

House Calendar No. 139

100TH CONGRESS }
2d Session

HOUSE OF REPRESENTATIVES

{ REPORT
100-526

IN THE MATTER OF
REPRESENTATIVE CHARLES G. ROSE III

REPORT

OF THE

COMMITTEE ON
STANDARDS OF OFFICIAL CONDUCT
U.S. HOUSE OF REPRESENTATIVES



MARCH 23, 1988.—Referred to the House Calendar and ordered to be
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LETTER OF SUBMITTAL

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT,
Washington, DC, March 23, 1988.

Hon. JIM WRIGHT,
Speaker of the House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: By direction of the Committee on Standards of Official Conduct, I herewith submit the enclosed report, "In the Matter of Representative Charles G. Rose III."

Respectfully,

JULIAN C. DIXON,
Chairman.

Enclosure.

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IN THE MATTER OF REPRESENTATIVE CHARLES G. ROSE III

MARCH 23, 1988.—Referred to the House Calendar and Ordered to be printed

Mr. DIXON, from the Committee on Standards of Official Conduct,
submitted the following

R E P O R T

I. PROCEDURAL HISTORY

On October 15, 1986, the Committee on Standards of Official Conduct received a properly filed complaint against Representative Charles G. Rose, III. Pursuant to Rule 9 of the Committee's Rules of Procedure, the complaint included letters from three Members of the House of Representatives who refused, in writing, to transmit the complaint to the Committee. The three signing Members were Representative Gene Chappie of California, Representative Eldon Rudd of Arizona, and Representative David S. Monson of Utah. After the receipt of the complaint, the Committee did not meet again during the 99th Congress.

The new Committee formed for the 100th Congress held its first meeting on February 25, 1987. The Committee addressed the issue of whether a complaint filed in one Congress (99th), which included letters of refusal signed by three Members of the House, was still valid in a new Congress (100th), even though none of the signing Members were currently seated in the new Congress. The Committee adopted the position that a properly filed complaint remains valid from one Congress to a subsequent Congress. Thus, the new Committee took up the complaint at its first meeting as required by the Committee's Rules of Procedure.

The complaint alleged that Representative Rose violated House rules by converting campaign funds to personal use and by expending campaign funds not attributable to bona fide campaign purposes in eight separate transactions in 1978, 1982, 1983, 1984, and 1985. The complaint alleged that Representative Rose violated the Ethics in Government Act of 1978 (EIGA) by failing to report liabil-

ities to his campaign on his Financial Disclosure Statements in 1982, 1983, 1984, and 1985. Finally, the complaint alleged that Representative Rose failed to report, as gifts, the value of interest forgiven on loans from his campaign committee.

The Committee decided to seek information from Representative Rose relevant to the allegations raised in the complaint. Answers to specific questions would facilitate its making a decision on whether to initiate a formal Preliminary Inquiry. To this end, the Committee sent letters to Representative Rose on three occasions. In response to these inquiries, Representative Rose submitted answers with documentation. Discussion of relevant issues also took place with the congressman's counsel. Based upon these efforts, the Committee concluded that there were matters which should be pursued through a formal investigation. Thus, on June 17, 1987, the Committee adopted a Resolution to conduct a Preliminary Inquiry based on the allegations raised in the complaint. (Appendix A.)

Following the Preliminary Inquiry, the Committee agreed to, and issued, a Statement of Alleged Violations to Representative Rose on October 28, 1987. The statement, included as Appendix B, consisted of four counts. Count one alleged that Representative Rose borrowed from his campaign in eight transactions from 1978 to 1985 in violation of House Rule XLIII, clause 6. Count two alleged that Representative Rose pledged a \$75,000 certificate of deposit belonging to his campaign as collateral on a personal loan, in violation of House Rule XLIII, clause 6. Count three alleged Representative Rose violated House Rule XLIV, clause 2 (EIGA), by failing to report on his Financial Disclosure Statements, as liabilities, outstanding indebtedness to his campaign from 1982-1986. Count four alleged that Representative Rose violated House Rule XLIV, clause 2 (EIGA), by failing to report on his Financial Disclosure Statements, as liabilities, outstanding indebtedness to seven financial institutions from 1979 to 1984.

On November 16, 1987, Representative Rose, through counsel, filed an Answer of Respondent to Statement of Alleged Violations and Accompanying Memorandum of Points and Authorities. (Appendix C.) The response denied each and every allegation of count one. With respect to count two, the response admitted that, on the date in question, Representative Rose signed a paper entitled "Assignment of Southern National Bank Savings Accounts/Savings Instrument." Representative Rose denied each and every remaining allegation of count two. Representative Rose denied each and every allegation contained in count three.

As to count four, Representative Rose admitted subsection (a), March 26, 1979, Waccamaw Bank \$5,000 and \$10,000 liabilities. As to count four, subsection (b), Representative Rose denied the allegation asserting that the February 29, 1980, First Citizens Bank \$20,000 liability was inadvertently reported as a liability to First Union Bank. As to subsection (c), June 2, 1980, National Bank of Washington \$10,496 liability, Representative Rose denied this allegation. As to subsection (d), August 1, 1980, \$20,000 liability to Southern National Bank, Representative Rose admitted this allegation. As to subsection (e), February 7, 1981, Wright Patman Congressional Federal Credit Union \$13,000 liability, Representative Rose denied this allegation and asserted this information "may

have been erroneously, though inadvertently and unintentionally," submitted to the Committee. As to subsection (f), April 15, 1983, Wachovia Bank \$12,500 liability, Representative Rose admitted this allegation. As to subsection (g), September 7, 1984, and September 11, 1984, Wright Patman Congressional Federal Credit Union liabilities, in the amounts of \$500 and \$10,000, respectively, respondent admitted these allegations.

On December 7, 1987, Committee counsel filed Committee Counsel's Reply Brief to Answer of Respondent to Statement of Alleged Violations, wherein Committee counsel recommended that the Committee move to sustain counts one, two, and three. (Appendix D.) Further, Committee counsel moved to dismiss count four, subsection (b), based on respondent's explanation, and moved to sustain the remaining subsections of count four. Subsequently, the Committee sustained counts one, two, and three, and dismissed count four, subsection (b).

On December 15, 1987, counsel for respondent filed an Amended Answer of Respondent to Count Four for the Statement of Alleged Violations, admitting count four, subsection (c). (Appendix E.) On December 16, 1987, Committee counsel moved to amend the Statement of Alleged Violations to correct count four, subsection (e), to read the National Bank of Washington, February 6, 1981, \$12,702.74. Respondent admitted this allegation. (Appendix F.)

The Committee and the respondent entered into a Post Statement of Alleged Violation Procedure agreement, in which Representative Rose waived his right to phase one of a Rule 16 disciplinary hearing, should the Committee vote to go forward with such a hearing. (See Appendix H.) The agreement provided that counsel for the respondent and Committee counsel would enter into a stipulation agreement identifying issues of fact both parties agreed on, which would be submitted to the Committee. The agreement also provided that both counsel would present oral argument to the Committee on the issues in the Statement of Alleged Violations, in lieu of testimony from witnesses at a hearing. Committee Chairman Julian C. Dixon and Ranking Minority Member Floyd D. Spence approved and signed the Post Statement of Alleged Violation Procedure agreement on December 2, 1987. The respondent, Representative Rose, approved and signed the agreement on December 8, 1987, and counsel for respondent, William C. Oldaker, signed the agreement on December 10, 1987. The respondent and his counsel also signed a Waiver of Phase One of Rule 16 Disciplinary Hearing on the corresponding dates. (See Appendix H.)

The Stipulations agreement between counsel was signed on December 15, 1987. (See Appendix G.)

On December 16, 1987, the Committee heard oral arguments on the allegations in the Statement of Alleged Violations from Committee counsel and respondent's counsel. Following deliberations, the Committee sustained all counts by unanimous vote. On February 18, 1988, the Committee formally notified Representative Rose of its decision that all four counts had been proved.

By letter dated February 19, 1988, Representative Rose formally notified the Committee that he waived his right to phase two of the disciplinary hearing. (Appendix I.) Rule 16(f) of the Committee's Rules of Procedure explains that in phase two Committee counsel

and counsel for the respondent may make a written and/or oral submission to the Committee on the issue of sanction.

II. CONDUCT OF INVESTIGATION

A. METHODOLOGY

The Committee proceeded with a number of investigative techniques during the Preliminary Inquiry phase. Among them were written interrogatories; the use of subpoena power to obtain various financial institution documents; requests for various public documents—Federal Election Campaign Act (FECA) reports, EIGA filings, and North Carolina Corrupt Practices Act filings; depositions from Alton Buck, Charles G. Rose, Jr., and Anthony Rand. The Committee also contracted for the services of the certified public accounting firm of Laventhol & Horwath. The respondent voluntarily testified, under oath, before the Committee.

The depositions in this case were taken in executive session pursuant to the rules of the House of Representatives and this Committee. Consequently, they are not included in this report in their entirety. Only the excerpts contained in the Committee Counsel's Reply Brief to Answer of Respondent to Statement of Alleged Violations are included herein. The report gives certain factual information that may be attributable to the deponents. The deposition of the individual should be viewed as one of the sources of this information.

The information obtained from all sources was considered in adopting this report.

B. SCOPE

The Resolution adopted June 17, 1987, defined the scope of this investigation. This definition included violations of clause 6 of House Rule XLIII by failing to keep campaign funds separate from personal funds, converting campaign funds to personal use, and expending campaign funds not attributable to bona fide campaign purposes; violations of the EIGA by failing to report liabilities in excess of \$10,000; and EIGA violations by failing to report the forbearance of interest on loans from his campaign. The Committee undertook to investigate alleged violations in these areas.

The allegation in count two, while not specifically included as a part of the complaint, fell within the parameters of violations of clause 6 of House Rule XLIII during the relevant time period and was discovered during the regular course of investigation in the Preliminary Inquiry phase. The Committee, therefore, included this information as a basis for an allegation in its Statement of Alleged Violations.

C. FINDINGS OF FACT

The Committee adopted the December 15, 1987, Stipulations (Appendix G) signed by Committee counsel and counsel for the respondent as its findings of fact.

III. HIGHLIGHTS

A. COUNT ONE

Count one alleged that on eight occasions Representative Rose borrowed money from his campaign in violation of House Rule XLIII, clause 6. This rule provides, in part, that a Member—

. . . shall keep his campaign funds separate from his personal funds. . . and he shall expend no funds from his campaign account not attributable to bona fide campaign purposes.

The borrowings occurred from 1978 to 1985, and ranged in amount from \$895 to \$18,000.

Representative Rose argued as a defense that the withdrawals from his campaign were not borrowings. Rather, he argued that they were repayments to him for money loaned to his campaign in 1972. Only \$9,500, however, was actually loaned by the congressman himself. Mr. Charles G. Rose, Jr., the congressman's father, contributed \$16,400 and also paid a bank note of \$20,000. Representative Rose explained that he reimbursed his father in 1975 with the proceeds of a \$50,000 bank loan, in addition to property transfers in 1978 and 1980. Thus, Representative Rose argued he replaced his father as a creditor of the campaign and was entitled to the withdrawals as repayments.

The Committee concludes that the evidence did not support Representative Rose's theory. The lack of documentation made at the time of the alleged loans to the campaign, the carrying of the disbursements as loans to Representative Rose on FECA and Clerk of the House of Representatives (Clerk) reports from 1978 until 1986, the characterization as repayments of loan of deposits back to the campaign on FECA reports, and the failure to establish a valid entitlement to funds the campaign may have owed his father, were significant factors which caused the Committee to hold that the withdrawals from his campaign were indeed borrowings by Representative Rose.

Finally, and perhaps most importantly, the Committee adopts two key positions: (1) a Member may not borrow money from his campaign; and (2) a Member's withdrawal of funds from his campaign as repayment to himself of prior unreported campaign loans will be construed as borrowings, in violation of House Rule XLIII, clause 6. It should be stressed, however, that these two positions did not govern either the Committee's findings or disposition in this case.

B. COUNT TWO

Count two alleged that Representative Rose used a certificate of deposit belonging to his campaign as collateral for a personal loan during the years 1985 and 1986.

House Rule XLIII, clause 6, states that a Member of the House of Representatives—

. . . shall convert no campaign funds to personal use in excess of reimbursement for legitimate and verifiable campaign expenditures. .

Additionally, House Rule XLIII, clause 2, states:

A Member, officer, or employee of the House of Representatives shall adhere to the spirit and the letter of the Rules of the House of Representatives and to the rules of duly constituted committees thereof.

The argument and evidence presented established that Representative Rose did indeed use his campaign's funds for personal benefit by pledging the certificate of deposit on his own loan.

Representative Rose did not dispute that he signed an assignment of his campaign's certificate of deposit. He argued, however, that, since he had no legal authority to make this assignment, it was not valid and, therefore, no House rule was violated. Representative Rose testified before the Committee that the purpose of executing the assignment was to receive a lower interest rate on the loan in question, and that he had indeed received a lower interest rate.

The Committee rejected Representative Rose's position for several reasons. First, a strong argument could be made that the assignment was enforceable because it had been validated by a letter sent to Southern National Bank by the Assistant Campaign Treasurer, Mr. Alton G. Buck, four days before the transaction was entered into, which stated that Representative Rose's campaign funds were his to do with as he pleased. Secondly, the Committee concluded that Representative Rose violated the spirit of Rule XLIII, clause 6, by attempting to assign the certificate of deposit, regardless of whether the assignment would have been legally enforceable had the bank attempted to seize the collateral. And, Members are required by House Rule XLIII, clause 2, to adhere to the spirit and the letter of the rules. Finally, the Committee noted that the bank had accepted the certificate of deposit as collateral, in that no alternative collateral was ever requested and, in fact, the bank lowered Representative Rose's interest rate on the loan because of it. Using the campaign's funds to obtain a lower loan interest rate on a personal loan constituted personal use in violation of the rule.

For these reasons, the Committee concluded that Representative Rose received a personal benefit from the use of the funds and, therefore, violated Rule XLIII, clause 6. The attempt to accomplish something which may not be legally enforceable is not recognized as a valid defense to violations of House rules. A violation of the spirit of the rule in this case constitutes a violation of the rule.

C. COUNT THREE

Count three alleged that Representative Rose failed to report, in the liabilities section of his Financial Disclosure Statements, the indebtedness incurred to his campaign for the years 1982 through 1986, resulting from the borrowings alleged in count one. EIGA requires that Members report obligations over \$10,000. A finding on this count is inextricably tied to the finding in count one. Given that Representative Rose denied borrowing from his campaign, his concomitant argument was that he had no reportable liability to his campaign.

Committee counsel and counsel for the respondent stated in the Stipulations that the Committee's finding with respect to count one

would result in a like finding as to count three. The Committee found that the evidence presented supported a finding that count one had been proved—Representative Rose borrowed money from his campaign on eight occasions from 1978 to 1985. The concomitant finding then, was that count three also had been proved in that Representative Rose's Financial Disclosure Statements for the years in which his indebtedness exceeded \$10,000, 1982 through 1986, did not disclose these liabilities to his campaign.

D. COUNT FOUR

Count four alleged that Representative Rose failed to report, as liabilities on his Financial Disclosure Statements, obligations to various financial institutions. The respondent admitted most of the allegations, explaining that the omissions were unintentional. He promptly filed amendments to his Financial Disclosure Statements. The amendments were filed at the Member's own initiative without the request of the Committee. The two-pronged test to establish a presumption of good faith set out in the April 23, 1986, memorandum to Members, officers, and employees of the House of Representatives (Appendix N) does not apply to circumstances where the amendments are filed after a Statement of Alleged Violations has been issued. Here, the respondent is merely taking appropriate corrective action.

Subsection (b) of count four was dismissed by the Committee. In his Response to the Statement of Alleged Violations, Representative Rose informed the Committee that an effort was made to disclose this loan. Erroneously, the loan was reported as an obligation to First Union Bank, not First Citizens Bank. The Committee accepted this explanation and dismissed this subsection of the count.

IV RESULTS OF INVESTIGATION

A. COUNT ONE—REPRESENTATIVE ROSE BORROWED FROM HIS CAMPAIGN

Count one alleged that Representative Rose borrowed from his campaign on eight occasions from 1978 to 1985, in violation of House Rule XLIII, clause 6. The rule states:

A Member of the House of Representatives shall keep his campaign funds separate from his personal funds. He shall convert no campaign funds to personal use in excess of reimbursement for legitimate and verifiable prior campaign expenditures and he shall expend no funds from his campaign account not attributable to bona fide campaign purposes.

The Committee began by trying to determine what evidence existed that would bear on whether the eight campaign disbursements to Representative Rose were actually loans to the congressman as alleged in the complaint, or whether the disbursements were repayments of prior loans to the campaign attributable to Representative Rose. The evidence considered included campaign reports filed with the Clerk of the House of Representatives (Clerk) in 1972; FECA reports filed with the Clerk from 1978 through 1987; campaign reports filed with the Secretary of State of North Carolina pursuant to the North Carolina Corrupt Practices Act; cam-

paign checks written to Representative Rose; checks from Representative Rose to the campaign; check stubs from the campaign checkbook; a promissory note executed April 21, 1987; letters between Mr. Alton G. Buck, Assistant Campaign Treasurer, and the Office of the Clerk; two loan transactions between Representative Rose and North Carolina National Bank (NCNB); a loan transaction between Mr. Charles G. Rose, Jr. and First Citizens Bank; and two property transfers between Representative Rose and his father. All evidence was considered in light of what it appeared to show on its face, the surrounding circumstances, and the explanation of events as put forward by Representative Rose. It is, therefore, necessary to understand the explanation and defense put forward by Representative Rose.

1. Representative Rose's Explanation

Representative Rose asserted that the disbursements to him were not loans but, rather, payments to him of prior loans made to his campaign. The explanation began in 1972 when, during his first successful run for Congress, Representative Rose and his father contributed \$45,900 to the campaign. The contributions consisted of six separate "seed money" loans (hereinafter referred to as seed money loans) and are reflected in 1972 filings with the Secretary of State of North Carolina under the North Carolina Corrupt Practices Act and the federal campaign report filed with the Clerk. Information provided by Representative Rose from those documents indicated contributions as follows:

Date of loan	Source of contribution	Amount of contribution	Total contribution
Apr 7, 1972	C.G. Rose, Jr.	\$8,750	\$8,750
Apr 20, 1972	C.G. Rose III	7,500	16,250
May 5, 1972	C.G. Rose, Jr.	5,150	21,400
May 23, 1972	First Citizens Bank	20,000	41,400
June 2, 1972	C.G. Rose III	2,000	43,400
June 2, 1972	C.G. Rose, Jr.	2,500	45,900

As the chart shows, campaign reports indicated that Representative Rose contributed \$9,500 of his personal funds, although he testified to the Committee that the original source of this money may also have been from his father, Mr. Rose, Jr. In addition, the records show the campaign borrowed \$20,000 from First Citizens Bank (the note was later discharged by Mr. Rose, Jr.), and the remaining \$16,400 was contributed by Mr. Rose, Jr. (Campaign law at that time did not limit the amount of contribution a family member could make.) It was Representative Rose's contention that these monies were intended, at the time they were made, to be loans to the campaign.

The next element of the respondent's defense rested on the repayment arrangement for the so-called loans. Representative Rose asserted that, at the time the loans/contributions were made to the campaign, he and his father entered into an oral agreement wherein the congressman agreed to personally reimburse his father for any money he (father) loaned to the campaign. Thus, by virtue of this oral agreement, the congressman contended he made himself,

not the campaign, liable to his father. As a result, the campaign's liability was to the congressman, not his father, for all the seed money contributions.

The defense explained that the Congressman's father consolidated or made a benchmark of the seed money debt owed to him resulting from his campaign contributions, by borrowing \$50,000 from First Citizens Bank in November 1973. Although the six seed money contributions from 1972 totaled only \$45,900, the additional \$4,100 represented interest from 1972 to the time of the 1973 consolidation loan, at 6 percent, the legal rate of interest at that time. Thus, under Representative Rose's theory, a \$50,000 obligation, stemming from 1972 campaign contributions, accrued to the campaign in favor of Representative Rose.

Representative Rose asserted that he did, in fact, repay his father the \$50,000 and was, therefore, entitled to receive disbursements of this amount from the campaign. The repayment occurred in January 1975 when he borrowed \$50,000 from NCNB. In addition, the Congressman said he transferred property he owned in the State of Alaska to his father in satisfaction of all debts between them.

The final part of his defense stated that his payments to the campaign, which appeared to be repayments of his borrowings from the campaign and which were reported as such on FECA filings, were, in fact, re-loans made by him to the campaign. He stated, under oath, to the Committee that he felt these loans were necessary to keep his campaign balances high. The net effect of these re-loans was that the campaign currently still owes the respondent \$50,000, and a promissory note evidencing this was executed in April 1987.

2. Committee Analysis of the Evidence

After considering Representative Rose's explanation, the Committee then examined it in light of all available evidence.

a. Seed Money Loans

The evidence supports the fact that contributions totaling \$45,900 were put into the campaign in 1972 by Representative Rose and his father. The campaign filings with the Clerk and with the Secretary of State of North Carolina clearly indicate these transactions occurred. (Exhibit 1 of Appendix D.) These documents do not, however, justify the conclusion that the entire amount was *loaned* to the campaign and repayment was expected.

Examining first the North Carolina filings, Representative Rose correctly asserted that the North Carolina Corrupt Practices Act filing procedure did not require that a distinction be made between contributions intended as gifts/donations to the campaign and those intended as loans. Both categories of receipts were reported as contributions. The reports indicate Representative Rose contributed \$9,500 and Mr. Rose, Jr. contributed \$16,400. The \$20,000 loan from First Citizens Bank was not reported on these forms. Thus, the face of these documents did not conclusively establish that \$45,900 in seed money contributions were *loaned* to the campaign.

The next set of reports examined on this issue was the campaign reports filed in 1972 with the Office of the Clerk. (See Exhibits 3

and 4 of Appendix D.) The Federal Election Campaign Act became effective April 7, 1972. As of that date, all congressional candidates were required to file campaign reports with the Clerk, which included information on receipts and expenditures up to and including April 7. These reports provided a separate schedule for the reporting of loans. Thus, unlike the North Carolina filings, there should have been no ambiguity about which contributions were intended as loans and which were intended as gifts/donations.

The separate loan schedule included in Representative Rose's filing with the Clerk did not indicate loans of \$45,900 to the campaign. Only two loans were disclosed—one on May 23, 1972, for \$20,000 from First Citizens Bank, and one for \$5,150 from Mr. Rose, Jr. on May 5, 1972.

Respondent's counsel offered, in submissions to the Committee, that the instructions for reporting to the Clerk did not require the reporting of loans which were not evidenced in writing. Counsel argued that, since no written loan agreements were executed contemporaneously between the campaign and Representative Rose, nor were any executed between the campaign and the Congressman's father, no obligation existed to report any of these loans on the separate schedule.

The instructions on the face of the report read:

Every debt incurred, or a contract, agreement, or promise to make a contribution or expenditure entered into on or after April 7, 1972, *which is in writing and exceeds the amount of \$100, shall be reported in separate schedules on the reporting forms prescribed by the Clerk. . . .* (Emphasis supplied.)

The respondent urged that the emphasized language supported his position of not having included the entire \$45,900 on the separate schedule. None of the seed money loans to the campaign from the respondent and his father were in writing. The oral nature of the loans made them exempt from the reporting requirement under the respondent's theory.

The Committee did not take a position on the proper interpretation of instructions. FECA law and the instructions for completing the reports promulgated by the Clerk's office are not within the jurisdiction of this Committee. Instead, the Committee chose to look at the surrounding circumstances in determining what the face of the reports, as filed, meant. The Committee noted that, notwithstanding the arguments put forth by respondent's counsel, the campaign did report at least two of the seed money loans on the separate schedule. The fact that these loans also were not evidenced in writing strongly suggested that the filer was not under the impression that only loans in writing had to be reported on the loan schedule. Rather, it suggested these two contributions were the only ones considered as loans at that time.

Further, respondent's counsel argued that the beginning cash-on-hand balance of \$14,428.12 shown on the 1972 Clerk filing included the April 7, 1972, seed money loan/contribution of \$8,750. However, all loans made *on or after April 7, 1972*, were required to be reported separately, not as part of the start up cash-on-hand balance. Representative Rose's North Carolina campaign filing clearly indi-

cates April 7, 1972, as the date of the \$8,750 contribution. Thus, according to the instructions, the contributions should not have been reported as part of the cash on hand. The contribution should have been itemized separately, either as a regular contribution or as a loan. Again, the evidence, on its face, does not support the conclusion that this contribution was a loan.

Representative Rose did put forth a promissory note in the amount of \$50,000 as evidence of the loan obligation to him. (Exhibit 1 of Appendix C.) The note was executed on behalf of the campaign by Assistant Campaign Treasurer Buck and made payable to Charles G. Rose, III. The respondent alleged that the note represents the campaign's indebtedness to him resulting from the 1972 seed money loans and the agreement with his father. The note recites an interest rate of zero and is due on April 20, 1988. The note was not executed contemporaneously with the loans made to the campaign in 1972. The date of the note was April 21, 1987.

A note executed fifteen years after the transactions giving rise to the indebtedness was not sufficient as conclusive evidence of the nature of the original transactions. The signatory, Mr. Buck, testified during his deposition (Exhibit 11 of Appendix D.) that he was not an officer of the campaign in 1972 when the transactions took place, and that he had no independent, personal knowledge of whether or not the contributions were intended to be loans at the time they were made. Mr. Buck stated he relied on three things in executing the promissory note in 1987 (as well as amending the FECA reports to reflect repayments to the Congressman and loans to the campaign): (1) a conversation with Mr. I.B. Julian, a former official of the First Citizens Bank; (2) a bank ledger card evidencing a \$50,000 loan from the bank to Mr. Rose, Jr. in November 1973; and (3) North Carolina Corrupt Practices Act filings with the Secretary of State.

The Committee was not satisfied that these factors were conclusive evidence that the contributions were loans. The statement of Mr. Julian, a former official of First Citizens Bank, said that he recalled Mr. Rose, Jr. coming to the bank in November 1973 to apply for a \$50,000 loan. (See Appendix J.) He recalled that Mr. Rose, Jr. said that the purpose of the loan was for his son's campaign debts.

The bank was not able to produce any loan records which showed the purpose of the loan. Due to the passage of time, these records are no longer available. The Committee does not question the best intentions of Mr. Julian's statement. However, the numerous business transactions with the bank that Mr. Rose, Jr. had over the last two decades required stronger evidence than recollection to establish that the purpose of this particular loan in November 1973 was related to campaign debts of Charles G. Rose, III.

The ledger card relied on by Mr. Buck in creating the promissory note also was insufficient. (See Exhibit 5 of Appendix D.) A bank ledger card did reveal that Mr. Rose, Jr. received a \$50,000 loan from First Citizens Bank in November 1973. The ledger card does not prove, however, that the loan was related to the campaign debts of the respondent. As explained, Mr. Rose, Jr. had numerous transactions with First Citizens Bank.

The final evidence relied on by Assistant Campaign Treasurer Buck was the North Carolina campaign reports listing contribu-

tions from the respondent and his father. As explained above, however, these reports merely raise the possibility that the contributions may have been loans. The Committee recognizes that the reports leave open the possibility that the contributions were donations. However, they do not resolve the issue.

Although Assistant Campaign Treasurer Buck felt there was sufficient evidence to support the execution of a \$50,000 promissory note, fifteen years after the fact, the Committee viewed the available evidence as too sparse to substantiate using the document to verify the existence of prior loans. Thus, the promissory note was not persuasive evidence on the issue of whether the respondent was responsible for \$50,000 in campaign loans in 1972. The Committee is firmly convinced that the respondent is not entitled to collect on the note.

b. The Benchmark or Consolidation Transaction

The respondent explained the purpose of the November 1973 \$50,000 loan from First Citizens Bank to his father was to make a benchmark in one place of the money owed to him as a result of his seed money contributions. Recall that the \$9,500 listed from the respondent was also said to come from Mr. Rose, Jr., so that the campaign's indebtedness to him, with interest, was \$50,000. The money was also alleged to have been borrowed to consolidate and retire the campaign's debt from 1972. Examination of campaign records, including FECA reports and bank records revealed that, in fact, no true consolidation occurred. The \$50,000 was not deposited into the campaign account and paid out to creditors, nor was it used to retire the \$20,000 note at First Citizens Bank.¹ The congressman testified that his father simply kept the money as repayment. Mr. Rose, Jr. testified in deposition (Exhibit 7 of Appendix D.) that he recalled giving the money to the campaign. The confusing and contradictory testimony on this point did not aid in resolving the issue of whether the seed money was intended as loans. The Committee concluded that the evidence established that Mr. Rose, Jr. did receive a \$50,000 loan in November 1973. But, the purpose of the loan and ultimate use of the money was unclear.

c. Payment to Charles G. Rose, Jr.

In response to questions, Representative Rose explained that he repaid his father the \$50,000 seed money obligation. The Committee was interested in this as a key to the respondent's theory of entitlement to campaign funds.

The respondent argued that he repaid his father the \$50,000 with the proceeds of a loan from NCNB in January 1975. As evidence of the transaction, respondent produced a copy of the nonnegotiable portion of a NCNB bank draft made payable to him. (See Exhibit 9 of Appendix D.) The Committee was unable to obtain any other evidence of the transaction. Bank records for this time period are no longer available. Neither the respondent nor his father recalls whether the payment was made by endorsing the bank draft over to the elder Rose, by depositing it into the respondent's account

¹ Although the \$20,000 note was eventually retired by Charles G. Rose, Jr., that did not occur until May 17, 1976.

and writing a check, or otherwise. As in the case of the November 1973 loan to Mr. Rose, Jr., the Committee again concluded that the evidence supported the fact that a loan of \$50,000 was made. However, it is unclear what the purpose of the loan was and whether it related to any campaign transactions.

The Committee asked the certified public accounting firm of Laventhol & Horwath to use all available bank records, and other documentation submitted by the respondent, to determine how the proceeds of the \$50,000 may have been used. The firm's final report traces the transactions of the respondent through several years, and concludes that there is strong evidence to support that the January 1975 \$50,000 loan from NCNB was used to satisfy a December 1974 obligation of \$50,000 to People's Bank. The transactions leading up to this were illustrated in a flow chart included in the firm's report. A complete analysis required the firm of Laventhol & Horwath to examine numerous personal transactions of the respondent not directly related to the issues before this Committee in preparing its report. For this reason, only excerpts from the final report are included. The report stated:

It is our position, based on the documentation made available to us, and after reviewing all relevant aspects of these transactions, that Rep. Rose then obtained the subject \$50,000 loan from NCNB in January 1975 to satisfy the People's loan. . . . We are unable to reconcile this [Representative Rose's] assertion with contemporaneous documentation, facts and circumstances surrounding these events. . . .

Absent further documentation from the respondent, the Committee finds the position of Laventhol & Horwath persuasive.

However, in addition to this payment, Representative Rose explained that he transferred two parcels of Alaska land to his father in May 1978 and April 1980 in satisfaction of the debt. The land was purchased with the proceeds of a \$100,000 loan from NCNB by Charles Rose, III and guaranteed by Mr. Rose, Jr. in December 1975. Fifty thousand dollars of that loan were used to retire the \$50,000 January 1975 NCNB note. The remaining fifty thousand dollars were used to purchase the Alaska property.

After unsuccessfully attempting to sell the Alaska property, Representative Rose conveyed it to his father. The evidence obtained by the Committee indicated that the respondent had invested approximately \$91,535 of his personal funds into the land at the time of the first conveyance. The congressman's father took over the notes on the property at some time after the conveyance. Later, Mr. Rose, Jr. sold the property at a substantial profit. Both father and son acknowledged that the property transfer satisfied all debts between them, including debts not related to the campaign. However, neither could put a dollar figure on how much the respondent owed.

Thus, the Committee concluded that it is impossible to determine if the property transfer was adequate to repay all previous debts between father and son, as well as the \$50,000 campaign obligation. Further, the Committee's position that the evidence failed to substantiate that \$45,900 was actually loaned to the campaign in 1972,

necessarily means that any repayment by the respondent to his father would not legitimize the withdrawals the congressman made from his campaign.

d. Use of Campaign Funds for Personal Purposes

The respondent began withdrawing funds from his campaign in November 1978 and continued with seven other withdrawals through 1985. House Rule XLIII, clause 6, requires that all campaign expenditures must be for bona fide campaign purposes. Representative Rose has not asserted that he used the money for campaign purposes because he relies on the fact that he was entitled to the funds as repayments of prior loans. Consequently, however, if he were not entitled to the withdrawals, then the money would have to have been used for campaign purposes in order to avoid a violation.

The Committee's investigation revealed that at least two of the withdrawals were used for personal purposes. In one instance, the respondent used funds borrowed from his campaign to purchase property in New Hanover County, North Carolina, and, in another instance, an automobile was purchased. On September 15, 1983, Representative Rose's joint account with his wife was credited with \$18,000 according to a Statement of Account from Wright Patman Congressional Federal Credit Union for that time period. Records from Southern National Bank in Fayetteville indicate that on September 20, 1983, the respondent's campaign account was debited for \$18,000. On September 23, 1983, a check for \$15,000 cleared the respondent's account completing the transaction. (Exhibit 18 of Appendix D.)

A copy of the check indicated that it was written on July 27, 1983, to Gleason Allen, the trustee of the property, as a downpayment. The back of the check revealed that it apparently was held until September 21 when it was deposited into the realty company's account. Thus, the sequence of events was as follows: Representative Rose wrote a check for the property in July. In mid-September, the campaign loaned the Congressman \$18,000. He deposited the money into his Credit Union account. The check which had been held since July was deposited into the realty company's account. The Committee is satisfied the money from the campaign was used to purchase the property.

Similarly, the Committee has traced the source of the funds for the purchase of an automobile to the respondent's campaign account. The campaign check to Representative Rose for \$9,600 is dated August 19, 1985. (Exhibit 19 of Appendix D.) The notation on the bottom left corner of the check says "loan". The check is endorsed by the Congressman's wife and deposited into the Credit Union account. On August 21, 1985, the Congressman wrote a check on the Credit Union account for \$9,600 to Michael Gavlak for a 1984 Jeep Station Wagon. (Exhibit 20 of Appendix D.)

These two transactions evidence personal use of campaign funds in violation of the rule.

e. Deposits into the Campaign

Six deposits went from Representative Rose into the campaign account. Four of these deposits corresponded exactly to amounts

withdrawn from the campaign within a relatively short period of time. The final deposit of \$11,895 made in September 1987 was the total of the three withdrawals made in 1978, 1982, and 1983, which had not been matched with identical deposits within a short period of time.

FECA reports filed from 1978 to 1985 characterized these deposits from the Congressman as repayments of loan. (Exhibit 2 of Appendix D.) The respondent explained that FECA reports filed from 1978 to 1985 were in error. On January 6, 1987, all of these FECA statements were amended, so that they currently reflect that the disbursements to the respondent from the campaign from 1978 to 1986 were repayments to him of loans and the deposits from the Congressman to the campaign were re-loans to the campaign.

f. FECA Amendments

The Committee holds that the FECA amendments filed in 1987 are not supported by the evidence. Alton Buck prepared and signed the original filings which characterized transactions between the campaign and the respondent as loans and repayments of loans. The communications from his office suggest he believed this was the correct characterization at the time he prepared the reports. In an affidavit submitted to the Committee, however, he stated he was unaware of how to obtain advice from the Federal Election Commission in preparing the reports and, therefore, mistakenly characterized the transactions. Later, in 1986, when confronted with what he believed correct information, he amended his reports.

One communication between Mr. Buck and the Clerk of the House dated May 18, 1982, read:

In response to your letter of May 13, 1982 to Mr. Rand concerning the April 15 report of receipts and disbursements, and more particularly, items that should be included on Line 13a of the report, your letter indicates that you are under the impression that the committee has borrowed money during this reporting period. This is not the case. The line-by-line instructions for FEC Form 3 directs that loans made *to* the committee during the reporting period are to be reported on this line. There were no loans made to the committee during this period.

The candidate did receive a loan from the committee during this period and this has been reported in the disbursement section, i.e., Line 17 "Operating Expenditures" We were instructed by FEC personnel to report this loan expenditure on Line 17. (Exhibit 12 of Appendix D; emphasis supplied.)

A second letter, in June of 1984, also confirmed that the disbursements were loans to the Congressman:

Although all of the information relevant to *Mr. Rose's loan* was disclosed in our Pre-primary report, we failed to list the information again on supporting Schedule C. Page 2 of 2, Schedule C has been amended and is enclosed for your records. (Exhibit 13 of Appendix D; emphasis supplied.)

Finally, a letter signed by an employee of Alton Buck on January 21, 1986, read:

Enclosed are amended pages to the July 31, 1985 Mid-Year Report. After a telephone conversation today with Mr. Stuart Herscheld, Reports Analyst, we were informed that *loans repaid by the Congressman* should be reported on Line 14—"Offset to Operating Expenditures" rather than Line 15—"Other Receipts".

We have included all amended pages to the report applicable to this amendment for your records. (Exhibit 14 of Appendix D; emphasis supplied.)

The Committee took into consideration the FECA reports as originally filed, the FECA reports as amended, the close proximity in time of the withdrawals and deposits, checks written to the campaign, letters from the office of Alton Buck to the Clerk of the House, and all evidence relating to the seed money contributions. These factors cause the Committee to conclude that the transactions between Representative Rose and his campaign were loans from and repayments to the campaign, notwithstanding the amendments.

The Committee takes note of the fact that the respondent repaid in full all monies borrowed from his campaign. There is no outstanding indebtedness to the campaign at this time. Nevertheless, the Committee iterates its position that Representative Rose *is not entitled to repayment of \$50,000 from his campaign.*

B. COUNT TWO—REPRESENTATIVE ROSE USED A CAMPAIGN CERTIFICATE OF DEPOSIT AS COLLATERAL ON A PERSONAL LOAN

Count two alleged that on or about March 26, 1985, Representative Rose violated House Rule XLIII, clause 6, in that he converted campaign funds to personal use. The Statement of Alleged Violations charged that Representative Rose used a campaign certificate of deposit as collateral on a personal loan. Specifically, the evidence showed that Representative Rose had an existing loan of \$56,277.77 at Southern National Bank (SNB) in Fayetteville, North Carolina. The respondent's campaign committee also did its banking at this financial institution. The campaign had a \$75,000 certificate of deposit with the bank which was used to secure the \$56,277.77 loan. The purpose of the collateral was to obtain a lower rate of interest.

1. *The Nature of the Loan—Personal or Campaign*

The first issue was whether the loan was actually a personal one for Representative Rose or whether the loan actually was a campaign loan. Obviously, if the loan were for campaign purposes, there was no impropriety in pledging the campaign's certificate of deposit as collateral. A violation could only lie if the loan were personal.

During the investigation, respondent's counsel raised the point that the loan may have been a campaign loan. A March 26, 1985, credit memo in the bank's loan file for the respondent, lists the certificate as collateral, and states that the purpose of the loan was to "regroup campaign expenses and secure." (See Exhibit 21 of Ap-

pendix D.) A review of all available bank records and FECA reports led to the conclusion that, indeed, the loan was personal.

The Committee asked the private accounting firm of Laventhol & Horwath to assist in this aspect of the investigation. In its final report to the Committee, the conclusion of the firm, after tracing the financial transactions giving rise to the \$56,277.77 loan, was that the loan to Representative Rose was "obtained to satisfy precedent personal liabilities of Representative Rose and resulted in a commingling of personal and campaign obligations." Recall that the collateral was pledged on an existing loan of \$56,277.77 from SNB. This loan represented a consolidation and/or refinancing of two prior outstanding personal loans—a June 1982 loan for \$40,000 and a December 1983 loan for \$16,000. The report of Laventhol & Horwath concluded:

Based on a loan analysis provided by Representative Rose and confirmed to the fullest extent possible through the documentation made available to us, we constructed the loan flow analysis . . . detailing the relationship of . . . precedent loans to the March 1985 borrowing. In view of this summary, it is clear from the relevant loan documentation that at least [some] of the . . . precedent loans were for personal use. Assuming that if a given loan was for personal use, any subsequent loan used to satisfy that debt would carry that personal use "taint", it is clear that each path to the aforementioned \$40,000 loan from SNB in June 1982 passed through a personal use juncture.

The report to the Committee included a loan flow analysis illustrating this point.

Under House Rule XLIII, clause 6, commingling of personal and campaign money is also prohibited. Although some of the money may have been borrowed to repay the campaign for prior withdrawals, this did not constitute a true campaign obligation. Since the original borrowing from the campaign was for personal purpose, notwithstanding the source, the repayment loan was also a personal obligation. In addition, the campaign's FECA reports did not reflect a \$56,277.77 liability to the bank. This should have been the case if the loan was a campaign obligation.

The Committee accepts the finding of Laventhol & Horwath that the loan was a personal loan to the respondent and not a campaign loan, in that it resulted from commingling of funds.

2. Evidence of a Violation of House Rule XLIII, Clause 6

After determining that the loan in question was a personal loan, the Committee turned to the issue of whether a violation of House Rule XLIII, clause 6, occurred by converting campaign funds to personal use.

The evidence presented included a document entitled "Assignment of Southern National Bank Savings Accounts/Savings Instruments" signed by the respondent. The assignment read:

The *undersigned* warrant(s) and represent(s) that the above described savings account(s) instrument(s) is (are) owned solely by *undersigned* and is (are) free and clear of

all liens and encumbrances and *the undersigned has (have) full power, right and authority to execute and deliver this assignment.* (See Exhibit 21 of Appendix D; emphasis supplied.)

The document, dated March 25, 1985, recites the identification number of the collateral instrument used to secure a \$56,277.77 loan to Representative Rose, and the amount of the security is listed as \$75,000.

The March 26, 1985, credit memo notes the respondent's existing \$56,277.77 loan is secured by a \$75,000 "SNB certificate." The identification number shown on the face of the certificate matches the number listed on the assignment instrument. The name listed on the certificate is "Committee for Congressman Charlie Rose."

Respondent acknowledged that he signed what purported to be an assignment for use of a certificate of deposit as collateral on a loan. He also acknowledged that the certificate of deposit was property of the campaign. His defense centered around the legal argument that, although he had endorsed the assignment for use of the campaign's certificate of deposit as collateral, the assignment was legally ineffective because he did not have the authority to sign on behalf of the campaign. The bank's signature card for the campaign's certificate listed Alton G. Buck as the authorized signatory for the account. Consequently, respondent argued the assignment was invalid and no actual converting to personal use in violation of House rules could have occurred.

Southern National Bank submitted to the Committee a letter dated October 29, 1987, which included an opinion from the bank's counsel. (Exhibit N of Appendix C.) Counsel's opinion, after reviewing the signature card and the assignment, was that the assignment endorsed by Representative Rose was invalid.²

Regarding the assertion that the assignment was invalid, the Committee notes that a letter was sent from Assistant Campaign Treasurer and Campaign Accountant Buck to Southern National Bank on March 22, 1985, 4 days *prior* to the date of the assignment. (See Exhibit 21 of Appendix D.) The letter appeared to have been written in response to a previous bank inquiry regarding propriety of the respondent's use of the campaign's certificate of deposit. Mr. Buck responded:

In regard to the use of the Committee for Congressman Charlie Rose's Certificate of Deposit with Southern National Bank as collateral for his loan, this would be permissible [sic]. Since Congressman Rose was elected to Congress prior to 1980, he may use any campaign funds he has raised in any manner in which he sees fit. He, of course, would have to pay income tax if he makes personal use of the funds other than to carry out the objectives of the election committee.

I hope this answers your question—if not, please do not hesitate to call.

² A second letter from the bank's counsel to the Committee dated December 12, 1987, states that a March 22, 1985, Buck letter was also considered in their legal opinion.

The letter indicated that the individual, who did have authority to sign for use of the certificate of deposit, was aware of the respondent's intended use of the campaign's savings instrument and had no objection to it.

In the Committee's view, by endorsing the assignment, the respondent showed an intent to obtain personal benefit from the use of the campaign's certificate. In addition, the respondent stated under oath that he did, in fact, receive a lower interest rate on the loan as a result of pledging the certificate of deposit. (See Appendix L, at p. 27; see, also, Appendix M, at p. 102.) Thus, not only did the respondent have an intent to obtain a personal benefit, he actually received such a benefit from the use of the campaign's money.

In response to the argument that the assignment was invalid, the Committee notes that this fact would be irrelevant, unless the loan was in default and the bank decided to seize the collateral in satisfaction of the loan. The bank's attempt to seize the collateral would fail in a court of law should the campaign contest the action. This does not change the fact that the certificate was encumbered while the loan was outstanding.

House Rule XLIII, clause 2, states:

A Member, officer, or employee of the House of Representatives shall adhere to the spirit and the letter of the Rules of the House of Representatives and to the rules of duly constituted committees thereof.

In its Advisory Opinion No. 4 dated April 6, 1977, the Select Committee on Ethics of the 95th Congress cited this provision to show that a narrow technical reading of a House rule should not overcome its "spirit" and the intent of the House in adopting the particular rule. Although the original purpose of the rule, as described in the report of the Select Committee on Standards of Official Conduct for the 90th Congress, was to deal with questions of decorum and legislative practice, this application has been expanded to include other provisions of the Code of Official Conduct (House Rule XLIII) and House rules. Thus, as evidenced by his endorsement of the assignment, the mere attempt by Representative Rose to use the certificate as collateral was improper and tantamount to a violation, even though he may have failed to meet the legal requirements to accomplish this task.

Finally, the bank accepted the assignment as valid at the time the transaction occurred. No additional or alternative collateral was ever requested by the bank. The bank's counsel did not render an opinion rejecting the validity of the assignment until recently reviewing the records, probably as a result of the Committee's investigation. The campaign funds, therefore, remained encumbered during a portion of the time that the loan was pending. The campaign could not have used those funds during that time.

The Committee believes the evidence, viewed in its totality, best supports a finding that a violation of House Rule XLIII, clause 6, did occur. The assignment document endorsed by the respondent clearly purports to pledge a \$75,000 certificate of deposit on what has been established as a personal loan. The certificate was the property of the campaign. The bank accepted the collateral, and the respondent received a personal benefit from the use of the

funds. The Committee finds these factors satisfy the elements of a violation. While it may not have been the respondent's intention to violate the rules of the House, it was his intention to use the campaign's funds to secure a lower interest rate for himself. The Committee charges every Member of the House with knowledge of House rules.

C. COUNT THREE—REPRESENTATIVE ROSE FAILED TO DISCLOSE ON HIS FINANCIAL DISCLOSURE STATEMENTS LIABILITIES TO HIS CAMPAIGN

Count three alleged that Representative Rose failed to report in the liabilities section of his Financial Disclosure Statements, the indebtedness incurred to his campaign resulting from the borrowings alleged in count one.

Members of the House of Representatives are required, under the Ethics in Government Act of 1978, to disclose liabilities over \$10,000. (Public Law 95-521, as amended, at section 102(a)(4).) These provisions have been adopted by the House in the form of House Rule XLIV, clause 2. The indebtedness referred to in this count was the obligation incurred by the respondent to his campaign resulting from his borrowings as alleged in count one. The Committee found count one has been proved.

An analysis of the borrowings and repayments in count one reveals that for calendar years 1982, 1983, 1984, 1985, and 1986, respondent owed his campaign in excess of \$10,000.

Date	Disbursement to Congressman	Deposit to committee	Total owed by Rose
Nov 17, 1978	\$4,000	0	\$4,000
Feb 25, 1982	7,000	0	11,000
July 21, 1983	895	0	11,895
Sept. 12, 1983	18,000		29,895
Dec. 15, 1983		18,000	11,895
Apr 1, 1984	10,000		21,895
Apr 17, 1984		10,000	11,895
Sept 5, 1984	5,000		16,895
Sept. 28, 1984		5,000	11,895
Jan 31, 1985	9,500		21,395
Mar 21, 1985		9,500	11,895
Aug 19, 1985	9,600		21,495
Dec. 31, 1985		*9,600	11,895
Sept 26, 1986		11,895	0

*The congressman wrote a check to the campaign for \$10,100 of which \$500 was for an unrelated transaction.

A look at the Financial Disclosure Statements for the relevant years show that these obligations were not reported. (See Appendix K.) Neither the statute nor the House rule exempt from disclosure indebtedness to the campaign of the filer. In the Stipulations signed by respondent's counsel and the Committee's counsel, it was agreed that a finding against the respondent on count one would result in a finding against the respondent on this count as well.

In adopting the Stipulations as agreed to by both counsel, the Committee accepted the view that the sufficiency of the evidence to support a finding against the respondent on count one, coupled with the omission of the liability information on the respondent's Financial Disclosure Statements, support a finding against the respondent on count three.

D. COUNT FOUR—REPRESENTATIVE ROSE FAILED TO DISCLOSE ON HIS FINANCIAL DISCLOSURE STATEMENTS LIABILITIES TO FINANCIAL INSTITUTIONS

Count four alleged that Representative Rose failed to report, as liabilities on his Financial Disclosure Statements, obligations to various financial institutions. The count included subsections (a) through (g). Representative Rose responded to each count as follows:

1. *Subsection (a)*

Waccamaw Bank—March 26, 1979—\$5,000, \$10,000.

Admitted.

Respondent stated that these were two distinct loans owed to two separate branches of Waccamaw Bank in two separate cities in North Carolina. His staff was unaware these should have been reported. The omission was inadvertent and unintentional.

Action Taken: Financial Disclosure Statements appropriately amended. (See Exhibit 22 of Appendix D.)

2. *Subsection (b)*

First Citizens Bank—February 29, 1980—\$20,000.

Denied.

Respondent stated that this loan was disclosed on the 1980 Financial Disclosure Statements, but was erroneously and inadvertently typed as a liability to First Union Bank.

Action Taken: The Committee accepted this explanation and dismissed this subsection of the count.

3. *Subsection (c)*

National Bank of Washington—June 2, 1980—\$10,496.

Admitted.

The respondent explained that this was a 6-month salary advance from the Office of the Sergeant at Arms of the House of Representatives to which he believed no reporting requirement attached.

Action Taken: On December 15, 1987, Representative Rose filed with this Committee his Amended Answer of Respondent to Count Four of the Statement of Alleged Violations, wherein he admitted obtaining a 6-month salary advance from the Office of the Sergeant at Arms which was not contained in his Financial Disclosure Statements. (Appendix E.) The amended answer states that the omission was inadvertent and unintentional, in that he, nor his staff, was aware that such a salary advance was subject to disclosure.

4. *Subsection (d)*

Southern National Bank—August 1, 1980—\$20,000.

Admitted.

Action Taken: Financial Disclosure Statements appropriately amended. (See Exhibit 22 of Appendix D.)

5. *Subsection (e)*

Wright Patman Congressional Federal Credit Union—February 7, 1981—\$13,000.

Denied.

Respondent stated that, even though his counsel may have provided this information to Committee staff in a previous submission, his records show no evidence of this liability. Committee counsel, in its Reply brief to the Answer of Respondent to Statement of Alleged Violations, stated it had no other evidence of this obligation beyond the earlier submission of respondent's counsel. (See Exhibit 25 of Appendix D.)

Action Taken: Subsequently, on December 16, 1987, the Committee filed an Amendment to Statement of Alleged Violations as to count four, subsection (e), to reflect Washington National Bank—February 6, 1981—\$12,702.74. (Appendix F.) The respondent admitted this allegation.

6. Subsection (f)

Wachovia Bank—April 15, 1983—\$12,500.

Admitted.

Respondent states any omission was inadvertent and unintentional.

Action Taken: Financial Disclosure Statements appropriately amended. (See Exhibit 22 of Appendix D.)

7. Subsection (g)

Wright Patman Congressional Federal Credit Union—September 7, 1984—\$500; September 11, 1984—\$10,000.

Admitted.

Action Taken: Financial Disclosure Statements appropriately amended. (See Exhibit 22 of Appendix D.)

With respect to count four, the Committee accepted the admissions of the respondent as to subsections (a), (c), (d), (e), as amended, and subsection (f), and dismissed subsection (b). The Committee also took note of the respondent's self-initiated action to promptly amend his Financial Disclosure Statements. The Committee recognizes, however, that the amendments were not timely as described in its Memorandum of April 23, 1986, to all Members, officers, and employees of the House, and reprinted as Appendix F to the Instructions for Completing Financial Disclosure Statement. (Appendix N.) Thus, the respondent does not escape a finding of a violation. The Committee does not believe the amendments were an attempt to "paper over" a violation, since the amendments were submitted in direct response to a Statement of Alleged Violations.

Rather, the Committee views the respondent's filings, together with his Answer to the Statement of Alleged Violations, as admissions and appropriate corrective action. The two-pronged test to establish a presumption of good faith, as set out in the April 23, 1986, memorandum, applies to amendments filed prior to the issuance of a Statement of Alleged Violations. Such amendments are an attempt to avoid a charge related to disclosure. The action taken in this case, following an admission to a Statement of Alleged Violations, is viewed as a positive gesture toward correcting his Financial Disclosure Statements.

V. LEGAL ANALYSIS

A. HOUSE RULE XLIII, CLAUSE 6, AND COUNT ONE

1. *A Member of the House of Representatives May Not Borrow From His Campaign*

The allegations in count one stem from the respondent's withdrawals from his campaign from 1978 through 1985. The Committee found that these withdrawals constituted borrowings and thereby violated House Rule XLIII, clause 6. The Committee has dealt with the issue of Representatives borrowing from their campaign committees most recently in two reports—*Investigation of Financial Transactions of Representative James Weaver with his Campaign Organization*, House Report 99-933 (Weaver report) and *In the Matter of Representative Richard H. Stallings*, House Report 100-382 (Stallings report). The rule states:

A Member of the House of Representatives shall keep his campaign funds separate from his personal funds. He shall convert no campaign funds to personal use in excess of reimbursement for legitimate and verifiable prior campaign expenditures and he shall expend no funds from his campaign account not attributable to bona fide campaign purposes.

Borrowing from the campaign violates the rule's prohibition against expending campaign funds not attributable to bona fide campaign purposes. In the Weaver report, the Committee stated:

When a candidate borrows money from his own campaign, a presumption is raised that a candidate is receiving a personal benefit—i.e., the use of the money. This presumption can be overcome by demonstrating that, notwithstanding the appearance of personal benefit, the purpose for which the funds are borrowed is a bona fide campaign purpose—i.e., a political objective.

Representative Rose made no assertion that the withdrawals were for bona fide campaign purposes. Rather, his defense was that the withdrawals were not borrowings at all, but repayments to him of prior loans to the campaign. The Committee rejected this explanation, due to a lack of sufficient evidence to substantiate that the 1972 seed money contributions were indeed loans.

The Committee, in the Weaver report and, again, in the Stallings report, stated that "a bona fide campaign purpose is not established merely because the use of campaign money might result in a campaign benefit as incident to benefits personally realized by the recipient of such funds. . . ." The Committee feels that there is no circumstance in which a Member could borrow from his campaign and satisfy the requirement that the use of the funds would exclusively and solely benefit the campaign. Therefore, the Committee takes the firm position that a Member may not borrow funds from his campaign. The act of borrowing shall be construed as a violation of the provision of House Rule XLIII, clause 6, which requires that all campaign expenditures must be for a bona fide campaign expense.

2. A Member of the House of Representatives May Not Collect for Prior Unreported Loans to His Campaign

Representative Rose's defense rested on the proposition that he was entitled to collect from his campaign committee repayment for loans made to it in 1972. These seed money contributions were not carried forward as obligations on FECA filings. No liability to the congressman was shown.

The Committee takes the firm position that there is a presumption that a Member has borrowed from his campaign in violation of House Rule XLIII, clause 6, when funds are withdrawn under the guise of repayment of prior unreported loans to the campaign. In the case of Representative Rose, the Committee found that the alleged seed money loans in 1972 had not been carried forward as campaign obligations on FECA reports. This raised a presumption that the withdrawals were borrowings in violation of House Rule XLIII, clause 6. The fact that no loan agreements were contemporaneously executed further reinforced the established presumption.

The Committee does accept the premise that a Member may legitimately loan money to his campaign, and does not want to discourage such activity. The appropriate course of action, however, must be complied with if the Member intends to be repaid. The obligation should be properly reported on FECA reports and should continue to be carried forward as long as the obligation exists. Such action would avoid the presumption against receiving repayment. The Member should also execute a written loan document which recites all essential terms of the loan.

The intent of the Committee, in construing the withdrawals as borrowings in violation of the rule, is to prohibit Members from resurrecting a prior unreported loan to his campaign. The Committee feels strongly that the integrity of the institution is weakened when questions arise due to the withdrawal of funds from campaign accounts when no tangible evidence of the underlying obligation supports such a withdrawal.

B. HOUSE RULE XLIII, CLAUSE 6, AND COUNT TWO

Representative Rose endorsed an assignment document which purported to use a \$75,000 certificate of deposit belonging to the campaign as collateral on a personal loan. The relevant portion of the rule reads:

He shall convert no campaign funds to personal use in excess of reimbursement for legitimate and verifiable prior campaign expenditures. . .

Pledging the certificate in this manner constituted converting to personal use in violation of the rule.

The Committee finds that Representative Rose attempted to commit an act which, if completed, would have been a clear violation of a rule of this body. Putting his signature on a document which was intended to assign campaign funds as collateral on a personal note constituted an attempt to violate the rule. The cornerstone of the defense was the document's invalidity, which resulted from the respondent's lack of authority to sign it.

The defense failed, however, when viewed in the context of House Rule XLIII, clause 2, which compels Members to adhere to the spirit of the rules. To hold otherwise would permit a Member to circumvent the rule through fraud. This Committee has long said Rule XLIII, clause 2, stands for the proposition that a Member may not do indirectly what he cannot do directly. In this instance, the attempt to use campaign funds must be recognized as a violation of the spirit of the rules, much the same way as an attempt in the criminal code has been recognized as a criminal code violation, e.g., burglary and attempted burglary.

The Committee finds the argument even more powerful here, in that the act accomplished its desired purpose through the bank's acceptance of the document and actual lowering of the respondent's interest rate. The Committee holds that such a violation of the spirit of the rule in this instance is also a violation of the rule itself.

VI. CONCLUSION

The Committee concludes that—

(A) Representative Rose borrowed from his campaign on eight separate occasions from 1978 to 1985 in violation of House Rule XLIII, clause 6, as follows:

- (1) \$4,000 on November 17, 1978
- (2) \$7,000 on February 25, 1982
- (3) \$895 on July 21, 1983
- (4) \$18,000 on September 12, 1983
- (5) \$10,000 on April 1, 1984
- (6) \$5,000 on September 5, 1984
- (7) \$9,500 on January 31, 1985
- (8) \$9,600 on August 19, 1985

(B) Representative Rose pledged a \$75,000 certificate of deposit belonging to his campaign on a personal loan at Southern National Bank in Fayetteville, North Carolina, on March 26, 1985, in violation of House Rule XLIII, clause 6.

(C) Representative Rose failed to list as liabilities to his campaign the borrowings referred to in subparagraph (A) above on his Financial Disclosure Statements for 1982, 1983, 1984, 1985, and 1986, in violation of the Ethics in Government Act of 1978 and House Rule XLIV, clause 2.

(D) Representative Rose failed to list liabilities to certain financial institutions on his Financial Disclosure Statements, in violation of the Ethics in Government Act of 1978, as follows:

Bank	Date	Amount
(1) Waccamaw Bank	Mar. 26, 1979	\$5,000.00
(2) National Bank of Washington	June 2, 1980	10,496.00
(3) Southern National Bank	Aug. 1, 1980	20,000.00
(4) National Bank of Washington	Feb. 6, 1981	12,702.74
(5) Wachovia Bank	Apr. 15, 1983	12,500.00
(6) Wright Patman Congressional Federal Credit Union	Sept. 7, 1984	500.00
	Sept. 11, 1984	10,000.00

VII. RECOMMENDATION

The Committee recommends that Representative Charles G. Rose, III, be issued a formal and public letter of reproof from this Committee. (Appendix O.) While we recognize that violations have occurred, the Committee believes that there are mitigating circumstances which prevent these violations from rising to the level of a recommendation of sanction to the full House of Representatives.

The letter serves as a public rebuke for the violations, while condoning the positive action taken by Representative Rose which served as mitigation. The Committee adopts and incorporates the letter as part of this report.

This report was adopted on March 23, 1988, by a vote of 9 yeas, 3 nays.

STATEMENT UNDER RULE XI, CLAUSE 2(1)(3)(A), OF THE RULES OF THE
HOUSE OF REPRESENTATIVES

The Committee's oversight findings and recommendation are as stated above.

ONE HUNDREDEIGHTY CONGRESS
JAMES E. BROWN, CALIFORNIA, CHAIRMAN
BOB FAGO, CALIFORNIA
EDWARD J. BYRNE, NEW JERSEY
ALAN S. BLODGETT, WEST VIRGINIA
JOSEPH W. BAYDOR, PENNSYLVANIA
CHESTER B. STONE, MASSACHUSETTS
PH: 225-7103

APPENDIX A

U.S. House of Representatives
Committee on Standards of Official Conduct
Suite 302-2, U.S. Capitol
Washington, DC 20515

FLOYD D. SPENCE, SOUTH CAROLINA
JOHN T. MYERS, INDIANA
JAMES V. HANSEN, UTAH
CHARLES PARNATIAN, JR., CALIFORNIA
THOMAS E. PETRI, WISCONSIN
LARRY L. GALE, OHIO
RALPH L. LUTEM, CHIEF COUNSEL

June 17, 1987

RESOLUTION

WHEREAS, a complaint has been properly filed with the Committee on Standards of Official Conduct alleging that Representative Charles Rose violated (1) clause 6 of Rule XLIII of the House of Representatives by failing to keep campaign funds separate from personal funds, converting campaign funds to personal use, and expending campaign funds not attributable to bona fide campaign purposes in eight transactions in 1978, 1982, 1983, 1984 and 1985; (2) the requirements of Section 102(a)(4) of the Ethics in Government Act (EIGA) in 1982, 1983, 1984 and 1985 by failing to report obligations to his campaign committee and to an unrelated individual in excess of \$10,000; and (3) the requirements of Section 102(a)(2)(B) of the EIGA by failing to report the forbearance of interest on loans from his campaign committee in each of the years 1978-1985,

NOW, THEREFORE, BE IT RESOLVED that the Committee determines, pursuant to Committee Rule 10(b), that violations alleged in the complaint are within the jurisdiction of the Committee and merit further inquiry; and

BE IT FURTHER RESOLVED that this Committee conduct a Preliminary Inquiry, pursuant to Committee Rule 11(a), to determine whether such violations have occurred; and

BE IT FURTHER RESOLVED, that the Chairman and Ranking Minority Member may authorize and issue subpoenas, either for the taking of depositions or the production of records, and that all testimony taken by deposition or things produced by deposition or otherwise shall be deemed to have been taken, produced, or furnished in Executive Session; and

BE IT FURTHER RESOLVED, that Representative Rose be immediately notified of this action and informed of his rights pursuant to the Rules of this Committee.

- APPENDIX B -

COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT
IN THE MATTER OF REPRESENTATIVE CHARLES G. ROSE, III, RESPONDENT
STATEMENT OF ALLEGED VIOLATIONS

COUNT ONE

From 1978 to 1985 Representative Rose borrowed from his campaign in violation of paragraph 6 of the Code of Official Conduct of the House of Representatives, Rule XLIII, the Rules of the House of Representatives. Specifically, Representative Rose borrowed:

- (a) \$4,000 on November 17, 1978
- (b) \$7,000 on February 25, 1982
- (c) \$895 on July 21, 1983
- (d) \$18,000 on September 12, 1983
- (e) \$10,000 on April 1, 1984
- (f) \$5,000 on September 5, 1984
- (g) \$9,500 on January 31, 1985
- (h) \$9,600 on August 19, 1985

Representative Rose thereby violated the prohibition against converting campaign funds to personal use and the requirement that all campaign expenditures shall be for a bona fide campaign purpose.

COUNT TWO

On or about March 26, 1986, Representative Rose pledged \$75,000 in certificates of deposit from his campaign as collateral on a personal loan at Southern National Bank in violation of the Code of Official Conduct of the House of Representatives, Rule XLIII, clause 6, the Rules of the House of Representatives. Representative Rose thereby violated the prohibition against converting campaign funds to personal use.

COUNT THREE

From 1983 to 1987 Representative Rose violated House Rule XLIV, clause 2, of the Rules of the House of Representatives (Ethics in Government Act of 1978) by failing to report on his Financial Disclosure Statements, as liabilities, outstanding indebtedness to his campaign exceeding the reporting requirement threshold on disclosure statements for the following years:

- (a) 1982
- (b) 1983
- (c) 1984
- (d) 1985
- (e) 1986

COUNT FOUR

From 1980 to 1985 Representative Rose violated House Rule XLIV, clause 2, of the Rules of the House of Representatives, (Ethics in Government Act of 1978), by failing to report on his Financial Disclosure Statements, as liabilities, outstanding indebtedness to financial institutions as follows:

<u>Bank</u>	<u>Date</u>	<u>Amount</u>
(a) Waccamaw Bank	March 26, 1979	\$ 5,000 10,000
(b) First Citizens Bank	February 29, 1980	\$ 20,000
(c) National Bank of Washington	June 2, 1980	\$ 10,496
(d) Southern National Bank	August 1, 1980	\$ 20,000
(e) Wright Patman Federal Congressional Credit Union	February 7, 1981	\$ 13,000
(f) Wachovia Bank	April 15, 1983	\$ 12,500
(g) Wright Patman Federal Congressional Credit Union	September 7, 1984 September 11, 1984	\$ 500 10,000

COUNT ONE

Congressman Rose denies each and every allegation of Count One of the Committee's Statement of Alleged Violations.

