 655-6303 Home (305) 663-5877	Encourage him to stay involved with the Trustee Program, through the Nov 22nd Dinner.
	11/16	Tom Kramer Work: (305) 532-2519 Home (305) 532-2519	Encourage him to stay involved with the Trustee Program, through the Nov. 22nd Dinner.
	11/16	Phil Stout Work (412) 225-1000	To thank for his participation in the Nov. 22nd Dinner. He is writing 100K.
3.	11/16	Walter Shorenstein Work (415) 772-7000 Home (415) 752-83781	The Chairman asked Laura to remind him to make this call.

EXHIBIT
FEC - 30

DNC 1121906

MEMORANDUM

TO: Laura
cc: Terry
Richard

FROM: Eric

DATE: January 26, 1994

RE. The Glicken Dinner for the VP

Howard called this morning. He is not optimistic about the prospects for next wednesday's dinner. He claims the people who committed to him are still solid, but 10 days notice was not enough time for many of them to change mid-week business plans and come to DC for 24 hours.

Naturally, I explained to Howard that he'll never have more than a few weeks notice. But he seems to feel that these people that he is soliciting are committed to playing with us and will contribute at the Trustee level or above, but they need 2-3 weeks minimum to make the time available on their schedules

I have listed below those individuals that he is pursuing, what their previous commitment was to Howard, and what their status is (whether they can attend, or if not, why)

NAME	COMPANY	COMMIT	RSVP	IF NOT WHY
Bill McBride	holland and Knight	prospect	NR	Has previously indicated he wants to get involved w/DNC in '94
John Cook	Disney	prospect	NR	
Phil Frost	IMAX	prospect	NO	wants to do something special like this, but needs more advance time
John Tish	Loews Hotels	prospect	NO	needs a break, wants to help HG and will play later
Sandy Ziff	——	prospect	NO	will consider helping above Florida commit, very close to Howard
James Ortinzio	Long Island Beef	PROSPECT	NO	not interested
Todd Robinson	LPL	PROSPECT		wants to play/no decision on 2/2
Bob Crowe	Commonwealth Group		NO	will write check for Howard
Bob Crowe	State Street Bank		NO	they will consider, have previously expressed interest, but not ready this soon
Tom Kramer			NR	We've given up hope on this guy
Steve Wyatt	Equator Corp	25/50K		wants to play for sure on his own steam, not as part of Dad's shadow.

DNC

EXHIBIT
FEC - 31

				though he will talk to Dad about paying ½ the tab
Arthur Halleran		prospect	NO	cannot make the 2/2.

NAME	COMPANY	COMMIT	RSVP	IF NOT WHY
Howard Weingrow	real estate firm prospect		wants to help the DNC, thinking about 2/2	
David Muller	Summit Tech	50K	NO	prior commitment on 2/2
Mi Ahn	PMX Industries	50K/100K	NO	out of country, $ are solid
Stanley Kreitman	——	25/50	Possible	
Morris Weisman	US Bank Note			Bad business time for US Bank note to get involved
Jack Manping	Boston Capital	100K	YES	
Jeffrey Silverman	Plygem	50K/100K	NO	NY Board meeting/cannot cancel, but $ are solid
Ralph Vincci	Arwonds	25/50	NO	out of country/previously said yes
Matt Gold	Whale Securities	25/50K		in San Francisco, can't be in DC on 2/2, he's solid
Ian Cumming	Lucadia Corp	50K	NO	traveling on business

EXHIBIT
FEC - 31.2

DNC 1658988

Mr Ahn	PMX Industries	50K/100K	NO	out of country. $ are solid

EXHIBIT
FEC - 31.3

DNC 1658989

May 27, 1994

Mr. and Mrs. Tom Kramer
CEO
The Portofino Group
446 Collins Avenue
Miami Beach, FL 33139

Dear Catherine and Tom,

On Wednesday, June 22, 1994, the Democratic National Committee will host the 1994 National Presidential Dinner "An American Celebration," honoring President Bill Clinton and Vice President Al Gore in Washington, DC. In recognition of your friendship and support as DNC Trustees, it gives me great pleasure to extend to you an invitation to attend this special event as my guests.

The event will begin with a cocktail reception at 6:30 p.m. and the dinner, featuring all star entertainment, will begin at 7:30 p.m. The dinner will be held at the Washington Hilton. I have enclosed an information sheet with more details.

Please RSVP to Ari Swiller, our Trustee Program Director, by Wednesday, June 8th, to reserve your complimentary seats. Ari can be reached at (202) 863-8033.

Thank you for your continued support. I look forward to joining you for this special evening.

Sincerely,

David Wilhelm
Chairman

Enclosure

EXHIBIT
FEC - 32

DNC 1613319

Thomas Kramer
President
Olympus Holdings, Inc
446 Collins Avenue
Miami Beach, FL 33139-5146

Dear Tom:

On behalf of Chairman David Wilhelm and the Democratic National Committee (DNC), it is my pleasure to invite you to the 1994 Business Leadership Forum's Issue Conference in Washington on June 21st and 22nd

The conference begins on Tuesday, June 21st at the White House with a reception hosted by the President and First Lady honoring the DNC's Business Leadership Forum (BLF) members. An official invitation to the reception will be extended to you from the White House and we request that you please R.S.V.P. to the office of the Social Secretary. The following day's schedule begins with breakfast and will include morning briefings and a luncheon featuring senior administration officials and congressional leadership

You are also invited to our annual Presidential Dinner on the evening of Wednesday, June 22nd honoring the Clinton/Gore administration The dinner is a fundraiser and if you wish to attend, we ask that you make the requested $1,500 contribution per seat

For your convenience there is a block of rooms reserved at the Mayflower Hotel in Washington, DC, (202) 347-3000 Rooms are reserved under the DNC block

A more detailed schedule of events and response form for the conference will follow in the next few days If you have any questions, please feel to contact Richard Sullivan or Fran Wakem of the Business Leadership Forum at (202) 863-7136

Thanks again for your generous support I look forward to seeing you in

EXHIBIT
FEC - 33

Washington on June 21st.

Sincerely,

Terry McAuliffe
National Finance Chairman

EXHIBIT
FEC - 33.2

REPORT DATE 06/14/94
REPORT TIME 01:30PM

GATE LIST

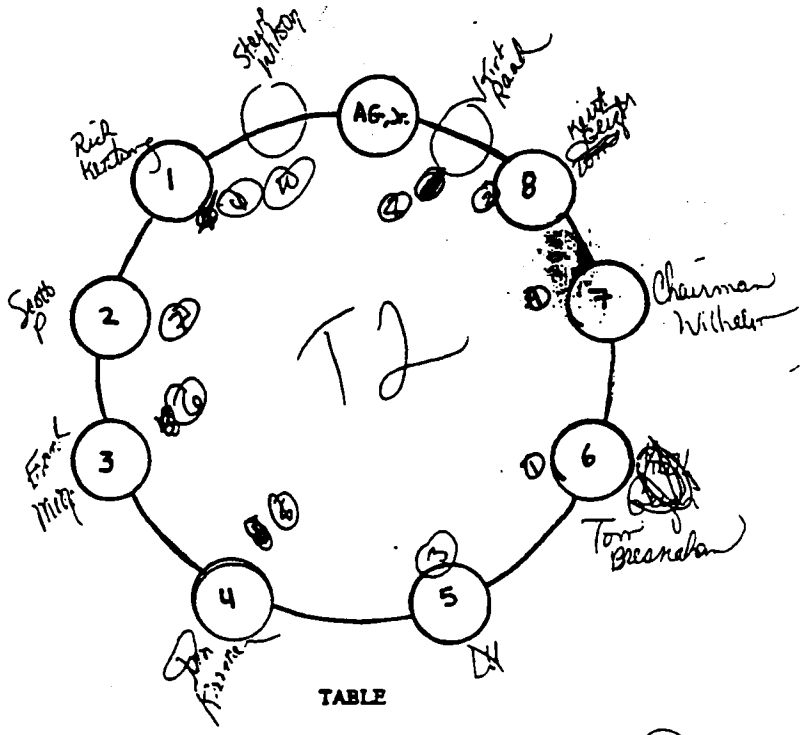
(POSTPONED TO JUNE 21) Business Leadership Forum - April 19, 1994
Contact Social Office X67136

