

ALASKA LEGISLATURE COMMITTEE FILES 1985-1988 80/2

3633 HSTA CAMPAIGN FINANCING (FILE 2) - CAMPAIGN FINANCING (FILE 3)

CYCLE 3 ACCOUNT NO. 86-0007-616-0 DATE 07-30-83 PAGE 1

MORRIS JOE L
SRA BOX 478
ANCHORAGE, AK. 99507

IF YOU HAVE ANY QUESTIONS REGARDING YOUR SERVICE OR UTILITY STATEMENT, PLEASE REFER TO PAGE 6 IN YOUR TELEPHONE DIRECTORY FOR THE PROPER NUMBER TO CALL.

| DATE | READ | CONSHMP | METER OR | CODE | AMOUNT |
|-------|------|---------|----------|------|---------|
| MO | DAY | OR TAX | PHONE # | | DUE |
| 07-27 | | | | A | \$78.73 |
| 08-22 | | .48 | 345-1801 | D | 16.48 |

LONG DISTANCE AND TELEGRAM STATEMENT

| PLACE CALLED | CALL DATE | NUMBER CALLED | CODES | WORDS | AMOUNT |
|--------------|-----------|--------------------|-----------|-------|--------|
| | TELEPHONE | OR SPECIAL BILLING | A B C D E | MIN | DUE |
| WHITE CIOR | 06-27 | 503-826-3790 | K 1 A | 9 | 7.54 |
| KENAI AK | 06-28 | 907-283-3651 | K 1 A | 9 | 2.75 |
| WHITE CIOR | 06-30 | 503-826-3790 | K 1 A | 9 | 1.10 |
| WHITE CIOR | 07-07 | 503-826-3790 | K 1 A | 9 | 3.40 |
| KENAI AK | 07-07 | 907-283-3651 | S 1 A | 9 | 1.65 |
| BIG LAKEAK | 07-09 | 907-892-6885 | B 1 A | 9 | 2.55 |
| KENAI AK | 07-12 | 907-283-7879 | K 1 A | 9 | .95 |
| PIEDMONTOK | 07-13 | 405-373-3069 | B 1 A | 9 | 27.30 |
| JUNEAU AK | 07-15 | 907-586-4939 | B 2 0 | 9 | 1.30 |
| JUNEAU AK | 07-15 | 907-586-4939 | B 2 0 | 9 | 3.05 |
| JUNEAU AK | 07-16 | 907-586-4939 | B 1 A | 9 | 1.30 |

IMPORTANT BILLING INFORMATION AND CODES ON REVERSE SIDE

MUNICIPALITY OF ANCHORAGE • UTILITY STATEMENT

POUCH 6-650 ANCHORAGE, ALASKA 99502-0650

CYCLE 3 ACCOUNT NO. 86-0007-616-0 DATE 07-30-83 PAGE 2

| | | |
|--|-------|----------|
| TOTAL TOLLS ON 345-1801 | 54.48 | |
| 3% FEDERAL TAX ON LONG DISTANCE CHARGES OF | 52.89 | 1.59 |
| TOTAL AMOUNT DUE - DELINQUENT AFTER 08-15-83 | | \$149.69 |

ARRIVED

MAY 1985

APOC-ANCH
CH (HC)

127

IMPORTANT BILLING INFORMATION AND CODES ON REVERSE SIDE

CYCLE 3 ACCOUNT NO. 86-0007-00 DATE 12-31-83 PAGE 2

TOTAL TOLLS ON 345-1801 29.63

3% FEDERAL TAX ON LONG DISTANCE CHARGES OF 28.76 .87

TOTAL AMOUNT DUE - DELINQUENT AFTER 01-16-84 5186.52

69.13



ARRIVED
MAY 1984
APOC-ANCH
4C

IMPORTANT BILLING INFORMATION AND CODES ON REVERSE SIDE

MUNICIPALITY OF ANCHORAGE • UTILITY STATEMENT

POUCH 8-650 ANCHORAGE, ALASKA 99502-0650

CYCLE 3 ACCOUNT NO. 86-0007-616-0 DATE 12-31-83 PAGE 1

561-1441

NORRIS JOE L
SRA BOX 478
ANCHORAGE, AK. 99507

IF YOU HAVE ANY QUESTIONS REGARDING YOUR SERVICE OR UTILITY STATEMENT, PLEASE REFER TO PAGE 6 IN YOUR TELEPHONE DIRECTORY FOR THE PROPER NUMBER TO CALL.

*Danworth
Sec.
Pat Mitchell*

| DATE | READ MU DAY | CONSUMP OR TAX | METER OR PHONE # | CODE | AMOUNT DUE |
|-------|-------------|----------------|------------------|------|------------|
| 12-28 | | | | A | \$107.39 |
| 11-29 | | | 345-1801 | C | 19.15 |
| 01-22 | | .48 | 345-1801 | D | 20.35 |

LONG DISTANCE AND TELEGRAM STATEMENT

| PLACE CALLED | CALL DATE | NUMBER CALLED | CODES A B C D E | WORDS MIN | AMOUNT DUE |
|---------------------|------------------|-------------------------|--------------------|--------------|-----------------|
| SAN MONICA | 11-14 | 213-823-3254 | S 1 A 9 | 8 | 2.71 |
| BIG LAKEAK | 11-21 | 907-892-6456 | B 1 A 9 | 2 | .45 |
| WHITE CIOR | 11-22 | 503-826-3790 | S 1 A 9 | 2 | .66 |
| BIG LAKEAK | 11-23 | 907-892-7722 | B 1 A 9 | 4 | .55 |
| WHITE CIOR | 11-25 | 503-826-3790 | S 1 A 9 | 5 | 1.48 |
| NORTHKENAK | 11-27 | 907-776-8095 | B 1 A 9 | 7 | .85 |
| SAN MONICA | 12-03 | 213-823-3254 | B 1 A 9 | 10 | 2.52 |
| BIG LAKEAK | 12-10 | 907-892-7722 | B 1 A 9 | 36 | 3.75 |
| COLUMBUSGA | 12-11 | 404-563-8343 | B 1 A 9 | 15 | 4.26 |
| LOSANGELCA | 12-11 | 213-871-0538 | B 1 A 9 | 1 | .33 |
| DOWNY CA | 12-11 | 213-823-3254 | B 1 A 9 | 1 | .33 |
| LOSANGELCA | 12-11 | 213-871-0538 | S 1 A 9 | 1 | .44 |
| SITKA AK | 12-13 | 907-747-4747 | K 1 A 9 | 1 | 2.55 |
| JUNEAU AK | 12-14 | 907-586-4900 | K 1 A 9 | 7 | 5.95 |
| NORTHKENAK | 12-15 | 907-776-8095 | B 1 A 9 | 5 | .65 |
| RENO NV | 12-16 | 702-789-2000 | K 1 A 9 | 2 | 1.28 |

128

IMPORTANT BILLING INFORMATION AND CODES ON REVERSE SIDE

CYCLE 3 ACCOUNT NO. 86-0007-616-0 DATE 02-03-84 PAGE

3/4 ch # 1057 # 62.63

NORRIS JOE L
SRA BOX 5478
ANCH AK 99516

IF YOU HAVE ANY QUESTIONS REGARDING YOUR SERVICE OR UTILITY STATEMENT, PLEASE REFER TO PAGE 3 IN YOUR TELEPHONE DIRECTORY FOR THE PROPER NUMBER TO CALL.

| DATE | READ | CONSHP | METER OR | CODE | AMOUNT |
|-------|------|--------|----------|------|--------|
| MO | DAY | OR TAX | PHONE # | | DUE |
| 03-22 | | .48 | 345-1801 | D | \$18.6 |
| 12-22 | | | | T-E | .3 |
| 12-16 | | | | T-E | 1.3 |

LONG DISTANCE AND TELEGRAM STATEMENT

| PLACE CALLED | CALL DATE | NUMBER CALLED | CODES A B C D E | WORDS MIN | AMOUNT DUE |
|--|-----------|---------------|-----------------|-----------|------------|
| TELEPHONE OR SPECIAL BILLING NUMBER 345-1801 | | | | | |
| JUNEAU AK | 01-21 | 907-586-4939 | B 1 A | 9 1 | 1.3 |
| JUNEAU AK | 01-22 | 907-586-4939 | B 1 A | 9 14 | 5.1 |
| COLUMBUSGA | 01-25 | 404-563-4381 | K 1 A | 9 6 | 3.8 |
| COLUMBUSGA | 01-25 | 404-563-8343 | K 1 A | 9 15 | 9.4 |
| BIG LAKEAK | 01-25 | 907-892-7722 | B 1 A | 9 1 | .4 |
| BIG LAKEAK | 01-25 | 907-892-7722 | B 1 A | 9 2 | .4 |
| BIG LAKEAK | 01-26 | 907-892-7722 | K 1 A | 9 36 | 3.7 |
| COLUMBUSGA | 01-28 | 404-563-8343 | B 1 A | 9 40 | 11.2 |
| BELLEVUEHA | 01-31 | 206-644-3726 | K 1 A | 9 3 | 1.5 |
| SOLDOTNAK | 01-31 | 907-262-9798 | K 1 A | 9 1 | .6 |
| BIG LAKEAK | 02-02 | 907-892-7722 | B 1 A | 9 5 | .6 |
| BIG LAKEAK | 02-10 | 907-892-7722 | B 1 A | 9 15 | 1.6 |
| WASILLA AK | 02-10 | 907-376-8875 | B 1 A | 9 1 | .4 |
| WASILLA AK | 02-11 | 907-376-8875 | B 1 A | 9 1 | .4 |
| WASILLA AK | 02-11 | 907-376-8875 | B 1 A | 9 1 | .4 |
| BIG LAKEAK | 02-11 | 907-892-7722 | B 1 A | 9 1 | .4 |

IMPORTANT BILLING INFORMATION AND CODES ON REVERSE SIDE

MUNICIPALITY OF ANCHORAGE • UTILITY STATEMENT

CYCLE 3 ACCOUNT NO. 86-0007-616-0 DATE 03-03-84 PAGE

LONG DISTANCE AND TELEGRAM STATEMENT

| PLACE CALLED | CALL DATE | NUMBER CALLED | CODES A B C D E | WORDS MIN | AMOUNT DUE |
|--|-----------|---------------|-----------------|-----------|------------|
| TELEPHONE OR SPECIAL BILLING NUMBER 345-1801 | | | | | |
| WASILLA AK | 02-12 | 907-376-8875 | B 1 A | 9 2 | .4 |
| BIG LAKEAK | 02-14 | 907-892-7722 | B 1 A | 9 7 | .8 |
| BIG LAKEAK | 02-19 | 907-892-6885 | B 1 A | 9 9 | 1.0 |

TOTAL TOLLS ON 345-1801 45.66

3% FEDERAL TAX ON LONG DISTANCE CHARGES OF 44.35 1.2

TOTAL AMOUNT DUE - DELINQUENT AFTER 03-19-84 \$62.0

ARRIVED

MAY 3 1985

APOC-ANOH
PM HC



129

IMPORTANT BILLING INFORMATION AND CODES ON REVERSE SIDE

ARRIVED

MAY 23 1985

APOC-ANOH
PM **HC**



**The Official
Court Record
of
Joseph M. Flood
Candidate for State Senator**

**JOSEPH & MYRNA FLOOD
OR PRESENT OCCUPANT
3423 W 79TH
ANCHORAGE AK**

99502

Joe Flood Claims the Legislature is a Family & He is a Family Man

He Left Two Families — Now he Wants Your Vote

In Washington

Joe was divorced by Pauline Flood for **extreme cruelty**, left one daughter, Piper Flood, and was ordered to pay \$50.00 per month child support.

He did not pay!

Pauline Flood was forced onto public assistance welfare in Washington State. The State of Washington had to request the State of Alaska to find Joe Flood and get him to pay. Alaska attempted to do so . . . but Joe Flood did not pay. It's in the record — Case No. 75-8065.

In Oregon

Joe left Beverly Rose Flood and 3 children — Joseph Flood, Shannon Flood and David Flood. He was ordered to pay \$75.00 per month per child for child support.

He did not pay!

Beverly Rose Flood was forced to ask the State of Oregon to get the State of Alaska to find Joe Flood and to get him to pay. Alaska attempted to do so at taxpayers' expense and cost. The case was not dropped until 1981. It's in the record — Case No. 74-192.

My name is Sarah Clossey. I paid for this flyer myself. I live at 6710 Zurich. I have 4 children. I was an abused wife whose husband did not pay. I am now a counselor for abused women. I see too much of this.

STATE OF ALASKA

ALASKA PUBLIC OFFICES COMMISSION

BILL SHEFFIELD, GOVERNOR

REPLY TO:

- 810 C STREET, SUITE 211
ANCHORAGE, ALASKA 99501-3598
(907) 276-4178
- JUNEAU BRANCH OFFICE
POUCH CO
JUNEAU, ALASKA 99811-0222
(907) 465-4864

May 13, 1985

Mr. William McConkey
4800 Corporation
203 A West 15th Ave.
Suite 208
Anchorage, Alaska 99501

Mr. Joe Lloyd Norris
6710 Zurich
Anchorage, Alaska 99507

Ms. Sarah A. Clossey
6710 Zurich
Anchorage, Alaska 99507

The staff to the Alaska Public Offices Commission would like to inform you that the facts contained in the attached depositions of Ms. Sarah Cloossey and Mr. Joe Norris raise serious concerns whether there has been compliance in any fashion with the Campaign Disclosure Law (A.S. 15.13).

The staff would like to request at this time the immediate filing of disclosure reports covering the series of financial transactions concerning a flyer mailed to voters in Senate Seat G prior to the 1984 elections. It is clear from the depositions this activity expressly advocated the defeat of a state candidate and is reportable in some fashion under the law. Frankly, this matter has gone unreported for a long period of time. There are criminal and civil penalties for tardy individual or group disclosures, and the staff would strongly urge you to file the necessary reports with all deliberate speed. Please have the appropriate reports on file with the Commission on or before May 22, 1985.

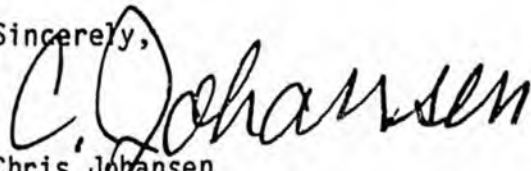
We have enclosed individual report forms (form 15-05, 15-6) and a group Campaign Disclosure Statement, together with the group manual, Registration Statement, statute, and a complete set of regulations. If you file as a group, please include the name of the candidate in the name of the group. A.S. 15.13.050. If you choose to separately report as individuals, use Form 15-5 or 15-6 as appropriate.

page 2
May 13, 1985
McConeky/Clossey/Norris

The staff considers this matter very serious. It is not too farfetched to believe there is some evidence in the deposition of conduct considered criminal under the Campaign Disclosure Law, and the Commission may very well determine, after notice and hearing, that these matters should be referred to the Office of Attorney General for criminal prosecution. Further, the Commission may determine after review of the matter that civil penalties against all or some of the above persons may be an appropriate sanction.

At this juncture, we limit our request to the prompt filing of the disclosure reports required by law. A.S. 15.13.040; A.S. 15.13.110. However, we strongly urge each to retain independent legal advice to represent your interests in this matter and that such be retained prior to the making of any statements to the staff or the members of the Commission.