Congressman Rose denies that any violation of the House Rules occurred.

- A. Congressman Rose Never Borrowed Money From His Campaign; Mr. Rose Lent Money To His Campaign For Which He Received Partial Repayment.

As the evidence overwhelmingly demonstrates, Congressman Rose never borrowed any funds from his campaign committee. In fact, just the opposite occurred. In 1972, Congressman Rose and his father, Charles G. Rose, Jr. lent a total of \$45,900 to the Congressman's campaign as necessary seed money for a race against an incumbent Representative. This money was a combination of personal funds and loans obtained from banks in the seventh district.

1. Contemporaneous reports filed by the campaign verify the existence of all loans.

All loans were reported either on federal reports submitted to the Clerk of the House, pursuant to the Federal Election Campaign Act of 1971, 2 U.S.C. §431 et seq. (hereinafter the "FECA") or on state reports submitted to the North Carolina Secretary of State, as required by the North Carolina Corrupt Practices Act, N.C. Gen. Stat. 163.259 163.268 (repealed in

1975).^{1/} Thus, Congressman Rose's federal reports show a direct bank loan of \$20,000 from First Citizens Bank of Fayetteville, North Carolina (Exhibit A), and a \$5,150 contribution by Charles G. Rose, Jr. (Exhibit B). The latter, as the uncontroverted sworn testimony in this matter indicates, was a loan made pursuant to an oral agreement by Charles G. Rose, Jr. to his son's campaign.^{2/} (Exhibit C). As with all loans made by or obtained through the assistance of his father, Congressman Rose became obligated to his father for the repayment thereof.

The effective date of the FECA of 1971 was April 7, 1972. Until that date, even though candidates were raising funds for the 1972 primaries, they incurred no federal reporting requirements. As of April 7, 1972, candidates were required to complete federal reports including a start-up balance of cash-on-hand comprising previously raised contributions. Congressman Rose's initial FECA filing reflects a beginning cash-on-hand of \$14,428.12. (Exhibit D). This amount includes an oral loan from the Congressman's father of \$8,750. This loan was reported separately on the Congressman's North Carolina filing.^{3/} (Exhibit E).

^{1/}For the probative value of federal and state filings, see In the Matter of James Weaver, H.R. Rep. No. 99-933, 99th Cong., 2nd Sess. at 63; In the Matter of Charles H. Wilson, H.R. Rep. No. 96-930, 96th Cong., 2nd Sess. at 8 (Part 2).

^{2/}Under the FECA of 1971, oral loans were permissible.

^{3/}Loans were reported as contributions under North Carolina campaign law; the North Carolina forms contained no separate schedule for the reporting of loans.

Thus, standing alone, Congressman Rose's federal filings account for \$33,900 in loans to his campaign. In addition, loans of \$7,500 and \$2,000 by the Congressman and a loan of \$2,500 by Charles G. Rose, Jr. are separately disclosed on filings made to the North Carolina Secretary of State, for a total campaign indebtedness of \$45,900. ^{4/} (Exhibit F).

2. From 1979-1985, Congressman Rose received partial repayment for loans made to his campaign.

^{4/}Congressman Rose charged his campaign interest on this debt until November 21, 1973, when the indebtedness had reached \$50,000. On that date, Charles G. Rose, Jr. obtained a \$50,000 bank loan from First Citizens Bank for the purpose of satisfying the Congressman's prior debts which included monies lent to the campaign. (Exhibit G). Thus, while the campaign owed the Congressman \$50,000 for the loans made to it in connection with the 1972 election, Congressman Rose owed his father the same amount for his assistance in obtaining and satisfying a portion of the original loans. The Congressman and his father assert that the extent of the son's debt to his father for this and other intra-family financial assistance exceeded the \$50,000 sum.

In 1975, the Congressman extinguished the 1972 campaign portion of this indebtedness by obtaining a \$50,000 bank loan and transferring the proceeds immediately and directly to his father. In 1978 and 1980, this intra-family debt was extinguished for all time upon the conveyance, in satisfaction of all debts, of two parcels of real property located in Alaska from the Congressman to his father.

It should be noted that the Committee staff's focus on the chain of repayments between the Congressman and his father is misguided. Even though Congressman Rose fully repaid his father, both the Rules of the House and the Federal Election Campaign Act would have permitted Mr. Rose's father to make an unlimited gift to the Congressman by forgiving the obligation, and such a gift by a relative would not have been reportable under the Ethics In Government Act. Only under the circumstances where these loans had been made by a non-relative would a legitimate inquiry exist into their repayment. Since the loans here were made by a relative, such an inquiry does not pertain to whether the House Rules were violated.

Beginning in 1978, Congressman Rose sought repayment from the campaign's accountant on the debt owed to him by the campaign. As the campaign's accountant has stated under oath to the Committee, he was aware of the original loans and repayments, but mistakenly reported the repayments as loans to Congressman Rose, since he had not reviewed the campaign's earlier FECA filings. (Exhibit H).

The repayments are set forth in the chart below:

TOTAL OUTSTANDING INDEBTEDNESS OF COMMITTEE
AT ANY GIVEN DATE

<u>DATE OF REPAYMENT</u>	<u>AMOUNT OF REPAYMENT</u>	<u>RELOAN TO COMMITTEE</u>	<u>TOTAL AMOUNT REPAID BY COMMITTEE</u>
11/15/78	\$ 4,000		\$ 4,000
12/25/82	7,000		11,000
7/21/83	895		11,895
9/12/83	18,000		29,895
12/31/83		\$ 18,000	11,895
4/01/84	10,000		21,895
4/30/84		10,000	11,895
9/05/84	5,000		16,895
9/30/84		5,000	11,895
1/30/85	9,500		21,395
3/21/85		9,500	11,895
8/19/85	9,600		21,495
12/31/85		9,600	11,895
9/26/86		11,895	-0-

As this chart illustrates, Congressman Rose never received, on any one date, more than \$29,895 in repayments, far below the \$50,000 owed to him by the campaign. ^{5/} All amounts repaid by the campaign were, of political necessity, reloaned by the Congressman to his committee in order to ensure a sufficient war chest for subsequent re-election campaigns.

- B. Because Congressman Rose's Campaign Was Obligated To Pay Its Debts, All Repayments To Mr. Rose Were Bona Fide Campaign Expenditures Permitted Under House Rules.

Paragraph 6 of Rule XLIII of the Code of Official Conduct of the Rules of the House of Representatives states in part:

A Member ... shall convert no campaign funds to personal use in excess of reimbursement for legitimate and verifiable prior campaign expenditures and he shall expend no funds from his campaign account not attributable to bona fide campaign purpose.

Plainly, Congressman Rose did not violate this Rule. No conversion occurred. Loans were made to the campaign as permitted by the FECA. These were actual verifiable campaign obligations; a note has since been executed by the Campaign for this debt. (Exhibit I). The campaign, in part, repaid its obligation to Congressman Rose. Rather than a conversion of funds from campaign to personal, the campaign was attempting to satisfy its obligation and extinguish its debt.

Moreover, the existence of the debt establishes the repayment as bona fide campaign expenditures. Obviously, a campaign committee must pay all of its debts and obligations, as any other

^{5/}This figure is also well below the \$33,900 in loans which are reflected on the Congressman's 1972 FECA filings, without even considering the additional \$12,000 in loans evidenced by his North Carolina reports.

debtor.^{6/} The actual repayment of campaign debt establishes the bona fide campaign purpose, notwithstanding the use to which the funds may have been ultimately put by Mr. Rose. Given the obligation to repay loans rather than to default, the repayment thereof is clearly a bona fide campaign purpose. Because the repayments to Congressman Rose were bona fide campaign expenditures, no violation of Rule XLIII, paragraph 6 occurred.

COUNT TWO

Congressman Rose admits that on or about March 26, 1985, he signed a paper entitled "Assignment of Southern National Bank Savings Accounts/Savings Instrument." Congressman Rose denies each and every remaining allegation contained in Count Two of the Committee's Statement of Alleged Violations. Congressman Rose denies that any violation of the House Rules occurred.

- A. Congressman Rose's Campaign Never Effectively Pledged A Campaign Certificate Of Deposit For A Loan Made To Congressman Rose; Therefore No House Rules Were Violated.
1. In complying with his bank's request to sign an assignment, Congressman Rose never intended to violate House Rules.

In March 1985, Congressman Rose had an outstanding unsecured campaign loan at Southern National Bank in the amount of

^{6/}Under the FECA as amended to date, a candidate's principal campaign committee is not permitted to terminate until all debts are satisfied. However, such a committee may continue to raise funds for a previous election, as long as the committee has net debts outstanding from that election.

\$56,277.77.^{7/} (Exhibit J). During that month, bank officials requested that this loan be secured with a Certificate of Deposit owned by Mr. Rose's campaign. (Exhibit K). Congressman Rose signed an assignment of "savings instruments" at the request of bank officials. However, Congressman Rose states that he never intended to violate any Rule of the House by signing this paper, nor did he believe that his action so violated the Rules.

2. A valid assignment did not occur.

Moreover, even though Congressman Rose signed a piece of paper at the request of bank officials, no valid or effective pledge of a Certificate of Deposit occurred. Records maintained by Southern National Bank reflect clearly that the only lawful signatory for the campaign's Certificate was the campaign's accountant, Alton S. Buck. (Exhibit L). The purported assignment does not contain Mr. Buck's signature; without it, no assignment occurred. (Exhibit M).

An effective assignment requires the party with ownership rights over property to make a transfer of those rights. Here, the Certificate of Deposit was property of the Committee for Congressman Charlie Rose; only the Committee could effect an assignment. Southern National Bank has since recognized that no assignment occurred and has so stated to the Committee. (Exhibit N). Moreover, counsel to the bank has stated that the

^{7/}Congressman Rose was fully aware that this was a campaign loan of the full amount, \$16,000 was loan to the Committee for Congressman Charlie Rose and \$40,000 was used to repay banks for prior campaign loans.

assignment was invalid (Exhibit O). In fact, the balance of this loan remains unsecured to date.

3. No Rules of the House were violated.

Paragraph 6 of Rule XLIII of the Code of Official Conduct states in part:

A Member ... shall convert no campaign funds to personal use in excess of reimbursement and verifiable prior campaign expenditures ...

The plain language of this rule requires both (1) conversion and (2) personal use. Because Southern National Bank, as a matter of law, did not have a legally effective assignment of the Certificate of Deposit, no conversion of campaign funds to personal use occurred.^{8/} Simply put, Congressman Rose's signature was not sufficient to effect a conversion. The loan at Southern National Bank was initially unsecured and remained without collateral. In view of these circumstances, no violation of the House Rules occurred.

COUNT THREE

Congressman Rose denies each and every allegation contained in Count Three of the Committee's Statement of Alleged Violations. Congressman Rose denies any violation of the House Rules occurred.

- A. Because Congressman Rose Did Not Borrow Funds From His Campaign, No Liabilities Existed For Him To Disclose.

^{8/}Had a legally effective assignment been executed, no violation of Rule XLIII, paragraph 6 would have occurred, since the loan was for campaign purposes.

Congressman Rose incorporates his answer to Count One of the Committee's Statement of Alleged Violations herein. For the reasons previously stated, Congressman Rose had no indebtedness to his campaign for the years 1982-1986. Because he had no such liability, Congressman Rose incurred no reporting requirement for such on his Financial Disclosure Statements. Accordingly, no violation of House Rule XLIV, clause 2, (Ethics in Government Act of 1978) occurred.

COUNT FOUR

With respect to Count Four of the Committee's Statement of Alleged Violations, Congressman Rose states that he did not intend to violate any provision of the House Rules nor did he believe his actions were in violations of such Rules. Congressman Rose responds as follows with specificity to each of the subparagraphs contained in Count Four.

Subparagraph (a)

Congressman Rose admits making two loans from Waccamaw Bank in 1979 of \$5,000 and \$10,000 which were not contained on his Financial Disclosure Statement and further states that any omission was inadvertent and unintentional. Congressman Rose states that the liabilities listed in subparagraph (a) were two distinct loans owed to two separate branches of Waccamaw Bank, located in separate cities in North Carolina. As a result, the Congressman's staff in 1979 believed that these were two separate loans for reporting purposes and was unaware that disclosure was required. If these loans should have been included on the Financial

Disclosure Statement, their omission was inadvertent and unintentional.

Subparagraph (b)

Congressman Rose denies the allegations contained in Count Four subparagraph (b). Mr. Rose states that this \$20,000 loan was in fact disclosed on his Ethics in Government Act filing for 1980, but was erroneously and inadvertently typed as a liability to First "Union" Bank, rather than First "Citizens" Bank. (Exhibit P). For 1980, Congressman Rose had a loan to First Union in the amount of \$10,000 below the required reporting threshold; therefore there was no corresponding liability to First Union Bank which required disclosure.

Subparagraph (c)

Congressman Rose denies the allegations contained in Count Four subparagraph (c). Mr. Rose states that this subparagraph refers to a six month salary advance from the Sergeant-at-Arms of the House of Representatives to which there attaches no reporting requirement under House Rule XLIV, clause 2.

Subparagraph (d)

Congressman Rose admits that a loan was made from Southern National Bank in 1980 in the amount of \$20,000 which was not contained on his Financial Disclosure Statement and further states that any omission was inadvertent and unintentional. Moreover, this loan was disclosed the following year on Congressman Rose's 1981 Financial Disclosure Statement (Exhibit Q); thus, this information was on the public record.

Subparagraph (e)

Congressman Rose denies the allegations contained in Count Four subparagraph (e) and further states that while this liability may have been erroneously though inadvertently and unintentionally submitted to the Committee, his records show no such liability.

Subparagraph (f)

Congressman Rose admits that a loan was made in 1983 from Wachovia Bank in the amount of \$12,500 which was not contained on his Financial Disclosure Statement and further states that any omission was inadvertent and unintentional. Although this loan was entered on the worksheets prepared by his staff, it was inadvertently dropped from the filed version.

Subparagraph (g)

Congressman Rose admits that in 1981 he obtained a line of credit for \$10,000 and a loan for \$500 from Wright Patman Federal Congressional Credit Union which was not contained on his Financial Disclosure Statement and further states that any omission was inadvertent and unintentional. Neither he nor his staff was aware that a line of credit offered by the Credit Union was subject to disclosure.

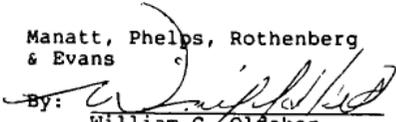
With respect to any inadvertent and unintentional violations of House Rule XLIV, clause 2, Congressman Rose will undertake to have the necessary amendments made to his Financial Disclosure Statements.

Conclusion

With respect to Counts One, Two and Three, the evidence clearly and convincingly demonstrates that no violations of the House Rules occurred, nor were any intended. The allegations of the complaint are without merit. With respect to Count Four, Congressman Rose is willing to rectify any inadvertent errors which may have resulted. Accordingly, Congressman Rose respectfully requests the Committee make a determination regarding the allegations against him based on the record currently available and further urges the Committee to dismiss Counts One, Two and Three and Count 4(b), (c) and (e) of the Statement of Alleged Violations.

Respectfully submitted,

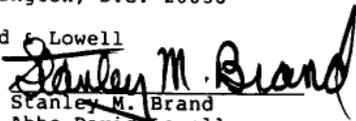
Manatt, Phelps, Rothenberg
& Evans

By: 

William C. Oldaker
Eric F. Kleinfeld

1200 New Hampshire Avenue, N.W.
Suite 200
Washington, D.C. 20036

Brand & Lowell

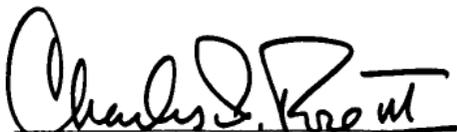
By: 

Stanley M. Brand
Abbe David Lowell

923 Fifteenth Street, N.W.
Washington, D.C. 20005

Counsel for the
Honorable Charles G. Rose III

I concur with and swear, under penalty, to the accuracy
of the foregoing Answer.



Honorable Charles G. Rose III

EXHIBIT A
(Previously submitted April 27,
1987)

UNITED STATES HOUSE OF REPRESENTATIVES

Office of the Clerk
Washington, D.C.

1987 JUN 16 AM 8:56

REPORT OF RECEIPTS AND EXPENDITURES

FOR A

CANDIDATE

FOR NOMINATION OR ELECTION TO THE U.S. HOUSE OF REPRESENTATIVES

<u>Charles G. Ross, III</u>	<u>North Carolina - VII</u>
(Full Name of Candidate)	(District and State of Candidate)
<u>2802 Millbrook Rd.</u>	<u>Democratic</u>
(Street)	(Party Affiliation)
<u>Fayetteville, N.C.</u>	
(City, State, ZIP code)	

TYPE OF REPORT

(Check Appropriate Box and Complete, If Applicable)

- March 10 report.
- June 10 report.
- September 10 report.
- January 31 report.
- Fifteen-day report preceding _____ election on _____
(Primary, general, special, runoff, caucus, or convention) (Date)
- Fifth day report preceding _____ election on _____
(Primary, general, special, runoff, caucus, or convention) (Date)
- Termination report.

VERIFICATION BY OATH OR AFFIRMATION

State of North Carolina

ss.

County of Cumberland

H. G. Stiles, Finance Chairman for

I, Charles G. Ross, III for Congress -NC-VII, being duly sworn, depose (affirm) and say
(Full Name of Candidate)

that this Report of Receipts and Expenditures is complete, true and correct.
H. G. Stiles Chairman

(Signature of Chairman)

Subscribed and sworn to (affirmed) before me this _____ day of _____, A.D. 19____

(Notary Public)

[SEAL]

My commission expires _____, 19____

RETURN COMPLETED REPORT AND ATTACHMENTS TO:
The Clerk, U.S. House of Representatives
Office of Records and Registration
100 Longworth House Office Building
Washington, D.C. 20540

U.S. ELECTION FORM 2

Name of Candidate Charles G. Ross, IIISUMMARY REPORT COVERING PERIOD FROM May 23, 1972 THRU May 31, 1972

	Section A Part 1-6	Column B Column C to 6th
SECTION A--RECEIPTS:		
Part 1. Individual contributions:		
a. Itemized (see schedule A*)	\$ 5000.00	
b. Unitemized	\$ 790.00	
	Total individual contributions	\$24,517.00
Part 2. Sales and collections:		
Itemized (see schedule B*)	\$ -0-	\$ -0-
Part 3. Loans received:		
a. Itemized (see schedule A*)	\$ 20,000.00	
b. Unitemized	\$ -0-	
	Total loans received	\$20,000.00
Part 4. Other receipts (refunds, rebates, interest, etc.):		
a. Itemized (see schedule A*)	\$ -0-	
b. Unitemized	\$ -0-	
	Total other receipts	\$ -0-
Part 5. Transfers in:		
Itemize all (see schedule A*)	\$ -0-	\$ 900.00
	TOTAL RECEIPTS	\$45,415.00
SECTION B--EXPENDITURES:		
Part 6. Campaign-related media expenditures:		
Itemize all (see schedule C*)	\$ 2075.95	\$ 30,074.27
Part 7. Expenditures for personal services, salaries, and reimbursed expenses:		
a. Itemized (see schedule D*)	\$ 250.00	
b. Unitemized	\$ -0-	
	Total expenditures for personal services, salaries, and reimbursed expenses	\$ 250.00
Part 8. Loans made:		
a. Itemized (see schedule D*)	\$ -0-	
b. Unitemized	\$ -0-	
	Total loans made	\$ -0-
Part 9. Other expenditures:		
a. Itemized (see schedule C*)	\$ 7932.68	
b. Unitemized	\$ 143.27	
	Total other expenditures	\$ 8075.95
Part 10. Transfers out:		
Itemize all (see schedule D*)	\$ 4000.30	\$ 4595.00
	TOTAL EXPENDITURES	\$14,401.90
SECTION C--CASH BALANCES:		
Cash on hand at beginning of reporting period	\$10,892.25	
Add total receipts (section A above)	\$25,790.00	
Subtotal	\$36,682.25	
Subtract total expenditures (section B above)	\$14,401.90	
Cash on hand at close of reporting period	\$22,280.35	

*Excludes are to be used only when itemization is required. (See each schedule for instructions.) When itemization is necessary for a given Part, the total of any amounts for that Part is to be entered on a filing date on the "signature" line of the appropriate Part of the Summary Report. The word "None" should be entered on any line of the Summary Report where no amount is being reported.

20001108

SCHEDULE A

ITEMIZED RECEIPTS—CONTRIBUTIONS, TICKET PURCHASES, LOANS, AND TRANSFERS

Charles G. Rice, III
(Full Name of Candidate or Committee)

Part No. 1
(Use for Itemizing Part 1, 2, 3, 4, or 5)

SEE REVERSE SIDE FOR INSTRUCTIONS
(Use separate page(s) for each numbered Part)

Date (month, day, year)	Full Name, Mailing Address, and ZIP Code (occupation and principal place of business, if any)	Aggregate Year-to-date (complete if applicable)	Amount of Receipt This Period
5-26-72	Harold Greene Fayetteville, N. C.	Aggregate Year-to-date \$	1,000.00
5-30-72	Hugh Cannon Raleigh, N. C.	Aggregate Year-to-date \$ 1500.00	750.00
5-30-72	Manley Eubank Charleston, S. C.	Aggregate Year-to-date \$ 1500.00	750.00
5-30-72	H. G. Stiles Fayetteville, N. C.	Aggregate Year-to-date \$ 3500.00	1,000.00
9-30-72	W. H. White Pinehurst, N. C.	Aggregate Year-to-date \$ 2500.00	1,000.00
2-6-30-72	A. G. Buck Fayetteville, N. C.	Aggregate Year-to-date \$ 1500.00	500.00
		Aggregate Year-to-date \$	
		Aggregate Year-to-date \$	
		Aggregate Year-to-date \$	

TOTAL THIS PERIOD \$5,000.00
(Last page of this Part only)

SCHEDULE C
ITEMIZED EXPENDITURES—COMMUNICATIONS AND MASS COMMUNICATIONS MEDIA

Part No. 6
 (Use for Itemizing Part 6 or 9)

Charles G. Ross, III
 (Full Name of Candidate or Committee)

SEE REVERSE SIDE FOR INSTRUCTIONS
 (Use separate page(s) for each numbered Part)

DATE OF PAYE (Month, Day, Year)	PAYEE (Recipient of Payment) (Full Name, Mailing Address, (City, State and Zip Code) (Date of Expiration, if any)	PURPOSE OF EXPENDITURE (For communications media, specify date(s) of use)	CHECK () IF APPLICABLE TO THIS TYPE OF EXPENDITURE		AMOUNT OF EXPENDITURE FOR THIS PERIOD	ALLOCATE EXPENDITURES (To be allocated only if expenditures are being itemized from those not itemized)
			1	2		
5-26-72	Murchison & Bailey Advertising Fayetteville, N. C.	Radio, TV, & newspaper advertising to 6-5-72	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1264.63	Full Name, Congressional District (if applicable), State, and Party
5-31-72	Murchison & Bailey Fayetteville, N. C.	Radio, TV, & newspaper advertising to 6-5-72	<input checked="" type="checkbox"/>	<input type="checkbox"/>	784.32	
5-31-72	Pine Forest High School Fayetteville, N. C.	Ad in High School Paper	<input checked="" type="checkbox"/>	<input type="checkbox"/>	27.00	

TOTAL THIS PERIOD \$2,075.95
 (Last page of this Part only)

ITEMIZED EXPENDITURES - COMMUNICATIONS AND NON-COMMUNICATIONS MEDIA

Part No. 9

Charles G. Ross, III
(Full Name of Candidate or Committee)

(Use for Reporting Part 6 of 7)

SEE REVERSE SIDE FOR INSTRUCTIONS
(Use separate page(s) for each numbered Part)

DATE OF PAYMENT (month, day, year)	PAYEE (Recipient of Payment) Full Name, Mailing Address (occupation and principal place of business, if any)	PURPOSE OF EXPENDITURE (For communications media expenditures, also specify date(s) of use)	CHECK TYPE BY			AMOUNT EXPENDITURE THIS PERIOD	ALLOCATE EXPENDITURE BY CANDIDATE (To be completed only by Committee members, not clerks)
			1	2	3		
5-25-72	Merritt-Holland Gas Co. Fayetteville, N. C.	Transportation Expenses	<input checked="" type="checkbox"/>			3468.77	FOR NAME, GOTV, and Political Party, State, and Party
5-30-72	Carolina Telephone & Telegraph Fayetteville, N. C.	Telephone Service	<input checked="" type="checkbox"/>			109.25	
5-29-72	H. G. Skiles Special Account	To reimburse for funds borrowed	<input checked="" type="checkbox"/>			2100.00	
5-26-72	Murchison & Bailey Fayetteville, N. C.	Non-Communications Media Advertising	<input checked="" type="checkbox"/>			1391.60	
5-31-72	Murchison & Bailey Fayetteville, N. C.	Non-Communications Media Advertising	<input checked="" type="checkbox"/>			863.06	

TOTAL THIS PERIOD \$792.68
(Last page of this Part only)

EXHIBIT B
(Previously sub
1987)

April 27,

UNITED STATES HOUSE OF REPRESENTATIVES

Office of the Clerk

Washington, D.C.

REPORT OF RECEIPTS AND EXPENDITURES FOR A

CANDIDATE

FOR NOMINATION OR ELECTION TO THE U.S. HOUSE OF REPRESENTATIVES

Charles G. Rose, III North Carolina - VII
(Full Name of Candidate) (District and
2802 Millbrook Rd. Democratic
(Street) (Party Affiliation)
Fayetteville, N. C.
(City, State, ZIP code)

TYPE OF REPORT

- (Check Appropriate Box and Complete if Applicable)
- March 10 report
 June 10 report
 September 10 report
 January 31 report
 Fifteenday report preceding election on _____ (Date)
(Primary, general, special, runoff, caucus, or convention)
 Fifth day report preceding runoff election on June 3, 1972 (Date)
(Primary, general, special, runoff, caucus, or convention)
 Termination report

VERIFICATION BY OATH OR AFFIRMATION

State of North Carolina

County of Currituck
I, Charles G. Rose, III

(Full Name of Candidate)
being duly sworn, depose (affirm) and say
that this Report of Receipts and Expenditures is complete, true, and correct.
(Signature of Candidate) Finance Manager
Rose for Congress
Subscribed and sworn to (affirmed) before me this 20 day of June, 1972, A.D. 1972.

Notary

(Notary Public)
My commission expires _____, 1972.

RETURN COMPLETED REPORT AND ATTACHMENTS TO
The Clerk, U.S. House of Representatives
Office of Records and Registration
1634 Longworth House Office Building
Washington, D.C. 20515

H.R. ELECTION FORM 1

BEST AVAILABLE COPY

EXHIBIT C
(Previously submitted April 27,
1987)

BEFORE THE HOUSE COMMITTEE
ON STANDARDS OF OFFICIAL CONDUCT

AFFIDAVIT OF CHARLES G. ROSE, JR.

Charles G. Rose, Jr., first being duly sworn, deposes
and says:

1. I reside in Fayetteville, North Carolina and am the father of Charles G. Rose, III, a Member of the House of Representatives. I am a partner in the law firm of Rose, Rand, Ray, Winfrey & Gregory of Fayetteville, North Carolina.

2. In 1972, I entered into an oral agreement with my son, Charles G. Rose, III, to make three loans to his campaign: One on April 7, 1972 in the amount of \$8,750; one on May 5, 1972, in the amount of \$5150; and one on June 2, 1972 in the amount of \$2500. Under this agreement, my son was to repay me for the sums lent to the campaign.

3. In November 1973, I assisted my son by obtaining a loan in the amount of \$50,000 from First Citizens Bank and Trust Company of Fayetteville, North Carolina, for the purpose of consolidating outstanding campaign loans. In my opinion, it was necessary to obtain this financing because the campaign was without sufficient funds to repay the loans, and my son was still unable to repay primary debts from 1970.

4. Further, I had an oral agreement with my son that he was to make all payments and be financially responsible for this \$50,000 loan to consolidate campaign debts.

5. Further, Affiant sayeth naught.

Charles G. Rose, Jr.
Charles G. Rose, Jr.

Subscribed and sworn to before me this 21st day of April, 1987.



Lucille E. Franklin
Notary Public

My Commission expires: 7-23-87

Statement of Contributions and Expenditures

GENERAL INSTRUCTIONS

1. Statements of Contributions and Expenditures must be filed with the Secretary of State by every candidate in any primary for federal, State or district office or for the State Senate in a district composed of more than one county except where there is a rotation agreement in effect. Such statements should be signed by the candidate and verified before an officer authorized to administer oaths.
2. Campaign committees covering more than one county in any primary, general or special election are required to file like statements with the Secretary of State. Such statements should be signed by the chairman or treasurer of the committee and verified before an officer authorized to administer oaths.
3. The first statement is required 10 days before the election. The second statement is required within 10 days after the election.

(Detailed requirements of law are printed on back of this form.)

EXHIBIT E

(Previously submitted April 27, 1987)

TO THE SECRETARY OF STATE, RALEIGH, N. C.

The following itemized statement of contributions and expenditures is made in compliance with Article 22,

Chapter 163, General Statutes of North Carolina by Charles G. Rose, III

(Name of candidate or campaign committee)

in the Primary election for Congressman

(Primary, General or Special)

(Office)

CONTRIBUTIONS

Name of Contributor	Address	Date	Amount
Wayne Collier	Rt. 1, Linden, N.C.	1-25-72	20.00
Dr. S.L. Elfmon	117 Stedman St., Fay., N.C.	2-29-72	25.00
Floyd Ammons	First Citizens Bldg Fay, N.C.	4-1-72	100.00
Ed David	1942 Forest Hall Dr., Fay, N.C.	4-1-72	250.00
W.G. Sullivan	Rt.1, Wimmahaue, N.C.	3-21-72	50.00
Sam Noble	211 By-Pass, Lumberton, N.C.	3-27-72	50.00
Earl's Jewelers	413 Elm St., Lumberton, N.C.	3-27-72	50.00
Bruce Cameron	2219 Blythe Rd., Wilmington, N.C.	3-31-72	100.00
Norman Suttles	Union St., Fay., N.C.	2-15-72	100.00
Bruce Riley	Fayetteville, N.C.	2-21-72	100.00
Mel Thompson	Box 1540, Fayetteville, N.C.	3-15-72	50.00
John P. Manos	Fayetteville, N.C.	3-15-72	75.00
Ira S. Meiselman	Fayetteville, N.C.	3-15-72	100.00
Ivan Popkin	Jacksonville, N.C.	4-3-72	500.00
H.G. Stiles	126 Northview, Fayetteville, N.C.	4-3-72	1500.00
John C. Pate	Box 1540, Fayetteville, N.C.	4-4-72	200.00
Norman Bellamy	Shallotte, N.C.	4-5-72	500.00
W.C. Tripp	Fayetteville, N.C.	4-5-72	25.00
Henry Rankin Jr.	Fayetteville, N.C.	4-24-72	200.00
E. Lucy Godwin	Fayetteville, N.C.	4-24-72	100.00
Billy Hunt	Fayetteville, N.C.	4-19-72	100.00
Harold Arnette	Fayetteville, N.C.	4-19-72	75.00
Mr. & Mrs. George Vossler	Fayetteville, N.C.	4-17-72	50.00
John Wyatt	Summertime Dr., Fay., N.C.	4-5-72	350.00
Burney Rivenbark	541 Lennox Dr., Fay., N.C.	4-20-72	10.00
Arthur Wilkins	Fayetteville, N.C.	4-6-72	25.00
Mitchell Nance	Fayetteville, N.C.	4-19-72	75.00
K.T. Bellamy	Shallotte, N.C.	4-4-72	40.00
Rosell Hewett	Rt.2, Shallotte, N.C.	4-3-72	50.00
Harry K. Bennett	Little River, S.C.	4-4-72	10.00
Jessie Simmons	Shallotte, N.C.	4-5-72	10.00
Palmer Bellamy	Shallotte, N.C.	4-4-72	100.00
Mr. John Holden	Supply, N.C.	4-5-72	10.00
Mr. Hubert Bellamy	Shallotte, N.C.	4-4-72	25.00
Mr. Robert Bellamy	Shallotte, N.C.	4-4-72	20.00
Fred Duckworth	Norfolk, Va.	4-15-72	200.00
Riddick Revelle	Fayetteville, N.C.	4-20-72	20.00
William Zimmer	Wilmington, N.C.	4-10-72	50.00
George Caplan	Wilmington, N.C.	4-13-72	50.00
Sam Mendlesohn	Fayetteville, N.C.	4-15-72	25.00
Frances Rankin	Fayetteville, N.C.	4-17-72	50.00
Billy Horne	Fayetteville, N.C.	4-10-72	150.00
John Koester	Fayetteville, N.C.	4-17-72	100.00
Gerald Beard	Vander, N.C.	4-18-72	175.00
Leon Horne	Fayetteville, N.C.	4-20-72	200.00
Johnny Wood	Spring Lake, N.C.	4-15-72	200.00
Victor Tally, Jr.	Fayetteville, N.C.	4-14-72	180.00
Alex Bethune	Linden, N.C.	4-10-72	65.00
David Blalock	Linden, N.C.	4-8-72	135.00

Total Contributions \$ 24,594.00

(continued on attached sheet)

(Over)

Continuation of Campaign Contributions for Charles Rose III

NAME	ADDRESS	DATE	AMOUNT
Lewis Wilson	Fayetteville, N.C.	4-4-72	200.00
Ernest Freeman	Stedman, N.C.	4-3-72	175.00
Henry Clark	Rt. 5, Fayetteville, N.C.	4-16-72	150.00
Earl Faircloth	Rt. 1, Roseboro, N.C.	4-24-72	200.00
Curtis Dowd	Rt. 5, Fayetteville, N.C.	4-18-72	100.00
Clifton McNeil	Rt. 1, Hope Mills, N.C.	4-3-72	160.00
Gordon Newton	Rt. 3, Fayetteville, N.C.	4-4-72	80.00
Johnny Evans	Rt. 5, Fayetteville, N.C.	4-3-72	110.00
W.L. McDonald	Rt. 5, Fayetteville, N.C.	4-6-72	125.00
R.C. Pugh	Rt. 5, Fayetteville, N.C.	4-11-72	75.00
Luke Hales	Rt. 1, Roseboro, N.C.	4-9-72	95.00
A.G. Cooper, Jr.	Falcon, N.C.	4-18-72	117.00
Charles Rose III	Fayetteville, N.C.	4-20-72	7500.00
Charles Rose, Jr.	Fayetteville, N.C.	4-7-72	8750.00
Misc unidentified contributions			<u>112.00</u>
			<u>\$24,594.00</u>

Statement of Contributions and Expenditures

GENERAL INSTRUCTIONS

1. Statements of Contributions and Expenditures must be filed with the Secretary of State by every candidate in any primary for federal, State or district office or for the State Senate in a district composed of more than one county except where there is a rotation agreement in effect. Such statements should be signed by the candidate and verified before an officer authorized to administer oaths.

2. Campaign committees covering more than one county in any primary, general or special election are required to file like statements with the Secretary of State. Such statements should be signed by the chairman or treasurer of the committee and verified before an officer authorized to administer oaths.

3. The first statement is required 10 days before the election. The second statement is required within 70 days after the election.

(Detailed requirements of law are printed on back of this form.)

EXHIBIT F

(Previously submitted April 27, 1987)

TO THE SECRETARY OF STATE, RALEIGH, N. C.

The following itemized statement of contributions and expenditures is made in compliance with Article 22,

Chapter 163, General Statutes of North Carolina by Charles G. Rose, III

(Name of candidate or campaign committee)

in the Primary election for Congressman

(Primary, General or Special)

(Office)

CONTRIBUTIONS

Name of Contributor	Address	Date	Amount
Wayne Collier	Rt. 1, Linden, N.C.	1-25-72	20.00
Dr. S.L. Elfmon	117 Stedman St., Fay., N.C.	2-29-72	25.00
Floyd Ammons	First Citizens Bldg Fay, N.C.	4-1-72	100.00
Ed David	1942 Forest Hill Dr., Fay, N.C.	4-1-72	250.00
W.G. Sullivan	Rt.1, Wimmahaue, N.C.	3-21-72	50.00
Sam Noble	211 By-Pass, Lumberton, N.C.	3-27-72	50.00
Earl's Jewelers	413 Elm St., Lumberton, N.C.	3-27-72	50.00
Bruce Cameron	2219 Blythe Rd., Wilmington, N.C.	3-31-72	100.00
Norman Suttles	Union St., Fay., N.C.	2-15-72	100.00
Bruce Riley	Fayetteville, N.C.	2-21-72	100.00
Mel Thompson	Box 1540, Fayetteville, N.C.	3-15-72	50.00
John P. Manos	Fayetteville, N.C.	3-15-72	75.00
Ira S. Meiselman	Fayetteville, N.C.	3-15-72	100.00
Ivan Popkin	Jacksonville, N.C.	4-3-72	500.00
H.G. Stiles	126 Northview, Fayetteville, N.C.	4-3-72	1500.00
John C. Pate	Box 1540, Fayetteville, N.C.	4-4-72	200.00
Norman Bellamy	Shallotte, N.C.	4-5-72	500.00
W.C. Tripp	Fayetteville, N.C.	4-5-72	25.00
Henry Rankin Jr.	Fayetteville, N.C.	4-24-72	200.00
H. Lacy Godwin	Fayetteville, N.C.	4-24-72	100.00
Billy Hunt	Fayetteville, N.C.	4-19-72	100.00
Harold Arnette	Fayetteville, N.C.	4-19-72	75.00
Mr. & Mrs. George Vossler	Fayetteville, N.C.	4-17-72	50.00
John Wyatt	Summertime Dr., Fay., N.C.	4-5-72	350.00
Burney Rivenbark	541 Lennox Dr., Fay., N.C.	4-20-72	10.00
Arthur Wilkins	Fayetteville, N.C.	4-6-72	25.00
Mitchell Nance	Fayetteville, N.C.	4-19-72	75.00
K.T. Bellamy	Shallotte, N.C.	4-4-72	40.00
Rosell Hewett	Rt. 2, Shallotte, N.C.	4-3-72	50.00
Harry K. Bennett	Little River, S.C.	4-4-72	10.00
Jessie Simmons	Shallotte, N.C.	4-5-72	10.00
Palmer Bellamy	Shallotte, N.C.	4-4-72	100.00
Mr. John Holden	Supply, N.C.	4-5-72	10.00
Mr. Hubert Bellamy	Shallotte, N.C.	4-4-72	25.00
Mr. Robert Bellamy	Shallotte, N.C.	4-4-72	20.00
Fred Duckworth	Norfolk, Va.	4-15-72	200.00
Riddick Revelle	Fayetteville, N.C.	4-20-72	20.00
William Zimmer	Wilmington, N.C.	4-10-72	50.00
George Caplan	Wilmington, N.C.	4-10-72	50.00
Sam Mendlesohn	Fayetteville, N.C.	4-15-72	25.00
Frances Rankin	Fayetteville, N.C.	4-17-72	50.00
Billy Horne	Fayetteville, N.C.	4-10-72	150.00
John Koester	Fayetteville, N.C.	4-17-72	100.00
Gerald Beard	Vander, N.C.	4-18-72	175.00
Leon Horne	Fayetteville, N.C.	4-20-72	200.00
Johnny Wood	Spring Lake, N.C.	4-15-72	200.00
Victor Tally, Jr.	Fayetteville, N.C.	4-14-72	180.00
Alex Bethune	Linden, N.C.	4-10-72	65.00
David Blalock	Linden, N.C.	4-8-72	135.00

Total Contributions \$ 24,594.00

(continued on attached sheet)

(Over)

GENERAL INSTRUCTIONS

1. Statements of Contributions and Expenditures must be filed with the Secretary of State by every candidate in any primary for federal, State or district office or for the State Senate in a district composed of more than one county except where there is a rotation agreement in effect. Such statements should be signed by the candidate and verified before an officer authorized to administer oaths.

2. Campaign committees covering more than one county in any primary, general or special election are required to file like statements with the Secretary of State. Such statements should be signed by the chairman or treasurer of the committee and verified before an officer authorized to administer oaths.

3. The first statement is required 10 days before the election. The second statement is required within 20 days after the election.

(Detailed requirements of law are printed on back of this form.)

EXHIBIT F

TO THE SECRETARY OF STATE, RALEIGH, N. C. (Previously submitted April 27, 1987)

The following itemized statement of contributions and expenditures is made in compliance with Article 22, Chapter 163, General Statutes of North Carolina by CHARLES G. ROSE, III

of the Second Primary election for Congressman - 7th. District
(Primary, General or Special) (Office)

CONTRIBUTIONS

Name of Contributor	Address	Date	Amount
Balance previously reported			42,859.00
Bugh Cannon	Raleigh, N. C.	5-23-72	500.00
Hanley Dubank	Raleigh, N. C.	5-23-72	500.00
J. A. Bouknight	Fayetteville, N. C.	5-24-72	25.00
J. O. Tally	"	5-24-72	100.00
L. Stein	Jacksonville, N. C.	5-24-72	275.00
L. Radosevich	Fayetteville, N. C.	5-24-72	390.00
Jesse Champion	"	5-28-72	15.00
Mrs. S. C. Rankin	"	"	50.00
Mrs. Claude Rankin, Sr.	"	"	25.00
John C. Pate	"	"	100.00
A. Buck	"	"	500.00
D. White	Pinehurst, N. C.	"	200.00
A McCauley	Fayetteville, N. C.	5-26-72	200.00
Wm. Fitzgerald	"	"	325.00
F. Ammons	"	"	100.00
Gene Merritt	Wilmington, N. C.	"	100.00
H. Greene	"	"	1,000.00
John Wyatt	Fayetteville, N. C.	5-26-72	350.00
George Purvis, Jr.	"	"	500.00
B. Rivenbark	"	"	150.00
W. Coleman	"	"	10.00
H. Coleman	"	"	40.00
W. H. White	Pinehurst, N. C.	6-1-72	1,000.00
H. G. Stiles	Fayetteville, N. C.	6-1-72	1,000.00
Charles Rose, III	"	6-2-72	2,000.00
Charles Rose, Jr.	"	"	2,500.00
Miscellaneous	"	6-6-72	160.00

Total Contributions \$ 54,974.00

(Over)

Continuation of Campaign Contributions for Charles Rose III

NAME	ADDRESS	DATE	AMOUNT
Lewis Wilson	Fayetteville, N.C.	4-4-72	200.00
Ernest Freeman	Stedman, N.C.	4-3-72	175.00
Henry Clark	Rt. 5, Fayetteville, N.C.	4-16-72	150.00
Earl Faircloth	Rt. 1, Roseboro, N.C.	4-24-72	200.00
Curtis Dowd	Rt. 5, Fayetteville, N.C.	4-18-72	100.00
Clifton McNeil	Rt. 1, Hope Mills, N.C.	4-3-72	160.00
Gordon Newton	Rt. 3, Fayetteville, N.C.	4-4-72	80.00
Johnny Evans	Rt. 5, Fayetteville, N.C.	4-3-72	110.00
W.L. McDonald	Rt. 5, Fayetteville, N.C.	4-6-72	125.00
R.C. Pugh	Rt. 5, Fayetteville, N.C.	4-11-72	75.00
Luke Hales	Rt. 1, Roseboro, N.C.	4-9-72	95.00
J.G. Cooper, Jr.	Falcon, N.C.	4-18-72	117.00
Charles Rose III	Fayetteville, N.C.	4-20-72	7500.00
Charles Rose, Jr.	Fayetteville, N.C.	4-7-72	8750.00
Misc unidentified contributions			<u>112.00</u>
			<u>\$24,594.00</u>

7637

PREPARED IN TRIPLICATE

FIRST - CITIZENS BANK & TRUST COMPANY

Fayetteville, N.C. OFFICE DATE November 21, 1973

APPLICANT Charles G. Rose, Jr. NET WORTH 5250 (s) AMOUNT \$ 50,000.00

ENDORSER P. O. Box 1239 TIME 90 days

ENDORSER Fayetteville, N.C.

ENDORSER _____

(* If current statement has been sent to home office, indicate by (s) but be sure a copy has been sent or is attached)

VALUE

SECURITY _____ \$ _____

_____ \$ _____

_____ \$ _____

_____ \$ _____

METHOD OR PLAN OF PAYMENT At Maturity

OCCUPATION OR BUSINESS OF MAKER _____

PRESENT LINE
DIRECT INDIRECTLOANS PREVIOUS YEAR HIGH \$ _____ THIS YEAR HIGH \$ 100 UNSECURED \$ _____

LOW \$ _____ LOW \$ _____ SECURED \$ _____

DATE PRIOR LOANS PAID OUT IN FULL
AVERAGE BALANCE LAST YEAR \$ _____ THIS YEAR \$ _____ LAST MONTH \$ Med.

AFFILIATED ACCOUNTS NAME	BALANCED		BORROWING NOW
	THIS YEAR	LAST MONTH	
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____

REMARKS AND RECOMMENDATIONS OF BRANCH MANAGER

Purpose of Loan- Business

REMARKS AND RECOMMENDATIONS (CONTINUED)

APPROVED:

BRANCH
FINANCE
COMMITTEE

DO YOU (BRANCH MANAGER) RECOMMEND THAT THIS LOAN BE MADE AS SET OUT ABOVE? (IF NOT GIVE REASON) _____

[Signature]

BRANCH MANAGER
(SPACE BELOW FOR HOME OFFICE USE)

DATE 11.26.75

GENERAL FINANCE COMMITTEE
BY *[Signature]*
PRESIDENT - VICE PRESIDENT

BEFORE THE HOUSE COMMITTEE
ON STANDARDS OF OFFICIAL CONDUCT

AFFIDAVIT OF ALTON G. BUCK

Alton G. Buck, first being duly sworn, deposes and says:

1. I am currently a Certified Public Accountant in Fayetteville, N.C., practicing as a sole practitioner. I was the Assistant Treasurer of the Committee for Congressman Charlie Rose from July, 1986 to the present. To the best of my recollection, I was the accountant for the committee from about 1974 to the present.

2. Prior to the time I became accountant for the Rose Campaign, the campaign books and records were not kept in an orderly or complete fashion. As a result, I was unable to see all prior filings. Further, I did not retain any of the prior filings except for the last filing made prior to my assumption of the accountant position.

3. I did not see any of the 1970 or 1972 filings made under the North Carolina Corrupt Practices Act.

4. As the campaign's accountant I was aware of a debt the campaign owed the Congressman, however, I had no actual knowledge of the transaction which gave rise to the debt. I gained this knowledge through discussions with Campaign Treasurers, Anthony R. Rand and Herbert G. Stiles, as well as Congressman Rose.

5. I was aware that Charles G. Rose, Jr., had lent money to the campaign; that Congressman Rose had assumed

financial responsibility for those loans; and that the campaign would have to repay Congressman Rose for the loans when it was financially and politically able to do so.

6. The issue of repayment arose in 1978. Because I was unable to find any records of the loan transactions I was concerned about reporting a past loan for which no records were available. As the Assistant Treasurer, I consulted the Federal Election Campaign Act but was unfamiliar with the avenue of seeking an advisory opinion and I was also unfamiliar with any other services offered by the Federal Election Committee to address the issue. Therefore, I thought that the best way to handle the repayment of loans to Congressman Rose was to characterize them as loans. I reported all repayments of loans to Congressman Rose as loans to him.

7. Thereafter, I learned that records were available which would help me correctly characterize the transaction in questions. I learned what the early filings contained with respect to loans made by the Congressman and his father. Further, I saw the bank ledger card of the November, 1973 consolidated loan.

8. The documentation I have reviewed, in my opinion, establishes a valid loan of \$50,000 from Congressmen Rose to his principal campaign committee.

9. Further, Alliant sayeth naught.

Alton G. Buck

Alton G. Buck

Subscribed and sworn to before me this 21st day of

April, 1987.

Elizabeth Smit Hepatica

Notary Public

My Commission expires: 9-17-87

PROMISSORY NOTE

50,000.00 April 21, 19 87

Twelve (12) months after date, for value received, I promise to pay the order of Charles G. Rose, III the sum of Fifty Thousand and no/100 dollars, at Fayetteville, N.C. with interest at the rate of 0 percentum per annum until paid; said interest payable annually

No 1 Committee for Congressman Charlie Rose By: [Signature] Assistant Treasurer

Due April 20, 1988 Address P.O. Box 1178 Fayetteville, N.C. 28302

CL0200-16 50209 200852 BANK OF SOUTHERN NATIONAL BANK PAGE 1
 0442J17220672320 0000 CITY OF FAYETTEVILLE DATE 05/01/85
 ACCOUNT 231322 COMMERCIAL LOAN TRANSACTION HISTORY

NAME CHARLES G ROSE III ADDRESS 2435 RAYBURN BLDG
 WASHINGTON DC
 205150000

LCAN 0622320

DATE T/C FIELDS

062382 301 TYL OFF AWC SC LN FED5700 29 PI 17.50004 PRIN 40000.00 F092982
 062382 521 PRIN .00 INT 1579.71 ADJ .00 DATE 09-28-82
 093082 471 FST 12-20-82 LST 12-20-82 INCR 01 AMT 41446.03 INT CD 0
 093082 492 NCR MSG 0 FIN MSG 0 AMT .00 NXT BILL DT 12-20-82 TYPE 1
 093082 541 AMT 40000.00 DT 09-20-82 FEE .00 OFF AWC INT ADJ .00
 122082 491 FST 03-21-83 LST 03-21-83 INCR 01 AMT 41313.41 INT CD 0
 122082 492 NCR MSG 0 FIN MSG 0 AMT .00 NXT BILL DT 03-21-83 TYPE 1
 122082 521 PRIN .00 INT 1313.41 ADJ .00 DATE 12-20-82
 122082 531 NOTE 1313.41 DT 12-20-82 OFF AWC SC UN
 122082 531 FEE .00
 122182 541 AMT 41313.41 DT 12-20-82 FEE .00 OFF AWC INT ADJ .00
 032183 491 FST 09-17-83 LST 09-17-83 INCR 01 AMT 43656.39 INT CD 0
 032183 492 NCR MSG 0 FIN MSG 0 AMT .00 NXT BILL DT 09-17-83 TYPE 1
 032183 521 PRIN .00 INT 1313.41 ADJ .00 DATE 03-21-83
 032183 541 AMT 41313.41 DT 03-21-83 FEE .00 OFF AWC INT ADJ .00
 062683 522 PRIN 3300.00 INT .00 DT 08-26-83 NXT DUE 00-00-00 0
 092783 521 PRIN .00 INT 2264.36 ADJ .00 DATE 09-26-83
 092783 531 NOTE .00 DISB 2264.36 DT 09-26-83 OFF AWC SC UN
 092783 531 FEE .00
 092983 491 FST 03-16-84 LST 03-16-84 INCR 01 AMT 42674.57 INT CD 0
 092983 492 NCR MSG 0 FIN MSG 0 AMT .00 NXT BILL DT 03-16-84 TYPE 1
 092983 541 AMT 40277.77 DT 09-17-83 FEE .00 OFF AWC INT ADJ .00
 032284 521 PRIN .00 INT 2390.10 ADJ .00 DATE 03-22-84
 041684 491 FST 09-12-84 LST 09-12-84 INCR 01 AMT 42649.75 INT CD 0
 041684 492 NCR MSG 0 FIN MSG 0 AMT .00 NXT BILL DT 09-12-84 TYPE 1
 041684 541 AMT 40277.77 DT 03-16-84 FEE .00 OFF AEC INT ADJ .00
 050384 401 AWC
 091184 521 PRIN .00 INT 2685.37 ADJ .00 DATE 09-10-84
 091384 491 FST 03-11-85 LST 03-11-85 INCR 01 AMT 43058.59 INT CD 0
 091384 492 NCR MSG 0 FIN MSG 0 AMT .00 NXT BILL DT 03-11-85 TYPE 1
 091384 541 AMT 40277.77 DT 09-12-84 FEE .00 OFF AWC INT ADJ .00
 040985 521 PRIN 40277.77 INT 2658.33 ADJ .00 DATE 03-26-85

NO PAYMENTS	INT PAID	GRIG NOTE AMT	TIMES RENEWED	LAST PAYMENT
8	14,204.69	40,000.00	06	03-26-85

PAST DUE DATA	CURRENT BALANCE
1-14 15-29 30+	
03 01 00	.00

AUTHORIZED SIGNATURE (Use only names of business or organization)
 Banking Institution Certificate By checking this check, I certify that I have not been notified by Internal Revenue Service that I am subject to estate withholding as a result of failure to report all interest or dividends, or I have received notification from IRS that I am no longer subject to estate withholding.

William M. Buck 1000
 _____ TITLE
 _____ TITLE
 _____ TITLE
 _____ TITLE

Specimen signature of holder of Power of Attorney (if any)
 (Insert only when Power of Attorney is on file)

The signature authorized above is my/our genuine signature(s) which you will recognize and hence in payment of funds to the transaction of other business relating to a bank account. Depositor(s) hereby agree to the rules and regulations of the Bank with respect to this account, and hereby is the proceeds placed on the reverse side of this card.

Under penalty of perjury, I certify that the information provided on this card is true, correct and complete.
 By William M. Buck Date 7-28-64
 Signature WMB

SOUTHERN NATIONAL BANK OF N.C.
SIGNATURE CARD

Name of Account <u>W. M. Buck</u>		
Account number <u>600-007817</u>	<input type="checkbox"/> Checking	<input checked="" type="checkbox"/> Individual
Social Security Number or Tax ID Number <u>5-1-100000</u>	<input type="checkbox"/> Savings	<input type="checkbox"/> Joint Tenants-Survivorship
Identification	<input type="checkbox"/> Certificate of Deposit	<input type="checkbox"/> Business
Branch Address <u>1000</u>	<input type="checkbox"/> Other	<input type="checkbox"/> Organization
Alternate Address <u>1000</u>	Approved By <u>WMB</u>	<input type="checkbox"/> Joint Tenants in Common
Current Mailing Name and Phone <u>1000</u>		<input checked="" type="checkbox"/> Other: <u>WMB</u>
Employer's Occupation/Address <u>1000</u>		
Phone (Home)	Phone (Office)	Known By
Account Opened	Date Opened	Opened By

41-573-37

EXHIBIT M

ASSIGNMENT OF SOUTHERN NATIONAL BANK SAVINGS ACCOUNTS/SAVINGS INSTRUMENTS

March 26 19 85

FOR VALUE RECEIVED, TO WIT, MONEY LOANED, the undersigned (jointly and severally) hereby assign(s) and set(s) over to SOUTHERN NATIONAL BANK OF NORTH CAROLINA Fayetteville North Carolina and its successors and assigns (hereinafter "SNB") the savings account(s) and/or savings instrument(s) identified below

Savings Account(s) No(s) _____
(Full Account Number(s)) _____

Amount of Funds Assigned: \$ _____

Savings Instrument(s) No(s) 045-007887
(and any renewals thereof) (Account Number(s)) _____

904824
(Certificate Number(s)) _____

and all claims, rights, options, privileges, title and interest therein and thereunder. The exercise of any right, option, privilege or power granted herein to SNB shall be at the option of SNB.

This Assignment is given as security for a loan(s) made by said SNB to Charles G. Rose, III ***

in the amount of Fifty six thousand two hundred seventy seven and 777/100 (hereinafter "DEBTOR(S)")
DOLLARS (\$ 56,277.77)

This Assignment shall be a continuing one and shall remain effective for any renewal(s) of the above loan(s). It further shall secure any other obligations and/or liabilities of any one or more of the above named DEBTOR(S) to SNB, due or to become due, whether now existing or hereafter arising and howsoever evidenced or acquired, whether direct, indirect, absolute or contingent and whether the individual, several, or joint and several obligation(s) or liability(ies) of said DEBTOR(S).

Said SNB is herewith authorized to apply the funds in or represented by the above described savings account(s)/instrument(s) to the payment of any and all obligations of any one or more of the above DEBTOR(S) on the due date of any installment and/or on maturity of the entire indebtedness or thereafter, together with all accrued interest, costs and reasonable attorneys' fees, if not otherwise paid. Said SNB may withdraw funds for these purposes at such times and in such amount(s) as it shall in its sole discretion determine.

The undersigned warrant(s) and represent(s) that the above described savings account(s)/instrument(s) is(are) owned solely by undersigned and is(are) free and clear of all liens and encumbrances and the undersigned has(he)ve, full power, right and authority to execute and deliver this assignment.

If said savings account(s)/instrument(s) is(are) represented by a passbook, certificate or other document evidencing ownership such paper writing(s) has(he)ve been delivered and is(are) herewith assigned and pledged to said SNB by undersigned.

Each of the undersigned acknowledges that the above Agreement was complete, with all blanks filled in, prior to his(her) executing same, one Assignor having received a copy hereof.

Witness the Hand(s) and Seal(s) of the undersigned, this sealed instrument being executed and delivered on the date first above written. Each of the undersigned herewith expressly adopts as his seal the word "SEAL" appearing beside or near his signature below.

WITNESS: [Signature] ASSIGNOR: Charles G. Rose, III (SEAL)

WITNESS: _____ ASSIGNOR: _____ (SEAL)

The Signature(s) as shown above being correctly with our files. Present Balance is (\$ 75,000.00)
above assignment has been properly recorded on ledger and signature cards.

[Signature]
SAVINGS TELLER

ORIGINAL - SNB / COPY - ASSIGNOR

Southern National



MEMBER

October 29, 1987

Committee on Standards of Official Conduct
U.S. House of Representatives
Suite NT-2 Capitol
Washington, D.C. 20515

Attention: Elaine Hutchins-Taylor

This is to advise that on this date we first discovered in a collateral file a purported Assignment of a Certificate of Deposit by the Committee for Congressman Charlie Rose to Southern National Bank of North Carolina to secure a loan of Congressman Rose's. In reviewing our signature cards in connection with this Certificate of Deposit, we discovered that the only authorized signatory on that signature card is Mr. Alton C. Buck who did not sign the Assignment of the Certificate of Deposit to the bank. Consequently, in the opinion of our counsel, for lack of an authorized committee signature, we did not have a valid Assignment of the Certificate of Deposit in the name of the Committee for Congressman Charlie Rose to secure the Congressman's personal debt.

Nevertheless, in response to your subpoena, we are forwarding you a copy of the purported Assignment, a copy of the Certificate of Deposit and a copy of the signature card for this certificate in explanation of this transaction.

Very truly yours,

Jo B. Hendrickson
Assistant Vice President

EXHIBIT O

MCLEAN, STACY, HENRY & MCLEAN

PROFESSIONAL ASSOCIATION

ATTORNEYS AND COUNSELORS AT LAW

SOUTHERN NATIONAL BANK BUILDING

P. O. DRAWER 1007

LUMBERTON, NORTH CAROLINA 28360

TELEPHONE 810-750-0207

DICKSON MCLEAN, JR.
 HORACE S. STACY, JR.
 EVERETT L. HENRY
 WILLIAM B. MCLEAN

W. A. MCLEAN 1007-1070
 W. A. MCLEAN 1000-1011
 W. A. MCLEAN 1070-1020
 DICKSON MCLEAN 1000-1002
 HORACE S. STACY 1007-1000

November 11, 1987

Mr. Vince Nelson
 Vice President
 Southern National Bank of N. C.
 P. O. Box 969
 Fayetteville, North Carolina 28302

Dear Mr. Nelson:

On October 29, 1987, you showed me an assignment of a certificate of deposit which was formerly assigned to Southern National Bank of North Carolina to secure a loan made by the bank to Charles G. Rose, III. After reviewing the assignment document, a copy of the certificate of deposit and the signature card held by the bank for this certificate, I gave you my oral opinion that the purported assignment of the certificate of deposit was not valid because it did not have an authorized signature on the assignment.

You have now requested that my opinion be put in writing. Hence, this letter.

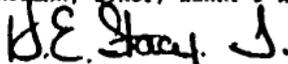
The purported assignment of Southern National's certificate of deposit # 904828 for account # 045-007887, dated March 26, 1985, was signed only by Charles G. Rose, III, as assignor. The bank's certificate of deposit # 904828 was issued on February 27, 1985, to Committee for Congressman Charlie G. Rose, as depositor. The signature card shown to me for this account in the name of Committee for Congressman Charlie G. Rose, for account # 045-007887, showed only one authorized signatory, the signature of Alton G. Buck.

Since the depositor of the certificate of deposit was the Committee for Congressman Charlie G. Rose and the signature card (contract between the bank and the depositor)

for this account had only one authorized signatory, Alton G. Buck, in my opinion the signature of Alton G. Buck was necessary to assign the certificate. Since Mr. Buck's signature was not on the assignment of the certificate of deposit, in my opinion, the assignment was not a valid assignment of the certificate.

Very truly yours,

McLEAN, STACY, HENRY & McLEAN

A handwritten signature in dark ink, appearing to read "H. E. Stacy, Jr.", written in a cursive style.

H. E. Stacy, Jr.

HESjr/s

EXHIBIT P

3 1 7 0 0 6

UNITED STATES HOUSE OF REPRESENTATIVES

Committee on Standards of Official Conduct

SIDE MAIL

ETHICS IN GOVERNMENT ACT—FINANCIAL DISCLOSURE STATEMENT FOR 1980

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

CHARLES G. ROSE, III
(Print Name)

2435 RAYBURN BLDG
(Building Address)

WASHINGTON, D.C. 20515

1981 APR 20 11:54 AM
 U.S. HOUSE OF REPRESENTATIVES

MC

(Office Use Only)

Check the appropriate box and fill in the blanks.

 Check if amended statement. Member of the U.S. House of Representatives—District 7 State NC Officer or Employee—Employing Office _____

Note: Please read instructions carefully. Sign this form on the reverse side. Attach additional sheets if needed; identify each sheet by showing your name and the section being continued. Complete all parts. (If None, so indicate.) Fill in type or print clearly.

I. INCOME

A. The source, type, and amount of income (including honoraria and date received) aggregating \$100 or more in value received from any source during the preceding calendar year. Exclude income from current U.S. Government employment. Do not include here income reported in part I-B below.

SOURCE	TYPE	AMOUNT
SEE ATTACHED		

B. The source, type, and category of value of income from dividends, interest, rent, and capital gains received from any source during the preceding calendar year which exceeds \$100 in value. Note: For this part only, indicate Category of Value, as follows: Category A—not more than \$1,000; B—\$1,001-\$2,500; C—\$2,501-\$5,000; D—\$5,001-\$15,000; E—\$15,001-\$50,000; F—\$50,001-\$100,000; G—over \$100,000.

SOURCE	TYPE	CATEGORY
NONE		

II. GIFTS AND REIMBURSEMENTS

A. The source and a brief description of gifts of transportation, lodging, food, or entertainment aggregating \$250 or more in value received from any source during the preceding calendar year.

SOURCE	BRIEF DESCRIPTION
NONE	

B. The source, a brief description, and value of all other gifts aggregating \$100 or more in value received from any source during the preceding calendar year.

SOURCE	BRIEF DESCRIPTION	VALUE
NONE		

C. The source and a brief description of reimbursements aggregating \$250 or more in value received from any source during the preceding calendar year.

SOURCE	BRIEF DESCRIPTION
SEE ATTACHED	

3 1 2 7 0 0 3 0 0

TO BE ADDED TO AND BECOME A PART OF:

FINANCIAL DISCLOSURE OF CONGRESSMAN CHARLES G. ROSE, III
FOR CALENDAR YEAR OF 1980

I. INCOME:

Feb. 7	Honorarium	National Independent Meat Packers Ass'n	1,000.00
Apr. 9	"	Scientific Time Sharing	750.00
May 19	"	Nat'l Cable TV Ass'n	1,000.00
June 16	"	Control Data Corp	1,000.00
Aug 12	"	Atlanta Cable Club/ Scientific Atlanta/ South Media	1,000.00
Sept. 9	"	Distilled Spirits Council	1,000.00
Oct 24	"	Maryland-Delaware Cable TV	600.00
Dec 4	"	Farmland Industries	1,000.00
Dec 11	"	California Community TV Assn	1,000.00

II. GIFTS AND REIMBURSEMENTS:

C. Reimbursements aggregating \$250 or more:

<u>Source</u>	<u>Brief Description</u>
California Community TV	Air fare - lodging - meals
Farmland Industries	Air fare - lodging
Distilled Spirits Council	Air fare- lodging meals
Control Data Corp	Air fare - lodging meals
National Cable TV	Air fare lodging
YMCA Southeast Region	Air fare lodging
National Independent	Air fare lodging
National Symposium on Electronic Marketing of Agricultural Commodities	Air fare- lodging meals

J I O / J O S J O 2

Page #2

FINANCIAL DISCLOSURE OF CONGRESSMAN CHARLES G. ROSE, III
for Calendar year 1980

IV. LIABILITIES:

<u>Identify</u>	<u>Category</u>
Unid Carolina Bank	C
First Union	C

CONFIDENTIAL

R 2 0 7 0 0 3 1 9 8 9

UNITED STATES HOUSE OF REPRESENTATIVES

Committee on Standards of Official Conduct

CONFIDENTIAL

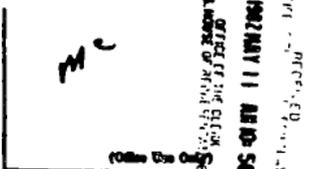
ETHICS IN GOVERNMENT ACT—FINANCIAL DISCLOSURE STATEMENT FOR 1981

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

CHARLES G. ROSE, III
(Full Name)

2435 RAYBURN BUILDING
(Mailing Address)

WASHINGTON, D.C. 20515



Check the appropriate box and fill in the blanks.

Check if amended Statement.

Member of the U.S. House of Representatives—District 7 State NC

Officer or Employee—Employing Office HOUSE OF REPRESENTATIVES

Note: Please read instructions carefully. Sign this form on the reverse side. Attach additional sheets if needed; identify each sheet by showing your name and the section being continued. Complete all parts. (If None, so indicate.) Please type or print clearly.