ACCEPT AND NO RESPONSE

NAME		NAME	
Hurwitz, Charles (Mr.)		Kelly, Peter (Mr.)	
Hyjek, Steve (Mr.)		Kempner, III, Harris (Mr.)	A
Hynes, Tom (Mr.)		Kempner, Hetta T. (Ms.)	A
		Kempner, Michael (Mr.)	A
Iberra, Ken (Mr.)		Kertzman, Mitchell (Mr.)	A
Ickes, Harold (Hon.)		Khan, Kamran (Mr.)	A
Iarriago, Charles (Mr.)		Killeen, John Jay (Mr.)	A
		Kimbrough, Rollie (Mr.)	
Jacks, Ethan (Mr.)		Kinney, Janie (Ms.)	A
Jackson, Ira A. (Mr.)	A	Kirk, James (Mr.)	A
Jacobs, Harry (Mr.)	A	Klothen, Ken (Mr.)	
Jacobsen, Ken (Mr.)		Knight, Peter (Mr.)	
James, III, Charles (Mr.)		Knoll, Albert (Mr.)	A
Jankowsky, Joel (Mr.)	A	Kocot, Larry (Mr.)	A
Jarvis, Scott (Mr.)		Koegler, Harold (Mr.)	
Jayne, Edward (Dr.)		Kovach, Gerald J. (Mr.)	A
Jelin, William (Mr.)		Koza, John R. (Dr.)	
Joffe Robert (Mr.)	A	Kramer, Thomas (Mr.)	
Joffe Virginia (Ms.)	A	Krise, Ron (Mr.)	
Johnson, Robert L. (Mr.)	A	Kronzer, James (Mr.)	
Johnson, Sheila (Ms.)		Kuitwaard, Jake (Mr.)	A
Jones, Anthony (Mr.)	A	Kurtz, Anthony David (Mr.)	
Jones David (Mr.)	A		
Jones, C. Douglas (Mr.)	A	Lader, Philip (Hon.)	
Jones, Kirby (Mr.)		Lake, Anthony (Hon.)	A
Jones Jr., Robert Trent (Mr.)		Lambert, David (Mr.)	A
Jordan, Carolyn (Ms.)	A	Lamonica, Don (Mr.)	
Jordan, Robert (Mr.)	A	Landow, Nathan (Mr.)	
Joseph, Peter (Mr.)		Landsman, Dick (Mr.)	
Joshua, Ernest P. (Mr.)		Lardner, H. Thomas (Mr.)	A
Joyce Gene (Dr.)		Larkin, Carrol (Ms.)	
		Law, Joanna (Ms.)	A
Kendall, Alice (Dr.)	A	Laurstein, Karl (Mr.)	A
Kanter, Mickey (Hon. (Amb.))		Lausell, Miguel (Mr.)	A
Kapur, Ramesh (Mr.)	A	Lear, William (Mr.)	
Karcher, David (Mr.)		LaBow, Bennett (Mr.)	
Kasuga, Masahiko (Mr.)		Lee, Thomas (Mr.)	
Kaup, Robert (Mr.)	A	Lefkowitz, Stephen (Mr.)	
Kastan, Frank (Mr.)		Lefrwich, Maxine (Ms.)	A
Kelly, Cathy (Ms.)	A	Leggett, James Mark (Mr.)	A
Kelly, James F. (Dr.)	A	Leonard, Thomas A. (Mr.)	

DNC 1103289

EXHIBIT
FEC - 33.3



5.

6.

7.

8.

DNC 1102228

EXHIBIT
FEC - 34

THE FIRST LADY'S TABLE

1) Bud Stack	♦	Attorney, DNC Trustee
2) Barbara Stack	♦	Spouse, Bud Stack
3) Tom Kramer	♦	Miami Real Estate Developer, DNC Trustee
4) Katherine Kramer	♦	Spouse, Tom Kramer
5) Fred Estrada	♦	Chairman, Vista & Hispanic Magazine (runs in the Sunday issue of the Miami Herald), New DNC Trustee
6) Teresa Estrada	♦	Spouse, Fred Estrada
7) Mark Jimenez	♦	CEO, Portofino Group
8) Willie Gary	♦	Partner, Gary, Williams, & Parenti (law firm), New DNC Trustee, Minority Advocacy Activist
9) Gloria Gary	♦	Spouse, Willie Gary
10) Rebecca Scott	♦	Spouse, Stephen Scott
11) Stephen Scott	♦	CEO Coastal Pharmaceuticals
The First Lady		
TOTAL = 12		

EXHIBIT
FEC - 35

DNC 1116334

1994 Florida Presidential Dinner
Donors

Adler	15,000.00	Adler, Michael
Adorno & Zeder	30,000.00	Glicken, Howard
Alanis, Inc	3,000.00	Glicken, Howard
Albasia	3,000.00	Perez, Jorge
Alexander	1,500.00	Torano, Maria Elena
Alhadeff	15,000.00	Perez, Jorge
All State Engineerin	1,500.00	Perez, George
Ashlin	10,000.00	Berger, Mitchell
Astrone	1,500.00	Perez, George
Astrone2	1,500.00	Orseck, Jeff
Baczko	15,000.00	Jacobson
Balkin	1,500.00	Direct Mail
Balkin2	1,500.00	Direct Mail
Barakat	3,000.00	Berger, Mitchell
Barot	1,500.00	Perez, Jorge
Barry	1,500.00	Berger, Mitchell
Barton	2,675.00	Berger, Mitchell
Baumgarten	3,000.00	Perez, George
Beach	1,500.00	Friedkin, Monte
Becker	6,000.00	Berger, Mitchell
Bendheim	25,000.00	Friedkin, Monte
Beregyni	1,500.00	Crotty, Bill
Berenyi	1,500.00	Crotty, Bill
Berger	5,000.00	Berger, Mitchell
Bernillo, Ajamil	30,000.00	Glicken, Howard
Billard	100.00	Direct Mail
Blosker	1,500.00	Orseck, Jeff
Blosser	15,000.00	Berger, Mitchell
Bond	15,000.00	Rosen, Marvin
Brin	1,500.00	Perez, George
Brower	0.00	(Sullivan)
Burr	15,000.00	Berger, Mitchell
Burbee	1,500.00	Perez, George
Cardoso	3,000.00	Perez, George
Care Florida	10,000.00	Perez, Jorge
Carey	15,000.00	Berger, Mitchell
Cassel	1,500.00	Perez, Jorge
Cavanaugh	1,500.00	Perez, George
Cejas	5,000.00	Perez, Jorge
Cejas2	10,000.00	Perez, Jorge
Chapman	15,000.00	Stack, Bud
Chaviano	6,000.00	Berger, Mitchell
China Pavailion	4,500.00	Ying, Nelson
China Pavilon	1,500.00	Ying, Nelson
China Pavilon	3,000.00	Ying, Nelson
Chisholm	1,500.00	Perez, George
City National	15,000.00	Perez, Jorge
Clarkson	3,750.00	Rosen, Marvin
Clavero	3,000.00	Torano, Maria Elena
Cleanco	3,000.00	Perez, George
Collins	1,500.00	Friedkin, Monte

EXHIBIT
FEC - 36

DNC 1116350

Collins	13,500.00	Friedkin, Monte
Conklin	1,500.00	Berger, Mitchell
Conn	100.00	Torano, Maria Elena
Conn2	400.00	Torano, Maria Elena
Connor	200.00	Direct Mail
Consul-Tech	1,500.00	Perez, George
Courshon	10,000.00	Courshon, Arthur
Craven	1,000.00	Torano, Maria Elena
Craven2	500.00	Torano, Maria Elena
Crotty	1,500.00	Crotty, Bill
Crotty2	1,500.00	Crotty, Bill
Cummings	3,000.00	Perez, Jorge
Cummings	100,000.00	Glicken, Howard
Current Builders	15,000.00	Perez, Jorge
Dascal	3,000.00	Rosen, Marvin
Davis	750.00	Graves, Richard
Decaro	500.00	Direct Mail
Del Rio	1,500.00	Berger, Mitchell
Delta Shoe Group	1,500.00	Perez, Jorge
Dockery	1,500.00	Perez, Jorge
Donohoe	6,000.00	Berger, Mitchell
Edelman	3,000.00	Perez, George
Engineering & Constr	25,000.00	Parker, MJ
Estrada	100,000.00	Torano, Maria Elena
Fanjul	65,000.00	Fanjul, Alfonso
Farmer	5,000.00	Gleason, Carey & McKowan
Fascell	1,500.00	Friedman, Arthur
Feiss	25.00	Direct Mail
Feiss2	25.00	Direct Mail
Feldenkrais	1,500.00	Torano, Maria Elena
Fernandez	1,500.00	Berger, Mitchell
Fernandez-Maar	1,500.00	Gleason, Carey
Ferrell	15,000.00	Stack, Bud
Fields	1,500.00	Berger, Mitchell
Figueroa	4,500.00	Perez, George
Fine	500.00	Perez. Jorge
First Union	6,000.00	Perez, George
Fiscal Funding	30,000.00	Glicken, Howard
Floors & Walls	3,000.00	Perez, George
Florida Service	1,500.00	Perez, George
Florida Teaching	6,000.00	Friedkin, Monte
Forman1	1,000.00	Berger, Mitchell
Forman2	1,000.00	Berger, Mitchell
Forman3	1,500.00	Berger, Mitchell
Forman4	1,000.00	Berger, Mitchell
Forman5	2,500.0.	Berger, Mitchell
Forman6	1,000.00	Berger, Mitchell
Forman7	1,000.00	Berger, Mitchell
Fortun	1,500.00	Perez, Jorge
Fried	1,500.00	Perez, Jorge
Friedkin	2,500.00	Friedkin, Monte
Friedkin	50,000.00	Friekin, Monte
Friedkin Industries	1,500.00	Friedkin, Monte
Friedman	30,000.00	Friedman, Arnold