Sincerely,


Chris Johansen
Associate Coordinator
Campaign Disclosure Law

cc. Senator Mitch Abood
Mr. Joe Flood c/o Mr. Charles Dunnagan, Esq.
Commissioners
Pat Kennedy, Office of the Attorney General

enc. as noted

STATE OF ALASKA

ALASKA PUBLIC OFFICES COMMISSION

BILL SHEFFIELD, GOVERNOR

REPLY TO:

- 610 C STREET, SUITE 211
ANCHORAGE, ALASKA 99501-3598
(907) 278-4178
- JUNEAU BRANCH OFFICE
POUCH CO
JUNEAU, ALASKA 99811-0222
(907) 485-4884

May 31, 1985

Mr. William McConkey
4800 Corporation
203 A West 15th Ave.
Suite 208
Anchorage, Alaska 99501

Mr. Joe Lloyd Norris
6710 Zurich
Anchorage, Alaska 99507

Ms. Sarah A. Clossey
6710 Zurich
Anchorage, Alaska 99507

In staff's last correspondence, the staff requested immediate filing of appropriate disclosure reports with the Alaska Public Offices Commission. We have spoken with Mr. Norris and Ms. Clossey and granted an extension until May 31, 1985, so they could obtain legal advice. In the meantime, the staff has done some checking and we still feel the staff is compelled by APOC regulations to press forward. 2 AAC 50.460. Of course, all persons remain free to file necessary reports at any time.

The regulations of the APOC require the staff to commence a preliminary investigation when it comes into possession of information in the normal course of business that may indicate a violation of the Campaign Disclosure Law. A.S. 15.13. 2 A.A.C. 50.460(a)(2). This is to advise you that staff has commenced a preliminary investigation. We are required to give notice of the charges which the staff believes it can prove to the satisfaction of the Commission that further proceedings are necessary. We enclose subpoenas for documents in your possession or control.

The Alaska Public Offices Commission regulations provide each respondent (i.e. Mr. McConkey, Ms. Clossey and Mr. Norris) may voluntarily respond in writing raising any relevant claims or defenses, as well as providing any additional documentation. 2 A.A.C. 50.450(f). Any written responses should be filed on or before June 7, 1985. The Commission meets on June 24-25, 1985, in the Easter Room of the Hotel Captain Cook in Anchorage, and will consider a staff recommendation. The Commission may determine further proceedings should be held. These initial proceedings are important, and your presence, claims, or written responses are urged.

McConkey, Norris, Clossey
May 31, 1985
page 2

By this correspondence, the staff wishes to inform you of its current position (but not the position of the independent Commission), and the basis for administrative action by the staff, and to give some idea of administrative procedures and potential consequences. Please remember, however, that we strongly urge you to seek immediate legal counsel in order to protect your rights, claims, and defenses, as well as give general advice on all matters of Alaska law.

APOC regulations require the staff to present a recommendation to the Commission at its next meeting regarding disposition of a preliminary investigation. The staff may recommend dismissal of the matters, continued investigation, or issuance by the Commission of a notice to the parties and an opportunity to request a hearing. Any hearing would be held pursuant to the Alaska Administrative Procedure Act and the Campaign Disclosure Law. 2 A.A.C. 50.460(d). At issue in any subsequent hearing is whether sufficient evidence exists to refer these matters to the Office of Attorney General for criminal prosecution. A.S. 15.13.070(d). We will also give notice of a possible civil penalty assessment for failure to file, as alleged below, a 10 Day Post-general Campaign Disclosure Statement. 2 AAC 50.390(i). The civil penalty provision will be consolidated with the criminal allegations for administrative convenience. If you have any objections to consolidation, please inform the staff immediately in writing.

PART I

CRIMINAL VIOLATIONS

The staff will recommend notice be given and a hearing be set by the Commission on the following criminal and civil penalty allegations:

WILLIAM McCONKEY

In October or November, 1984, Mr. William McConkey, a resident of the State of Alaska Third Judicial District, did willfully, knowingly, and intentionally, commit the following criminal acts:

- 1) In October or November, 1984, Mr. William McConkey issued, made, constructed, designed, procured, participated in and controlled the making, construction, design and procurement of a flyer (Attachment A) which expressly advocated the defeat of a clearly identified state candidate, to wit: Mr. Joe Flood, Alaska Senate District G, Seat A, without properly identifying the address of the person or individual who paid for the flyer in violation of A.S. 15.13.120(a)(5) and A.S. 15.13.090.

McConkey, Norris, Glossey

May 31, 1985

page 3

- 2) In October or November, 1984, Mr. William McConkey, issued, made, constructed, designed, procured, participated in and controlled the making, construction, design and procurement of a flyer (Attachment A) which expressly advocated the defeat of a clearly identified state candidate, to wit: Mr. Joe Flood, Senate District G, Seat A, by willfully, knowingly, and intentionally failing to properly identify the individual or person paying for the flyer in violation of A.S. 15.13.120(a)(5) and A.S. 15.13.090.
- 3) In October or November, 1984, Mr. William McConkey, knowingly, willfully and intentionally made, paid for, furnished, and delivered a nonmonetary contribution in the form of goods, services, discounts, and other materials, all in excess of \$1,000, to Senator Mitch Abood, a state candidate in Senate District G, Seat A, in violation of A.S. 15.13.070(a) and A.S. 15.13.120(a).
- 4) In October and November, 1984, Mr. William McConkey, the campaign consultant for the Senator Abood campaign for Senate District G, Seat A, did knowingly, willfully, and intentionally, receive from Mr. Joe Norris, a cash contribution of \$1,920.00, for the Senator Abood campaign without prior registration with the Alaska Public Offices Commission as a campaign treasurer or deputy treasurer for the Abood campaign in violation of A.S. 15.13.120(a) and A.S. 15.13.070(e).
- 5) In October or November, 1984, Mr. William McConkey made an in-kind contribution of goods, services and discounts to the Senator Mitch Abood campaign in Alaska Senate District G, Seat A, in excess of a fair market value of \$250.00 and willfully, knowingly and intentionally failed to report to the Alaska Public Offices Commission within 10 days on a "Statement of Contributions" (Form 15-5) in violation of A.S. 15.13.040(d)(1) and A.S. 15.13.120(a)(1).
- 6) In October or November, 1984, Mr. William McConkey made an in-kind independent expenditure of goods, services and discounts to Senator Mitch

Abood's senatorial campaign in District G, Seat A, and willfully, intentionally and knowingly failed to file a "Statement of Expenditures" (Form 15-6) within 10 days of the expenditure in violation of A.S. 15.13.040(d)-(e) and A.S. 15.13.120(a)(1).

JOE NORRIS

In October and November, 1984, Mr. Joe Norris, at all pertinent times a resident of the State of Alaska Third Judicial District, did willfully, knowingly and intentionally commit the following criminal acts:

- 1) In October or November, 1984, Mr. Joe Norris did intentionally, willfully and knowingly deliver or make a cash contribution in the amount of \$1,920.00, and in excess of \$1,000, to Mr. William McConkey, the campaign consultant for the Senator Abood campaign in Senate District G, Seat A, with the intent it be used to defeat a clearly identified candidate, to wit: Mr. Joe Flood, in violation of A.S. 15.13.070(a) and A.S. 15.13.120(a).
- 2) In October or November, 1984, Mr. Joe Norris did intentionally, willfully, and knowingly deliver or make a cash contribution in the amount of \$1,920.00 to Mr. William McConkey, the campaign consultant for the Senator Abood campaign in Senate District G, Seat A, with the intent it be used to defeat a clearly identified candidate, to wit: Mr. Joe Flood, in violation of A.S. 15.13.070(b) and A.S. 15.13.120(a).
- 3) In October or November, 1984, Mr. Joe Norris did intentionally, willfully and knowingly deliver or make a cash expenditure in the amount of \$1,920.00 to Mr. William McConkey, the campaign consultant for the Senator Abood campaign in Senate District G, Seat A, with the intent it be used to defeat a clearly identified candidate, to wit: Mr. Joe Flood, and failed to file with the Commission a cash receipt for the payment in violation of

McConkey, Norris, Clossey
May 31, 1985
page 5

A.S. 15.13.070(c) and A.S. 15.13.120(a).

- 4) In October or November, 1984, Mr. Joe Norris made and delivered a contribution in excess of \$250.00 to the Senator Mitch Abood campaign and intentionally, knowingly and willfully failed to file with the Alaska Public Offices Commission a "Statement of Contributions" (Form 15-5) within 10 days in violation of A.S. 15.13.040(d)-(e) and A.S. 15.13.120(a)(1).
- 5) In October or November, 1984, Mr. Joe Norris made and delivered an expenditure in the amount of \$1,920.00 for the benefit of and on behalf of the Senator Mitch Abood campaign and intentionally, knowingly and willfully failed to file with the Alaska Public Offices Commission a "Statement of Expenditures" (Form 15-6) within 10 days in violation of A.S. 15.13.040(d)-(e) and A.S. 15.13.120(a)(1).
- 6) In October or November, 1984, Mr. Joe Norris received \$2,000.00 in cash from an individual who he refuses to identify for the purpose of financing, paying for, and procuring and making a flyer (Attachment A) or other communication which expressly advocated the defeat of a state candidate for election, to wit: Mr. Joe Flood of Senate District G, Seat A, and placed the funds in the possession and control of Sarah Clossey, and directed, controlled and assisted Sarah Clossey to procure, make, and obtain the flyer in her legal name and willfully, intentionally, and knowingly failed to disclose to the public on proper disclosure reports, and the flyer itself, that Mr. Norris or the individual or person who was the original source of the funds made, paid for, and procured the flyer in violation of A.S. 15.13.070(d), A.S. 15.13.070(h) and A.S. 15.13.120(a)(4).

SARAH CLOSSEY

In October or November, 1984, Ms. Sarah Clossey, a resident of the State of Alaska Third Judicial District, did willfully, intentionally and knowingly commit the following criminal acts:

- 1) In October or November, 1984, Ms. Sarah Clossey did intentionally, willfully and knowingly deliver or make a cash contribution in the amount of \$2,000.00 to the Senator Mitch Abood campaign in Senate District G, Seat A, for the purposes of expressly advocating the defeat of his opponent in violation of A.S. 15.13.070(a) and A.S. 15.13.120(a).

McConkey, Norris, Clossey

May 31, 1985

page 6

- 2) In October or November, 1984, Ms. Sarah Clossey did intentionally, knowingly and willfully make or deliver a cash contribution in the amount of \$2,000.00 to Mr. William McConkey, the campaign consultant for the Senator Mitch Abood campaign in Senate District G, Seat A, with the intent it be used to defeat a clearly identified candidate, to wit: Mr. Joe Flood, in violation of A.S. 15.13.070(b) and A.S. 15.13.120(a).
- 3) In October or November, 1984, Ms. Sarah Clossey did intentionally, knowingly and willfully deliver or make a cash expenditure in the amount of \$2,000.00 to Mr. William McConkey, the campaign consultant for the Senator Mitch Abood campaign in Senate District G, Seat A, with the intent it be used to defeat a clearly identified candidate, to wit: Mr. Joe Flood, and failing to file a cash receipt with the Commission in violation of A.S. 15.13.070(c) and A.S. 15.13.120(a).
- 4) In October or November, 1984, Ms. Sarah Clossey made and delivered a contribution in the amount of \$2,000.00 for the benefit of or on behalf of the Senator Mitch Abood campaign and intentionally, knowingly and willfully failed to file with the Alaska Public Offices Commission a "Statement of Contributions" (Form 15-5) within 10 days in violation of A.S. 15.13.040(d)-(e) and A.S. 15.13.120(a)(1).
- 5) In October or November, 1984, Ms. Sarah Clossey made and delivered an expenditure in the amount of \$2,000.00 for the benefit of and on behalf of the Senator Mitch Abood campaign and intentionally, knowingly and willfully failed to file with the Alaska Public Offices Commission a "Statement of Expenditures" (Form 15-6) within 10 days in violation of A.S. 15.13.040(d)-(e) and A.S. 15.13.120(a)(1).

McConkey, Norris, Clossey
May 31, 1985
page 7

- 6) In October or November, 1984, Ms. Sarah Clossey received \$2,000.00 in cash from Mr. Joe Norris and deposited the same in her checking account at Alaska USA Federal Credit Union. The payment to Ms. Sarah Clossey was for the express purpose of financing, procuring, and obtaining a flyer or other communication that expressly advocated the defeat of Mr. Joe Flood, a state candidate, and was identified as being paid for by Sarah Clossey, a person who was not the original source of the funds. Ms. Clossey intentionally, knowingly, and willfully failed to disclose to the public on proper disclosure reports, and the flyer itself, who was the original source of the funds which made, paid for, and procured the flyer in violation of A.S. 15.13.070(d), A.S. 15.13.070(h) and A.S. 15.13.120(a)(4).

WILLIAM McCONKEY, JOE NORRIS, SARAH CLOSSEY

In October or November, 1984, William McConkey, Joe Norris, Sarah Clossey, and one or more John Does, met, cooperated with each other, solicited, engaged in special fundraising and assessments, and took joint action the major purpose of which was to expressly advocate the defeat of a clearly identified candidate in the 1984 general election, to wit: Joe Flood, by issuing, procuring, financing, and funding a flyer (Attachment A) and intentionally, willfully, and knowingly failed to register with the Commission on Form 15-2 as a political group before making an expenditure on behalf of, or in opposition to, Senator Abood or Mr. Flood, in violation of A.S. 15.13.050 and A.S. 15.13.120(a)(1).

CRIMINAL SANCTIONS

The Campaign Disclosure Law provides that upon conviction by an Alaska court on any one of the above criminal allegations, or upon any others duly brought by the District Attorney, a Court may impose a maximum fine of \$5,000 or a maximum term of imprisonment of one year. A.S. 15.13.120(a).

PART II

CIVIL VIOLATIONS

In October or November, 1984, Sarah Clossey, Joe Norris and William McConkey, cooperated with each other for the purpose of raising, soliciting, collecting, special fundraising, and making assessments upon its members for the purpose of disbursing money and other things of value to expressly advocate the defeat of a clearly identified candidate, to wit: Joe Flood, without registering with the Commission as a political group and failing to file a 10 Day Post-general Campaign Disclosure Statement as required by A.S. 15.13.110. The following assessments are provided by law for failure to timely file by members of the group jointly and severally:

McConkey, Norris, Clossey
May 31, 1985
page 8

10 Day Post-general Campaign Disclosure Statement

| | |
|-----------------------------------|-------------------|
| Date Report was due: | November 16, 1984 |
| Date Report was filed:* | Not filed |
| Number of Days Delinquent:* | 191 |
| Initial Civil Penalty Assessment: | \$1,191.00 |

* The group Campaign Disclosure Statement has not been filed as of yet. By the force of A.S. 15.13.125 and 2 A.A.C. 50.390, civil penalties continue to accrue at the rate of \$10.00 per day for each day the 10 Day Report remains unfiled.

As explained above,, it is the staff position that the civil penalty matters should be consolidated with the criminal referral hearing for the convenience of all concerned. If the Commission accepts the staff recommendation at the June 24th-25th meeting, the question of whether a group is formed, and, if so, what penalties are due, will be considered at any combined hearing provided by the Commission.

PART III

SUBPOENAS

Enclosed you will find duly issued administrative subpoenas from the APOC issued to you and others who may possess some information by way of documents concerning this transaction. A.S 15.13.045. Some of the subpoenas have already been served. The staff construes the subpoenas broadly and suggest you do likewise. The staff is always prepared to accommodate any claims the subpoenas may be, as applied to your specific situation, unduly burdensome. A phone call or written correspondence may prove helpful in the long run so that timely compliance is secured.

Sincerely,

Chris Johansen
Associate Coordinator

cc. Commissioners
Pat Kennedy, Office of the Attorney General
Senator Mitch Abood
Joe Flood, c/o Mr. Charles Dunnagan, Esq.
Sam Pestinger, Esq.

McConkey, Norris, Clossey
May 31, 1985
page 9

enc. Attachment A, flyer
Copies of Subpoenas
Copy of FOIA request

3 separate
envelopes, but
all delivered by
the same guy

June 3, 1985

ARRIVED

JUN 3 1985

APOC-AMOH
PM HC



Mr. Chris Johansen
Alaska Public Offices Commission
610 C Street, Suite 211
Anchorage, Alaska 99501-3598

Dear Mr. Johansen:

Enclosed you will find copies of letters from Ms. Clossy and Mr. Norris.

Ms. Clossy is filing her expenditure of last fall as an individual independent expenditure. She states that she was not a member of any group or committee.