I. INCOME

- A. The source, type, and amount of income (including honoraria and date received) aggregating \$100 or more in value received from any source during calendar year 1981. Exclude income from current U.S. Government employment. Do not include here income reported in part I-B below.

SOURCE	TYPE	AMOUNT
SEE ATTACHED		

- B. The source, type, and category of value of income from dividends, interest, rent, and capital gains received from any source during calendar year 1981 which exceeds \$100 in value. Note: For this part only, indicate Category of Value, as follows: Category A—not more than \$1,000; B—\$1,001-\$5,000; C—\$5,001-\$25,000; D—\$25,001-\$15,000; E—\$15,001-\$50,000; F—\$50,001-\$100,000; G—over \$100,000.

SOURCE	TYPE	CATEGORY
NONE		

II. GIFTS AND REIMBURSEMENTS

- A. The source and a brief description of gifts of transportation, lodging, food, or entertainment aggregating \$250 or more in value received from any source during calendar year 1981.

SOURCE	BRIEF DESCRIPTION
NONE	

- B. The source, a brief description, and value of all other gifts aggregating \$100 or more in value received from any source during calendar year 1981.

SOURCE	BRIEF DESCRIPTION	VALUE
NONE		

- C. The source and a brief description of reimbursements aggregating \$250 or more in value received from any source during calendar year 1981.

SOURCE	BRIEF DESCRIPTION
SEE ATTACHED	

R 2 0 0 ; 1 9 9 1

TO BE ADDED TO AND BECOME A PART OF FINANCIAL DISCLOSURE OF
CONGRESSMAN CHARLES G. ROSE, III FOR CALENDAR YEAR 1981

I. INCOME

A.

5 February	Texas Cable TV	\$1,000.00
1	Mitre Corp	750.00
3 April	National Peanut Council	1,000.00
17	Society for Private and Commercial Earth Stations	500.00
29 July	N. C. Association of Educators	250.00
14 August	Gulf Oil	1,000.00
9 November	University of N. C.	500.00
4 November	International Systems	600.00
		<u>\$5,600.00</u>

II.

REIMBURSEMENTS

5 February	Texas Cable TV	Air Fare - hotel
25 April	University of California	Air Fare -lodging - meal
14 August	Gulf Oil	Air fare
2 November	N. C. Medical Society	Air Far - hotel

IV.

LIABILITIES

IdentifyCategory

Southern National Bank and Trust

C

Planters Bank & Trust

C

IV. TRANSACTIONS

GENERAL GUIDELINES:

A brief description, the date, and category of value of any PURCHASE, SALE, OR EXCHANGE during calendar year 1985, which exceeds \$1,000 in real property, stocks, bonds, commodities futures, or other forms of securities. The amount to be reported in disclosing transactions in real property or securities is the category of value of the total purchase price or total sales price, and is NOT related to any CAPITAL GAIN or LOSS on the transaction. INDICATE WHETHER THE PROPERTY WAS PURCHASED, SOLD, OR EXCHANGED.

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

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

For more information, see detailed instruction booklet at page 10

BRIEF DESCRIPTION	DATE	CATEGORY

V. LIABILITIES

GENERAL GUIDELINES:

All personal obligations aggregating over \$10,000 owed to one creditor AT ANY TIME during 1985, whether secured or not, and regardless of the repayment terms or interest rates, MUST be listed. The identity of the liability should include the name of the individual or organization to which the liability is owed, and the amount disclosed should be the category of value of the largest amount owed during the calendar year. Any contingent liability, such as that of a guarantor or endorser, or the liabilities of a business in which the reporting individual has an interest need not be listed.

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

For more information, see detailed instruction booklet at page 10

IDENTITY	CATEGORY
Waccamaw Bank *	
Waccamaw Bank *	
* Two separate branches located in two separate cities; combined liability listed.	B

VI. GIFTS

GENERAL GUIDELINES:

The term "gift" means a payment, advance, forbearance, rendering, or deposit of money, or any thing of value, unless consideration of equal or greater value is received by the donor.

EXCLUSIONS: Gifts from relatives, and gifts of personal hospitality of an individual, and political campaign contributions need not be reported. Gifts with a value of \$35 or less need not be aggregated towards the \$100 or \$250 disclosure threshold.

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

For more information, see detailed instruction booklet at page 11

A The source and a brief description of gifts of transportation, lodging, food, or entertainment aggregating \$250 or more in value received from any source during calendar year 1985

SOURCE	BRIEF DESCRIPTION

B The source, a brief description, and value of all other gifts aggregating \$100 or more in value received from any source during calendar year 1985

SOURCE	BRIEF DESCRIPTION	VALUE

Amendment to Financial Disclosure
1980

IV. TRANSACTIONS

Cong. Charles C. Rose, III

GENERAL GUIDELINES:

A brief description, the date, and category of value of any PURCHASE, SALE, OR EXCHANGE during calendar year 1985, which exceeds \$1,000 in real property, stocks, bonds, commodities futures, or other forms of securities. The amount to be reported in disclosing transactions in real property or securities is the category of value of the total purchase price or total sales price, and is NOT related to any CAPITAL GAIN or LOSS on the transaction. INDICATE WHETHER THE PROPERTY WAS PURCHASED, SOLD, OR EXCHANGED.

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

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BRIEF DESCRIPTION	DATE	CATEGORY

V. LIABILITIES

GENERAL GUIDELINES:

All personal obligations aggregating over \$10,000 owed to one creditor AT ANY TIME during 1985, whether secured or not, and regardless of the repayment terms or interest rates, MUST be listed. The identity of the liability should include the name of the individual or organization to which the liability is owed, and the amount disclosed should be the category of value of the largest amount owed during the calendar year. Any contingent liability, such as that of a guarantor or endorser, or the liabilities of a business in which the reporting individual has an interest need not be listed.

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

For more information, see detailed instruction booklet at page 10.

IDENTITY	CATEGORY
(Delete reference to First Union and replace with the following entry:)	
First Citizens Bank	C
Southern National Bank	C
Sergeant At Arms Salary Advance, National Bank of Washington	B

VI. GIFTS

GENERAL GUIDELINES:

The term "gift" means a payment, advance, forbearance, rendering, or deposit of money, or any thing of value, unless consideration of equal or greater value is received by the donor.

EXCLUSIONS: Gifts from relatives, and gifts of personal hospitality of an individual, and political campaign contributions need not be reported. Gifts with a value of \$50 or less need not be aggregated towards the \$100 or \$250 disclosure threshold.

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

For more information, see detailed instruction booklet at page 11.

A. The source and a brief description of gifts of transportation, lodging, food, or entertainment aggregating \$50 or more in value received from any source during calendar year 1985.

SOURCE	BRIEF DESCRIPTION

B. The source, a brief description, and value of all other gifts aggregating \$100 or more in value received from any source during calendar year 1985.

SOURCE	BRIEF DESCRIPTION	VALUE

Amendment to Financial Disclosure
1983
IV. TRANSACTIONS
Cong. Charles **PCRC** Rose, III

GENERAL GUIDELINES:

A brief description, the date, and category of value of any PURCHASE, SALE, OR EXCHANGE during calendar year 1985, which exceeds \$1,000 in real property, stocks, bonds, commodities futures, or other forms of securities. The amount to be reported in disclosing transactions in real property or securities is the category of value of the total purchase price or total sales price, and is NOT related to any CAPITAL GAIN or LOSS on the transaction. INDICATE WHETHER THE PROPERTY WAS PURCHASED, SOLD, OR EXCHANGED.

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For more information, see detailed instruction booklet at page 10

BRIEF DESCRIPTION	DATE	CATEGORY

V. LIABILITIES

GENERAL GUIDELINES:

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

For more information, see detailed instruction booklet at page 11

IDENTITY	CATEGORY
Wachovia	B

VI. GIFTS

GENERAL GUIDELINES:

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

For more information, see detailed instruction booklet at page 11

A. The source and a brief description of gifts of transportation, lodging, food, or entertainment aggregating \$250 or more in value received from any source during calendar year 1985.

SOURCE	BRIEF DESCRIPTION

B. The source, a brief description, and value of all other gifts aggregating \$100 or more in value received from any source during calendar year 1985.

SOURCE	BRIEF DESCRIPTION	VALUE

IV. TRANSACTIONS

Cong. Charles C. Rose, III

CCRC

GENERAL GUIDELINES:

A brief description, the date, and category of value of any PURCHASE, SALE, OR EXCHANGE during calendar year 1985, which exceeds \$1,000 in real property, stocks, bonds, commodities futures, or other forms of securities. The amount to be reported in disclosing transactions in real property or securities is the category of value of the total purchase price or total sales price, and is NOT related to any CAPITAL GAIN or LOSS on the transaction. INDICATE WHETHER THE PROPERTY WAS PURCHASED, SOLD, OR EXCHANGED.

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

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

For more information, see detailed Instruction Booklet at page 10

BRIEF DESCRIPTION	DATE	CATEGORY

V. LIABILITIES

GENERAL GUIDELINES:

All personal obligations aggregating over \$10,000 owed to one creditor AT ANY TIME during 1985, whether secured or not, and regardless of the repayment terms or interest rates, MUST be listed. The identity of the liability should include the name of the individual or organization to which the liability is owed, and the amount disclosed should be the category of value of the largest amount owed during the calendar year. Any contingent liability, such as that of a guarantor or endorser, or the liabilities of a business in which the reporting individual has an interest need not be listed.

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

For more information, see detailed Instruction Booklet at page 10

IDENTITY (The combined sum of the following two items necessitates the following reporting)	CATEGORY
Wright Patman Federal Congressional Credit Union-Line of Credit	A
Wright Patman Federal Congressional Credit Union-Loan	

VI. GIFTS

GENERAL GUIDELINES:

The term "gift" means a payment, advance, forbearance, rendering, or deposit of money, or any thing of value, unless consideration of equal or greater value is received by the donor.

EXCLUSIONS: Gifts from relatives, and gifts of personal hospitality of an individual, and political campaign contributions need not be reported. Gifts with a value of \$35 or less need not be aggregated towards the \$100 or \$250 disclosure threshold

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

For more information, see detailed Instruction Booklet at page 11

a. The source and a brief description of gifts of transportation, lodging, food, or entertainment aggregating \$250 or more in value received from any source during calendar year 1985.

SOURCE	BRIEF DESCRIPTION

B. The source, a brief description, and value of all other gifts aggregating \$100 or more in value received from any source during calendar year 1985.

SOURCE	BRIEF DESCRIPTION	VALUE

- APPENDIX D -

COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT
IN THE MATTER OF REPRESENTATIVE CHARLES G. ROSE, III, RESPONDENT
COMMITTEE COUNSEL'S REPLY BRIEF TO ANSWER OF RESPONDENT
TO STATEMENT OF ALLEGED VIOLATIONS

I. COUNT ONE

Count One charges Representative Rose with borrowing his campaign on eight separate occasions in violation of Rule XLIII, clause 6, which states:

A Member of the House of Representatives shall keep his campaign funds separate from his personal funds. He shall convert no campaign funds to personal use in excess of reimbursement for legitimate and verifiable prior campaign expenditures and he shall expend no funds from his campaign account not attributable to bona fide campaign purposes.

The respondent denies that he borrowed from his campaign on these eight occasions, asserting that he was merely being repaid for loans to his campaign in 1972. Committee staff refutes his explanation and asserts that there is clear and convincing evidence of the allegations in Count One.

A. 1972 Seed Money.

The respondent relies on 1972 filings with the Secretary of State of North Carolina under the North Carolina Corrupt Practices Act as proof that he and his father actually loaned money to the campaign in 1972. (Exhibit 1.) These filings do reflect "contributions" made by the respondent and his father which shall be referred to hereinafter as the "seed money". The respondent stated that his father actually was responsible for the entire \$45,900 in contributions during his 1972 campaign even

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though the North Carolina campaign reports indicate that Representative Rose himself contributed \$9,500 of this amount and the campaign itself borrowed \$20,000.¹

The assertion that 1972 filings with the Secretary of State of North Carolina, showing "contributions" by the congressman and his father, evidence that money was indeed "loaned" to the campaign is not entirely accurate. The respondent is correct, in that, according to the statute, "loans" were to be reported as "contributions." However, gifts or donations were also reported as contributions. The state reports filed by Representative Rose's campaign in no way distinguish which contributions were intended as gifts or donations and which were intended as loans. Thus, the reporting of the money as a "contribution" serves only to raise the possibility that they may have been loans. Likewise, the reports equally raise the possibility that the money may have been donated to the campaign.

The view that the contributions from Representative Rose and his father were intended to be donations at the time they were made, is supported by Federal Election Campaign Act (FECA) reports from 1978-1986. (Exhibit 2.) These reports characterize the disbursements to the respondent from his campaign as loans. There is no documentation that the respondent intended to receive repayment for any campaign contributions made by him or his father, such as a written loan agreement with the campaign.

¹Campaign law at that time did not limit the amount of contribution a family member could make.

The FECA reports filed by the respondent with the Clerk of the House also fail to substantiate \$45,900 in loans to the campaign by the congressman. Unlike the state filings, the federal forms specifically provided that loans to the campaign should be reported on a separate schedule. This was the respondent's opportunity to clearly identify all contributions which were intended to be loans. These reports also do not evidence that the congressman loaned \$45,900 to his campaign in 1972. The loan schedules for the 1972 FECA filings indicate two loans--one on May 23, 1972, in the amount of \$20,000 from First Citizens Bank, and another on May 5, 1972, for \$5,150 from Charles G. Rose, Jr., the congressman's father. (Exhibit 3.) Again, these reports, on their face, do not substantiate the respondent's claim of \$45,900 in loans to his campaign, nor do they entitle the respondent to withdraw money from his campaign as repayments. These filings show \$20,000 owed to a bank and \$5,150 to the respondent's father.

Respondent argues that one additional loan of \$8,750 by the congressman's father is reflected in the FECA filings. The amount is said to have been included in the cash-on-hand balance of \$14,428.12. (Exhibit 4.) An \$8,750 contribution on April 7, 1972, was reported in the North Carolina state filing. As explained, instructions for the FECA filing require the reporting on separate schedules of every contribution made on or after April 7, 1972. If the \$8,750 was a loan received on April 7, 1972, it should have been reported on the separate loan schedule. Thus, the document does not support the conclusion

that \$8,750 received on April 7, 1972, was included in cash-on-hand. Respondent has submitted no working papers or other documentary evidence to support the conclusion that the \$8,750 was included in that balance, only his own assertion. Since the amount does not appear on any loan schedule as required by the instructions, the only inference to be drawn from the FECA reports is that the \$8,750 was not intended to be a loan.

B. Contract Privity.

The respondent asserts that a private agreement between him and his father created his entitlement to the \$50,000 repayment from the campaign. Essentially, the agreement was that for every dollar put into the campaign by his father, he, the congressman, would personally reimburse his father. Thus, the campaign would then reimburse the respondent \$45,900 instead of his father. Interest from 1972 to 1973 brought the total to \$50,000. Only sworn testimony of the congressman and his father attest to this.² No written document exists between father and son of any agreement regarding repayment of loans.

This approach totally ignores any concept of privity of contract. Even if the respondent entered into an oral contract with his father to repay him the money he contributed to the campaign, this would not bind the campaign to reimburse the respondent. It would simply represent a private agreement

²During a deposition, Mr. Rose, Jr., the congressman's father, acknowledged that his affidavits, as well as his responses to written questions, were prepared by his son and he merely signed them. Further, he acknowledged contributions of only \$36,000 in 1972.

between father and son. There is no evidence of any contract or agreement with the campaign to reimburse the respondent for money he agreed to pay his father.

While Committee counsel realizes that loans between parent and child are often based on mutual understandings and may not require a writing, this does not explain the failure of the campaign to have written documentation of an agreement between it and its creditors. There is no written agreement between the campaign and the father attesting to the fact that all contributions from him were loans and should be repaid to his son, nor is there any written agreement between the respondent and the campaign in which the campaign agreed to reimburse the congressman for the money he repaid his father.

C. November 1973 Consolidation/Marker.

Representative Rose has presented this Committee with a complicated explanation of transactions between himself and his father. They begin with a November 1973 loan obtained by Charles G. Rose, Jr., the congressman's father, which "consolidated" or served as a marker for the 1972 seed money loans. (Exhibit 5.) In fact, however, the \$20,000 First Citizen's Bank note was not consolidated or retired by this loan. Bank records indicate that the note was not retired until 1976. (Exhibit 5.)

Committee counsel rejects the congressman's assertions that a November 1973, loan obtained by Mr. Rose, Jr. was loaned to the campaign for consolidation of campaign debt stemming from the 1972 race. By affidavit of April 23, 1987, Representative Rose asserts:

Because of the difficulty in making payments on the loans from the 1972 race as they were due, I sought help from my father, Charles G. Rose, Jr., in consolidating these loans. In my recollection I caused to be executed a \$50,000 note on November 21, 1973 to consolidate all outstanding 1972 campaign debts. I assumed financial responsibility for the repayment of this debt until such time as the Committee was financially and politically able to repay me when I would cause it to do so. (Exhibit 6.)

In fact, this money was never deposited into the campaign account and checks written to campaign creditors. Committee counsel asserts that while there is evidence that Mr. Rose, Jr. borrowed \$50,000 in November 1973, there is little tangible proof this loan had anything to do with the congressman's 1972 campaign.

Respondent asserts that Mr. Rose, Jr., his father, kept the \$50,000 he borrowed from First Citizen's Bank in 1973, to pay himself back for money he loaned to the campaign in 1972. In other words, he borrowed money to retire the campaign's debt to him. The testimony of the congressman's own father was that he did not believe the November 1973 \$50,000 was used to pay him. In the words of the respondent's father--

- A. . . . I don't believe any of that \$50,000 [November, 1973] was paid to me to repay me for the \$16,400 or the 36,400 debt of the '72 campaign. Now, I'm honest about that. That wouldn't make sense.
- Q. I understand, because you would have had to go out and borrow money to pay yourself.
- A. That doesn't make sense. (Exhibit 7, Deposition of Charles G. Rose, Jr., pp. 52, 53.)

Mr. Rose, Jr. testified that he gave the \$50,000 to his son for the campaign. (Exhibit 7, Deposition of Charles G. Rose, Jr., pp. 19-20.)

FECA reports do not reflect a deposit of \$50,000 into the campaign at this time. Since Mr. Rose, Jr. does not believe he kept any of the proceeds of the November 1973 loan to pay himself, then, the money must have added to the amount his son owed him for campaign related loans. He testified during his deposition that, in fact, this \$50,000 added to the \$36,400 he had loaned the campaign in 1972, for a new total of \$86,400. (Exhibit 7, Deposition of Charles G. Rose, Jr., pp. 24-25.) This testimony was at variance with previous affidavits submitted by Mr. Rose, Jr. The respondent's father was confronted with the following statement from his affidavit dated September 14, 1987:

3. To the best of my recollection, by 1973 my son owed a total of \$50,000 in principal and interest to me and various financial institutions from his 1972 congressional race. Because of difficulties in record keeping and variances in payment schedules, in November 1973, my son's debt from the 1972 campaign loans was moved to one place by my obtaining a \$50,000 loan from First Citizens Bank and Trust Company.

4. A \$50,000 loan from First Citizens was not turned over to the campaign but, rather, to the best of my recollection was used to pay the various financial institutions that were in November 1973 carrying the 1972 campaign loans made by my son and me to his campaign. I am unable to recall with precision the payees who may have received proceeds or the dates and amounts thereof. (Exhibit 8.)

The congressman's father acknowledged that this statement was incorrect and that he had not prepared the affidavit; his son had. (Exhibit 7, Deposition of Charles G. Rose, Jr., pp. 28-29.)

D. January 1975 Repayment.

The next step in Representative Rose's explanation is that he repaid his father for the 1973 consolidation in January 1975. At that time he obtained a loan for \$50,000 from North Carolina National Bank (NCNB) in Fayetteville, North Carolina. (Exhibit 9). The proceeds of this loan were used to pay off his father. As evidence of this payment, Representative Rose produced a copy of the front of the nonnegotiable portion of a NCNB bank draft to him. There is no proof this loan was used for the purpose described. Respondent does not recall whether he deposited the check in his personal account and wrote his father a personal check, or whether he endorsed the check directly to his father; nor does Mr. Rose, Jr. recall the disposition of the funds. Neither man recalls how the repayment took place, only that it did. Again, based on nonspecific representation without proof, the respondent asks the Committee to believe he is entitled to withdraw \$50,000 from his campaign.

The certified public accounting firm of Laventhol and Horwath, has been able to trace earlier bank loans of the congressman. Their analysis strongly suggests that the January 1975 \$50,000 could have been used to pay other bank notes owed by the congressman. (Exhibit 10.) To date the congressman is still paying off that January 1975 \$50,000 debt. He has refinanced this note many, many times with his father, the recipient of the proceeds of the original note, serving as the guarantor on some of these subsequent notes. (See, Laventhol and Horwath report, Exhibit 10.) In fact, Mr. Rose, Jr. was the guarantor on the

original January 1975 \$50,000 note which Congressman Rose says was to repay his father.

In the alternative, respondent asserts that, even if he did not repay his father for the money he allegedly loaned to the campaign in 1972, he (respondent) would still be entitled to withdraw \$50,000 from his campaign. As support for this conclusion, the respondent cites that his father could make an unlimited gift to him under the rules of the House and the FECA. The gift would be forgiveness of the debt owed from the 1972 campaign.

Committee counsel refutes this argument on the basis that it is illogical. The only basis the respondent has for asserting that he is entitled to withdraw funds from his campaign is that he repaid his father the money owed to him by the campaign. In other words, the campaign would reimburse him for reimbursing his father. If the respondent never repaid his father, then the campaign is not obligated to reimburse the respondent. Any other interpretation flies in the face of fairness and equity and, at the very least, is unjust enrichment. Under these circumstances, the expenditure clearly would not have been for a bona fide campaign purpose and, therefore, violates House Rule XLIII, clause 6.

E. Amendments.

Respondent has not adequately addressed the FECA filings that for eight years reported the disbursements to him as "loans" and his deposits back to the campaign as "repayment of loans". Committee counsel asserts there is insufficient evidence to

substantiate the validity of the transactions as changed. Mr. Alton Buck, certified public accountant and campaign treasurer, says that, when recently presented with the 1972 North Carolina Secretary of State reports evidencing contributions of \$45,900, the ledger card at First Citizens indicating a \$50,000 loan to Mr. Rose, Jr. in November 1973, and the statement of Mr. I. B. Julian that the loan was for campaign debts, he was convinced there was sufficient evidence to amend the FECA reports. However, as explained above, none of these factors are sound evidence. The 1972 reports do not positively establish the money was loaned to the campaign, and the November 1973 ledger card does not prove the money was used to consolidate campaign debt. During deposition, Mr. Buck acknowledged he had no independent knowledge that the 1973 loan actually went to the campaign. Neither did he know beyond general talk in "bull sessions" in North Carolina whether the 1972 seed money was loaned or donated to the campaign. (Exhibit 11, Deposition of Alton Buck, pp. 26, 28, 30.)

Mr. Buck, the preparer and signatory on the reports, has submitted an affidavit stating he was unaware of the avenue of getting advice from the Federal Election Commission and, therefore, mistakenly characterized the disbursements to, and repayments from Representative Rose on FECA reports. However, on two separate occasions, he did communicate, in writing, to the Clerk of the House regarding proper filing procedures. Each time he characterized the disbursements as loans to the congressman.

In a letter to the Clerk of the House of Representatives dated May 18, 1982, Mr. Buck wrote:

In response to your letter of May 13, 1982 to Mr. Rand concerning the April 15 report of receipts and disbursements, and more particularly, items that should be included on Line 13a of the report, your letter indicates that you are under the impression that the committee has borrowed money during this reporting period. This is not the case. The line-by-line instructions for FEC Form 3 directs that loans made to the committee during the reporting period are to be reported on this line. There were no loans made to the committee during this period.

The candidate did receive a loan from the committee during this period and this has been reported in the disbursement section, i.e., Line 17 "Operating Expenditures". We were instructed by FEC personnel to report this loan expenditure on Line 17. (Exhibit 12; emphasis supplied.)

Again, in June of 1984, by letter to the Clerk of the House, Mr. Buck confirmed that the disbursements from the campaign were loans to the congressman:

Although all of the information relevant to Mr. Rose's loan was disclosed in our pre-primary report, we failed to list the information again on supporting Schedule C. Page 2 of 2, Schedule C has been amended and is enclosed for your records. (Exhibit 13; emphasis supplied.)

The Schedule C attachment has the word "loans" at the top of the page. Identified on Schedule C as the loan recipient is Representative Rose. The dates shown correspond to the dates the respondent received disbursements from his campaign.

One additional letter to the Clerk of the House dated as recently as January 21, 1986, and signed by Cindy Bennett, a

bookkeeper for Mr. Buck, again does not support the respondent's position. It reads:

Enclosed are amended pages to the July 31, 1985 Mid-Year Report. After a telephone conversation today with Mr. Stuart Herscheld, Reports Analyst, we were informed that loans repaid by the Congressman should be reported on Line 14 - "Offset to Operating Expenditures" rather than Line 15 - "Other Receipts".

We have included all amended pages to the report applicable to this amendment for your records. (Exhibit 14; emphasis supplied.)

On at least three occasions between 1978 and 1986, Mr. Buck could have corrected the record to reflect that the disbursements were not loans. Instead, he reiterated the fact that they were indeed loans to the congressman and repayments to the campaign. These letters do not attempt to explain that he did not know how else to characterize these disbursements, or that he was unfamiliar with getting advice.

Finally, Committee counsel has copies of actual disbursement checks to Representative Rose signed on behalf of the campaign by Mr. Buck. (Exhibit 15.) The checks bear the notation "loan" in the left hand corner. Respondent's checks to the campaign, signed by his wife, for \$5,000 on September 29, 1984, and \$11,895 in September 1986, say "repayment of loan." In addition, the ledger portion of the campaign check stubs characterize the payments by the respondent to the campaign as repayment of loans. (Exhibit 16.)

The promissory note executed in April 1987, after much media attention and controversy surrounding the issue arose, is not

sufficient evidence of a transaction alleged to have taken place fifteen years earlier. Again, no documents exist, which were created contemporaneously with the transactions, that evidence loans to the respondent's campaign of \$45,900.

F. Respondent converted campaign funds to personal use and expended campaign funds for other than bona fide campaign purposes.

There is no evidence that any funds withdrawn by the respondent were put to bona fide campaign purposes. In fact, in two specific instances, Committee counsel can establish that the funds were used for personal purposes.

Committee counsel is satisfied that Representative Rose used funds from his campaign to purchase property in New Hanover County, North Carolina, and to purchase an automobile.

On September 15, 1983, Representative Rose's joint account with his wife was credited with \$18,000 according to a Statement of Account from Wright Patman Congressional Federal Credit Union for that time period. (Exhibit 17.) Records from Southern National Bank in Fayetteville indicate that on September 20, 1983, the Member's campaign account was debited for \$18,000. (Exhibit 17.) Finally, on September 23, 1983, check number 1441 for \$15,000 cleared the Rose account completing the transaction. (Exhibit 18.) Check number #1441 indicates that it was written on July 27, 1983, to Gleason Allen, the trustee of the property, as a down payment. The back of the check reveals that it apparently was held until September 21 when it was deposited into the realty company's account. Thus, the sequence of events was as follows: Representative Rose wrote a check for

the property in July. In mid-September, the campaign loaned the congressman \$18,000. He deposited the money into his Credit Union account. The check which had been held since July was deposited into the realty company's account. It is clear the money from the campaign was used to purchase the property.

The respondent has stated that the money came from his wife's Credit Union account. This statement is accurate but misleading. The original source of the funds was the campaign account.

Similarly, Committee counsel has traced the source of the funds for the purchase of an automobile to the Member's campaign. The campaign check to Representative Rose is dated August 19, 1985. (Exhibit 19.) The notation on the bottom left corner of the check says "loan". The check is endorsed by the congressman's wife and deposited into the Credit Union account. On August 21, 1985, the congressman wrote check number 2080 for \$9,600 to Michael Gavlak for a 1984 Jeep Station Wagon. (Exhibit 20.)

G. Summary of Count One.

Representative Rose has relied on three key transactions to establish that he is entitled to payments from his campaign. To summarize, Committee counsel lists these three transactions and the weaknesses in each:

1972 Seed Money

- ° North Carolina filings do not prove these were loans.
- ° No loan agreements, promissory notes or IOU's executed at the time, exist to substantiate that the respondent expected repayment.

- FECA reports do not prove \$45,900 in loans by the congressman.

1973 Debt Consolidation

- No proof the loan is related to the 1972 campaign.
- Seed money notes were not retired.
- Mr. Rose, Jr. testified that this transaction was not related to 1972 campaign.

1975 Repayment to Father

- No proof the January, 1975 \$50,000 bank loan of the Member was paid to his father.

In addition, the respondent relies heavily on documents recently created to reconstruct events of fifteen years ago in the case of the promissory note, and up to ten years ago in the case of the FECA amendments. The weaknesses in these areas, plus other controverting evidence, including the letters of Mr. Buck to the Clerk of the House confirming the campaign payments to the congressman as loans, the 1978-1986 FECA reports as originally filed, the campaign checks to the respondent with the notation "loan", the respondent's checks paid to the campaign with the notation "repayment of loan", and the Member's own financial position versus that of his campaign, create clear and convincing evidence that the eight disbursements to Representative Rose from his campaign between 1978 and 1985 constituted borrowings. Even if this Committee believes that Representative Rose is owed \$50,000 by his campaign, the most reasonable interpretation of the evidence is that his state of mind at the time he received the disbursements was that they were loans. It follows then, that the most reasonable interpretation of the deposits back to

the campaign is that they were intended at the time they were made to be repayments of the loans. The amendments appear to be a reconstruction after the fact.

II. COUNT TWO

Count Two charges the respondent with violating House Rule XLIII, clause 6. The allegation is that on March 26, 1985, he converted a campaign certificate of deposit to personal use by pledging it as collateral on a personal loan. The respondent denies this allegation, asserting that the assignment was invalid. Committee counsel refutes this and asserts it has clear and convincing evidence of the allegation in Count Two.

The respondent's defense is that a valid assignment never occurred because the only lawful signatory for the campaign was Mr. Alton Buck, the campaign treasurer. Contrary to this position, however, the assignment was accepted by the bank as collateral. (No subsequent alternative collateral was required.) Further, on March 22, 1985, four days prior to the date of the assignment by the respondent, Mr. Buck signed a letter to Southern National Bank which stated:

In regard to the use of the Committee for Congressman Charlie Rose's Certificate of Deposit with Southern National Bank as collateral for his loan, this would be permissible [sic]. Since Congressman Rose was elected to Congress prior to 1980, he may use any campaign funds he has raised in any manner in which he sees fit. He, of course, would have to pay income tax if he makes personal use of the funds other than to carry out the objectives of the election committee.

I hope this answers your question -- if not, please do not hesitate to call. (Exhibit 21.)

Clearly, this letter to the bank indicated knowledge of and consent to the use of the certificate of deposit in this manner. After receiving the letter from the treasurer, the bank then had the respondent endorse the assignment.

The document signed by the respondent read:

The undersigned warrant(s) and represent(s) that the above described savings account(s) instrument(s) is (are) owned solely by undersigned and is (are) free and clear of all liens and encumbrances and the undersigned has (have) full power, right and authority to execute and deliver this assignment. (Exhibit 21; emphasis supplied.)

If Mr. Buck's letter did not confer on the respondent the authority to execute this document, then the congressman willfully and knowingly perpetrated a fraud on the bank by representing that he had authority to assign this account.

Even though counsel to the bank now represents that it believes the assignment was invalid, the bank obviously accepted it at the time. Again, no additional collateral was ever requested.

Respondent asserts that an effective assignment requires the party with ownership rights over property to make a transfer of these rights, that the certificate of deposit was property of the committee for Representative Rose, and that only the committee could make valid assignment. Committee counsel asserts Mr. Buck's letter constituted a transfer of those rights. This transfer was effected by the treasurer, the individual with the authority to do it.

The respondent's alternative argument is that the assignment, even if valid, was for a campaign loan, not a personal loan and, therefore, no violation occurred. The report from Laventhol and Horwath, however, refutes this assertion. (Exhibit 10.) The loan was traced back to previous loans which are clearly personal. Thus, since the loan was used to pay off some noncampaign debts, the transaction became personal.

In addition, this loan was never reported on any FECA reports as an obligation of the campaign. If the respondent's assertion is correct--that it was a campaign loan--then his FECA reports should reflect the loan obligation and any payments made on the loan. They do not.

III. COUNT THREE

This count is predicated on the Committee's adoption of count one. The respondent's loans from his campaign created indebtedness which should have been reported as liabilities on his Financial Disclosure Statements. The respondent denies this allegation based on his denial of the allegations in Count One. Committee counsel asserts that the evidence presented on Count One; the February 25, 1982, disbursement to Representative Rose of \$7,000 which put him over the threshold reporting limit; and the absence of these liabilities on the respondent's Financial Disclosure Statements, are clear and convincing evidence of the allegations in Count Three. Thus, his Financial Disclosure Statements for 1982, 1983, 1984, 1985, and 1986 contain the omissions. Representative Rose violated House Rule XLIV, clause 2, the Ethics in Government Act, which requires the listing of liabilities over \$10,000 on the Financial Disclosure Statement.

IV. COUNT FOUR

A. Waccamaw Bank; March 26, 1979, \$5,000, \$10,000.

Respondent has admitted this allegation and amended his Financial Disclosure Statements to reflect this liability. (Exhibit 22.)

B. First Citizens Bank; February 29, 1980, \$20,000.

Committee counsel does not dispute respondent's explanation that the liability was erroneously disclosed as First "Union" Bank. Committee counsel recommends this allegation be dismissed.

C. National Bank of Washington; June 2, 1980, \$10,496.

Committee counsel submits a copy of a cashier's check from National Bank of Washington in the amount of \$10,496.66 dated June 2, 1980. (Exhibit 23.) Respondent's explanation is that this represents a six-month salary advance from the Sergeant-at-Arms. Committee counsel refutes this by submitting statements from the respondent's Sergeant-at-Arms account which, for the following six months July through December, evidenced monthly salary deposits by the respondent. (Exhibit 24.) In addition, \$10,496.66 does not represent six times the Member's monthly salary. Thus, the \$10,496.66 could not have been an "advance" on salary. This constitutes clear and convincing evidence of this allegation.

D. Southern National Bank; August 1, 1980, \$20,000.

Respondent has admitted this allegation and amended his Financial Disclosure Statements to reflect this liability. (Exhibit 22.)

E. Wright Patman Congressional Federal Credit Union; February 7, 1981, \$13,000.

Respondent denies this allegation, even though Respondent's counsel provided this loan information to the Committee as part of a submission on July 21, 1987. (Exhibit 25.) Committee counsel has no other evidence of this liability.

F. Wachovia Bank; April 15, 1983, \$12,500.

Respondent has admitted this allegation and amended his Financial Disclosure Statements to reflect this liability. (Exhibit 22.)

G. Wright Patman Congressional Federal Credit Union; September 7, 1984, \$500; September 11, 1984, \$10,000.

Respondent denies this allegation and asserts that these amounts represent a line of credit and that he was unaware that these should be reported as a liability. Committee counsel submits a Statement of Account for the period July 1, 1984, to September 30, 1984, which reflects these amounts as "loans". (Exhibit 26.) The available loan limit (credit line) is shown as "0.00". Thus, evidence reflects the respondent, in fact, had loan liabilities in these amounts, not an unused line of credit. This constitutes clear and convincing evidence of this allegation.

V. CONCLUSION

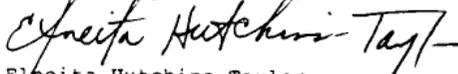
The evidence presented in Counts One, Two, and Three meets the clear and convincing standard required to sustain each allegation. Committee counsel respectfully requests that this Committee vote that these counts have been proved.

Regarding Count Four, the respondent has admitted subparagraphs (a), (d), and (f). Committee counsel requests the Committee vote that these counts be sustained.

Committee counsel accepts respondent's explanation regarding the allegation in Count Four, subparagraph (b), and recommends this allegation be dismissed.

Further, on Count Four, Committee counsel has presented clear and convincing evidence on subparagraphs (c) and (g), and requests the Committee to vote that these allegations have been proved. The information on the liability in subparagraph (e) was supplied by the respondent, and Committee counsel has no independent proof; however, based on the respondent's own submission, Committee counsel recommends this allegation be sustained.

Respectfully submitted,



Elaine Hutchins-Taylor
Committee Counsel

December 7, 1987

EXHIBITS

1. 1972 filings of Charles G. Rose, III, with Secretary of State of North Carolina.
2. FECA reports for years 1978-1986.
3. FECA reports documenting \$20,000 loan of May 23, 1972, and \$5,150 loan of May 5, 1972.
4. Summary Report of FECA filing covering period April 7, 1972, thru April 14, 1972.
5. Records of First Citizens Bank & Trust Company documenting \$50,000 loan of November 21, 1973.
6. Affidavit of Charles G. Rose, III, dated April 23, 1987.
7. Excerpts from October 9, 1987, deposition of Charles G. Rose, Jr.
8. Affidavit of Charles G. Rose, Jr., dated September 14, 1987.
9. Records of North Carolina National Bank documenting \$50,000 loan of January 30, 1975.
10. Report of Laventhol and Horwath, certified public accounting firm.
11. Excerpts from October 9, 1987, deposition of Alton Buck.
12. Letter from Alton G. Buck to Clerk of U.S. House of Representatives dated May 18, 1982.
13. Letter from Alton G. Buck to Clerk of U.S. House of Representatives dated June 22, 1984.
14. Letter from Cindy Bennett to Clerk of U.S. House of Representatives dated January 21, 1986.
15. Disbursements checks to Congressman Charles Rose from campaign committee.
16. Checks from Representative Rose to campaign committee for repayment of loans.
17. Records from Wright Patman Congressional Federal Credit Union and Southern National Bank documenting \$18,000 loan of September 15, 1983.

18. Copy of check number 1441 for \$15,000 dated July 27, 1983 to Gleason Allen.
19. Copy of campaign check number 946 issued to Representative Rose for \$9,600.
20. Copy of check number 2080 from Representative Rose to Michael W. Gavlak for \$9,600 for 1984 Jeep Station Wagon.
21. Documentation of March 26, 1985, pledge of campaign certificate of deposit as collateral on a personal loan.
22. Amendments to Financial Disclosure Statements for years 1979, 1980, 1983, and 1984.
23. Records of National Bank of Washington documenting \$10,496 loan of June 2, 1980.
24. Statements from Office of Sergeant at Arms for period July-December, 1980.
25. Statement received from respondent's counsel regarding \$13,000 loan of February 7, 1981, from Wright Patman Congressional Federal Credit Union.
26. Statement from Wright Patman Congressional Federal Credit Union documenting \$500 loan of September 7, 1984, and \$10,000 loan of September 11, 1984.

APPENDICES

- A. Statement of Representative Charles Rose, III, before Committee on July 22, 1987.
- B. October 9, 1987, Deposition of Charles G. Rose, Jr.
- C. October 9, 1987, Deposition of Alton Buck.
- D. Statement of Representative Charles Rose, III, before Committee on November 5, 1987.

STATEMENT OF CONTRIBUTIONS AND EXPENDITURES

GENERAL INSTRUCTIONS

1. Statements of Contributions and Expenditures must be filed with the Secretary of State by every candidate in any primary for federal, State or district office or for the State Senate in a district composed of more than one county except where there is a rotation agreement in effect. Such statements should be signed by the candidate and verified before an officer authorized to administer oaths.
2. Campaign committees covering more than one county in any primary, general or special election are required to file like statements with the Secretary of State. Such statements should be signed by the chairman or treasurer of the committee and verified before an officer authorized to administer oaths.
3. The first statement is required 10 days before the election. The second statement is required within 20 days after the election.

(Detailed requirements of law are printed on back of this form.)

TO THE SECRETARY OF STATE, RALEIGH, N. C.

The following itemized statement of contributions and expenditures is made in compliance with Article 22,

Chapter 163, General Statutes of North Carolina by Charles G. Ross, III
 (Name of candidate or campaign committee)
 in the Primary election for Congressman
 (Primary, General or Special) (Office)

CONTRIBUTIONS

Name of Contributor	Address	Date	Amount
Wayne Collier	Rt. 1, Linden, N.C.	1-25-72	20.00
Dr. S. L. Elmon	117 Stedman St., Fay., N.C.	2-29-72	25.00
Floyd Ammons	First Citizens Bldg Fay, N.C.	4-1-72	100.00
Ed David	1942 Forest Hill Dr., Fay, N.C.	4-1-72	250.00
W.G. Sullivan	Rt.1, Winmahaus, N.C.	3-21-72	50.00
Sam Noble	211 By-Pass, Lumberton, N.C.	3-27-72	50.00
Earl's Jewelers	413 Elm St., Lumberton, N.C.	3-27-72	50.00
Bruce Cameron	2219 Elythe Rd., Wilmington, N.C.	3-31-72	100.00
Norman Suttles	Union St., Fay., N.C.	2-15-72	100.00
Bruce Riley	Fayetteville, N.C.	2-21-72	100.00
Mel Thompson	Box 1540, Fayetteville, N.C.	3-15-72	50.00
John P. Manos	Fayetteville, N.C.	3-15-72	75.00
Ira S. Meiselman	Fayetteville, N.C.	3-15-72	100.00
Ivan Popkin	Jacksonville, N.C.	4-3-72	500.00
H.G. Stiles	126 Northview, Fayetteville, N.C.	4-3-72	1500.00
John C. Pate	Box 1540, Fayetteville, N.C.	4-4-72	200.00
Norman Bellamy	Shallotte, N.C.	4-5-72	500.00
W.C. Tripp	Fayetteville, N.C.	4-5-72	25.00
Henry Rankin Jr.	Fayetteville, N.C.	4-24-72	200.00
H. Lacy Godwin	Fayetteville, N.C.	4-24-72	100.00
Billy Hunt	Fayetteville, N.C.	4-19-72	100.00
Harold Arnette	Fayetteville, N.C.	4-19-72	75.00
Mr. & Mrs. George Vossler	Fayetteville, N.C.	4-17-72	50.00
John Wyatt	Summertime Dr., Fay., N.C.	4-5-72	350.00
Burney Rivenbark	541 Lennox Dr., Fay., N.C.	4-20-72	10.00
Arthur Wilkins	Fayetteville, N.C.	4-6-72	25.00
Mitchell Nance	Fayetteville, N.C.	4-19-72	75.00
K.T. Bellamy	Shallotte, N.C.	4-4-72	40.00
Rosell Bevett	Rt.2, Shallotte, N.C.	4-3-72	50.00
Harry K. Bennett	Little River, S.C.	4-4-72	10.00
Jessie Simmons	Shallotte, N.C.	4-5-72	10.00
Palmer Bellamy	Shallotte, N.C.	4-4-72	100.00
Mr. John Holden	Supply, N.C.	4-5-72	10.00
Mr. Hubert Bellamy	Shallotte, N.C.	4-4-72	25.00
Mr. Robert Bellamy	Shallotte, N.C.	4-4-72	20.00
Fred Duckworth	Norfolk, Va.	4-15-72	200.00
Biddick Revelle	Fayetteville, N.C.	4-20-72	20.00
William Zimmer	Wilmington, N.C.	4-10-72	50.00
George Caplan	Wilmington, N.C.	4-10-72	50.00
Sam Mandlesohn	Fayetteville, N.C.	4-15-72	25.00
Frances Rankin	Fayetteville, N.C.	4-17-72	50.00
Billy Horne	Fayetteville, N.C.	4-10-72	150.00
John Kosster	Fayetteville, N.C.	4-17-72	100.00
Gerald Beard	Vander, N.C.	4-18-72	175.00
Leon Horne	Fayetteville, N.C.	4-20-72	200.00
Johnny Wood	Spring Lake, N.C.	4-15-72	200.00
Victor Tally, Jr.	Fayetteville, N.C.	4-14-72	180.00
Alex Bethune	Linden, N.C.	4-10-72	65.00
David Blalock	Linden, N.C.	4-8-72	135.00

Total Contributions \$ 24,594.00

(continued on attached sheet)

(Over)

Continuation of Campaign Contributions for Charles Rose III

NAME	ADDRESS	DATE	AMOUNT
Lewis Wilson	Fayetteville, N.C.	4-4-72	200.00
Ernest Freeman	Stedman, N.C.	4-3-72	175.00
Henry Clark	Rt. 5, Fayetteville, N.C.	4-16-72	150.00
Earl Faircloth	Rt. 1, Roseboro, N.C.	4-24-72	200.00
Curtis Dowd	Rt: 5, Fayetteville, N.C.	4-18-72	100.00
Clifton McNeil	Rt. 1, Hope Mills, N.C.	4-3-72	160.00
Gordon Newton	Rt. 3, Fayetteville, N.C.	4-4-72	80.00
Johnny Evans	Rt. 5, Fayetteville, N.C.	4-3-72	110.00
W.L. McDonald	Rt. 5, Fayetteville, N.C.	4-6-72	125.00
R.C. Pugh	Rt. 5, Fayetteville, N.C.	4-11-72	75.00
Luke Hales	Rt. 1, Roseboro, N.C.	4-9-72	95.00
A.G. Cooper, Jr.	Falcon, N.C.	4-18-72	117.00
Charles Rose III	Fayetteville, N.C.	4-20-72	7500.00
Charles Rose, Jr.	Fayetteville, N.C.	4-7-72	8750.00
Misc unidentified contributions			<u>112.00</u>
			<u>\$24,594.00</u>

STATEMENT OF CONTRIBUTIONS AND EXPENDITURES

GENERAL INSTRUCTIONS

1. Statements of Contributions and Expenditures must be filed with the Secretary of State by every date in any primary for general, special, district office or for the State Senate in a district composed of more than one county except where there is a rotation agreement in effect. Such statements should be signed by the candidate and verified before an officer authorized to administer oaths.
2. Campaign committees covering more than one county in any primary, general or special election are required to file like statements with the Secretary of State. Such statements should be signed by the chairman or treasurer of the committee and verified before an officer authorized to administer oaths.
3. The first statement is required 10 days before the election. The second statement is required within 30 days after the election.

(Detailed requirements of law are printed on back of this form.)

TO THE SECRETARY OF STATE, RALEIGH, N. C.

The following itemized statement of contributions and expenditures is made in compliance with Article 22, Chapter 163, General Statutes of North Carolina by Charles G. Rose, III
 (Name of candidate or campaign committee)
 in the Second Primary election for Congressman
 (Primary, General or Special) (Office)

CONTRIBUTIONS			
Name of Contributor	Address	Date	Amount
BALANCE PREVIOUSLY REPORTED			\$24,594.00
M. G. Stiles	126 Northview Dr. Fayetteville, N.C.	5-2-72	1,500.00
W.E. White	Box 1407 Pinehurst, N.C.	5-2-72	1,500.00
Artheneus Dew	1602 Edgecomb Ave. Fayetteville, N.C.	4-26-72	15.00
Bruce McFadyen	1710 Winterlochen Rd. Fayetteville, N.C.	4-26-72	50.00

Total Contributions \$27,659.00

(Over)

Statement of Contributions and Expenditures

GENERAL INSTRUCTIONS

1. Statements of Contributions and Expenditures must be filed with the Secretary of State by every candidate in any primary for federal, State or district office or for the State Senate in a district composed of more than one county except where there is a rotation agreement in effect. Such statements should be signed by the candidate and verified before an officer authorized to administer oaths.
2. Campaign committees covering more than one county in any primary, general or special election are required to file like statements with the Secretary of State. Such statements should be signed by the chairman or treasurer of the committee and verified before an officer authorized to administer oaths.
3. The first statement is required 10 days before the election. The second statement is required within 30 days after the election.

(Detailed requirements of law are printed on back of this form.)

TO THE SECRETARY OF STATE, RALEIGH, N. C.

The following itemized statement of contributions and expenditures is made in compliance with Article 22, Chapter 163, General Statutes of North Carolina by Charles G. Rose, III
 (Name of candidate or campaign committee)
 in the Primary election for Congressman - 7th District
 (Primary, General or Special) (Office)

CONTRIBUTIONS

Name of Contributor	Address	Date	Amount
Balance previously reported			\$27,659.00
Charles Rose, III	Fayetteville, N.C.	4-26-72	900.00
Charles Rose, Jr.	Fayetteville, N.C.	5-5-72	5,150.00
A. Rand	Fayetteville, N.C.	5-12-72	1,250.00
H. Thorpe	Fayetteville, N.C.	5-12-72	1,250.00
H. G. Stiles	Fayetteville, N.C.	5-12-72	150.00
B. Bailey	Fayetteville, N.C.	5-16-72	1,000.00
Jary Smith	Fayetteville, N.C.	5-16-72	450.00
Albert McCauley	Fayetteville, N.C.	5-16-72	300.00
Mrs. Peter McKay Cromartie	Fayetteville, N.C.	5-16-72	200.00
J. Coleman	Fayetteville, N.C.	5-16-72	140.00
J. Williams	Fayetteville, N.C.	5-14-72	200.00
Alton Buck	Fayetteville, N.C.	5-13-72	500.00
Hugh Cannon	Raleigh, N.C.	5-10-72	1,000.00
Janly Eubank	Charleston, S.C.	5-10-72	1,000.00
J. Popkin	Jacksonville, N.C.	5-15-72	450.00
J. Stein	Jacksonville, N.C.	5-15-72	200.00
J. G. Stiles	Fayetteville, N.C.	5-16-72	1,000.00
J. S. Radosevich	Fayetteville, N.C.	5-16-72	60.00

Total Contributions \$42,859.00

(Over)

GENERAL INSTRUCTIONS

1. Statements of Contributions and Expenditures must be filed with the Secretary of State by every candidate in any primary for federal, State or district office or for the State Senate in a district composed of more than one county except where there is a rotation agreement in effect. Such statements should be signed by the candidate and verified before an officer authorized to administer oaths.

2. Campaign committees covering more than one county in any primary, general or special election are required to file like statements with the Secretary of State. Such statements should be signed by the chairman or treasurer of the committee and verified before an officer authorized to administer oaths.

3. The first statement is required 10 days before the election. The second statement is required within 20 days after the election.

(Detailed requirements of law are printed on back of this form.)

TO THE SECRETARY OF STATE, RALEIGH, N. C.

The following itemized statement of contributions and expenditures is made in compliance with Article 22, Chapter 163, General Statutes of North Carolina by CHARLES G. ROSE, III
(Name of candidate or campaign committee)
in the Second Primary election for Congressman - 7th. District
(Primary, General or Special) (Office)

CONTRIBUTIONS			
Name of Contributor	Address	Date	Amount
			\$
Balance previously reported			42,859.00
Rugh Cannon	Raleigh, N. C.	5-23-72	500.00
Manley Eubank	Raleigh, N. C.	5-23-72	500.00
J. A. Bouknight	Fayetteville, N. C.	5-24-72	25.00
J. O. Tally	"	5-24-72	100.00
L. Stein	Jacksonville, N. C.	5-24-72	275.00
L. Radosevich	Fayetteville, N. C.	5-24-72	390.00
Jesse Champion	"	5-28-72	15.00
Mrs. S. C. Rankin	"	"	50.00
Mrs. Claude Rankin, Sr.	"	"	25.00
John C. Pate	"	"	100.00
Buck White	"	"	500.00
White	Pinehurst, N. C.	"	200.00
McCauley	Fayetteville, N. C.	5-26-72	200.00
J. Fitzgerald	"	"	325.00
J. Ammons	"	"	100.00
Jene Merritt	Wilmington, N. C.	"	100.00
I. Greene	"	"	1,000.00
John Wyatt	Fayetteville, N. C.	5-26-72	350.00
George Purvis, Jr.	"	"	500.00
B. Rivenbark	"	"	150.00
W. Coleman	"	"	10.00
H. Coleman	"	"	40.00
W. H. White	Pinehurst, N. C.	6-1-72	1,000.00
H. C. Stiles	Fayetteville, N. C.	6-1-72	1,000.00
Charles Rose, III	"	6-2-72	2,000.00
Charles Rose, Jr.	"	"	2,500.00
Miscellaneous		6-6-72	160.00

Total Contributions \$ 54,974.00

(Over)

Statement of Contributions and Expenditures

GENERAL INSTRUCTIONS

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(Detailed requirements of law are printed on back of this form.)

TO THE SECRETARY OF STATE, RALEIGH, N. C.

The following itemized statement of contributions and expenditures is made in compliance with Article 22,

Chapter 163, General Statutes of North Carolina by Charles G. Rose, III
 in the General election for Congressman - 7th District
 (Primary, General or Special) (Office)

CONTRIBUTIONS			
Name of Contributor	Address	Date	Amount
	Balance previously reported		\$ 54,974.00
Herbert Thorp	Fayetteville, N. C.	6-6-72	1,250.00
Tony Rand	"	6-6-72	1,250.00
William Bailey	"	6-6-72	1,500.00
L. Stein	Jacksonville, N. C.	6-6-72	250.00
Albert McCauley	Fayetteville, N. C.	6-4-72	500.00
John Wyatt	Fayetteville, N. C.	6-4-72	500.00
Art Cobb	Dunn, N. C.	6-4-72	500.00
Bill Jackson	Fayetteville, N. C.	6-4-72	100.00
George Breece	Fayetteville, N. C.	6-4-72	400.00
Effective Government Association	New York, New York	7-27-72	500.00
Mr. & Mrs. Durwood Roberts	Linville, N. C.	8-22-72	100.00
N. C. Democratic Club	Washington, D. C.	9-29-72	100.00
Democratic Study Group	US House of Representatives Washington, D. C.	9-25-72	1,000.00
Democratic National Congressional Committee	U. S. House of Representatives Washington, D. C.	9-19-72	1,000.00
Tildon Walker	Fayetteville, N. C.	9-1-72	200.00
McCoy, Weaver, Wiggins	Fayetteville, N. C.	9-5-72	200.00
Manley Eubank	Charleston, S. C.	9-8-72	100.00
Bill VanStory	Fayetteville, N. C.	9-8-72	100.00
C. Franklin Jones	Fayetteville, N. C.	9-8-72	100.00
Marshall Warren	"	"	100.00
A. C. Parker	"	"	100.00
Rogers & Breece Funeral Home	"	"	100.00
Deanna V. MacMillan	Fayetteville, N. C.	"	100.00
Allen Smith	"	9-11-72	200.00
H. H. Williamson	"	"	100.00
Jordan Skenteris	"	9-12-72	50.00
Mr. & Mrs. J. Melvin	"	"	1,000.00
Joe Barr	"	"	100.00
Mr. & Mrs. Denis Leahy	Hope Mills, N. C.	"	200.00
Mrs. Mamie Horne	Fayetteville, N. C.	"	100.00
Ed David	"	"	100.00
Hugh Cannon	Box 389, Raleigh, N. C.	9-12-72	100.00
Willie's Auto Parts	1905 Gillespie St., Fay.	"	100.00
Mitchell A. Nance	Fayetteville, N. C.	9-13-72	100.00
A & H Cleaners	"	"	100.00
Harold Arnett	"	"	50.00
W. C. Parker	"	"	50.00
Johnny Wood	"	"	250.00
W. A. Holland	"	"	100.00

Total Contributions \$ _____

(continued)

(Over)

Statement of Contributions and Expenditures

GENERAL INSTRUCTIONS

1. Statements of Contributions and Expenditures must be filed with the Secretary of State by every candidate in any primary for federal, State or district office or for the State Senate in a district composed of more than one county except where there is a rotation agreement in effect. Such statements should be signed by the candidate and verified before an officer authorized to administer oaths.

2. Campaign committees covering more than one county in any primary, general or special election are required to file like statements with the Secretary of State. Such statements should be signed by the chairman or treasurer of the committee and verified before an officer authorized to administer oaths.

3. The first statement is required 10 days before the election. The second statement is required within 20 days after the election.

(Detailed requirements of law are printed on back of this form.)

TO THE SECRETARY OF STATE, RALEIGH, N. C.

The following itemized statement of contributions and expenditures is made in compliance with Article 22, Chapter 163, General Statutes of North Carolina by Charles G. Rose III
 in the General election for Congressman - 7th District
 (Primary, General or Special) (Office)

CONTRIBUTIONS			
Name of Contributor	Address	Date	Amount
Continuation ----- Page two)			
rand	Fayetteville, N. C.	9-13-72	300.00
errick Hasty	"	"	100.00
am Wellons, Jr.	"	"	100.00
Wellons	"	"	100.00
. Yates	"	"	100.00
erry	"	"	100.00
. Bright	"	"	100.00
S. Floyd Construction Co.	"	"	200.00
b Thorp	"	"	100.00
us Radesovich	"	"	100.00
& D Chevrolet	"	"	100.00
P. Riddle	"	"	100.00
stace Griffin	"	"	100.00
..nie Massei, Jr.	"	9-12-72	100.00
Dr. Jack V. Hill	"	"	100.00
H. B. Farrell	"	"	100.00
R. W. Stankwytych	"	"	100.00
John W. Costin	"	"	100.00
Thomas A. Clark	"	"	100.00
William F. Clark	"	"	100.00
Speros Nasekos	"	"	100.00
Lewis P. Wilson	"	"	100.00
Clyde Sullivan	"	"	100.00
R. J. Whaley	"	"	100.00
J. W. Pridgen	"	9-13-72	100.00
C. L. Williams	"	"	100.00
Chas Backer	"	"	100.00
John Stiles	"	"	100.00
Lem Williford	"	"	50.00
James E. Lawrence	"	"	100.00
Dick Irving	"	"	100.00
Irvin Adkins	"	"	100.00
Jerry McCauley	Jacksonville, N. C.	"	100.00
Stanley McCauley	Jacksonville, N. C.	"	100.00
Albert McCauley	Fayetteville, N. C.	"	100.00
Ken McDonald	"	"	100.00
Adolph Dial	Pembroke, N. C.	"	100.00
Howard & Brenda Brooks	Pembroke, N. C.	"	100.00
Joe Stbut	Fayetteville, N. C.	"	100.00
Maurice Feishman	Fayetteville, N. C.	"	100.00
Harold Mazzan	"	9-14-72	10.00
Alton G. Buck	"	"	10.00

Total Contributions \$ _____

(continued)

Statement of Contributions and Expenditures

GENERAL INSTRUCTIONS

1. *Statements of Contributions and Expenditures must be filed with the Secretary of State by every candidate in any primary for federal, State or district office or for the State Senate in a district composed of more than one county except where there is a rotation agreement in effect. Such statements should be signed by the candidate and verified before an officer authorized to administer oaths.*

2. *Campaign committees covering more than one county in any primary, general or special election are required to file like statements with the Secretary of State. Such statements should be signed by the chairman or treasurer of the committee and verified before an officer authorized to administer oaths.*

3. *The first statement is required 10 days before the election. The second statement is required within 10 days after the election.*

(Detailed requirements of law are printed on back of this form.)

TO THE SECRETARY OF STATE, RALEIGH, N. C.

The following itemized statement of contributions and expenditures is made in compliance with Article 1

Chapter 163, General Statutes of North Carolina by Charles G. Rose III
 General (Name of candidate or campaign committee)
 in the _____ election for Congressman - 7th District
 (Primary, General or Special) (Office)

CONTRIBUTIONS

Name of Contributor	Address	Date	Amount
(continuation -- page three)			
George Purvis, Jr.	Fayetteville, N. C.	9-14-72	300.00
Danny Dell	"	"	200.00
Murchison & Bailey	"	"	300.00
Luther Packer	"	"	50.00
W. B. Applewhite	"	"	50.00
Ben & Cecile Allen	"	"	100.00
J. M. Person	"	"	100.00
James Hancock	"	9-19-72	25.00
John C. Pate	"	9-22-72	100.00
Upton Tyson	"	"	100.00
J. M. Miller	"	"	25.00
Mrs. Rowena Hooks	Fayetteville, N. C.	9-29-72	35.00
Jerry Glen Heath	Coral Gables, Florida	"	25.00
Joseph W. Baggett, M.D.	Fayetteville, N. C.	"	100.00
Robert T. & Ruth C. Stepleton	"	10-2-72	25.00
A. G. Cooper, Jr.,	Godwin, N. C.	"	50.00
John C. Cook	Fayetteville, N. C.	10-2-72	50.00
Cleo Katsoudas	"	10-3-72	20.00
John Henley	"	"	60.00
Tom McLean	"	"	100.00
Leon Sugar	"	"	100.00
Haigh & vonRosenburg	"	"	100.00
Thomas H. Williams	"	"	100.00
Fleishman's Tiny Town	"	"	100.00
Mr. & Mrs. G. W. Vossler	"	"	50.00
Adams Real Estate	"	"	100.00

Total Contributions \$ 74,539.

(Over)

GENERAL INSTRUCTIONS

1. Statements of Contributions and Expenditures must be filed with the Secretary of State by every candidate in any primary for federal, State or district office or for the State Senate in a district composed of more than one county except where there is a rotation agreement in effect. Such statements should be signed by the candidate and verified before an officer authorized to administer oaths.

2. Campaign committees covering more than one county in any primary, general or special election are required to file like statements with the Secretary of State. Such statements should be signed by the chairman or treasurer of the committee and verified before an officer authorized to administer oaths.

3. The first statement is required 10 days before the election. The second statement is required within 30 days after the election.

(Detailed requirements of law are printed on back of this form.)

TO THE SECRETARY OF STATE, RALEIGH, N. C.

The following itemized statement of contributions and expenditures is made in compliance with Article 22,

Chapter 163, General Statutes of North Carolina by Charles G. Rose, III
 in the General election for Congressman - 7th District
(Primary, General or Special) (Name of candidate or campaign committee) (Office)

CONTRIBUTIONS			
Name of Contributor	Address	Date	Amount
		Balance forwarded	\$ 74,539.00
Mrs. Loren F. Marcroft	Wilmington, N. C.	11-6-72	10.00
Mr. Bryan Grimes	Southport, N. C.	"	10.00
Mr. & Mrs. Lawrence Cook	Wilmington, N. C.	"	100.
Committee for Thorough Agricultural Political Education	P. O. Box 32287 San Antonio, Texas	"	1,000.00
F. C. Lennon	Wilmington, N. C.	11-9-72	100.
T. L. Coates	2018 Market St. Wilmington, N. C.	11-9-72	100.
John McArthur	Wakulla, N. C.	11-9-72	1,000.00

Total Contributions \$ 76,859.00

(Over)

**EXPENDITURES MADE BY OTHERS ON BEHALF OF CANDIDATE
OR CAMPAIGN COMMITTEE**

By Whom Made	Address	Date	Purpose	Amount
			Balance brought forward	69,899.15
Public Works Commission	Fayetteville, N. C.	10-25	Utilities	4.65
Norvin H. Collins	Wilmington, N. C.	10-27	Salary	
			campaign worker	250.00
Mary Faith Memory	Whiteville, N. C.	10-27	Salary - Sec.	175.00
Mary Faith Memory	"	10-30	Travel Expenses	108.06
U. S. Postmaster	Fayetteville, N. C.	10-31	postage	24.00
Murchison & Bailey	Fayetteville, N. C.	10-30	newspaper & radio ads.	2,000.00
Southern Bell Tel & Tel Co.	Wilmington, N. C.	11-2-	telephone	17.66
Norvin H. Collins	Wilmington, N. C.	11-3	salary	250.00
Mary Faith Memory	Whiteville, N. C.	11-3-	salary	175.00
Norvin H. Collins	Wilmington, N. C.	11-3	travel	15.00
The Fledgling	Douglas Byrd High School, Fayetteville	11-6	Advertisement	6.00
Hoke County Jaycees	Raeford, N. C.	11-6	Donation	100.00
Norvin H. Collins	Wilmington, N. C.	11-8	travel expense	89.21
Norvin H. Collins	"	11-10	salary	250.00
Mary Faith Memory	Whiteville, N. C.	11-10	salary	175.00
Piedmont Airlines	Fayetteville, N. C.	11-13	travel	74.00
Catharin Knight	Wilmington, N. C.	11-15	books	17.00
Norvin H. Collins	Wilmington, N. C.	11-17	salary	175.00
Patrick Ford	Fayetteville, N. C.	11-17	auto expense	227.00
American Express	Phoenix, Arizona	11-17	travel expense	73.00
Corder-Vossler	Fayetteville, N. C.	11-17	auto expense	160.00
Jordan Florist	Fayetteville, N. C.	11-17	office expense	28.00
Timme Plaza	Wilmington, N. C.	11-17-	travel expense	41.00
Rite-Way Safe & Lock Co.	Fayetteville, N. C.	11-17	office expense	20.00
Williams Office Equipment	Fayetteville, N. C.	11-17	office supplies	117.00
U. S. Postmaster	Fayetteville, N. C.	11-21	postage	8.00
Norvin H. Collins	Wilmington, N. C.	11-24	salary	250.00
Mary Faith Memory	Whiteville, N. C.	11-24-	salary	175.00
Mary Faith Memory	Whiteville, N. C.	11-24	travel expense	50.00
LaMar McIver Insurance	Wilmington, N. C.	11-24	insurance	150.00

Total \$ _____

Total Expenditures \$ 75,105.76

Charles O. Rose III
Signature of Candidate or Person Paying for Campaign Committee

STATE OF NORTH CAROLINA

COUNTY OF Cumberland

This is to certify that on this 27th day of November, 1922
personally appeared before me Charles O. Rose III w/
being duly sworn, declared that he signed the foregoing Statement of Contributions and Expenditures and th
the facts contained therein are true.