EXHIBIT
FEC - 36.2

DNC 1116351

Friedson	5,000.00	Rosen, Marvin
Fry2	3,000.00	Perez, George
Garchar	1,500.00	Direct Mail
Gardonsky	100.00	Direct Mail
Gary	5,000.00	Glicken, Howard
Gehl	7,500.00	Berger, Mitchell
Giller	3,000.00	Courshon, Arthur
Gohd	10,000.00	Glicken
Goldberg	3,000.00	Unsolicited
Goldmeier	1,500.00	Perez, Jorge
Gopher Trust	1,500.00	Graves, Richard
Gosman	50,000.00	Dozoretz, Beth
Graves	1,500.00	Graves, Richard
Gray, Harris	1,500.00	Friedkin, Monte
Griffin	1,500.00	Gleason, Carey & McKowan
Grody	1,500.00	Sink, Alex
Harrington	15,000.00	Glicken, Howard
Harrington2	15,000.00	Glicken, Howard
Harrington3	15,000.00	Glicken, Howard
Harris	1,000.00	Courshon, Arthur
Hart	15,000.00	Berger, Mitchell
Hattaway	500.00	Crotty, Bill
Haverfield	6,000.00	Glicken, Howard
Hemmeter	3,000.00	Rosen, Marvin
Hendon	3,000.00	Gleason, Carey & McKowan
Hertz	100.00	Direct Mail
Hodkin	3,000.00	Perez, Jorge
Holtz	6,000.00	Rosen, Marvin
Horizon Leasing	5,000.00	Berger, Mitchell
Interior Group	1,500.00	Perez, Jorge
Internal Medicine	1,000.00	Berger, Mitchell
International	15,000.00	Glicken, Howard
ITA Management	3,000.00	Berger, Mitchell
J. Valiente Painting	1,500.00	Perez, George
Jiminez	50,000.00	Rosen, Marvin
Jiminez2	50,000.00	Rosen, Marvin
Johannssen	1,500.00	Orseck, Jeff
JW Harris	1,500.00	Perez, George
Kagan	3,000.00	Berger, Mitchell
Kagan2	1,500.00	Berger, Mitchell
Katz	1,500.00	Barakat, Russ
Keith	3,000.00	Stack, Bud
Kramer	60,000.00	Rosen, Marvin
Kramer2	40,000.00	Glicken, Howard
Lane	25,000.00	Rosen, Marvin
Larson	1,500.00	Baczko, Ruth
Laverne	1,000.00	Berger, Mitchell
Lavernia	1,000.00	Berger, Mitchell
Leesfield	30,000.00	Dozoretz, Beth
Leesfield2	20,000.00	Dozoretz, Beth
Levin	1,500.00	Rosen, Marvin
Levine	1,500.00	Ziff, Sanford
Lorraine Travel	1,500.00	Torano, Maria Elena
Louziet	1,000.00	Perez, Jorge

EXHIBIT
FEC - 36.3

Lovelady	1,500.00	Perez, George
Lucibella	1,000.00	Berger, Mitchell
Maduro Travel	15,000.00	Glicken, Howard
Mandelion	1,500.00	Berger, Mitchell
Mandler	1,500.00	Perez, Jorge
Map Construction	1,500.00	Perez, Jorge
Marcus	1,500.00	Courshon, Arthur
Marcus2	1,500.00	Courshon, Arthur
Marquette Realty	2,500.00	Berger, Mitchell
Mauk8	15,000.00	Rosen, Marvin
McGowan	1,500.00	Gleason, Carey & McKowan
McMillen	1,500.00	Berger, Mitchell
Medina	15,000.00	Rosen, Marvin
Melgen	15,000.00	Ferro, Simon
Mendel	3,000.00	Ziff, Sandy
Miami Motor	8,500.00	Glicken, Howard
Michele & Partners	1,500.00	Perez, George
Morgan	1,500.00	Torano, Maria Elena
Moskowitz	1,500.00	Berger, Mitchell
Moskowitz	3,000.00	Berger, Mitchell
Munson	1,500.00	Perez, Jorge
Murphy	15,000.00	Rosen, Marvin
Murrow	3,000.00	Glicken
Mycon Corp.	1,500.00	Perez, Jorge
Nahmad	3,000.00	Rosen, Marvin
National Care	5,000.00	Perez, Jorge
Nature Way	750.00	Perez, Jorge
NEA PAC	5,000.00	Friedkin, Monte
Olympia Constr	1,500.00	Glicken, Howard
Orange PAC	1,000.00	Friedin, Monte
Oritz	1,500.00	Perez, Jorge
Orseck	1,500.00	Perez, George
Overton	15,000.00	Friedkin, Monte
Owens	750.00	Graves, Richard
Palley	3,000.00	Rosen, Marvin
Pala Beach Teachers	1,000.00	Friedkin, Monte
Pannu	3,000.00	Orseck, Jeff
Parkleigh Apartments	5,000.00	Berger, Mitchell
Patipa	3,000.00	Melgen, Salomon
PCA	4,500.00	Friedkin, Monte
Peddie	1,500.00	Friedkin, Monte
Peico Professional	1,500.00	Perez, Jorge
Perez	1,500.00	Berger, Mitchell
Pino	1,500.00	Torano, Maria Elena
Podolsky	1,000.00	Berger, Mitchell
Poe & Brown	3,000.00	Friedkin, Monte
Porter	15,000.00	Glicken, Howard
Preyer, McClendon	15,000.00	Glicken, Howard
Pugh	10,000.00	Stack, Bud
R. Palacios	15,000.00	Glicken, Howard
Rankin	1,500.00	Gleason/McKowan/Graves
Ray	1,500.00	Ziff, Sanford
Reavill	500.00	Torano, Maria Elena
Reico	1,500.00	Glicken, Howard

EXHIBIT

FEC - 36.4

DNC 1116353

Related Bank	25,000.00	Perez, Jorge
Related Services	1,500.00	Perez, George
Reshefski	3,000.00	Berger, Mitchell
Richman	1,000.00	Berger, Mitchell
Roe	1,500.00	Graves, Richard
Roger Wright	1,500.00	Friedkin, Monte
Roizman	5,000.00	Berger, Mitchell
Roizman2	10,000.00	Berger, Mitchell
Roller	200.00	Direct Mail
Rosen	15,000.00	Rosen, Marvin
Rubin	3,000.00	Perez, Jorge
Salazar	1,000.00	Berger, Mitchell
Savitz	1,500.00	Glicken, Howard
Scharlin	1,500.00	Perez, George
Scott1	100,000.00	Berger, Mitchell
Scott2	15,000.00	Berger, Mitchell
SeaExpress	15,000.00	Glicken, Howard
Shapiro	1,500.00	Rosen, Marvin
Shapo	30,000.00	Glicken, Howard
Sheldon	3,000.00	Friedkin, Monte
Shih	1,500.00	Graham, Bob
Shuford	3,000.00	Gleason, Carey & McKowan
Simon	3,000.00	Friedkin, Monte
Sink	1,500.00	Sink, Alex
Skelly	15,000.00	Friedman, Arnold
Smith	325.00	Berger, Mitchell
Smith For Congress	3,000.00	Unknown
Solnik	1,000.00	Berger, Mitchell
Southern Properties	5,000.00	Berger, Mitchell
Spalding	1,500.00	Ziff, Sanford
Spills, Candela	1,500.00	Torano, Maria Elena
Steiner	25,000.00	Friedkin, Monte
Swann	10,000.00	Unknown
Swezy	1,500.00	Berger, Mitchell
Teachers Association	500.00	Friedin, Monte
Teitelbaum	15,000.00	Glicken, Howard
Thirer	3,000.00	Orseck, Jeff
Torano	15,900.00	Torano, Maria Elena
Torano2	15,000.00	Torano, Maria Elena
Torano3	1,500.00	Torano, Maria Elena
Tornillo	7,500.00	Friedkin, Monte & Sheldon
Tornillo2	7,500.00	Friedkin, Monte & Sheldon
Trauma and Rehab	3,000.00	Orseck, Jeff
Travel Depot	2,500.00	Berger, Mitchell
Tripp	1,500.00	Berger, Mitchell
Turner	1,500.00	Gleason, Carey & McKowan
UFF-PAC	500.00	Friedkin, Monte
Unfelder	3,000.00	Friedkin, Monte
United Surgical	3,000.00	Orseck, Jeff
Urban Construction	15,000.00	Glicken, Howard
Valverde	1,000.00	Berger, Mitchell
Vance	3,000.00	Perez, George
Viera Company	15,000.00	Viera
Wackenhut	22,000.00	Glicken, Howard