She states that she hired The 4800 Corporation, an advertising and political consulting firm, to assist her in producing and distributing a flyer. This is true. She paid us between \$1900 and \$2000 to do so. We spent the money on printing, postage, and labels. Any excess was kept for our effort.

The "criminal violations" stated in your letter, numbered 3, 4, 5, and 6, just do not make any sense to me. They are all totally false. "Criminal violations" numbered 1 and 2 are also equally off-base. Ms. Clossy hired my firm to do the mailing for her. It is her mailing. Her name and address are very clearly stated on the flyer, as is the fact that she paid for the flyer. The proper alignment of the words is interesting and perhaps worth all your expense in time and effort in relation to work you leave undone.

Your "violation" against Ms. Clossy, Mr. Norris, and myself, on page 7, is nonsense. I was hired by Ms. Clossy. She is filing an individual independent expenditure report.

Mr. Norris states that he gave her the money to spend. I assume that is correct. It is really none of my business.

I was a member of no committee or group with Mr. Norris or Ms. Clossy.

Sincerely,

William C. McKinley
The 4800 Corporation

143

RECAP:

Name of Committee: None
Independent Individual Expenditure by Sarah Clossy

Expenditure to: The 4800 Corporation, Anchorage, Alaska

Date: exact date unknown - between Oct. 25 and Nov 6, 1984

Purpose of Expenditure: oppose the election of Joe Flood;
produce, distribute flyer

Amount of Expenditure: \$1,920.00

Neither myself nor Mr. Norris were treasurers, deputy treasurers, or members of the Abood campaign--ever, in any way.

Since I was not part of any group and made an independent individual expenditure, I do not know how to respond to your "civil violation" section concerning a group report.

Please inform me of my obligations and avenues of approach concerning late reports for an individual independent expenditure.

Sincerely,

Sarah A. Clossy

Sarah A. Clossy
6710 Zurich
Anchorage, Alaska 99507

ARRIVED

JUN 3 1985

APCC-ANOH
PM HC

cc: Mr. Norris
The 4800 Corporation

June 3, 1985

ARRIVED

JUN 3 1985

Mr. Chris Johansen
Alaska Public Offices Commission
610 C Street, Suite 211
Anchorage, Alaska 99601-3598

APOC-ANCH
PM HC

Dear Mr. Johansen:

I am in receipt of your letter of May 31, 1985. Due to a misunderstanding with my attorney, Mr. Pestinger, he did not show up on the 31st of May to represent me, as I anticipated. I sincerely apologize for this misunderstanding and any inconvenience caused you.

Enclosed you will find a copy of a letter from Sarah Clossy. She is filing her expenditure of last fall as an individual independent expenditure and is reporting same to you by letter.

In that letter, she states that I gave her the money, at her request, so she could make an individual independent expenditure. That is true.

Neither Ms. Clossy, nor myself, were treasurers, deputy treasurers, or members of the Abood campaign ever, in any way.

Sincerely,

of
Joe Norris
6710 Zurich
Anchorage, Alaska 99507

cc: Ms. Clossy
The 4800 Corporation

MIDDLETON, TIMME & MCKAY

LAW OFFICES
SUITE 420
601 WEST FIFTH AVENUE
ANCHORAGE, ALASKA 99501

TELEPHONE
AREA CODE 907
276-3390

R. COLLIN MIDDLETON
WILLIAM H. TIMME
D. JOHN MCKAY
JACQUELYN R. LUKE

AVERIL LERMAN
WILLIAM L. ESTELLE

June 14, 1985

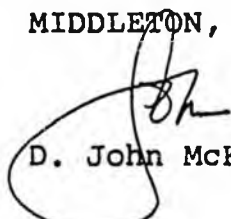
Chris Johansen, Esq.
Alaska Public Offices Commission
610 "C" Street, Suite 211
Anchorage, Alaska 99501

Dear Chris,

Enclosed is Mr. McConkey's Response to your Subpoena, due June 7, 1985 and extended by Agreement, together with our Request for Discovery.

Sincerely,

MIDDLETON, TIMME & MCKAY


D. John McKay

DJM:kar

STATE OF ALASKA

BEFORE THE ALASKA PUBLIC OFFICES COMMISSION

In the Matter of:)
William McConkey, Joe)
Norris, Sarah Clossey,)
Respondents.)

APOC Case No. 85-2-CD

RESPONSE TO SUBPOENA
AND REQUEST FOR DISMISSAL

The Alaska Public Offices Commission has issued a subpoena to Bill McConkey and the 4800 Corporation in connection with its investigation of a mailer generated by Sarah Clossey discussing Joe Flood's history of non-payment of child support. Flood was at the time a candidate for Senate District G, Seat A. Three people are targets of this investigation, and the Commission must consider the merits of any case against each of the three separately. This response is submitted on behalf of Bill McConkey. The Commission's investigation was commenced based on two fundamental assumptions. The first is that McConkey, a professional campaign consultant, acted as a "group" as that term is used in A.S. 15.13, when he rendered professional services to his client, Clossey. The second is that McConkey, who also performed services during the 1984 campaign for Abood (Flood's opponent), was acting on behalf of the Abood campaign when he did work for Clossey. The evidence does not bear out either of these assumptions, and in Section IV of this response, Respondent asks that the staff recommend that the Commission dismiss this matter, at least with respect to McConkey.

Section I of this response sets forth the general legal framework, and special First Amendment considerations, applicable to the Commission's subpoena. Section II

Middleton, Timme & McKay
LAW OFFICES
SUITE 420
601 WEST FIFTH AVENUE
ANCHORAGE, ALASKA 99501
(907) 276-3390

outlines Respondent's compliance with the subpoena. Section III discusses the parallel civil penalty assessment notice.

I. LEGAL CONSIDERATIONS CONCERNING ENFORCEMENT OF SUBPOENA.

The Commission has provided Respondent with two cases in support of its authority to enforce the subpoena issued by it, Federal Election Commission v. Machinists Non-Partisan Political League, (MNPL) 655 F.2d 380 (D.C. Cir. 1981), cert denied, 102 S.Ct. 397, and Reader's Digest v. FEC, ___ F.Supp. ___ (S.D.N.Y. 1981). These cases indicate that the general power of administrative agencies to issue such a subpoena is limited in cases involving political speech and association protected by the First Amendment.

In FEC v. MNPL, the federal appeals court noted that the courts should apply much greater scrutiny to subpoenas issued by a commission overseeing election activities than to those of other administrative agencies. This enhanced scrutiny is required

". . . because the activities which the FEC normally investigates differ in terms of their constitutional significance from those which are of concern to other federal administrative agencies whose authority relates to the regulation of corporate, commercial, or labor activities. The FEC does not oversee fair dealings in commerce, or insure adequate corporate disclosures, or guarantee fair labor standards, all of which are areas where only the minimal limitations upon the commerce power are usually implicated. The subject matter which the FEC oversees, in contrast, relates to the behavior of individuals and groups only insofar as they act, speak and associate for political purposes. See 2 U.S.C. §§ 431, 441a. The creation of such an agency raised weighty constitutional objections, and its authority to exercise control over an area where "uninhibited, robust, and wide open" activity is constitutionally protected was approved by the Supreme Court only after being meticulously scrutinized and substantially restricted. See Buckley v. Valeo, 424 U.S. 1, 96 S.Ct. 612, 46 L.Ed.2d 659 (1976). Thus the highly differential attitude which courts usually apply to business related subpoena enforcement requests from agencies whose subject matter jurisdiction is unquestioned, has no place where political activity and association never before subject to bureaucratic scrutiny form the subject matter being investigated.

Middleton, Timme & McKay
LAW OFFICES
SUITE 420
601 WEST FIFTH AVENUE
ANCHORAGE, ALASKA 99501
(907) 776-3390

149

A second consideration making careful judicial scrutiny of jurisdiction necessary in this case is the obvious difference between the scope of investigatory authority vested in agencies such as the FTC, SEC, or the Administrator of the Department of Labor's Wage and Hour Division on the one hand, and the FEC on the other. The former agencies are vested with broad duties to gather and compile information and to conduct periodic investigations concerning business practices.

655 F.2d at 387.

The FEC, like the APOC, is empowered to investigate both on the basis of formal signed, sworn, and notarized complaints, and on the basis of "information ascertained in the normal course of carrying out its supervisory responsibilities."¹ The federal court noted, however,

¹ The only jurisdiction to conduct this investigation stems from 2 AAC 50.460(a). There are detailed APOC regulations concerning making of a complaint. 2 AAC 50.450(a), (b). The complaint must identify the complainant, contain specific allegations of fact, and include any documentation available. The regulations specifically require the complainant to state the basis of his or her knowledge of the alleged facts, and to "differentiate between statements made upon personal knowledge and those made upon sources of information and belief." The complaint must be signed and sworn. The regulations embody traditional notions of fair play and due process—the right to confront your accusers, and to know the evidence against you. But what is the point of these safeguards if the Commission ignores them? Joe Flood's attorney has come to the Commission with information leading to this investigation. Why not identify Flood or his attorney as the complainant? Has he requested anonymity? Are there others? What alleged facts has he supplied? Are they based on his knowledge, or rumors, or speculation, or hearsay? These are all things that Respondent would have a right to know under 2 AAC 50.450(a). Counsel for Respondent has reviewed the depositions of Ms. Clossey and Mr. Norris taken by Counsel for Mr. Flood in his defamation suit, and supplied to the Commission by Flood's attorney. It is clear from reviewing these depositions that Flood's defamation action would not be successful, indeed, after these depositions were completed, Flood agreed to drop the suit, and release Clossey and others associated with the mailer, any claims or damages. Respondent does not contend Mr. Flood or his counsel have no right to file a complaint with the Commission but their acts should be made known pursuant to the published procedures.

The staff, of course, has the right to conduct investigations when they obtain information "in the normal course of business" revealing violations of law. 2 AAC
(Footnote Continued)

Middleton, Timme & McKay
LAW OFFICES
SUITE 420
601 WEST FIFTH AVENUE
ANCHORAGE, ALASKA 99501
(907) 276-3390

that: "Plainly, mere 'official curiosity' will not suffice as the basis for FEC investigations, as it may in others." Id. at 388.

The court in MNPL notes that the subject matter of materials sought in a subpoena by an election commission "represents the very heart of the organism which the First Amendment was intended to protect: political expression and association concerning . . . elections and office holding."

This information is of a fundamentally different constitutional character from the commercial or financial data which forms the bread and butter of SEC or FTC investigations, since release of such information to the government carries with it a real potential for chilling the free exercise of political speech and association guarded by the first amendment.

"Current first amendment jurisprudence makes clear that before a state or federal body can compel disclosure of information which would trespass upon first amendment freedoms, a subordinating interest of the State must be proffered, and it must be compelling. NAACP v. Alabama, 357 U.S. 449, 463, 78 S.Ct. 1163, 1172, 2 L.Ed. 2d 1488 (1958) (quoting Sweezy v. New Hampshire, 354 U.S. 234, 265, 77S.Ct. 1203, 1219, 1 L.Ed.2d 1311 (1957) (Frankfurter, J., concurring)). The Supreme Court has warned that

It is particularly important that the exercise of the power of compulsory process be carefully circumscribed when the investigative process tends to impinge upon such highly sensitive areas as freedom of speech or press, freedom of political association, and freedom of communication of ideas . . .

Sweezy v. New Hampshire, supra, 354 U.S. at 245, 77 S.Ct. at 1209.

(Footnote Continued)
50.460(2). Is reading the newspaper "in the normal course of business?" Assuming this were an appropriate basis for launching an investigation, (a) it does not seem to be the actual basis here, and (b) it is a curiously selective prosecution, given the news accounts that have failed to trigger APOC scrutiny. See, e.g., accounts of campaign contributions for the North Slope Borough election.

Respondent is not asking to know the identity of and information supplied by the Complaint, as allowed by the regulations, out of idle curiosity. He is seeking a clue to why the staff is taking the approach it has, and why it is pursuing this matter in the fashion it has.

Middleton, Timme & McKay
LAW OFFICES
SUITE 420
601 WEST FIFTH AVENUE
ANCHORAGE, ALASKA 99501
(907) 276-3390

655 F.2d. at 388-389.

In FEC v. MNPL, the court found that the subpoena issued by the elections commission should not be enforced. It observed, however, that there may be cases in which the Commission needs more factual information to make its initial determination about whether a case is within its jurisdiction or not. In such cases, a two-step procedure should be adopted "to strike a balance between the need for effective investigations and the preservation of first amendment liberties." 655 F.2d at 396-397. The court therefore indicates that initially a subpoena should be limited to that information that will allow the Commission to ascertain whether or not it has jurisdiction.

In this case, the Commission's subpoena to McConkey is improper if construed broadly as the staff directs. If McConkey was not part of a "group" with Clossey and/or Norris,² and did not receive Ms. Clossey's expenditure on behalf of the Abood campaign, there is no basis for further investigation by the Commission of McConkey.

Because the Commission staff has provided these cases endorsing a two step subpoena process Respondent will assume unless notified to the contrary that this is the procedure the APOC adopts. (Respondent would contend that this procedure should be judicially required, had the Commission staff not adopted it on its own).

² The Commission apparently contends here that a campaign consultant has become a "group" by consulting or performing services for his client. Respondent believes such a construction is not intended by the statute and is constitutionally impermissible.

Middleton, Timme & McKay
LAW OFFICES
SUITE 420
601 WEST FIFTH AVENUE
ANCHORAGE, ALASKA 99501
(907) 276-1390

152

II. DOCUMENTS PRODUCED IN RESPONSE TO SUBPOENA

The documents which are in possession of Respondent fall into three categories.³ These are 1) a copy of the mailer itself, 2) receipt and invoice documents, and 3) back-up documentation relating to the mailer or its contents. A copy of the documents in the possession of Respondent comprising "Category 1" is produced to the Commission in Attachment A to this response.

Copies of all documents in the possession of Respondent in "Category 2" are produced to the Commission as Attachment B to this Response.⁴

Documents in the possession of Respondent in the third category are not produced with this response. Respondent is willing to further discuss their production if the Commission feels it is necessary. Release of these documents is at issue for two reasons. First, these documents, primarily from the public record, would be highly embarrassing to Mr. Flood, and their disclosure or further publication at this time serves no public interest. The contents of the mailer are not at issue in these proceedings, and no purpose would be served by adding these documents to the record in this case.

The subpoena asks generally for anything relating to the mailer, and the accompanying letter states (in "Part III): "The staff construes the subpoenas broadly and suggests that you do likewise." Respondent submits that such a

³ Commission staff and Respondent have agreed that neither the fact of this response, nor anything contained in it, constitutes a waiver of any privilege or right to challenge the Commission's jurisdiction or other right to proceed in this matter.

⁴ While there is no other documentary evidence in this category subject to subpoena, Respondent will of course provide Ms. Clossey with any financial information she may request to file any forms or reports that may be required by the Commission.

Middleton, Timme & McKay
LAW OFFICES
SUITE 420
601 WEST FIFTH AVENUE
ANCHORAGE, ALASKA 99501
(907) 276-1390

153

broadly construed subpoena, seeking information generated in the course of constitutionally protected political associations, and having to do with documents and information not traditionally subject to disclosure laws, (campaign contributions and expenditures), runs afoul of the First Amendment considerations discussed in Section I above. In this specific case, there may be little adverse effect, since virtually all of the documents in Mr. McConkey's files on this matter are from public records. On the other hand, because McConkey is a full-time professional in the business of campaign and political consulting, he is reluctant to agree to production of files and materials relating to the substance or background of the political advertising, campaign literature, or internal campaign documents of his clients. These documents in McConkey's files do not relate to the source of funding of Ms. Clossey's mailer, whether a group existed, or whether the activities of McConkey, Clossey or Norris were on behalf of Mitch Abood.

Given that they are irrelevant, embarrassing to Mr. Flood, and integrally related to the political speech and association protected by the First Amendment and not generally subject to disclosure, Respondent will assume unless notified to the contrary that production is not necessary.