Franklin H. Wade
Notary Public

My Commission expires 5/20/26

EXPENDITURES

	Address	Date	Purpose	Amount
Balance previously reported				\$23,481.88
Office & Worker Salaries				141.50
Worker's Expenses				168.51
Advertising				498.00

Total \$ 24,289.89

Make	Address	Date	Purpose	Amount
				\$
			Balance previously reported	24,289.89
			Workers expenses	
			Office expenses	3,098.77
			Advertising	191.41
			Telephone	24,667.89
			Contributions	80.87
				20.00

Total \$ 53,146

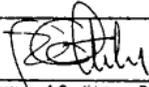
STATEMENT BY OTHERS ON BEHALF OF CANDIDATE
OR CAMPAIGN COMMITTEE

By Whom Made	Address	Date	Purpose	Amount
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Total \$ -0-

Total Expenditures \$ 53,148.83

STATE OF NORTH CAROLINA
COUNTY OF WAKE


Signature of Candidate or Person Filing for Campaign Commit
H. G. Stiles, Finance Chairman - Rose
for Congress Committee

This is to certify that on this 23rd day of JUNE, 1973
personally appeared before me H. G. Stiles
being duly sworn, declared that he signed the foregoing Statement of Contributions and Expenditures and if
the facts contained therein are true.


Officer Authorized to Administer Oath

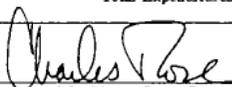
My Commission expires My Commission Expires August 8, 1976

**EXPENDITURES MADE BY OTHERS ON BEHALF OF CANDIDATE
OR CAMPAIGN COMMITTEE**

By Whom Made	Address	Date	Purpose	Amount
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Total \$ _____

Total Expenditures \$ 69,899.15

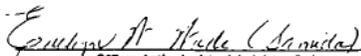


Signature of Candidate or Person Running for Campaign Committee

STATE OF NORTH CAROLINA

COUNTY OF CUMBERLAND

This is to certify that on this 26th day of October, 19 72,
personally appeared before me Charles Rose, who
being duly sworn, declared that he signed the foregoing Statement of Contributions and Expenditures and that
the facts contained therein are true.



Officer Authorized to Administer Oath
Notary Public
My Commission Expires: 5/20/76.

My Commission expires _____

EXPENDITURES MADE BY OTHERS ON BEHALF OF CANDIDATE
OR CAMPAIGN COMMITTEE

Made	Address	Date	Purpose	Amount
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Total \$ NONE

Total Expenditures \$ 24,289.89

Charles D. Rose M

Signature of Candidate or Person Filing for Campaign Committee

STATE OF NORTH CAROLINA.

COUNTY OF Cumberland

This is to certify that on this 26th day of May, 19 72 ..
personally appeared before me _____, who
being duly sworn, declared that he signed the foregoing Statement of Contributions and Expenditures and that
the facts contained therein are true.

Judith P. Langford
Officer Authorized to Administer Oath

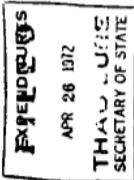
My Commission expires My Commission Expires August 8, 1976

Charles G. Ross III
CANDIDATE OR COMMITTEE

Office Congressman, District 7

Report No. 1 Election Primary

STATEMENT
OF
CONTRIBUTIONS
AND
EXPENDITURES



Required by the following sections of the Campaign Practices Act:

- § 163-269. Definitions. When used in this Article:
 - The term "campaign committee" includes any committee, association, partnership, firm, partnership, or other organization which accepts contributions or makes expenditures for the purpose of influencing or attempting to influence the nomination or election of any candidate at any primary, general or special election;
 - The term "candidate" means an individual whose name is printed for any office to be voted upon at any primary, general or special election;
 - The term "contributions" means any gift, payment, loan, advance, deposit or gift of money or anything of value, such and includes any contract, promise or agreement, in writing or otherwise, made for the benefit of any candidate at any primary, general or special election, and whether or not such contract, promise or agreement is legally enforceable;
 - The term "loan, advance, deposit or gift of money or anything of value" includes any loan, advance, deposit, or gift of money or anything of value, whether or not such loan, advance, deposit, or gift is legally enforceable;

anything else of value whatsoever, and includes a loan, advance, deposit or gift of money or anything of value whatsoever, and whether or not such contract, promise, or agreement is legally enforceable;

§ 163-269. Detailed Accounting to be kept by Candidates and Others. It shall be the duty of every candidate and the chairman and treasurer of any campaign committee to keep a detailed and exact account of

- All contributions made to or for such candidate or committee;
- The names and addresses of every person making any such contributions and the date, time, place, and amount of each such contribution;
- All expenditures made by or on behalf of such candidate or committee;
- The name and address of every person to whom any such expenditures were made;
- Disbursements made by the candidate or committee, within five days after receipt of such contributions, including the names and addresses of the persons to whom such expenditures were made;
- Disbursements made to or for such candidate or committee, within five days after receipt of such contributions, including the names and addresses of the persons to whom such expenditures were made;
- The total sum of all contributions made to or for such candidate or committee during the calendar year;
- The name and address of each person to whom any such expenditures were made by or in behalf of his campaign committee, and the date, time, and purpose of such expenditures;
- The name and address of each person by whom any such expenditures were made to or for such candidate or committee and reported to such candidate or committee and the amount, date, and purpose of such expenditures;
- The total sum of all expenditures made during the calendar year in behalf of such candidate or committee and reported to such candidate or committee and the amount, date, and purpose of such expenditures;
- The total sum of all expenditures made by such candidate or committee during the calendar year, in his behalf during the calendar year, or any portion thereof;
- Statements Required of Campaign Committees Covering More Than One County; Verification of Statements Required. A like statement shall be filed by any and all campaign committees as herein defined with the Secretary of State not more than 30 days after such primary, general or special election, and not more than 30 days after any such primary, general or special election in more than one county; and if such campaign committee is making expenditures in only one county, such statement shall be filed with the Secretary of State within the same period to be fixed by the Superior Court of such county.
- All of the statements or reports of contributions or expenditures made by or on behalf of such candidate or committee must be verified by the oath or affirmations of the person filing such

set out in the preceding sections. Provided, however, that candidates for the House of Representatives, and candidates for the office of State Senator, Superior Court of such county in the representative board of elections to send a written notice to each candidate with such notice shall state a notice of candidacy with such notice shall state a notice of candidacy to run against the candidate in the primary election to file his or her primary statement of contributions and expenditures with the Superior Court both before and after the primary. Such notices shall not be required where an individual candidate is running for the office of primary and was nominated without party opposition.

§ 163-264. Contents of Such Statements. The statement of contributions and expenditures as required by this section shall be verified by the oath or affirmations of the person filing such statement.

- The name and address of each person who has made a contribution to or for such candidate or committee and the amount, date, and time of each contribution;
- The name and address of each person to whom any such expenditures were made by or in behalf of his campaign committee, and the date, time, and purpose of such expenditures;
- The name and address of each person by whom any such expenditures were made to or for such candidate or committee and reported to such candidate or committee and the amount, date, and purpose of such expenditures;
- The total sum of all expenditures made during the calendar year in behalf of such candidate or committee and reported to such candidate or committee and the amount, date, and purpose of such expenditures;
- The total sum of all expenditures made by such candidate or committee during the calendar year, in his behalf during the calendar year, or any portion thereof;
- Statements Required of Campaign Committees Covering More Than One County; Verification of Statements Required. A like statement shall be filed by any and all campaign committees as herein defined with the Secretary of State not more than 30 days after such primary, general or special election, and not more than 30 days after any such primary, general or special election in more than one county; and if such campaign committee is making expenditures in only one county, such statement shall be filed with the Secretary of State within the same period to be fixed by the Superior Court of such county.
- All of the statements or reports of contributions or expenditures made by or on behalf of such candidate or committee must be verified by the oath or affirmations of the person filing such

statement or report, taken before any officer authorized to administer oaths. Report Contributions of Expenditures Made, Middleman. (a) It shall be unlawful for any person to make any contribution to or for such candidate or committee, or to make any expenditure on behalf of such candidate or committee, in any primary, general or special election, unless the same be reported in accordance with the provisions of this section, and it is the duty of every candidate and the chairman and treasurer of any campaign committee to keep a detailed and exact account of

- All contributions made to or for such candidate or committee;
- The names and addresses of every person making any such contributions and the date, time, place, and amount of each such contribution;
- All expenditures made by or on behalf of such candidate or committee;
- The name and address of every person to whom any such expenditures were made;
- Disbursements made by the candidate or committee, within five days after receipt of such contributions, including the names and addresses of the persons to whom such expenditures were made;
- Disbursements made to or for such candidate or committee, within five days after receipt of such contributions, including the names and addresses of the persons to whom such expenditures were made;
- The total sum of all contributions made to or for such candidate or committee during the calendar year;
- The name and address of each person to whom any such expenditures were made by or in behalf of his campaign committee, and the date, time, and purpose of such expenditures;
- The name and address of each person by whom any such expenditures were made to or for such candidate or committee and reported to such candidate or committee and the amount, date, and purpose of such expenditures;
- The total sum of all expenditures made during the calendar year in behalf of such candidate or committee and reported to such candidate or committee and the amount, date, and purpose of such expenditures;
- The total sum of all expenditures made by such candidate or committee during the calendar year, in his behalf during the calendar year, or any portion thereof;
- Statements Required of Campaign Committees Covering More Than One County; Verification of Statements Required. A like statement shall be filed by any and all campaign committees as herein defined with the Secretary of State not more than 30 days after such primary, general or special election, and not more than 30 days after any such primary, general or special election in more than one county; and if such campaign committee is making expenditures in only one county, such statement shall be filed with the Secretary of State within the same period to be fixed by the Superior Court of such county.
- All of the statements or reports of contributions or expenditures made by or on behalf of such candidate or committee must be verified by the oath or affirmations of the person filing such

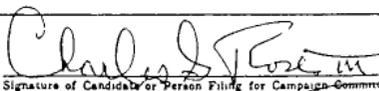
statement or report, taken before any officer authorized to administer oaths. Report Contributions of Expenditures Made, Middleman. (a) It shall be unlawful for any person to make any contribution to or for such candidate or committee, or to make any expenditure on behalf of such candidate or committee, in any primary, general or special election, unless the same be reported in accordance with the provisions of this section, and it is the duty of every candidate and the chairman and treasurer of any campaign committee to keep a detailed and exact account of

- All contributions made to or for such candidate or committee;
- The names and addresses of every person making any such contributions and the date, time, place, and amount of each such contribution;
- All expenditures made by or on behalf of such candidate or committee;
- The name and address of every person to whom any such expenditures were made;
- Disbursements made by the candidate or committee, within five days after receipt of such contributions, including the names and addresses of the persons to whom such expenditures were made;
- Disbursements made to or for such candidate or committee, within five days after receipt of such contributions, including the names and addresses of the persons to whom such expenditures were made;
- The total sum of all contributions made to or for such candidate or committee during the calendar year;
- The name and address of each person to whom any such expenditures were made by or in behalf of his campaign committee, and the date, time, and purpose of such expenditures;
- The name and address of each person by whom any such expenditures were made to or for such candidate or committee and reported to such candidate or committee and the amount, date, and purpose of such expenditures;
- The total sum of all expenditures made during the calendar year in behalf of such candidate or committee and reported to such candidate or committee and the amount, date, and purpose of such expenditures;
- The total sum of all expenditures made by such candidate or committee during the calendar year, in his behalf during the calendar year, or any portion thereof;
- Statements Required of Campaign Committees Covering More Than One County; Verification of Statements Required. A like statement shall be filed by any and all campaign committees as herein defined with the Secretary of State not more than 30 days after such primary, general or special election, and not more than 30 days after any such primary, general or special election in more than one county; and if such campaign committee is making expenditures in only one county, such statement shall be filed with the Secretary of State within the same period to be fixed by the Superior Court of such county.
- All of the statements or reports of contributions or expenditures made by or on behalf of such candidate or committee must be verified by the oath or affirmations of the person filing such

EXPENDITURES MADE BY OTHERS ON BEHALF OF CANDIDATE
OR CAMPAIGN COMMITTEE

By Whom Made	Address	Date	Purpose	\$	Amount
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Total \$ NONETotal Expenditures \$ 37,242.97


Signature of Candidate or Person Filing for Campaign Committee

STATE OF NORTH CAROLINA

COUNTY OF Cumberland

This is to certify that on this 24th day of May, 1972,
personally appeared before me _____
being duly sworn, declared that he signed the foregoing Statement of Contributions and Expenditures and that
the facts contained therein are true.


Officer Authorized to Administer Oath (Horton)

My Commission expires May 6, 1975

EXPENDITURES

To Whom Made	Address	Date	Purpose	Amount
Balance previously reported				\$23,481.00
Office and worker salaries				2,678.00
Workers' expenses				405.00
Office Supplies and expense				1,242.56
Donation				20.00
Telephone				166.80
Advertising				8,979.16
Payroll taxes				269.57

Total \$37,242.97

EXPENDITURES

To Whom Made	Address	Balance	Date	Previously Reported	Amount
Public Works Commission	Fayetteville		6-29	utilities office	\$ 53,148.83
Wms Office Supply	"		6-29	office supplies	39.27
Carolina Tel & Tel	Tarboro		6-29	office telephone	158.85
Southeastern Broadcasting	Lumberton		6-29	advertising WJSK	74.49
Carolina Tel & Tel	Tarboro		6-30	office telephone	9.00
U. S. Postoffice	Fayetteville		7-18 & 19	box rent	62.00
Jordan, Morris & Hoke	Raleigh		8-29	film reels	20.80
Southern Bell Tel & Tel Co	Wilmington		8-29	office telephone	56.19
Timme Plaza Motor Inn	"		8-29	candidate travel	24.79
Lovering Office Service	"		8-29	telephone answerinb	21.52
Cooper D. Cass Co.	Winston-Salem		8-29	office equipment	5.00
Carolina Clipping Service	Raleigh		8-31	clipping service	32.72
Seven Mountains Restaurant	Fayetteville		9-13	fund raising dinner	175.59
Cumberland ABC	"		9-12	refreshments dinner	1,798.25
Order of the Tents	"		9-14	Donation	625.00
U. S. Postoffice	"		9-14	stamps	20.00
George Breece	"		9-19	survey, research fee	100.00
Person St. Crown	"		9-21	workers expense	3,000.00
McNeill Poultry	"		9-21	rally luncheon	25.42
Fayetteville Aviation	"		9-21	use of plane travel expense	101.40
Norvin H. Collins	Wilmington		9-22	workers salary	69.37
M. F. Memory	Whiteville		9-22	workers salary	500.00
Murchison & Bailey	Fayetteville		9-22	Fay. Observer 289.52	1,750.00
				outdoor signs 632.80	
				Ross sign co. 55.00	
				newspaper ads 228.49	
				sub. adv. 1205.81	
				bal 600.75 for other than media	
Southern Bell Tel & Tel	Wilmington		9-22	office telephone	25.12
Carla G. Rose	Fayetteville		9-25	for decorations	
				9-12 dinner	126.00
Cash	Fayetteville		9-27	for office supplies	100.00
Norvin H. Collins	Wilmington		9-29	workers salary	250.00
M. F. Memory	Whiteville		9-29	workers salary	175.00
Timme Plaza Motor Inn	Wilmington		9-29	expenses YDC conv.	45.84
American Express			10-2	candidate travel exp.	172.81
N. H. Collins	Wilmington		10-6	workers salary	250.00
M. F. Memory	Whiteville		10-6	workers salary	218.75
Reid Ross High School	Fayetteville		10-5	ad in school paper	9.00
U. S. Postmaster	Fayetteville		10-7	stamps	32.00
Gray & Creech	Raleigh		10-9	stencils, ink	25.10
Highland Printers	Fayetteville		10-9	Letterheads & eps	135.20
Gray & Creech	Raleigh		10-10	service mimeo mach.	16.70
Murchison & Bailey	Fayetteville		10-10	TV advertising	
				Channel 3 & 6	1,500.00
Barbecue Lodge	Fayetteville		10-12	election night headquarters	500.00
N. H. Collins	Wilmington		10-13	workers salary	250.00
M. F. Memory	Whiteville		10-13	workers salary	175.00
Internal Revenue Service			10-12	FICA taxes	114.00
Chas. G. Rose III	Fayetteville		10-13	candidate travel	40.00
Employment Security Commission of N. C.	Raleigh		10-13	taxes salaries	29.70
Murchison & Bailey	Fayetteville		10-18	TV, Ch. 3&6	2,639.00
Timme Plaza	Wilmington		10-16	candidate expense	26.46
U. S. Postmaster	Fayetteville		10-17	stamps	40.00
Carolina Tel & Tel	Fayetteville		10-18	telephone office	428.42
N. H. Collins	Wilmington		10-20	workers salary	250.00
M. F. Memory	Whiteville		10-20	workers salary	175.00
Cumberland County Democratic Party	Fayetteville		10-23	advertising	100.00
				Total	\$ 69,899.15

EXPENDITURES

To Whom Made	Address	Date	Purpose	Amount
Salaries				2,002.00
Office Supplies				1,395.01
Transportation & Workers				6,114.83
Advertising				11,716.74
Donations				125.00
Rallies and Dinners				1,293.00
Telephone				495.45
Payroll Taxes				339.85
				<u>\$ 23,481.88</u>

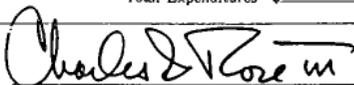
Total \$ 23,481.88..

EXPENDITURES MADE BY OTHERS ON BEHALF OF CANDIDATE
OR CAMPAIGN COMMITTEE

By Whom Made	Address	Date	Purpose	Amount
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Total \$ _____

Total Expenditures \$ _____



Signature of Candidate or Person Filing for Campaign Committee

STATE OF NORTH CAROLINA

COUNTY OF Cumberland

This is to certify that on this 26th day of April, 19 72,
personally appeared before me Charles G. Rose, III, who
being duly sworn, declared that he signed the foregoing Statement of Contributions and Expenditures and that
the facts contained therein are true.



Officer Authorized to Administer Oath (Notary)

My Commission expires May 6, 1975

Charles G. Rose, III

CANDIDATE OR COMMITTEE

Office Congressman, District 7th

Report No. 2 Election

Primary

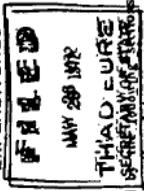
STATEMENT

OF

CONTRIBUTIONS

AND

EXPENDITURES



Required Secretaries of the Corrupt Practices Act:

161-258. Definitions. Who used in this Act:

- 1. The term "campaign committee" includes any person or committee who receives or makes contributions or attempts to influence the nomination or election of any candidate at any primary, general or special election.
- 2. The term "candidate" means an individual whose name is presented for any office to be voted upon at any primary, general or special election, nomination, subscription, loan, advance, deposit of money, or anything of value, and includes any contract, agreement, promise or arrangement for the loan, advance or deposit of any money or other thing of value to or for the benefit of any candidate at any primary, general or special election.
- 3. The term "contribution" means any gift, payment, subscription, loan, advance, deposit of money, or anything of value, and includes any contract, agreement, promise or arrangement for the loan, advance or deposit of any money or other thing of value to or for the benefit of any candidate at any primary, general or special election.
- 4. The term "advance" means a payment, disbursement, loan or other thing of value which is

anything else of value whatsoever, and includes a loan, advance or deposit of money or any thing of value, whatsoever, and whether or not such advance, promise, or agreement is legally enforceable.

5. The term "person" includes an individual, partnership, committee, association, corporation or any other organization or group of persons.

6. The term "primary" shall be defined as follows: (a) In any election held by the State or by any county, city or town, the date of the election shall be the date of the primary. (b) In any election held by the State or by any county, city or town, the date of the election shall be the date of the primary.

of vote in the preceding sections. Precinct, neighborhoods in multi-county representative districts shall be defined as in the preceding sections of this Act. Chapter 2 of this Act shall apply to the representative district.

It shall be the duty of the chairman of the county board of elections to select who shall be the candidates to run against the candidate in the primary. Such notice shall not be required in the primary. Such notice shall not be required in the primary. Such notice shall not be required in the primary.

161-257. Secretary of State to Report Failure to File Report. It shall be the duty of the Secretary of State to report to the Governor the names and addresses of campaign contributors and expenditures with the Secretary of State by candidate at any primary, general or special election. It shall be the duty of the Secretary of State to report to the Governor the names and addresses of all candidates for Federal, State, or county offices, and the names and addresses of all persons who have made contributions to or for the campaign of such candidates. Upon receipt of said report from the Secretary of State, it shall be the duty of the Attorney General to notify the proper prosecuting officers who shall prosecute any person violating the provisions of the preceding sections of this Article.

161-258. Secretary of State and Register Count Solicitors to Prepare. It shall be the duty of the Secretary of State and the several clerks of the Secretary of State, and the several clerks of the Attorney General, to prepare and issue to the several counties and treasurers of campaign committees for any primary, general or special election, a certificate of election, and a certificate of the names and addresses of all candidates for Federal, State, or county offices, and the names and addresses of all persons who have made contributions to or for the campaign of such candidates. Upon receipt of said report from the Secretary of State, it shall be the duty of the Attorney General to notify the proper prosecuting officers who shall prosecute any person violating the provisions of the preceding sections of this Article.

161-259. Secretary of State to Report Failure to File Report. It shall be the duty of the Secretary of State to report to the Governor the names and addresses of campaign contributors and expenditures with the Secretary of State by candidate at any primary, general or special election. It shall be the duty of the Secretary of State to report to the Governor the names and addresses of all candidates for Federal, State, or county offices, and the names and addresses of all persons who have made contributions to or for the campaign of such candidates. Upon receipt of said report from the Secretary of State, it shall be the duty of the Attorney General to notify the proper prosecuting officers who shall prosecute any person violating the provisions of the preceding sections of this Article.

1. The name and address of every person who has made a contribution to or for such candidate or to or for his campaign committee within the calendar year ending with the amount and date of such contribution.

2. The total sum of all contributions made to or for such candidate or to or for his campaign committee during the calendar year, and the name and address of each person to whom, made by or in behalf of such candidate or by or in behalf of his campaign committee.

3. The name and address of each person to whom, made by or in behalf of such candidate or by or in behalf of his campaign committee, the amount, date, and purpose of such expenditure.

4. The name and address of each person by whom an expenditure has been made during the calendar year in behalf of such candidate or by or in behalf of his campaign committee, and the amount, date, and purpose of such expenditure.

161-260. Statements Under Oath of Precinct Expensers of Candidate; Report to be Made by Candidate for Nomination in Any Primary for Any Federal, State or District Office or for the State Senate in which there shall be agreement for reason as provided in § 161-116, to file, under oath, within ten days after the date of the election, a report to the Secretary of State, and also of all contributions made to him, directly or indirectly, by any person, with detailed account of each expenditure, and the name and address of each person, with the preceding reference applying, office to file the report. Such report shall be filed with the Secretary of State, and the Secretary of State shall file a like statement with the Clerk of the Superior Court of the county of his residence at the time of the election, and also with the Clerk of the Superior Court of the county of his residence at the time of the election.

161-261. Detailed Accounting to Candidates of Persons Receiving Contributions. Every person who receives contributions for his nomination at any election shall render such candidate or campaign committee, within five days after the date of the election, a detailed accounting thereof, including the name and address of the person making such contribution.

161-262. Detailed Accounting of Person Making Expenditures. Every person who makes any expenditure in behalf of any candidate or campaign committee, within five days after making such expenditure, shall render to such candidate or campaign committee, within five days after making such expenditure, a detailed accounting thereof, including the name and address of the person to whom such expenditure was made.

161-263. Secretary of State and Register Count Solicitors to Prepare. It shall be the duty of the Secretary of State and the several clerks of the Secretary of State, and the several clerks of the Attorney General, to prepare and issue to the several counties and treasurers of campaign committees for any primary, general or special election, a certificate of election, and a certificate of the names and addresses of all candidates for Federal, State, or county offices, and the names and addresses of all persons who have made contributions to or for the campaign of such candidates. Upon receipt of said report from the Secretary of State, it shall be the duty of the Attorney General to notify the proper prosecuting officers who shall prosecute any person violating the provisions of the preceding sections of this Article.

161-264. Statements Required of Campaign Committees. Every campaign committee shall file, under oath, within ten days after the date of the election, a report to the Secretary of State, and also of all contributions made to him, directly or indirectly, by any person, with detailed account of each expenditure, and the name and address of each person, with the preceding reference applying, office to file the report. Such report shall be filed with the Secretary of State, and the Secretary of State shall file a like statement with the Clerk of the Superior Court of the county of his residence at the time of the election, and also with the Clerk of the Superior Court of the county of his residence at the time of the election.

161-265. Secretary of State and Register Count Solicitors to Prepare. It shall be the duty of the Secretary of State and the several clerks of the Secretary of State, and the several clerks of the Attorney General, to prepare and issue to the several counties and treasurers of campaign committees for any primary, general or special election, a certificate of election, and a certificate of the names and addresses of all candidates for Federal, State, or county offices, and the names and addresses of all persons who have made contributions to or for the campaign of such candidates. Upon receipt of said report from the Secretary of State, it shall be the duty of the Attorney General to notify the proper prosecuting officers who shall prosecute any person violating the provisions of the preceding sections of this Article.

161-266. Secretary of State and Register Count Solicitors to Prepare. It shall be the duty of the Secretary of State and the several clerks of the Secretary of State, and the several clerks of the Attorney General, to prepare and issue to the several counties and treasurers of campaign committees for any primary, general or special election, a certificate of election, and a certificate of the names and addresses of all candidates for Federal, State, or county offices, and the names and addresses of all persons who have made contributions to or for the campaign of such candidates. Upon receipt of said report from the Secretary of State, it shall be the duty of the Attorney General to notify the proper prosecuting officers who shall prosecute any person violating the provisions of the preceding sections of this Article.

161-267. Secretary of State and Register Count Solicitors to Prepare. It shall be the duty of the Secretary of State and the several clerks of the Secretary of State, and the several clerks of the Attorney General, to prepare and issue to the several counties and treasurers of campaign committees for any primary, general or special election, a certificate of election, and a certificate of the names and addresses of all candidates for Federal, State, or county offices, and the names and addresses of all persons who have made contributions to or for the campaign of such candidates. Upon receipt of said report from the Secretary of State, it shall be the duty of the Attorney General to notify the proper prosecuting officers who shall prosecute any person violating the provisions of the preceding sections of this Article.

161-268. Secretary of State and Register Count Solicitors to Prepare. It shall be the duty of the Secretary of State and the several clerks of the Secretary of State, and the several clerks of the Attorney General, to prepare and issue to the several counties and treasurers of campaign committees for any primary, general or special election, a certificate of election, and a certificate of the names and addresses of all candidates for Federal, State, or county offices, and the names and addresses of all persons who have made contributions to or for the campaign of such candidates. Upon receipt of said report from the Secretary of State, it shall be the duty of the Attorney General to notify the proper prosecuting officers who shall prosecute any person violating the provisions of the preceding sections of this Article.

161-269. Secretary of State and Register Count Solicitors to Prepare. It shall be the duty of the Secretary of State and the several clerks of the Secretary of State, and the several clerks of the Attorney General, to prepare and issue to the several counties and treasurers of campaign committees for any primary, general or special election, a certificate of election, and a certificate of the names and addresses of all candidates for Federal, State, or county offices, and the names and addresses of all persons who have made contributions to or for the campaign of such candidates. Upon receipt of said report from the Secretary of State, it shall be the duty of the Attorney General to notify the proper prosecuting officers who shall prosecute any person violating the provisions of the preceding sections of this Article.

NAME OF CANDIDATE OR COMMITTEE		REPORT COVERING THE PERIOD	
Committee for Congressman Charlie Rose		FROM October 24, 1970: November 27, 1970	
RECEIPTS		Column A This Period	Column B Calendar Year-To-Date
16. Contributions from Individuals (including contributions in-kind)			
(a) Itemized (see Schedule A)		\$ 860.00	
(b) Unitemized		\$ 1,020.00	
(c) Sales and collections included above:			
List by event on memo Schedule D (B) <u>-0-</u>			
(d) Subtotal of contributions from individuals		\$ 1,870.00	\$ 17,946.00
16. Transfers from Political Committee			
(a) Funds from affiliated/authorized committees (transit on Schedule A regardless of amount)		\$ -0-	
(b) Funds from other committees (transit on Schedule A regardless of amount)		\$ 6,400.00	
(c) Contributions in-kind from political committees (transit on Schedule A regardless of amount)		\$ -0-	
(d) Subtotal of transfers in and contributions in-kind from political committees		\$ 6,400.00	\$ 39,280.00
16. Other Income			
(a) Itemized (see Schedule A)		\$ -0-	
(b) Unitemized		\$ -0-	
(c) Subtotal of other income		\$ -0-	\$ -0-
17. Loans and Loan Repayments Received			
(a) Itemized (see Schedule A)		\$ -0-	
(b) Unitemized		\$ -0-	
(c) Subtotal of loans and loan repayments received		\$ -0-	\$ -0-
18. Refunds, Rebates, Returns of Deposits:			
(a) Itemized (see Schedule A)		\$ 966.00	
(b) Unitemized		\$ -0-	
(c) Subtotal of refunds, rebates, returns of deposits		\$ 966.00	\$ 966.75
19. Total Receipts		\$ 9,256.00	\$ 58,212.75
EXPENDITURES			
20. Operating Expenditures			
(a) Itemized (see Schedule B)		\$ 12,566.51	
(b) Unitemized		\$ -0-	
(c) Subtotal of operating expenditures		\$ 12,566.51	\$ 59,373.46
21. Loans, Loan Repayments, and Contribution Refunds Made			
(a) Itemized (see Schedule B)		\$ 4,000.00	
(b) Unitemized		\$ -0-	
(c) Subtotal of loans and loan repayments made and contribution refunds		\$ 4,000.00	\$ 4,000.00
22. Transfers Out to Political Committees:			
(a) To affiliated/authorized committees (transit on Schedule B regardless of amount)		\$ -0-	
(b) To other committees (transit on Schedule B regardless of amount)		\$ 3,000.00	
(c) Contributions in-kind to other committees (transit on Schedule B regardless of amount)		\$ -0-	
(d) Subtotal of transfers out		\$ 3,000.00	\$ 3,000.00
23. Independent Expenditures (see Schedule E)		\$ -0-	\$ -0-
24. Coordinated Expenditures Made by Political Committee (U.S.C. 6410(d)) (transit on Schedule F)		\$ -0-	\$ -0-
25. Total Expenditures		\$ 19,566.51	\$ 46,373.46
NET OF TRANSFERS TO AND FROM AFFILIATED COMMITTEES			
26. Total Receipts (from line 19)		\$ 9,256.00	
27. Transfers In (from line 16(c))		\$ -0-	
28. Net Receipts (Subtract line 27 from line 26)		\$ 9,256.00	
29. Total Expenditures (from line 25)		\$ 19,566.51	
30. Transfers Out (from line 22(b))		\$ -0-	
31. Net Expenditures (Subtract line 30 from line 29)		\$ 19,566.51	

00054

7 8 0 1 5 7 0 0 7 0

FORM 3
 1976
 Federal Election Commission
 1200 K Street, N.W.
 Washington, D.C. 20545

ITEMIZED EXPENDITURES
 Operating, Traveling Out, Contributions to-Kind,
 Loans, Loan Repayments and Refunds Made
 Supporting Lines 28a, 21a, and 22a, 22b, and 22c
 of FEC FORM 3

Page 1 of 1
 Line Number
 Also Complete Schedule for
 each referenced line

7
 8
 0
 1
 1
 5
 7
 0
 0
 0

Name of Candidate or Committee in Full Committee for Congressman Charlie Boe			
Full Name, Mailing Address and ZIP Code	Particulars of Expenditure	Date (month, day, year)	Amount of each expenditure this period
Charles G. Boe III 218 Cannon House Building Washington, D. C. 20515	Loan	11-17-78	4,000.00
	Expenditure for: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other		
	Particulars of Expenditure	Date (month, day, year)	Amount of each expenditure this period
	Expenditure for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other		
	Particulars of Expenditure	Date (month, day, year)	Amount of each expenditure this period
	Expenditure for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other		
	Particulars of Expenditure	Date (month, day, year)	Amount of each expenditure this period
	Expenditure for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other		
	Particulars of Expenditure	Date (month, day, year)	Amount of each expenditure this period
	Expenditure for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other		
	Particulars of Expenditure	Date (month, day, year)	Amount of each expenditure this period
	Expenditure for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other		
	Particulars of Expenditure	Date (month, day, year)	Amount of each expenditure this period
	Expenditure for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other		
	Particulars of Expenditure	Date (month, day, year)	Amount of each expenditure this period
	Expenditure for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other		
SUBTOTAL of expenditures this page (optional).....			\$ 4,000.00
TOTAL this period (do not use this line section only).....			\$ 4,000.00

060555

APR 19 1982
CERTIFIED MAIL

REPORT OF RECEIPTS AND DISBURSEMENTS
For an Authorized Committee

(Summary Page)

054118

1. Name of Committee (in Full) Committee for Congressman Charlie Rose

Address (Number and Street) P. O. Box 1891

City, State and ZIP Code Fayetteville, North Carolina 28302

2. F.P.C. Identification Number 33411

3. Is this Report an Ag... 5

APR 19 AM 10:45

Check if address is different than previously reported

4. TYPE OF REPORT

April 15 Quarterly Report

July 15 Quarterly Report

October 15 Quarterly Report

January 31 Year End Report

July 31 Mid Year Report (Non-election Year Only)

Twelfth day report preceding election on _____ in the State of _____

Thirtieth day report following the General Election on _____ in the State of _____

Termination Report

This report contains activity for - Primary Election General Election Special Election Runoff Election

SUMMARY		Column A This Period	Column B Calendar Year-to-Date
5. Covering Period	<u>1/1/82</u> Through <u>3/31/82</u>		
6. Net Contributions (other than loans):			
(a) Total Contributions (other than loans) (from Line 11e)	\$ 33,212.00	\$ 33,212.00	
(b) Total Contribution Refunds (from Line 20d)	\$ -0-	\$ -0-	
(c) Net Contributions (other than loans) (Subtract Line 6b from 6a)	\$ 33,212.00	\$ 33,212.00	
7. Net Operating Expenditures:			
(a) Total Operating Expenditures (from Line 17)	\$ 36,207.98	\$ 36,207.98	
(b) Total Offsets to Operating Expenditures (from Line 14)	\$ 50.00	\$ 50.00	
(c) Net Operating Expenditures (Subtract Line 7b from 7a)	\$ 36,157.98	\$ 36,157.98	
8. Cash on Hand at Close of Reporting Period (from Line 27)	\$ 42,346.18		
9. Debts and Obligations Owed TO the Committee (Itemize all on Schedule C or Schedule D)	\$ 11,000.00		
10. Debts and Obligations Owed BY the Committee (Itemize all on Schedule C or Schedule D)	\$ -0-		

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

For further information, contact:

Federal Election Commission
Toll Free 800-424-9630
Local 202-635-4030

Anthony S. Rand

Type or Print Name of Treasurer

Anthony S. Rand
SIGNATURE OF TREASURER

4-5-82
Date

BUCK & DEPETRO
CERTIFIED PUBLIC ACCOUNTANTS
P.O. BOX 1178
FAYETTEVILLE, N.C. 28305

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. §437c.

All previous versions of FEC FORM 3 and FEC FORM 3s are obsolete and should no longer be used.

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FEC FORM 3 (1982)

**DETAILED SUMMARY PAGE
of Receipts and Disbursements
(Page 2, FFC FORM 3)**

Name of Committee (In Full) Committee for Congressman Charlie Hoen	Period Covering the Period	
	From 1/1/82	To 3/31/82
	COLUMN A Total This Period	COLUMN B Calendar Year to-Date
I. RECEIPTS		
11. CONTRIBUTIONS (other than loans) FROM		
(a) Individuals/Persons Other Than Political Committee	22,137.00	22,137.00
(Memo Entry Unitemized \$19,987.00)		
(b) Political Party Committee	-0-	-0-
(c) Other Political Committee	11,075.00	11,075.00
(d) The Candidate	-0-	-0-
(e) TOTAL CONTRIBUTIONS (other than loans) (add 11a, 11b, 11c and 11d)	33,212.00	33,212.00
12. TRANSFERS FROM OTHER AUTHORIZED COMMITTEES	-0-	-0-
13. LOANS		
(a) Made or Guaranteed by the Candidate	-0-	-0-
(b) All Other Loans (Loan repayments-See Sch. B and C)	5,000.00	5,000.00
(c) TOTAL LOANS (add 13a and 13b)	5,000.00	5,000.00
14. OFFSETS TO OPERATING EXPENDITURES (Refunds, Rebates, etc.)	50.00	50.00
15. OTHER RECEIPTS (Dividends, Interest, etc.)	541.34	541.34
16. TOTAL RECEIPTS (Add 11a, 12, 13c, 14 and 15)	38,803.34	38,803.34
II. DISBURSEMENTS		
17. OPERATING EXPENDITURES	36,207.98	36,207.98
18. TRANSFERS TO OTHER AUTHORIZED COMMITTEES	-0-	-0-
19. LOAN REPAYMENTS		
(a) Of Loans Made or Guaranteed by the Candidate	-0-	-0-
(b) Of All Other Loans	-0-	-0-
(c) TOTAL LOAN REPAYMENTS (add 19a and 19b)	-0-	-0-
20. REFUNDS OF CONTRIBUTIONS TO		
(a) Individuals/Persons Other Than Political Committee	-0-	-0-
(b) Political Party Committee	-0-	-0-
(c) Other Political Committee	-0-	-0-
(d) TOTAL CONTRIBUTION REFUNDS (add 20a, 20b and 20c)	-0-	-0-
21. OTHER DISBURSEMENTS	-0-	-0-
22. TOTAL DISBURSEMENTS (Add 17, 18, 19c, 20d and 21)	36,207.98	36,207.98
III. CASH SUMMARY		
23. CASH ON HAND AT BEGINNING OF THE REPORTING PERIOD	\$ 32,750.82	
24. TOTAL RECEIPTS THIS PERIOD (From Line 16)	\$ 38,803.34	
25. SUBTOTAL (Add Line 23 and Line 24)	\$ 71,554.16	
26. TOTAL DISBURSEMENTS THIS PERIOD (From Line 22)	\$ 36,207.98	
27. CASH ON HAND AT CLOSE OF THE REPORTING PERIOD (Subtract Line 26 from 25)	\$ 35,346.18	

000756

SCHEDULE B

ITEMIZED DISBURSEMENTS

Page 2 of 4 for
 LRB 10-0001-17
 Also attach additional copy with
 copy of the District
 Secretary Page)

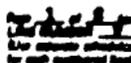
Any information copied from such Reports and Statements may not be sold or used by any person for (1) purposes of electioneering or for commercial purposes, other than using the name or address of any political candidate to solicit contributions from such applicants.

Name of Committee (in full)
Committee for Congressman Charlie Rose

A. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
Charlie Rose 2435 Rayburn House Office Building Washington	Loan - See Schedule "C"	2-25-82	7,000.00
B. Full Name, Mailing Address and ZIP Code David R. Ramage, Inc. Canal & D Street, WA-29 Underground Plaza Washington, D. C. 20515	Purpose of Disbursement: Invitations and envelopes -printing services- Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 1-22-82 2-5-82 2-6-82	Amount of Each Disbursement This Period 69.75 209.00 95.00
C. Full Name, Mailing Address and ZIP Code David R. Ramage, Inc. Canal & D Street, WA-29 Underground Plaza Washington, D. C. 20515	Purpose of Disbursement: Invitations and envelopes -printing services- Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 2-12-82 2-26-82	Amount of Each Disbursement This Period 30.00 245.00
D. Full Name, Mailing Address and ZIP Code Public Communications Group 227 Massachusetts Avenue, N.E. Washington, D. C. 20515	Purpose of Disbursement: Direct mailing lists Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 1-26-82 2-19-82	Amount of Each Disbursement This Period 750.00 2,450.00
E. Full Name, Mailing Address and ZIP Code Bill Lee 8513 Kirby Street Manassas, Virginia 22110	Purpose of Disbursement: Repairs to office equipment Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 2-5-82	Amount of Each Disbursement This Period 55.00
F. Full Name, Mailing Address and ZIP Code Buck & DePietro CPAs P. O. Box 1178 Fayetteville, North Carolina 28302	Purpose of Disbursement: Accounting services Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 2-5-82 2-15-82 2-17-82	Amount of Each Disbursement This Period 755.67 50.00 665.00
G. Full Name, Mailing Address and ZIP Code U. S. Postmaster House of Representatives Washington, D. C. 20515	Purpose of Disbursement: Postage stamps Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 2-6-82	Amount of Each Disbursement This Period 600.00
H. Full Name, Mailing Address and ZIP Code J. J. Mailing, Inc. 41 Commerce Avenue Hollywood, Maryland 20636	Purpose of Disbursement: Direct Mailing Lists Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 2-10-82	Amount of Each Disbursement This Period 2,621.00
I. Full Name, Mailing Address and ZIP Code Zeta Phi Beta Sorority c/o Mae Williams 1847 Broadell Drive Fayetteville, North Carolina 28301	Purpose of Disbursement: Advertising Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year) 2-10-82	Amount of Each Disbursement This Period 75.00
SUBTOTAL of Disbursements This Page (optional)			15,670.42
TOTAL This Period (last page this line number only)			

000766

SCHEDULE C
 (Revised 3/88)

LOANS


Name of Committee (in Full)			
Committee for Congressman Charlie Rose			
A. Full Name, Mailing Address and ZIP Code of Loan Source Charlie Rose 2455 Rayburn HOB Washington, D. C. 20515	Original Amount of Loan \$4,000.00	Cumulative Payments To Date \$ -0-	Balance Outstanding at Close of This Period \$4,000.00
Election <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):			
Terms Date Incurred <u>11-17-78</u> Date Due <u>None</u> Interest Rate <u>1</u> % (a) <input type="checkbox"/> Secured			
List All Endorsers or Guarantors (if any) to Item A			
1 Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding \$		
2 Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding \$		
3 Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding \$		
B. Full Name, Mailing Address and ZIP Code of Loan Source Democratic Study Campaign Fund 419 New Jersey Avenue, S. E. Washington, D. C. 20003	Original Amount of Loan \$5,000.00	Cumulative Payments To Date \$5,000.00	Balance Outstanding at Close of This Period \$ -0-
Election <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):			
Terms Date Incurred <u>11-3-81</u> Date Due <u>2-15-82</u> Interest Rate <u>0</u> % (a) <input type="checkbox"/> Secured			
List All Endorsers or Guarantors (if any) to Item B			
1 Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding \$		
2 Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding \$		
3 Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding \$		
SUBTOTALS This Period This Page (optional)		000789	4,000.00
TOTALS This Period (next page in this line only)			
Carry outstanding balance only to LINE 3, Schedule D, for this line. If no Schedule D, carry forward to appropriate line of Summary.			

200100943

SCHEDULE C
(Revised 3/83)

LOANS

Use this Schedule C
Also attach Schedule D
for each guaranteed loan

1001216942

Name of Committee (in Full)			
Committee for Congressman Charlie Rose			
A. Full Name, Mailing Address and ZIP Code of Loan Source Charlie Rose 2435 Rayburn HOB Washington, D. C. 20515	Original Amount of Loan \$7,000.00	Collateral Payments To Date \$ -0-	Balance Outstanding at Close of This Period \$7,000.00
Election: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):			
Terms: Date Incurred <u>2-25-82</u> Date Due <u>None</u> Interest Rate <u>1</u> (Major) <input type="checkbox"/> Secured			
List All Endorsers or Guarantors (if any) to Item A			
1. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding		
2. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding		
3. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding		
B. Full Name, Mailing Address and ZIP Code of Loan Source	Original Amount of Loan	Collateral Payments To Date	Balance Outstanding at Close of This Period
Election: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):			
Terms: Date Incurred _____ Date Due _____ Interest Rate _____ (Major) <input type="checkbox"/> Secured			
List All Endorsers or Guarantors (if any) to Item B			
1. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding		
2. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding		
3. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding		
SUBTOTALS This Period This Page (optional)		000770	7,000.00
TOTALS This Period (last page in this file only)			11,000.00
Carry outstanding balance only to LINE 3, Schedule D, for this file. If no Schedule D, carry forward to appropriate line of Schedule D.			

CHARLIE ROSE
For District, House Calendar

2200 East 10th Street, Suite 200
Washington, D.C. 20010
Phone Area Code 202, 338-4751

Member-at-Large
300 Post Office Building
Washington, State Capitol 36001
Phone Area Code 510, 323-0900

210 Public Building
Washington, State Capitol 36001
Phone Area Code 510, 323-0900



Congress of the United States
House of Representatives
Washington, D.C. 20515

June 22, 1984

RECEIVED BY ASSISTANT
TREASURER
GENERAL INVESTIGATIVE DIVISION
OFFICE OF THE CLERK
HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20515
CHIEF, LEGISLATIVE SERVICE
COMMITTEE ON EDUCATION

RECEIVED
OFFICE OF ALTON G. BUCK
JUN 25 AM 9 46
U.S. HOUSE OF REPRESENTATIVES

1984
CERTIFIED MAIL

034118

Mr. Benjamin J. Guthrie, Clerk
Office of the Clerk
U. S. House of Representatives
Washington, D. C. 20515

Dear Sir:

As per requested in your letter dated May 30, 1984, (copy enclosed) we have corrected the one item brought to our attention by your office.

Although all of the information relevant to Mr. Rose's loan was disclosed in our Pre-primary report, we failed to list the information again on supporting Schedule C. Page 2 of 2, Schedule C has been amended and is enclosed for your records.

We apologize for this error and any inconvenience we may have caused your office.

Sincerely,

Alton G. Buck

Alton G. Buck
Assistant Treasurer
COMMITTEE FOR CONGRESSMAN CHARLIE ROSE

AGB:ch

Enclosures

cc: Mr. Alex Brock
N. C. Campaign Reporting Office
Raleigh, NC

000976

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SECHEDULE C
Revised 2/82

LOANS



04012615039

Name of Committee to File			
Committee for Congressman Charlie Rose 034118			
A. Full Name, Mailing Address and ZIP Code of Loan Recvr		Original Amount of Loan	Accumulation Payments To Date
Charlie Rose 2230 Rayburn Building Washington, D. C. 20515		895.00	-0-
Balance Outstanding at Close of This Period		095.00	
Election <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):			
Terms Date Incurrd <u>7-21-82</u> Date Due <u>Demand</u> Interest Rate <u>N/A</u> Salary <input type="checkbox"/> Stated <input type="checkbox"/>			
List All Endorsers or Guarantors (if any) in Item A			
1. Full Name, Mailing Address and ZIP Code		Name of Employer	[Redacted]
		Occupation	
		Amount Guaranteed Outstanding	
2. Full Name, Mailing Address and ZIP Code		Name of Employer	[Redacted]
		Occupation	
		Amount Guaranteed Outstanding	
3. Full Name, Mailing Address and ZIP Code		Name of Employer	[Redacted]
		Occupation	
		Amount Guaranteed Outstanding	
B. Full Name, Mailing Address and ZIP Code of Loan Recvr		Original Amount of Loan	Accumulation Payments To Date
Charlie Rose 2230 Rayburn Building Washington, D. C. 20515		10,000.00	10,000.00
Balance Outstanding at Close of This Period		-0-	
Election <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):			
Terms Date Incurrd <u>4-1-84</u> Date Due <u>Demand</u> Interest Rate <u>N/A</u> Salary <input type="checkbox"/> Stated <input type="checkbox"/>			
List All Endorsers or Guarantors (if any) in Item B			
1. Full Name, Mailing Address and ZIP Code		Name of Employer	[Redacted]
		Occupation	
		Amount Guaranteed Outstanding	
2. Full Name, Mailing Address and ZIP Code		Name of Employer	[Redacted]
		Occupation	
		Amount Guaranteed Outstanding	
3. Full Name, Mailing Address and ZIP Code		Name of Employer	[Redacted]
		Occupation	
		Amount Guaranteed Outstanding	
SUBTOTALS This Period This Page (append)		000.00	895.00
TOTALS This Period (last page in this form only)			11,895.00
Copy accompanying balance only to LEND 2, Schedule B, for this loan. If no Schedule B, copy forward to LEND 2, Schedule B.			

FD-503 (Rev. 5-22-64)

Form 1 of 2 to
LHA Form 1-6000-1
See Instructions for
the National Form

LOANS
(Loans Paid to the Committee)

Name of Committee (in Full)			
Com. on Int. for Congressman Charles Nease 034118			
A. Full Name, Mailing Address and ZIP Code of Loan Source		Original Amount of Loan	Outstanding Payment to Date
Congressman Charles Nease 2230 Rayburn Hall Washington, DC 20515 Exclusion: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (Specify):		4,000.00	-0-
Terms: Date Incurred <u>11-17-78</u> Date Due <u>Demand</u> Interest Rate <u>N/A</u>			Balance Outstanding at Close of This Period 4,000.00
List All Endorsers or Guarantors (if any) to Item A			
1. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding		
2. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding		
3. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding		
B. Full Name, Mailing Address and ZIP Code of Loan Source		Original Amount of Loan	Outstanding Payment to Date
Congressman Charles Nease 2230 Rayburn Hall Washington, DC 20515 Exclusion: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (Specify):		7,000.00	-0-
Terms: Date Incurred <u>2-25-82</u> Date Due <u>Demand</u> Interest Rate <u>N/A</u>			Balance Outstanding at Close of This Period 7,000.00
List All Endorsers or Guarantors (if any) to Item B			
1. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding		
2. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding		
3. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding		
SUBTOTALS This Period (This Page and Pages)		001231	11,000.00
TOTALS This Period (This Page and This Form Only)			

Carry outstanding balance over to LHA Form 1, Schedule B for this loan. If on Schedule D, carry forward to appropriate line on Schedule D.

07059

SCHEDULE C
Part of Form 280

LOANS
(Loans Owed To the Committee)

Part of Form 280
Use separate schedule
for each individual loan

R R O P 3 0 / 0 0 5 0

Name of Committed to Part 1			
Committee for Congressman Charlie Rose 034118			
A. Full Name, Mailing Address and ZIP Code of Loan Recipient Congressman Charlie Rose 2230 Rayburn HOB Washington, DC 20515		Original Amount of Loan \$95.00	Balance Outstanding at Close of This Period \$95.00
I. Section: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (Specify):			
Terms: Date Incurred: 7-27-83 Date Due: DEFERRED Interest Rate: 0% (None) <input type="checkbox"/> Secured			
List All Endorsers or Guarantors (if any) to Item A			
1. Full Name, Mailing Address and ZIP Code	Name of Employer	Amount Guaranteed Outstanding \$	
	Occupation		
	Amount Guaranteed Outstanding \$		
2. Full Name, Mailing Address and ZIP Code	Name of Employer	Amount Guaranteed Outstanding \$	
	Occupation		
	Amount Guaranteed Outstanding \$		
3. Full Name, Mailing Address and ZIP Code	Name of Employer	Amount Guaranteed Outstanding \$	
	Occupation		
	Amount Guaranteed Outstanding \$		
B. Full Name, Mailing Address and ZIP Code of Loan Recipient		Original Amount of Loan	Balance Outstanding at Close of This Period
Section: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (Specify):			
Terms: Date Incurred: Date Due: Interest Rate: (None) <input type="checkbox"/> Secured			
List All Endorsers or Guarantors (if any) to Item B			
1. Full Name, Mailing Address and ZIP Code	Name of Employer	Amount Guaranteed Outstanding \$	
	Occupation		
	Amount Guaranteed Outstanding \$		
2. Full Name, Mailing Address and ZIP Code	Name of Employer	Amount Guaranteed Outstanding \$	
	Occupation		
	Amount Guaranteed Outstanding \$		
3. Full Name, Mailing Address and ZIP Code	Name of Employer	Amount Guaranteed Outstanding \$	
	Occupation		
	Amount Guaranteed Outstanding \$		
SUBTOTALS This Period This Page (maximum)		001212	895.00
TOTALS This Period (see page 1 of this form only)			11,895.00
Carry remaining balance only to LINE 3, Schedule D for this loan. If on Schedule D carry forward to appropriate line of Schedule 7			

6017 11850
JUL 11 1986

STATEMENT OF RECEIPTS AND DISBURSEMENTS
For Authorized Committee

(Summary Page)

1 Name of Committee or Party
Committee for Congressman Charlie Roke

Address Number and Street
P. O. Box 1176

City State and Zip Code
Raynoldsville, N. 28302

2 Filing Date (Section 6) **014118**

3 Is this Report an Amendment? YES NO

Check if election is different than previously reported.

6017 11850
JUL 11 1986
15 PM 2 26
RECEIVED
STATE OF NORTH CAROLINA
SECRETARY OF STATE

TYPE OF REPORT

- April 15 Quarterly Report
- July 15 Quarterly Report
- October 15 Quarterly Report
- January 31 Year-End Report
- July 31 Mid-Year Report (Non-election Year Only)
- Twelfth day report following the election (Type of Election) _____ in the State of _____
- Twelfth day report following the General Election in _____ in the State of _____
- Termination Report

The report contains activity for: Primary Election General Election Semi-election Runoff Election

SUMMARY		COLUMN A	COLUMN B
Covering Period 4-1-86 through 6-30-86		The Period	Calendar Year to Date
5	Net Contributions for the Year		
a)	Total Contributions (more than items 1) from Line 11 (a))	44,155.66	90,170.66
b)	Total Contributor Refunds (from Line 2c))	-0-	-0-
c)	Net Contributions (other than items 1) subtract Line 6 (b) from 5 (a))	44,155.66	90,170.66
Net Operating Expenditures			
a)	Total Operating Expenditures (from Line 13)	18,320.44	36,284.01
b)	Total Offsets to Operating Expenditures (from Line 14)	-0-	-0-
c)	Net Operating Expenditures (subtract Line 7 (b) from 7 (a))	18,320.44	36,284.01
6	Cash on Hand at Close of Reporting Period (from Line 27)	257,048.85	
9	Debits and Obligations Owed TO The Committee (Itemize on Schedule C or Schedule D)	11,895.00	
10	Debits and Obligations Owed BY The Committee (Itemize on Schedule C or Schedule D)	-0-	

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

For further information, contact:
Federal Election Commission
Tell Free 800-421-6632
Local 202-423-4044

Alton G. Buck, Assistant Treasurer

Type a 2 in name of Treasurer

Alton G. Buck
SIGNATURE OF TREASURER - 4557

7/10/86
Date

001191

NOTE: Submission of false or misleading or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. §457g.

All previous versions of FEC Form 3 and FEC Form 3 are obsolete and should not be used.

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FEC Form 3 (3/80)

COMMITTEE

01

(Summary Page)

1. Name of Committee (in full)
Committee for Congressman Charlie Rose

2. FEC Identification Number
034118

3. Is this Report an Amendment?
 YES NO

4. Check if address is different than previously reported
 YES NO

5. Date and ZIP Code
July 1984, North Carolina 28302

STATE OF NORTH CAROLINA
 FEDERAL ELECTION COMMISSION
 RECEIVED
 JUL 23 - 3 4 1984

4. TYPE OF REPORT

April 15 Quarterly Report
 July 15 Quarterly Report
 October 15 Quarterly Report
 February 31 Year-End Report
 July 31 Mid-Year Report (required on Year-End)

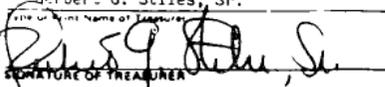
Twelfth day report preceding
 15th day
 Thirtieth day report following the General Election on
 with the State of

This report contains a: Primary Election General Election Special Election Runoff Election

SUMMARY		COLUMN A	COLUMN B
		This Period	Calendar Year to Date
5. Reporting Period	7-1-84 to 7-31-84		
6. Total Contributions (other than loans)	(From Line 11 (a))	50,760.00	80,530.00
(b) Total Contribution Refunds (from Line 20 (d))		100.00	100.00
(c) Net Contributions (other than loans) (subtract Line 6 (b) from 6 (a))		50,660.00	80,430.00
7. Net Operating Expenditures			
(a) Total Operating Expenditures (from Line 17)		19,359.64	50,191.01
(b) Total Offsets to Operating Expenditures (from Line 18)		180.00	254.00
(c) Net Operating Expenditures (subtract Line 7 (b) from 7 (a))		19,219.64	49,937.01
8. Cash on Hand at Close of Reporting Period (from Line 27)		92,775.64	
9. Debts and Obligations Owed TO The Committee (itemize all on Schedule C or Schedule D)		11,895.00	
10. Debts and Obligations Owed BY The Committee (itemize all on Schedule C or Schedule D)		-0-	

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

For Further Information, contact:
 Federal Election Commission
 Toll Free 800-424-9630
 Local 202-523-4068

Herbert G. Stiles, Sr.
 Title or Print Name of Treasurer

 SIGNATURE OF TREASURER

1-31-84
 Date

NOTE: Submission of false, erroneous or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. §437g.

All previous versions of FEC FORM 3 and FEC FORM 3a are obsolete and should no longer be used.

FEC FORM 3 (1980)

Page 4, FEC FORM 31

Name of Committee (In Full)	Report Covering the Period:		
	From	To	
Committee for Congressman Charlie Rose 034118	7-1-83	12-31-83	
	COLUMN A Total This Period	COLUMN B Calendar Year to Date	
I RECEIPTS			
11 CONTRIBUTIONS (other than loans) FROM			
(a) Individuals/Persons Other Than Political Committees	32,940.00	43,160.00	11 (a)
(Memo Entry Unitized \$ 8,290.00)			
(b) Political Party Committees	5,000.00	5,000.00	11 (b)
(c) Other Political Committees	12,820.00	17,370.00	11 (c)
(d) The Candidate	-0-	-0-	11 (d)
(e) TOTAL CONTRIBUTIONS (other than loans) (add 11(a), 11(b), 11(c) and 11(d))	50,760.00	80,530.00	11 (e)
12 TRANSFERS FROM OTHER AUTHORIZED COMMITTEES	-0-	-0-	12
13 LOANS			
(a) Made or Guaranteed by the Candidate	-0-	-0-	13 (a)
(b) All Other Loans	-0-	-0-	13 (b)
(c) TOTAL LOANS (add 13 (a) and 13 (b))	-0-	-0-	13 (c)
14 OFFSETS TO OPERATING EXPENDITURES (Refunds, Material, etc.)	180.00	254.00	14
15 OTHER RECEIPTS (Dividends, Interest, etc.)	71,188.54	23,519.62	15
16 TOTAL RECEIPTS (add 11 (a) 12 13 (c) 14 and 15)	72,128.54	104,303.62	16
II DISBURSEMENTS			
17 OPERATING EXPENDITURES	18,504.64	49,296.01	17
18 TRANSFERS TO OTHER AUTHORIZED COMMITTEES	-0-	-0-	18
19 LOAN REPAYMENTS			
(a) Of Loans Made or Guaranteed by the Candidate	-0-	-0-	19 (a)
(b) Of All Other Loans	-0-	-0-	19 (b)
(c) TOTAL LOAN REPAYMENTS (add 19 (a) and 19 (b))	-0-	-0-	19 (c)
20 REFUNDS OF CONTRIBUTIONS TO			
(a) Individuals/Persons Other Than Political Committees	100.00	100.00	20 (a)
(b) Political Party Committees	-0-	-0-	20 (b)
(c) Other Political Committees	-0-	-0-	20 (c)
(d) TOTAL CONTRIBUTION REFUNDS (add 20 (a), 20 (b), and 20 (c))	100.00	100.00	20 (d)
21 OTHER DISBURSEMENTS	19,920.00	19,920.00	21
22 TOTAL DISBURSEMENTS (add 17, 18 19 (c) 20 (d) and 21)	38,524.64	69,316.01	22
III. CASH SUMMARY			
23 CASH ON HAND AT BEGINNING OF REPORTING PERIOD	\$	59,171.74	23
24 TOTAL RECEIPTS THIS PERIOD (From Line 16)	\$	72,128.54	24
25 SUBTOTAL (Add Line 23 and Line 24)	\$	131,300.28	25
26 TOTAL DISBURSEMENTS THIS PERIOD (From Line 22)	\$	38,524.64	26
27 CASH ON HAND AT CLOSE OF THE REPORTING PERIOD (Subtract Line 26 from 25)	\$	92,775.64	27

SCHEDULE B

ITEMIZED DISBURSEMENTS


 for each
 category of the Detailed
 Summary Page)

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

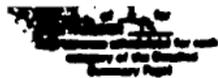
Name of Committee (in Full)
 Committee for Congressman Charlie Rose 034118

A. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Charlie Rose 2200 Rayburn Building Washington, D. C. 20515	loan Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	7-21-83	895.00
Charlie Rose 2200 Rayburn Building Washington, D. C. 20515	loan Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	7-12-83	18,000.00
C. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
D. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
E. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
F. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
G. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
H. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
I. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
SUBTOTAL of Disbursements This Page (optional)			18,895.00
TOTAL This Period (last page the line number only)			18,895.00

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SCHEDULE A

ITEMIZED RECEIPTS



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

Name of Committee (in Full)
Committee for Congressman Charlie Rose 034118

A. Full Name, Mailing Address and ZIP Code Charles G. Rose, III 2230 Rayburn Building Washington, D. C. 20515	Name of Employer N/A	Date (month, day, year) 12-14-81	Amount of Each Receipt This Period 18,000.00
	Occupation N/A	Aggregate Year-to-Date—\$ 18,000.00	
	Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify): Repayment of loan of 9-12-81		
B. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
	Occupation	Aggregate Year-to-Date—\$	
	Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		
C. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
	Occupation	Aggregate Year-to-Date—\$	
	Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		
D. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
	Occupation	Aggregate Year-to-Date—\$	
	Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		
E. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
	Occupation	Aggregate Year-to-Date—\$	
	Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		
F. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
	Occupation	Aggregate Year-to-Date—\$	
	Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		
G. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
	Occupation	Aggregate Year-to-Date—\$	
	Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		
SUBTOTAL of Receipts This Page (sectional).....			18,000.00
TOTAL This Period (last page this line number only).....			18,000.00

000899

**DETAILED SUMMARY PAGE
of Receipts and Disbursements
(Page 2, FEC FORM 3)**

Name of Committee (in Full)	Report Covering the Period		
	From	To	
	4-1-84	4-18-84	
Committee for Congressman Charlie Rose			
I. RECEIPTS			
11 CONTRIBUTIONS (other than loans) FROM	COLUMN A	COLUMN B	
(a) Individuals/Persons Other Than Political Committees	Total This Period	Calendar Year to Date	
(Memo Entry Unitemized \$ 1,960.00)	8,710.00	16,890.00	11 (a)
(b) Political Party Committees	-0-	250.00	11 (b)
(c) Other Political Committees	6,970.00	30,695.00	11 (c)
(d) The Candidate	-0-	-0-	11 (d)
(e) TOTAL CONTRIBUTIONS (other than loans) (add 11(a), 11(b), 11(c) and 11(d))	15,680.00	47,835.00	11 (e)
12 TRANSFERS FROM OTHER AUTHORIZED COMMITTEES	-0-	-0-	12
13 LOANS			
(a) Made or Guaranteed by the Candidate	-0-	-0-	13 (a)
(b) All Other Loans	-0-	-0-	13 (b)
(c) TOTAL LOANS (add 13 (a) and 13 (b))	-0-	-0-	13 (c)
14 OFFSETS TO OPERATING EXPENDITURES (Refunds, Rebates, etc.)	-0-	2.51	14
15 OTHER RECEIPTS (Dividends, Interest, etc.)	10,040.30	12,217.53	15
16 TOTAL RECEIPTS (add 11 (a), 12, 13 (c), 14 and 15)	25,720.30	60,055.04	16
II. DISBURSEMENTS			
17 OPERATING EXPENDITURES	7,127.39	16,937.48	17
18 TRANSFERS TO OTHER AUTHORIZED COMMITTEES	-0-	-0-	18
19 LOAN REPAYMENTS			
(a) Of Loans Made or Guaranteed by the Candidate	-0-	-0-	19 (a)
(b) Of All Other Loans	-0-	-0-	19 (b)
(c) TOTAL LOAN REPAYMENTS (add 19 (a) and 19 (b))	-0-	-0-	19 (c)
20 REFUNDS OF CONTRIBUTIONS TO			
(a) Individuals/Persons Other Than Political Committees	-0-	-0-	20 (a)
(b) Political Party Committees	-0-	-0-	20 (b)
(c) Other Political Committees	-0-	-0-	20 (c)
(d) TOTAL CONTRIBUTION REFUNDS (add 20 (a), 20 (b), and 20 (c))	-0-	-0-	20 (d)
21 OTHER DISBURSEMENTS	10,000.00	10,325.00	21
22 TOTAL DISBURSEMENTS (add 17, 18, 19 (c), 20 (d) and 21)	17,127.39	27,262.48	22
III. CASH SUMMARY			
23 CASH ON HAND AT BEGINNING OF REPORTING PERIOD	\$	116,975.29	23
24 TOTAL RECEIPTS THIS PERIOD (From Line 16)	\$	25,720.30	24
25 SUBTOTAL (Add Line 23 and Line 24)	\$	142,695.59	25
26 TOTAL DISBURSEMENTS THIS PERIOD (From Line 22)	\$	17,127.39	26
27 CASH ON HAND AT CLOSE OF THE REPORTING PERIOD (Subtract Line 26 from 25)	\$	125,568.20	27

3 4 0 1 5 0 4 6

000963

SCHEDULE B

ITEMIZED DISBURSEMENTS

LINE NUMBER 1111
 (Also separate attachment for each category of the Directed Summary Page)

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

Name of Committee (in Full)
Committee for Congressman Charlie Rose 034118

A. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Charlie Rose 2230 Rayburn Building Washington, D. C. 20515	Loan Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify)	4-1-84	10,000.00
B. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
C. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
D. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
E. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
F. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
G. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
H. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
I. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
BL/TOTAL of Disbursements This Page (optional)			10,000.00
TOTAL This Period (last page this line number only)			10,000.00

0 4 0 1 2 5 7 2 3 4 5

SCHEDULE A

ITEMIZED RECEIPTS

Do Not Attach to Your Return
 Also attach schedule for each category of the Standard Deduction Regt.