EXHIBIT
FEC - 36.5

DNC 1116354

Waters	3,000.00	Berger, Mitchell
Web Service	3,000.00	Perez, George
Weinberger	15,000.00	Weinberger, Barry
Weiner	3,000.00	Perez, George
Weinstein	1,500.00	Berger, Mitchell
Willis Shaw	15,000.00	Glicken, Howard
Wilson	250.00	Perez, George
Wine Spirits	15,000.00	Friedkin, Monte
Wolfe	1,500.00	Perez, Jorge
Wuliger	25,000.00	Friedkin, Monte
Yanez	9,000.00	Berger, Mitchell
Yanez2	1,500.00	Berger, Mitchell
Yarkin	3,000.00	Ziff, Sandy
Yeaman	1,500.00	Barakat, Russ
Ying	4,500.00	Ying, Nelson
Ziff	3,000.00	Ziff, Sanford

Total Money In Hand: $2,162,900.00

EXHIBIT
FBC - 36.6

DNC 1116355

Invoice Dates
Managing Trustees

Mr. Ian M. Cummings
Payment on Pledge: March 15, 1994
1994 Written: 100,000.00

Mr.
Richard A. Hayward
Chairman
Mashantucket Pequot Nation
Payment on Pledge: March 14, 1994
1994 Written: 100,000.00 Written
1993: 100,000.00

Mr. Mark Jiminez
Future Tech International Inc.
Payment on Pledge: March 10, 1994
1994 Written:
100,000.00

Mr. Alfred Estrada
Payment on Pledge: February 15, 1994
1994 Written: 100,000.00 Written 1993:
5,000.00

Mr. Harold Nix
Harold Nix & Associates
Payment on Pledge: February 10, 1994
1994 Written: 100,000.00

Mr.
Truman Arnold
President, Chairman of the Board and CEO
Truman Arnold Companies
Payment on Pledge: February 9, 1994
1994 Written:
100,000.00

Mr. Oscar Wyatt
CEO
The Coastal Corporation
Payment on Pledge: February 9, 1994
1994 Written: 100,000.00

Mr. Paul Montrone
Fisher Scientific International
Payment on Pledge: February 9, 1994
1994 Written: 120,500.00
Written 1993:
40,000.00

Mr. Robert L. Healy
Manager of Federal Government Relations
ARCO
Payment on Pledge: February 8, 1994
1994
Written: 100,250.00

EXHIBIT
FEC - 37

Mr. Wayne Reaud
Senior Partner
Reaud, Morgan, and Quinn
Payment on Pledge: February 8, 1994
1994
Written: 100,000.00

Dr. Steven M. Scott
Chairman and CEO
Costal Health Care Group
Payment on Pledge: February 4, 1994
1994
Written: 100,000.00

Mr. John J. Moores
President
JMI Incorporated
Payment on Pledge: January 22, 1994
1994 Written:
100,000.00

Mr. Alan E. Kligerman
Chairman and CEO
Akpharma Inc.
Payment on Pledge: January 19, 1994
1994 Written:
100,000.00

Mr. Marvin Davis
President
The Davis Companies
Payment on Pledge: December 13, 1993
Written 1993: 100,000.00

Mr. Milan Panic
President
ICN Pharmaceuticals Inc.
Payment on Pledge: December 13, 1993
Written 1993: 100,000.00

Dr. Bob
Elkins
CEO
Integrated Health Services
Payment on Pledge: December 1, 1993
Written 1993: 115,000.00

Mr. Carl H. Lindner
President
American Financial Corporation
Payment on Pledge: December 1, 1993
Written 1993: 250,000.00

Mr. Phil Stout
Stout
Group Limited
Payment on Pledge: December 1, 1993
1994 Written: Written 1993: 100,000.00

Mr. Dirk Ziff
Chairman Emeritus
Ziff Communications
Payment on Pledge: December 16, 1993

EXHIBIT
FEC - 37.2

Written 1993: 100,000.00

Mr. Sidney J. Sheinberg
Mrs. Lorraine Sheinberg
c/o Price Waterhouse
Payment on Pledge: November 17, 1993
Written 1993: 100,000.00

Mr. Steven
Spielberg
c/o Breslauer, Jacobson, Rutman, and Chapman
Payment on Pledge: November 17, 1993
Written 1993: 100,000.00

Mr.
Jeffrey Katzenberg
Chairman
Walt Disney Studios
Payment on Pledge: November 15, 1993
Written 1993: 100,000.00

Mr. Steven E.
Tisch
Payment on Pledge: November 10, 1993
Written 1993: 100,000.00

Mr. Dwayne O. Andreas, Jr.
Chairman
Archer Daniels
Midland Company
Payment on Pledge: October 21, 1993
Written 1993: 210,000.00

Mr. Bruce Stern
President and CEO
SWAT
Incorporated
Payment on Pledge: September 28, 1993
Written 1993: 100,000.00

Mr. Walter Kaye
Payment on Pledge: September
20, 1993
1994 Written: 250.00 Written 1993: 104,958.44

Mr. William Brandt, Jr.
President
Development
Specialists, Inc.
Payment on Pledge: August 10, 1993
1994 Written: 55,000.00 Written 1993: 80,000.00

Mr.
Peter Morton
Chairman and Founder
Hard Rock America
Payment on Pledge: July 26, 1993
Written 1993: 100,000.00

Mr. Ron
Burkle
Managing Partner
Yucaipa Companies
Payment on Pledge: July 13, 1993
Written 1993: 105,000.00

EXHIBIT
FBC - 37.3

Mr. David Geffen
Payment on Pledge: July 13, 1993
Written 1993: 100,000.00

Mr. William S. Lerach
Milberg, Weiss, Bershad, Spechtrie,
and Lerach
Payment on Pledge: July 13, 1993
Written 1993: 150,000.00

Mr. Walter H. Shorenstein
Chairman
The Shorenstein
Companies
Payment on Pledge: July 13, 1993
Written 1993: 110,000.00

Mr. Finn M. W. Caspersen
CEO
Beneficial Corporation
Payment on Pledge: June 28, 1993
Written 1993: 265,000.00

Dr. Benjamin Armstrong
President
Madison Broadcasting
Company
Payment on Pledge: June 25, 1993
1994 Written: 250.00 Written 1993: 100,000.00

Mr. Dennis Bakke
President
The AES Corporation
Payment on Pledge: May 27, 1993
Written 1993: 110,000.00

Ms. Denise Rich
Zerem Inc.
Payment on Pledge: May 26, 1993
1994 Written: 2,600.00 Written 1993: 105,000.00

Mr. Peter W. May
DWG
Corporation
Payment on Pledge: May 3, 1993
Written 1993: 110,000.00

Mr. Roy Furman
Furman Selz, Inc.
Payment on
Pledge: April 15, 1993
Written 1993: 100,000.00

Mr. George E. Norcross, III
Chairman and CEO
Keystone National Company,
Inc.
Payment on Pledge: April 15, 1993
Written 1993: 100,000.00

Ms. Ann E. Sheffer
Payment on Pledge: April 15, 1993
Written 1993: 100,000.00

Alfred R. Pierce, Esq.

EXHIBIT
FBC - 37.4

Payment on Pledge: May 5, 1993
Written 1993: 100,000.00

Mr. William D. Rollnick
Ms. Nancy Ellison
Payment on Pledge: May 7, 1993
Written 1993: 109,000.00

Mr. Jeffrey
Hirshberg
Director of Government Relations
Ernst & Young PAC
Payment on Pledge: January 12, 1993
1994 Written: 250.00
Written 1993: 115,000.00

$50,000-$99,999 Donors

David F. Muller Ph.D.
President
Summit Technology Inc.
Payment on Pledge:
March 17, 1994
1994 Written: 50,000.00

Mr. Paul Tudor Jones
Tudor Investment Corporation
Payment on Pledge: March 7,
1994
1994 Written: 50,000.00 Written 1993: 40,000.00

Mr. Abraham D. Gosman
CEO
The Mediplex Group
Payment on
Pledge: March 7, 1994
1994 Written: 50,000.00

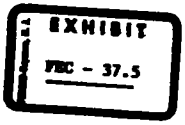
Mr. Tom Kramer
CEO
The Portofino Group
Payment on Pledge: March 4,
1994
1994 Written: 60,000.00 Written 1993: 25,000.00

Mr. Michael Caddell
Ms. Tracy Conwell
Caddell & Conwell
Payment on Pledge: February 6, 1994
1994 Written: 70,000.00

Mr. Bernard Rapaport
Chairman of the Board
American Income
Life Insurance
Payment on Pledge: February 6, 1994
1994 Written: 50,000.00