III. CIVIL ASSESSMENT

In the May 31, 1985 letter from Mr. Johansen, the Commission indicates it is inquiring both about possible civil violations and possible criminal infractions.

Mr. McConkey's response to the civil penalty assessment notice set forth in "Part II" of Mr. Johansen's

Middleton, Timme & McKay
LAW OFFICES
SUITE 420
601 WEST FIFTH AVENUE
ANCHORAGE, ALASKA 99501
(907) 276-1390

letter is due on July 1, 1985, pursuant to 2AAC 50.390.⁵ A timely response will be made, unless the Commission in the meantime decides to dismiss the matter. The Commission is scheduled to meet in this matter on June 24-25, 1985, and presumably a decision to dismiss the criminal allegations will be dispositive of the alleged civil violations.

There will be no surprises in Respondent's affidavit, if one is required. The facts that will be set out have already been made known to the Commission: Mr. McConkey was not part of a group with Sarah Clossey and/or Joe Norris, nor did he make or receive any contributions or expenditures on behalf of Sen. Abood's campaign in connection with his transaction with Clossey. She told him she was a counselor of abused women, and that she had been told by another woman that Joe Flood had failed to pay child support to two former wives, and that these women had caused enforcement actions to be filed against him. She told him she had \$2,000 to spend publicizing her views, and sought his professional advice. She told him it was her money. Her object in making this independent individual expenditure was to speak out against Flood, not to support or endorse the candidacy of Abood.

She, of course, had a right to do so, and to employ the professional services of Mr. McConkey. If, in fact, she did not tell him the truth, the Commission may well have cause to question her conduct. That is between Ms. Clossey--and perhaps Mr. Norris--and the APOC.

The civil penalty assessment notice to McConkey is premised on the assumption that he was a member of a group

⁵ 2AAC 50.390(d)(2)(B) states that the Commission was to have sent an "affidavit appeal form." This was not done. Unless Respondent is notified otherwise and provided such a form, he will assume no official form is required.

with Clossey or with Clossey and Norris. This is false. Allegations in "Part II," set forth as though they are facts, are false--at least insofar as they apply to McConkey. Accordingly, no group Campaign Disclosure Statement was or is required of McConkey, and a civil penalty, if any is properly assessable, could be levied only against Clossey and/or Norris.

This explanation is made in the hope that the Commission will dismiss the entire matter, with respect to McConkey, at its June meeting. If it does not do so, Respondent will make an appropriate formal response, within the prescribed period.

IV. REQUEST FOR RECOMMENDATION OF DISMISSAL.

Respondent has requested all information and evidence supporting or negating these charges, pursuant to applicable statutes, regulations, and court rules. The Commission has provided 1) a copy of Sarah Clossey's deposition taken in the Flood defamation suit (without exhibits), 2) a copy of Norris' deposition taken in that case, and 3) has agreed to provide one staff memorandum. Assuming that the Commission staff is not withholding relevant evidence,⁶ it is clear that a recommendation to dismiss the charges alleged against Mr. McConkey should be forwarded to the Commission.

The sworn testimony of Clossey states that she investigated the court records about Joe Flood after being told of Flood's history of non-payment of child support by a woman associated with the state child support enforcement agency. Clossey Depo. at 36-37. Clossey states that she

⁶ Staff has declined to produce any further documents or evidence, and a formal request for the remainder is submitted with this Response.

was "an abused wife for 18 years." Id., at 16, and had significant problems with her husband. She said she "felt very strongly about the issue of nonsupport," describing it as "my issue." Id. at 38. She contacted McConkey for the first time after having been told about Flood's background, researching it on her own, and deciding to publicize "her issue." She went to him because she was told he was a professional campaign consultant, and was not aware that McConkey was running the Abood campaign. Id., 38. She asked for his help in bringing "her issue" to the public, and told him she had \$2,000 to spend on it. Id., 39. After her attempts to publicize the information about Flood through the news media--either as news or paid advertising--were unsuccessful, she returned to McConkey for advice and decided to do a mailer. She agreed to a flat fee of \$2,000 (Id. at 45), and paid McConkey \$2,000, less \$80 which she spent directly on a bulk mail permit. Id., 41. The record indicates that she actually gave her fiancée, Norris, the money to take to McConkey, but does not indicate that McConkey knew that Norris dropped off the funds). She testified that she did not know Abood, and had never met him. Id. at 53. She had never met McConkey before this transaction, and did not meet with him except in this context. She testified that the flyer was entirely her idea, Id., 54, and that she received no financial assistance from anyone else, ⁷ Id., 54,--no payments for having done the Flood Mailers. Id., 61. Clossey testified, in response to questions from Flood's lawyers, that she has never received compensation from Abood, McConkey, or anyone in

Middleton, Timme & McKay
LAW OFFICES
SUITE 420
601 WEST FIFTH AVENUE
ANCHORAGE, ALASKA 99501
(907) 276-3390

⁷ With the exception of Mr. Norris, from who she testified she borrowed the money. What this may mean, if anything, is between the Commission, Clossey, and Norris--it does not involve McConkey.

connection with the mailer. Id., at 66. She stated that she is not affiliated in any way with Mitch Abood, his campaign committee, Dankworth or any others, and that her only connection with McConkey was in getting her issue publicized through this mailer. Id., at 66.

Likewise, Joe Norris testified in his deposition in the Flood suit that he had no relationship with McConkey other than accompanying Clossey, his fiancée, to her meeting with him (which he apparently did not significantly participate in) and dropping off McConkey's fee for Clossey, Id., 11, because he happened to be driving downtown. Id., 42. He testified he is not involved in politics, and doesn't know or have any personal relationship with Abood. Ibid. Although he knows Ed Dankworth (from childhood), he testified that he had no business or political meetings with him during the campaign. Id., 10. Norris further testified that he had not been paid or made any promises in connection with the flyer. He did state that he himself borrowed the money he loaned to Clossey, but that this money came from a personal friend not involved in politics, and certainly not McConkey, Abood, or persons associated with Abood's campaign. Ibid.

Clossey has since filed a late report with the APOC indicating that she made an independent individual expenditure to send 5000 flyers publicizing her beef with Joe Flood, that she had no connection with the Abood campaign, and that she did not act as a member of any group. In this report, filed June 3, 1985, she continues to assert, as she told McConkey at the time, that the funds spent on this were hers. Again, if the Commission decides, based on her relationship with Norris or otherwise, that they were not, that is between the Commission, Clossey and Norris.

Middleton, Timme & McKay
LAW OFFICES
SUITE 420
601 WEST FIFTH AVENUE
ANCHORAGE, ALASKA 99501
(907) 276-3390

Her statements corroborate McConkey's statements to the Commission. See, e.g., June 3, 1985 letter.

Clossey, of course, had a constitutional right to make an independent expenditure to publicize her views about Flood. Buckley v. Valeo, 424 U.S. 1, 96 S.Ct. 612, 46 L.Ed. 2d 659 (1979), Democratic Party v. National Conservative Political Action Committee, 578 F.Supp. 797,817 (F.D. Pa. 1973). People may not like that ruling, and may not like what Sarah Clossey did or said (the court records are cited for those who wish to verify the contents of the mailer). But it was her right to do so, and the evidence shows that is what she did. The reasons given for not restricting expenditures while restricting contributions--to prevent the possibility of quid pro quo by a candidate elected for campaign assistance, are clearly not applicable here. Cf. Democratic Party v. NCPAC, supra.

CONCLUSION

The evidence before the Commission shows no basis for proceeding against Mr. McConkey. Whether there are grounds for further proceeding against Ms. Clossey or Mr. Norris is between the Commission and those individuals. This investigation has been conducted to date in a manner that has been highly embarrassing and prejudicial to Mr. McConkey. To drag him through further proceedings, with their attendant embarrassment, expense, and intrusions on his business and personal life would be unwarranted by the evidence and would be wrong. Respondent strongly urges that a recommendation of dismissal be forwarded to the Commission.

DATED at Anchorage, Alaska, this 14th day of June, 1985.

MIDDLETON, TIMME & MCKAY

By:


D. John McKay

RESPONSE TO SUBPOENA AND
REQUEST FOR DISMISSAL

-12-

Middleton, Timme & McKay
LAW OFFICES
SUITE 420
601 WEST FIFTH AVENUE
ANCHORAGE, ALASKA 99501
(907) 276-3390

**The Official
Court Record
of
Joseph M. Flood
Candidate for State Senator**

Bulk Rate
U.S. Postage
PAID
Permit No. 830
Anchorage, AK

160

EXHIBIT A
Page 1 of 2 Pages

Joe Flood Claims the Legislature is a Family & He is a Family Man

He Left Two Families — Now he Wants Your Vote

In Washington

Joe was divorced by Pauline Flood for **extreme cruelty**, left one daughter, Piper Flood, and was ordered to pay \$50.00 per month child support.

He did not pay!

Pauline Flood was forced onto public assistance welfare in Washington State. The State of Washington had to request the State of Alaska to find Joe Flood and get him to pay. Alaska attempted to do so . . . but Joe Flood did not pay. It's in the record — Case No. 75-8065.

In Oregon

Joe left Beverly Rose Flood and 3 children — Joseph Flood, Shannon Flood and David Flood. He was ordered to pay \$75.00 per month per child for child support.

He did not pay!

Beverly Rose Flood was forced to ask the State of Oregon to get the State of Alaska to find Joe Flood and to get him to pay. Alaska attempted to do so at taxpayers' expense and cost. The case was not dropped until 1981. It's in the record — Case No. 74-192.

My name is Sarah Clossey. I paid for this flyer myself. I live at 6710 Zurich. I have 4 children. I was an abused wife whose husband did not pay. I am now a counselor for abused women. I see too much of this.

161

EXHIBIT A
Page 2 of 2 Page

aurora press, inc.

3004 COMMERCIAL DRIVE / ANCHORAGE, ALASKA 99501 / PHONE (907) 278-3133

INVOICE
11/8/84

11620

Sold to:

The 4800 Corporation
203 West 15th Avenue
Anchorage, AK 99501

Salesman: Sarahob

5000 - Sarah's Card

| | |
|------------------|------|
| Invoice Quantity | 5000 |
|------------------|------|

INVOICE TOTAL **601.90**

TERMS: 2% 10 Days, Net 15 Days

POD
1-16-85

Thank You!

PAY TO THE ORDER OF Aurora Press 1-16-85

Six hundred one and 90/100 \$: 601.90

THE 4800 CORPORATION
203-A WEST 15TH AVE., SUITE 208 278-2028
ANCHORAGE, ALASKA 99501

National Bank of Alaska
ANCHORAGE, ALASKA

FOR Inv. # 11620 3

#003363# #125200057# 37#715364# *Walter C Miles*

#00000060190. 86-8/152

DOLLAR

162
EXHIBIT B
Page 1 of 2 Pgs

PAY TO THE ORDER OF
ALASKA MUTUAL BANK
ANCHORAGE, ALASKA
FOR DEPOSIT ONLY
AURORA PRESS, INC,
84008531

JA '85 18 7
ANY BANK P.O.
NATIONAL BANK
OF ALASKA
ANCHORAGE, ALASKA

12JRN35 002110454213 *300084008531

ANY BANK P.O.
ALASKA
MUTUAL BANK
ANCHORAGE ALASKA
99-7135

163

EXHIBIT B

Page 2 of 2 Pa

STATE OF ALASKA

BEFORE THE ALASKA PUBLIC OFFICES COMMISSION

In the Matter of:)
)
William McConkey, Joe)
Norris, Sarah Clossey,)
)
Respondents.)
_____)

APOC Case No. 85-2-CD

REQUEST FOR DISCOVERY

William McConkey, individually and for the 4800 Corporation, by and through undersigned counsel, hereby requests that the following documents and things be provided to him forthwith, pursuant to the Fourteenth Amendment to the U.S. Constitution, Article I, Section 7 of the Alaska Constitution, Alaska Criminal Rule of Procedure 16, and Alaska Statutes, Titles 13 and 14, and regulations adopted pursuant thereto:

- (i) The names and addresses of persons known by the Commission to have knowledge of relevant facts and their written or recorded statements or summaries of statements;
- (ii) Any written or recorded statements and summaries of statements and the substance of any oral statements made by the Respondent;
- (iii) Any written or recorded statements and summaries of statements and the substance of any oral statements made by the co-respondents.
- (iv) Any books, papers, documents, photographs or tangible objects, which the Commission or staff is relying upon or intends to use these proceedings, other than legal memoranda or the thoughts, conclusions or mental impressions of Commission members or staff.
- (v) Any material or information within the possession or control of the Commission which tends to negate the culpability of the accused as to the charges made against him or would tend to reduce his punishment or penalties therefor.

These requests apply to information and things in the possession or control of the Commission, its staff, and any others who have participated in the investigation or

Middleton, Timme & McKay
LAW OFFICES
SUITE 420
601 WEST FIFTH AVENUE
ANCHORAGE, ALASKA 99501
(907) 276-3390

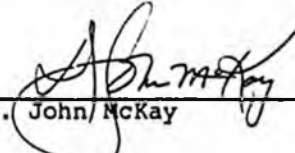
evaluation of the case and who either regularly report or with reference to the particular case have reported to the Commission.

If, subsequent to compliance with these rules or orders issued pursuant thereto, the Commission or its staff discovers additional material or information which is subject to this request for disclosure, it shall promptly notify counsel for Respondent of its existence.

DATED at Anchorage, Alaska, this 14th day of June, 1985.

MIDDLETON, TIMME & MCKAY

By:


D. John McKay

Middleton, Timme & McKay
LAW OFFICES
SUITE 420
601 WEST FIFTH AVENUE
ANCHORAGE, ALASKA 99501
(907) 276-3390

MEMORANDUM

State of Alaska

TO: FILE

DATE: May 23, 1985

FROM: Chris Johansen 

TELEPHONE NO:

SUBJECT: McConkey, Clossey and Norris
Clossey meeting with Daily
News

I called Vickie Rippie at 264-6448 in the Mayor's Office to ask about any meetings she may have had with Sarah Clossey at the Daily News political advertisement department when she worked there. Call was made to C Vickie on May 23, 1985 at 8:30.

MAY
Vickie says that she was sitting at her desk in a big room with a lot of desks (the same description as Sarah Clossey) when Sarah Clossey sat down in front of her desk. Vickie says Sarah was probably directed to her desk by another News employee. Rippie says Sarah came alone. Vickie thinks it may have been light outside and the meeting occurred sometime in the afternoon. However, she is not too sure about the time of day because there is only one large window at the end of the room to see outside. She cannot specifically recall the date of the meeting. She guesses that the meeting occurred sometime in the last week of October or the first week in November. She was not sure. She kept no memoranda, journals or other documents related to the meeting. However, she did call the Daily News attorney during the meeting who have made a written entry on the date of the meeting with Sarah Clossey. She said that I could call Dave Cudda (who was on leave during the time of the Clossey meeting with the News) to ask whether inquiry can be made regarding the date of the meeting. *786-4241*

Vickie can't remember the specific order of the conversation but appears to be somewhat sure that Sarah said something to the effect that she wanted to get the facts out about Joe Flood. Vickie was somewhat certain that Sarah did not have with her a large pile or stack of papers. Sarah said that she had been doing research and had data to confirm her facts about Flood. Vickie was sure she did not have the data with her, or any large package of materials. (Such as those attached to the depositions?). Sarah also said she was an abused wife and had child support problems.

I asked Vickie whether Sarah ever put any cash on the Vickie's desk. Vickie said that at no time did Sarah ever place any money on her desk. I asked whether she knew what \$2,000 in cash looks like. She said she knew. Vickie seemed certain on the fact no cash was on the desk. Vickie said that normal procedures call for talking about payment at the end of the discussion about the article. She never filled out receipt forms, order forms, etc. for the purpose of placing the ad and never got to the topic of money.