Any information copied from such Reports or Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such organizations.			
Name of Committee (in full) Committee for Congressman Charlie Rose 034118			
A. Full Name, Mailing Address and ZIP Code Charles G. Rose, III 2230 Rayburn Building Washington, D. C. 20515	Name of Employer N/A	Date (month, day, year) 4-17-84	Amount of Cash Receipt This Period 10,000.00
	Occupation N/A	Aggregate Year-to-Date—\$ 10,000.00	
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):			
B. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Cash Receipt This Period
	Occupation	Aggregate Year-to-Date—\$	
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):			
C. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Cash Receipt This Period
	Occupation	Aggregate Year-to-Date—\$	
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):			
D. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Cash Receipt This Period
	Occupation	Aggregate Year-to-Date—\$	
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):			
E. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Cash Receipt This Period
	Occupation	Aggregate Year-to-Date—\$	
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):			
F. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Cash Receipt This Period
	Occupation	Aggregate Year-to-Date—\$	
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):			
G. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Cash Receipt This Period
	Occupation	Aggregate Year-to-Date—\$	
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):			
SUBTOTAL of Receipts This Page (optional)			10,000.00
TOTAL This Period (See page 10 for number only)			10,000.00

04012500552

DETAILED SUMMARY PAGE
of Receipts and Disbursements
(Page 2 F.C.C. FORM 1)

Name of Committee (or Party)		Reporting Period	6-30-85
Committee for Congressman Charlie Robo 034118		1-1-85	6-30-85
		COLUMN A Total This Period	COLUMN B Calendar Year to Date
I RECEIPTS			
CONTRIBUTIONS (other than loans) FROM			
a)	Individuals/Persons Other Than Political Committees (Memo Entry Unlimited \$ <u>1,025.00</u>)	8,725.00	8,725.00 11 (a)
b)	Political Party Committees	-0-	-0- 11 (b)
c)	Other Political Committees	40,965.00	40,965.00 11 (c)
d)	The Candidate		11 (d)
(e)	TOTAL CONTRIBUTIONS (other than loans (add 11(a), 11(b), 11(c) and 11(d)))	49,690.00	49,690.00 11 (e)
12	TRANSFERS FROM OTHER AUTHORIZED COMMITTEES	-0-	-0- 12
LOANS			
(a)	Made or Guaranteed by the Candidate	-0-	-0- 13 (a)
(b)	All Other Loans	-0-	-0- 13 (b)
	TOTAL LOANS (add 13 (a) and 13 (b))	-0-	-0- 13 (c)
14	OFFSETS TO OPERATING EXPENDITURES (Refunds, Retains, etc.)	219.00	219.00 14
15	OTHER RECEIPTS (Dividends, Interest, etc.)	16,808.16	16,808.16 15
16	TOTAL RECEIPTS (add 11 (a), 12, 13 (c), 14 and 15)	66,717.16	66,717.16 16
II DISBURSEMENTS			
17	OPERATING EXPENDITURES	17,156.36	17,156.36 17
18	TRANSFERS TO OTHER AUTHORIZED COMMITTEES	-0-	-0- 18
LOAN REPAYMENTS			
(a)	Of Loans Made or Guaranteed by the Candidate	-0-	-0- 19 (a)
(b)	All Other Loans	-0-	-0- 19 (b)
(c)	TOTAL LOAN REPAYMENTS (add 19 (a) and 19 (b))	-0-	-0- 19 (c)
REFUNDS OF CONTRIBUTIONS TO			
(a)	Individuals/Persons Other Than Political Committees	-0-	-0- 20 (a)
(b)	Political Party Committees	-0-	-0- 20 (b)
(c)	Other Political Committees	1,500.00	1,500.00 20 (c)
(d)	TOTAL CONTRIBUTION REFUNDS (add 20 (a), 20 (b) and 20 (c))	1,500.00	1,500.00 20 (d)
	OTHER DISBURSEMENTS	10,945.00	10,945.00 21
22	TOTAL DISBURSEMENTS (add 17, 18, 19 (c), 20 (d) and 21)	29,601.36	29,601.36 22
III CASH SUMMARY			
	CASH ON HAND AT BEGINNING OF REPORTING PERIOD		156,616.55 23
	TOTAL RECEIPTS THIS PERIOD (From Line 16)	66,717.16	66,717.16 24
	SUBTOTAL (Add 23 and Line 24)	223,333.71	223,333.71 25
	TOTAL DISBURSEMENTS THIS PERIOD (From Line 22)	29,601.36	29,601.36 26
	AMOUNT ON HAND AT END OF REPORTING PERIOD (Subtract Line 26 from 25)		193,732.35 27

001116

SCHEDULE B

ITEMIZED DISBURSEMENTS

Page 1 of 1
 This schedule should be attached to each category of the Schedules Summary Page

Any information omitted from each Report and Disbursements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such organizations

Name of Committee (in Full)
 Committee for Congressman Charlie Rose 034118

A. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Congressman Charlie Rose 2230 Rayburn HOB Washington, DC 20515	Loan	1-31-85	9,500.00
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify):		
B. Full Name, Mailing Address and ZIP Code National Legislative Education Foundation	Donation	2-12-85	400.00
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify):		
C. Full Name, Mailing Address and ZIP Code Cumberland County Clean Community Committee 120 Green Street Fayetteville, NC 28301	Donation	3-15-85	25.00
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify):		
D. Full Name, Mailing Address and ZIP Code The Democratic Party of N. C. P. O. Box 12196 Raleigh, NC 27605	Jefferson-Jackson Day Dinner	4-9-85	120.00
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify):		
E. Full Name, Mailing Address and ZIP Code Committee for Congressman Robin Britt P. O. Box 222 Greensboro, NC 27402	Support	4-22-85	500.00
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify):		
F. Full Name, Mailing Address and ZIP Code N. C. Legislative Black Caucus 539 Legislative Office Building Raleigh, NC 27610	N.C. Legislative Black Caucus Weekend of 6-21/22	5-28-85	400.00
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify):		
G. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		
H. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		
I. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		
SUBTOTAL of Disbursements This Page (optional)			10,945.00
TOTAL This Page of (last page this line number only)			10,945.00

001139

SCHEDULE A

ITEMIZED RECEIPTS

Page 1 of 1 for
 List of Receipts
 The amount scheduled for each
 category of the Budget
 Summary Page

Any information reported from such Reports or Statements may not be valid for any election for the purpose of obtaining voter benefits or for commercial purposes, other than using the name and address of any individual person to solicit contributions from such person.

Name of Committee (in Full)			
Committee for Congressman Charlie Rose- 01411H			
A. Full Name, Mailing Address and ZIP Code Congressman Charlie Rose 2230 Rayburn HOB Washington, D. C. 20515	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
	N/A		9,500.00
	Occupation		
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify): Loan of 1-31-85 repaid in full	N/A		
Aggregate Year-to-Date-\$ 9,500.00			
B. Full Name, Mailing Address and ZIP Code:			
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):			
C. Full Name, Mailing Address and ZIP Code			
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):			
D. Full Name, Mailing Address and ZIP Code			
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):			
E. Full Name, Mailing Address and ZIP Code			
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):			
F. Full Name, Mailing Address and ZIP Code			
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):			
G. Full Name, Mailing Address and ZIP Code			
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):			
SUBTOTAL of Receipts This Page (optional)		001131	9,500.00
TOTAL This Period (last page of this line number only)		9,500.00	9,500.00

CERTIFIED MAIL
OCT 11 1984

For Authorized Campaign

(Summary Page)

ALIGN AREA

ALIGN AREA

1 Name of Committee (in Full)
Committee for Congressman Charlie Rose

2 P.O. Commissioned Number
034118

3 YES NO
 Does Report contain information
 YES NO
 which is different than previously reported

Address (Number and Street)
P. O. Box 1891

City, State and Zip Code
Fayetteville, North Carolina 28302

4 TYPE OF REPORT

April 15 Quarterly Report

July 15 Quarterly Report

October 15 Quarterly Report

January 31 Year End Report

July 31 Mid Year Report (Non-election Year Only)

Twelfth day report preceding election on _____

Thirtieth day report following the federal election on _____ in the State of _____

Termination Report

This report contains activity for: Primary Election General Election Special Election Runoff Election

SUMMARY		COLUMN A	COLUMN B
		This Period	Calendar Year to Date
5	Covering Period 7-1-84 through 9-30-84		
6	Net Contributions (other than loans)		
(a)	Total Contributions (other than loans) (From Line 11 (a))	43,690.00	120,943.60
(b)	Total Contribution Refunds (From Line 20 (d))	-0-	400.00
(c)	Net Contributions (other than loans) (subtract Line 6 (b) from 6 (a))	43,690.00	120,543.60
7	Net Operating Expenditures		
(a)	Total Operating Expenditures (From Line 17)	39,093.39	72,533.01
(b)	Total Offsets to Operating Expenditures (From Line 14)	14.00	16.51
(c)	Net Operating Expenditures (Subtract Line 7 (b) from 7 (a))	39,079.39	73,516.50
8	Cash on Hand at Close of Reporting Period (From Line 27)	146,522.66	
9	Debts and Obligations Owed TO The Committee (Itemize all on Schedule C or Schedule D)	11,895.00	
10	Debts and Obligations Owed BY The Committee (Itemize all on Schedule C or Schedule D)	-0-	

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

For further information, contact
 Federal Election Commission
 Toll Free 800-424-9630
 Local 703-623-4288

Type or Print Name of Treasurer
Herbert G. Stiles, Sr.
 SIGNATURE OF TREASURER
Herbert G. Stiles, Sr.

Date
10-9-84

000998

NOTE Submission of false, erroneous or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. 6437g

All previous versions of FEC FORM 3 and FEC FORM 3a are obsolete and should no longer be used

Receipts and Disbursements
 (Page 2, PSC FORM 3)

Name of Committee (In Full)	Report Covering the Period	
	From	To
Committee for Congressman Charlie Rose 034118	7-1-84	9-30-84
	COLUMN A Total This Period	COLUMN B Calendar Year-to-Date
I. RECEIPTS		
11 CONTRIBUTIONS (other than loans) FROM		
(a) Individuals/Persons Other Than Political Committees (Memo Entry Unitemized \$ 1,155.00)	2,605.60	15,500.00
(b) Political Party Committees	5,000.00	5,000.00
(c) Other Political Committees	16,085.00	80,443.60
(d) The Candidate	-0-	-0-
(e) TOTAL CONTRIBUTIONS (other than loans (add 11(a), 11(b), 11(c) and 11(d)))	41,690.00	120,943.60
12 TRANSFERS FROM OTHER AUTHORIZED COMMITTEES	-0-	0-
13 LOANS		
(a) Made or Guaranteed by the Candidate	-0-	0-
(b) All Other Loans	-0-	-0-
(c) TOTAL LOANS (add 13 (a) and 13 (b))	-0-	-0-
14 OFFSETS TO OPERATING EXPENDITURES (Refunds, Rebates, etc.)	14.00	16.51
15 OTHER RECEIPTS (Dividends, Interest, etc.)	6,968.43	22,044.92
16 TOTAL RECEIPTS (add 11 (a), 12, 13 (c), 14 and 15)	50,672.43	143,005.03
II. DISBURSEMENTS		
17 OPERATING EXPENDITURES	39,093.39	73,533.01
18 TRANSFERS TO OTHER AUTHORIZED COMMITTEES	-0-	-0-
19 LOAN REPAYMENTS		
(a) Of Loans Made or Guaranteed by the Candidate	-0-	-0-
(b) Of All Other Loans	-0-	-0-
(c) TOTAL LOAN REPAYMENTS (add 19 (a) and 19 (b))	-0-	-0-
20 REFUNDS OF CONTRIBUTIONS TO:		
(a) Individuals/Persons Other Than Political Committees	-0-	400.00
(b) Political Party Committees	-0-	-0-
(c) Other Political Committees	-0-	-0-
(d) TOTAL CONTRIBUTION REFUNDS (add 20 (a), 20 (b), and 20 (c))	-0-	400.00
21 OTHER DISBURSEMENTS	5,000.00	15,325.00
22 TOTAL DISBURSEMENTS (add 17, 18, 19 (c), 20 (d) and 21)	44,093.39	89,258.01
III. CASH SUMMARY		
23 CASH ON HAND AT BEGINNING OF REPORTING PERIOD	\$	139,943.62
24 TOTAL RECEIPTS THIS PERIOD (From Line 16)	\$	50,672.43
25 SUBTOTAL (Add Line 23 and Line 24)	\$	190,616.05
26 TOTAL DISBURSEMENTS THIS PERIOD (From Line 22)	\$	44,093.39
27 CASH ON HAND AT CLOSE OF THE REPORTING PERIOD (Subtract Line 26 from 25)	\$	146,522.66

SCHEDULE B

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of selling contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such contributors.			
Name of Committee (in Full)			
Committee for Congressman Charlie Rose 034118			
A. Full Name, Mailing Address and ZIP Code Charlie Rose 2230 Rayburn HOB Washington, D. C. 20515	Purpose of Disbursement LOBBY	Date (month, day, year) 9-5-84	Amount of Each Disbursement This Period 5,000.00
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		
B. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		
C. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		
D. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		
E. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		
F. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		
G. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		
H. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		
I. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		
SUBTOTAL of Disbursements This Page (optional)			5,000.00
TOTAL This Period (last page this line number only)			5,000.00

SCHEDULE A

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

Name of Committee (in Full) Committee for Congressman Charlie Rose 034118			
A. Full Name, Mailing Address and ZIP Code Charlie Rose 2230 Rayburn HOB Washington, D. C. 20515	Name of Employer N/A	Date (month, day, year) 9-28-84	Amount of Each Receipt This Period 5,000.00
	Occupation N/A	Aggregate Year-to-Date—\$	
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify): Payment in full of 9-5-84 loan			
B. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
	Occupation	Aggregate Year-to-Date—\$	
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):			
C. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
	Occupation	Aggregate Year-to-Date—\$	
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):			
D. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
	Occupation	Aggregate Year-to-Date—\$	
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):			
E. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
	Occupation	Aggregate Year-to-Date—\$	
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):			
F. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
	Occupation	Aggregate Year-to-Date—\$	
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):			
G. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
	Occupation	Aggregate Year-to-Date—\$	
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):			
SUBTOTAL of Receipts This Page (captioned)			5,000.00
TOTAL This Period (last page this line number only)			5,000.00

001011

NOV 26 1985
CERTIFIED MAIL

REPORTS OF RECEIPTS AND DISBURSEMENTS
 For Authorized Committees

(Summary Form)

ALLEN AM 6

ALLEN AM 6

1 Name of Committee (or Party): Committee for Congressman Charles Knaus
 Address (Number and Street): P. O. Box 1178
 City, State and Zip Code: Fayetteville, North Carolina 27803
 (Check all applicable boxes for the type of election reported.)
 Primary Election General Election Social Election Runoff Election

4 TYPE OF REPORT
 April 15 Quarterly Report
 July 15 Quarterly Report
 October 15 Quarterly Report
 January 31 Year-End Report
 July 31 Mid-Year Report (Non-Primary Year Only)
 Termination Report

This report contains activity for: Primary Election General Election Social Election Runoff Election

7
 2
 6
 2
 3
 3
 0
 1
 0
 0

SUMMARY		COLUMN A This Period	COLUMN B Calendar Year-to-Date
5	Covering Period <u>7-1-85</u> through <u>12-31-85</u>		
6	Net Contributions (other than loans)		
	(a) Total Contributions (other than loans) (from Line 11 (a))	23,775.00	73,415.00
	(b) Total Contribution Refunds (from Line 20)	-0-	1,000.00
	(c) Net Contributions (other than loans) (subtract Line 6 (b) from 6 (a))	23,775.00	71,415.00
7	Net Operating Expenditures		
	(a) Total Operating Expenditures (from Line 12)	26,792.68	43,949.04
	(b) Total Offsets to Operating Expenditures (from Line 14)	9,600.00	19,319.00
	(c) Net Operating Expenditures (subtract Line 7 (b) from 7 (a))	17,192.68	24,630.04
8	Cash on Hand at Close of Reporting Period (from Line 27)	197,217.42	
9	Debits and Obligations Owed TO The Committee (Itemize all on Schedule C or Schedule D)	11,895.00	
10	Debits and Obligations Owed BY The Committee (Itemize all on Schedule C or Schedule D)	-0-	

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

For further information, contact
 Federal Election Commission
 Toll Free 800 424 9630
 Local 202 523 4068

Herbert G. Stiles, Sr.
 Title or Print Name of Treasurer

[Signature]
 SIGNATURE OF TREASURER

11/21/85
 Date

001308

NOTE: Submission of false, erroneous or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. §437g.

All previous versions of FEC FORM 3 and FEC FORM 3a are obsolete and should no longer be used.

FEC FORM 3 (3/80)

**DETAILED SUMMARY PAGE
of Receipts and Disbursements
(Page 2 of 4 (MM 3))**

Name of Committee (on Form)		Report Covering the Period	For
Committee for Congressman Charlie Rose 8014110		7 1 85	12-31-85
I. RECEIPTS		COLUMN A	COLUMN B
		Total This Period	Calendar Year-to-Date
11	CONTRIBUTIONS (other than loans) FROM:		
11 (a)	Individuals/Persons Other Than Political Committees	17,500.00	17,500.00
	Memo Entry Unreversed \$ 5,475.00		
11 (b)	Political Party Committees	00.00	00.00
11 (c)	Other Political Committees	17,000.00	55,965.00
11 (d)	The Candidate	00.00	00.00
11 (e)	TOTAL CONTRIBUTIONS (other than loans) (add 11(a), 11(b), 11(c) and 11(d))	17,500.00	73,465.00
12	TRANSFERS FROM OTHER AUTHORIZED COMMITTEES	00.00	00.00
13	LOANS:		
13 (a)	Made or Guaranteed by the Candidate	00.00	00.00
13 (b)	All Other Loans	00.00	00.00
13 (c)	TOTAL LOANS (add 13 (a) and 13 (b))	00.00	00.00
14	OFFSETS TO OPERATING EXPENDITURES (Refunds, Retires, etc.)	17,000.00	17,000.00
15	OTHER RECEIPTS (Dividends, Interest, etc.)	1,197.17	1,197.33
16	TOTAL RECEIPTS (add 11 (a), 12, 13 (c), 14 and 15)	41,197.17	107,114.33
17	II. DISBURSEMENTS		
17	OPERATING EXPENDITURES	43,449.04	43,449.04
18	TRANSFERS TO OTHER AUTHORIZED COMMITTEES	00.00	00.00
19	LOAN REPAYMENTS:		
19 (a)	Of Loans Made or Guaranteed by the Candidate	00.00	00.00
19 (b)	Of All Other Loans	00.00	00.00
19 (c)	TOTAL LOAN REPAYMENTS (add 19 (a) and 19 (b))	00.00	00.00
20	REFUNDS OF CONTRIBUTIONS TO:		
20 (a)	Individuals/Persons Other Than Political Committees	00.00	00.00
20 (b)	Political Party Committees	00.00	00.00
20 (c)	Other Political Committees	1,500.00	1,500.00
20 (d)	TOTAL CONTRIBUTION REFUNDS (add 20 (a), 20 (b) and 20 (c))	1,500.00	1,500.00
21	OTHER DISBURSEMENTS	10,119.42	21,864.42
22	TOTAL DISBURSEMENTS (add 17, 18, 19 (c), 20 (d) and 21)	37,712.10	67,313.46
III. CASH SUMMARY			
23	CASH ON HAND AT BEGINNING OF REPORTING PERIOD	\$ 193,732.35	23
24	TOTAL RECEIPTS THIS PERIOD (from Line 16)	\$ 41,197.17	24
25	SUBTOTAL (add Line 23 and Line 24)	\$ 234,929.52	25
26	TOTAL DISBURSEMENTS THIS PERIOD (from Line 22)	\$ 37,712.10	26
27	CASH ON HAND AT CLOSE OF THE REPORTING PERIOD	\$ 197,217.42	27

001309

SCHEDULE B

ITEMIZED DISBURSEMENTS

Page 1 of 2 for
 LRF (LRF 8/1/85)
 (to show on schedule(s) for each
 copy of the Detailed
 Summary Page)

Any information copied from such Reports and Disbursements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee for sale of contributions from such committee			
Name of Committee (in Full)			
Committee for Congressman Charlie Rose 0014118			
A. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Congressman Charlie Rose 2230 Rayburn HOB Washington, DC 20515	Travel for 1st class business class to N. Carolina	10-85	16.00
B. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
The Lafayette Society, Inc. 611 Westmont Drive Fayetteville, NC 28305	Constitution		
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General		
	<input checked="" type="checkbox"/> Other (specify):	7-11-85	100.00
C. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Congressman Charlie Rose 2230 Rayburn HOB Washington, DC 20515	Travel		
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General		
	<input checked="" type="checkbox"/> Other (specify):	8-19-85	9,000.00
D. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Congressional Black Caucus Foundation 1004 Penn. Ave., S.E.	10th Annual Legislative Weekend	8-22-85	50.00
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General		
	<input checked="" type="checkbox"/> Other (specify):		
E. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
George Tatum Fundraiser c/o Bobby Murphy, Treasurer P. O. Box 53474 Fayetteville, NC 28305	Constitution		
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General		
	<input checked="" type="checkbox"/> Other (specify):	9-17-85	100.00
F. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
7th Congressional District Black Caucus, c/o Mrs. E. B. Turner 306 Lincoln Ave. Lumberton, NC 28358	Constitution		
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General		
	<input checked="" type="checkbox"/> Other (specify):	10-1-85	200.00
G. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Southern National Bank P. O. Box 969 Fayetteville, NC 28302	Bank charge		
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General		
	<input checked="" type="checkbox"/> Other (specify):	10-3-85	8.00
H. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Will Rehder Florist, Inc. P. O. Box 3166 Wilmington, NC 28406	Flowers for constituent		
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General		
	<input checked="" type="checkbox"/> Other (specify):	10-9-85	41.80
I. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
Young's Furniture P. O. Box 5005 High Point, NC 27262	Office Table		
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General		
	<input checked="" type="checkbox"/> Other (specify):	10-28-85	412.77
SUBTOTAL of Disbursements This Page (optional)			10,528.57
TOTAL This Period (last page this line number only)			8

SCHEDULE A

ITEMIZED RECEIPTS

Do not check this box if you are reporting a contribution from an employer or a union. (See instructions.)

Any information copied from such Reports or Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.			
Name of Committee (in full)			
Committee for Congressman Charlie Rose #014111			
A. Full Name, Mailing Address and ZIP Code Congressman Charlie Rose 2230 Rayburn Bldg Washington, DC 20515	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
	N/A	12-11-85	
	Occupation	N/A	
Receipt For <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify) Item of 8-19-85 repaid in full		Aggregate Year-to-Date-\$	19,100.00
B. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
	Occupation		
	Aggregate Year-to-Date-\$		
Receipt For <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)			
C. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
	Occupation		
	Aggregate Year-to-Date-\$		
Receipt For <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)			
D. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
	Occupation		
	Aggregate Year-to-Date-\$		
Receipt For <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)			
E. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
	Occupation		
	Aggregate Year-to-Date-\$		
Receipt For <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)			
F. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
	Occupation		
	Aggregate Year-to-Date-\$		
Receipt For <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)			
G. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
	Occupation		
	Aggregate Year-to-Date-\$		
Receipt For <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)			
NET TOTAL of Receipts This Page (optional).....			9,600.00
TOTAL This Period (start page this line number only).....			9,600.00

75010957636

001317

REPORTS OF RECEIPTS AND DISBURSEMENTS
For Authorized Committees

(Summary Page)



"AMENDED"

1 Name of Committee: Committee for Congressman Charles Rouse
 2 P.C. Identification Number: 024118
 Address (Number and Street): P.O. Box 1178
 3 Is this Report on a Campaign? YES NO
 City, State and Zip Code: Fayetteville, NC 28302
 Check if address is different than previously reported

OFFICE OF THE CLERK
U.S. HOUSE OF REPRESENTATIVES
OCT 20 PM 12:47

4. TYPE OF REPORT

April 15 Quarterly Report
 July 15 Quarterly Report
 October 15 Quarterly Report
 January 31 Year End Report
 July 31 Mid Year Report (Election Year Only)

Termination Report

Tenth day report preceding _____ (Type of Election)
 election on _____ in the State of _____
 Thirtieth day report following the General Election on _____ in the State of _____

The report concerns activity for: Primary Election General Election Special Election Recall/Election

85713194931

5	PERIOD	COLUMN A This Period	COLUMN B Calendar Year-to-Date
6	Covering Period <u>7-1-86</u> through <u>9-30-86</u>		
7	Net Contributions (other than loans)		
a	Total Contributions (other than loans) (From Line 11 (a))	69,425.00	159,595.66
b	Total Contributions Refunds (From Line 20 (b))	-0-	-0-
c	Net Contributions (other than loans) (Subtract Line b (c) from a (a))	69,425.00	159,595.66
8	Net Operating Expenditures		
a	Total Operating Expenditures (From Line 17)	92,119.29	128,403.30
b	Total Offsets to Operating Expenditures (From Line 14)	43.00	43.00
c	Net Operating Expenditures (Subtract Line b (c) from a (a))	92,076.29	128,360.30
9	Cash on Hand at Close of Reporting Period (From Line 27)	241,789.16	
10	Debits and Obligations Owed TO The Committee (Schedule C or Schedule D)	-0-	
11	Debits and Obligations Owed BY The Committee (Schedule C or Schedule D)	-0-	

I certify that I have authorized this Report and to the best of my knowledge and belief it is true, correct and complete.

For further information, contact:
 Federal Election Commission
 505 E Street, N.W.
 Washington, D.C. 20543
 Toll Free 202-453-6630
 Local 202-476-8180

Alton G. Buck
 Vice or Joint State of Treasurer

Alton G. Buck
 Secretary of the Committee

10/14/86
 Date

001243

NOTE: Submission of false or incorrect information may subject the person signing this Report to the penalties of 2 U.S.C. §437g.

All previous versions of FEC FORM 3 and FEC FORM 3a are obsolete and should no longer be used.

FEC FORM 3 (1981)

DETAILED SUMMARY PAGE
of Receipts and Disbursements
(Page 3, PBC FORM 3)

Name of Committee (In Full)		Report Covering the Period	
Committee for Congressman Charlie Rosten (D)(4)(18)		From 7-1-86	To 9-30-86
I. RECEIPTS		COL. LINE A Total This Period	COL. LINE B Extended Year-to-Date
11	CONTRIBUTIONS (other than loans) FROM		
	(a) Individuals/Persons Other Than Political Committees	9,470.00	70,145.00
	(Memo Entry Unreimbursed \$ _____)		
	(b) Political Party Committees	5,000.00	5,000.00
	(c) Other Political Committees	11,450.00	84,450.66
	(d) The Candidate		
	(e) TOTAL CONTRIBUTIONS (other than loans total 11(a) 11(b) 11(c) and 11(d))	25,920.00	159,595.66
12	TRANSFERS FROM OTHER AUTHORIZED COMMITTEES	-0-	-0-
13	LOANS		
	(a) Made or Guaranteed by the Candidate	-0-	-0-
	(b) All Other Loans	-0-	-0-
	(c) TOTAL LOANS (total 13 (a) and 13 (b))	-0-	-0-
14	OFFSETS TO OPERATING EXPENDITURES (Interest, Refunds, etc.)	43.00	43.00
15	OTHER RECEIPTS (Dividends, Interest, etc.)	17,141.60	25,146.38
16	TOTAL RECEIPTS (total 11 (a) 12 13 (a) 13 (b) 14 and 15)	86,604.60	184,785.04
II. DISBURSEMENTS			
17	OPERATING EXPENDITURES	97,114.29	128,403.30
18	TRANSFERS TO OTHER AUTHORIZED COMMITTEES		
19	LOAN REPAYMENTS		
	(a) Of Loans Made or Guaranteed by the Candidate		
	(b) Of All Other Loans		
	(c) TOTAL LOAN REPAYMENTS (total 19 (a) and 19 (b))		
20	REFUNDS OF CONTRIBUTIONS TO		
	(a) Individuals/Persons Other Than Political Committees		
	(b) Political Party Committees		
	(c) Other Political Committees		
	(d) TOTAL CONTRIBUTION REFUNDS (total 20 (a) 20 (b) and 20 (c))		
21	OTHER DISBURSEMENTS	9,750.00	11,810.00
22	TOTAL DISBURSEMENTS (total 17, 18, 19 (a) 20 (a) and 21)	101,869.29	140,213.30
III. CASH SUMMARY			
23	CASH ON HAND AT BEGINNING OF REPORTING PERIOD	\$ 257,048.85	23
24	TOTAL RECEIPTS THIS PERIOD (from Line 16)	\$ 86,609.60	24
25	SUBTOTAL (add Line 23 and Line 24)	\$ 343,658.45	25
26	TOTAL DISBURSEMENTS THIS PERIOD (from Line 22)	\$ 101,869.29	26
27	CASH ON HAND AT CLOSE OF THE REPORTING PERIOD (subtract Line 26 from 25)	\$ 241,789.16	27

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001200

ITEMIZED RECEIPTS

For to a copy of the
Detailed Summary Page

FOR LINE NUMBER

15

Information reported from such Reports and Summaries may not be sold or used by any person for the purpose of collecting contributions or for any other purpose, other than using the name and address of any political committee to solicit contributions from such committee.

ASST OF SECRETARY IN CHIEF

Committee for Congressman Charlie Robe 034118

A. Full Name, Working Address and ZIP Code Congressman Charlie Robe 2230 Rayburn HOB Washington, DC 20515 Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify Employment of Lodge)	Name of Employer N/A Occupation N/A Applicable Year to Date > 8 11,895.00	Date (month, day, year) 9-26-86	Amount of Each Receipt (this Period) 11,895.00
B. Full Name, Working Address and ZIP Code Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Name of Employer Occupation Applicable Year to Date > 8	Date (month, day, year)	Amount of Each Receipt (this Period)
C. Full Name, Working Address and ZIP Code Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Name of Employer Occupation Applicable Year to Date > 8	Date (month, day, year)	Amount of Each Receipt (this Period)
D. Full Name, Working Address and ZIP Code Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Name of Employer Occupation Applicable Year to Date > 8	Date (month, day, year)	Amount of Each Receipt (this Period)
E. Full Name, Working Address and ZIP Code Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Name of Employer Occupation Applicable Year to Date > 8	Date (month, day, year)	Amount of Each Receipt (this Period)
F. Full Name, Working Address and ZIP Code Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Name of Employer Occupation Applicable Year to Date > 8	Date (month, day, year)	Amount of Each Receipt (this Period)
G. Full Name, Working Address and ZIP Code Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Name of Employer Occupation Applicable Year to Date > 8	Date (month, day, year)	Amount of Each Receipt (this Period)
SUB TOTAL of Receipts This Page (optional)			11,895.00
TOTAL This Period (for page and line number only)			11,141.67

661266

0301310371

SCHEDULE A

ITEMIZED RECEIPTS—CONTINUED (GROSS, TICKET PURCHASES, LOANS, AND TRANSFERS)

Charles G. Rose, III
 (Taxpayer Name) (Individual or Company Name)

Page No. 1
 (Indicate by entering Part I, II, III, IV, or V)

SEE REVERSE SIDE FOR INSTRUCTIONS
 (See separate page for instructions on this Part)

Date (month, day, year)	Full Name, Mailing Address, and ZIP Code (Recipient or an official place of business, if not recipient)	Aggregate Year-to-date (Total amount reported)	Amount of Receipt (Tax Serial)
4-18-72	M. Williams Fayetteville, N.C.	Aggregate Year-to-date \$	200.00
4-5-72	Charles ROSE, JR. Fayetteville, N.C.	Aggregate Year-to-date \$	5,150.00
		Aggregate Year-to-date \$	

7
2
0
0
0
0
4
2
6
3
2

00004; TOTAL THIS PERIOD: 4,150.00
 (Last page of this Part only)
 Page 2

Name of Candidate Charles G. Ross, IIISUMMARY REPORT COVERING PERIOD FROM April 7, 1972 THRU April 14, 1972

	Column A— This period	Column B— Outstanding to date
SECTION A—RECEIPTS:		
Part 1. Individual contributions:		
a. Itemized (use schedule A*)	\$ -0-	
b. Unitemized	\$ 350.00	
	Total individual contributions	\$ 350.00
Part 2. Sales and collections:		
Itemized (use schedule B*)	\$ -0-	\$ -0-
Part 3. Loans received:		
a. Itemized (use schedule A*)	\$ -	
b. Unitemized	\$ -	
	Total loans received	\$ -0-
Part 4. Other receipts (refunds, rebates, interest, etc.):		
a. Itemized (use schedule A*)	\$ -	
b. Unitemized	\$ -	
	Total other receipts	\$ -0-
Part 5. Transfers in:		
Itemize all (use schedule A*)	\$ -0-	\$ -0-
	TOTAL RECEIPTS	\$ 350.00

SECTION B—EXPENDITURES:		
Part 6. Communications media expenditures:		
Itemize all (use schedule C*)	\$ 5476.79	\$ 5476.79
Part 7. Expenditures for personal services, salaries, and reimbursed expenses:		
a. Itemized (use schedule D*)	\$ 318.00	
b. Unitemized	\$ -	
	Total expenditures for personal services, salaries, and reimbursed expenses	\$ 318.00
Part 8. Loans made:		
a. Itemized (use schedule D*)	\$ -	
b. Unitemized	\$ -	
	Total loans made	\$ -0-
Part 9. Other expenditures:		
a. Itemized (use schedule C*)	\$ 2359.36	
b. Unitemized	\$ 792.48	
	Total other expenditures	\$ 3151.84
Part 10. Transfers out:		
Itemize all (use schedule D*)	\$ 595.00	\$ 595.00
	TOTAL EXPENDITURES	\$ 9541.65

SECTION C—CASH BALANCES:

Cash on hand at beginning of reporting period	\$ 14,408.12
Add: total receipts (section A above)	\$ 350.00
Subtotal:	\$ 14,758.12
Contrast total expenditures (section B above)	\$ 9,541.65
Cash on hand at close of reporting period	\$ 5,216.47

This summary report is prepared by the candidate or the candidate's authorized agent. It is not subject to audit by the Board of Elections. The Board of Elections is not responsible for the accuracy of the information reported. The Board of Elections is not responsible for the accuracy of the information reported. The Board of Elections is not responsible for the accuracy of the information reported.

7200061550

PREPARED IN TRIPPLICATE

FORWARD TWO COPIES TO YOUR SUPERVISOR

FIRST CITIZENS BANK & TRUST COMPANY

Fayetteville, N.C. OFFICE DATE November 21, 1973
 APPLICANT Charles G. Rose, Jr. NET WORTH 5250 (s) AMOUNT \$ 50,000.00
 ENDORSER P. O. Box 1239 \$ _____ TIME 90 days
 ENDORSER Fayetteville, N.C. \$ _____
 ENDORSER _____ \$ _____

(* If current statement has been sent to home office, indicate by (s) but be sure a copy has been sent or is attached)

VALUE

SECURITY _____ \$ _____
 _____ \$ _____
 _____ \$ _____
 _____ \$ _____

METHOD OR PLAN OF PAYMENT At Maturity

OCCUPATION OR BUSINESS OF MAKER _____

PRESENT LINE
 DIRECT INDIRECT

LOANS PREVIOUS YEAR HIGH \$ _____ THIS YEAR HIGH \$ 100 UNSECURED \$ _____
 LOW \$ _____ LOW \$ _____ SECURED \$ _____

DATE PRIOR LOANS PAID OUT IN FULL
 AVERAGE BALANCE LAST YEAR \$ _____ THIS YEAR \$ _____ LAST MONTH \$ Med.

AFFILIATED ACCOUNTS NAME	BALANCED		BORROWING NOW
	THIS YEAR	LAST MONTH	
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____

REMARKS AND RECOMMENDATIONS OF BRANCH MANAGER.

Purpose of Loan- Business

FEB 173	3,204	16.88	.01	APR 20 173	FEB 173	2,500.00	++	2,500.00	12,500.00
MAR 1373	4,361	187.50	.01	JUN 11 73		1,000.00	++	2,500.00	22,500.00
APR 30 73	3,204	37.50	.01	JUL 19 73	APR 30 73	2,000.00	++	2,500.00	22,000.00
MAY 3 73	4,670	187.50	.01	JUL 31 73		1,000.00	++		32,000.00
JUN 11 73	2,695	157.50	.01	AUG 18 73	JUN 11 73	9,000.00	++	10,000.00	31,000.00
JUN 25 73	4,361	187.50	.01	SEP 9 73	JUN 25 73	10,000.00	++	10,000.00	31,000.00
JUL 26 73	3,204		.01	JUL 26 73		2,000.00		2,000.00	29,000.00
AUG 23 73	4,670	187.50	.01	OCT 29 73	JUL 26 73	10,000.00	++	10,000.00	29,000.00
SEP 13 73	2,695	170.00	.01	NOV 16 73	AUG 23 73	8,000.00	++	9,000.00	28,000.00
NOV 2 73	4,361	196.87	.01	DEC 8 73	SEP 13 73	9,000.00	++	10,000.00	27,000.00
NOV 21 73	4,670	191.25	.01	JAN 27 74	NOV 2 73	9,000.00	++	10,000.00	26,000.00
NOV 21 73	2,695	148.75	.01	FEB 14 74	NOV 21 73	7,000.00	++	8,000.00	25,000.00
NOV 21 73	7,637	1,062.50	.01	FEB 18 74		50,000.00	++	9,000.00	75,000.00
DEC 18 73	4,361	175.00	.01	MAR 8 74	DEC 18 73	8,000.00	++	9,000.00	74,000.00
FEB 4 74	4,670	180.63	.01	APR 27 74	FEB 4 74	9,500.00	++	9,000.00	73,500.00
FEB 20 74	2,695	138.12	.01	MAY 15 74	FEB 20 74	6,500.00	++	7,000.00	73,000.00
FEB 22 74	7,637	1,062.50	.01	MAY 19 74	FEB 22 74	50,000.00	++	50,000.00	73,000.00
MAR 13 74	4,361	153.13	.01	JUN 6 74	MAR 13 74	7,988.88	++	8,988.88	72,888.88
MAY 1 74	4,670	180.63	.01	JUL 26 74	MAY 1 74	8,988.88	++		

FIRST-CITIZENS BANK & TRUST COMPANY

CODE EXPLANATION:
 1—PERSONAL ENDORSEMENT
 2—DEED OF TRUST
 3—MORTGAGE
 4—CHATTEL MORTGAGE
 5—LIFE INSURANCE

At home

(OVER)

LIABILITY LEDGER

ACCOUNT

CHARLES G. ROSE, JR.
P. O. Box 1239
Fay, N. C. 28302

SHEET NO. [REDACTED]
CREDIT LIMIT

DATE	NOTE NUMBER	INTEREST	MEMORANDA	CODE	DATE DUE	DATE PAID	DEBITS	CREDITS	BAL. F. ORWARD
MAY 1774	7,675	132.15		.01	AUG 1374	MAY 1774	6,000.00	0.00	71,500.00
MAY 2374	7,677	1,109.59		.01	AUG 1774	MAY 2374	50,000.00	50,000.00	71,500.00
JUN 774	4,271	140.24		.01	SEP 474	JUN 774	6,500.00	7,000.00	71,000.00
JUL 2574	1,670	172.53		.01	OCT 2474	JUL 2574	8,000.00	8,500.00	70,500.00
AUG 1374	7,675	132.15		.01	NOV 1274	AUG 1374	5,000.00	6,000.00	70,000.00
AUG 2274	7,677	1,109.59		.01	NOV 1574	AUG 2274	50,000.00	50,000.00	70,000.00
SEP 574	4,271	139.46		.01	DEC 374	SEP 574	6,500.00	6,500.00	69,500.00
OCT 3174	7,675	132.15		.01	JAN 274	OCT 3174	7,500.00	8,000.00	69,000.00
NOV 1774	7,677	1,109.59		.01	FEB 1774	NOV 1774	5,000.00	5,500.00	68,500.00
DEC 2074	4,271	140.24		.01	MAR 1374	DEC 2074	50,000.00	50,000.00	68,000.00
JAN 774	7,675	132.15		.01	APR 374	JAN 774	6,000.00	6,000.00	68,000.00

FIRST CITIZENS BANK & TRUST COMPANY

CODE EXPLANATION:
01 - CHECK OF TRUST
02 - CHECK OF TRUST
03 - CHECK OF TRUST
04 - CHECK OF TRUST
05 - CHECK OF TRUST

Note: Mater CHARLES G. ROSE, JR.

Collateral of Box 1239, 02

Bernice Frances D. rose

Enclosures	Supplementar: Documents	Initial	Date	Amount	New Balance
[Redacted]	Financial Statement	Initial	5-16-75	1992	49,000.00
Deed of Trust	Statement of Endorsers	5-16-75	8-14-76	194	48,000.00
Attorneys Certificate	Corporation Resolution	8-14-75	11-17-76	194	47,000.00
Appraisal	Partnership Agreement	11-12-75	2-20-76	194	46,000.00
Insurance Policies	Credit Life Issued	2-17-76			
Title Insurance		5-17-76			
Stock Certificates		8-16-76			
Stock Assignment					
Security Agreement					
Certificate of Title					
Life Insurance Policy					
Assignment of Life Insurance					
Financing Statement					
Savings Pass Book					

Date: 11-21-73
Amt.: 50.00

008100 000-T 1099



90 Days

Due Date: 11-15-74
Partial Payment: 20.00

8.804%
New Balance

(OVER)

Interest Payments

Date	Amount	Extended To
2-14-75	1092.48	5-16-75
5-16-75	1250.82 (a.e)	8-14-75
8-14-75	1,524.82	11-12-75
11-12-75	62.82	2-12-76
2-12-76	1,019.22	5-12-76
5-12-76	900.00 233.64	8-16-76

Lending Officer & Borrowers Initials	Agreed Disposition At Maturity
L. O. R.	Partial Payment of \$ _____ Days and Renew Balance for _____ Days
-	Payment in full
	Renew for full Amount
	Other (Explain) 008100

BEFORE THE HOUSE COMMITTEE
ON STANDARDS OF OFFICIAL CONDUCT

AFFIDAVIT OF CHARLES G. ROSE, III

Charles G. Rose, III, first being duly sworn, deposes and says:

1. I am a duly elected Member of the House of Representatives from the 7th Congressional District of North Carolina.

2. In 1972, I made two loans to my campaign: One on April 20, 1972 in the amount of \$7500 and one on June 2, 1972 in the amount of \$2000. I obtained these loans from banking institutions in the regular course of business, and both were duly reported on the North Carolina Corrupt Practices Act filings as prepared by Herbert G. Stiles, Campaign Finance Manager for the Rose for Congress Committee in 1972.

3. On May 23, 1972 my campaign secured and I guaranteed a \$20,000 note from First Citizens Bank in Fayetteville, North Carolina. This loan was properly reported on June 16, 1972 to The Clerk of the House of Representatives. I assumed financial responsibility for this campaign debt because the campaign was without sufficient funds to repay the note.

4. In 1972, I entered into an oral agreement with my father, Charles G. Rose, Jr. Under the terms of this Agreement, Charles G. Rose, Jr. made three loans to my campaign:

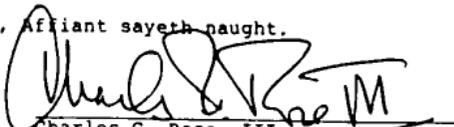
On April 7, 1972 in the amount of \$5750, on May 5, 1972, in the amount of \$5,150 and on June 2, 1972, in the amount of \$2500. I guaranteed and assumed financial responsibility for the repayment of those campaign debts, until such time as I believed the campaign was financially and politically able to repay me, when I would cause it to do so.

5. Because of the difficulty in making payments on the loans from the 1972 race as they were due, I sought help from my father, Charles G. Rose, Jr., in consolidating these loans. In my recollection I caused to be executed a \$50,000 note on November 21, 1973 to consolidate all outstanding 1972 campaign debts. I assumed financial responsibility for the repayment of this debt until such time as the Committee was financially and politically able to repay me when I would cause it to do so.

6. I fully expected the campaign to repay me for all loans when it was financially and politically able to do so. Moreover, I believed that my campaign, specifically, Herbert G. Stiles and Anthony E. Rand, fully understood its obligation to repay me for all loans when it was financially and politically able to do so.

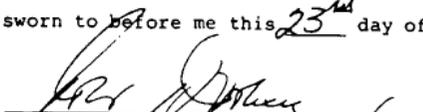
7. In 1978, I requested repayment from my committee for loans made to the campaign.

8. Further, Affiant sayeth naught.


Charles G. Rose, III

CITY OF WASHINGTON
DISTRICT OF COLUMBIA

April Subscribed and sworn to before me this 23rd day of
, 1987.


Notary Public

My Commission expires: RODEN M. COOKSEY
~~Notary Public, Dist. of Columbia~~
Commission Expires July 14, 1990

1 RPTS DOTSON

2 DCHM SPRADLING

3

4

5 DEPOSITION OF CHARLES G. ROSE, JR.

6

7 Friday, October 9, 1987

8

9 House of Representatives,

10 Committee on Standards of Official Conduct,

11 Washington, D.C.

12

13

14 The committee met, pursuant to call, at 2:00 p.m., in Room
15 HT-2M, the Capitol, Hon. Charles Pashayan presiding.

16 Present: Representative Pashayan.

17 Staff Present: Elneita Hutchins-Taylor, commission
18 counsel, Ralph Lotkin, committee chief counsel; Richard
19 Powers, committee investigator.

20 Also Present: Robert Spearman, counsel for witness.

446 . A This may sound stupid, but I honestly don't know.
447 I think I could have applied it to some other debts because
448 I owed every bank in town for as far as that goes, and the
449 chances are I paid it on some of those other debts.

450 Q Now, it was your testimony earlier today that you
451 borrowed the money in November 1973 for the purpose of
452 paying off campaign debts.

453 A That's right. You are right about that. I was
454 thinking about what he paid me in '75 is what I was thinking
455 about. I was wrong--in other words, this November '73 money,
456 he got that money and I had nothing to do with that. You
457 are right about that. I was thinking January '75 instead of
458 November '73. I thank you for clearing that up for me.

459 MR. PASHAYAN: Could I interject a couple questions
460 here just to clarify my own thinking here. In November 1973
461 you borrowed \$50,000.

462 THE WITNESS: Yes.

463 MR. PASHAYAN: The bank wrote a \$50,000 check to
464 you.

465 THE WITNESS: Yes, sir. They would have to do that
466 since I borrowed it.

467 MR. PASHAYAN: Yes. Then you endorsed the check
468 over.

469 THE WITNESS: I honestly don't know what I did with
470 it. In other words, to the best of my recollection, I gave

471 | it to Charles to apply on the debts that he and/or the
472 | campaign would need.

473 | MR. PASHAYAN: So, in other words, you think you
474 | just endorsed it over to him or to his campaign?

475 | THE WITNESS: That's a good possibility, sir, but
476 | definitely--he got a major portion if not all of that \$50,000
477 | which I borrowed from the bank.

478 | MR. PASHAYAN: It might have been divided, but it
479 | probably was not?

480 | THE WITNESS: Probably was not.

481 | MR. PASHAYAN: If it was divided, the vast
482 | majority, is it your testimony, went to your son for the
483 | purpose of his campaign?

484 | THE WITNESS: That's right, yes, sir.

485 | BY MS HUTCHINS--TAYLOR:

486 | Q Is it at all possible, Mr. Rose, that the proceeds
487 | of that check were not endorsed over to the campaign but
488 | that you kept the proceeds of that \$50,000?

489 | A I do not think so, no, ma'am. I think definitely
490 | that was the purpose. The fact of the matter is I presented
491 | you, or rather I got Mr. Julian to present you an affidavit,
492 | he was the manager of the bank, that it was a political
493 | loan, and he confirmed that fact in an affidavit.

494 | Q So you don't know exactly how much the campaign
495 | owed you at the point that you got that loan?

571 were loans that the campaign owed Mr. Rose, the
572 Congressman's father, for that money.

573 THE WITNESS: But I was looking to my son. What
574 the legal aspects of it were, I leave it for you.

575 MR. PASHAYAN: Let me ask this question. In other
576 words, it was a matter of honor between you and your son
577 that he would pay you?

578 THE WITNESS: Yes, sir. Definitely. I never
579 doubted the fact I would be paid. I didn't know when or
580 where.

581 MR. PASHAYAN: You were not interested in the legal
582 or the technical way it was reported or anything like that.
583 In other words--

584 THE WITNESS: Well, obviously had I known all this
585 was coming up I would have, but I don't keep records with
586 any members of the family, my son least of all.

587 MR. PASHAYAN: I appreciate that.

588 In your opinion, could there have been a political
589 reason for putting your name down on the state's filing form
590 rather than--

591 THE WITNESS: I didn't file it. I don't know why
592 they did it unless they just needed the source of it. In
593 other words, they just gave the source of the funds.

594 MR. POWERS: Mr. Rose, go back to that same money,
595 you say you know for a fact about \$16,400--we are saying

NAME: HSO282002

PAGE 25

596 | there's also a \$20,000 loan you guaranteed. You also say
597 | you borrowed in 1973 another \$50,000 for the campaign, which
598 | would make it approximately \$86,000 you were now owed by
599 | your son.

600 | THE WITNESS: That exactly right.

601 | MR. POWERS: We are not dealing with 16, we are not
602 | dealing with 36 or even 50, we are dealing with \$86,000.

603 | THE WITNESS: \$86,400. You are exactly right, Mr.
604 | Powers. I'm glad you made that point.

605 | BY MS. HUTCHINS-TATLOR:

606 | Q Have you at any time then been repaid for this
607 | approximately \$86,000 that you say you were looking to your
608 | son for?

609 | A Yes, ma'am. As I said a while ago, I was paid
610 | \$50,000 in the first part of 1975. It was my understanding
611 | my son had gotten a loan from MCMB and paid me \$50,000 on
612 | his indebtednesses to me.

613 | MR. PASHAYAN: Do we have any record of that, a
614 | cancelled check?

615 | THE WITNESS: As far as--I don't know honestly, sir.

616 | MR. PASHAYAN: I'm just asking on our side here.
617 | Do we have it?

618 | MS. HUTCHINS-TAYLOR: Let's go off the record for a
619 | minute.

620 | [Discussion off the record.]

NAME: HSO282002

PAGE 28

671 . A I am saying that he owed me these \$16,000 and the
672 \$20,000 he owed on the '72 campaign, and I'm saying in
673 effect that to the best of my recollection he owed me
674 \$50,000--now, to be honest with you again, I don't know, and
675 I'm not trying to be evasive, whether that \$50,000 included
676 it, but I'm inclined to believe it did not include the money
677 that we are talking about, the 16--

678 . MR. SPEARMAN: The \$16,000?

679 THE WITNESS: Yes. However, it says otherwise, I
680 agree with you. I'm aware of that fact. But, now,
681 let's--well, that's what it says. In other words, that is
682 not in accordance with what I just told you I'm aware of
683 that fact.

684 BY MS. HUTCHINS-TAYLOR:

685 Q You stand by your testimony as you have given it
686 today?

687 A Yes, ma'am. I say that definitely he owed me the
688 \$16,400 and the 20, and when I say this, the 50 is all he
689 owed me, that was apparently in error or inadequately
690 stated, let's put it that way.

691 Q So it is your testimony today that the way you get
692 to the approximately \$86,000 that your son owed you in 1973
693 was the \$16,400 that you had loaned in 1972 plus the \$20,000
694 loan that you guaranteed plus the \$50,000 loan that you
695 obtained in November '73.

NAME: HSO282002

PAGE 29

696 A That's right. But what I'm saying though, and I'll
697 admit, now let's be honest about it, what we put right in
698 here, to the best of my recollection, my son owed a total of
699 \$50,000 to me in various financial institutions from his
700 1972 campaign, because--I mean we just read it--in other
701 words, actually, my best recollection was that the \$50,000
702 that I paid to him was not paying back the \$36,000 that he
703 owed me for the '72 campaign, although I will admit what
704 I've said and what this says are two different things.

705 MR. LOTKIN: You are presenting us with a dilemma
706 and, quite frankly, you are the best and perhaps the only
707 person to resolve the dilemma for the committee. We have
708 testimony saying that perhaps your son owed you \$86,400.

709 THE WITNESS: That is after this.

710 MR. LOTKIN: We have an affidavit which intuits the
711 amount as exclusively \$50,000.

712 THE WITNESS: That is right.

713 MR. LOTKIN: Now, as I understand your response to
714 Ms. Hutchins-Taylor, the affidavit is incorrect?

715 THE WITNESS: Well--

716 MR. LOTKIN: Let me ask a question from a different
717 perspective.

718 Did you prepare that affidavit or did you--

719 THE WITNESS: No, sir, my son prepared it.

720 MR. LOTKIN: Did you fully understand that

NAME: MS0282002

PAGE 52

1271 | the campaign and the November 1973 transaction? Was there
1272 | any relationship whatsoever?

1273 | . A I'm going to be honest, Mr. Spearman and I were
1274 | discussing that, it's not clear from the affidavit whether
1275 | it was or was not, I will be honest with you. And to say
1276 | that it was, I just honestly don't know. It is a
1277 | possibility now that the \$50,000 that I borrowed from the
1278 | bank in '73 could have paid some or all of those 16,400 or--I
1279 | say could have, but I honestly don't know. You understand?
1280 | And I'm not going to tell you all one way or the other
1281 | unless I believe it. So really, in other words, I just
1282 | don't know.

1283 | In other words--put it this way, this is something
1284 | that makes me realize of the \$50,000 that I borrowed and
1285 | gave him, I would say I have no independent recollection of
1286 | his paying me any of that money in that amount. Understand
1287 | that.

1288 | . Q That's clearer than you were the first time. Your
1289 | first recollection was you didn't have a recollection--

1290 | A Mr. Spearman and I have not discussed this
1291 | particular feature. I'm going to see what you are driving
1292 | at. Not that you were hazy before.

1293 | Q Drive me through it.

1294 | A What I'm saying, I'm honestly saying it doesn't
1295 | make practical sense. This affidavit says that--I don't

NAME: HSO282002

PAGE 53

1296 believe any of that \$50,000 was paid to me to repay me for
1297 the 16,400 or the 36,400 debt of the '72 campaign. Now, I'm
1298 honest about that. That wouldn't make sense.

1299 Q I understand, because you would have had to go out
1300 and borrow money to pay yourself.

1301 A That doesn't make sense.

1302 Q That's right. Why would you incur interest on a
1303 loan you were getting interest on to negate whatever benefit
1304 you had in the transaction.

1305 A You are exactly right on that. I honestly do not
1306 see--in other words, this paragraph 3 of my affidavit of
1307 September 14, '87, doesn't speak to the point of whether
1308 that does or does not include the 18,400--

1309 MR. SPEARMAN: 16,400.

1310 THE WITNESS: I mean the 16,400. I'm honest about
1311 that. Why would I borrow money to pay myself?

1312 MR. LOTKIN: I don't have any further questions.

1313 MR. PASHAYAN: All right, sir. We will conclude
1314 here.

1315 Do you wish to amplify--excuse me, do you have any
1316 questions of Mr. Rose? You are free to ask questions to get
1317 whatever testimony you would like.

1318 MR. SPEARMAN: Just a couple.

1319 BY MR. SPEARMAN:

1320 Q Mr. Rose, you have been requested by the committee

SEP. 14 '87 10:33 M P R AND T WASHINGTON, D.C.

P. 02

BEFORE THE HOUSE COMMITTEE ON
STANDARDS OF OFFICIAL CONDUCT

AFFIDAVIT OF CHARLES G. ROSE, JR.

Charles G. Rose, Jr. first being duly sworn, deposes

and says:

1. I am a resident of Fayetteville, North Carolina and the father of Charles G. Rose, III, a duly elected member of the House of Representatives.
2. In 1972, I made loans to my son's campaign committee, which, to the best of my recollection, were obtained from banking institutions. At the time the loans were made, my son became liable to me for the principal and accrued interest on these loans.
3. To the best of my recollection, by 1973, my son owed a total of \$50,000 in principal and interest to me and various financial institutions from his 1972 congressional race. Because of difficulties in record keeping and variances in payment schedules, in November 1973 my son's debt from the 1972 campaign loans was moved to one place, by my obtaining a \$50,000 loan from First Citizens Bank and Trust Company.
4. The \$50,000 loan from First Citizens was not turned over to the campaign, but rather, to the best of my recollection, was used to pay the various financial institutions that were in November 1973, carrying the 1972 campaign loans made by my son

RECEIVED
FBI SEP 15 11 41 AM '87
STAFF CHAIRMAN
STANDARDS OF OFFICIAL CONDUCT

2

and me to his campaign. I am unable to recall with precision the payees who may have received loan proceeds or the dates and amounts thereof.

5. Thus, the \$50,000 loan did not "consolidate" the prior loan notes but did bring into one place my son's 1972 campaign debt. As of November 1973, my son owed me the full \$50,000. Further, my son paid interest to me on this loan as I requested.

6. My son's campaign never became obligated to me for any of the loans made. The campaign's obligation for 1972 loans was solely to my son.

7. Further affiant sayeth naught.


Charles G. Rose, Jr.

Subscribed and sworn before me this 15th day of September, 1987.


Notary Public

my Comm. Expires: 9-13-91

NCNB

**Official
Check**

No. 016146

North Carolina National Bank
Fayetteville, NC 28302

68-850/512

January 30, 1975
Date

Pay to the Order of **Charles G. Ross, III**

\$ 50,000.00

— Dollars

Commercial Loan Proceeds

Remitter or Purchased by

Authorized Signature

⑈016146⑈ ⑆0542⑈0950⑆ 050200005⑈

COPY - NOT NEGOTIABLE

- EXHIBIT 10 -

Final Report

Cong. Charles G. Rose, III

December 9, 1987

(NOT INCLUDED)*



Laventhol & Horwath

Certified Public Accountants

NAME: HSO282000

PAGE

EXHIBIT 11

1 RPTS MAZUR

2 DCNN DANIELS

3

4 DEPOSITION OF ALTON BUCK

5

6 Friday, October 9, 1987

7

8 House of Representatives,

9 Committee on Standards

10 of Official Conduct,

11 Washington, D.C.

12

13 The committee met, pursuant to call, at 10:00 a.m.,

14 in HT-2M, The Capitol, Mon. Charles Pashayan presiding.

15 Present: Representative Pashayan.

16 Staff present: Elneita Hutchins-Taylor, Counsel; and

17 Richard Powers, Investigator.

18 Also present: John R. Wallace, on behalf of the witness.

NAME: HSO282000

PAGE 26

596 some money, borrow money, this, that, and the other, that
597 just from night bull sessions or what have you that they
598 were borrowing money. That was just a bunch of men sitting
599 around talking, so I was aware--

600 Q Excuse me. That who was borrowing money?

601 A That the campaign was borrowing money or Rose was
602 borrowing money to put into the campaign.

603 MR. PASHAYAM: From the bank?

604 THE WITNESS: From the bank, and probably from
605 individuals, too, because you know there were--

606 MR. PASHAYAM: Rose, the younger, or Rose the
607 elder?

608 THE WITNESS: Well, the younger, his campaign, so
609 there was considerable conversation in bull sessions and
610 drinking sessions at night that I knew that you know he had
611 borrowed a considerable amount of money, and then when I
612 came along and something said about, boom, we need some
613 notes. So then in the fall of 1986 when it became such a
614 concern, then I went to the bank and finally did--apparently
615 Mr. Rose, Senior, who either endorsed or co-signed or in any
616 way helped his son borrow the money at First Citizens Bank,
617 apparently disposed of the note when it was paid, but in
618 about that time the bank was becoming computerized, and I
619 think they required to keep the records about six or seven
620 years and then they dispose of them and the only thing that

NAME: H50282000

PAGE 28

646 . Q Was there anything that led you to believe that the
647 money the Congressman or his father put into the campaign in
648 1972 was actually loaned to the campaign as opposed to just
649 being donated or given to the campaign?

650 . A I don't know. Speaking in retrospect, you know, I
651 don't know what they called them then. They did make a
652 record of it.

653 MR. PASHAYAN: At the time, how was the reference
654 made?

655 Q There wasn't any. See, when they started, there
656 wasn't any FEC then.

657 MR. PASHAYAN: My question is when you were sitting
658 there at these sessions and I understand what you say--what
659 you mean when you say that, what the conversation in the
660 vernacular that, well, the Roses are loaning money to the
661 campaign or was it in the vernacular the Roses are giving
662 money to the campaign?

663 THE WITNESS: Loaned money to the campaign.

664 BY MS. HUTCHINS-TAYLOR:

665 . Q So back then when you were preparing these reports,
666 you were aware that the Congressman and/or his father had
667 loaned money to the campaign?

668 . A Not specifically. I didn't see the document, but
669 from these bull session conversations and--

670 . Q Aside from these--I am sorry.

NAME: H50282000

PAGE 30

696 and the son didn't pay it back, he would have to.
697 Q Okay. Was there any indication at that time that
698 the Congressman--excuse me--that Mr. rose, the father,
699 expected to be repaid by the campaign or was he expecting to
700 be repaid by his son? You mentioned earlier that the
701 Congressman loaned money to his son. Are you saying that he
702 expected repayment from some source other than his son?

703 A Well, I don't know what he thought.

704 MR. PASHAYAN: Excuse me. You said the Congressman
705 loaned money to his son. Reask that question.

706 BY MS. HUTCHINS-TAYLOR:

707 Q Excuse me. The father loaned money to the
708 Congressman--was he--was there any talk that you were aware of
709 that Mr. Rose, the father, was expecting to be repaid by
710 some source other than his son?

711 A I don't know.

712 MR. PASHAYAN: Is the reason you don't know because
713 of the discussion--

714 THE WITNESS: Well, I don't know what Mr. Rose,
715 Senior was saying to his son about his money. Connotation I
716 get of your question is was he saying, ''Young Charlie, are
717 you going to pay me or is the campaign going to?'' I don't
718 know whether he asked that question or not.

719 Was that what you meant to ask me?

720 MS. HUTCHINS-TAYLOR: Yes.

MAY 19 1982
REGULAR MAIL

BUCK & DePIETRO
Credited Public Accountants
 311 FAIRWAY DRIVE - POST OFFICE BOX 1178
 FAYETTEVILLE, NORTH CAROLINA 28412
 (919) 483-8101

ALTON G. BUCK, CPA
 C. W. DePIETRO, CPA

May 18, 1982

MEMBERS OF
 AMERICAN INSTITUTION OF CPAs
 N.C. ASSOCIATION OF CPAs

RECEIVED
 STATE OF N.C. DIVISION OF
 COMMERCE
 MAY 20 11:11:50
 OFFICE OF THE CLERK
 2000 BANKERS BUILDING
 RALEIGH, N.C. 27601

Edmund L. Henshaw, Jr., Clerk
 U. S. House of Representatives
 1036 Longworth Building
 Washington, D. C. 20515

Dear Sir:

I am the CPA who prepares the FEC reports for Mr. Anthony R. Band, who is the Treasurer for the Committee for Congressman Charlie Roe, ID 034118.

In response to your letter of May 13, 1982 to Mr. Band concerning the April 15 report of receipts and disbursements, and more particularly, items that should be included on Line 13a of the report, your letter indicates that you are under the impression that the committee has borrowed money during this reporting period. This is not the case. The line-by-line instructions for FEC Form 3 directs that loans made to the committee during the reporting period are to be reported on this line. There were no loans made to the committee during this period.

The candidate did receive a loan from the committee during this period and this has been reported in the disbursement section, i.e., Line 17 "Operating Expenditures". We were instructed by FEC personnel to report this loan expenditure on Line 17.

I hope that this will answer your question. If not, please give me a call at 919-483-8101.

Very truly yours,

Alton G. Buck

AGB:st

Enclosure

000771

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2
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2
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2
5

CHARLIE ROSE
For District, North Carolina

2000 East Main Street, Suite 200
Wilmington, N.C. 28403
Phone Area Code 910, 338-4771

WOMEN'S UNION
200 West Street, Suite 200
Wilmington, North Carolina 28401
Phone Area Code 910, 343-4000

210 Fourth Street
Fayetteville, North Carolina 28301
Phone Area Code 910, 323-4000



Congress of the United States
House of Representatives
Washington, D.C. 20515

June 22, 1984

1984
CERTIFIED MAIL

OFFICE OF ASSISTANT
TREASURER
GENERAL INVESTIGATIVE
DIVISION
UNITED STATES HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20515
GENERAL INVESTIGATIVE
DIVISION OF SENATORS

RECEIVED
ALTON G. BROCK
JUN 25 AM 9 46
OFFICE OF THE CLERK
U.S. HOUSE OF REPRESENTATIVES

034118

Mr. Benjamin J. Guthrie, Clerk
Office of the Clerk
U. S. House of Representatives
Washington, D. C. 20515

Dear Sir:

As per requested in your letter dated May 30, 1984, (copy enclosed) we have corrected the one item brought to our attention by your office.

Although all of the information relevant to Mr. Rose's loan was disclosed in our Pre-primary report, we failed to list the information again on supporting Schedule C. Page 2 of 2, Schedule C has been amended and is enclosed for your records.

We apologize for this error and any inconvenience we may have caused your office.