Mr. Lee Godfrey
Sussman Godfrey
Payment on
Pledge: February 6, 1994
1994 Written: 50,000.00

Dr. Samuel Klagsbrun



DNC Florida Managing Trustees, Trustees and Business Leadership Forum Members

Managing Trustee

Mitchell Berger
Berger,
Shapiro & Davis
100 N.E. 3rd Avenue
Suite 400
Ft. Lauderdale, FL. 33301
W - 305-525-9900

Ian Cumming
Chairman, Leucadia National
Corporation
529 East South Temple
Salt Lake City, UT 84102
W 801/521-1001
F 801/539-0722

Fred Estrada
Chairman, Hispanic
Publishing Corporation
999 Ponce deLeon Blvd.
Suite 600
Coral Gables, FL 33134
W 305/442-2462
F 305/443-7650

Alfonso Fanjul
President - Flo-Sun Inc.
316 Royal Poinciana Plaza
Palm Beach, FL. 33480
W 407/655-6303

Monte Friedkin
Friedkin Industries

7900 Glades Rd.
Boca Raton, FL. 33431
W - 407/479-1882

Howard Glicken
Chairman - The Commonwealth Group
8400 Old Cutler Rd.
Coral
Gables, FL 33134
W - 305/446-0023 or 202/785-40404
F - 305/662-2647 or 202/785-4242
H - 305/669-1063 Honorable Larry Hawkins
Board of County Commissioners
111 NW 1st Street
Suite 220
Miami, FL. 33128
W - 305/375-5123

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EXHIBIT
FEC - 37.6

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EXHIBIT
FEC - 37.7

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Chairman
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WEC - 37.11

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33618
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F 813/264-5556

EXHIBIT
FEC - 37.13

MAJOR DONOR SCREENING FORM

To: Major Donor Screening Group: Kent___ Joe___ Nancy___ Kiki___

From: Neil Reiff, Kelly Fagan

Re: Major Donor Screening

Date: 4/26

Below is information about the above-referenced donor. If you have any additional information and/or objections to the DNC's receipt of this contribution, please send this form, with comments, to Kent Markus by close of business, _____.

Name of Donor: Olymous Holdings, Inc.

Amount of contribution: 25,000

Address: Attn: Thomas Kramer, owner
43 Star Island, Miami Beach FL 3313

Occupation: Trader / Real Estate Developer

Employer:

Solicitor (If known): Howard Glicken

Date of Donation: 4-14-93

Form sent to Research: Yes: ___ No ___ Date: 4/26/93

NEXIS SEARCH: Yes ✓ No ___
FEC ONLINE SEARCH: Yes ✓ No ___
(Attach Summary of Findings)

Committee Member Recommendation: Deposit___ Return to Donor ___

Committee Comments:

Committee Member Signature: _____ _____

For Chief of Staff's Use:
Please contact Legal Dept. by close of business _____, or check will be deposited.

1) Disposition: Deposit ___ Return___

2) Date of Notification to Legal Dept. _____

Chief of Staff: _____

DNC 0625

EXHIBIT
FEC - 38

Copyright 1993 Canada NewsWire Ltd.
Canada NewsWire

April 8, 1993, Thursday

SECTION: Financial News

DISTRIBUTION: Attention Business Editors

LENGTH: 2878 words

HEADLINE: VANCOUVER STOCK EXCHANGE - COMPANY MEETING DATES MEETIN(FROM APRIL
10, 1993 TO MAY 10, 1993

DATELINE: VANCOUVER, April 8

KEYWORD: BC-vanex-meeting-dates

Oil City Lubricants Ltd	Mar 25	Apr 30	A
Olympus Holdings Ltd	Mar 9	Apr 15	A
Optima Petroleum Corporation	Mar 26	May 7	AG

EXHIBIT
FEC - 38.2

DNC 0629598

Copyright 1993 Forbes, Inc.
Forbes

March 1, 1993

SECTION: MONEY & INVESTING; Pg. 58

LENGTH: 964 words

HEADLINE: The odd couple

BYLINE: By Phyllis Berman

HIGHLIGHT:
Miami Beach's South Beach has become the new Mecca of Eurotrash: Meet Thomas Kramer

BODY:
SOUTH BEACH, MIAMI BEACH. South Beach in its way is hotter than Saint-Tropez was back in the 1970s. There is no Brigitte Bardot, but gorgeous male and female models are in plentiful supply. Late afternoons and early evenings, oceanfront cafes teem with rich Eurotrash, who later repair to trendy clubs where they drink and dance until the next Florida sunrise.

Thomas Kramer is the life of the South Beach party. He is flamboyant even by Eurotrash standards. The German-born Kramer, 35, educated at a fancy German boarding school, is dashingly handsome and arrogant.

The Florida papers love to hate Kramer. Last summer he tore down a house on exclusive Indian Creek Island to make room for a new mansion. But he never built the mansion, telling his employees, "I don't want to live surrounded by old people." Gossip has it that he abandoned his building plans after powerful members of the island's golf club hired a private investigator to track him. He later threatened to build a nursing home on his land.

Kramer owns Picasso's "Woman in an Armchair," for which he paid $ 2.9 million. He brags that he's negotiating to buy Christina Onassis' chalet in Saint Moritz, and also claims to have offered to charter the Lady Ghislaine, Robert Maxwell's old yacht.

He made the papers again last year with a spectacular Halloween-night bash for his nightclub, called Hell. There were fireworks and a naked woman lying on a table with a pool of chocolate on her belly. Guests were invited to dip strawberries in the chocolate, according to attendees. Kramer instructed the doorkeeper to bar homosexuals. The latter protested by plastering Nazi emblems on his 1948 Mercedes and other cars.

DNC 0629599

EXHIBIT
FEC - 38.3

All very decadent.

But Kramer has a business side, too. He has spent over $ 40 million buying real estate in South Beach: 5 residential properties on Star Island, 2 properties on Indian Creek Island and 20 apartments in oceanfront South Pointe Towers. According to a Miami Beach real estate agent, he paid top dollar for these properties. And in every case, he paid cash.

Whence came all that cash? Apparently much of it from German demibillionaire Siegfried Otto, 78, one of the world's biggest printers of currency (see box). About two years ago Otto married Babrai, a glamorous woman in her 50s, after a long relationship. Her daughter from a previous marriage, Cathrine, is married to Thomas Kramer. Kramer brags that his wife, when she was going with Siegfried Otto's son Yorck, introduced her mother to the old gentleman. At any rate, Otto apparently helped stake his new stepson-in-law's Florida foray.

How much has Otto given Kramer? Enough to cause a rift between Otto and his two sons, Tilman and Yorck. In October Siegfried Otto threw both sons out of the business where they had worked for years. "They were trying to poison their father's mind against me," says Kramer. One report has it that the sons tried to have Otto declared mentally incompetent. Neither Siegfried Otto, his lawyer in Palm Beach nor members of his company's supervisory board were willing to talk about the relationship.

It's an odd relationship, an aging and ailing conservative German businessman and a playboy with a dicey reputation. Even Kramer's friends admit he is a crapshooter. One of them, Ernst Rohrer, a Swiss banker, says of Kramer: "He's a real gambler."

Kramer has shot craps in commodity markets since he was a teenager, and that's where the rest of his money may have come from. He had speculated in such things as gold, grain and currency, reportedly making and losing large sums. He transferred his activities to South Beach early last year, after being virtually ostracized in Germany three years ago. He had set up a blind pool to invest in East German real estate long before there was a ruling on who actually owned it. Kramer says the endeavor collapsed when negative publicity caused his bank to cut off his credit line overnight. He started over in Florida.

"I am a man with visions," says Kramer, in his arrogant way. "Once I was skiing in Gstaad. I was on the top of the mountain, and suddenly I knew I must short gold, so I grabbed a phone and called my broker, and shorted $ 25 million worth of gold. I made between $ 5 and $ 6 million.

"Another time I had a dream about a burning field. I knew I should buy wheat and corn futures. That time I made millions more. That is how it is with me."

DNC 0629600

EXHIBIT
FEC - 38.4

But things aren't so good with him right now. Apparently his stepfather-in-law has a moratorium on checkwriting. Clearly short of cash, Kramer has in the past month dismissed at least 68 staffers, including the well-respected developer Kay Statz. He also shuttered his nightclub, Hell. But he still talks of building a $ 250 million apartment complex as a playground for the Eurorich in newly glamorous Miami Beach. He envisions a new luxury hotel and European-style village. If only he could raise the money. "Now I am a painter without arms," he moans. "I'm not a developer, but I have a vision of a place where the rich, the cosmopolitan, the people with ideas can gather here in Miami Beach."

Kramer has abandoned Miami Beach, at least temporarily, for what associates say is a money-raising jaunt to Saint Moritz, the hot spot for new Milanese money. Why Saint Moritz? "Let me put it this way," says Swiss banker Rohrer. "In Saint Moritz it's like fishing in an aquarium."