I asked her some questions on how the conversation went and Vickie noted with some certainty that she told Sarah to check with the APOC because she was going to run this ad right before the election. Vickie said that Sarah may have some disclosures required at the APOC. She also told Sarah to check with the APOC regarding disclosures because Sarah needed to protect herself. Vickie said that Sarah said she knew about it and would take care of the matter. (Note I do recall that in my conversation with Sarah Clossey yesterday, she kept saying that she did not know the APOC existed until the recent newspaper articles. She said this about three times yesterday.)

Vickie said that Sarah gave her a text for the advertisement. I asked her what type and form was the text in? Was she carrying other paperwork with the "text"? Vickie says she remembers taking the text to the office of Dave Cudda to call the attorneys. She remembers laying the thing out on Dave's desk and reading it. She says that it "unfolded like a newspaper". She would consider the text an informal draft and remembers that it was not reproduced by mechanical means. She says she remembers the text to be in handwriting. She does not specifically remember the contents of the text. She checked with the attorneys and they advised not to go with the ad, even if Sarah had research and data to back up her claims.

Vickie then returned to her desk and told Sarah that the ad would not be published.

Vickie is certain that Sarah then said that she would have to do a flyer instead.

Although Vickie was not certain, she thinks that Sarah then said that the Times also refused to do the ad.

he was aware that McConkey had quite a bit to do with political campaigns. At all times, and repeated more than once, they said they had no knowledge that McConkey was involved in the Abood campaign. Sarah and Joe Norris went to McConkey's office during the daylight hours near the end of October. I tried to pin them down when the first meeting occurred. The best I could get is that it occurred sometime in the last two weeks of October because Sarah Clossey remembers that she went to see McConkey the first time after she quit her job. Sarah Clossey explained to McConkey her interest in the child support issue and needed help in getting the information to the voters. Joe Norris says that he really did not participate in the discussion but spent most of his time looking at all the boxing posters in the office. McConkey suggested that contact be made with the newspapers and the t.v. At no time did McConkey ever inform Norris and Clossey that he was the campaign consultant for the Abood campaign. The next day she went to the t.v. station (Channel 2) and met with Linda Wyfred and presented her material to Linda. Linda's husband (an attorney) called Sarah that nite and said the t.v. would not run the material so close to the election and without an opportunity to respond. She then called McConkey for a second meeting. Joe Norris and Sarah Clossey then went to McConkey's office sometime during the daylight hours. This 2nd meeting occurred, according to their best recollection, during the last week of October, sometime between October 29-31. Joe Norris and Sarah Clossey and McConkey thought the best way to get the information to the voters before the election was through a mailout. I asked Joe Norris and Sarah Clossey how big of a mailout ^{with} was contemplated or discussed at the 2nd meeting. They both said that McConkey (nor anyone else) discussed how large or small the mailout would be. McConkey said that he could do the mailout and Sarah Clossey said that she had \$2,000 to work with. At no time did McConkey state he was affiliated with the Abood campaign. At the meeting, McConkey made a rough draft of the mailout and the meeting lasted about 30-45 minutes. McConkey never made mention of any fee that would be charged for the mailout but did ask that Sarah Clossey secure a bulk mailing permit from the postoffice. She said that she went directly to the post office after the meeting and obtained the bulk mailing permit.

Sarah Clossey then called the day after the meeting and asked what the costs were for the mailout. McConkey read off the figures for the lithographer, printer, computer labels, but made no mention of how or who would stuff the envelopes and prepare the mailer for mailing through the post office. Sarah said that the call to McConkey was made during work hours. She said that Joe Norris would bring the money down to McConkey. Joe says that he went to pay McConkey a couple of days after the election. He said that he withdrew the money from the account of Clossey at Alaska USA, and paid the money to the secretary at 4800 Corporation a couple of days after. Joe Norris said that he placed the cash in an envelope, gave it to the secretary at the front desk, and then left.

Sarah Clossey says that she called McConkey's secretary and gave her the bulk permit number on the day it was obtained. She also says that the day after she got the bulk permit number, McConkey asked her to come to the office to review the proofs for the flyer. She went to the office and read the proofs at the secretary's desk near the door and said that the flyer was ok. She said she read the entire proof. The meeting with the secretary occurred during the daylight hours and lasted approximately one minute.

Sarah Clossey says she had no further contact with McConkey after the proofs were approved by her. She stated that a Doctor McConnel called her on the phone and said that he had received in the mail a flyer with her name on it. Sarah Clossey says that this was the first time she became aware of the fact that McConkey had prepared and mailed the flyer.

I asked whether Joe Norris or Sarah Clossey had had any contact with persons associated with the Abood campaign. I asked whether they had any contact with Bob Ely or Ed Dankworth. They had no contact and did not know Ely. Joe Norris said that he and Dankworth go back a long time together and that he had been in the past Ed's "numbers man" and general go for on a number of occasions in the past. I asked Joe Norris whether he had any contact with Ed prior to or during the 1984 election. He said that he met with Ed sometime in the summer over at the Flippers Restaurant on Benson by Minn. and once again about a week after the election. He said over and over again that Ed Dankworth did not have anything to do with the flyer. Joe Norris and Sarah Clossey had no other contact with McConkey after the election.

At the end of the conversation Joe Norris and Sarah Clossey explained that they did not have the opportunity to talk to their lawyer but were only able to talk to the lawyer's partner. Since Pettyjohn would return to town on Tuesday, I suggested they may want to talk to him before they filed the disclosure reports. I generally explained the purposes behind the different forms but specifically stated that I could not tell them which report to sign because they were the persons who had the knowledge at the time the reports were due and had to make the decision which report to file. I gave them until May 28th to complete a disclosure report, or respond in writing why such a report ~~of~~ not be filed.

At the meeting Sarah Clossey showed me the check register bearing the checks for this transaction. I asked her if I could have copies of the checks and she said it was ok. I copied Check #1039 for the bulk permit to the Postmaster and check #1038 in the amount of \$1,920 to Joe Norris. Sarah Clossey stated that the check to Joe Norris was the same \$2,000 previously deposited in her account for safe keeping. Sarah and Joe Norris said they got the cash in the bank for security reasons.

ARRIVED

MAY 22 1985

APOG-ANCH
PM (HC)



SARAH A. CLOSSEY
ADL 5470781 SS 397 40 8438
6716 ZURICH
ANCHORAGE, AK 99537

CHECK HERE IF TAX DEDUCTIBLE ITEM -

\$ 1000

11/11 F 89-7202/3257

*Postmaster
Priority Mail*

ALASKA USA FEDERAL CREDIT UNION
POUCH 6813, ANCHORAGE, AK 99502

| | |
|----------------|---------|
| BAL. FOR'D | |
| AMOUNT WRITTEN | 1000.00 |
| BALANCE | |
| DEPOSIT | |
| BAL. FOR'D | |
| OTHER | |

Paul Pursant

3225272021:80m L 17067m 31r

1037

NOT NEGOTIABLE

6355

1985

1986

6355

| 1985 | | | 1986 | | |
|----------------------|-------------------------|----------------------------|-------------------------|----------------------|-------------------------------|
| JANUARY | FEBRUARY | MARCH | JANUARY | FEBRUARY | MARCH |
| 1 2 3 4 5 6 7 | 1 2 3 4 | 1 2 3 | 1 2 3 4 5 | 1 2 | 1 2 |
| 8 9 10 11 12 13 14 | 5 6 7 8 9 10 11 | 4 5 6 7 8 9 10 | 6 7 8 9 10 11 12 | 3 4 5 6 7 8 9 | 3 4 5 6 7 8 9 |
| 15 16 17 18 19 20 21 | 12 13 14 15 16 17 18 | 11 12 13 14 15 16 17 | 13 14 15 16 17 18 19 | 10 11 12 13 14 15 16 | 12 13 14 15 16 17 18 |
| 22 23 24 25 26 27 28 | 19 20 21 22 23 24 25 26 | 18 19 20 21 22 23 24 25 26 | 20 21 22 23 24 25 26 27 | 17 18 19 20 21 22 23 | 15 16 17 18 19 20 21 22 |
| 29 30 31 | 26 27 28 29 30 31 | 25 26 27 28 29 30 31 | 27 28 29 30 31 | 24 25 26 27 28 29 30 | 21 22 23 24 25 26 27 28 29 30 |
| APRIL | MAY | JUNE | APRIL | MAY | JUNE |
| 1 2 3 4 5 6 7 | 1 2 3 4 5 6 7 | 1 2 | 1 2 3 4 5 6 | 1 2 3 4 | 1 |
| 8 9 10 11 12 13 14 | 8 9 10 11 12 13 14 | 9 10 11 12 13 14 | 7 8 9 10 11 12 13 | 5 6 7 8 9 10 11 | 6 7 8 9 10 11 12 |
| 15 16 17 18 19 20 21 | 15 16 17 18 19 20 21 | 16 17 18 19 20 21 22 | 14 15 16 17 18 19 20 | 12 13 14 15 16 17 18 | 10 11 12 13 14 15 16 |
| 22 23 24 25 26 27 28 | 22 23 24 25 26 27 28 | 23 24 25 26 27 28 29 | 21 22 23 24 25 26 27 | 19 20 21 22 23 24 25 | 17 18 19 20 21 22 |
| 29 30 | 27 28 29 30 31 | 28 29 30 31 | 29 30 31 | 26 27 28 29 30 31 | 23 24 25 26 27 28 29 30 |
| JULY | AUGUST | SEPTEMBER | JULY | AUGUST | SEPTEMBER |
| 1 2 3 4 5 6 7 | 1 2 3 4 | 1 2 3 4 5 6 | 1 2 3 4 5 6 | 1 2 3 | 1 2 3 4 5 6 |
| 8 9 10 11 12 13 14 | 5 6 7 8 9 10 11 | 7 8 9 10 11 12 13 | 7 8 9 10 11 12 13 | 4 5 6 7 8 9 10 | 6 7 8 9 10 11 12 13 |
| 15 16 17 18 19 20 21 | 12 13 14 15 16 17 18 | 13 14 15 16 17 18 19 20 | 14 15 16 17 18 19 20 21 | 11 12 13 14 15 16 17 | 13 14 15 16 17 18 19 20 |
| 22 23 24 25 26 27 28 | 19 20 21 22 23 24 25 26 | 20 21 22 23 24 25 26 27 | 21 22 23 24 25 26 27 | 18 19 20 21 22 23 24 | 22 23 24 25 26 27 28 |
| 29 30 31 | 26 27 28 29 30 31 | 28 29 30 31 | 29 30 31 | 25 26 27 28 29 30 31 | 22 23 24 25 26 27 28 29 30 |
| OCTOBER | NOVEMBER | DECEMBER | OCTOBER | NOVEMBER | DECEMBER |
| 1 2 3 4 5 6 | 1 2 3 | 1 2 3 4 5 6 | 1 2 3 4 5 6 | 1 2 | 1 2 3 4 5 6 7 |
| 7 8 9 10 11 12 13 | 4 5 6 7 8 9 10 | 5 6 7 8 9 10 11 | 6 7 8 9 10 11 12 | 3 4 5 6 7 8 9 | 8 9 10 11 12 13 14 |
| 14 15 16 17 18 19 20 | 11 12 13 14 15 16 17 | 9 10 11 12 13 14 15 | 13 14 15 16 17 18 19 | 10 11 12 13 14 15 16 | 15 16 17 18 19 20 21 |
| 21 22 23 24 25 26 27 | 18 19 20 21 22 23 24 | 16 17 18 19 20 21 22 | 20 21 22 23 24 25 26 | 17 18 19 20 21 22 23 | 22 23 24 25 26 27 28 |
| 28 29 30 31 | 25 26 27 28 29 30 | 23 24 25 26 27 28 29 | 27 28 29 30 31 | 24 25 26 27 28 29 30 | 29 30 31 |

RECEIVED
MAY 22 1985

POST OFFICE

CHECK HERE IF THE DEDUCTIBLE ITEM

SARAH A. CLOSSEY
ADL 5470781 SS 397 4P 9438
6740 ZURICH
ANCHORAGE, AK 99507

89-7202/3257

BAL FOR'D
AMOUNT WRITTEN

| |
|-----------|
| 1970.00 |
| BALANCE |
| DEPOSIT |
| BAL FOR'D |

Joe Harris
Director
ALASKA USA FEDERAL CREDIT UNION
POUCH 6613, ANCHORAGE, AK 99502

OTHER

33 25 27 20 21 : 80 37 4 1 70 6 7 3 11

6027

NOT NEGOTIABLE

ARRIVED
MAY 22 1985
APOC-ANOKA
PM (HIC)

CHECK HERE IF TAX DEDUCTIBLE ITEM

\$ _____

| | |
|----------------|---------|
| BAL. FOR'D | |
| AMOUNT WRITTEN | 1920.00 |
| BALANCE | |
| DEPOSIT | |
| BAL. FOR'D | |

OTHER

NOT NEGOTIABLE

173

Flood filed lawsuit against Clasper: lawsuit settled

6/24

C. Johnson

- should be referred to dept. of law for prosecution
- criminal conduct

- what standards

- AG has to have hears from APOC before they take it

suggests hearings
/ hearings so directly
to AG.

John Wood lawyer for Clasper/Harris

John Macken " " McCorkley

depositions not signed

how widely does APOC
define "group"

McCorkley represented
18 people running strategy

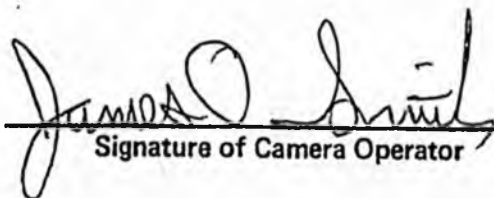
is group; McCorkley w/ clients?

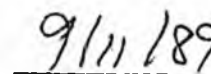


RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.


Signature of Camera Operator


Date

CAMPAIGN

FINANCING

FILE 3

STATE OF ALASKA
ALASKA PUBLIC OFFICES COMMISSION

BILL SHEFFIELD, GOVERNOR

REPLY TO:

- 610 C STREET SUITE 211
ANCHORAGE, ALASKA 99501-3598
(907) 278-4176
- JUNEAU BRANCH OFFICE
POUCH CO
JUNEAU, ALASKA 99811-0222
(907) 465-4864

September 28, 1984

Mr. Terry Fleischer
Ely, Guess & Rudd
510 "L" Street
Anchorage, AK 99510

Dear Mr. Fleischer:

This is to confirm my telephone conversations of yesterday and today with you regarding the scheduling of a special Commission meeting to review staff's preliminary investigation on the VECO matter.

On September 20 and 21, staff provided you and Mr. Kerrigan with copies of a summary and a cover letter indicating that the Commission would meet on October 4. On September 26, Mr. Kerrigan called to request that the meeting be rescheduled for October 11 because Robert Ely is not scheduled to return from Europe until October 2. I have confirmation from four of the five Commissioners that they can attend a meeting on October 12. On that basis, you may consider your request granted, barring unforeseen circumstances.

I have indicated to both you and Mr. Kerrigan that I have made no public distribution of the summary and at present, do not believe it would be appropriate for me to do so. The Commission's regulations specify that the respondents in a preliminary investigation are to have notice of the meeting and a copy of the summary prior to the meeting. Both of those have now been provided and it appears to me that the intent of that requirement is to allow the respondents a fair opportunity to review the staff recommendation. Since the Commission must also give public notice of its meetings, I will proceed to fulfill that responsibility.

In light of the revised meeting date, staff would like to ask that any written response you consider dispositive or in mitigation be filed on or before October 5, 1984. On August 13, Mr. Ely filed an affidavit on behalf of APAC which we assume he may wish to expand upon.

Finally, I note that our September 20 letter omitted the page number on which the staff recommendation begins; the number 16 should have been included in the blank space. My apologies for any inconvenience caused

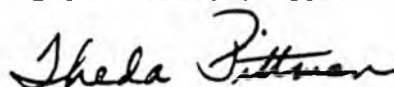
Mr. Terry Fleischer
September 28, 1984
Page 2

by the error.