Sincerely,

Alton G. Brock

Alton G. Brock
Assistant Treasurer
COMMITTEE FOR CONGRESSMAN CHARLIE ROSE

AGB:ch

Enclosures

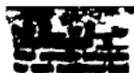
cc: Mr. Alex Brock
W. C. Campaign Reporting Office
Raleigh, NC

14012515053

000976

FORM 6
Period 1988

LOANS



Name of Committee or Full Committee for Congressman Charlie Rose 034118			
A. Full Name, Mailing Address and ZIP Code of Loan Source	Original Amount of Loan	Contribution Reported To Date	Balance Outstanding at Close of This Period
Charlie Rose 2230 Rayburn Building Washington, D. C. 20515	895.00	-0-	895.00
Station: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (Specify): _____ Terms: Date Invoiced <u>7-21-84</u> Date Due <u>Demand</u> Interest Rate <u>N/A</u> <input type="checkbox"/> Short <input type="checkbox"/> Standard			
List All Endorsers or Guarantors (if any) to Item A			
1. Full Name, Mailing Address and ZIP Code	Name of Employer	Amount Guaranteed Outstanding	
	Occupation		
	Amount Guaranteed Outstanding		
2. Full Name, Mailing Address and ZIP Code	Name of Employer	Amount Guaranteed Outstanding	
	Occupation		
	Amount Guaranteed Outstanding		
3. Full Name, Mailing Address and ZIP Code	Name of Employer	Amount Guaranteed Outstanding	
	Occupation		
	Amount Guaranteed Outstanding		
B. Full Name, Mailing Address and ZIP Code of Loan Source	Original Amount of Loan	Contribution Reported To Date	Balance Outstanding at Close of This Period
Charlie Rose 2230 Rayburn Building Washington, D. C. 20515	10,000.00	10,000.00	-0-
Station: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (Specify): _____ Terms: Date Invoiced <u>4-1-84</u> Date Due <u>Demand</u> Interest Rate <u>N/A</u> <input type="checkbox"/> Short <input type="checkbox"/> Standard			
List All Endorsers or Guarantors (if any) to Item B			
1. Full Name, Mailing Address and ZIP Code	Name of Employer	Amount Guaranteed Outstanding	
	Occupation		
	Amount Guaranteed Outstanding		
2. Full Name, Mailing Address and ZIP Code	Name of Employer	Amount Guaranteed Outstanding	
	Occupation		
	Amount Guaranteed Outstanding		
3. Full Name, Mailing Address and ZIP Code	Name of Employer	Amount Guaranteed Outstanding	
	Occupation		
	Amount Guaranteed Outstanding		
SUBTOTALS This Period This Page (Appendix)			895.00
TOTALS This Period (See last page in this form only)			11,895.00

94012615039

Copy outstanding between only in LHM 8, Schedule B, for this form. If on Schedule B, copy forward to appropriate line of Schedule B.

21 1935
REGULAR MAIL

EXHIBIT 14

ALTON G. BUCK, P.A.
CERTIFIED PUBLIC ACCOUNTANT
811 FAIRWAY DRIVE - POST OFFICE BOX 1178
PAYETTEVILLE, NORTH CAROLINA 28680
919-682-8181

NUMBER OF
AMERICAN BIRTHS IN 1986

January 21, 1986

U.S. HOUSE OF REPRESENTATIVES
OFFICE OF THE CLERK
1000 BENTLEY BUILDING
WASHINGTON, D.C. 20540
JAN 23 AM 11:35

Clerk of the House of
Representatives
1036 Longworth HOB
Washington, DC 20515

Re: Committee for Congressman
Charlie Rose, #034118

Dear Sir:

Enclosed are amended pages to the July 31, 1985 Mid-Year Report. After a telephone conversation today with Mr. Stuart Herscheld, Reports Analyst, we were informed that loans repaid by the Congressman should be reported on Line 14 - "Offset to Operating Expenditures" rather than Line 15 - "Other Receipts".

We have included all amended pages to the report applicable to this amendment for your records.

Very truly yours,

COMMITTEE FOR CONGRESSMAN
CHARLIE ROSE

Cindy Bennett

Cindy Bennett
Bookkeeper

Enclosures

cc: N. C. Campaign Reporting Office
Raleigh, North Carolina

FEDERAL CAMPAIGN DISCLOSURE ACT
For Authorized Committees

NEED
FEC Lines 14 & 15

(Summary Page)

ALION AREA		ALION AREA	
1. Name of Committee (in Full) Committee for Congressman Charlie Rose		2. FEC Identification Number 034118	
Address (Number and Street) P. O. Box 1178		3. Is this Report an Amendment? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
City, State and Zip Code Payetteville, North Carolina 28302		<input checked="" type="checkbox"/> Check if address is different than previously reported	

4. TYPE OF REPORT

<input type="checkbox"/> April 15 Quarterly Report	<input type="checkbox"/> Twelfth day report preceding _____ (Type of Election) _____
<input type="checkbox"/> July 15 Quarterly Report	election on _____ in the State of _____
<input type="checkbox"/> October 15 Quarterly Report	<input type="checkbox"/> Twelfth day report following the General Election on _____
<input type="checkbox"/> January 31 Year End Report	_____ in the State of _____
<input checked="" type="checkbox"/> July 31 Mid Year Report (Non-election Year Only)	<input type="checkbox"/> Termination Report

This report contains activity for - Primary Election General Election Special Election Runoff Election

85012924369

SUMMARY		COLUMN A	COLUMN B
Covering Period <u>1-1-85</u> through <u>6-30-85</u>		This Period	Calendar Year-to-Date
6. Net Contributions (other than loans)			
(a) Total Contributions (other than loans) (From Line 11 (a))		49,690.00	49,690.00
(b) Total Contribution Refunds (from Line 30 (b))		1,500.00	1,500.00
(c) Net Contributions (other than loans) (subtract Line 6 (b) from 6 (a))		48,190.00	48,190.00
7. Net Operating Expenditures			
(a) Total Operating Expenditures (from Line 17)		17,156.36	17,156.36
(b) Total Offsets to Operating Expenditures (from Line 14)		9,719.00	9,719.00
(c) Net Operating Expenditures (subtract Line 7 (b) from 7 (a))		7,437.36	7,437.36
8. Cash on Hand at Close of Reporting Period (from Line 27)		193,732.35	
9. Debts and Obligations Owed TO The Committee (Itemize all on Schedule C or Schedule D)		11,895.00	
10. Debts and Obligations Owed BY The Committee (Itemize all on Schedule C or Schedule D)		-0-	

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

For further information, contact:
Fiscal Election Commission
Tel. F-100-624 9639
Local 202-473-4088

Herbert G. Stiles, Sr.
Type or Print Name of Treasurer

Herbert G. Stiles, Sr.
SIGNATURE OF TREASURER Date 7-29-85

NOTE: Submission of false erroneous or incomplete information may subject the person signing the Report to the penalties of 2 U.S.C. §437c.

All previous versions of FEC FORM 3 and FEC FORM 3a are obsolete and should no longer be used.

FEC FORM 3 (3/80)									
001147									

FEDERAL CAMPAIGN DISCLOSURE ACT
 of Receipts and Disbursements
 Page 2, FEC FORMS,

 REPORT
 Not Later Than 14 & 15

Name of Committee (or Pool)		Report Covering the Period	
Committee for Congressman Charlie Rose 034118		From 1-1-85	To 6-30-85
I. RECEIPTS		COLUMN A Year This Period	COLUMN B Calendar Year to Date
11.	CONTRIBUTIONS (other than loans) FROM:		
	(a) Individuals/Persons Other Than Political Committees Memo Entry Unrecovered \$ 1,025.00	8,725.00	8,725.00
	(b) Political Party Committees	-0-	-0-
	(c) Other Political Committees	40,965.00	40,965.00
	(d) The Candidate		
	(e) TOTAL CONTRIBUTIONS (other than loans (add 11(a), 11(b), 11(c) and 11(d))	49,690.00	49,690.00
12.	TRANSFERS FROM OTHER AUTHORIZED COMMITTEES	-0-	-0-
13.	LOANS:		
	(a) Made or Guaranteed by the Candidate	-0-	-0-
	(b) All Other Loans	-0-	-0-
	(c) TOTAL LOANS (add 13 (a) and 13 (b))	-0-	-0-
14.	OFFSETS TO OPERATING EXPENDITURES (Refunds, Rebates, etc.)	9,719.00	9,719.00
15.	OTHER RECEIPTS (Dividends, Interest, etc.)	7,308.16	7,308.16
16.	TOTAL RECEIPTS (add 11 (a), 12, 13 (a), 14 and 15)	66,717.16	66,717.16
II. DISBURSEMENTS			
17.	OPERATING EXPENDITURES	17,156.36	17,156.36
18.	TRANSFERS TO OTHER AUTHORIZED COMMITTEES	-0-	-0-
19.	LOAN REPAYMENTS:		
	(a) Of Loans Made or Guaranteed by the Candidate	-0-	-0-
	(b) Of All Other Loans	-0-	-0-
	(c) TOTAL LOAN REPAYMENTS (add 19 (a) and 19 (b))	-0-	-0-
20.	REFUNDS OF CONTRIBUTIONS TO:		
	(a) Individuals/Persons Other Than Political Committees	-0-	-0-
	(b) Political Party Committees	-0-	-0-
	(c) Other Political Committees	1,500.00	1,500.00
	(d) TOTAL CONTRIBUTION REFUNDS (add 20 (a), 20 (b), and 20 (c))	1,500.00	1,500.00
21.	OTHER DISBURSEMENTS	10,945.00	10,945.00
22.	TOTAL DISBURSEMENTS (add 17, 18, 19 (c), 20 (d) and 21)	29,601.36	29,601.36
III. CASH SUMMARY			
23.	CASH ON HAND AT BEGINNING OF REPORTING PERIOD	156,616.55	
24.	TOTAL RECEIPTS THIS PERIOD (From Line 16)	66,717.16	
25.	SUBTOTAL (Add Line 23 and Line 24)	223,333.71	
26.	TOTAL DISBURSEMENTS THIS PERIOD (From Line 22)	29,601.36	
27.	CASH ON HAND AT CLOSE OF THE REPORTING PERIOD (Subtract Line 26 from 25)	193,732.35	

001148

SCHEDULE A

ITEMIZED RECEIPTS

Form 1041-1
 USE IN ADDITION TO FORM 1041
 See instructions for each category of disbursements
 Summary Page

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

Name of Committee (in Full)
Committee for Congressman Charlie Rose 034118

A. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Cash Received This Period
Congressman Charlie Rose 2230 Rayburn Bldg Washington, D. C. 20515	N/A	3-21-85	9,500.00
Recipient For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify): Loan of 1-11-85 repaid in full	Occupation N/A	Aggregate Year-to-Date—\$ 9,500.00	
B. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Cash Received This Period
Recipient For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	Aggregate Year-to-Date—\$	
C. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Cash Received This Period
Recipient For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	Aggregate Year-to-Date—\$	
D. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Cash Received This Period
Recipient For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	Aggregate Year-to-Date—\$	
E. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Cash Received This Period
Recipient For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	Aggregate Year-to-Date—\$	
F. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Cash Received This Period
Recipient For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	Aggregate Year-to-Date—\$	
G. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Cash Received This Period
Recipient For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	Aggregate Year-to-Date—\$	
SUBTOTAL of Receipts This Page (entered).....			9,500.00
TOTAL This Period (on page this line number only).....			9,500.00

8 6 0 1 2 9 2 4 5 7 1

001149

COMMITTEE FOR CONGRESSMAN CHARLIE ROSE
P. O. BOX 1120
PAYMENT MADE BY MR. _____

7-21-83

NO. 67
501

670

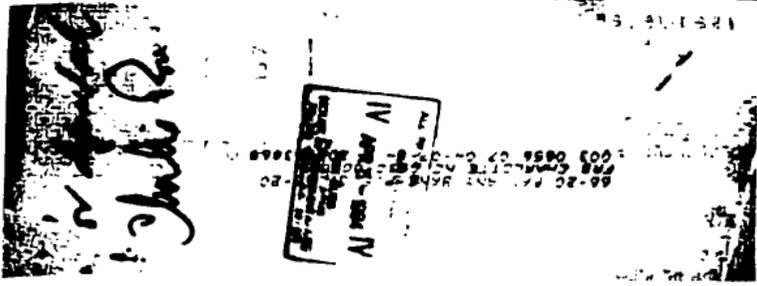
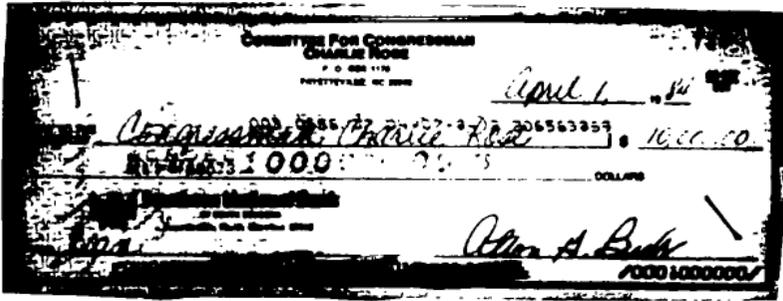
REV. TO THE ORDER OF Congressman Charlie Rose \$ 895.00

THREE HUNDRED AND NINETY FIVE AND 00/100 DOLLARS

 **Southern National Bank**
OF NORTH CAROLINA
MEMBER FDIC

FOR _____ BY Alton D. Buel

⑆0000084500⑆



STATEMENT
IN ACCOUNT WITH SERGEANT AT ARMS
HOUSE OF REPRESENTATIVES

HONORABLE

HON. CHARLES ROSE

PAGE

1

00001

DATE
5/01/84

ACCOUNT

ACCOUNT NUMBER	STATEMENT DATE	NUMBER OF ENCLOSURES	DATE OF LAST STATEMENT	PREVIOUS BALANCE	SERVICE CHARGE
	5/01/84	2	4/02/84	6,230.56	.00
DEBITS	DEBIT AMOUNT	CREDITS	CREDIT AMOUNT	NEW BALANCE	
2	15,582.00	4	10,664.70	1,313.26	
DATE	SUBTRACTIONS	SUBTRACTIONS	ADDITIONS	ACCOUNT BALANCE	
4/04	6,582.00		400.00	48.56	
4/06			10,000.00	10,048.56	
4/10			134.38	10,182.94	
4/11	9,000.00			1,182.94	
4/26			130.32	1,313.26	

COMMITTEE FOR CONGRESSMAN
 CHARLIE ROSE
 PO BOX 1173
 FAYETTEVILLE, NC 28404

789

Sept 5 1984

PAY TO THE ORDER OF *Congressman Charlie Rose* \$ *5.00*

50 CTS

DOLLARS

Southern National Bank
 FAYETTEVILLE NORTH CAROLINA BRANCH

loan *Attn: J. Bush*

⑈0000500008⑈

789

SEP 5 1984

PAID

Mr - 7 984

5-6 482

102-99

In Detail by
 Mr. M. C. ...

THE
GROUNDS
OF
136 DEXTER ST
LISBON CHASE MARYLAND 20613

1. 31 1988
SEARCHED 3

COMMITTEE FOR CONGRESSMAN
CHARLIE ROBE
PO BOX 1118
MAYEVILLE NC 28541

Handwritten: 25 4/25/88

Handwritten: Cong. ...

NR 50

PAY TO THE ORDER OF



FEBRUARY 1988		FEBRUARY 1988		FEBRUARY 1988	
1	2	3	4	5	6
7	8	9	10	11	12
13	14	15	16	17	18
19	20	21	22	23	24
25	26	27	28	29	30
31					

Friday

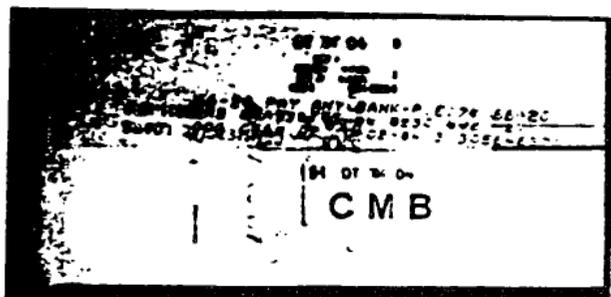
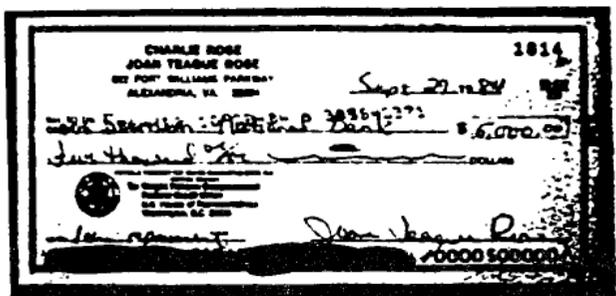
07 FEB 88

07 FEB 88

825 18

04 1988
 12-7011
 1988
 12-3
 12-3

Charles Lee



1007		BALANCE BRANCH Tennessee 7/10	10,574 91
12-31 19 85			(1094 18)
			9280 76
TO AO-PRO			
FOR yard sign posters, bumper stickers & labels		DISBURSE	
TOTAL			
AMOUNT THIS CHECK			6045 00
BALANCE			
		12/31	10 00
		1008	10,100 00
1-2 19 86			13,345 76
TO N.C. Federation of College Democrats			
FOR c/o The Dem. Party of NC P.O. Box 12196 Raleigh, NC		DISBURSE	
TOTAL			1000 00
AMOUNT THIS CHECK			1,345 76
BALANCE			
FOR: sponsor luncheon			75 00
TOTAL			
AMOUNT THIS CHECK			153 20
BALANCE			14,117 56
1009			
1-2 19 86			
TO Charlie Rose			
FOR newspaper ad cost		DISBURSE	
TOTAL			
AMOUNT THIS CHECK			153 20
BALANCE			14,117 56

No		1187	12,061	14
TO		9-26-86 Diners Club		
FOR		reimb. airfare Piedmont Airlines	DEPOSITS	
TOTAL				
AMOUNT THIS CHECK			158	00
BALANCE				
CAR-LOANS REPAID		9/26	11,895	00
No		1188		
TO		9-26-86 Charlie Rose		
FOR		reimb. airfare	DEPOSITS	
TOTAL				
AMOUNT THIS CHECK			106	00
BALANCE			11,797	14
No		1189	9/29	2525.00
TO		9-29-86 [REDACTED]	9/29	7400.00
FOR		[REDACTED]	9/30	500.00
TOTAL				
AMOUNT THIS CHECK			33	31
BALANCE			34,133	83
pen & inv. on Form 1120		12/31/85		

LIST SOURCE OF DEPOSITS AND INFORMATION ABOUT PRECEDING STUBS SIGNATURES ON BACK

707		4513 60	
12/12 '83			
PAY TO: Charlie Rose			
FOR: reimb for fund			
DEPOSIT: raised luncheon			
DEPOSIT: expenses			
INT. PAY 12/14		<10 097	
BALANCE			
AMOUNT THIS CHECK		145 08	
S/C INT 12/14		47 74	
BALANCE		73 18	
TRANSFER 12/13		18,000 00	
CR REPAYD LOAN 12/15			
708		12/20	150 00
12-27 '83		27,639 65	
PAY TO: Perry Peanuta, Inc		17,955 45	
FOR: PO Box 833		50 00	
DEPOSIT: Williamston, NC 27892			
DEPOSIT: (100 bags)			
BALANCE			
AMOUNT THIS CHECK		241 40	
BALANCE		7153 80	
TRANSFER 12/27		<500 00	
BALANCE		502 80	
BAL. OF 1-31 '83 W/E NPAT		92,775.64	
12/28		9782 80	
709		TRANSFER 1/3	<500 00
Jan 4 '84			
PAY TO: N.C. St. Bd. of Elections			
FOR: 1984 primary			
DEPOSIT: election filing 1/9		600 00	
DEPOSIT: fees 1/9		450 00	
BALANCE			
AMOUNT THIS CHECK		722 00	
BALANCE		9610 80	

LIST SOURCE OF DEPOSITS AND INFORMATION ABOUT EXPENSES ON BACK OF ALL CHECKS

		BALANCE BROUGHT FORWARD	12,008 30
902	3/20 19 85		112 48
TO Charlie Rose			
FOR reimb for postage stamps			
TOTAL			
AMOUNT THIS CHECK			250 00
BALANCE			
		BALANCE BROUGHT FORWARD	
903	3/20 19 85		
TO Charlie Rose			
FOR reimb for travel expense			
TOTAL			
AMOUNT THIS CHECK			400 00
		BALANCE	
		BALANCE BROUGHT FORWARD	
		3/21	1750 00
*CR loan repd in full		3/21	9500 00
		3/21	500 00
904	3/22 19 85		
TO N.P. Division of Motor Vehicles			
FOR title transfer fee on 1983 Volkswagen (purchase price 9100 00)			
AMOUNT THIS CHECK			187 00
FEE 5.00 + 2% of purchase price		BALANCE	23,063 78

F 16

EXHIBIT 17

MEMBER'S STATEMENT OF ACCOUNT



Wright Patman
Congressional Federal Credit Union
 U.S. HOUSE OF REPRESENTATIVES
 WASHINGTON, D.C. 20515
 202 226-3100

ACCOUNT NUMBER	105EP8340CT83
MEMBER'S NAME	

JOAN TEAGUE ROSE
 CHARLIE ROSE
 27 SUNSET DRIVE
 ALEXANDRIA, VIRGINIA 22301

A Special Message From Your Credit Union
 LOANS LOANS LOANS LOANS LOANS LOANS LOANS LOANS
 HOME IMPROVEMENTS
 NO CLOSING COSTS • NO POINTS
 SAVINGS SAVINGS SAVINGS SAVINGS SAVINGS SAVINGS SAVINGS
 NO ANNUAL FEE
 VISA CARDS
 ALL FROM YOUR CREDIT UNION

TRANS. ACTION DATE	TRANSACTION DESCRIPTION	SHARES		FINANCE CHARGE	LOAN TRANSACTIONS		NET CHG. OR OTHER CHARGES
		PAID IN OR WITHDRAWN	SHARE BALANCE		FINANCE CHARGE	UNPAID LOAN BALANCE	
0	SHARE ACCOUNT		428370				
09SEP83	DEPOSIT	68000	496370				
10SEP83	DEPOSIT-PAYROLL 1	39650	536020				
01OCT83	HOUSE OF REP PAYROLL DEDUCTION						
	DIVIDEND	7957	543977				
			1918524				
09SEP83	WITHDRAWAL-DRAFT 1432	900	1917624				
22SEP83	WITHDRAWAL-DRAFT 1479	6500	1911124				
23SEP83	WITHDRAWAL-DRAFT 1483	51400	1859724				
23SEP83	WITHDRAWAL-DRAFT 1485	14000	1845724				
23SEP83	WITHDRAWAL-DRAFT 1487	24900	1820824				
14SEP83	WITHDRAWAL-DRAFT 1494	3000	1817824				
15SEP83	DEPOSIT-ARL	1800000	3652737				
14SEP83	WITHDRAWAL-DRAFT 1480	1127000	3540037				
14SEP83	WITHDRAWAL-DRAFT 1481	100000	3440037				
14SEP83	WITHDRAWAL-DRAFT 1484	36400	3403637				
15SEP83	WITHDRAWAL-DRAFT 1482	4000	3400037				
15SEP83	WITHDRAWAL-DRAFT 1486	2188	3400009				
15SEP83	WITHDRAWAL-DRAFT 1490	1014122	2416087				
15SEP83	WITHDRAWAL-DRAFT 1491	3000	2413087				
16SEP83	WITHDRAWAL-DRAFT 1488	36077	2377010				
19SEP83	WITHDRAWAL-DRAFT 1493	813	2376197				
20SEP83	WITHDRAWAL-DRAFT 1495	8016	2370581				
22SEP83	WITHDRAWAL-DRAFT 1409	805959	1564622				
23SEP83	WITHDRAWAL-DRAFT 1441	1500000	644622				
26SEP83	WITHDRAWAL-DRAFT 1492	855	63567				

YEAR TO DATE LOAN AND SHARE INFORMATION

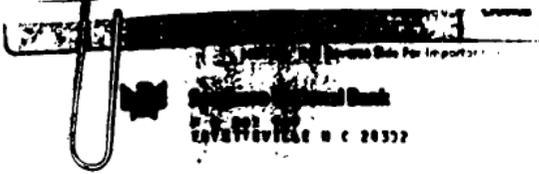
SHARE ACCOUNT IDENTIFICATION	MATURITY DATE	CURRENT RATE	DIVIDEND CALCULATED THIS YEAR	SHARES PAID IN OR WITHDRAWN	FINANCE CHARGE	FINANCE CHARGE BALANCE	FINANCE CHARGE RATE	PERIODIC RATE (MONTHLY %)	PREVIOUS BALANCE	NEW BALANCE

FINANCE CHARGE BALANCE COMPUTATION

TOTAL	TOTAL	TOTAL LOANS	TOTAL SHARES
-------	-------	-------------	--------------

***** CONTINUED ON FOLLOWING PAGE *****

G 16



Commercial Bank
 100 S. 10th St.
 Fayetteville N.C. 28302

PAGE 1
 10-13-51

COMMITTEE FOR CONGRESSMAN
 100 S. 10th St.
 Fayetteville N.C. 28302

17 12

PREVIOUS BALANCE	DEBITS & CHRGES	CHEQS & CHARGES	BALANCE AT THIS DATE
.01	15.00	12	.01
PREVIOUS BALANCE	DEBITS & CHRGES	CHEQS & CHARGES	BALANCE AT THIS DATE
17822.33			12514.34

DATE	DESCRIPTION	AMOUNT	PURPLE CHECK BALANCE	LAST BALANCE
	BEGINNING BALANCE		17822.74	
01/11	TURN CHECK CHARGE	1200	17702.74	475 6500
01/11	TURN CHECK CHARGE	1500	17702.74	481 100000
01/11	TURN CHECK NO. 681	1870000	2714600	487 20000
01/11	CHECK NO. 682	741000	8117000	488 20000
01/11	TURN CHECK CHARGE	9250	8252000	489 7500
01/11	TURN CHECK CHARGE	1070000	177670	488 10000
01/11	CHECK NO. 682	100000	164400	489 7500
01/11	CHECK NO. 683	100000	164400	488 10000
01/11	DEPOSIT	1190000	164400	489 7500
01/11	DEPOSIT	8190000	1147000	488 10000
01/11	DEPOSIT	61000	1185000	489 7500
01/11	DEPOSIT	200000	1185000	488 10000
01/11	DEPOSIT	1000000	1174000	489 7500
01/11	DEPOSIT	1000000	1174000	488 10000
01/11	DEPOSIT	500000	1244500	489 7500
01/11	CHECK NO. 687	7180	1235180	488 10000
01/11	CHECK NO. 688	10800	1124780	489 7500
01/11	CHECK	106780	1027000	488 10000
01/11	DEPOSIT	32500	1059500	489 7500
01/11	DEPOSIT	118000	1147000	488 10000
01/11	DEPOSIT	176000	1327000	489 7500
01/11	DEPOSIT	365500	1622500	488 10000
01/11	DEPOSIT	200000	1719500	489 7500
01/11	CHECK	712400	1037000	488 10000
01/11	CHECK	200000	987000	489 7500
01/11	DEPOSIT	625000	1045500	488 10000
01/11	DEPOSIT	955000	1140000	489 7500
01/11	DEPOSIT	1425000	1282500	488 10000
01/11	DEPOSIT	400000	1647000	489 7500
01/11	DEPOSIT	4325	1751225	488 10000
01/11	SAVINGS INTEREST CREDIT	4325		
	TOTAL DDA CREDITS & SAVINGS	3112225		
	TOTAL DDA DEBITS	3043134		

INTEREST IS ACCRUED AND COMPOUNDED DAILY ON COLLECTED FUNDS

SUMMARY OF PURPLE CHECK ACCOUNT ACTIVITY			
AMOUNT PAID	AMOUNT RECEIVED	NET PAYMENT	DATE
AMOUNT PAID	AMOUNT RECEIVED	NET PAYMENT	DATE

FINANCE CHARGES

1442

**CHARLES ROSE
JEAN TERESA ROSE
OF SUMMIT DRIVE
ALEXANDRIA, VA. 22301**

July 27th 83

Pay to *Gleason Allen* \$ 15,000.00

Fifteen thousand and 00/100

John Wayne Rose

By Special Power of Attorney
John Wayne Rose
1234 Main Street
Alexandria, VA 22301

Check to be cashed at the bank of the drawee
NORTH CAROLINA BANK OF NORTH CAROLINA
WILMINGTON, NC

Pay to the Order of
Atlantic Realty

Gleason Allen

Check to be cashed at the bank of the drawee
NORTH CAROLINA BANK OF NORTH CAROLINA
WILMINGTON, NC

C M C

12 25

COMMITTEE FOR CONGRESSMAN CHARLIE ROSE 946

8-19 1985

TO THE ORDER OF Congressman Charlie Rose \$ 260.00
 Nine Hundred and No/100 DOLLARS

 Southern National Bank

ATTON M. [Signature]

200000600000

Charlie C. [Redacted]

[Redacted]

2252 81

Joan Jones

44343219

AUG - 85

CHARLES ROSE
JOAN TEAGUE ROSE
822 FORT BRILLIANT PARKWAY
ALEXANDRIA, VA. 22304

2080

Aug 21 1985

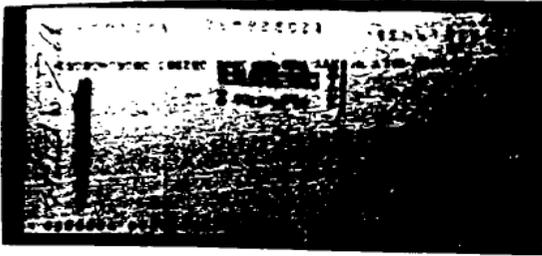
PAID BY THE
ORDER OF Michael W. Gaudet \$ 9,600.00

Five thousand, six hundred \$50 only

TO THE ORDER OF
MICHAEL W. GAUDET
84 JEFFERSON

CHARLES ROSE

⑆0000960000⑆



ALTON G. BUCK, P.A.
CERTIFIED PUBLIC ACCOUNTANT
211 FAIRWAY DRIVE - POST OFFICE BOX 1178
FAYETTEVILLE, NORTH CAROLINA 28302
1919 485-8101

MEMBER OF:
AMERICAN INSTITUTE OF CPAs

MEMBER OF
N.C. ASSOCIATION OF CPAs

March 22, 1985

Southern National Bank
P. O. Box 969
Fayetteville, NC 28302

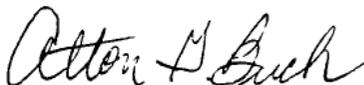
Attention: Aundrey Meyer

Dear Ms. Meyer:

In regard to the use of the Committee for Congressman Charlie Rose's Certificate of Deposit with Southern National Bank as collateral for his loan, this would be permissible. Since Congressman Rose was elected to Congress prior to 1980, he may use any campaign funds he has raised in any manner in which he sees fit. He, of course, would have to pay income tax if he makes personal use of the funds other than to carry out the objectives of the election committee.

I hope this answers your question -- if not, please do not hesitate to call.

Very truly yours,



AGB:cb

CLD20- [REDACTED] BANK 01 SOUTHERN NATIONAL BANK
 3 [REDACTED] CITY 04 FAYETTEVILLE
 [REDACTED] COMMERCIAL LOAN TRANSACTION HISTORY

PAGE 1
 DATE 10/01/86

NAME CONGRESSMAN CHARLIE ROSE ADDRESS 622 FORT WILLIAMS PARKWAY
 ALEXANDRIA VA
 223040000

LCAN 0326850

DATE T/C FIELDS

040985	301	TY3 OFFANC SC	SD	FED5700 29 P0	10.3000%	PRIN	56277.77	F032186
042685	521	PRIN	.00	INT	483.05	ADJ	.00	DATE 04-25-85
052985	521	PRIN	.00	INT	483.05	ADJ	.00	DATE 05-29-85
070285	521	PRIN	.00	INT	483.05	ADJ	.00	DATE 07-01-85
071685	521	PRIN	1000.00	INT	.00	ADJ	.00	DATE 07-15-85
080285	521	PRIN	.00	INT	483.05	ADJ	.00	DATE 08-02-85
090485	521	PRIN	.00	INT	471.31	ADJ	.00	DATE 09-03-85
100285	521	PRIN	.00	INT	471.31	ADJ	.00	DATE 09-30-85
102885	521	PRIN	.00	INT	477.63	ADJ	.00	DATE 10-28-85
112985	521	PRIN	525.53	INT	474.47	ADJ	.00	DATE 11-27-85
122485	521	PRIN	100.00	INT	470.12	ADJ	.00	DATE 12-24-85
012486	521	PRIN	30.96	INT	469.04	ADJ	.00	DATE 01-24-86
022686	521	PRIN	.00	INT	468.82	ADJ	.00	DATE 02-26-86
032086	521	PRIN	2200.00	INT	390.69	ADJ	.00	DATE 03-20-86
041086	411	EFF DATE 03-20-86		RATE 09.7900%		ACC CODE D		
041086	491	FST 04-27-86		LST 08-27-86		INCR 01 AMT	.00	INT CD 1
041086	492	NOR MSG 0 FIN MSG 0 AMT				.00	NXT BILL DT 04-27-86	TYPE 3
041086	521	PRIN	7000.00	INT	.00	ADJ	.00	DATE 04-08-86
041086	541	AMT	45421.28	DT 03-21-86	FEE	.00	OFF AWC INT ADJ	.00
041886	522	PRIN	5858.00	INT	.00	DT 04-17-86	NXT DUE 00-00-00	0
042586	521	PRIN	.00	INT	475.68	ADJ	.00	DATE 04-25-86
051486	522	PRIN	7427.00	INT	.00	DT 05-14-86	NXT DUE 00-00-00	0
052286	521	PRIN	.00	INT	306.84	ADJ	.00	DATE 05-22-86
062786	521	PRIN	.00	INT	235.92	ADJ	.00	DATE 06-27-86
072586	521	PRIN	.00	INT	262.18	ADJ	.00	DATE 07-25-86
081986	401	CMX						
090586	521	PRIN	.00	INT	262.18	ADJ	.00	DATE 09-04-86
092486	522	PRIN	2300.00	INT	.00	DT 09-19-86	NXT DUE 00-00-00	0
092586	521	PRIN	30136.28	INT	192.27	ADJ	.00	DATE 09-19-86

NO PAYMENTS	INT PAID	ORIG NOTE AMT	TIMES RENEWED	LAST PAYMENT
23	7,360.66	56,277.77	01	09-19-86

PAST DUE DATA	CURRENT BALANCE
1-14 15-29 30+	
08 02 00	.00

MRS.

3/24/85 am Fayetteville Rover
DATE CITY IN-CITY BRANCH

CREDIT MEMO

Original to be filed in credit folder.
Duplicate to be sent to Home Office.

NOTE: NEW CONSUMER ACCOUNTS MUST BE SUPPORTED BY A CONSUMER APPLICATION

NAME <u>Charles B. Rose, III</u>	ACCOUNT # <u>[REDACTED]</u>
NAME _____	NOTE NUMBER <u>0326890</u>
ADDRESS <u>2435 Rayburn Bldg.</u>	VALUE DATE <u>03/26/85</u>
ADDRESS <u>Washington DC 20515</u>	LOAN OFF <u>AWC</u> QUAL CD <u>20</u>
City St. Zip Code	AMOUNT \$ <u>56,277.77</u>
HO. PH. # _____ BUS. PH. # <u>202 225 2731</u>	FED CLASS <u>5100-89</u>
SOC. SEC. # (New Acct. Only) _____	CENSUS TRACT _____ SUB TYPE _____
OCCUPATION <u>Consultant</u> SIC # _____	COMP. BAL. \$ <u>10,681.00</u>
CONTACT NAME <u>Charlie</u>	DDA # <u>[REDACTED]</u>
	RECORDING FEES <u>Certificates</u>
	FEE \$ <u>75,000</u>
	AGE (If Life Ins.) _____ REBATE _____
	INSURED AMT. _____ PREM. \$ _____
RATE <u>10.30</u> IF VARIABLE - WHEN CHANGED _____ MIN. _____ MAX. _____	
PREVIOUS RATE FIXED _____ VARIABLE <input checked="" type="checkbox"/> OLD RATE <u>241</u> %	
TOTAL OF ALL LOANS INCLUDING THIS LOAN \$ <u>56,277.77</u>	
<input type="checkbox"/> CONSTRUCTION LOAN <input type="checkbox"/> FLOOR PLAN LINE <input type="checkbox"/> COMMITTED LINE # _____	
<input type="checkbox"/> 1ST ADVANCE ON LINE (COMPLETE MEMO IN FULL)	<input type="checkbox"/> 2ND OR SUBSEQUENT ADVANCE (NO ADDITIONAL INFORMATION REQUIRED UNLESS TERMS CHANGED)

REPAYMENT TERMS:

SINGLE PAY - DUE DATE 3-21-86 # DAYS 360 INT. MONTHLY IN FULL AT MATURITY, OR

RENEW _____ TIMES NO REDUCTION REDUCTION OF \$ _____

OTHER RENEWAL AGREEMENT _____

TERM LOAN - SCHEDULE: # MO.'S _____ AMT. \$ _____ BEG. _____ FINAL MAT. _____

AMORTIZE _____ FIXED PRIN. + INT. _____ INT. ONLY _____

DEMAND LOAN - INTEREST PAYABLE MO. _____ QTRLY. _____ REPAYMENT AGREEMENT _____

RENEWED PER PRIOR AGREEMENT RENEWED WITH CHANGES _____

DDA DRAFT # _____

* NOT NECESSARY TO COMPLETE REMAINDER OF CREDIT MEMO IF ORIGINAL AGREEMENT UNCHANGED.

SOURCE OF REPAYMENT: Income

PURPOSE: Group Term Life Insurance Expenses + Premium

ENDORSEMENTS: _____

SECURED UNSECURED BUILDING OR PDI REQUIRED EXP/SUSP DT. _____

F.S. FOLLOW UP: YES NO AGENT: _____

NEXT DUE DATE: 1-86 CONFIRMED BY: _____

COLLATERAL DESCRIPTION (Indicate 1st, 2nd, 3rd, 4th, etc.)	VALUE	AMOUNT PRIOR MORTGAGES
<u>SAB Certificate #904824</u>	<u>75,000</u>	<u>75,000</u>
<u>Rate 8.30</u>		
<u>Maturity (8-27-86)</u>		

IF RESIDENTIAL PROPERTY: OWNER OCCUPIED NON OWNER OCCUPIED

DISBURSEMENTS: DDA: ACCT. # _____ C. CHECK # _____ AMT. \$ _____

NAME _____ NAME PAYABLE TO: 16,000.00

COMMENTS: payoff # 1205830 \$ 16,419.72

0008870 \$ 40,277.77

2659.33

2659.33

2659.33

01.18 9/14 8,9392 X15
12129

32,136.28

CREDIT MEMO

Original to be filed in credit folder
Duplicate to be sent to Home Office

DATE 6/28/86 CITY Freightville, Kansas IN-CITY BRANCH

NEW CONSUMER ACCOUNTS MUST BE SUPPORTED BY A CONSUMER APPLICATION

AE Charles L Rose III
 AE _____
 DRESS 622 Fort Williams St Plwy
 DRESS Alexandria Va 22304
 City SI Zip Code
 O. PH # _____ BUS. PH. # 802 3252731
323-0260
 OC SEC # (New Acct Only) _____
 OCCUPATION CONGRESS SIC # _____
 CONTACT NAME Charles

ACCOUNT # _____
 NOTE NUMBER 0321850
 VALUE DATE 6-2-86
 LOAN OFF ANL / DUAL CD 20
 AMOUNT \$ 45,421.28
 FED CLASS _____
 CENSUS TRACT _____ SUB TYPE _____
 COMP BAL \$ _____
 DDA #'s _____ C/I _____
 RECORDING FEES main acct
of Congressional
 FEE \$ deduct by X
 AGE (If Life Ins) _____ REBATE _____
 INSURED AMT _____ PREM \$ _____

RATE 9.79 IF VARIABLE - WHEN CHANGED _____ MIN. _____ MAX. _____
 PREVIOUS RATE FIXED X VARIABLE _____ OLD RATE 10.30 %
 TOTAL OF ALL LOANS INCLUDING THIS LOAN \$ 45,421.28
 CONSTRUCTION LOAN FLOOR PLAN LINE COMMITTED LINE # _____
 1ST ADVANCE ON LINE (COMPLETE MEMO IN FULL) 2ND OR SUBSEQUENT ADVANCE (NO ADDITIONAL INFORMATION REQUIRED UNLESS TERMS CHANGED)

REPAYMENT TERMS:

SINGLE PAY - DUE DATE 8-27-86 # DAYS 159 IN FULL MONTHLY OR MONTHLY
 RENEW _____ TIMES NO REDUCTION REDUCTION OF \$ _____
 OTHER RENEWAL AGREEMENT may renew as much as long as CD
 TERM LOAN - SCHEDULE # MO.'S _____ AMT \$ _____ BEG _____ FINAL MAT 4/1/88
 AMORTIZE _____ FIXED PRIN + INT. _____ INT. ONLY _____
 DEMAND LOAN - INTEREST PAYABLE MO. _____ QTRLY. _____ REPAYMENT AGREEMENT _____
 RENEWED PER PRIOR AGREEMENT RENEWED WITH CHANGES _____
 DDA DRAFT # _____

* NOT NECESSARY TO COMPLETE REMAINDER OF CREDIT MEMO IF ORIGINAL AGREEMENT UNCHANGED

SOURCE OF REPAYMENT: Personal income on CD
 PURPOSE: Renewal - Pd 700 today (prev reduction 3650.49)
 ENDORSERS: None

SECURED UNSECURED BUILDING OR PDI REQUIRED EXP/SUSP DT _____
 F S FOLLOW UP YES NO AGENT: _____

COLLATERAL DESCRIPTION (Indicate 1st, 2nd, 3rd, mtg, etc)	VALUE	AMOUNT PRIOR MORTGAGES
<u>1st CD # 901834</u>	<u>75,000 -</u>	<u>None</u>
<u>Rate 7.50 exp'd 7-79</u>		
<u>maturity 8/27/86</u>		

IF RESIDENTIAL PROPERTY. OWNER OCCUPIED NON OWNER OCCUPIED
 DISBURSEMENTS: DDA: ACCT # _____ C CHECK # _____ AMT. \$ Renewal
 NAME: _____ NAME PAYABLE TO: _____

COMMENTS: interest paid -
 LENDING OFFICER'S SIGNATURE: W.D. [Signature]

132587 04 01
DATE CITY IN-CITY BRANCH

CREDIT MEMO
Original to be filed in credit folder
Duplicate to be sent to Home Office

NOTE: NEW CONSUMER ACCOUNTS MUST BE SUPPORTED BY A CONSUMER APPLICATION

NAME Charles B. Rose III
NAME _____
ADDRESS 622 Fort Williams Parkway
ADDRESS _____
City St. Zip Code
HO. PH. # _____ BUS. PH. # 202 225 2731
SOC. SEC. # (New Acct. Only) _____
OCCUPATION Carpenterman SIC # _____
CONTACT NAME Charlie

ACCOUNT # _____
NOTE NUMBER 0919860
VALUE DATE 031887
LOAN OFF WVN QUAL CD 20
AMOUNT \$ 19,374.86
FED CLASS _____
CENSUS TRACT _____ SUB TYPE _____
COMP. BAL \$ 246,462.66
DDA #'s _____
RECORDING FEES 20 = 75,000
FEE \$ _____
AGE (If Life Ins.) _____ REBATE _____
INSURED AMT. _____ PREM. \$ _____

RATE 9.50 IF VARIABLE - WHEN CHANGED _____ MIN. _____ MAX. _____
PREVIOUS RATE FIXED X VARIABLE _____ OLD RATE 9.50%

TOTAL OF ALL LOANS INCLUDING THIS LOAN \$ 19,374.86

- CONSTRUCTION LOAN
- FLOOR PLAN LINE
- COMMITTED LINE # _____
- 1ST ADVANCE ON LINE (COMPLETE MEMO IN FULL)
- 2ND OR SUBSEQUENT ADVANCE (NO ADDITIONAL INFORMATION REQUIRED UNLESS TERMS CHANGED)

REPAYMENT TERMS:

- SINGLE PAY - DUE DATE 9-14-87 # DAYS 180 IN FULL AT MATURITY; OR int. monthly
 - RENEW _____ TIMES
 - NO REDUCTION
 - REDUCTION OF \$ _____
 - OTHER RENEWAL AGREEMENT _____
- TERM LOAN - SCHEDULE: # MO.'S _____ AMT. \$ _____ BEG. _____ FINAL MAT. _____
AMORTIZE _____ FIXED PRIN. + INT. _____ INT. ONLY _____
- DEMAND LOAN - INTEREST PAYABLE MO. _____ QTRLY. _____ REPAYMENT AGREEMENT _____
- * RENEWED PER PRIOR AGREEMENT
- RENEWED WITH CHANGES _____
- DDA DRAFT # _____

* NOT NECESSARY TO COMPLETE REMAINDER OF CREDIT MEMO IF ORIGINAL AGREEMENT UNCHANGED.

SOURCE OF REPAYMENT: honorarium mimes

PURPOSE: to renew balance - paid 10,761.42

ENDORSERS None

SECURED UNSECURED BUILDING OR PDI REQUIRED EXP/SUSP DT. _____

F.S. FOLLOW UP: YES NO AGENT: _____

NEXT DUE DATE: 4-8-87 CONFIRMED BY: _____

COLLATERAL DESCRIPTION (Indicate 1st, 2nd, 3rd, mtg., etc.)	VALUE	AMOUNT PRIOR MORTGAGES
<u>A = 892,469.71</u>		
<u>B = 297,421.28</u>		
<u>WV = 545,044.43</u>		

IF RESIDENTIAL PROPERTY: OWNER OCCUPIED NON OWNER OCCUPIED

DISBURSEMENTS: DDA: ACCT. # _____ C CHECK # _____ AMT \$ Renewed

NAME: _____ NAME PAYABLE TO: _____

COMMENTS: _____

CREDIT MEMO

9/23/86 DATE Fayetteville CITY Rowan IN-CITY BRANCH

Original to be filed in credit folder.
Duplicate to be sent to Home Office

NOTE NEW CONSUMER ACCOUNTS MUST BE SUPPORTED BY A CONSUMER APPLICATION

NAME <u>Charles G. Rose, III</u>	ACCOUNT # <u>[REDACTED]</u>
NAME _____	NOTE NUMBER <u>0919860</u> *use new number
ADDRESS <u>622 Fort Williams Parkway</u>	VALUE DATE <u>9/19/86</u>
ADDRESS <u>Alexandria, VA 20113 22304</u>	LOAN OFF <u>111N</u> QUAL CD <u>20</u>
City _____ St. _____ Zip Code _____	AMOUNT \$ <u>30,136.28</u>
HO PH. # _____ BUS PH. # <u>202 2252731</u>	FED CLASS <u>5700-29</u>
SOC. SEC. # (New Acct. Only) <u>323 0260</u>	CENSUS TRACT _____ SUB TYPE _____
OCCUPATION <u>Congressman</u> SIC # _____	COMP BAL. \$ <u>230,653</u>
CONTACT NAME <u>Charlie</u>	DDA #s <u>81 [REDACTED]</u>
	RECORDING FEES _____
	FEE \$ _____
	AGE (If Life Ins) _____ REBATE _____
	INSURED AMT _____ PREM \$ _____
RATE <u>9.50</u> IF VARIABLE - WHEN CHANGED _____ MIN _____ MAX _____	
PREVIOUS RATE FIXED _____ VARIABLE _____ OLD RATE _____ %	
TOTAL OF ALL LOANS INCLUDING THIS LOAN \$ <u>30,136.28</u>	
<input type="checkbox"/> CONSTRUCTION LOAN <input type="checkbox"/> FLOOR PLAN LINE <input type="checkbox"/> COMMITTED LINE # _____	
<input type="checkbox"/> 1ST ADVANCE ON LINE (COMPLETE MEMO IN FULL) <input type="checkbox"/> 2ND OR SUBSEQUENT ADVANCE (NO ADDITIONAL INFORMATION REQUIRED UNLESS TERMS CHANGED)	

REPAYMENT TERMS: interest payable monthly

SINGLE PAY - DUE DATE 3/18/87 # DAYS 180 IN FULL AT MATURITY; OR

RENEW _____ TIMES NO REDUCTION REDUCTION OF \$ _____

OTHER RENEWAL AGREEMENT _____

TERM LOAN - SCHEDULE # MO.'S _____ AMT \$ _____ BEG. _____ FINAL MAT _____

AMORTIZE _____ FIXED PRIN. + INT _____ INT ONLY _____

DEMAND LOAN - INTEREST PAYABLE MO _____ QTRLY _____ REPAYMENT AGREEMENT _____

* RENEWED PER PRIOR AGREEMENT RENEWED WITH CHANGES _____

DDA DRAFT # _____

* NOT NECESSARY TO COMPLETE REMAINDER OF CREDIT MEMO IF ORIGINAL AGREEMENT UNCHANGED

SOURCE OF REPAYMENT: general income

PURPOSE: renewal on unsecured basis pd 2,000 original to regroup old campaign
with new note number debts

ENDORSERS _____

SECURED UNSECURED BUILDING OR PDI REQUIRED EXP/SUSP DT. _____

F.S. FOLLOW UP: YES NO AGENT. _____

NEXT DUE DATE 4/8/87 CONFIRMED BY _____

COLLATERAL DESCRIPTION (Indicate 1st, 2nd, 3rd, mig, etc.)	VALUE	AMOUNT PRIOR MORTGAGES
<u>assets</u> <u>892,469.71</u>		
<u>liab</u> <u>297,421.28</u>		
<u>net worth</u> <u>595,048.43</u>		

IF RESIDENTIAL PROPERTY: OWNER OCCUPIED NON OWNER OCCUPIED

DISBURSEMENTS DDA: ACCT # _____ C CHECK # [REDACTED] AMT. \$ Credit

NAME: _____ NAME PAYABLE TO: Chs. Rose III

COMMENTS: _____

ASSIGNMENT OF SOUTHERN NATIONAL BANK SAVINGS ACCOUNTS/SAVINGS INSTRUMENTS

March 26 19 85

FOR VALUE RECEIVED, TO WIT, MONEY LOANED, the undersigned (jointly and severally) hereby assign(s) and set(s) over to SOUTHERN NATIONAL BANK OF NORTH CAROLINA Fayetteville, North Carolina and its successors and assigns (hereinafter "SNB"), the savings account(s) and/or savings instrument(s) identified below.

Savings Account(s) No(s) _____
(Full Account Number(s))

Amount of Funds Assigned: \$ _____

Savings Instrument(s) No(s) _____
(and any renewals thereof) _____
(Account Number(s)) 906824
(Certificate Number(s)) _____

and all claims, rights, options, privileges, title, and interest therein, and thereunder. The exercise of any right, option, privilege or power given herein to SNB shall be at the option of SNB.

This Assignment is given as security for a loan(s) made by said SNB to Charles G. Rose, III ***
in the amount of Fifty six thousand two hundred seventy seven and 77/100 (hereinafter "DEBTOR(S)")
DOLLARS (\$ 56,277.77)

This Assignment shall be a continuing one and shall remain effective for any renewals of the above loan(s). It further shall secure any other obligations and/or liabilities of any one or more of the above named DEBTOR(S) to SNB, due or to become due, whether now existing or hereafter arising, and howsoever evidenced or acquired, whether direct or indirect, absolute or contingent, and whether the individual, several, or joint and several obligation(s) or liability(ies) of said DEBTOR(S).

Said SNB is herewith authorized to apply the funds in or represented by the above described savings account(s)/instrument(s) to the payment of any and all obligations of any one or more of the above DEBTOR(S) on the due date of any installment and/or on maturity of the entire indebtedness or thereafter, together with all accrued interest, costs and reasonable attorneys' fees, if not otherwise paid. Said SNB may withdraw funds for these purposes in such times and in such amounts as it shall in its sole discretion, determine.

The undersigned warrants and represents that the above described savings account(s)/instrument(s) is/are owned solely by undersigned and is/are, free and clear of all liens and encumbrances, and the undersigned has/have full power, right and authority to execute and deliver this assignment.

If said savings account(s)/instrument(s) is/are represented by a passbook, certificate or other document evidencing ownership such paper writing(s) has/have been delivered and is/are herewith assigned and pledged to said SNB by undersigned.

Each of the undersigned acknowledges that the above Agreement was complete, with all blanks filled in, prior to his/their executing same, and Assignor having received a copy hereof.

Witness the Hand(s) and Seal(s) of the undersigned, this sealed instrument being executed and delivered on the date first above written. Each of the undersigned herewith expressly adopts as his seal the word "SEAL" appearing beside or near his signature below.

WITNESS: _____ ASSIGNOR: Charles G. Rose, III (SEAL)
WITNESS: _____ ASSIGNOR: _____ (SEAL)

The Signatures(s) as shown above compare correctly with our files. Present Balance is \$ 75,000.00
Above assignment has been properly recorded on ledger and signature cards.

Shirley I. Kijaw
SAVINGS TELLER

EXHIBIT 22
Amendment to Financial Disclosure
1979
IV. TRANSACTIONS
 Cong. Charles G. Rose, III

GENERAL GUIDELINES:

A brief description, the date, and category of value of any PURCHASE, SALE, OR EXCHANGE during calendar year 1985, which exceeds \$1,000 in real property, stocks, bonds, commodities futures, or other forms of securities. The amount to be reported in disclosing transactions in real property or securities is the category of value of the total purchase price or total sales price, and is NOT related to any CAPITAL GAIN or LOSS on the transaction. INDICATE WHETHER THE PROPERTY WAS PURCHASED, SOLD, OR EXCHANGED.

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

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

For more information, see detailed Instruction Booklet at page 10.

BRIEF DESCRIPTION	DATE	CATEGORY

V. LIABILITIES**GENERAL GUIDELINES:**

All personal obligations aggregating over \$10,000 owed to one creditor AT ANY TIME during 1985, whether secured or not, and regardless of the repayment terms or interest rates, MUST be listed. The identity of the liability should include the name of the individual or organization to which the liability is owed, and the amount disclosed should be the category of value of the largest amount owed during the calendar year. Any contingent liability, such as that of a guarantor or endorser, or the liabilities of a business in which the reporting individual has an interest need not be listed.

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

For more information, see detailed Instruction Booklet at page 10.

IDENTITY	CATEGORY
Waccamaw Bank *	
Waccamaw Bank *	
* Two separate branches located in two separate cities; combined liability listed.	B

VI. GIFTS**GENERAL GUIDELINES:**

The term "gift" means a payment, advance, forbearance, rendering, or deposit of money, or any thing of value, unless consideration of equal or greater value is received by the donor.

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

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

For more information, see detailed Instruction Booklet at page 11.

A. The source and a brief description of gifts of transportation, lodging, food, or entertainment aggregating \$250 or more in value received from any source during calendar year 1985.

SOURCE	BRIEF DESCRIPTION

B. The source, a brief description, and value of all other gifts aggregating \$100 or more in value received from any source during calendar year 1985.

SOURCE	BRIEF DESCRIPTION	VALUE

Amendment to Financial Disclosure
IV. TRANSACTIONS 1980
 Cong. Charles Rose, III

GENERAL GUIDELINES:

A brief description, the date, and category of value of any PURCHASE, SALE, OR EXCHANGE during calendar year 1985, which exceeds \$1,000 in real property, stocks, bonds, commodities futures, or other forms of securities. The amount to be reported in disclosing transactions in real property or securities is the category of value of the total purchase price or total sales price, and is NOT related to any CAPITAL GAIN or LOSS on the transaction. INDICATE WHETHER THE PROPERTY WAS PURCHASED, SOLD, OR EXCHANGED.

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

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

For more information, see detailed Instruction Booklet at page 19.

BRIEF DESCRIPTION	DATE	CATEGORY

V. LIABILITIES

GENERAL GUIDELINES:

All personal obligations aggregating over \$10,000 owed to one creditor AT ANY TIME during 1985, whether secured or not, and regardless of the repayment terms or interest rates, MUST be listed. The identity of the liability should include the name of the individual or organization to which the liability is owed, and the amount disclosed should be the category of value of the largest amount owed during the calendar year. Any contingent liability, such as that of a guarantor or endorser, or the liabilities of a business in which the reporting individual has an interest need not be listed.

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

For more information, see detailed Instruction Booklet at page 10.

IDENTITY	CATEGORY
(Delete reference to First Union and replace with the following entry:)	
First Citizens Bank	C
Southern National Bank	C
Sergeant At Arms, Salary Advance, National Bank of Washington	B

VI. GIFTS

GENERAL GUIDELINES:

The term "gift" means a payment, advance, forbearance, tendering, or deposit of money, or any thing of value, unless consideration of equal or greater value is received by the donor.

EXCLUSIONS: Gifts from relatives, and gifts of personal hospitality of an individual, and political campaign contributions need not be reported. Gifts with a value of \$35 or less need not be aggregated towards the \$100 or \$250 disclosure threshold.

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

For more information, see detailed Instruction Booklet at page 11.

A. The source and a brief description of gifts of transportation, lodging, food, or entertainment aggregating \$250 or more in value received from any source during calendar year 1985.

SOURCE	BRIEF DESCRIPTION

B. The source, a brief description, and value of all other gifts aggregating \$100 or more in value received from any source during calendar year 1985.

SOURCE	BRIEF DESCRIPTION	VALUE

IV. TRANSACTIONS

1983
 Cong. Charles W. Rose, III

GENERAL GUIDELINES:

A brief description, the date, and category of value of any PURCHASE, SALE, OR EXCHANGE during calendar year 1985, which exceeds \$1,000 in real property, stocks, bonds, commodities futures, or other forms of securities. The amount to be reported in disclosing transactions in real property or securities is the category of value of the total purchase price or total sales price, and is NOT related to any CAPITAL GAIN or LOSS on the transaction. INDICATE WHETHER THE PROPERTY WAS PURCHASED, SOLD, OR EXCHANGED.

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

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

For more information, see detailed Instruction Booklet at page 10.

BRIEF DESCRIPTION	DATE	CATEGORY

V. LIABILITIES

GENERAL GUIDELINES:

All personal obligations aggregating over \$10,000 owed to one creditor AT ANY TIME during 1985, whether secured or not, and regardless of the repayment terms or interest rates, MUST be listed. The identity of the liability should include the name of the individual or organization to which the liability is owed, and the amount disclosed should be the category of value of the largest amount owed during the calendar year. Any contingent liability, such as that of a guarantor or endorser, or the liabilities of a business in which the reporting individual has an interest need not be listed.

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

For more information, see detailed Instruction Booklet at page 10.

IDENTITY	CATEGORY
Wachovia	B

VI. GIFTS

GENERAL GUIDELINES:

The term "gift" means a payment, advance, forbearance, rendering, or deposit of money, or any thing of value, unless consideration of equal or greater value is received by the donor.

EXCLUSIONS: Gifts from relatives, and gifts of personal hospitality of an individual, and political campaign contributions need not be reported. Gifts with a value of \$35 or less need not be aggregated towards the \$100 or \$250 disclosure threshold.

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

For more information, see detailed Instruction Booklet at page 11.

A. The source and a brief description of gifts of transportation, lodging, food, or entertainment aggregating \$250 or more in value received from any source during calendar year 1985.

SOURCE	BRIEF DESCRIPTION

B. The source, a brief description, and value of all other gifts aggregating \$100 or more in value received from any source during calendar year 1985.

SOURCE	BRIEF DESCRIPTION	VALUE

IV. TRANSACTIONS
Cong. Charles C. Rose, III

C&T

GENERAL GUIDELINES:

A brief description, the date, and category of value of any PURCHASE, SALE, OR EXCHANGE during calendar year 1985, which exceeds \$1,000 in real property, stocks, bonds, commodities futures, or other forms of securities. The amount to be reported in disclosing transactions in real property or securities is the category of value of the total purchase price or total sales price, and is NOT related to any CAPITAL GAIN or LOSS on the transaction. INDICATE WHETHER THE PROPERTY WAS PURCHASED, SOLD, OR EXCHANGED.

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

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

For more information, see detailed Instruction Booklet at page 10

BRIEF DESCRIPTION	DATE	CATEGORY

V. LIABILITIES

GENERAL GUIDELINES:

All personal obligations aggregating over \$10,000 owed to one creditor AT ANY TIME during 1985, whether secured or not, and regardless of the repayment terms or interest rates, MUST be listed. The identity of the liability should include the name of the individual or organization to which the liability is owed, and the amount disclosed should be the category of value of the largest amount owed during the calendar year. Any contingent liability, such as that of a guarantor or endorser, or the liabilities of a business in which the reporting individual has an interest need not be listed.

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

For more information, see detailed Instruction Booklet at page 10

IDENTITY (The combined sum of the following two items necessitates the following reporting.)	CATEGORY
Wright Patman Federal Congressional Credit Union-Line of Credit	A
Wright Patman Federal Congressional Credit Union-Loan	

VI. GIFTS

GENERAL GUIDELINES:

The term "gift" means a payment, advance, forbearance, rendering, or deposit of money, or any thing of value, unless consideration of equal or greater value is received by the donor.

EXCLUSIONS: Gifts from relatives, and gifts of personal hospitality of an individual, and political campaign contributions need not be reported. Gifts with a value of \$35 or less need not be aggregated towards the \$100 or \$250 disclosure threshold.

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

For more information, see detailed Instruction Booklet at page 11

A. The source and a brief description of gifts of transportation, lodging, food, or entertainment aggregating \$250 or more in value received from any source during calendar year 1985.

SOURCE	BRIEF DESCRIPTION

B. The source, a brief description, and value of all other gifts aggregating \$100 or more in value received from any source during calendar year 1985.

SOURCE	BRIEF DESCRIPTION	VALUE

INTERNATIONAL TRAVEL EXPENSE
STATEMENT OF ACCOUNT
U.S. Bureau of Investigation
Washington, D.C. 20535

NAME OF TRAVELER
Charlie Rose

ACCOUNT NUMBER _____

Date *June 2* 19*66*

Please see that all checks and drafts are endorsed.
 Show dates of Bank on which items are cashed.