When we asked Kramer about his unsavory reputation in Florida, he dropped his visionary tone, exploding in red-faced rage: "You journalists are all alike. You make no money, so you are jealous of people like me who do." We responded that FORBES reporters are accustomed to dealing with people a lot more solvent than he is.

GRAPHIC: Picture, Thomas Kramer, Miami Beach's attention grabber from Germany. Has he gone to Saint Moritz for good or will he be back to build a European-style village in South Beach? Bill Wax

Forbes, March 1, 1993

DNC 0629601

EXHIBIT
FEC - 38.5

Forbes, March 1, 1993

FOCUS

SECTION: MONEY & INVESTING; Pg. 59

LENGTH: 205 words

HEADLINE: The source

BYLINE: P. B.

BODY:
MUNICH's Giesecke & Devrient GmbH prints currencies, passports, traveler's checks, and stock and bond certificates. It shares these international markets with New York's U.S. Banknote, London-based De La Rue, Paris-based Francois-Charles Oberthur, and others.

G&D began in Leipzig in 1852. Siegfried Otto came to the firm prior to World War II as a printer-trainee and gained control after marrying the daughter of one of the founders. Though the company served the Nazi war machine, it refused to print counterfeit British bank notes when the Nazis demanded it; counterfeiting would compromise its integrity. The plants were 80% destroyed in a 1944 bombing, and in 1945 Otto was taken prisoner by the Russians. In 1949 he escaped and began the firm anew in Munich.

In his 50s he divorced his wife and in his 70s married Bambi, Thomas Kramer's mother-in-law (see story). Thus began the Kramer-Otto relationship. With Otto's sons out of the business and his health failing, Otto has put his company on the block. It could bring $ 500 million. Which could be good news for Thomas Kramer, if he can stay on good terms with his mother-in-law, who, by German law, is entitled to at least 12.5% of the estate.

GRAPHIC: Picture, Bambi and Siegfried Otto. Thomas Kramer's angels? Munich Press

Forbes, March 1, 1993

DNC 0629602

EXHIBIT

FEC - 38.6

International Herald Tribune, November 12, 1992
FOCUS

SECTION: FEATURE

LENGTH: 227 words

HEADLINE: Matisse Is Sold For $11 Million

DATELINE: NEW YORK

BODY:
- The portrait of a women, "L'Asie," painted by Henri Matisse in 1946, has been sold at Sotheby's for $11 million.

The picture, one of the stars of the current Matisse exhibition at the Museum of Modern Art, was withdrawn from the show to be included in the Sotheby's viewing before the sale Tuesday evening. It will be returned to the exhibition until Jan. 12 and will then go to the Kimbell Art Museum in Fort Worth, Texas, which bought the work.

The $35.6 million sale was only half successful. Of the 66 lots, 31 were unsold, making a 38 percent failure rate by value. A prominent role was played by American buyers, who acquired 21 of 35 works. "Femmes dans un Fauteuil," painted in 1932 by Picasso, sold for $2.86 million, 25 percent below the low estimate. Sotheby's said the buyer was Thomas Kramer of Florida.

DNC 0629603

EXHIBIT
FEC - 38.7

Copyright 1992 The New York Times Company: Abstracts

AUTH: BY DON FINEFROCK

TITL: GERMAN BUYS $3.75 MILLION HOME

REFR: MIAMI HERALD Section G; Page 5, Column 1 JOURNAL-CODE MH

DATE: May 3, 1992, Sunday

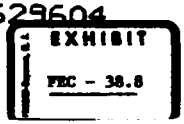
ABST: German investor Thomas Kramer pays $3.75 million for bayfront home on Indian Creek Island, Fla; purchase is his second on island in past two months; sale represents third highest price ever paid for home in Dade County, Fla (M)

DESC: HOUSING; SALES; PRICES

NAME: KRAMER, THOMAS; FINEFROCK, DON

GEOT: DADE COUNTY (FLA); INDIAN CREEK ISLAND (FLA)

DNC 0629604



Neither Olympus Holdings, Inc. and nor Thomas Kramer made any federal election contributions between 1985-1992.

DNC 0629605

EXHIBIT
FEC - 38.9

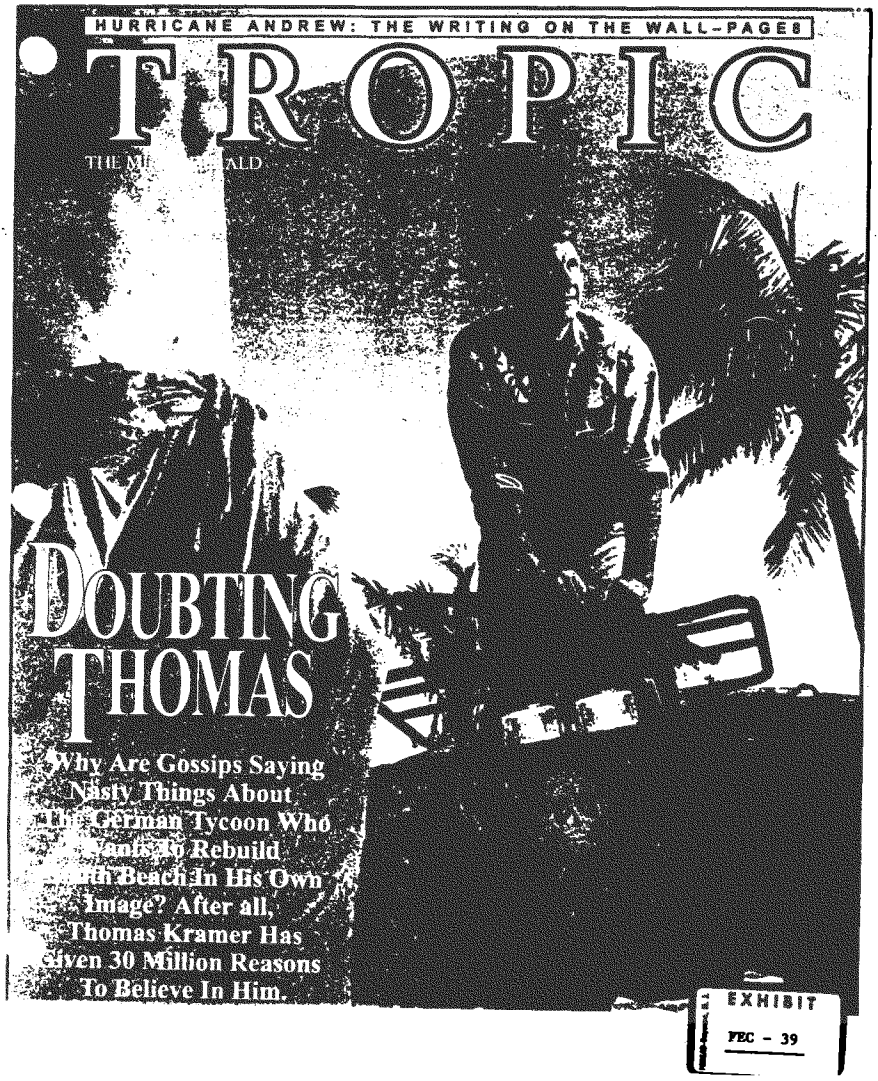


EXHIBIT
FEC - 39

Date: 7/22/97 8:20:15 AM
From: Jose Rodriguez
Subject: Bradley Issue
To: Mary Ann Bumgarner

Now that the story has broken, can LL check with Justice to determine if they have any interest in pursuing the reported Kramer/Bradley activity criminally? This would be good info to have before contacting Bradley's counsel.

J-

EXHIBIT
FEC - 40

Date: 7/25/97 2:51:41 PM
From: Lois G. Lerner
Subject: Kramer
To: Mary Ann Bumgarner
To: Jose Rodriguez
CC: Lawrence M. Noble
CC: LISA KLEIN

I spoke to Donsanto re: whether they are still pursuing the law firm and/or Kramer or others involved in that matter. He said he thought they were no longer pursuing, but he would need to check with the US atty office in Fla to be sure. I asked if they were no longer pursuing was there something we could get them to sign off on as to our potential witness He seemed to think there might be. Have you heard back from the criminal atty yet?

In a similar, but different vein, I asked him about the ___

Reference to another case

EXHIBIT
FEC - 41

Date: 9/15/97 1:14:47 PM
From: Jose Rodriguez
Subject: Latest from Bradley
To: Mary Ann Bumgarner

Attached is my telecon noting counsel's latest info re: his client's knowledge/testimony. We'll obviously need more concrete info before DOJ considers granting immunity, but before going back to counsel I need some indication that we've been communicating w/ Justice on this and that they are generally interested in the request. Let me know where we are on this.