If you have any questions, do not hesitate to call.

Sincerely,

ALASKA PUBLIC OFFICES COMMISSION



THEDA S. PITTMAN
Executive Director

cc: Robert C. Ely (C/O John Kerrigan)
APOC Members

TSP/tg

STATE OF ALASKA

ALASKA PUBLIC OFFICES COMMISSION

BILL SHEFFIELD, GOVERNOR

REPLY TO:

810 C STREET, SUITE 211
ANCHORAGE, ALASKA 99501-3598
(907) 276-4176

JUNEAU BRANCH OFFICE
POUCH CO
JUNEAU, ALASKA 99811-0222
(907) 465-4864

September 20, 1984

Mr. Terry Fleischer
Ely, Guess & Rudd
510 "L" Street
Anchorage, AK 99510

Dear Mr. Fleischer:

We are appreciative of the voluntary responses of VECO International, VECO, Inc. and Norcon, Inc. regarding the reportable activity of the aforementioned entities during 1983 and 1984. The documents are indeed voluminous. Our staff recommendation, beginning on page of the memorandum, regarding civil penalties for delinquent Campaign Disclosure Statements and further investigation regarding potential criminal liability is enclosed.

*(Should be P. 16)
- TSP*

Your clients have made repeated public requests for completion of the staff investigation and the scheduling of a Commission meeting. A special meeting has been scheduled for October 4, 1984, at a time and location to be established. You are invited to respond in writing to the recommendation and to attend the meeting. Staff would like to request that any written response you consider dispositive or in mitigation be filed on or before September 28, 1984.

Alaska Public Offices Commission regulations permit a group to file an appeal affidavit upon an initial staff assessment of civil penalties within 30 days. On August 13, Mr. Ely filed an affidavit on behalf of APAC which we presume he may wish to expand upon. If we do not receive appeal affidavits by September 28, 1984, we will assume your clients wish to take advantage of the 30 day appeal period.

The newspaper advertisements paid for by "VECO Inc. and its employees" have repeatedly alleged that the Commission and its staff are delaying action on this subject for political reasons. In addition, members of the Commission have received telegrams from Representatives Abood and Ward suggesting that our handling of this matter has been partisan and unprofessional. There is absolutely no validity to those statements. I have refrained from public protest of the advertisements in a professional effort to avoid the appearance

of adding any "fuel to the fire."

The Commission's regulation is silent on the subject of whether staff's report of a preliminary investigation is public between the time the respondent receives it and the Commission meets. I think it would be preferable for the preliminary report to remain confidential until the Commission meeting, but of course you may think otherwise.

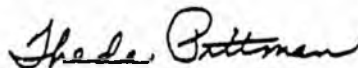
In addition, I am obliged to notify the individuals who received payroll deduction contributions that staff believes they may have received excessive contributions. Although I can limit my discussion of the report, it seems unlikely that the basic conclusion will remain undisclosed by someone other than myself between now and the meeting.

Since the August 16 meeting we have discussed return of the 1984 withheld funds, future operations of a payroll deduction plan, possible formation of an employees PAC, and use of payroll advance funds for political contributions. Exhibit Y contains, for the Commissioners, reference to the correspondence which has been exchanged on these subjects. On September 12 Mr. Kerrigan expressed a desire to proceed with refunds to employees and I suggested that he consider providing me with a sworn statement describing the refund system. Perhaps that could best be handled as part of any response.

If you have any questions, do not hesitate to call.

Sincerely,

ALASKA PUBLIC OFFICES COMMISSION



THEDA S. PITTMAN
Executive Director

cc: Robert C. Ely (C/O John Kerrigan)
APOC Members

TSP/tg

MEMORANDUM

State of Alaska

TO APOC Members

DATE: September 19, 1984

TELEPHONE NO: 276-4176

FROM: Theda S. Pittman, Executive Director
Chris Johansen, Associate Coordinator

JP
SUBJECT: Preliminary Investigation
Report - VECO Companies

STATEMENT OF FACTS

Staff's Statement of Facts is based on memoranda to the file; written correspondence; the 1983 Year-End and 1984 Primary Reports of the Alaska Political Action Committee; the correspondence and documentation voluntarily disclosed by Robert C. Ely, the general counsel for the VECO companies (VECO International, VECO Inc., and Norcon Inc.) and the current registered treasurer of the Alaska Political Action Committee (APAC). Staff gives particular weight to a letter by Mr. Ely dated August 13, 1984 [Exhibit A], and a sworn statement by Mr. Ely dated August 22, 1984 [Exhibit B].

The Commission's staff first heard from persons presently associated with this matter on June 17, 1983, when Mr. Ed Dankworth called the Executive Director regarding campaign disclosure provisions that might apply to a group of business people meeting together to discuss candidates. Mr. Dankworth explained the businesses would not pool their funds, but might subsequently make individual contributions. The businesses would not pay for political ads or coordinate advertising strategy for any candidate. The Executive Director responded that no group was formed under the above facts. [Exhibit C, staff memorandum, dated June 29, 1983]. Mr. Dankworth also inquired about the reporting responsibil-

ities of the businesses under the Regulation of Lobbying Law, if the businesses paid for a lobbyist. The Executive Director explained that reporting by the organization, rather than by its various donors, would apply if the group was incorporated or it met other criteria. Mr. Dankworth explained that the business organization would be legally, formally, organized. Id.

A meeting at VECO offices was held between Mr. Dankworth, Bill Allen (executive officer of all VECO companies) and John Kerrigan (associate of Mr. Ely), on August 11, 1983. The meeting was recorded with consent so that Mr. Ely (who was absent) could hear the responses to the questions. Mr. Dankworth explained that some oil service companies were considering forming a political action committee (PAC), generally concerned with oil tax rates and supporting sympathetic candidates. The members of the PAC would be the oil service companies who contemplated making contributions to candidates. The topics discussed included whether a barbeque paid for by a corporation for a candidate is a contribution or independent expenditures whether travel provided to a candidate to meet with North Slope VECO employees is a contribution, and payroll deductions as individual contributions. [Exhibit D, staff memorandum, dated August 11, 1983].

A limited portion of the transcript has been made available by VECO representatives and is attached as Exhibit D-1 and D-2. The Executive Director's memorandum on this subject, dated August 11, 1983, states:

Is it possible for the North Slope employees of a company who don't get their paychecks directly to request that the company make a pay-

roll deduction for them which was a contribution to a candidate? I indicated that I thought such would be possible, that it was necessary only to be able to establish clearly that the funds were in fact those of the employee. Allen asked whether the company could write one check to the campaign and I said I'd want to do some checking with the Commission's counsel to see what procedure she might recommend to assure that the candidate could correctly identify the donors. [Exhibit D-4].

In October or November, 1983, the Alaska Political Action Committee (APAC) was formed by Mr. Allen and Tennessee Miller, the chairman of the Frontier Companies. They were also the co-chairmen of APAC. [Exhibit B, Mr. Ely's letter of August 22, 1984, page 1(A)]. APAC did not register with the Commission until February 27, 1984. [Exhibit E, APAC Group Registration]. Upon the directions of Mr. Miller and Mr. Allen, a "Statement of Purposes" was drafted stating that APAC was to recommend to members (who were oil service companies and contractors) candidates of like interest. The PAC was "designed to coordinate for state and local candidates who are committed to maintaining the health of the oil and gas exploration and production industry in Alaska." [Exhibit F, "Statement of Purposes"]. Annual membership dues were \$250. By joining APAC

... a member of APAC commits to a program of making such contributions in such amounts as the directors recommend annually, provided no contributions to any candidate in any year exceeds \$1,000.00. Contributions recommended by the directors will be made promptly in the manner requested by the directors so long as doing so does not violate Alaska

law. The reports required by the State of Alaska for making contributions to political candidates will be filed with each member at the time contributions are made. The State's contribution reporting law will at all times be complied with. Id.

A membership form accompanied the distribution of the "Statement of Purposes," reiterating a member's commitment to contribute to APAC recommended candidates. [Exhibit G, APAC Membership Application].

At the time APAC was formed, certain members of APAC decided to put in place payroll deduction plans to authorize their employees to make contributions to APAC recommended candidates. [Exhibit B, letter of Mr. Ely, dated August 23, 1984 at 2(a)]. VECO International, VECO Inc., and Norcon Inc. adopted payroll deduction plans for contributions to APAC recommended candidates in 1983 and 1984. Id. Wade Oilfield Services, a member of APAC, considered adopting a payroll deduction plan in 1984, but abandoned it when there was no interest.

VECO International, VECO Inc., and Norcon Inc. began payroll deduction plans in October, 1983, the first payroll withholding being authorized on October 2, 1983. This contradicts Mr. Ely's letter of August 13, 1984, wherein he states withholdings did not commence until November, 1983. [Compare Exhibit H, Authorization of Mr. Leo Brueggeman, check number 14516 to Senator Paul Fischer, dated October 2, 1983, with Exhibit A, Ely letter of August 13, 1984, at page 3(d)]. Prior to distributing the withholding authorization forms, a series of meetings

were held with employees of VECO International, VECO Inc., and NORCON Inc. and their respective managements:

They told VECO employees, that VECO, with other members of the oil field service industry were forming the Alaska Political Action Committee (APAC) to help gather and coordinate information concerning candidates who were committed to this philosophy. They encouraged employees to vote for these candidates and to contribute to them. A form was made available that would make it easy for anyone to contribute, if he or she desired, by authorizing payroll deductions for a contribution to one or more candidates recommended by APAC. [Exhibit A, Ely letter of August 13, 1984, page 3(d)].

A "Memorandum for Employee Talks" was prepared by APAC and used by VECO in the series of meetings with employees, together with the 1983 payroll withholding authorization form. [Exhibit A, Ely letter dated August 13, 1984, page 3(b)]. The "Memorandum for Employee Talks" mentions VECO by name twice and states:

Employee political contributions--voluntary withholding program--requires participating employees to sign authorizations for withholdings from payroll. Unless otherwise specified, the withheld money will go to those candidates recommended by APAC. [Exhibit I, "Memorandum for Employee Talks," at sec. 2(c)].

According to Mr. Ely, 3 VECO International employees, 386 VECO Inc. employ-

ees and 26 Norcon Inc. employees authorized 1983 withholding. [Exhibit A, Ely letter dated August 13, 1984, page 3(e)]. Staffs count of the 1983 VECO, Inc. authorizations provided by Mr. Ely totaled 380, including 15 signed in October, 295 in November, and 70 in December.

Since there are no VECO International checks to candidates, staff can only assume the VECO International political withholdings were issued to candidates on VECO Inc. or Norcon Inc. checks. In addition to the 14 Norcon Inc. authorizations, 12 Norcon employees issued personal checks to candidates in 1983. Most VECO Inc. and Norcon Inc. withholdings were made in a lump sum of \$100.00. Approximately 27 VECO Inc. employees authorized withholdings on a 50/50 basis, and 2 employees authorized periodic withholdings of \$25 from each paycheck. Mr. Ely states there are 600 VECO Inc. employees. Id. (Staff believes the payroll documentation is substantially complete although the controllers of VECO Inc. and Norcon Inc. concede a few authorizations were omitted. [Exhibit B-7, B-8, Controllers' Statements, dated August 23, 1984]).

Generally, withholdings were authorized and withdrawn from employee gross earnings before the date of issuance of the checks to candidates. However, premature candidate checks were issued in two instances:

(1) Ms. Susan Krigsvold's authorization provided that withholding of \$25 was to be made on December 29, 1983. The check to Senator Faiks (check # 14660) in the amount of \$25 was issued on December 21, 1983, six days before the authorization took effect. [Exhibit J, Authorization and VECO Inc. check.]

(2) Ms. Linda Marshall authorized \$25 per paycheck up to \$100. The last \$25 installment was not authorized until December 29, 1983. A check (# 14686) in the amount of \$100, was issued to the candidate (P. Fischer) on December 23, 1983, six days before the authorization was completely vested. [Exhibit K, Authorization and VECO Inc. check.]

The total VECO Inc. and Norcon Inc. withholdings authorized in 1983 and distributed to candidates was \$41,080, including the personal checks of Norcon employees.

The terms of the 1983 Authorization provide:

I hereby authorize the deduction of \$100.00 from my next paycheck. The withheld money should be paid according to the recommendation of the Alaska Political Action Committee unless within 15 days after receiving the Committee's recommendation I revoke this authorization. I understand that you will provide me with evidence of who received my contribution and in what amounts so that I can use this information to take the tax credit off my Federal income taxes. Also I will use this information to apply for the \$100.00 maximum political contribution refund from the State of Alaska provided I qualify.

Employee Signature

Employee ID #

Date

[Exhibit L; Employee Payroll Authorization]

In October and November, 1983, Mr. Allen and Mr. Miller met with Mr. Dankworth, their political consultant, and recommended that APAC support Senators Pappy Moss, Paul Fischer, Jan Faiks, Richard Eliason, and Don Bennett. [Exhibit B, Ely letter, dated August 22, 1984, page 1(A)].

In early December, Mr. Allen informed Robert C. Ely, Treasurer and Secretary of VECO International, of APAC's recommendations. Mr. Ely then drafted the notice "Notice to All Who Have Contributed to the Alaska Political Action Committee" form (already provided to the Commission) and arranged to have it included in the next pay envelope of all VECO International, VECO Inc. and Norcon, Inc. employees who had earlier authorized withholdings from their paychecks. [Exhibit B, Ely letter of August 22, 1984, page 1].

The notice of recommended candidates was sent to participating employees 15 days prior to December 23, 1983, the date the checks were issued to candidates [Exhibit A, Ely letter of August 13, 1984, page 4(i)]. The notice requested written notification of rejection of one or more of the candidates to be received at an Anchorage address by December 21, 1983. [Exhibit M, "Notice"]. Two employees wanted their \$100 contributions to go to recommended candidates other than Pappy Moss and one wanted all of his \$100 contribution to go to Don Bennett. [Exhibit A, Ely letter dated August 13, 1984, page 4(i)].

On December 16, 1983, Mr. Ely delivered to the Alaska Public Offices Commission copies of the "Statement of Purposes--Alaska Political Action Committee,"

[Exhibit F]: APAC Membership Application, [Exhibit G]; "Memorandum for Employee Talks," [Exhibit I]; and "Authorization for Payroll Deduction," [Exhibit L]. Staff's internal document search does not indicate that the "Notice to All Who Have Contributed to the Alaska Political Action Committee" [Exhibit M] was produced, nor was the scope and extent of the on-going 1983 financial activity described. On December 19, 1983, the documents were transmitted to the Office of Attorney General for comment.

On December 21, 1983, the respective payroll departments of VECO Inc., Norcon Inc. and VECO International began issuing separate checks of \$100 or less to the APAC recommended candidates. They were sent to the candidates on December 27, 1983. [Exhibit A, Ely letter of August 13, 1984, page 5(m)]. All December 23, 1983, checks were issued by VECO Inc., although Mr. Ely states 3 VECO International employees participated. Norcon Inc. checks were issued to the candidates on December 28-29, 1983. The checks produced by VECO Inc. and Norcon Inc. were all stamped "Authorized Payroll Withholding" or "Contribution on behalf of," respectively, and bore the name of the original employee contributor on the check voucher. [Exhibits J & K, VECO Inc. checks; Exhibit N, Norcon Inc. check].

As to the procedure for allocating which candidate received an employee's withholding, Mr. Ely responds:

... when it came time to cut the checks the VECO controller and the treasurer of Norcon met with their General Counsel, Robert Ely, and discussed whether each \$100 authorization should be divided five ways with checks of \$20 a

piece going from each employee or whether some less cumbersome method could be used. After discussion it was decided each employee would risk losing the documentation that would subsequently be necessary for the employee to file for his refund. Additional considerations were the burden on payroll personnel of cutting five checks for a \$100 contribution and the equivalent burden of candidates' receipt preparing campaign treasurers. Since the authorization by the employee and the Notice informed employees that contributions would be made to "one or more" of the listed candidates, it was decided to go down the list of employees alphabetically and take the first five employees and cut a \$100 check from each of those to Bennett, Eliason, Faiks, Fischer, and Moss in that order and to do it again with the next five employees, etc. until the bottom of the employee list was reached. Adjustments were made for those employees who had responded to the Notice with special instructions and because of the need to round off odd amounts, both items discussed above. The Controller of VECO, Inc. and the Assistant Controller of VECO International is Mrs. Kelly Tyner. The Treasurer of NORCON, Inc. is Roger Wickstrom. The General Counsel of all three companies is Robert Ely. [Exhibit A, Ely letter dated August 13, 1984, pages 4-5 sec. k].