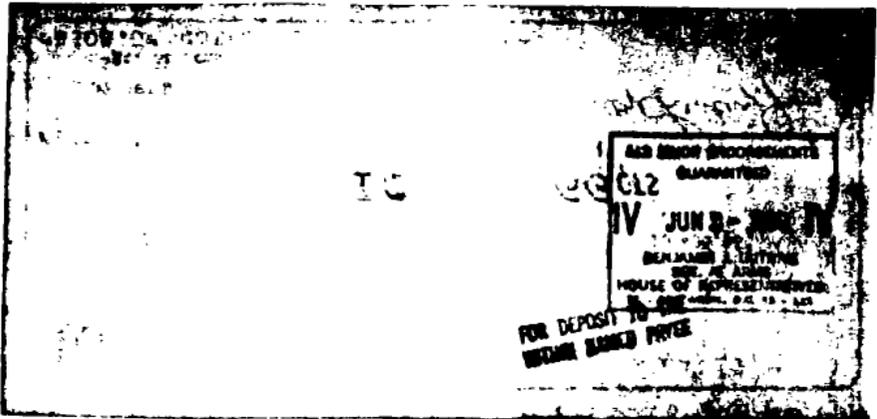
	Dollars	Cents
Curruary		
Cash		
Checks (Other amounts)		
<i>16 Bu</i>	<i>10,496</i>	<i>66</i>
.....		
.....		
.....		
.....		
.....		
.....		
TOTAL	<i>10,496</i>	<i>66</i>

U.S. GOVERNMENT PRINTING OFFICE 16-72224-6

738 050010

10496

Charlie Rose



STATEMENT
IN ACCOUNT WITH SERGEANT AT ARMS
HOUSE OF REPRESENTATIVES

HONORABLE

PAGE

F. ...
C. ...

0001

DATE
7/27

ACCOUNT

ACCOUNT NUMBER	STATEMENT DATE	NUMBER OF ENCLOSURES	DATE OF LAST STATEMENT	PREVIOUS BALANCE	SERVICE CHARGE
	7/11/50	2	7/11/50	66,526.37	0.00
DEBITS	DEBIT AMOUNT	CREDITS	CREDIT AMOUNT	NEW BALANCE	
DATE	SUBTRACTIONS	SUBTRACTIONS	ADDITIONS	ACCOUNT BALANCE	
7/1				66,526.37	
7/3	12.00	10.00	10.00	66,514.37	
7/3	1.00	9.00		66,513.37	
7/3	1.00	10.00		66,512.37	
7/7	1.00	10.70		66,511.37	
7/7	1.00	10.00		66,510.37	
7/7	1.00	10.00	2,000.00	68,509.37	
7/10	10.00	10.00		68,499.37	
7/10			2,000.00	70,499.37	
7/11	1.00			70,498.37	
7/11			10.00	70,508.37	
7/15	10.00			70,498.37	
7/16	12.00	11.00		70,476.37	
7/16	12.00			70,464.37	
7/17	11.00			70,453.37	
7/18	11.00	2.00		70,442.37	
7/21	10.00	10.00		70,432.37	
7/21	2,000.00			72,432.37	
7/23	1.00	5.00		72,426.37	
7/23	1.00	10.00		72,414.37	
7/23	1.00			72,413.37	
7/23	1.00			72,412.37	
7/23	1.00			72,411.37	

STATEMENT
IN ACCOUNT WITH SERGEANT AT ARMS
HOUSE OF REPRESENTATIVES

HONORABLE

M. J. ...

(00001)

PAGE

DATE
 7/1/77

ACCOUNT

ACCOUNT NUMBER	STATEMENT DATE	NUMBER OF ENCLOSURES	DATE OF LAST STATEMENT	PREVIOUS BALANCE	SERVICE CHARGE
DEBITS	DEBIT AMOUNT	CREDITS	CREDIT AMOUNT	NEW BALANCE	
DATE	SUBTRACTIONS	SUBTRACTIONS	ADDITIONS	ACCOUNT BALANCE	
7/31	10.00	10.00		561.20	
8/01	12.00	14.72	3151.52	4927.01	
8/01	25.49			4671.52	

STATEMENT
 IN ACCOUNT WITH SERGEANT AT ARMS
 HOUSE OF REPRESENTATIVES

HONORABLE

PAGE

MR. CHARLES W. ROSE
 6

0001

DATE
 1/1/71

ACCOUNT

ACCOUNT NUMBER	STATEMENT DATE	NUMBER OF ENCLOSURES	DATE OF LAST STATEMENT	PREVIOUS BALANCE	SERVICE CHARGE
	1/1/69	17	1/01/69	79.40	
DEBITS	DEBIT AMOUNT	CREDITS	CREDIT AMOUNT	NEW BALANCE	
17	2071.00	11	4790.40	2719.40	
DATE	SUBTRACTIONS	SUBTRACTIONS	ADDITIONS	ACCOUNT BALANCE	
7/64	7.14			72.26	
7/67	1.00			71.26	
7/68	19.00	10.00		52.26	
7/69			2064.25	2064.25	
7/70			7.15	2071.40	
7/71	1181.40	385.00		1685.00	
7/72	2170.44	411.00	2157.00	1685.00	
7/73			116.11	1685.00	
7/74			7.00	1685.00	
7/75			400.00	1685.00	
7/76			11.75	1685.00	
7/77			2000.00	1685.00	
7/78	17.00	7.00		2295.00	
7/79				2295.00	
7/80			1.00	2295.00	
7/81	1181.40	385.00		1685.00	
7/82			100.00	1685.00	
7/83		2200.00	3111.51	2200.00	
7/84	1.00			2200.00	

STATEMENT
 IN ACCOUNT WITH SERGEANT AT ARMS
 HOUSE OF REPRESENTATIVES

HONORABLE

M^{rs}. CHARLES RUSK

PAGE

00001

DATE
10/01/11

ACCOUNT

ACCOUNT NUMBER	STATEMENT DATE	NUMBER OF ENCLOSURES	DATE OF LAST STATEMENT	PREVIOUS BALANCE	SERVICE CHARGE
	10/01/10	30	2/02/10	29225.09	0.00
DEBITS	DEBIT AMOUNT	CREDITS	CREDIT AMOUNT	NEW BALANCE	
00	29907.75	14	70697.01	70719.26	
DATE	SUBTRACTIONS	SUBTRACTIONS	ADDITIONS	ACCOUNT BALANCE	
4/03	2.75			29196.34	
4/05	35.00	1,000.00	13.12	29114.46	
4/05	13.90	55.24	40.00	29045.80	
4/06	50.00	50.00		28995.80	
4/06	114.92	52.73		28833.61	
4/06	449.93			28383.68	
4/04	15.00	340.00	103.44	28221.12	
4/10	40.90		217.00	28140.22	
4/11	53.93			28086.29	
4/12	1.61		307.00	28394.29	
4/15	100.00	25.00		28294.29	
4/15	5.00		300.70	28594.29	
4/17	5.00	13.42	142.72	28849.43	
4/18	10.90		178.00	29027.53	
4/22	15.00	7.75		29004.78	
4/23			132.44	29137.22	
4/23	150.00		1,114.50	30191.72	
4/24			000.00	30191.72	
4/25	5.00			30186.72	
4/26	50.00		240.00	30436.72	
4/24	12.00	12.00		30424.72	
4/24	3,435.02			27,000.00	
10/01			195.00	27,195.00	
10/01	110.59		2,101.31	29,183.70	

STATEMENT
IN ACCOUNT WITH SERGEANT AT ARMS
HOUSE OF REPRESENTATIVES

HONORABLE

H. L. CHAMBERS, JR.

OCT 1

PAGE 1

DATE
11/29/60

ACCOUNT

ACCOUNT NUMBER	STATEMENT DATE	NUMBER OF ENCLOSURES	DATE OF LAST STATEMENT	PREVIOUS BALANCE	SERVICE CHARGE
5	11/ 1/60	25	10/01/60	3,914.34	.37
DEBITS	DEBIT AMOUNT	CREDITS	CREDIT AMOUNT	NEW BALANCE	
27	12,997.62	17	13,130.64	3,945.41	
DATE	SUBTRACTIONS	SUBTRACTIONS	ADDITIONS	ACCOUNT BALANCE	
10/12	17.86			3,770.40	
10/13	27.75	40.90	44.77	3,752.43	
10/23	45.06			3,707.37	
10/27	5.00			3,702.37	
10/28	547.21	150.00		3,005.16	
10/28	1,040.00			1,965.16	
10/28	7.50		121.00	2,086.16	
10/10			95.00	2,170.16	
10/14	640.10			1,530.06	
10/15	100.00		154.00	1,584.06	
10/16	19.75	35.00	5,600.00	7,134.76	
10/16	153.00			6,981.76	
10/17			191.99	7,148.75	
10/17			348.88	7,447.63	
10/20	12.00			7,435.63	
10/21	13.43	4.66		7,417.32	
10/21	400.00	50.00		7,017.32	
10/22	62.00	10.00		6,939.32	
10/23			4.80	6,944.20	
10/27			50.00	6,994.20	
10/27			61.99	7,056.19	
10/27			183.00	7,239.19	
10/27	7,065.05	50.00	2,144.62	2,228.72	
10/27	100.00			2,128.72	

STATEMENT
 IN ACCOUNT WITH SERGEANT AT ARMS
 HOUSE OF REPRESENTATIVES

HONORABLE

PAGE

Mr. CHARLES ROUSE
 5
 6

2

00001

DATE

11/03/30

ACCOUNT

ACCOUNT NUMBER	STATEMENT DATE	NUMBER OF ENCLOSURES	DATE OF LAST STATEMENT	PREVIOUS BALANCE	SERVICE CHARGE
DEBITS	DEBIT AMOUNT	CREDITS	CREDIT AMOUNT	NEW BALANCE	
DATE	SUBTRACTIONS	SUBTRACTIONS	ADDITIONS	ACCOUNT BALANCE	
10/28	45.00		203.26	2,366.73	
10/30			52.00	2,418.73	
10/30	2,200.00	27.00	603.39	790.12	
11/31	20.00	34.03	22.00	764.09	
11/03			1,161.32	3,044.41	

EARLY 1981

LINE	DATE OF LOAN	DATE OF DEPOSIT	BANK	AMOUNT	DATE OF REPAYMENT	REPAYMENT CHECKS CLEARED	SOURCE OF REPAYMENT, LINES SERVING AS
50	renewal	-	Southern Nat'l	\$20,000	renewed		renewed
51	02/07/81	02/06	Wright Patman	\$13,000	renewed		renewed
52	02/12/81	02/18	People's	\$10,000	05/05/81 \$ 8,341 05/15/81 \$ 2,023	05/11 05/26	56
53	02/16/81	02/19	First Citizens	\$ 5,000	08/10/81 \$ 5,000	08/04	57

- ████████████████████ -
APPENDIX E

UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

IN THE MATTER OF)
)
THE HONORABLE CHARLES G. ROSE III)
)

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COMMITTEE ON
STANDARDS OF OFFICIAL CONDUCT

**Amended Answer of Respondent to Count Four of the
Statement of Alleged Violations**

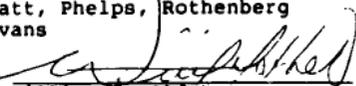
Respondent, the Honorable Charles G. Rose III (hereinafter "Congressman Rose") hereby submits the following amended Answer to the Committee on Standards of Official Conduct (hereinafter the "Committee").

COUNT FOUR

Congressman Rose admits that in 1980 he obtained a six month salary advance from the Sergeant-at-Arms of the House of Representatives which was not contained on his financial disclosure statement and further states that any omission was inadvertent and unintentional. Neither he nor his staff was aware that a salary advance by the Sergeant-at-Arms was subject to disclosure.

Respectfully submitted,

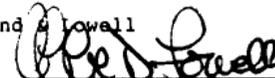
Manatt, Phelps, Rothenberg
& Evans

By: 

William C. Oldaker
Eric F. Kleinfeld

1200 New Hampshire Avenue, N.W.
Suite 200
Washington, D.C. 20036

Brand & Lowell

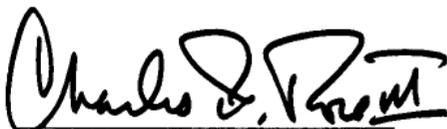
By: 

Stanley M. Brand
Abbe David Lowell

923 Fifteenth Street, N.W.
Washington, D.C. 20005

Counsel for the
Honorable Charles G. Rose III

I concur with and swear, under penalty, to the accuracy of
the foregoing Answer.


Honorable Charles G. Rose III

APPENDIX F

COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT
IN THE MATTER OF REPRESENTATIVE CHARLES G. ROSE, III, RESPONDENT
AMENDMENT TO STATEMENT OF ALLEGED VIOLATIONS

The Committee on Standards of Official Conduct hereby submits the following amendment to Count Four of the Statement of Alleged Violations of the Committee. Subparagraph (e) of Count Four is amended as follows:

<u>Bank</u>	<u>Date</u>	<u>Amount</u>
(e) The National Bank of Washington	February 6, 1981	\$12,702.74

The remainder of Count Four remains unchanged.


COUNSEL FOR THE COMMITTEE ON
STANDARDS OF OFFICIAL CONDUCT

December 16, 1987

APPENDIX G

COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT
IN THE MATTER OF REPRESENTATIVE CHARLES G. ROSE, III, RESPONDENT
STIPULATIONS

Pursuant to the Agreement on Post Statement of Alleged Violations Procedure signed by the Chairman and Ranking Minority Member of the Committee on Standards of Official Conduct, counsel for the respondent, and the respondent, this document is submitted for consideration in the deliberations in the above-referenced matter.

In addition to this document, the members of the Committee may consider any and all previously-submitted briefs, exhibits, reports, presentations, and testimony in this matter.

NOTE: STIPULATIONS CONTAINED IN THIS DOCUMENT AS TO THE TESTIMONY OF ANY WITNESS, EITHER BY DEPOSITION, AFFIDAVIT, OR APPEARANCE BEFORE THIS COMMITTEE, GO ONLY TO THE FACT THAT THE WITNESS ACTUALLY MADE THE STATEMENT. THEY SHOULD NOT BE INTERPRETED AS A STIPULATION AS TO THE TRUTH OR ACCURACY OF THE STATEMENT.

COUNT ONE

With respect to count one of the Statement of Alleged Violations, respondent and Committee counsel stipulate to the following facts.

1972

1. (a) \$45,900 was received in 1972 by the principal campaign committee for Representative Rose from Charles G. Rose, Jr. (father) and Representative Rose.
- (b) \$20,000 was reported as a loan from First Citizens Bank in the campaign's June 16, 1972, Report to the Clerk of the House.
- (c) \$5,150 was reported as a loan from Charles G. Rose, Jr. (father) in the campaign's June 3, 1972, Report to the Clerk of the House. This loan was also reported on the May 26, 1972, North Carolina filing.
- (d) \$8,750 was reported as an April 7, 1972, receipt from Charles G. Rose, Jr. (father) to the campaign committee in North Carolina filings.
- (e) \$7,500 was reported as an April 20, 1972, receipt from Representative Rose to the campaign committee in North Carolina filings.

(f) \$2,500 was reported as a June 2, 1972, receipt from Charles G. Rose, Jr. (father) to the campaign committee in North Carolina filings.

(g) \$2,000 was reported as a June 2, 1972, receipt from Representative Rose to the campaign committee in North Carolina filings.

2. Representative Rose and his father stated, under oath, that the sums received by the campaign from them were loans to the campaign.
3. Representative Rose and his father stated, under oath, that they entered into an oral agreement by which Representative Rose was responsible for repaying his father the monies lent to the campaign.
4. The North Carolina Corrupt Practices Act reporting requirements did not differentiate between donations and loans; all campaign receipts were reported as contributions.
5. (a) The effective date of the Federal Election Campaign Act (FECA) of 1971 was April 7, 1972.
 (b) The 1971 FECA is silent on whether loans should be in writing.
 (c) The 1971 FECA was amended in 1979 to include a provision requiring that loans from financial institutions to the campaign must be evidenced by a written instrument.
 (d) The 1972 Clerk's Manual of Regulations provided that "every contribution . . . in the nature of a debt incurred . . . which is in writing and exceeds the amount of \$100, shall be reported in separate schedules. . . ."
6. The campaign's April 14, 1972, Report of Receipts and Expenditures to the Clerk reports a starting cash-on-hand balance of \$14,428.28.
7. No written loan agreement was executed in 1972 between Representative Rose and his father regarding repayment of campaign contributions.
8. No written loan agreement was executed in 1972 between Representative Rose and his campaign committee regarding repayment of campaign contributions.

1973

9. On or about November 21, 1973, Charles G. Rose, Jr. (father) borrowed \$50,000 from First Citizens Bank.

1974

10. The campaign's Statement of Organization filed in 1974 to the Clerk stated that any residual campaign funds would be used "to repay outstanding debts from the 1972 campaign."
11. On its final 1972 report to the Clerk, the campaign reported total receipts of \$76,870 and total expenditures of \$86,932.95. Cash-on-hand was \$6,366.86.

1975-1987

12. (a) In January 1975 Representative Rose borrowed \$50,000 from North Carolina National Bank.
 - (b) Representative Rose and his father stated, under oath, that the loan in paragraph 12(a) was used by Representative Rose to repay his campaign debt to his father.
 - (c) Neither Representative Rose nor his father recalls precisely how the payment in paragraph 12(b) was made.

ALASKA LAND TRANSACTIONS

13. (a) On October 1, 1975, Representative Rose executed a purchase agreement with Bachner & Associates to purchase 640 acres of land in Alaska, for a total purchase price of \$160,000.
 - (b) On May 1, 1978, Representative Rose conveyed one-half of the land in paragraph 13(a) to his father. This parcel was not subject to a mortgage but was subject to the payment of a patent of approximately \$8,000.
 - (c) On March 13, 1980, Representative Rose conveyed the other one-half of the land in paragraph 13(a) to his father, subject to a mortgage of, at most, \$90,000 and a patent of approximately \$8,000.
 - (d) Charles G. Rose, Jr. (father) testified his son was unable to find a buyer for the property at the time the property was conveyed to him.
 - (e) On September 16, 1981, Charles G. Rose, Jr. (father) entered into an earnest money receipt and sales agreement to sell the land in paragraph 13(a), which states a total purchase price of \$288,000.
 - (f) Charles G. Rose, Jr. (father) testified in a sworn deposition that "[his son] had been trying to sell it [land] for three years and at the time I took it from his as the satisfaction of all debts."

(g) Representative Rose testified, under oath, in an appearance before the Committee that, as a result of the transfer of property to his father, "I didn't owe him any more for the money that I borrowed from his or that he had borrowed from the bank and loaned to me to handle the 72 [money]."

REPRESENTATIVE ROSE CAMPAIGN TRANSACTIONS 1978-1986

14. (a) FECA reports filed with the Clerk of the House from 1978 through 1985 characterize disbursements from the campaign to Representative Rose as loans to Congressman Rose.

(b) FECA reports filed with the Clerk of the House from 1983 through 1986 characterize deposits from Representative Rose to the campaign as repayments of loan.

(c) There are no written loan agreements executed from 1983 to 1986 between Representative Rose and his campaign committee.

(d) Committee for Congressman Rose check number 670 written to Congressman Charles Rose on July 21, 1983, for \$895, and signed by treasurer Alton Buck, bears the notation "loan".

(e) Committee for Congressman Rose check number 734 written to Congressman Charles Rose on April 1, 1984, for \$10,000, and signed by treasurer Alton Buck, bears the notation "loan".

(f) Committee for Congressman Rose check number 789 written to Congressman Charles Rose on September 4, 1984, for \$5,000, and signed by treasurer Alton Buck, bears the notation "loan".

(g) Charles Rose and Joan Teague Rose check number 2384, Wright Patman Congressional Federal Credit Union account, written to Committee for Congressman Charles Rose on September 25, 1986, for \$11,895, bears the notation "repayment of loan."

(h) Charles Rose and Joan Teague Rose check number 1814, Wright Patman Congressional Federal Credit Union account, written to Committee for Congressman Charles Rose on September 29, 1984, for \$5,000, bears the notation "loan repayment."

(i) Committee for Congressman Charlie Rose checkbook stubs, on stub number 1008, bears the notation "loans repaid by CR 12/31."

(j) Committee for Congressman Charlie Rose checkbook stubs, on stub number 1188, bears the notation "CR-loans repaid 9/26."

- (k) Committee for Congressman Charlie Rose checkbook stubs, on stub number 707, bears the notation "CR repd loan 12/15."
- (l) Committee for Congressman Charlie Rose checkbook stubs, on stub number 903, bears the notation "CR loan repd in full 3/21."
15. Charles Rose and Joan Teague Rose check number 1939, Wright Patman Congressional Federal Credit Union account, written to Committee for Rose on May 12, 1985, for \$9,500, bears the notation "loan".
16. (a) In a letter to the Clerk of the House dated May 18, 1982, campaign treasurer Alton Buck wrote:
- The candidate did receive a loan from the committee during this period and this has been reported in the disbursement section, i.e., Line 17 "Operating Expenditures". We were instructed by FEC personnel to report this loan expenditure on Line 17.
- (b) In a letter to the Clerk of the House in June 1984, Mr. Buck wrote:
- Although all of the information relevant to Mr. Rose's loan was disclosed in our pre-primary report, we failed to list the information again on supporting Schedule C. Page 2 of 2, Schedule C has been amended and is enclosed for your records.
17. (a) On January 8, 1987, the Committee for Congressman Charlie Rose filed amendments to their FECA reports of receipts and disbursements.
- (b) The amendments reflect that the disbursements made to Representative Rose from 1978-1985 were "repayments of loan."
- (c) The amendments reflect that amounts received by the Committee for Congressman Charlie Rose from Representative Rose from 1983-1987 were reloans to the campaign committee.
18. On April 21, 1987, the Committee for Congressman Charlie Rose executed a promissory note in the amount of \$50,000 to Representative Rose.
19. Representative Rose received a total of \$63,995 from his campaign from 1978 through 1985. The maximum amount outstanding from these receipts at any one time was \$29,895, assuming Representative Rose's deposits to the campaign were repayments of loans or reloans.

COUNT TWO

With respect to count two of the Statement of Alleged Violations, respondent and Committee counsel stipulate to the following facts:

1. (a) In 1985 the Committee for Congressman Charlie Rose owned a Certificate of Deposit at Southern National Bank in the amount of \$75,000.

(b) Only Alton Buck's signature appears on the signature card of the Certificate of Deposit.

(c) The Certificate of Deposit states on its face that it is "Non-negotiable/Non-transferable" and "Not Subject to Withdrawal by Check."
2. (a) In 1985 Representative Rose had outstanding indebtedness to Southern National Bank in the form of two loans, plus accrued interest. One loan was in the principal amount of \$40,000 and one in the principal amount of \$16,000.

(b) Southern National Bank records reflect that the two loans in paragraph 2(a) were unsecured.

(c) Southern National Bank credit memos state that the purpose of the loans in paragraph 2(a) was "campaign funds."
3. In a letter to Southern National Bank dated March 22, 1985, Alton S. Buck stated:

In regard to the use of the Committee for Congressman Charlie Rose's Certificate of Deposit with Southern National Bank as collateral for his loan, this would be permissible. Since Congressman Rose was elected to Congress prior to 1980, he may use any campaign funds he has raised in any manner in which he sees fit. He, of course, would have to pay income tax if he makes personal use of the funds other than to carry out the objectives of the election committee.

I hope this answers your question--if not, please do not hesitate to call.

4. (a) On or about March 26, 1985, Representative Rose signed a document entitled "Assignment of Southern National Bank Savings Accounts/Savings Instruments."

(b) The assignment document signed by Representative Rose states:

The undersigned warrant(s) and represent(s) that the above described savings account(s) instrument(s) is (are) owned solely by undersigned and is (are) free and clear of all liens and encumbrances and the undersigned has (have) full power, right and authority to execute and deliver this assignment.

- 5. By letter dated October 29, 1987, the Assistant Vice President of Southern National Bank stated to Committee counsel that ". . . [Southern National Bank] did not have a valid Assignment of the Certificate of Deposit in the name of the Committee for Congressman Charlie Rose. . . ."
- 6. There is a letter of November 11, 1987, from the Bank's lawyer on this matter.

COUNT THREE

With respect to count three, respondent and Committee counsel agree to the following:

It is hereby stipulated that, if the Committee finds in favor of respondent on count one of the Statement of Alleged Violations, then respondent shall also prevail on count three. It is further stipulated that, if the Committee finds against respondent on count one of the Statement of Alleged Violations, then the Committee will find against respondent on count three.

COUNT FOUR

There are no stipulations as to count four.

 <hr/> COUNSEL FOR COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT	 <hr/> COUNSEL FOR RESPONDENT
---	--

Date: December 15, 1987

Date: Dec 15, 1987

APPENDIX H

COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT
IN THE MATTER OF REPRESENTATIVE CHARLES G. ROSE, III, RESPONDENT
WAIVER OF PHASE ONE OF RULE 16 DISCIPLINARY HEARING

Respondent hereby expressly and irrevocably waives the right to phase one of a disciplinary hearing as set forth in Rule 16 of the Rules of Procedure for the Committee on Standards of Official Conduct.

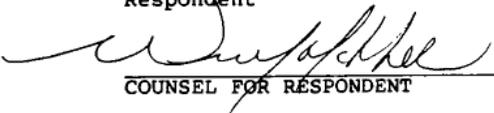
Respondent understands that counsel for respondent and Committee counsel may present oral argument to the Committee regarding the counts alleged in the Statement of Alleged Violations. Respondent further understands that the counts charged in the Statement of Alleged Violations will be considered, and the merit of each decided, by the Committee, based on the response submitted by counsel for respondent, with exhibits; the response submitted by Committee counsel, with exhibits; a stipulations agreement, with exhibits, signed by respondent's counsel and Committee counsel; and oral argument by counsel.

Respondent hereby expressly and irrevocably waives the right to present live witnesses to the Committee to testify on behalf of the respondent as described in Rule 16 of the Rules of Procedure for the Committee on Standards of Official Conduct.



 CHARLES G. ROSE, III
 Respondent

12/8/87
 (Date)



 COUNSEL FOR RESPONDENT

12/10/87
 (Date)

COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT
IN THE MATTER OF REPRESENTATIVE CHARLES G. ROSE, III, RESPONDENT
POST STATEMENT OF ALLEGED VIOLATION PROCEDURE

Counsel for the respondent and counsel for the Committee have agreed on a procedure to expedite the disciplinary hearing process pursuant to Rule 16 of the Rules of Procedure of the Committee on Standards of Official Conduct. The procedure would eliminate phase one of the disciplinary hearing in the matter of Representative Charles G. Rose, III. The Committee agrees to this procedure pending the receipt of a signed copy of this statement by the respondent and his counsel, and the accompanying waiver of phase one of the Rule 16 disciplinary hearing. The terms of the agreement are as follows:

- (a) The respondent and his counsel will sign an irrevocable waiver of the first phase of a disciplinary hearing as described in Rule 16 of the Committee's Rules of Procedure;
- (b) Counsel for the respondent and Committee counsel will meet, draft, and sign a stipulation document, reciting all facts and points of law about which there is no dispute.
- (c) Counsel for the respondent and Committee counsel will present oral arguments to the Committee on or about December 14, 1987, regarding those points about which there is disagreement. In addition, counsel may argue

the conclusions and inferences to be drawn from the facts stipulated. Both Committee counsel and counsel for the respondent will be given one hour of argument, followed by questions from members of the Committee.

- (d) The Committee will take the matter of the Statement of Alleged Violations under consideration, relying solely on the Response to the Statement, with exhibits, submitted by the respondent; the Committee counsel's response, with exhibits; the Stipulations Agreement, with exhibits, signed by lead counsel for the respondent and lead counsel for Committee staff; and oral arguments by both counsel.
- (e) The Committee will make every effort to reach a decision on each count of the Statement of Alleged Violations before the December 1987 recess.
- (f) The Committee will make every effort to schedule oral arguments by counsel for the respondent and Committee counsel on phase two of the disciplinary hearing, as described in Rule 16 of the Committee's Rules of Procedures, before the December 1987 recess, should it determine that any of the counts of the statement have been proved.

- (g) The Committee will make every reasonable effort to conclude its disposition in the matter of Representative Charles G. Rose, III, prior to the December 1987 recess.

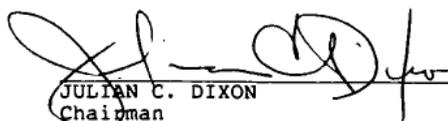
In order to facilitate this process, counsel for the respondent and Committee counsel have agreed to a series of meetings for the purpose of working out stipulations. Each side agrees to having no more than three representatives at the table at any one time.

The Committee is satisfied that this process is within the scope of the Committee's Rules of Procedure, and that it does not abridge the rights of the respondent nor unfairly burden Committee counsel. The respondent has been given two opportunities to appear before the Committee and give sworn testimony. Committee members utilized these opportunities to ask questions of the respondent. Committee counsel has taken the sworn depositions of three witnesses it believes critical in the matter--the congressman's father, Mr. Charles G. Rose, Jr.; Mr. Anthony Rand, campaign treasurer; and Mr. Alton Buck, campaign treasurer. Finally, the stipulation agreement serves to clearly identify the facts and points of law agreed upon by both sides. Thus, the Committee's time can be spent listening to oral arguments which will focus on the facts, issues, and matters of law that are in dispute.

Under this agreement, no live testimony will be taken at a Rule 16 disciplinary hearing. Counsel will appear before the Committee to present oral argument on each of the four counts

described in the Statement of Alleged Violations. Consistent with the oral argument on matters not stipulated to, each counsel may offer tangible evidence at this time, with or without a supplemental brief.

IT IS HEREBY CERTIFIED that the Committee on Standards of Official Conduct approves and agrees to the above-described procedure in the matter of Representative Charles G. Rose, III.

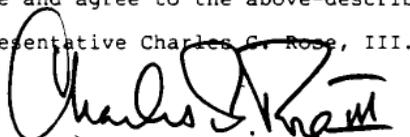

 JULIAN C. DIXON
 Chairman

12/2/87
 (Date)

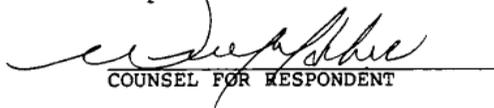

 FLOYD D. SPENCE
 Ranking Minority Member

12/2/87
 (Date)

IT IS HEREBY CERTIFIED that the respondent and counsel for the respondent approve and agree to the above-described procedure in the matter of Representative Charles G. Rose, III.


 CHARLES G. ROSE, III
 Respondent

12/8/87
 (Date)


 COUNSEL FOR RESPONDENT

12/10/87
 (Date)

APPENDIX I

MANATT, PHELPS, ROTHENBERG & EVANS

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

1800 NEW HAMPSHIRE AVENUE, N.W.

SUITE 200

WASHINGTON, D.C. 20039

TELEPHONE (202) 462-4300

LOS ANGELES

1330 WEST OLYMPIC BOULEVARD
LOS ANGELES, CALIFORNIA 90061
812 26-0000

February 19, 1988

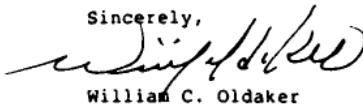
The Honorable Julian C. Dixon
 The Honorable Floyd D. Spence
 House Committee on Standards of
 Official Conduct
 Suite HT-2, U.S. Capitol
 Washington, D.C. 20515

Dear Chairman Dixon and Ranking Minority Member Spence:

By means of this letter, Congressman Charlie Rose, through counsel, hereby waives the second phase of the disciplinary hearing to which he is entitled under Rule 16(a) of the Rules of Procedure of the Committee on Standards of Official Conduct. Accordingly, Congressman Rose will not exercise his right to make an oral and/or written submission to the Committee with regard to phase two of the disciplinary hearing.

Should you have any questions, or should you desire any additional information, please do not hesitate to contact me.

Sincerely,



William C. Oldaker

RECEIVED
 1988 FEB 19 PM 12 44
 HOUSE OF REPRESENTATIVES
 COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

APPENDIX K

UNITED STATES HOUSE OF REPRESENTATIVES

Committee on Standards of Official Conduct

INSIDE MAIL

ETHICS IN GOVERNMENT ACT—FINANCIAL DISCLOSURE STATEMENT FOR 1982

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

CONGRESSMAN CHARLIE ROSE
(Full Name)2230 RAYBURN BLDG
(Mailing Address)

WASHINGTON, DC 20515

1983 MAY -3 PM 2:32
OFFICE OF THE CLERK
HOUSE OF REPRESENTATIVES

M
Mc
ME

(Office Use Only)

Check the appropriate box and fill in the blanks.

 Check if Amended Statement. Member of the U.S. House of Representatives—District 7th State NC Officer or Employee—Employing Office _____

Note: Please read instructions carefully. Sign this form on the reverse side. Attach additional sheets if needed; identify each sheet by showing your name and the section being continued. Complete all parts. (If None, so indicate.) Please type or print clearly.

I. INCOME

- A. The source, type, and amount of income (including honoraria and data received) aggregating \$100 or more in value received from any source during calendar year 1982. Exclude income from current U.S. Government employment. Do not include here income reported in part I-B below.

SOURCE	TYPE	AMOUNT
SEE ATTACHED		

- B. The source, type, and category of value of income from dividends, interest, rent, and capital gains received from any source during calendar year 1982 which exceeds \$100 in value. Note: For this part only, indicate Category of Value, as follows: Category A—not more than \$1,000; B—\$1,001-\$2,500; C—\$2,501-\$5,000; D—\$5,001-\$15,000; E—\$15,001-\$50,000; F—\$50,001-\$100,000; G—over \$100,000.

SOURCE	TYPE	CATEGORY
SEE ATTACHED		

II. GIFTS AND REIMBURSEMENTS

- A. The source and a brief description of gifts of transportation, lodging, food, or entertainment aggregating \$250 or more in value received from any source during calendar year 1982.

SOURCE	BRIEF DESCRIPTION
NONE	

- B. The source, a brief description, and value of all other gifts aggregating \$100 or more in value received from any source during calendar year 1982.

SOURCE	BRIEF DESCRIPTION	VALUE
NONE		

- C. The source and a brief description of reimbursements aggregating \$250 or more in value received from any source during calendar year 1982.

SOURCE	BRIEF DESCRIPTION
CHICAGO MERCANTILE	AIR FARE
HARVARD UNIVERSITY	AIR FARE
SPACE	AIR FARE

RECEIVED
MAY 10 1983

(OVER)

FINANCIAL DISCLOSURE STATEMENT FOR CONGRESSMAN CHARLIE ROSE FOR 1982

<u>HONORARIUM</u>		<u>I. INCOME</u>	
A.	18 January	CHICAGO MERCANTILE	\$1,000.00
	7 February	Mitre Corporation	750.00
	29 March	UNIVERSITY OF NORTH CAROLINA	525.00
	1 April	N. C. ASSOCIATION OF ELECTRIC COOPS	1,000.00
	6 August	SPACE	2,000.00
	10 Sept	SPERRY CORP	1,000.00
	19 OCTOBER	LUMBEE RIVER ELECTRIC MEMBERSHIP	500.00
	18 October	NORTH CAROLINA SAVINGS AND LOAN ASS'N	250.00
B.		<u>SOURCE OF INCOME</u>	<u>TYPE</u> <u>CATEGORY</u>
		House in Carolina Beach, N. C.	Rent D

IV. LIABILITIES

<u>IDENTITY</u>	<u>CATEGORY</u>
Planters National Bank	B
Peoples Bank	B
Southern National Bank	C
First Citizens	B
United Carolina	C
United Carolina	D

HAND DELIVERED

UNITED STATES HOUSE OF REPRESENTATIVES

Committee on Standards of Official Conduct

ETHICS IN GOVERNMENT ACT—FINANCIAL DISCLOSURE STATEMENT FOR 1983

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

CONGRESSMAN CHARLIE ROSE

(Full Name)

2230 RAYURN BLDG

(Mailing Address)

WASHINGTON, D.C 20515

(Office Use Only)

Check the appropriate box and fill in the blanks.

 Member of the U.S. House of Representatives—District 7th State NC Check if amended Statement. Officer or Employee—Employing Office _____

Note: Please read instructions carefully. Sign this form on the reverse side. Attach additional sheets if needed; identify each sheet by showing your name and the section being continued. Complete all parts. (If None, so indicate.) Please type or print clearly.

I. INCOME

- A. The source, type and amount of income (including honoraria and date received) aggregating \$100 or more in value received from any source during calendar year 1983. Exclude income from current U.S. Government employment. Do not include here income reported in part I-B below.

SOURCE	TYPE	AMOUNT
	SEE ATTACHED	

- B. The source, type, and category of value of income from dividends, interest, rent, and capital gains received from any source during calendar year 1983 which exceeds \$100 in value. Note: For this part only, indicate Category of Value, as follows: Category A—not more than \$1,000; B—\$1,001–\$2,500; C—\$2,501–\$5,000; D—\$5,001–\$15,000; E—\$15,001–\$50,000; F—\$50,001–\$100,000; G—over \$100,000.

SOURCE	TYPE	CATEGORY
House in Carolina Beach, N. C.	Rent	D

II. GIFTS AND REIMBURSEMENTS

- A. The source and a brief description of gifts of transportation, lodging, food, or entertainment aggregating \$250 or more in value received from any source during calendar year 1983.

SOURCE	BRIEF DESCRIPTION
NONE	

- B. The source, a brief description, and value of all other gifts aggregating \$100 or more in value received from any source during calendar year 1983.

SOURCE	BRIEF DESCRIPTION	VALUE
NONE		

- C. The source and a brief description of reimbursements aggregating \$250 or more in value received from any source during calendar year 1983.

SOURCE	BRIEF DESCRIPTION
SPACE	AIR FARE

(OVER)

CHARLIE ROSE
7th DISTRICT NC

A. HONORARIA AND DATE RECEIVED BY CONGRESSMAN CHARLIE ROSE IN 1983

<u>SOURCE</u>		<u>TYPE</u>	<u>AMOUNT</u>
North Carolina Senior Citizen	5/24/83	Honoraria	100.00
Conneil Rice and Sugar	5/16/83	"	2,000.00
McDonald Corp	4/27/83	"	500.00
Naegele Outdoor Advertising Co	2/17/83	"	1,000.00
Methodist College	5/ 1/83	"	100.00
Concord Management Systems	4/15/83	"	1,000.00
Outdoor Advertising Co	2/17/83	"	1,000.00
North Carolina Medical Soicety	2/ 4/83	"	100.00
Tobacco Institute	11/29/83	"	1,000.00
Brown and Williamson Tobacco	10/31/83	"	<u>1,000.00</u>
			\$8.800.00

HAND DELIVERED

UNITED STATES HOUSE OF REPRESENTATIVES

Committee on Standards of Official Conduct

ETHICS IN GOVERNMENT ACT—FINANCIAL DISCLOSURE STATEMENT FOR 1984

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

CONGRESSMAN CHARLIE ROSE
(Full Name)

2230 RAYBURN BLDG
(Mailing Address)

WASHINGTON, D.C. 20515

(Office Use Only)

Check the appropriate box and fill in the blanks

 Member of the U.S. House of Representatives—District 7th State NC Check if amended Statement Officer or Employee—Employing Office _____

Note: Please read instructions carefully. Sign this form on the reverse side. Attach additional sheets if needed; identify each sheet by showing your name and the section being continued. Complete all parts. (If None, so indicate.) Please type or print clearly.

I. INCOME

A. The source, type and amount of income (including honoraria and date received) aggregating \$100 or more in value received from any source during calendar year 1984. Exclude income from current U.S. Government employment. Do not include here income reported in part I-B below.

SOURCE	TYPE	AMOUNT
SEE ATTACHED HONORARIUMS	HONORARIUMS	\$17,650.00

B. The source, type, and category of value of income from dividends, interest, rent, and capital gains received from any source during calendar year 1984 which exceeds \$100 in value. Note: For this part only, indicate Category of Value, as follows: Category A—not more than \$1,000; B—\$1,001-\$2,500; C—\$2,501-\$5,000; D—\$5,001-\$15,000; E—\$15,001-\$50,000; F—\$50,001-\$100,000; G—over \$100,000.

SOURCE	TYPE	CATEGORY
HOUSE AT 27 SUNSET LANE, ALEX. VA	Rent	D

II. GIFTS AND REIMBURSEMENTS

A. The source and a brief description of gifts of transportation, lodging, food, or entertainment aggregating \$250 or more in value received from any source during calendar year 1984.

SOURCE	BRIEF DESCRIPTION
SEE ATTACHED LIST OF REIMBURSEMENTS	

NO GIFTS

B. The source, a brief description, and value of all other gifts aggregating \$100 or more in value received from any source during calendar year 1984.

SOURCE	BRIEF DESCRIPTION	VALUE
NONE		

C. The source and a brief description of reimbursements aggregating \$250 or more in value received from any source during calendar year 1984.

SOURCE	BRIEF DESCRIPTION
NONE	

(OVER)

1. INCOME

HONORARIUMS: 1984	
TOBACCO INSTITUTE 1/11-14/85	1,000.00
MAJOR MEDIA MANAGEMENT CORPORATION	500.00
NATIONAL ADVERTISING COMPANY	500.00
CUMBERLAND CHEMICAL (Joe Eller)	1,000.00
WESTERN PEANUT GROWER'S ASSOC.	1,500.00
COMPUTER & BUSINESS EQUIPMENT MANUFACTURERS ASSOCIATION	500.00
PHILIP MORRIS INC.	500.00
CONNELL RICE & SUGAR CO., INC	2,000.00
ALABAMA FARM BUREAU FEDERATION	1,000.00
NATIONAL GRAIN & FEED ASSOC	1,000.00
XEROX CORPORATION	500.00
N.C. League of Municipalities	150.00
TOBACCO INSTITUTE	1,000.00
SPACE	1,500.00
NETWORK SYSTEMS CORPORATION	500.00
NATIONAL AGRICULTURAL CHEMICALS	1,000.00
Board of Trade of the City of Chicago	500.00
Chicago Mercantile Exchange	500.00
RESTONIC CORPORATION	500.00
OUTDOOR ADVERTISING	1,000.00
NATIONAL ADVERTISING COMPANY	1,000.00
	<hr/>
	17,650.00
	TOTAL

Charlie Rose
M.C.

II GIFTS AND REINBURSEMENTS

- B. The source and a brief description of reimbursements aggregating \$250 or more in value received from any source during calendar year 1984

<u>SOURCE</u>	<u>BRIEF DESCRIPTION</u>
OUTDOOR ADVERTISING	Outdoor Advertising Ass'n provided round-trip air-fare, 3 days lodging and food, and transportation to and from airport for me and my wife in connection with my speaking to the Executive Committee and their Legal and Legislative group. Reimbursed 1,526.00
SATELLITE TELEVISION INDUSTRY ASS'N	SPACE provided round-trip transportation to Nashville, lodging and transportation to airport . Reimbursed 298.00
TOBACCO INSTITUTE	Tobacco Institute provided round-trip air-fare, weeks lodging and food for me and my wife while participating in their legislative seminar. Reimbursed 4,086.00
WESTERN PEANUT GROWERS	Western Peanut Growers provided round-trip air-fare, transportation, hotel, and food for meetings with Association official participate in hearings in Texas, Kentucky. Reimbursed \$1,224.00.
TOBACCO INSTITUTE	Tobacco Institute provided round-trip air-fare, lodging and food for me wife and me for a week Federal Legislative Conference in Palm Springs, California. Reimbursed \$3,029.43.

U.S. GOVERNMENT PRINTING OFFICE: 1984
 WASHINGTON, D.C. 20540

U.S. GOVERNMENT PRINTING OFFICE: 1984
 WASHINGTON, D.C. 20540

U.S. House of Representatives

COMMITTEE ON STANDARDS OF
 OFFICIAL CONDUCT
 SUITE MT-2, U.S. CAPITOL
 Washington, DC 20515

May 13, 1985

The Honorable Charlie Rose
 2230 Rayburn HOB
 Washington, D.C. 20515

Dear Colleague:

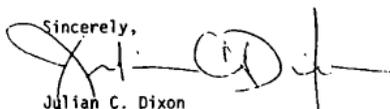
A copy of your Financial Disclosure Statement, recently filed with the Clerk of the House of Representatives pursuant to the Ethics in Government Act of 1978 (2 United States Code §§701-709), has been received by this Office.

Examination of your Financial Disclosure Statement reveals an apparent deficiency as noted below. Please complete the enclosed form, correcting any deficiency noted and promptly return an original and two copies to the Clerk, United States House of Representatives, 1036 Longworth House Office Building, Washington, D. C. 20515.

As an alternative, you may also amend your Financial Disclosure Statement by letter, identifying the sections on the Statement that you are amending. This letter would also be sent to the Clerk's office at the above address.

Any questions concerning proper completion of the Statement should be directed to the Committee staff at 225-7103.

Sincerely,



Julian C. Dixon
 Chairman

Enclosures

Remarks: Please amend 1984 FD Form to include dates of honoraria; don't include 1985 honoraria.

UNITED STATES HOUSE OF REPRESENTATIVES

Committee on Standards of Official Conduct

HAND DELIVERED

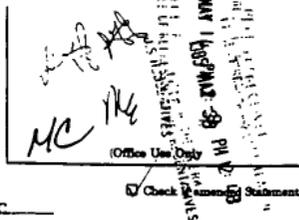
ETHICS IN GOVERNMENT ACT—FINANCIAL DISCLOSURE STATEMENT FOR 1984

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

CONGRESSMAN CHARLIE ROSE
(Full Name)

2230 RAYBURN BLDG
(Mailing Address)

WASHINGTON, D.C. 20515



Check the appropriate box and fill in the blanks.

 Member of the U.S. House of Representatives—District 7th State NC Officer or Employee—Employing Office _____

Note: Please read instructions carefully. Sign this form on the reverse side. Attach additional sheets if needed; identify each sheet by showing your name and the section being continued. Complete all parts. (If None, so indicate.) Please type or print clearly.

I. INCOME

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SOURCE	TYPE	AMOUNT
SEE ATTACHED HONORARIUMS	HONORARIUMS	\$17,650.00

- B. The source, type, and category of value of income from dividends, interest, rent, and capital gains received from any source during calendar year 1984 which exceeds \$100 in value. Note: For this part only, indicate Category of Value, as follows: Category A—not more than \$1,000; B—\$1,001-\$2,500; C—\$2,501-\$5,000; D—\$5,001-\$10,000; E—\$15,001-\$50,000; F—\$50,001-\$100,000; G—over \$100,000.

SOURCE	TYPE	CATEGORY
HOUSE AT 27 SUNSET LANE, ALEX. VA	RENT	D

II. GIFTS AND REIMBURSEMENTS

- A. The source and a brief description of gifts of transportation, lodging, food, or entertainment aggregating \$250 or more in value received from any source during calendar year 1984.

SOURCE	BRIEF DESCRIPTION
SEE ATTACHED LIST OF REIMBURSEMENTS	

- B. The source, a brief description, and value of all other gifts aggregating \$100 or more in value received from any source during calendar year 1984.

SOURCE	BRIEF DESCRIPTION	VALUE
NONE		

- C. The source and a brief description of reimbursements aggregating \$250 or more in value received from any source during calendar year 1984.

SOURCE	BRIEF DESCRIPTION
NONE	

HAND DELIVERED INCOME

HONORARIUMS: <u>1984</u>		
TOBACCO INSTITUTE 1/11-14/84	1,000.00	1/14/84
MAJOR MEDIA MANAGEMENT CORPORATION	500.00	- 1/4/84
NATIONAL ADVERTISING COMPANY	500.00	- 1/4/84
CUMBERLAND CHEMICAL (Joe Eller)	1,000.00	1/14/84
WESTERN PEANUT GROWER'S ASSOC.	1,500.00	2/16/84
COMPUTER & BUSINESS EQUIPMENT MANUFACTURERS ASSOCIATION	500.00	- 1/31/84
PHILIP MORRIS INC.	500.00	3/22/84
CONNELL RICE & SUGAR CO., INC	2,000.00	3/16/84
ALABAMA FARM BUREAU FEDERATION	1,000.00	- 5/9/84
NATIONAL GRAIN & FEED ASSOC	1,000.00	- 6/7/84
XEROX CORPORATION	500.00	6/21/84
N.C. League of Municipalities	150.00	- 6/14/84
TOBACCO INSTITUTE	1,000.00	- 7/5/84
SPACE	1,500.00	- 9/6/84
NETWORK SYSTEMS CORPORATION	500.00	- 9/14/84
NATIONAL AGRICULTURAL CHEMICALS	1,000.00	- 9/20/84
Board of Trade of the City of Chicago	500.00	- 11/28/84
Chicago Mercantile Exchange	500.00	- 11/28/84
RESTONIC CORPORATION	500.00	- 11/2/84
OUTDOOR ADVERTISING	1,000.00	- 11/5/84
NATIONAL ADVERTISING COMPANY	1,000.00	- 12/27/84
	<u>17,650.00</u>	TOTAL

Charlie Rose
M.C.

HAND DELIV.

UNITED STATES HOUSE OF REPRESENTATIVES

Committee on Standards of Official Conduct

ETHICS IN GOVERNMENT ACT—FINANCIAL DISCLOSURE STATEMENT FOR 1985

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

Congressman Charlie Rose
 (Full Name)

2230 Rayburn Building
 (Mailing Address)

Washington, D.C. 20515

RECEIVED
 ETHICS IN GOVERNMENT ACT
 JAN 14 11 03 43
 U.S. HOUSE OF REPRESENTATIVES
 COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

HC

(Office Use Only)

Check the appropriate box and fill in the blanks.

- Member of the U.S. House of Representatives—District 7th State NC
- Officer or Employee—Employing Office _____
- Check if amended Statement.

GENERAL INFORMATION

WHO MUST FILE AND WHEN:

- Each Member in office on May 15, 1986 must file a Financial Disclosure Statement on or before May 15, 1986.
- Any officer or employee of the Legislative Branch compensated at a rate equal to or in excess of the annual rate of basic pay in effect for grade GS-16, \$61,296, as of January 1, 1985, for a period in excess of 60 days in calendar year 1985 shall file a Financial Disclosure Statement on or before May 15, 1986, if he or she continues to be such an officer or employee on May 15, 1986.
- Any employee of a Member who has been designated as a principal assistant for purposes of the Ethics in Government Act of 1978 and who performs the duties of his or her position for a period in excess of 60 days in calendar year 1985 shall file a Financial Disclosure Statement on or before May 15, 1986, if he or she continues to be such an employee on May 15, 1986.

WHERE TO OBTAIN ASSISTANCE: Committee on Standards of Official Conduct, U.S. House of Representatives, Room HT-2, Capitol Building, Washington, D.C. 20515. Telephone No. (202) 225-7103. Additional forms and instruction booklets may be obtained from the Committee office.

REPORTING INSTRUCTIONS

NOTE: Please read instructions carefully. Sign this form where indicated. Attach additional sheets if needed; identify each sheet by showing your name and the section being continued. For some categories of disclosure, a filer may attach a computer (or other) printout listing assets, such as investments, transactions, sales, etc. Such information may be obtained from financial investment (or other) organizations. In cases where such "printouts" are used, the material should be attached with an appropriate notation in the response area provided. Complete all parts. (If NONE, so indicate.) Please type or print.

REPORTING PERIOD: The period covered by this Disclosure Statement is calendar year 1985 unless otherwise indicated. *Gifts or reimbursements received during any period in the calendar year when the reporting individual was not a Member or employee need not be disclosed.*

I. SPOUSE AND DEPENDENT DISCLOSURE EXEMPTION

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

STANDARDS FOR EXEMPTION

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

NOTE: Only financial interests meeting the standards are exempted from disclosure. All other interests must be reported.

ARE YOU AWARE OF ANY INTERESTS IN PROPERTY OR LIABILITIES OF A SPOUSE OR DEPENDENT CHILD OR PROPERTY TRANSACTIONS BY A SPOUSE OR DEPENDENT CHILD WHICH YOU HAVE NOT REPORTED BECAUSE THEY MEET THE THREE STANDARDS FOR EXEMPTION? YES _____ NO X

For more information, see detailed Instruction Booklet at page 7

II. INCOME

GENERAL GUIDELINES:

EARNED INCOME is represented by earnings from employment, or personal efforts, such income when it exceeds \$100 from any one source must be disclosed at Part II-A, as to its SOURCE, TYPE, AND GROSS AMOUNT. In reporting honoraria, do not include amounts accepted for actual travel and subsistence expenses for yourself and your spouse, or aide, and amounts paid or incurred for any agent's fees or commissions; the DATE OF RECEIPT must be indicated. Earned income by Members is LIMITED to 30% of the Congressional salary they receive in a calendar year. THE 1985 LIMIT FOR INCUMBENTS IS \$22,467.49, and for MEMBERS SWORN IN ON JANUARY 3, 1985, \$20,527.31. Earned income in excess of the limitation may be donated to any organization described in 26 U.S.C. 170(c). ANY honorarium, or other earned income, assigned to a charity (in whole or part) should be noted under "DISPOSITION".

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

For more information, see detailed Instruction Booklet at page 7

A. SOURCE	SEE ATTACHED HONORARIUMS	TYPE HONORARIUMS	AMOUNT \$22,000.00	DISPOSITION

UNEARNED INCOME includes, but is not limited to, earnings derived from assets or investments such as interest, rents and dividends. Unearned income must be disclosed at Part II-B when it exceeds \$100 in value from any source during calendar year 1985. The unearned income of a spouse or dependent child must also be reported under this part. Filer may use a computer printout or similar listing, if so desired. Only the category of value of such income need be disclosed. Category A—not more than \$1,000; B—\$1,001-\$2,500; C—\$2,501-\$5,000; D—\$5,001-\$15,000; E—\$15,001-\$50,000; F—\$50,001-\$100,000; G—over \$100,000

B. SOURCE	TYPE	CATEGORY
HOUSE AT 27 SUNSET LANE, ALEXANDRIA, VA	Rental	D

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

III. HOLDINGS

GENERAL GUIDELINES:

ASSETS: Stocks and bonds, real estate, savings accounts, and any other investment or property held for the production of income, during calendar year 1985, including business interests, that had a fair market value exceeding \$1,000 as of the end of the year, must be reported by category of value. In listing the category of value of any item where it is difficult to determine an approximate fair market value, any recognized indication of value may be used provided that the method of valuation is included on the Disclosure Statement. (See Instruction Booklet at page 9 for methods of valuation.) In listing securities, the name of each company in which stock worth over \$1,000 is held must be listed separately. In reporting real property holdings, a brief description of the property (such as number of acres and indication of any improvements), and its location should be included. Filer may use a computer printout or similar listing, if so desired.

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

EXCLUSIONS: Any deposits aggregating \$5,000 or less in personal savings accounts as of the end of the year, and any personal liability owed to the reporting individual by a relative. A personal residence would not be reported UNLESS any part of the residence produces rental income. The cash value of a life insurance policy need not be reported. The reporting individual need only report the category of the amount of income received by him, his spouse, or dependents from: (1) a trust which was not created directly by such individual, his spouse, or any dependent, and with respect to which such individual, his spouse, and dependents have no knowledge of the holdings or sources of income of the trust; or (2) a "QUALIFIED BLIND TRUST" as defined in section 102(e)(3) of the Act. Such a trust must be approved by the COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT before it will be deemed a qualified blind trust under the Act. (Check the appropriate box below.)

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

For more information, see detailed Instruction Booklet at page 8

IDENTITY	CATEGORY
Rental Unit, 27 Sunset Lane, Alexandria	E
New Hanover County, N.C. Acreage - 17/3 owner, 10 acres	F
Cascade Mountain, VA ski lot, 3/4 acre	B

IV. TRANSACTIONS

GENERAL GUIDELINES:

A brief description, the date, and category of value of any PURCHASE, SALE, OR EXCHANGE during calendar year 1985, which exceeds \$1,000 in real property, stocks, bonds, commodities futures, or other forms of securities. The amount to be reported in disclosing transactions in real property or securities is the category of value of the total purchase price or total sales price, and is NOT related to any CAPITAL GAIN or LOSS on the transaction. INDICATE WHETHER THE PROPERTY WAS PURCHASED, SOLD, OR EXCHANGED.

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

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

For more information, see detailed Instruction Booklet at page 10

BRIEF DESCRIPTION	DATE	CATEGORY
NONE		

V. LIABILITIES

GENERAL GUIDELINES:

All personal obligations aggregating over \$10,000 owed to one creditor AT ANY TIME during 1985, whether secured or not, and regardless of the repayment terms or interest rates, MUST be listed. The identity of the liability should include the name of the individual or organization to which the liability is owed, and the amount disclosed should be the category of value of the largest amount owed during the calendar year. Any contingent liability, such as that of a guarantor or endorser, or the liabilities of a business in which the reporting individual has an interest need not be listed

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

For more information, see detailed Instruction Booklet at page 10

IDENTITY	CATEGORY
Southern National Bank Note	C
Mortgage on 27 Sunset Drive, Alexandria	2

VI. GIFTS

GENERAL GUIDELINES:

The term "gift" means a payment, advance, forbearance, rendering, or deposit of money, or any thing of value, unless consideration of equal or greater value is received by the donor

EXCLUSIONS: Gifts from relatives, and gifts of personal hospitality of an individual, and political campaign contributions need not be reported. Gifts with a value of \$35 or less need not be aggregated towards the \$100 or \$250 disclosure threshold

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

For more information, see detailed Instruction Booklet at page 11

A The source and a brief description of gifts of transportation, lodging, food or entertainment aggregating \$250 or more in value received from any source during calendar year 1985

SOURCE	BRIEF DESCRIPTION
NONE	

R The source, a brief description, and value of all other gifts aggregating \$100 or more in value received from any source during calendar year 1985

SOURCE	BRIEF DESCRIPTION	VALUE
NONE		

VII. REIMBURSEMENTS

GENERAL GUIDELINES:

PART VII, includes items such as travel expenses provided in connection with a SPEAKING ENGAGEMENT or FACT-FINDING EVENT related to official duties, whether those expenses were REIMBURSED to the individual or PAID DIRECTLY by the sponsoring organization. Only a brief description of the itinerary and the nature of the expenses aggregating \$250 or more in value received from any source during calendar year 1985, is required rather than exact dollar figures.

EXCLUSIONS: Travel-related expenses provided by federal, state, and local governments, or by a foreign government within a foreign country, and reimbursements paid from campaign funds, need not be reported.

For more information, see detailed Instruction Booklet at page 12.

The source and a brief description of reimbursements aggregating \$250 or more in value received from any source during calendar year 1985

SOURCE	BRIEF DESCRIPTION
SEE ATTACHED LIST OF REIMBURSEMENTS	

VIII. POSITIONS

GENERAL GUIDELINES:

The identity of all positions held on or before the date of filing during the current calendar year as an officer, director, trustee, partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise, any nonprofit organization, any labor organization, or any educational or other institution.

EXCLUSIONS: Positions held in any religious, social, fraternal, or political entities, and positions solely of an honorary nature

For more information, see detailed Instruction Booklet at page 13

POSITION	NAME OF ORGANIZATION
NONE	

IX. AGREEMENTS

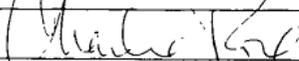
GENERAL GUIDELINES:

A description of the date, parties to, and terms of any agreement or arrangement with respect to, future employment, leave of absence during period of government service, continuation of payments by a former employer other than the U.S. Government; and continuing participation in an employee welfare or benefit plan maintained by a former employer

For more information, see detailed Instruction Booklet at page 13

DATE	PARTIES TO	TERMS OF AGREEMENT
NONE		

This Financial Disclosure Statement is required by the Ethics in Government Act of 1978, as amended (2 U.S.C. §701 et seq.). The Statements will be made available to any requesting person upon written application and will be reviewed by the Committee on Standards of Official Conduct. Any individual who knowingly and willfully falsifies, or who knowingly and willfully fails to file this report may be subject to civil and criminal sanctions (see 2 U.S.C. §706 and 18 U.S.C. §1001).

Signature 	Date MAY 13, 1986
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WHERE TO FILE:

RETURN COMPLETED STATEMENT
(WITH TWO COPIES) TO:

The Clerk, U.S. House of Representatives
Office of Records and Registration
1036 Longworth House Office Building
Washington, D.C. 20515

EXTENSIONS: The Committee on Standards of Official Conduct may grant reasonable extensions of time for filing any Disclosure Statement. An extension request must be in writing, and should state the reason the extension is necessary, and be directed to the Chairman of the Committee, Representative Julian C. Dixon.

Date	Name	Amount	Expense	Phone	Contact
Jan 2, 1985	Tobacco Institute	\$1,000.00	\$0.00	202-457-4800	Sam Chilcote
Feb 4, 1985	North Carolina Assoc. of Electric Coops	\$1,000.00	\$385.81	919-827-0800	James Hubbard
Feb 25, 1985	Connell Rice & Sugar Co. Inc	\$2,000.00	\$150.00	201-233-0700	Martin Simon
Mar 28, 1985	American Paper Institute	\$500.00	\$0.00	202-332-1050	Carol Raulston
Apr 1, 1985	Space	\$2,500.00	\$714.00	703-549-6990	Richard Brown
Apr 26, 1985	Phillips Petroleum Co	\$1,000.00	\$0.00	202-785-1380	Jim Noble
May 29, 1985	Electronic Industries Association	\$500.00	\$684.00	202-457-4900	Gary Shapiro
May 30, 1985	AT & T	\$2,000.00	\$525.00	919-253-6262	Tom Rabon
Jun 14, 1985	Southeastern Peanut Association	\$1,500.00	\$556.00	912-888-2508	John W. Greene
Jul 15, 1985	State of North Carolina Public Instruction	\$0.00	\$600.00	919-733-3813	Jane Worzhum
Aug 5, 1985	PLANT FOOD ASSOCIATION OF N.C.	\$0.00	\$499.74	919-787-6862	Walton Dennis
Sep 9, 1985	Space	\$2,000.00	\$310.00	202-887-0600	Robyn Nietert
Sep 19, 1985	Distilled Spirits Council of U.S.	\$1,000.00	\$0.00	202-628-3544	Jeff Peterson
Oct 16, 1985	U.S. TOBACCO	\$1,000.00	\$0.00	203-661-1100	Nicholas A. Buoniconti
Nov 19, 1985	GANNETT OUTDOOR OF TEXAS	\$500.00	\$0.00	202-223-5566	Vern Clark
	GANNETT OUTDOOR OF CHICAGO	\$500.00	\$0.00	202-223-5566	Vern Clark
	GANNETT OUTDOOR OF KANSAS CITY	\$500.00	\$0.00	202-223-5566	Vern Clark
	GANNETT OUTDOOR OF MICHIGAN	\$500.00	\$0.00	202-223-5566	Vern Clark
Dec 5, 1985	FOOD MARKETING INSTITUTE	\$2,000.00	\$0.00	202-452-8444	Anne McGhee

Date	Name	Amount	Expense	Phone	Contact
Dec 12, 1986	Smokeless Tobacco	\$2,000.00	\$0.00	202-452-1252	Mike Kerrigan

Total \$22,000.00 \$4,424.55

VII. REIMBURSEMENTS

<u>SOURCE</u>	<u>BRIEF DESCRIPTION</u>
N.C. Assoc. of Electric Coops	Provided round-trip air-fare to New Orleans for speaking engagement at National Conference of Cooperative Managers and Directors. Reimbursed, \$385.81.
Society for Private and Commercial Earth Stations (SPACE)	Provided for round-trip air-fare to Las Vegas, overnight lodging and transportation to airport for speaking engagement at industry convention. Reimbursed, \$714.00.
Electronic Industries Assoc.	Provided for round-trip air-fare to Chicago for speaking engagement at Summer Consumer Electronics Show. Reimbursed, \$684.00.
AT&T	Provided for round-trip air-fare to Calloway Gardens, GA. for speaking engagement to senior executives of Public Affairs Department. Reimbursed, \$525.00.
Southeastern Peanut Assoc.	Provided for round-trip air-fare to Nashville for speaking engagement at industry convention. Reimbursed, \$556.00.
State of N.C. Public Instruction	Provided round-trip air-fare to Asheville, N.C. for speaking engagement to State Superintendents at Summer Leadership Conference. Reimbursed, \$600.00.
Plant Food Assoc. of N.C.	Provided for round-trip air-fare to Asheville, N.C. for me and my wife for speaking engagement at assoc. annual meeting. Reimbursed, \$499.74.
SPACE	Provided round-trip air-fare to Nashville for speaking engagement at industry convention. Reimbursed, \$310.00.

EXPLANATION OF CERTAIN EXCLUSIONS
1985 REPORTINGIII. HOLDINGS

No reporting was made on 622 Fort Williams Parkway, Alexandria because it is the Member's personal residence.

V. LIABILITIES

No reporting was made of mortgage on 622 Fort Williams Parkway, Alexandria because it is the Member's personal residence.

HAND DELIVERED

May 16, 1986

nc

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1986

Amendment to Ethics in Government Act - Financial Disclosure Statement for 1985 of Congressman Charlie Rose.

II. INCOME

<u>Date</u>	<u>Name</u>	<u>Amount</u>	<u>Expense</u>	<u>Phone</u>	<u>Contact</u>
April 1, 1985	SPACE	\$2,500.00	\$714.00	703-549-6990	Richard Brown

Honorarium was \$500.00 over permitted limit. Of the total \$2,500.00 figure, \$500.00 was donated to charity.

Signed



Charlie Rose, Member of Congress

nc/09

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1986

HAND DELIVERED UNITED STATES HOUSE OF REPRESENTATIVES
Committee on Standards of Official Conduct

ETHICS IN GOVERNMENT ACT—FINANCIAL DISCLOSURE STATEMENT FOR 1986

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

Charles Grandison Rose, II	<div style="font-size: 2em; font-weight: bold; margin-bottom: 5px;">MC</div> (Office Use Only)
(Full Name)	
2230 Rayburn	
(Mailing Address)	
Washington, D.C. 20515	

Check the appropriate box and fill in the blanks.

- Member of the U.S. House of Representatives—District 7th State N.C.
- Officer or Employee—Employing Office _____
- Check if amended Statement.

GENERAL INFORMATION

WHO MUST FILE AND WHEN:

- Each Member in office on May 15, 1987 must file a Financial Disclosure Statement on or before May 15, 1987.
- Any officer or employee of the Legislative Branch compensated at a rate equal to or in excess of the annual rate of basic pay in effect for grade GS-16, \$61,296, as of January 1, 1986, for a period in excess of 60 days in calendar year 1986 shall file a Financial Disclosure Statement on or before May 15, 1987, if he or she continues to be such an officer or employee on May 15, 1987, and receives compensation equal to or in excess of the annual rate of basic pay in effect for grade GS-16, \$63,135, as of May 15, 1987.
- Any employee of a Member who has been designated as a principal assistant for purposes of the Ethics in Government Act of 1978 and who performs the duties of his or her position for a period in excess of 60 days in calendar year 1986 shall file a Financial Disclosure Statement on or before May 15, 1987, if he or she continues to be such an employee on May 15, 1987.

WHERE TO OBTAIN ASSISTANCE: Committee on Standards of Official Conduct, U.S. House of Representatives, Room HT-2, Capitol Building, Washington, D.C. 20515. Telephone No. (202) 225-7103. Additional forms and instruction booklets may be obtained from the Committee office.

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REPORTING PERIOD: The period covered by this Disclosure Statement is calendar year 1986 unless otherwise indicated. Gifts or reimbursements received during any period in the calendar year when the reporting individual was not a Member or employee need not be disclosed.

I. SPOUSE AND DEPENDENT DISCLOSURE EXEMPTION

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

STANDARDS FOR EXEMPTION

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

NOTE. Only financial interests meeting the standards are exempted from disclosure. all other interests must be reported.

ARE YOU AWARE OF ANY INTERESTS IN PROPERTY OR LIABILITIES OF A SPOUSE OR DEPENDENT CHILD OR PROPERTY TRANSACTIONS BY A SPOUSE OR DEPENDENT CHILD WHICH YOU HAVE NOT REPORTED BECAUSE THEY MEET THE THREE STANDARDS FOR EXEMPTION?	YES _____ NO <u>X</u> NA _____
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For more information, see detailed Instruction Booklet at page 7.

II. INCOME

GENERAL GUIDELINES:

EARNED INCOME is represented by earnings from employment, or personal efforts; such income when it exceeds \$100 from any one source must be disclosed at Part II-A, as to its SOURCE, TYPE, AND GROSS AMOUNT. In reporting honoraria, do not include amounts accepted for actual travel and subsistence expenses for yourself and your spouse, or aide, and amounts paid or incurred for any agent's fees or commissions; the DATE OF RECEIPT must be indicated. Earned income by Members is LIMITED to 30% of the Congressional salary they receive in a calendar year. THE 1986 LIMIT FOR MEMBERS IS \$22,530. Earned income in excess of the limitation may be donated to any organization described in 26 U.S.C. 170(c). ANY honorarium, or other earned income, assigned to a charity (in whole or part) should be noted under "DISPOSITION". IF NONE, SO STATE.

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

For more information, see detailed Instruction Booklet at page 7.