J-

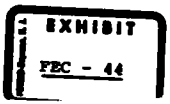
Date: 9/15/97 1:35:00 PM
From: Jose Rodriguez
Subject: Re: Latest from Bradley
To: Mary Ann Bumgarner

We will probably need more detail (especially I.D. of folks) before DOJ grants immunity.
I just want to know whether its even something that they're considering at this point. I have no real sense of what LL's discussions w/ justice have been on this.

EXHIBIT
FEC - 43

Date: 2/12/98 3:55:02 PM
From: Lois G. Lerner
Subject: GREENBERG TRAURIG(sp?)
To: Lawrence M. Noble
CC: Jose Rodriguez

Donsanto just called. They've seen the "offending language." While he was sure there must be more to the story than this was Gore's friend, he wanted to know why this hadn't been referred to DOJ. He said the Task Force would be revving up an investigation unless he could provide them with something clarifying this. While I have no problem with them investigating, I thought it would be useful to provide them with whatever statement we make to the press.



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TELECOPIER (33-1) 47 20 50 82

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TELECOPIER (852) 2810 9828

1055 BUDAPEST
RÉVAY KÖZ 2 III / 2
TELEPHONE (36-1) 131 0845
TELECOPIER (36-1) 132 7998

March 30, 1998

By Hand

The Honorable Dan Burton, Chairman
Committee on Government Reform
and Oversight
U.S. House of Representatives
2157 Rayburn House Office Building
Washington, D.C. 20515-6143

Re: Democratic National Committee

Dear Mr. Chairman:

Enclosed at the request of the Democratic National Committee is a declaration of Joseph E. Sandler, prepared in response to the Committee on Government Reform and Oversight's March 24, 1998 interrogatories to the DNC.

Should you have any questions regarding this matter, please do not hesitate to contact us.

Sincerely,

Judah Best

Enclosure

cc: The Honorable Henry Waxman

EXHIBIT
FEC - 45

BEFORE THE
COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT
UNITED STATES HOUSE OF REPRESENTATIVES

DECLARATION OF JOSEPH E. SANDLER

A. I am the General Counsel of the Democratic National Committee ("DNC"). This Declaration is submitted in response to the Interrogatories accompanying the letter dated March 24, 1998, addressed to Judah Best, Esq., from Chairman Dan Burton.

B. The information set forth in this Declaration and the accompanying Exhibit is based on a review of such records of the DNC and such other inquiries as I deemed necessary to provide the following answers to the Interrogatories.

C. Based on my review of this fourth set of interrogatories from the Committee, I believe it is impossible for the DNC to answer certain of these Interrogatories, and that those questions should more properly be directed to individuals or entities other than the DNC. Certain other interrogatories call for information relating to time periods up to five years ago, which I believe the DNC could endeavor to develop only through an extensive search of archived records. If the Committee wishes the DNC to prioritize searches for any such materials over the DNC's ongoing document search efforts for the Committee, the DNC is prepared to do so, consistent with its legal obligations to other investigative bodies.

Interrogatory No. 1: Please describe all contacts between any DNC employee or DNC office-holder and Thomas Kramer (a German national with Florida business ties).

Answer:

Corporations reportedly owned and/or controlled by Thomas Kramer made three contributions to the Democratic National Committee, by checks of the following dates and amounts:

EXHIBIT
FEC - 45.2

Olympus Holdings, Inc.	4/14/93	$ 25,000
35 Star Island, Inc.	3/4/94	$ 60,000
Portofino Group, Inc.	3/15/94	$ 40,000

Attached as Exhibit A are copies of the check tracking forms and the summary printouts from the DNC's A/S 400 system for these contributions. All of these contributions were refunded on or about November 7, 1994.

The information presently available to us indicates that the following DNC personnel had or may have had some contact with Mr. Kramer, by telephone, in person and/or in writing:

David Wilhelm	DNC Chair
Terry McAuliffe	National Finance Chair
Laura Hartigan	DNC Finance Division
Peter O'Keefe	DNC Finance Division
Eric Sildon	DNC Finance Division

A copy of a memorandum from Mr. Sildon relating to Mr. Kramer is attached as Exhibit B.

The DNC's records indicate that Marvin Rosen, who subsequently became the DNC's National Finance Chair, also had some contact with Mr. Kramer, and that Scott Pastrick, who subsequently became the DNC's Treasurer, may have had some contact with Mr. Kramer.

In addition, I received a letter from Mr. Kramer requesting a refund of the above-listed contributions, and I wrote a letter back to Mr. Kramer, on or about November 7, 1994, enclosing the requested refunds

The DNC's records indicate that the $ 25,000 contribution from Olympus Holdings was solicited by Howard Glicken, that the $ 60,000 contribution from 35 Star

EXHIBIT
FEC - 45.3

Island was solicited by Marvin Rosen; and that the $ 40,000 contribution from Portofino Group was solicited by Howard Glicken, with Peter O'Keefe listed as the DNC fundraiser.

We are unable to address more specifically the detailed questions raised in the Preliminary Statement to the Interrogatories based on the information available at this time.

Interrogatory No. 2: Please describe all contacts between any DNC employee or DNC office-holder and Terry Bradley (Thomas Kramer's secretary).

Answer:

We have not identified any information indicating the existence of any contacts between Terry Bradley and any DNC employee or office-holder.

Interrogatory No 3: Please list the names of any and all DNC employees or DNC office-holders who solicited Thomas Kramer for financial contributions.

Answer:

See Answer to Interrogatory No. 1.

Interrogatory No. 4: Please list the names of any and all employees or DNC office-holders who solicited Terri Bradley for financial contributions.

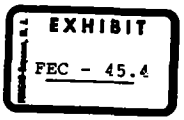
Answer:

See Answer to Interrogatory No 2.

Interrogatory No 5: What DNC events or meetings was Mr. Kramer invited to during 1993 and 1994?

5a. What was the purpose of these meetings?
5b. When were these meetings?
5c. How many people attended the event or meeting?

Answer:



As shown on Exhibit A, the contributions by companies associated with Mr. Kramer were credited on the DNC's records as having been received in connection

with the following events:

1. Fundraising event held in Miami, Florida on April 29, 1993, with Vice President Gore as featured speaker and honored guest. The purpose of this event was to raise funds for the DNC. I am advised that the event included a seated dinner for about 50 guests and a reception for approximately 150 people.

2. Fundraising dinner held in Florida for the Democratic Business Council on March 21, 1994, with President Clinton as featured speaker and honored guest. The purpose of this event was to raise funds for the DNC. I am advised that the dinner was attended by approximately 1,000 people, and DNC records indicate that a separate reception was attended by approximately 40 people.

In addition, DNC records which we have identified indicate that invitations to Mr. Kramer may have been extended for the following events:

1. DNC Dinner in Washington, D.C., June 10, 1993, with Vice President Gore as featured speaker and honored guest. The purpose of this event was to express appreciation to substantial contributors. I am advised that approximately 20-25 people attended.

2. White House Jazz Festival, June 18, 1993. We have not identified information indicating the specific purpose of this event or how many people attended.

3. Meet-and-Greet with President Clinton, Miami, Florida, September 5, 1993. The purpose of this event was to express appreciation for support of the DNC. DNC records suggest that approximately 27 people attended. Mr. Kramer may also have been invited to a reception with President Clinton in Miami on the same day. I understand that about 75 people were invited to that reception. We have not identified documentation indicating the number of people who attended that reception.

EXHIBIT
FEC - 45.5

4. DNC Reception in Tampa, Florida, September 23, 1993. We have not identified information indicating the specific purpose of this event or how many people attended.

5. DNC Trustee Retreat, in October or November of 1993. We have not identified information indicating the specific purpose of this event or how many people attended.

6. DNC Donor Breakfast in Fort Lauderdale, Florida, February 2, 1994, with DNC Chair David Wilhelm as the featured speaker. The purpose of this event was to inform donors and prospective donors regarding DNC programs, and to solicit support for a March 1994 Florida fundraiser. DNC records suggest that approximately 65 people attended.

7. DNC Dinner, planned to be held on or about February 2, 1994. We have not identified information indicating the specific purpose of this event or how many people attended.

8. DNC Trustee Retreat, in April 1994. The purpose of this event was to provide members of the DNC's Trustee Program an opportunity to receive briefings about the agenda and program of the Administration and the Democratic Party from Administration officials, Members of Congress, Party officials and others. We have not identified information indicating how many people attended.

EXHIBIT
FEC - 45.6.

9. DNC Business Leadership Forum Issues Conference, Washington, D.C., June 21-22, 1994. The purpose of this event was to provide members of the DNC's Business Leadership Forum donor council with an opportunity to receive briefings about the agenda and program of the Administration and the Democratic Party from Administration officials, Members of Congress, Party officials and others. I am advised that the various briefings and meetings were attended by approximately 150-200 people. I

understand that there was also a related reception at the White House. We have not identified reliable information as to the number of people who attended that reception.