Staff notes that the Authorization did not contain the words "one or more." Only the Notice contained the referenced language.

The aggregate amount received by the 1983 payroll withholdings as reported

by Mr. Ely (staff assumes that the 3 VECO International contributions are mixed with the VECO, Inc. contributions) were:

| | <u>Norcon Inc.</u> | <u>VECO Inc.</u> | |
|--------------|--------------------|------------------|------------|
| Don Bennett | \$500.00 | \$7,750 | |
| Dick Eliason | \$500.00 | \$7,700 | |
| Jan Faiks | \$500.00 | \$7,700 | |
| Paul Fischer | \$510.00 | \$7,700 | |
| Pappy Moss | \$500.00 | \$7,720 | |
| | <u>\$2,510.00</u> | <u>\$38,570</u> | = \$41,080 |

On January 3, 1984, the Executive Director drafted a letter addressing the reporting requirements of APAC (hand delivered on February 9, 1984), stating that her understanding (of the oral representation and documents produced to date) was that the employee would choose the particular candidate who is to be the recipient of their withheld payroll rather than granting APAC any discretion in that transaction. [Exhibit 0, Executive Director's letter, dated January 5, 1984].

On January 9, 1984 the Executive Director received a phone call from a campaign treasurer who did not identify herself and who said she had received 75 or 80 \$100 checks from a company, that the checks were marked as employee withholding and she wanted to know how she could tell if they were acceptable. Staff replied that it was hard to answer the question, but if the woman wished to send copies of them, an effort would be made to provide an answer.

On January 11 Barbara Pargeter, treasurer for Jan Faiks, called and said the

Senator had been surprised to hear there were any reservations on staff's part about the VECO checks, since it was the Senator's understanding from Mr. Dankworth that the withholding process had been discussed. The substance of the conversation and the Executive Director's response is contained in Exhibit P, letter from Senator Faiks, dated September 4, 1984, with staff memorandum dated January 11, 1984.

At a meeting between Mr. Ely and the Executive Director on February 9, 1984, Mr. Ely inquired whether an employer must report as a group if it maintains a payroll deduction plan for political contributions. The Executive Director confirmed her negative reply in writing:

I want to confirm two things from our conversation on February 9th. My negative response to your questions concerning whether an employer who withheld employee political contributions would have to report as a group is based on the two usual methods by which such activities function. Either the employee names the candidate who receives his or her withheld pay or names the political group which is the recipient of the individual's contribution. In those instances the employer is not exercising discretion over the funds, but simply agreeing to make a transfer as directed.

However, if the recipient of the withheld funds is not specified by the employee, then a group would have been formed under A.S. 15.13 with the employer as administrator/treasurer. It seems plain to me

that the employer cannot first get authority only to withhold pay and later go back for permission to give the funds to particular candidates or political groups. [Exhibit Q, Executive Director's letter dated February 16, 1984, (Emphasis added)].

Mr. Dankworth (in person) and Mr. Ely (by phone) communicated with the Executive Director July 16th and 17th, 1984, to inquire whether a poll paid for by a corporation to be used to decide which candidates to support is a contribution. Upon advice of counsel, the Executive Director responded such was not reportable if the results were not made available to the general public, not conducted to assist candidates, and not distributed to encourage others to vote for a candidate. [Exhibit R, staff memoranda, dated July 16, 1984 and July 17, 1984].

On August 6, 1984, a reporter called asking about the VECO plan, and read documents sounding similar to those provided to staff on December 16, 1983. In addition, the reporter read a letter informing VECO employees of the five recommended Senators (Pappy Moss, Don Bennett, Jan Faiks, Paul Fischer, Dick Eliason). The Executive Director immediately sent a confirming letter to Mr. Ely warning that the payroll deduction plan as implemented by VECO in 1983 may be subject to group prohibitions. She stated:

It seems plain to me that in a situation where the employer had no discretion to determine whether an employee makes a contribution or to whom the contribution is given, that the contribution

is appropriately considered to be that of the employee. Where an employer simply takes in funds from employees and is free to disburse them at the employer's discretion then I believe a political action committee (i.e. group covered by A.S. 15.13.130(c) and A.S. 15.13.050) has been created. [Exhibit S, Executive Director's letter, dated August 8, 1984, page 1].

Mr. Ely responded on August 13, 1984, and informed staff of the scope of the payroll deduction plan, including the 1983 and 1984 documents entitled "Notice to All Who Have Contributed to the Alaska Political Action Committee," and "Notice to All Employees Who Have Contributed to Alaska Political Action Committee Recommended Candidates." [Exhibit A]. Staff recommended and the Commission ordered a preliminary investigation to determine whether the three payroll deduction plans violated the Campaign Disclosure law. [Exhibit T, Staff Memorandum, dated August 15, 1984].

Prior to and after the Commission meeting, Mr. Ely agreed on behalf of all the participating VECO companies to halt further disbursement to candidates pending a Commission decision and to credit employees with those undisbursed funds withheld (\$12,000.00) from their pay in 1984. Mr. Ely also filed, on August 13, 1984, the complete 30 Day Pre-primary [Exhibit U] and a zero 1983 Year-End Report [Exhibit V] for APAC, an appeal affidavit [Exhibit W] and disclosed the 1984 withholding activity. [Exhibit B, Ely letter dated August 22, 1984].

In 1984, as of August 6, the following contributions were made from 1984

authorized payroll withholdings:

| | <u>Norcon, Inc.</u> | <u>VECO, Inc.</u> |
|--------------------|---------------------|---|
| Mitch Abood | 0 | \$1,000 |
| Jerry Ward | 0 | \$1,500 |
| Jack Coghill 8/3 | 0 | \$4,550 returned by candidate |
| Barbara Lacher 2/6 | 0 | <u>\$2,100</u> returned by candidate |
| | | \$9,150 |

The full scope of all reported contribution activity of VECO International and its corporate subsidiaries in 1983 and 1984, is contained in Exhibit X. Exhibit X presents staff's preliminary summary of both employee withholding and corporate contributions.

The last correspondence between the parties came on August 30, 1984, wherein staff confirmed the stipulations in effect and reviewed the proposed modification in the VECO payroll deduction plan. [Exhibit Y, letter of Executive Director, with accompanying memorandum of Associate Coordinator, Campaign Disclosure, dated August 30, plus Ely letters of August 27 and 28, 1984].

On August 21, 1984, an amended complaint was filed with the Commission by Mr. Malloy against Senator Fischer alleging the following:

6. Candidate Fischer may have received contributions gathered by VECO

International from its employees and funneled to candidate Fischer through a Political Action Committee in violation of Alaska Statutes. [Count 6, Malloy v. Fischer].

Staff has acknowledged receipt of the complaint and initially opines there is a sufficient allegation of a violation of the Campaign Disclosure Law. Since the complaint raises the same issues as exist in the principal VECO companies investigation, staff has requested that Mr. Malloy agree to defer any request that staff move forward on the complaint until the October 23, 1984 Commission meeting.

STAFF RECOMMENDATION

Staff concludes from its review of the statements and documents voluntarily provided by the VECO companies that each employer (VECO International, VECO Inc. and Norcon Inc.) was required to register and report as a separate group under AS 15.13.130(3) in 1983 and 1984. They are subject to civil penalties for failure to file a 1983 Year-End Campaign Disclosure Statement, a 30 Day Pre-primary Campaign Disclosure Statement, a 7 Day Pre-primary Campaign Disclosure Statement, a 10 Day Post-primary Campaign Disclosure Statement, and any other reports that come due prior to Commission disposition of this matter. The failure to report in a timely fashion is a substantial and continuous violation of the Campaign Disclosure Law. 2 AAC 55.390(i). The following fines have accumulated as of September 17, 1984:

VECO - Preliminary Investigation - 9/19/84

| | <u>VECO International</u> | <u>VECO, Inc.</u> | <u>Norcon, Inc.</u> |
|--------------------------|---------------------------|-------------------|---------------------|
| 1983 Year-End | \$2,450.00 | \$2,450.00 | \$2,450.00 |
| 1984 30 Day Pre-primary | \$ 490.00 | \$ 490.00 | \$ 490.00 |
| 1984 7 Day Pre-primary | \$1,350.00 | \$1,350.00 | \$1,350.00 |
| 1984 10 Day Post-primary | <u>\$ 100.00</u> | <u>\$ 100.00</u> | <u>\$ 100.00</u> |
| | \$4,390.00 | \$4,390.00 | \$4,390.00 |

Alaska Political Action Committee

| | |
|--------------------------|---|
| 1983 Year-End | \$2,100.00, zero report filed on August 13, 1984 |
| 1984 30 Day Pre-primary | \$ 140.00, complete report filed on August 13, 1984 |
| 1984 7 Day Pre-primary | timely, presumed complete pending desk audit response |
| 1984 10 Day Post-primary | <u>timely</u> |
| | \$2,240.00 |

Staff also concludes the VECO Inc. payroll deduction plan made excessive contributions to candidates Senator Paul Fischer (excessive amount \$6,700), Senator Pappy Moss (excessive amount \$6,720), Senator Dick Eliason (excessive amount \$6,700), Senator Don Bennett (excessive amount \$6,750), and Senator Jan Faiks (excessive amount \$6,700), for which the Commission should request, at this time, repayment by the candidates to VECO Inc. within 30 days. The Commission should also order staff to conduct a further investigation pursuant to 2 AAC 50.460(d), to determine whether the receipt of the excessive contributions by the candidates in 1983 and 1984 from the payroll deduction plans was a knowing receipt of an excessive contribution in violation of AS 15.13.120(a). Further,

the Commission should order staff to conduct a further investigation to determine whether the three VECO companies willfully failed to register, AS 15.13.120(a)(1), report, AS 15.13.120(a)(1), appoint treasurers, AS 15.13.120(a), and willfully made excessive contributions, AS 15.13.120(a)(4).

THE PAYROLL DEDUCTION PLANS CREATED THREE SEPARATE POLITICAL GROUPS

It has been the consistent position of staff that a group is formed by the employer and employee when an employer exercises any direction or control over an employee's choice of whom, or how, he or she wishes to contribute. As stated to Mr. Dankworth in the taped conversation of August 11, 1983, an employee is free to voluntarily designate a candidate (in the example discussed, it was Don Bennett) as the recipient of his or her withheld pay. [Exhibit D]. When part of the documents were shown to the Executive Director on December 16, 1983, the Executive Director stated again that no group was formed when the employee names the recipient candidate. [Exhibit O, letter dated January 5, 1984, delivered on February 9, 1984]. However, a group is formed by the employer who encourages or solicits political withholding and then returns for permission to give the payroll withholding to candidates selected by the employer or its closely affiliated political action committee. [Exhibit Q, letter of Executive Director, dated February 16, 1984].

Joint action the primary purpose of which was to influence an election was carried on in 1983 and 1984 by VECO International, VECO Inc. and Norcon Inc. in two instances; the first arising from the design of the collection system for

political contributions, and the second arising from the admitted operation of the plan.

An individual can make a contribution to a candidate or group so long as it is solely the individual who intends to influence the outcome of an election. AS 15.13.130.(2); AS 15.13.070(a). If an employer other than the source of the original contribution exercises any direction or control over the choice of the recipient candidate or group, the employer will not only become involved in making a contribution in the name of another in violation of AS 15.13.070(d), but become joined with the employee in group activity to raise political funds for contributions to identified candidates or groups. AS 15.13.130(3).

It is staff's position the collection systems as designed resulted in involuntary contributions to company selected candidates, a result which is nothing but joint action by the employer and employee to create a fund to contribute to candidates identified by the employer. AS 15.13.130(3); 2 AAC 50.395(b)-(g); 2 AAC 50.385(d). It is clear from the statute and regulations that an employer will become a group if it pools funds with others or threatens others to participate (through job discrimination or other reprisals) in making contributions to identified candidates. 2 AAC 50.385(d).

Further, employers such as the VECO companies create political groups when they design a payroll withholding plan that does not permit the employee to designate at the time the contribution is made the recipient candidate; for the very essence of an individual contribution being that the employee makes the

independent judgment to contribute to a candidate, and not a voluntary or involuntary political judgment by two or more persons.

Staff takes the position, based on the disclosures to date, that the VECO withholdings were not voluntary individual contributions at the time they were made by the employees. The VECO companies and their closely connected PAC cannot first obtain authority to withhold pay for contributions and then require those dissenting employees to come forward and seek a refund within 15 days. In order for political contributions to qualify as an individual payment to a candidate (and thus avoid group registration) there must be a collection system designed by the employer that insures that contributions are a knowing, free, choice by the employee to withhold for particular candidates. It cannot be the result of inaction when confronted with an obstacle. Staff considers it proper under the Campaign Disclosure Law to place the burden on the employer to design a payroll deduction plan that insures that individual contributions are knowingly and intentionally given, and not the product of an overzealous collection system which earmarks already withdrawn withholdings to employer designated candidates. The defect in the respective VECO plans (and the reason for the group status) is that it impermissably burdens the dissenter to act to prevent a contribution rather than requiring his or her affirmative act to make one.

A review of the statistics shows that reverse check-off results in some unknowing, and therefore, involuntary contributions. Only one participating employee sought a refund when the recommended candidates were announced. Only three employees, of a total of 415 participating in political withholding in 1983, made any special designation for their withheld political contribution.

The second reason for concluding that the separate VECO companies are groups is the method used to allocate the withholdings to recommended candidates in 1983, and presumably the 1984 payments as well.

As explained in Mr. Ely's correspondence of August 13, 1984, he met with the corporate controllers of VECO Inc., VECO International and Norcon Inc., to devise a method for transmitting the employee withholding checks to the recommended candidates [Exhibit A, Ely letter dated August 13, 1984, pages 4-5, sec. k]. Rather than allocate \$20 of each employee's \$100 contribution proportionately to the five candidates recommended in 1983, the controllers and general counsel decided (in the interests of administrative convenience and in apparent contradiction to the clear terms of the Authorization) to apply each \$100 withholding to a recommended candidate on the basis of where the participating employee appeared on a company prepared list of employees. Further, the employers admit they made minor adjustments in withholdings resulting in some candidates receiving more than the other recommended candidates. Don Bennett and Paul Fischer received more than the other candidates in the 1983 list. The same procedure appears to have been used in 1984, except that Jerry Ward and Mitch Abood received less than the 1984 field of recommended candidates.

As was made clear to the VECO representative in correspondence by the Executive Director on January 3 and February 16 of 1984, an employer will become a group when it exercises any discretion to determine how or to whom an employee's individual contribution is made.

A business entity creates a group when it

....conducts a special fund drive among, or levies a special assessment upon its membership, and if the proceeds of such a special fund drive or assessment are to be used primarily to influence the outcome of an election. 2 AAC 50.385(d).

The subscribers to a special political fund are a group. 2 AAC 50.395(b), (g). The conclusion is inescapable when the law is applied to the admitted facts that a group is formed whenever a person other than an employee chooses the method, amount or timing of a political contribution from a pool of funds. The employer has exercised significant discretion to the point that the employee, unwittingly, and the employer, have engaged in joint activity.

Staff's view of the facts is that three payroll deduction groups engaged in joint action in 1983 and 1984. Three employers (VECO International, VECO Inc. and Norcon Inc.) participated in an inherently involuntary payroll deduction plan and allocated, through their respective controllers and general counsel, the individual employee withholdings. This conclusion is based on the admissions of the VECO representatives, and the fact withholdings were made in compliance with the Alaska Wage and Hour Act.

The Alaska Wage and Hour Act provides that only employers may, if so directed by the employee, withhold wages. 8 AAC 15.160(a). The three companies under review in the present situation maintain direct and separate employment

relations with their employees. Mr. Ely explains that the employee/participants in the plan were employees of either VECO International, VECO Inc. or Norcon Inc. [Exhibit A, letter dated August 13, 1984, page 3(e)]. The Wage and Hour Act does not, at least on the face of the regulation, permit corporate entities financially or administratively related to the immediate employer to withhold wages for persons other than those who maintain a direct employment relation with the employee. For instance, it would be a violation of the Wage and Hour Act, or, at least, an unusual practice, for an employee of Norcon Inc. to direct VECO Inc. to withhold a political contribution from his or her pay that is received directly from Norcon Inc. Thus, only an immediate employer can withhold pay and, in this instance, direct and control the choice of the recipient candidate. Although the three employers began their respective plans and allocated the funds to candidates at the same time, the coincidence of timing does not negate the fact that each employer independently directed and controlled the choice of the recipient candidate for its participating employees, thereby creating three employer payroll deduction groups having reportable activity in 1983 and 1984.

The unreported 1983 and 1984 activity subjects the three unregistered payroll deduction groups to civil penalties for failure to file 1983 Year-End Reports. AS 15.13.125; AS 15.13.110. Moreover, the unregistered payroll deduction groups failed to file year-end and primary reports, which staff considers to be, in conjunction with the multiple violations of the law (failure to register, AS 15.13.050; appoint treasurers, AS 15.13.060(a)) and the level of activity (\$41,000 raised in 1983; approximately \$14,500 raised in 1984) to be a substantial and continuous violation of the law, thereby justifying maximum penalties from the

date the reports were due. 2 AAC 50.390(i). Therefore, staff recommends the full civil penalties as set forth in the staff recommendation, shown on page

The Alaska Political Action Committee (APAC) was organized by Mr. Allen and Mr. Miller in November or December of 1983 to solicit oil services companies and others of like interest to pay dues of \$250.00 for the purpose of sharing and coordinating information regarding suitable candidates. [Exhibit F, "Statement of Purposes"]. Members pledged to contribute to APAC recommended candidates. [Exhibit G, "Membership Application"]. The foregoing documents, together with the "Notice of Recommended Candidates," were distributed to members and participating employees in 1983 once the five candidates were selected. [Exhibit A, Ely letter dated August 13, 1984, page 3(c), 6(s)]. The cost of production and distribution of the foregoing documents to employees and potential members, whether it be a contribution to, or expenditure by, APAC, has never been reported on a 1983 Year-End Report, despite the requirements of AS 15.13.110(a)(4).

It has been the long-standing opinion of staff that persons or businesses which meet together to discuss candidates and subsequently make similar individual contributions to candidates do not form a group. However, if two or more businesses pool their funds for advertisements or other reportable activity, staff believes a group has been formed that is required to file timely reports with the Commission.

The treasurer of APAC has admitted APAC paid for or received and, in turn,

distributed, solicitation circulars and correspondence to its potential members and employees of the three VECO companies in 1983. Id. The five recommended candidates were selected by APAC officers who were concurrently executive officers of the three VECO companies. The market value of the solicitation circulars distributed in 1983 is activity which APAC is required to disclose on a 1983 Year-End Report. The absolute failure to disclose campaign contributions or expenditures by a political action committee is a substantial and continuous violation of the Campaign Disclosure Law for which staff requests the assessments of maximum penalties. 2 AAC 50.390(i); AS 15.13.125.

EXCESSIVE CONTRIBUTIONS

Staff's recommendation of group status for the payroll deduction groups necessarily invokes the criminal sanctions of the Campaign Disclosure Law. Specifically, the candidates who received more than \$1,000.00 in 1983 and 1984 from the payroll deduction plans may have knowingly received an excessive contribution in violation of AS 15.13.120(a)(6); the employers may have willfully made the contributions AS 15.13.120(a)(4). Moreover, the employers may have willfully failed to register (AS 15.13.120(a)(1); AS 15.13.050), report (AS 15.13.120(a)), and appoint treasurers (AS 15.13.060).

Staff concedes that those candidates (Coghill and Lacher) who have returned the payroll deduction or have documented an effort to determine their validity (Faiks) have justifiable defenses at the administrative level to preclude referral, at this time, to the Office of Attorney General for criminal violation.

As the administrative record exists at this time, there are no significant disclosures from the candidates that would justify criminal referral or a finding by staff that the candidates substantially failed to comply with the Campaign Disclosure Law. Therefore, staff requests a Commission order to pursue this matter and solicit responses (by letter or response to subpoena) from those recipient candidates to determine whether they knowingly received a contribution in excess of \$1,000.00 in violation of AS 15.13.120(a)(6). Likewise, voluntary or compelled disclosures from the candidates may produce sufficient evidence to justify referral of the executive officers or administrative officials of the VECO companies to the Office of Attorney General for criminal prosecution.

CONTRIBUTIONS IN THE NAME OF ANOTHER

The staff advised the Commission at the August 16, 1984, meeting that it was undertaking a preliminary investigation to determine whether the payroll deduction plans, as operated and designed, violated the provisions of AS 15.13.070(d). Staff's review of the Campaign Disclosure Law indicates that direct or indirect contributions in the name of another are criminal violations, if the act is accompanied by the requisite criminal intent. AS 15.13.120(a)(4).

Staff has not recommended that any criminal matters be referred to the Office of Attorney General at this time for criminal prosecution. Like all other criminal acts referred to in this staff recommendation, willfulness does not appear on the face of the voluntary disclosures by the VECO companies. However, staff considers further investigation by way of subpoena, if necessary, justi-

fiable because it is plain in at least two instances that checks were issued to candidates without proper authorization from the employees. [Exhibits J and K]. Whether these checks to candidates, or any other checks for that matter, were issued through neglect or an intent to avoid the Campaign Disclosure Law is a matter not appearing in the VECO disclosures and a matter staff wishes to pursue further. The volume of activity related to this case is extensive and staff suggests that further work is dictated by the Commission's responsibility to assure the public that its final decision is based on exhaustive investigation.

MEMORANDUM

State of Alaska

TO: Brooke Miles
Juneau Branch Office
Public Offices Commission

DATE: March 1, 1985
Telecopy

TELEPHONE NO: 276-4176

FROM: ^{TSP}
Theda Pittman
Executive Director

SUBJECT: Budget History

I received a verbal request from Rep. Hurley to provide her with the information listed below. This copy is for your reference. Please note that some items are blank as I was not able to locate accurate information for those years. Previous years' budget files have gone to archives or been destroyed in accordance with the retention schedule.

| | APOC | GOV. | AUTH. | |
|-------|--------------------|--------------------|-------|----------------------------|
| FY 86 | 783.8 ¹ | 565.4 ² | | |
| 85 | 591.1 | 591.1 | 535.9 | |
| 84 | 621.7 | 590.6 | 454.0 | (464.3 Final) |
| 83 | 608.7 | 608.7 | 608.7 | |
| 82 | 487.9 | 442.4 | 423.7 | |
| 81 | ---- | 370.5 | 367.6 | (415.3 Final) |
| 80 | 405.4 | 334.7 | 288.1 | (315.4 Final) |
| 79 | 343.5 | ----- | 316.5 | (352.5 with supplementals) |
| 78 | 321.6 | ---- | 303.6 | (312.5 Final) |
| 77 | ---- | ---- | 209.6 | (243.8 with supplemental) |
| 76 | ---- | ---- | 221.6 | |
| 75 | ---- | 352.0 | 217.0 | |

¹ \$707.6 operating + \$76.2 in data processing BRU.

² As originally submitted: \$549.2 operating + \$16.2 in data processing BRU.

MEMORANDUM

State of Alaska

TO: APOC Members

DATE: October 22, 1984



TELEPHONE NO: 276-4176

FROM: ^{TSP} Theda Pittman
Executive Director
Public Offices Commission

SUBJECT: VECO Investigation

At its October 12 special meeting, the Commission approved staff's recommendations that the VECO Companies' payroll deduction plans constituted group activity under AS 15.13.130(3). The Commission also adopted staff's recommendations with regard to the need for further investigation into the potential criminal violations posed by failure to register and report group activity, as well as potential violations of the \$1,000 contribution limitation.

Staff's report of September 19 enumerated potential civil penalty assessments for the three payroll deduction plans and assessments for the Alaska Political Action Committee (APAC) for failure to file complete reports in 1983 and 1984. With respect to the VECO request for approval of future payroll plans, the Commission directed staff to schedule that item for its October 23rd agenda.

After meeting with counsel, staff determined to focus its additional investigative efforts on the period of time (August 12 - December 15, 1983) during which the VECO companies appear to have developed their payroll deduction procedures and the mechanism of the Alaska Political Action Committee. This period of time was felt to be significant in attempting to assess the extent to which the VECO companies may have acted without appropriate precautions with respect to the applicability of AS 15.13 to their activity.

Staff was also interested in the extent to which candidates who received 1983 payroll deduction contributions might have had access to information about their legitimacy as individual contributions.

As the administrative record existed on October 12, 1984, Commission staff had received no inquiries from VECO following the August 11, 1983 meeting until APAC documents and the payroll withholding authorization form were delivered on December 16. Documents provided by Bob Ely, General Counsel for VECO International, before and after the Commission's August 1984 meeting reflect the fact that some authorization forms were signed by employees in October, with the bulk of them completed in the period November through mid-December.

According to Mr. Ely, by December 10th the "Notice to all who have contributed to the Alaska Political Action Committee" had been sent to employees advising them that Senators Bennett, Eliason, Faiks, Paul Fischer, and Moss were recommended. In the meantime, during the months of September and October, it appears that Mr. Dankworth who had signed consulting contracts with Mr. Allen of VECO and with Tennessee Miller of the Frontier companies, began talking and meeting with individuals who might be recommended for support. Based on the August 11th meeting and perhaps on the fact that Mr. Ely was reviewing the information about Campaign Disclosure which had been provided at that meeting, assurances were given

that all the activities of VECO would be conducted lawfully and with the approval of the Commission staff.

Between the time when Mr. Ely dropped off the APAC documents and the authorization on December 16th and our meeting on February 9th, I received phone calls from Barbara Pargeter on behalf of Senator Faiks. Based on the samples of payroll deduction checks provided, I recorded my response as, "...told her I saw no "red flags" that would suggest problems and that Pat's suggestion for someone who wanted to take precautions would be to ask the employer for a copy of the employee's authorization." It appears that Mr. Ely gave more weight to that exchange than to the letter given him on February 9 or the one sent to him on February 16 as he did not make any further contact about the payroll deductions. Additional inquiries from Mr. Dankworth and Mr. Ely in mid-July focused on political polls.

Conclusions

Based on staff's further investigation into the potential for criminal referrals arising from this matter, ~~we have concluded that consideration of such referrals should be set aside in favor of civil action on the reporting failures and on the excessive contributions which were given and received in 1983 and 1984.~~

With respect to the VECO representatives, it is clear that in their duty to conform to the requirements of Alaska's Campaign Disclosure Law, they were neglectful. In light of the wide-ranging scope of their efforts to make campaign contributions, their activities might also be characterized as reckless, but the information compiled to date would not, in staff's opinion, constitute adequate evidence to recommend prosecution.

With respect to the candidates who received the payroll deduction contributions in 1983 and 1984, staff's investigation to date documents that they were pre-disposed to believe that the VECO activities were legal by virtue of the information that a meeting had taken place with the Commission's Executive Director at which the activities had been approved and subsequently, by the fact that one campaign treasurer had testified specifically about the deduction checks. Staff believes it would be fair to say that neither the candidates nor the staff was aware that only partial information had been provided and that only "an abundance of caution" will help us all if we are to avoid such situations in the future.

Recommendations

1. The Commission should renew its order that 1983 and 1984 group registration and reports are required of the three payroll deduction groups with civil penalty appeals to be filed within 30 days of October 12 (as VECO representatives have indicated they wish to do). Staff notes that the Commission should reserve the right to re-assess the groups in the event that no reports are filed by November 28.
2. The Commission should adopt staff's recommendation that the Alaska Political Action Committee has filed substantially incomplete reports for 1983 and 1984 which must be amended with civil penalty appeals to be filed within 30 days of October 23rd. Staff notes that not only are there questions about the expenses of 1983 paperwork, but also about possible administrative support provided by

Mr. Dankworth and Mr. Ely in 1983 and 1984 which is reportable. APAC should also be advised that contributions which are made or received, but returned, are required to be reported.

3. The Commission should advise the VECO representatives that where corporate contributions are made by an inactive subsidiary with funds provided by a parent corporation, such contributions are in violation of the ban against making a contribution in the name of another. AS 15.13.070(d). The Commission should further direct that it be advised of any 1983 and 1984 corporate contributions of that nature so that corrective action can be considered.

4. The Commission should advise the 1983 and 1984 recommended candidates that the payroll deduction contributions they received were, in fact, contributions by political groups, and that they must be reported as such, with any excess amounts returned to the groups by November 28 or a written appeal to that request provided. Those who wish to attend in person to discuss the request are encouraged to do so. Candidates should also be advised that contributions which are received, but returned, are required to be reported and that any necessary amendments should be filed. The Commission's notice should express staff's deep appreciation to those who have already responded to a request for information about this matter.

5. With respect to approval of a future payroll deduction plan by the VECO companies at this time, staff's research and its investigation indicate serious problems created by the VECO proposal of late August or with any other plan that couples employee withholding and simultaneous employer political recommendations. Such circumstances will almost inevitably create a group under AS 15.13.130(3). In light of the fact that other entities are currently using payroll deduction procedures for employee contributions to groups and in light of the complex body of case law which should be reviewed prior to approval of any universally applicable procedures, staff recommends that no approval be granted at this time.

APOC Chronology - VECO Matter - October 22, 1984

June 17, 1983 - Phone inquiry from Mr. Dankworth concerning campaign disclosure and lobbying reporting.

August 4, 1983 - Further phone inquiry from Mr. Dankworth about group requirements under AS 15.13 and request for a meeting with Bill Allen, Tennessee Miller, and Bob Ely.

August 11, 1983 - Meeting at VECO offices with Mr. Dankworth, Mr. Allen, and Mr. Kerrigan.

September, 1983 - Mr. Dankworth talks with Senator Gillman.

Fall & early winter, 1983 - Mr. Ely listens to 8/11/83 tape, researches law, and creates series of draft and final documents for organizing a political action committee and a payroll withholding program for the three companies.

October 5, 1983 - Luncheon meeting between Mr. Dankworth, Senator Jan Faiks, and perhaps Senator Eliason as well.

October 2, 1983 - Call from Senator Faiks to Theda Pittman regarding reportability of proposed trip to North Slope.

October 31, 1983 - Kuparak trip - includes Mr. Dankworth, Mr. Allen, Senators Bennett, Faiks, and Moss.

October, November, December - Memorandum to Employees from Bill Allen, Chairman of the VECO companies.

- 1983 Authorizations for Payroll Deductions.
- Alaska Political Action Committee Memorandum for

Employee Talks.

December 10, 1983 - Notice to All Who Have Contributed to the Alaska Political Action Committee; response requested by December 21. Five candidates recommended: Bennett, Eliason, Faiks, P. Fischer, and Moss.

mid-December, 1983 - \$41,080 in withholding.

December 16, 1983 - APOC staff receives copy of Authorization for Payroll Deduction, APAC Statement of Purposes, APAC Membership Application, and APAC Memorandum for Employee Talks. (12/10/83 Notice not provided.) Items sent to Pat Kennedy on 12/19.

December 27 and 29 - Payroll deduction checks sent to candidates.

January, 1984 - Notice to Employees from Roger Wickstrom indicating the Dept. of Revenue refund applications would be available in early February.

- Candidates send receipts to payroll for forwarding to employees.