10. DNC Gala, Washington, D.C., June 22, 1994, with President Clinton as featured speaker and honored guest. The purpose of this event was to raise funds for the DNC. I am advised that the event was attended by approximately 2,000 people.

I declare under penalties of perjury that the foregoing is true and correct to the best of my present knowledge, information, and belief. Executed this 30th day of March, 1998.

Joseph E. Sandler

EXHIBIT
FEC - 45.7

Exhibit A

EXHIBIT
FEC - 45.0

DNC Finance 10:10:
Executive Summary

Mr. Tom Kramer
Miami Beach, FL 33139

Mr. Thomas Kramer
Olympus Holdings Inc.
446 Collins Avenue
Miami Beach, FL 33139

W: F:
H: (305) 538-4422
T:
O:
E:
C:
E:

W: (305) 532-4678 F:
H: (305) 538-4422
C: Business Council
S:
DOB: 0/00/00 SSN:

WRITTEN 1997 Total: 0 1996 Total: 0 INDIVIDU

Date	Amount	Comment	Solicitor	Fundraiser

WRITTEN 1997 Total: 0 1996 Total: 0 COMPA

Date	Amount	Comment	Solicitor	Fundraiser	
5/06/93	25,000	GORE, APRIL 29, MIAMI FLO			NO
4/28/93	25,000	GORE, APRIL 29, MIAMI FLO			NO
4/28/93	25,000	GORE, APRIL 29, MIAMI FLO			NO

RAISED

Name	Amount	Event	Date

PARTICIPATION

Date	Activity

EXHIBIT
FEC - 45.9

DNC 4276857.1

8/20/97 DNC Finance 10:09:1
Executive Summary

Portofino Group, Inc.
Mr. Tom Kramer
Star Island
...ami, FL 33130

Mr. Tom Kramer
Miami Beach, FL 33139

W: (305) 532-2519 F: (305) 538-1020
H: (305) 532-2519
T:
O:
E:
C:
E:

W: F:
H: (305) 538-4422
C:
S:
DOB: 0/00/00 SSN:

WRITTEN 1997 Total: 0 1996 Total: 0 INDIVIDUA

Date	Amount	Comment	Solicitor	Fundraiser	
3/31/94	40,000	BC FLORIDA PRESIDENTIAL D		Peter O'Keefe	NC

WRITTEN 1997 Total: 0 1996 Total: 0 COMPAN

Date	Amount	Comment	Solicitor	Fundraiser

RAISED

Name	Amount	Event	Date

ANTICIPATION

Date	Activity

EXHIBIT
FEC - 45.10

DNC 4276857.2

8/20/97 DNC Finance 10:09:2

Executive Summary

Mr. Tom Kramer
3 5 Star Island Inc.
Portofino Group
19 Star Island
Miami Beach, FL 33139

W: F: W: (305) 532-7894 F:
H: H: (305) 538-4422
T: C:
O:
E:
C: S:
E: DOB: 0/00/00 SSN:

WRITTEN 1997 Total: 0 1996 Total: 0 INDIVIDUA

Date	Amount	Comment	Solicitor	Fundraiser

WRITTEN 1997 Total: 0 1996 Total: 0 COMPAN

Date	Amount	Comment	Solicitor	Fundraiser	
3/16/94	60,000	BC BOSTON PRESIDENTIAL EV	Marvin S. Rosen, Esq.	Peter O'Keefe	NO1
3/16/94	60,000	BC BOSTON PRESIDENTIAL EV	Marvin S. Rosen, Esq.	Peter O'Keefe	NO1
3/16/94	60,000	BC FLORIDA PRESIDENTIAL D	Marvin S. Rosen, Esq.	Peter O'Keefe	NO1

RAISED
on

Amount	Event	Date

PARTICIPATION

Date	Activity

EXHIBIT
FEC - 45.11

DNC 4276857.3

DEMOCRATIC NATIONAL COMMITTEE
CHECK TRACKING FORM

NC: #2
Florida 4/28/93
Gore
HG
$5,000

PLEASE FILL IN ALL THE FOLLOWING INFORMATION:

Name/Contact: Thomas ~~Kramer~~ Kramer [redacted]

Company/Employer: Olympus Holdings / self-employed

Main Address: 43 Star Island
Miami Beach FL 33139

Occupation: trader/Real Estate Developer

Telephone #s: Home 305/538 4422
Work 305/532-2519
Fax

Check Amount: $ 25,000 00 Federal ____ Non-Federal X

NFC ____ BLF ____
TRUSTEE ____

Event: Al Gore / Florida

Solicitor: H Glicken GRN Howard Glicken

Notes:

EXHIBIT
FEC - 45.12

DNC 1016334

OLYMPUS HOLDINGS, INC

UNITED NATIONAL BANK
MIAMI, FL 33130
03 901 670 - 06

3277

PAY TO THE ORDER OF DNC/Non-Federal Account

DATE 4/14/93

CONTROL NO.

AMOUNT $25,000.00

Twenty five thousand and no cents

NB1 UNM/GKN ⑈003277⑈ ⑆067009646⑆ 0051128106⑈

NEW HAMPSHIRE OAK, INC.
Liberty Lane
Hampton, New Hampshire 03842

MELLON BANK, N.A.
MELLON SQUARE
PITTSBURGH, PA 15230

№ 000502

4/12/93

40,000.00

PAY The sum of 40000 dol's 00 cts

NEW HAMPSHIRE OAK, [redacted]

TO THE ORDER OF DNC - NON FEDERAL ACCOUNT

Kenneth Theriault [redacted]
AUTHORIZED SIGNATURE

Paula J. Bauzanskas
AUTHORIZED SIGNATURE

NB1 PENY/PC1 ⑈000502⑈ ⑆043301601⑆ 139⑈2907⑈

EXHIBIT
FEC - 45.13

DNC 1016336

PORTOFINO GROUP, INC.

UNITED NATIONAL BANK
MIAMI, FL 33139
[illegible]

168

PAY TO THE ORDER OF Democratic National Committee

DATE 3/15/94

CONTROL NO

AMOUNT $40,000.00

Forty thousand dollars

⑈001663⑈ ⑆067009646⑆ 0051127595⑈

NO1
3/31/94
#1

CHECK TRACKING FORM
(All information must be provided before deposit)

Name/Contact: Tom Kramer

Company/Employer: _____

Occupation: _____

Main Address: 35 Star Island
Miami FL

Telephone(s):

Home: _____ Work: _____ Fax: _____

Social Security #: _____ Date of Birth: _____

Check Amount: $ _____ Federal: _____ Non-Federal: _____

Program: NFC ____ TRU ____ LAB ____
WLF ____ BLF ____ SAX ____

Event: _____

Solicitor: _____

DNC Contact: _____ Code: _____

EXHIBIT
FEC - 45.14

DNC 0335486

STAR ISLAND INC.

UNITED NATIONAL BANK
BRICKELL BANKING CENTER
MIAMI, FLORIDA 33130
[illegible]

0119

PAY TO THE ORDER OF Democratic National Committee

DATE 3/4/94

CONTROL NO.

AMOUNT $60,000.00

- Sixty thousand dollars

⑈000119⑈ ⑆067009646⑆ 0051130987⑈

CHECK TRACKING FORM
(All information must be provided before deposit)

Name/Contact: Tim Kramer

Company/Employer: 35 Star Island Inc.

Occupation: CEO

Main Address: Portofino Grand
19 Star Island
Miami Beach 33139

Telephone(s):

Home: 305 538 4422 Work: 305 538 4422 Fax: 305 532 7894

Social Security #: 592 19 5624 Date of Birth: April 27, 1957

Check Amount: $ 60,000 Federal: ____ Non-Federal: X

Program: NPC ____ WLF ____ TRU ____ BLF ____ LAB ____ SAX ____

Event: Florida Pons

Solicitor: Marvin Rosen

DNC Contact: NJ PU'16 Code: 500

EXHIBIT
FEC - 45.15

DNC 033628

Exhibit B

MEMORANDUM

TO: Laura Hartigan
cc: Nancy Jacobson
Peter O'Keefe
FROM: Eric Sildon

DATE: June 6, 1993

RE: Thomas Kramer
****

As we discussed, I have spoken to Thomas Kramer, prominent real estate developer in South Florida, about his future commitment to the DNC (Kramer made a $25,000 contribution to the April Gore dinner in Florida.) In conversations I have had with him since the dinner, he has expressed a strong desire to increase his support to the party.

On friday, using the Thursday dinner with the Vice President as an opening, I moved the process beyond the discussion phase and asked Kramer to commit another $75,000 to the party before the end of the year. He signed on and made the commitment.

He has the ability to write much more than $100,000 and runs in wealthy, yet untapped, circles. Let's sit down and discuss how you can more fully engage him.

EXHIBIT
FEC - 65.17