A. SOURCE	TYPE	AMOUNT	DISPOSITION
See attached list of honorariums	Honorariums	\$21,250.00	
Brown & Finn (SPACE)	Honorarium	\$3,000.00	\$1,000.00 assigned to charity

UNEARNED INCOME includes, but is not limited to, earnings derived from assets or investments such as interest, rents and dividends. Unearned income must be disclosed at Part II-B when it exceeds \$100 in value from any source during calendar year 1986. The unearned income of a spouse or dependent child must also be reported under this part. Filer may use a computer printout or similar listing, if so desired. Only the category of value of such income need be disclosed. Category A—not more than \$1,000; B—\$1,001-\$2,500; C—\$2,501-\$5,000; D—\$5,001-\$15,000; E—\$15,001-\$50,000; F—\$50,001-\$100,000; G—over \$100,000.

B. SOURCE	TYPE	CATEGORY
Wright Fatman Federal Credit Union	Savings/Capitol/Checking	B
	Dividends	
House at 27 Sunset Lane, Alexandria, VA	rental	C

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

III. HOLDINGS

GENERAL GUIDELINES:

ASSETS: Stocks and bonds, real estate, savings accounts, and any other investment or property held for the production of income, during calendar year 1986, including business interests, that had a fair market value exceeding \$1,000 as of the end of the year, must be reported by category of value. In listing the category of value of any item where it is difficult to determine an approximate fair market value, any recognized indication of value may be used provided that the method of valuation is included on the Disclosure Statement. (See Instruction Booklet at page 9 for methods of valuation.) In listing securities, the name of each company in which stock worth over \$1,000 is held must be listed separately. In reporting real property holdings, a brief description of the property (such as number of acres and indication of any improvements), and its location should be included. Filer may use a computer printout or similar listing, if so desired. IF NONE, SO STATE.

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

EXCLUSIONS: Any deposits aggregating \$5,000 or less in personal savings accounts as of the end of the year, and any personal liability owed to the reporting individual by a relative. A personal residence would not be reported UNLESS any part of the residence produces rental income. The cash value of a life insurance policy need not be reported. The reporting individual need only report the category of the amount of income received by him, his spouse, or dependents from; (1) a trust which was not created directly by such individual, his spouse, or any dependent, and with respect to which such individual, his spouse, and dependents have no knowledge of the holdings or sources of income of the trust; or (2) a "QUALIFIED BLIND TRUST," as defined in section 102(e)(3) of the Act. Such a trust must be approved by the COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT before it will be deemed a qualified blind trust under the Act. (Check the appropriate box below.)

DO YOU, YOUR SPOUSE OR DEPENDENT CHILD RECEIVE INCOME FROM OR HAVE A BENEFICIAL INTEREST IN A TRUST OR OTHER FINANCIAL ARRANGEMENT WHOSE HOLDINGS WERE NOT REPORTED BECAUSE THE TRUST IS A "QUALIFIED BLIND TRUST" OR OTHER EXCEPTED TRUST?	YES	NO <input checked="" type="checkbox"/>	NA
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For more information, see detailed Instruction Booklet at page 8.

IDENTITY	CATEGORY
Wright Fatman Federal Credit Union Savings/Capitol/Checking	
Rental Unit, 27 Sunset Lane, Alexandria, VA	E
Cascade Mountain, VA ski lot, 3/4 acre	B
New Hanover County, N.C. 10 acres	E

IV. TRANSACTIONS

GENERAL GUIDELINES:

A brief description, the date, and category of value of any PURCHASE, SALE, OR EXCHANGE during calendar year 1986, which exceeds \$1,000 in real property, stocks, bonds, commodities futures, or other forms of securities. The amount to be reported in disclosing transactions in real property or securities is the category of value of the total purchase price or total sales price, and is NOT related to any CAPITAL GAIN or LOSS on the transaction. INDICATE WHETHER THE PROPERTY WAS PURCHASED, SOLD, OR EXCHANGED. IF NONE, SO STATE

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

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

For more information, see detailed Instruction Booklet at page 10.

BRIEF DESCRIPTION	DATE	CATEGORY
Sale of house at 27 Sunset Lane, Alexandria, VA	10-1-86	E
Purchase of 2/3 interest in New Hanover Co. property	12-29-86	F

V. LIABILITIES

GENERAL GUIDELINES:

All personal obligations aggregating over \$10,000 owed to one creditor AT ANY TIME during 1986, whether secured or not, and regardless of the repayment terms or interest rates, MUST be listed. The identity of the liability should include the name of the individual or organization to which the liability is owed, and the amount disclosed should be the category of value of the largest amount owed during the calendar year. Any contingent liability, such as that of a guarantor or endorser, or the liabilities of a business in which the reporting individual has an interest need not be listed. IF NONE, SO STATE.

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

For more information, see detailed Instruction Booklet at page 10

IDENTITY	CATEGORY
Southern National Bank Note	C
Mortgage on 27 Sunset Drive, Alexandria, VA	B
Mortgage on 1/3 interest New Hanover County property, 10 acres (until 12-28-86) owed to Gleason Allen, trustee, Wilmington, N.C.	D
Mortgage on New Hanover County property, 10 acres (12-29-86 until end of year) owed to Gleason Allen, trustee, Wilmington, N.C.	F

VI. GIFTS

GENERAL GUIDELINES:

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

EXCLUSIONS: Gifts from relatives, and gifts of personal hospitality of an individual, and political campaign contributions need not be reported. Gifts with a value of \$35 or less need not be aggregated towards the \$100 or \$250 disclosure threshold.

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

For more information, see detailed Instruction Booklet at page 11.

A. The source and a brief description of gifts of transportation, lodging, food, or entertainment aggregating \$250 or more in value received from any source during calendar year 1986.

SOURCE	BRIEF DESCRIPTION
None	

B. The source, a brief description, and value of all other gifts aggregating \$100 or more in value received from any source during calendar year 1986

SOURCE	BRIEF DESCRIPTION	VALUE
None		

VII. REIMBURSEMENTS

GENERAL GUIDELINES:

PART VII. Includes items such as travel expenses provided in connection with a SPEAKING ENGAGEMENT or FACT-FINDING EVENT related to official duties, whether those expenses were REIMBURSED to the individual or PAID DIRECTLY by the sponsoring organization. Only a brief description of the itinerary and the nature of the expenses aggregating \$250 or more in value received from any source during calendar year 1986, is required rather than exact dollar figures. IF NONE, SO STATE.

EXCLUSIONS: Travel-related expenses provided by federal, state, and local governments, or by a foreign government within a foreign country, and reimbursements paid from campaign funds, need not be reported.

For more information, see detailed Instruction Booklet at page 12.

The source and a brief description of reimbursements aggregating \$250 or more in value received from any source during calendar year 1986

SOURCE	BRIEF DESCRIPTION
See attached list of reimbursements	

VIII. POSITIONS

GENERAL GUIDELINES:

The identity of all positions held on or before the date of filing during the current calendar year as an officer, director, trustee, partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise, any nonprofit organization, any labor organization, or any educational or other institution. IF NONE, SO STATE.

EXCLUSIONS: Positions held in any religious, social, fraternal, or political entities, and positions solely of an honorary nature.

For more information, see detailed Instruction Booklet at page 13.

POSITION	NAME OF ORGANIZATION
None	

IX. AGREEMENTS

GENERAL GUIDELINES:

A description of the date, parties to, and terms of any agreement or arrangement with respect to: future employment; leave of absence during period of government service; continuation of payments by a former employer other than the U.S. Government; and continuing participation in an employee welfare or benefit plan maintained by a former employer. IF NONE, SO STATE.

For more information, see detailed Instruction Booklet at page 13.

DATE	PARTIES TO	TERMS OF AGREEMENT
None		

This Financial Disclosure Statement is required by the Ethics in Government Act of 1978, as amended (2 U.S.C. §701 et seq.). The Statements will be made available to any requesting person upon written application and will be reviewed by the Committee on Standards of Official Conduct. Any individual who knowingly and willfully falsifies, or who knowingly and willfully fails to file this report may be subject to civil and criminal sanctions (see 2 U.S.C. §706 and 18 U.S.C. §1001).

Signature 	Date May 15, 1987
--	----------------------

WHERE TO FILE:

RETURN COMPLETED STATEMENT
(WITH TWO COPIES) TO:

The Clerk, U.S. House of Representatives
Office of Records and Registration
1836 Longworth House Office Building
Washington, D.C. 20515

EXTENSIONS: The Committee on Standards of Official Conduct may grant reasonable extensions of time for filing any Disclosure Statement. An extension request must be in writing, and should state the reason the extension is necessary, and be directed to the Chairman of the Committee, Representative Julian C. Dixon.

Congressman Charlie Rose
Financial Disclosure, 1986
VII. Reimbursements

Pfizer - Pfizer provided round-trip air-fare between Washington, D.C. and Raleigh N.C. and one day food and lodging for a speaking engagement.

SPACE Brown and Finn provided round-trip air-fare between Washington, D.C. and Las Vegas, Nevada and one day food and lodging for a speaking engagement.

U. S. Tobacco - U.S. Tobacco provided round-trip air-fare between Washington, D.C. and Palm Beach, Florida and one day food and lodging for a speaking engagement.

All American Beverage Association - All American Beverage Association provided air-fare between Washington, D.C. and Palm Springs, California for myself and spouse and three days food and lodging for speaking engagement.

Meyers and White - Meyers and White provided air-fare between Washington, D.C. and Dallas, Texas, including travel by car to Ardmore, Oklahoma for myself and spouse and one day food and lodging for speaking engagement.

Congressman Charlie Rose
 Financial Disclosure, 1986
 II. Income (Honorariums)

Date	Name	Amount	Expense	Phone	Contact
Jan 23, 1986	PFIZER	\$1,000.00	\$256.00	202-783-7070	BURT E. ROSEN
Feb 20, 1986	SPACE (BROWN & FINO)	\$3,000.00	\$648.75	202-887-0600	RICK BROWN
Feb 22, 1986	US TOBACCO	\$1,000.00	\$320.00	203-661-1100	BARBARA STERLING
Mar 11, 1986	OUTDOOR ADVERTISING ASSOCIATION	\$2,000.00		202-223-5566	VERNON CLARK
Mar 30, 1986	ALL-AMERICAN BEVERAGE CO. INC	\$2,000.00	\$1,400.00	805-928-3866	GAIL BRUCE
Apr 4, 1986	CONNELL RICE & SUGAR CO.	\$2,000.00	\$106.00	201-233-0700	GROVER CONNELL
Apr 17, 1986	The TOBACCO INSTITUTE	\$2,000.00		202-457-4846	BOB LEVY
Apr 29, 1986	MCI COMMUNICATIONS CORPORATION	\$2,000.00		202-887-2696	ED HALL
May 5, 1986	AMERICAN FARM BUREAU FEDERATION	\$500.00		202-484-2222	JOHN C. DATT
May 8, 1986	NATIONAL RESTAURANT ASSOCIATION	\$1,250.00		202-638-6100	DENNIS CLARK
Jun 11, 1986	XEROX CORPORATION	\$500.00		703-247-6710	SHIRLEY MYERS
Jul 24, 1986	MEYERS & WHITE	\$2,000.00	\$858.00	202-484-2773	LARRY MEYERS
Sep 19, 1986	REAL ESTATE TAX INSTITUTE	\$2,000.00		202-528-5644	TERESA ELLIS
Total:		\$21,250.00	\$3,568.75		

CHARLIE ROSE
7TH DISTRICT NORTH CAROLINA

230 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515
PHONE AREA CODE 202 225 2731

DISTRICT OFFICES
208 POST OFFICE BUILDING
WILMINGTON, NC 28401
PHONE AREA CODE 919 343-4929

218 FEDERAL BUILDING
FAYETTEVILLE, NC 28501
PHONE AREA CODE 919 323 0260

HAND DELIVERED



Congress of the United States
House of Representatives
Washington, D.C. 20515

COMMITTEE ON AGRICULTURE
SUBCOMMITTEES
CHAIRMAN TOBACCO AND PEANUTS
COTTON, RICE, AND SUGAR
DEPARTMENT OPERATIONS, RESEARCH,
AND FOREIGN AGRICULTURE
LIVESTOCK, DAIRY AND POULTRY

COMMITTEE ON
HOUSE ADMINISTRATION
SUBCOMMITTEES
CHAIRMAN, OFFICE SYSTEMS
ELECTIONS

May 15, 1987

The Honorable Donn Anderson
The Clerk, U. S House of Representatives
Office of Records and Registration
1036 Longworth
Washington, DC 20515

✓
MC

Dear Donn:

Attached please find amendments to previously filed Ethics in
Government Act-Financial Disclosure Statements for 1983, 1984
and 1985.

Thank you.

Sincerely,

Charlie Rose

CR:rgs
encl.

Cong. Charlie Rose
2230 Rayburn
Washington, D.C. 20515

1983 Amendment

Ethics in Government Act- Financial Disclosure Statement

IV Liabilities

Identity

Mortgage on 1/3 interest New Hanover County property, 10 acres,
owed to Gleason Allen, trustee, Wilmington, N.C.

Category

D

Cong. Charlie Rose
2230 Rayburn
Washington, D.C. 20515

1984 Amendment

Ethics in Government Act- Financial Disclosure Statement

IV Liabilities

Identity

Mortgage on 1/3 interest New Hanover County property, 10 acres,
owed to Gleason Allen, trustee, Wilmington, N.C.

Category

D

Cong. Charlie Rose
2230 Rayburn
Washington, D.C. 20515

1985 Amendment

Ethics in Government Act- Financial Disclosure Statement

IV Liabilities

Identity

Mortgage on 1/3 interest New Hanover County property, 10 acres,
owed to Gleason Allen, trustee, Wilmington, N.C.

Category

D

NAME: H503090

APPENDIX L

AGE 1

1 RPTS CANTOR

2 DCMN MILTON

3

4 PENDING BUSINESS

5 EXECUTIVE SESSION

6 Thursday, November 5, 1987

7

8 House of Representatives,
9 Committee on Standards of Official Conduct,
10 Washington, D. C.

11

12 The committee met, pursuant to call, at 10:15 a.m., in
13 Room H-310, The Capitol, Hon. Julian C. Dixon (chairman of
14 the committee) presiding.

15 Present: Representatives Dixon, Spence, Fazio, Myers,
16 Dwyer, Hansen, Mollohan, Pashayan, Gaydos, Petri, Atkins and
17 Craig.

18 Staff present: Ralph L. Lotkin, Chief Counsel; Jan
19 Loughry, Administrative Assistant; Keith Giese, Counsel;
20 Elneita Hutchins-Taylor, Counsel; Mark J. Davis, Counsel;
21 Richard J. Powers, Investigator; Linda R. Shealy, Secretary;
22 and Lee Ho, GAO Accountant.

23 Also present: Representative Charles G. Rose, accompanied
24 by counsel: William Oldaker, Eric Kleinfeld, and Heidi
25 Pender.

26 The CHAIRMAN. A quorum being present, the committee will
27 come to order.

28 We are in executive session pursuant to the motion agreed
29 to yesterday to cover one subsequent day in executive
30 session.

31 The first order of business will be Congressman Charlie
32 Rose. We would ask Mr. Rose and counsel in.

33 Good morning, Charlie.

34 Mr. ROSE. Good morning, Mr. Chairman.

35 The CHAIRMAN. Members of the committee, last week
36 Representative Rose along with his counsel Mr. William
37 Oldaker, Mr. Eric Kleinfeld and Ms. Heidi Pender met with me
38 and committee counsel Elaine Hutchins-Taylor and Ralph
39 Lotkin in the committee office. At this meeting,
40 Representative Rose requested another opportunity to come
41 before the committee. After my consultation with the
42 Ranking Member of this committee, Mr. Rose was notified that
43 the committee would honor his request.

44 Representative Rose's appearance today does not total the
45 21-day time period for his response under Rule XII of the
46 committee's rules of procedure. Likewise, his appearance
47 today does not waive his right or the committee's right to
48 waive evidence at a disciplinary hearing should the
49 committee vote to proceed with such a hearing under Rules
50 XII and XVI.

51 Let the record reflect that Representative Rose's
52 appearance here today does not follow the normal committee
53 procedure. Rule XII 1(a)(2)(a) states that the committee
54 shall provide the respondent an opportunity to present an
55 oral statement respecting allegations at the preliminary
56 inquiry stage of the committee investigation.

57 On July 22 of this year, Mr. Rose exercised his right
58 under this rule and appeared before this committee. On
59 October 28, the committee moved forward for the preliminary
60 stage by voting a statement of alleged violations. During
61 this stage, the committee procedure does not provide for
62 testimony or an appearance by the respondents. Rather, the
63 rule specifies that the response should be in writing.
64 Notwithstanding this, Mr. Spence and I agreed to acquiesce
65 and permit Representative Rose to appear.

66 Present with him today are his counsel William Oldaker,
67 Eric Kleinfeld and Ms. Heidi Pender.

68 Following Mr. Rose's testimony before the committee,
69 members may want to ask questions. I have instructed staff
70 counsel not to ask questions of the Congressman.

71 Finally, after that proceeding, Mr. Rose's counsel have
72 requested an opportunity to present oral arguments to the
73 committee regarding the application of Rules XVIII and XIX
74 of the rules of procedure. At the conclusion of
75 Representative Rose's testimony, and any questions form the

NAME: HSO309000

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76 | members, we will hear counsel's argument on these two rules
77 | with response from our counsel.

78 | Congressman Rose, will you stand and be sworn. Do you
79 | solemnly swear the testimony you are about to give before
80 | this committee shall be the truth, the whole truth and
81 | nothing but the truth, so help you God?

82 | Mr. ROSE. I do.

83 | [Witness sworn.]

84 The CHAIRMAN. Would you be seated and state your name.

85

86 TESTIMONY OF HON. CHARLES G. ROSE, A REPRESENTATIVE IN
87 CONGRESS FROM THE STATE OF NORTH CAROLINA, ACCOMPANIED BY
88 COUNSEL WILLIAM OLDAKER, ERIC KLEINFELD AND HEIDI PENDER

89

90 Mr. ROSE. My name is Charlie Rose, Member of the House of
91 Representatives from North Carolina.

92 The CHAIRMAN. I am informed by our counsel that you have
93 evidence here this morning, written evidence, that you wish
94 to put before the committee.

95 Mr. ROSE. Yes, Mr. Chairman.

96 The CHAIRMAN. My first question to you, has this evidence
97 been submitted to our counsel in the past?

98 Mr. ROSE. Yes, it has.

99 The CHAIRMAN. So that everything that the members will
100 see Ms. Taylor or Mr. Lotkin have seen?

101 Mr. ROSE. Yes, sir.

102 The CHAIRMAN. Without objection, we will pass out that
103 material.

104 Mr. ROSE. Shall we give it to them?

105 The CHAIRMAN. Yes, she has got it here. Give us a
106 minute, Charlie, to get that out, and then we will take your
107 statement.

108 All members of the committee have a copy of the material

109 provided by Congressman Rose, and, Congressman, you may
110 proceed.

111 Mr. ROSE. Thank you, Mr. Chairman.

112 Members of the committee, I came before you in July at my
113 request. I started by telling you that I felt that this was
114 a relatively simple matter. I still think it is simple to
115 me, but since that time and the statement of alleged
116 violations, two charges have been added by this committee,
117 and I would like to refer to these first.

118 Our count number is that on or about March of 1986
119 that I pledged a certificate of deposit for my campaign as
120 collateral on a personal loan at Southern National Bank.
121 When I read that charge I was not sure what it was, because
122 I did not at that time recall having had any discussion or
123 signed any paper with Southern National Bank with [REDACTED] to
124 a certificate of deposit but I called the bank and asked
125 them to search their records to see if they had any such
126 document. They found one and it has been sent to you, and
127 your staff should have seen it and maybe you have seen it.

128 With respect to the assignment, let me say that I did talk
129 with Southern National Bank at their request about securing
130 an outstanding loan. I signed an assignment for them. I
131 never intended to violate any of the rules of the House, and
132 I didn't believe that I was violating any rules of the House
133 in signing that assignment because it was not a valid

134 assignment. However, I did sign the piece of paper.

135 Only my campaign accountant could make a lawful assignment
136 of a certificate of deposit. He did not, nor did I direct
137 him to do so. I don't believe that from that aspect, that
138 there has been a violation of the House rules, but I did
139 sign that paper. I regret it, and should not have signed
140 it.

141 As to count number 4, and these are the two new counts
142 that have come before, since I was before you in July.
143 Count number 4 is with respect to loans that I have made
144 that your committee believes or your staff believes are in
145 excess of \$10,000, and therefore should have been reported
146 on my financial disclosure statements.

147 I want to assure you gentlemen at the outset that any
148 mistakes that I have made with respect to not reporting a
149 loan in excess of \$10,000 were inadvertent and
150 unintentional. I believe very strongly in full disclosure,
151 and for that reason will have necessary corrections made to
152 my reports.

153 With regard specifically to this item No. 4, I am unable
154 to explain why DFA&G were omitted from my reports. The
155 omission was completely unintentional, and I believe that
156 one of the items, item B in count 4, was erroneously typed
157 as a loan from First Union rather than First Citizens Bank.
158 This is something that we can look into deeper with the

159 staff at another point.

160 As for items listed as A, the Wacama Bank, you will see it
161 was \$5000 and \$10,000, the staff person who helped me fill
162 out my disclosure form did not believe that loans from two
163 separate banks in two separate cities needed to be reported,
164 even though it was the same chartered bank in the state. If
165 that is incorrect, I was clearly wrong, and I will be happy
166 to amend my report.

167 Item listed as E, on the chart is the Wright-Patman Credit
168 Union. I have no records to explain this loan, because I
169 don't have any records that show it. Therefore, I can't
170 explain why it was omitted.

171 The item listed as C, the National Bank of Washington, is
172 an interesting item. Some of you may have been around here
173 when the Sergeant at Arms would advance you your salaries.
174 We stopped doing that, but at the time you could get your
175 salary advanced by going down and signing a note down here
176 in the Sergeant at Arms office, and I got the six months
177 salary advances, and kept rolling those notes every month,
178 and it amounted to \$10,496, \$496 over the \$10,000 limit, and
179 it certainly never occurred to me that that was over the
180 \$10,000 limit, and so that was an inadvertent violation on
181 my part.

182 Gentlemen, the most important count--I mean they are all
183 important, but the one that I came here originally on and

184 | the one that originally brought me here is count number 1.
185 | Count number 1 is a mirror reflection--count number 3 is the
186 | other side of count number 1, so I basically talk about
187 | count number 1. Let me tell you what I am going to try to
188 | show you about count number 1, which is the charge that I
189 | borrowed money form my campaign in 1978 and at different
190 | times through 1985.

191 | I have amended by forms, my committee has amended, my
192 | accountant has amended the files, that I have at the Federal
193 | Elections Commission to show that my campaign committee is
194 | in debt to me to the sum of \$50,000. You don't have to
195 | reach the conclusion, that my committee owes me a total of
196 | \$50,000. I believe it because I remember it and I remember
197 | the transaction, but you don't have to believe that to find
198 | that I have not violated the rules of the House with respect
199 | to borrowing, because what I want to show you is that the
200 | most my campaign ever reimbursed me in the 1978 to 1985
201 | period was \$28,895, and if you are convinced that my
202 | campaign owes me just \$28,895, then you can conclude that I
203 | was entitled to be reimbursed in those reimbursements that I
204 | received form 1973 through 1985.

205 | The FEC reports show a loan made to the committee of
206 | \$20,000 in 1972. The FEC reports show a \$5100 contribution
207 | form my father. As I have previously told the committee,
208 | this was an oral loan. The FEC reports reflect start-up

209 cash on hand of nearly \$14,000 which includes a loan from my
210 father of \$8,750. Thus the FEC reports themselves account
211 for \$33,900 in loans.

212 Where have those FEC reports been, and why weren't they
213 initially used? In 1970, I ran against an incumbent
214 Congressman and lost. What personal funds I had to use for
215 campaigning were pretty well expended in 1970.

216 I ran again in 1972, when the incumbent decided not to
217 run, but there were many people who wanted to run, so I had
218 a vigorous primary. My friends and supporters in and around
219 Fayetteville knew that my father had some financial
220 resources, and that he could borrow money and help me use
221 that money, that we together could borrow money to run the
222 campaign. That is in effect what we did in 1972, and those
223 borrowings were reported on State of North Carolina forms
224 and on Federal forms. But at the end of 1972, I left North
225 Carolina and came to Washington.

226 I spent 1973 on the top floor of the Longworth Building
227 getting accustomed to being a first-year Congressman. I
228 discovered quickly that I needed an accountant. I wasn't
229 responsible for filling out the forms that had been filled
230 out and submitted in 1972, or have I been responsible since
231 then. My campaign committee has. But in 1974, we created a
232 new campaign committee, the Committee for Congressman
233 Charlie Rose, and a CPA became the person in charge of that

234 campaign committee, and he was not aware until 1986 of these
235 filings on Federal Election Campaign Act forms that were
236 filed in this building with the Clerk, and the filings that
237 were made in Raleigh at the Secretary of State Office.

238 I obviously am very sorry that we didn't make an
239 exhaustive search at the beginning of 1974 when the new
240 campaign committee was created, and bring these forms
241 forward at that time, but we brought them forward now, and I
242 will get to that in just a minute.

243 The statement of organization that you have in front of
244 you indicates that if there is a dissolution of the
245 committee, the excess funds will be used to pay off
246 preexisting debts.

247 Now let me go through what is in front of you entitled
248 "Chart No. 1." At the top of the chart, it says, "Loans
249 made to Rose campaign in 1972." On May 23, \$20,000 was
250 reported. If you will look on the copy, the Xeroxed copy in
251 front of you, you will see it is my Federal reported filed
252 June 16 of 1972.

253 Look on page 4 of that report, and you will see a loan
254 form the First Citizens Bank of \$20,000. Evidence No. 1 of
255 a loan to the committee is this Federal Election Campaign
256 Act report filed with the Clerk. You have in the files of
257 the committee the sworn statement of my finance manager in
258 1972, of my father, of Alton Buck, accountant and assistant

259 treasurer, that this was a loan to the campaign committee,
260 and as I have said previously and say to you today, I became
261 responsible for any of the loans that were made to the
262 committee by or through my father at the time that they were
263 made, and your staff has a ledger card form the First
264 Citizens Bank of Fayetteville, my father's ledger card,
265 which shows the date that this \$10,000 loan is reported on
266 this Federal Election Campaign Act form that he made a loan
267 at the First Citizens Bank & Trust Company in Fayetteville,
268 and we have all sworn that that is \$20,000 that we borrowed,
269 that I became responsible for, that came into the campaign.

270 You also have the sworn statement of Tony Rand, the
271 treasurer, and item No. 2 in your folder is a statement of
272 organization that was filed with the Clerk of the House in
273 1974, and if you will look on the second page of this
274 filing, item No. 9 says, "In the event of dissolution, what
275 disposition will be made of residual funds: repay
276 outstanding debts form 1972 campaign."

277 Now, gentlemen, I wouldn't be going through all this
278 anguish that I have been through for over a year now if my
279 campaign had actually taken these forms and incorporated
280 them into this new filing of the new Campaign Committee for
281 Congressman Charlie Rose in 1974, but they didn't, and
282 therefore I am faced with why I am here today. That is the
283 \$20,000 loan on a Federal Election Campaign Act report.

NAME: HSO309000

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284 If you will go to the second page of this, you will see
285 that on May 5, 1972, and if you will look in your folder
286 that is listed as item No. 3, you will go to your folder,
287 you will see a Federal Election Campaign Act of 1971 report
288 filed with the Clerk, and on the second page it shows a
289 \$5,150 entry. My agreement with my father is that that was
290 an oral loan that I was responsible for repaying it, the
291 sworn statements of the people listed there corroborates
292 that, and I refer again to the 1974 statement of
293 organization filed with the Clerk, and the statement of Mr.
294 Rand. And that item is also listed on a North Carolina
295 report, which I will get to in a minute. That is \$25,150 on
296 Federal reports at that point in time.

297 Item No. 4 is a North Carolina report filed with the
298 Secretary of State in Raleigh. I didn't even know these
299 forms were around until 1986 when we went back looking. If
300 I was going to create some forms, gentlemen, I did a pretty
301 good job in anticipating this back in 1972. If you will
302 look at the state form, and it says at the time, it is item
303 4 in your folder, it says at the top, "Statement of
304 contributions and expenditures."

305 Now, under the State of North Carolina law in force at the
306 time, this form was to be used for contributions and loans.
307 There was no other form on which to place loans. Item No.
308 3, item No. 2 actually on that form, is \$5,150, which

309 corroborates with what was filed with the Clerk's Office in
310 the House of Representatives.

311 Let's go to April the 7th, 1972, and look at item No. 5 in
312 your folder. Item No. 5 in your folder is a Federal
313 Election Campaign Act of 1971 report filed with the Clerk,
314 which indicates cash on hand.

315 The CHAIRMAN. They are bad copies. Do you want to point
316 out to us the \$14,428.12?

317 Mr. ROSE. What I want to point out to you is cash on hand
318 of \$14,428.12. And then on the North Carolina report, which
319 is item No. 6 on page 2, these two loans, \$8,750 listed as a
320 loan form Charles G. Rose, Jr.

321 April 7 was the date of commencement for filings under the
322 Federal Election Campaign Act of 1971, and therefore that
323 filing was made.

324 Now, what I am saying to you is that under the reports
325 that were filed with the Clerk, I believe that we have
326 evidence that has not been challenged by any other evidence.
327 There is nothing to contradict what we have shown you, that
328 a \$20,000 loan, a \$5100 loan, and the FEC reports reflect
329 start-up cash on hand of nearly \$14,000, which includes a
330 loan form my father of \$8750. Thus the Federal Election
331 Campaign Act reports themselves that we presented to you
332 account for \$33,900 in loans.

333 Now, let's go to the State of North Carolina reports.

NAME: HSO309000

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334 Item No. 6 again. I just mentioned item No. 6, item No. 6 is
335 a state report, and on the second page refers to it again, a
336 loan by me of \$7,500, the date being April 20, 1972.

337 The next item is June 2nd, 1972. That is item No. 7, the
338 next to the last item--the last item in your folder, and you
339 will notice a \$2000 loan by Charles G. Rose, III, June the
340 2nd, 1972 reported in this North Carolina form, same sworn
341 statements have corroborated this in 1974 statement of
342 organization with the Clerk corroborates this, and that is
343 the last one.

344 Then on June 25--June 2, 1972, \$2500 by Charles G. Rose,
345 Jr., the same corroborating evidence as mentioned before, so
346 that is where you get up to \$45,700.

347 When I was charged last fall with violating the House
348 rules by borrowing money from my campaign committee, I was
349 flabbergasted at the charge. I asked my staff to look into
350 it. We talked to the House Ethics Committee, the person
351 that deals with FEC reports. We talked to the FEC. We
352 located these documents in Raleigh and in Washington, and
353 were told that what we should do was amend our campaign
354 forms to reflect this obligation.

355 The obligation that it shows is owed to me is \$45,900, but
356 as I said earlier, you do not have to reach that conclusion.

357 You do not have to believe that my committee owes me
358 \$45,900 to also find that I have not violated the rules of

359 the House. Let me show that to you.

360 There is a chart No. 2, a printed chart in your file, and
361 if you look at that, you will see that in 1978, 11-15-78, I
362 received a repayment from my committee of \$4000, and a
363 repayment on December 25 of 1982 of \$7000, and right under
364 that is \$895. If you will add up those four items, you will
365 see it is \$11,895. I repaid or reloaned that money to my
366 committee on 12-31-85--I mean on 9-26-86, excuse me. Look at
367 the last item on the sheet.

368 Now go up and look at the \$18,000 entry on September 12,
369 1983. Just down below it to the right you will see \$18,000.
370 Look at the \$10,000, April the 1st, 1984. Down below it to
371 the right you will see \$10,000, \$5000, and the \$5000 below
372 it, \$9500, and \$9500 below it, \$9600 and \$9600 below it.

373 The point I am trying to make here, gentlemen, is that the
374 most that I was ever reimbursed by my campaign committee at
375 any one time was \$29,495.

376 Now, the press has said that I borrowed \$63,000 from my
377 campaign committee. First, I never borrowed any money from
378 my campaign committee, but the reimbursements that I
379 received from my committee all told maybe amounted to
380 \$63,000, but never at any one time was I reimbursed more
381 than \$29,000, because I was reloaned that money to the
382 committee.

383 Why did I reloan the money to the committee? Because I

384 did not have excessive balances in my committee outstanding
385 at that time, and I wanted the committee to show that it had
386 adequate funds.

387 After the 1972 campaign, I came to Washington in 1973. I
388 don't have to tell you what your first year in the House is
389 like, but in 1973, in the fall of 1973 my father said to me
390 that it was time for us to get straight with one another.
391 The monies that I have recited to you that came from him
392 were loans from him, were loans that I was responsible for
393 by agreement with him at the time that they went into the
394 campaign fund, so in the fall of 1973, about two-thirds
395 through my first year in Congress, daddy said let's get
396 straight. Let's put kind of a marker together. This is my
397 best recollection the way that this occurred.

398 He went to the First Citizens Bank, and I with him
399 obtained--obtained--my father obtained in 1973 a \$50,000 loan
400 from First Citizens Bank & Trust Company, and I agreed with
401 him that I was responsible for the payment of that \$50,000
402 loan.

403 Later in 1975, I got another \$50,000 loan from North
404 Carolina National Bank to help pay off the \$50,000 First
405 Citizens Loan.

406 Now, I have given you a virtual path of checks and
407 payments to the committee, and they have them. They can go
408 over them with you. I think they are clear as to how I paid

409 | my father the \$50,000 that he loaned me for the 1972 effort,
410 | but if you have trouble believing parts of that, there is
411 | another piece that I call to your attention.

412 | I had an opportunity through Don Young, just because a
413 | real estate friend of his came to see me, to buy some land
414 | in Alaska, and I bought a section of land in Alaska, and in
415 | 1978 I transferred a half a section of land to my father; in
416 | 1980 I transferred the other half section of land to my
417 | father. My agreement with him was that that land was to
418 | represent a cleaning of the decks as between us, and he sold
419 | that land, I believe, in 1981, about 1981 or 1982, and he
420 | made about \$100,000. I paid \$250 an acre, he sold it for
421 | \$500 an acre.

422 | The bottom line was daddy and I were clean with each
423 | other. We were clear. I didn't owe him any more for the
424 | money that I had borrowed from him or that he had borrowed
425 | from the bank and loaned to me to handle \$72.

426 | So, gentlemen, at the very minimum I plead with you to
427 | understand and believe me that, at a minimum, I never was
428 | advanced more from my committee than \$28,895. If you don't
429 | believe that, I am totally entitled--you don't have to
430 | believe that I am totally entitled to receive \$50,000 from
431 | my committee, but I think there is clear and convincing and
432 | uncontroverted evidence that at least \$33,000, or at least
433 | \$28,895 was loaned by me to the committee through the help

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434 of my father, and that I paid my father back not only
435 through bank loans that I ate, but as well through the
436 Alaska land transaction.

437 I beg you to ask me questions. I know that when you make
438 decisions in this body, you are worried about precedents
439 that you might set. I want to be as helpful. I am deeply
440 sorry that I have created this misapprehension of
441 wrongdoing, of violation of the House rules. I have never
442 intended to violate the House rules.

443 I had no control over the lack of this data in 1974. I
444 wish I had. I would have done a better job. But when my
445 accountant found that this was in error, he came forward
446 with me and we made the changes.

447 Do you have comments or questions?

448 The CHAIRMAN. Yes, Mr. Rose, I am sure that many of the
449 members of the committee do.

450 As I understand your testimony, it was your state of mind
451 in 1972, and thereafter, that all of the monies placed into
452 the campaign by either your father or by you were loans?

453 Mr. ROSE. Yes, sir, because we were slam out of gifts in
454 1970 when we lost.

455 The CHAIRMAN. And that in North Carolina forms at that
456 time did not have a provision for loans and contributions,
457 but merely everything was lumped together?

458 Mr. ROSE. Yes, sir.

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459 The CHAIRMAN. As contributions?

460 Mr. ROSE. Yes, sir.

461 The CHAIRMAN. And so my question to you is, would you
462 explain one more time why there was never any paper trail
463 expressing what was your intent?

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464 RPTS THOMAS

465 DCMN LYNCH

466 11:00 A.M.

467 The CHAIRMAN. From '72 on?

468 I think that would be most helpful to the committee, as I
469 understand it. You can correct me if I am wrong.

470 Mr. ROSE. You have.

471 The CHAIRMAN. That the loans that were made from the
472 banks, never in any way indicated that they would ultimately
473 used by the campaign.474 And secondly, that there was no paper trail. There was no
475 correspondence with you and your father, at that time, and
476 there was no note at that time, so I am wondering, if I
477 accept your state of mind, why there was never any paper
478 trail developed contemporaneously with the activity?

479 Mr. ROSE. You have my father before you,

480 * * * *

481 He would come--if you want to
482 ask him, get him back here and he will tell you we never
483 wrote anything down.

484 The CHAIRMAN. Probably the best----

485 Mr. ROSE. * * * *

486

487

488

489 But the \$20,000 loan was made to the committee, and
490 it states so in the Federal election. So we are talking
491 about 20 to \$28,895, or 29.

492 The CHAIRMAN. My second question is, if you viewed them
493 as loans to the committee, did you ever tell the press or
494 make statements to the district that they were borrowing
495 subsequent to this, or before this actually occurred?

496 Mr. ROSE. When I was confronted by the press in 1986,
497 when I said that these were campaign related loans, that
498 these represented campaign related loans, in my mind I was
499 thinking they were related to the loans that my father had
500 made to me and that I had agreed to pay back. That depth
501 was never understood by the press, and the press firmly said
502 Rose has screwed up in what he said, and my lawyers quickly
503 said until the complexity of--and we haven't even found the
504 documents, some of them at statements.

505 The CHAIRMAN. It is my understanding, from talking to our
506 counsel, that there is in fact you presented to the
507 committee, a document indicating that there is now a 49 or
508 \$50,000 indebtedness owed to you?

509 Mr. ROSE. That was what we were advised to do at the FCIC
510 and assume at--we were advised to file an amendment. To
511 bring that debt forward.

512 The CHAIRMAN. So you now have a note that indicates that
513 the campaign owes you \$50,000?

514 Mr. ROSE. Yes sir.

515 The CHAIRMAN. On what date was that note executed?

516 Roughly the year and the month would be okay.

517 Mr. ROSE. January of this year.

518 The CHAIRMAN. What was it--if all these are oral
519 transactions, what effect did you think executing a note in
520 '86, January of '86, what would be the impact on '87? Why
521 did you do it, I am asking, why did you execute a \$50,000----

522 Mr. ROSE. Can I let my lawyer answer that?

523 Mr. OLDAKER. Under the current law, not under previous
524 law, there was in effect in '72, all debts by the campaign
525 are supposed to be in writing, supposed to be an instrument
526 and that was merely trying to conform with the 1979 Campaign
527 Act amendments. It had no other effects other than just----

528 The CHAIRMAN. Who signed the note on behalf of the
529 campaign?

530 Mr. OLDAKER. The treasurer of the campaign.

531 The CHAIRMAN. What was used as supporting--was it the same
532 treasurer you had back there?

533 Mr. ROSE. Back----

534 The CHAIRMAN. When the debts were incurred?

535 Mr. ROSE. No.

536 The CHAIRMAN. What supporting documents did the treasurer
537 see to come to the conclusion that in fact a debt was owed?

538 Mr. ROSE. The filings that we have given you.

539 The CHAIRMAN. The filings that you have given us setting
540 aside the \$20,000 don't talk about loans. Now as the
541 treasurer satisfied that there was a debt of \$50,000? I am
542 not arguing with a set-off here, what caused the treasurer
543 to sign a document saying that the campaign owed Charlie
544 Rose \$50,000? Did he see any documentation?

545 Mr. ROSE. Yes. He saw the documentation that----

546 The CHAIRMAN. Took your word for it for part of it.
547 Okay.

548 Ms. PENDER. Mr. Buck was provided with copies of all the
549 North Carolina filings, all of the FECA filings. Mr. Buck
550 was aware of the law at that time with respect to North
551 Carolina filings. Also aware of FECA, of the 1971 law, and
552 Mr. Buck also has--did say that he was aware of the fact that
553 loans had been made. He was looking for the coordinating
554 evidence as to the specific amount. There has never been
555 any question in Mr. Buck's mind either when he took over in
556 '74, that loans had been made. He has so stated in an
557 affidavit.

558 The CHAIRMAN. As I understand what you said, Mr. Rose, in
559 count 2, that you made a mistake when you were sorry about
560 that. But more importantly, that you did in fact make an
561 assignment of a campaign CD in the value of \$70,000 and you
562 obtained a loan, personal loan from a bank?

563 Mr. ROSE. Saying that document was not effective.

564 The CHAIRMAN. I understand that.

565 Mr. ROSE. But I cannot deny that I signed it. The
566 records of the bank will show that the loan that I got, with
567 your staff, that is, that was to pay off a campaign debt.

568 The CHAIRMAN. But I just want to work through it. You
569 did in fact make an assignment or attempted to make an
570 assignment?

571 Mr. ROSE. No, I signed a document that was not an
572 effective assignment and----

573 The CHAIRMAN. Let me rephrase it. You did in fact sign a
574 document which on its face appeared to make assignment of
575 campaign assets.

576 Mr. ROSE. Yes sir.

577 The CHAIRMAN. For the purpose of you securing a personal
578 loan?

579 Mr. ROSE. Not--first part, I did sign a document that on
580 its face appeared, but not for the purpose of obtaining a
581 loan, because the loan was already outstanding. The bank
582 had just called me and said we want something in our file
583 that is considered security here.

584 The CHAIRMAN. Security. And the bank in fact did treat
585 that as security?

586 Mr. ROSE. This, there is some question about that, Mr.
587 Dixon, because it, but I am not straining the point with
588 you.

589 The CHAIRMAN. I am going to get to your point.

590 Mr. ROSE. I am not, it was a mistake for me to sign a
591 document.

592 The CHAIRMAN. I understand that you said that.

593 Mr. ROSE. The banker who was there at that time has now
594 retired and has told me on the telephone that he doesn't
595 know why that file, why that form was requested by his
596 staff, and that he didn't think that the loan needed to be
597 secured. I am not pressing that point.

598 The CHAIRMAN. Let me ask you, I am going to get to your
599 point, the point that you are pressing.

600 That loan was made to you or to your father?

601 Mr. ROSE. To me.

602 The CHAIRMAN. To you personally?

603 Mr. ROSE. Yes sir.

604 The CHAIRMAN. Until that point, it had been an unsecured
605 personal loan?

606 Mr. ROSE. Right, and it is today.

607 The CHAIRMAN. Now, you maintain because the assignment
608 was not valid, that is, the appropriate officer of the
609 campaign did not sign it?

610 Mr. ROSE. That is right.

611 The CHAIRMAN. That it was not a valid assignment and I
612 guess further, you maintain that the bank could have never
613 used that loan to collect on a bad debt?

614 Mr. ROSE. That is right.

615 The CHAIRMAN. Is that in essence?

616 Mr. ROSE. That is in essence. I got a bank that has some
617 \$100,000 of my money in it, I have a personal loan that is
618 the tail end of all of these things--I have been paying off
619 some of them trailing back into the '72 campaign. The bank
620 vice president is a friend of mine. I say, look, can I get
621 better interest rate here, I am paying too much interest to
622 you, I paid it monthly, and when I got an honorarium I put
623 all the honorarium on the principal. That is the way I have
624 been paying that thing off for years.

625 He said yes, with all the money you have got here you
626 ought to--that your committee has here--you ought to get a
627 better rate of interest. So he gave me one. I guess
628 somebody in the staff decided well, that ain't enough, we
629 need some security, and it was wrong and I apologize to the
630 committee.

631 The CHAIRMAN. In my mind, your state of mind, at the time
632 you made these various transactions, is very important,
633 because that goes to buttress things that really are not on
634 these papers. So my question to you is at the time that you
635 signed the document, were you aware that it was a potential
636 violation?

637 Mr. ROSE. No.

638 The CHAIRMAN. Of House Rules?

639 Mr. ROSE. No, I was not.

640 The CHAIRMAN. As it relates to count 4, basically as I
641 understand what you are saying, as it relates to, I guess
642 either the Sergeant at Arms or Wright Patman, I don't know
643 which, there were six months rolling over loans?

644 Mr. ROSE. Wright Patman has been a little tougher than
645 the Sergeant. The old Sergeant was pretty lenient and---

646 The CHAIRMAN. So it was the Sergeant at Arms bank and
647 there was a practice at that time, and may still exist, that
648 in fact you borrowed one month's salary and then the next
649 month would borrow another month's salary that would cause
650 you to sign a new loan. They would tear up the old one, say
651 hypothetically \$2,000 for the first month. The second month
652 you went down and got a \$2,000 advance, you probably paid
653 the interest, they tear up the old note, but now you have a
654 new note for \$4,000.

655 Mr. ROSE. Could I stop you one second. They deducted the
656 interest in the old fashioned form.

657 The CHAIRMAN. You got a check for less than \$2,000?

658 Mr. ROSE. Right.

659 The CHAIRMAN. Probably \$1900 some odd and change. That
660 this occurred over a period of time until it accumulated to
661 \$10,000?

662 Mr. ROSE. Yes.

663 The CHAIRMAN. And that never at any time did it occur to

664 you, because it was an increment, that you should report
665 this note?

666 Mr. ROSE. That is right.

667 The CHAIRMAN. Now, when you got these loans, do you know
668 where you deposited them? In other words, you had this
669 check for \$1800, or 1900 some odd dollar, where did you
670 deposit that?

671 Mr. ROSE. The money stayed in my account in the Sergeant
672 at Arms.

673 The CHAIRMAN. So that when we would see if we were
674 looking at these increments of these \$1900 advances.

675 My last question relates to count 1 and back to the note
676 that you now have for \$50,000. I really couldn't really
677 follow your argument that you said if the committee does not
678 want to believe that you are entitled to \$50,000, it could
679 believe that you were entitled to 29, and some change?

680 Mr. ROSE. Well, let me put it this way. I would leave
681 the committee to say, son, we believe that you are owed
682 \$50,000, go and take it and have a big Christmas.

683 Secondly, I would like you to find maybe that you believe
684 that at least \$30,000 was owed to me and that, therefore,
685 the counts 1 and 3 were not violations and that I could take
686 the money and have a less big Christmas.

687 The CHAIRMAN. I understood that part, but I didn't
688 understand where you got the \$30,000. In other words, if

689 | you don't believe the 50, here is how you can believe that I
690 | am owed 30 or 29. I didn't understand how you got that.

691 | Mr. ROSE. How I got to that is if you look at----

692 | The CHAIRMAN. Number-wise.

693 | Mr. ROSE. Chart number 2 shows that the most reimbursed
694 | to me at any old time is \$29,895. Rounded off, it is
695 | \$30,000. I think I have got the strongest evidence of the
696 | \$20,000 loan in the Federal Election Campaign Act report.

697 | The CHAIRMAN. Right.

698 | Mr. ROSE. Of all of the other evidence that I have got,
699 | both on the federal report and the state report, I am saying
700 | to you gentlemen, I hope and believe that you can believe
701 | that at least 10 of that----

702 | The CHAIRMAN. Right.

703 | Mr. ROSE. Is what it says it is. I believe that all of
704 | it is. But the other part, more, much more than I want to
705 | be reimbursed, Mr. Chairman, I want the committee to believe
706 | me as to count number 1.

707 | The CHAIRMAN. I follow that.

708 | Mr. ROSE. The money is immaterial.

709 | The CHAIRMAN. Let me ask one last question. As it
710 | relates to the \$20,000, the original loan, I think the
711 | document is here?

712 | Mr. ROSE. Yes sir.

713 | The CHAIRMAN. When your father took out that loan?

714 Mr. ROSE. Yes sir.

715 The CHAIRMAN. And when did you pay your father back?

716 Mr. ROSE. Well, in 1975 we have evidence of, or '73, or
717 in the Alaska lands.

718 The CHAIRMAN. Basically it is the alternative. You say
719 that Alaska lands, because of the profit that he made, if
720 anything there is a forgiveness there, but specifically the
721 others, why do you maintain that you paid him back before
722 the Alaskan lands transaction?

723 Mr. ROSE. Because I think I have adequate evidence of all
724 of that.

725 The CHAIRMAN. What is that evidence?

726 Mr. ROSE. The evidence is that in 1973, we went to the
727 First Citizens Bank, borrowed \$40,000. Father, Daddy, says
728 to me, you pay that off because that represents the \$50,000
729 that you owe me and---

730 The CHAIRMAN. That is in '73?

731 Mr. ROSE. And in '75, I go to the---

732 The CHAIRMAN. Let's stick with '73. In '73 your father
733 borrowed or you borrowed \$50,000 from the bank?

734 Mr. ROSE. My daddy borrowed the money from the bank.

735 The CHAIRMAN. He kept the proceeds from that?

736 Mr. ROSE. I believe that he kept the proceeds, or if not
737 the proceeds, most of the proceeds.

738 The CHAIRMAN. Then in 1973, some date in '72 the loan was

739 paid off?

740 Mr. ROSE. At some point after that, the '72 loan was paid
741 off, yes sir.

742 The CHAIRMAN. Well, when you say at some point of that,
743 was it the next day or five years later?

744 Mr. ROSE. I don't have the checks with me.

745 Mr. OLDAKER. We will have to supply that to the committee
746 staff.

747 Mr. ROSE. My father's ledger card shows when it was paid
748 off.

749 The CHAIRMAN. You don't know when it was paid off?

750 Mr. ROSE. Not personally, no.

751 RPTS THOMAS

752 DCMN PARKER

753 The CHAIRMAN. Mr. Spence?

754 Mr. MOLLOHAN. You said if paid off.

755 The CHAIRMAN. As I understand what Mr. Rose is saying in
756 response to my question about the \$20,000 loan that was made
757 on 5-23-1972, Mr. Rose's response is that his father made
758 that loan; that at some point in time in 1973--that
759 Representative Rose went to a bank and made a \$50,000 loan
760 and the proceeds of that loan were turned over to his
761 father, and I asked him next, to his knowledge, was the 1972
762 loan of \$20,000 paid off to the bank. His response was that
763 some time after the \$50,000 loan, it was paid off.

764 I asked him was it the next day or five years, and he said
765 that the ledger card of his father would reflect he doesn't
766 know when it was paid off. Is that a fair statement?

767 Mr. ROSE. You were basically asking me when did the
768 \$20,000 loan get paid off.

769 The CHAIRMAN. Yes, sir.

770 Mr. ROSE. I think the evidence will show that it never
771 got paid off by the campaign and I don't know when my father
772 paid it off.

773 Mr. SPENCE. That is what kind of confused me, that
774 \$50,000 you were talking about was paid off at some future
775 date. You don't know when, and would the bank records

776| reflect when?

777| Mr. ROSE. You have that in 1975, that I went to North
778| Carolina National Bank and borrowed--

779| Mr. SPENCE. The first loan we are talking about getting
780| paid off.

781| Mr. ROSE. You are talking about 20,000. I don't know
782| when the 20,000 was paid off.

783| Mr. SPENCE. The bank record reflects when it was paid off
784| and by whom?

785| Mr. ROSE. Yes, sir.

786| Mr. SPENCE. But your father, you say, got that \$50,000.
787| When you went to the bank initially, you and him, he got the
788| money for that.

789| Mr. ROSE. Yes, sir. That was a marker to say I have
790| spent \$50,000 on you. You owe me \$50,000.

791| Mr. SPENCE. He got the money.

792| Mr. ROSE. He got the money to my recollection.

793| Mr. SPENCE. Later on the other \$50,000, you went to the
794| other bank. Who got that money?

795| Mr. ROSE. My daddy.

796| Mr. SPENCE. He got another \$50,000?

797| Mr. ROSE. Yes, that was to pay off, because from 1973,
798| from 1973 to 1975 he had hoped in 1973 that I was going to
799| immediately come forward and pay off that \$50,000 loan. I
800| didn't have it.

801 Mr. SPENCE. Has that loan been paid off?

802 Mr. ROSE. Yes, sir.

803 Mr. SPENCE. By you or by him?

804 Mr. ROSE. The 1975 NCEB loan was paid off by me. The
805 money went to my father. The 1973, \$50,000, was made by my
806 father, and ultimately paid off by my father.

807 The CHAIRMAN. If the gentleman will yield, you see, Mr.
808 Rose, I asked that originally, who made the \$50,000 loan and
809 you indicated, I believe the record will show, that you made
810 that loan. Because I thought in my own mind it was
811 inconsistent that your father would go to the bank and
812 borrow \$50,000 to pay off some other loans. So, I never
813 mentioned the second \$50,000.

814 Just a minute. I want to focus in on who borrowed the
815 first fifty and it didn't make sense to me that your father
816 would borrow it. However, your response was that you
817 borrowed it. Will the reporter read it back.

818 [The record was read back by the reporter.]

819 DCHM DOMOCK

820 The CHAIRMAN. If the gentleman would yield? I heard it
821 otherwise, but I was absolutely wrong. My question then is,
822 why did your father go to the bank and borrow money to pay
823 off his own indebtedness, at least part of the \$20,000?

824 Mr. ROSE. The purpose at the time was to have a marker in
825 space, in time, where he could show that I was obligated to
826 him to pay off this indebtedness. That is the best I can
827 reconstruct it.

828 The CHAIRMAN. I am asking your state of mind at that
829 time, because, I don't understand how him borrowing money in
830 his name is any demonstration that you owe him money. He
831 went to the bank and borrowed \$50,000, and I don't know how
832 that relates to you at all.

833 Was there an agreement that you would make the payments to
834 the bank?

835 Mr. ROSE. Yes, sir.

836 The CHAIRMAN. Were you on the note?

837 Mr. ROSE. In 1972, I was making about \$15,000 as a
838 District Attorney. I didn't have the kind of credit, Mr.
839 Chairman, to borrow \$50,000 from the First Citizens Bank in
840 Fayetteville.

841 The CHAIRMAN. This is something I struggled with, I will
842 give all the members a chance.

843 Mr. CRAIG. Specific to this, my logic tells me that if

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844 | your father is borrowing money to pay off a loan, and you
845 | don't have the wherewithal to do the loan yourself and you
846 | want to use it as a marker, you borrow the money and he co-
847 | signs. He is the strength of the financial agreement with
848 | the bank, but as a true marker, your name should be on the
849 | note, and so, he is the co-signer guaranteeing your strength
850 | to the bank.

851 | Mr. ROSE. It wasn't.

852 | The CHAIRMAN. All right, I just want to clear it up.

853 DCMX SPRADLING

854 Mr. SPENCE. I was going to remark I do that frequently
855 with my son. He borrows money, they require me to co-sign
856 the note with him, and of course he usually is able to pay
857 off. In the event he doesn't they require me.

858 Does the bank have any indication signed by you that they
859 would look to you or anything to pay off the note?

860 Mr. ROSE. If you do look at my father's ledger card, at
861 First Citizens Bank, you would see that he had a lot of
862 loans and he paid them off at various and sundry times. I
863 don't know how it is in your home town in South Carolina,
864 but First Citizens in North Carolina, with customers they
865 know and understand, are very liberal with how you pay off
866 loans, when you make payments. Not to me, but to my father.
867 His ledger card is before this committee and it is
868 extremely complicated, but it shows that \$20,000 was
869 borrowed, the day the \$20,000 went into my campaign fund, it
870 shows that very clearly.

871 Mr. SPENCE. It doesn't show on that ledger card that they
872 are going to look to you to repay that loan.

873 Mr. ROSE. They weren't looking to me to repay the loan
874 but daddy.

875 Mr. SPENCE. There is no evidence. Was it down in
876 writing? What was the evidence of that except you and your
877 dad talking about it?

878 Mr. ROSE. Do you sign notes with your son?

879 Mr. SPENCE. Yes.

880 Mr. ROSE. Do you keep evidence?

881 Mr. SPENCE. I don't have to. If I could sign the note
882 that is evidence.

883 Mr. ROSE. In '75, we borrowed, daddy borrowed \$50,000 to
884 pay off these other things that he had paid, like the 20. I
885 am not sure that I can trace for you exactly how that 50
886 went into the 20. But the understanding was that you owe me
887 \$50,000. I have paid \$50,000 out for you. He has testified
888 to that.

889 Mr. SPENCE. Later on--

890 Mr. ROSE. And I paid from time to time, what I could, but
891 in 197--was it 3 or 5--in 1975, I borrowed money from North
892 Carolina National Bank and the proceeds go to my father.
893 Whether he immediately paid that \$50,000 on all of these
894 notes, Mr. Spence, or on something else that he owed in his
895 portfolio, I don't know.

896 The CHAIRMAN. We will take a break at this time and
897 reconvene in ten minutes.

898 The meeting stands adjourned for ten minutes or in recess
899 for ten minutes.

900 [Short recess.]

901 DCHM DOMOCK

902 The CHAIRMAN. We do have six members present.

903 All right, back on the record. Mr. Spence?

904 Mr. SPENCE. We were talking about \$50,000, I guess, and
905 repayment. And I am just confused, why there wasn't any
906 paper evidence of the agreement to repay the loan, either by
907 the bank or by both of you signing a note or something like
908 that.

909 The first loan, I know you said the bank was liberal in
910 its policy and understood everybody. What about the second
911 loan, and that was when, three years later?

912 Mr. ROSE. In 1975. Can I go back and apologize for this
913 confusion? I realize that this little part in here is
914 confusing. But I have talked to you earlier this morning
915 about where \$50,000 went in the campaign and I have talked
916 about how in 1973, in the fall of 1975, my father went to
917 First Citizens Bank and borrowed, he was in the bank, he
918 went to the bank and borrowed \$50,000.

919 The bank may have said he needed to make some payments on
920 some of the things that he had outstanding. I don't know
921 what the reasons were. But he and I agreed that that was a
922 marker for the \$50,000, at least at that point, \$50,000, and
923 that he had paid into my campaign, had loaned me for my
924 campaign.

925 Mr. Spence, he may have owed that money to pay off some of

926 the existing amounts that were owed at the bank like the 20,
927 or he may have paid off obligations of mine at other banks
928 in which case he might probably feel that he let me have
929 some of that money, because he paid off some other
930 obligations that I would have had at other outstanding
931 banks.

932 But in any event, in 1975, I think the staff will tell you
933 it is pretty clear, in 1975, I borrowed \$75,000, \$50,000, in
934 1975, my father and I are clear, that that \$50,000 went to
935 pay him, to help further pay off the \$50,000 that was at
936 First Citizens Bank, which was in his name.

937 No new money was created, and no new money went into,
938 where we--either in 1973 or in 1975.

939 Mr. SPENCE. What evidence of that agreement do you have
940 right there, when you borrowed the additional \$50,000?

941 Mr. ROSE. What evidence of what?

942 Mr. SPENCE. Of you giving that to him and--

943 Mr. ROSE. My testimony and his testimony and the fact
944 that it didn't go anywhere else.

945 Mr. SPENCE. You went and paid off the loan?

946 Mr. ROSE. I can show, and the staff can show in the North
947 Carolina National Bank \$50,000 in 1975, the trail, it is
948 fairly clear that I paid that \$50,000 off. If I owed my
949 father additional monies, say, he had used some of the 1973
950 money to pay off a note for me at another bank, that I would

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951 | owe him that money.

952 RPTS THOMAS

953 DCMX PARKER

954 Mr. SPENCE. You didn't use that 1975 money to go back and
955 repay that 1972 loan, did you?

956 Mr. ROSE. Yes, probably.

957 Mr. SPENCE. At the same time, a day or two.

958 Mr. ROSE. I don't know that. I gave my dad the money
959 when he paid--

960 Mr. SPENCE. You gave it to him and he paid it off.

961 Mr. ROSE. Yes, sir, because--

962 Mr. SPENCE. You don't have any evidence of the fact. How
963 did you give it to him, Charlie? Was it a check or cash or--

964 Mr. ROSE. I recollect that he got the proceeds in a check
965 from the North Carolina National bank.

966 Mr. SPENCE. Any evidence of that? There should be,
967 shouldn't there? They don't have records showing that?

968 Mr. ROSE. We have the check, but don't have the back of
969 the check. The evidence is, in my opinion, relatively clear
970 that in 1975--

971 Mr. SPENCE. You borrowed the money.

972 Mr. ROSE. I borrowed.

973 Mr. SPENCE. He got it.

974 Mr. ROSE. Yes, sir, he got it straight in a check. He
975 has testified to that, and I testified to that. He got the
976 \$50,000 in 1975.

977 Mr. SPENCE. You got further checks made out to you. You
978 got the front of the check showing paid out to you.

979 Mr. ROSE. Yes, sir.

980 Mr. SPENCE. Nothing shows from there it went to him, that
981 is your testimony and is--

982 Mr. ROSE. There is no contradiction of that in the bank
983 records that I have seen or that your staff has. And if I
984 owed him anymore than fifty, Mr. Spence, the money that--the
985 transfer of the Alaska land to him, I contend, more than
986 covered that.

987 Mr. SPENCE. Like I said, there is usually some kind of
988 evidence, an endorsement or something to show when money,
989 that much money goes from one person to another there is
990 some kind of evidence.

991 Mr. ROSE. That is right. We are talking about things
992 that happened over ten years ago and I am being asked to
993 come up with bank transactions for a period longer than
994 regular citizens have to come up with bank transactions.

995 Mr. SPENCE. What about the land conveyance in Alaska?

996 Mr. ROSE. Yes, sir.

997 Mr. SPENCE. Did you put down on the conveyance or deed
998 whatever the true consideration.

999 Mr. ROSE. Yes.

1000 Mr. SPENCE. What was the true consideration stated.

1001 Mr. ROSE. All the debts that I owed to him.

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1002 Mr. SPENCE. All the debts I owe my father.
1003 Mr. ROSE. Yes, sir.
1004 Mr. SPENCE. No amount, just all the debts.
1005 Mr. ROSE. Yes, sir.
1006 Mr. SPENCE. That's all I have.
1007 The CHAIRMAN. Mr. Fazio.
1008 Mr. FAZIO. Charlie, I want to take a slightly different
1009 approach. You have a note from your campaign committee
1010 saying that you are owed \$50,000, as you have said, you
1011 hope the committee would accept that or at least some lesser
1012 amount, but there is clearly a good deal of confusion
1013 surrounding this or we wouldn't be here. Would it be
1014 possible for you to tell the committee, in order to clear
1015 the air, that you would be willing to cancel that note now
1016 that it has legally been tendered to you? Is it possible
1017 that you would in fact be willing to say that in fact that
1018 money is not something that you have any desire to claim in
1019 the future?
1020 Mr. ROSE. I would--I have told you earlier that I felt
1021 like this has been a rather punishing experience that I have
1022 come through. It would be considerably further punishment
1023 to be not allowed to have this additional money. More than
1024 I want to receive a repayment from my committee, I want to
1025 clear up the question about count number 1.
1026 Yes, I would certainly be willing to say that I am not

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1027 interested in receiving money from my campaign committee and
1028 this committee to not set a precedent for the future for
1029 things like this can clearly say that anybody who waits as
1030 long as I do to change the record in a situation like this
1031 is not entitled to recover.

1032 Mr. FAZIO. Thank you, Mr. Chairman. Thank you.

1033 The CHAIRMAN. Mr. Myers.

1034 Mr. MYERS. Well, thank you, Mr. Chairman.

1035 Mr. Rose, you certainly leave many questions for this
1036 committee and others because you have left a clouded trail.
1037 The thing that disturbed me about it is the fact that there
1038 is no documentation.

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1039 DCMN SPRADLING

1040 We all understand that between you and your father that
1041 the loan agreement could be verbal but it would seem that
1042 between you and the committee there would have been a note
1043 executed. Did you ever make an explanation, which I haven't
1044 been able to find, why there was no execution of a written
1045 agreement on these loans?

1046 Mr. ROSE. I am going to let Mr. Oldaker answer that.

1047 Mr. OLDAKER. Currently, there is no question that loans
1048 made to the campaigns and campaign committee that--

1049 Mr. MYERS. Would you explain currently?

1050 Mr. OLDAKER. Currently the law requires that a loan made
1051 currently under the Federal Election Campaign Act amendments
1052 of 1979, there has to be a written document executing any
1053 loan setting forth various things set forth in the statute
1054 which include interest rates, terms, et cetera, just like a
1055 bank loan.

1056 So if you made a loan to your committee you would have to
1057 have that document signed by your treasurer, which would set
1058 forth that information.

1059 Prior, back when we are dealing prior to the '76
1060 amendments, clearly there was no document necessary and many
1061 if not most of all of the loan transactions that I examined
1062 back then, from Members to their committee or candidates
1063 when I was general counsel to the Election Commission, did

1064 | not have the documentation that we would think that you
1065 | would have from a bank. The recommendation was made by the
1066 | Commission in '75 to change the law and to add those
1067 | requirements.

1068 | The Congress took that recommendation and made the
1069 | changes.

1070 | So I think we are looking at the status of the law today,
1071 | we think that is how it has always been done. I can assure
1072 | you that is not how it has always been done, that it was not
1073 | done that way, in this case it was done in a very loose
1074 | manner.

1075 | Mr. MYERS. Are there any statutory requirements in the
1076 | State of North Carolina for a loan to be collectable there
1077 | has to be a written document to substantiate the loan?

1078 | Mr. OLDAKER. I am not aware of that. I know in some
1079 | states that there are such requirements. I am not that
1080 | familiar with North Carolina.

1081 | Mr. MYERS. You don't practice in North Carolina?

1082 | Mr. OLDAKER. No, I practice in Washington.

1083 | Mr. MYERS. Are you aware of anything like that?

1084 | Mr. ROSE. I am not aware. It is my belief--

1085 | Mr. MYERS. Your father is an attorney.

1086 | Mr. ROSE. Yes, sir, we are both attorneys. That an oral
1087 | loan in this situation is permissible.

1088 | Mr. MYERS. I have been a banker in my time and I know

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1089 that often family members, when there are loans made, that
1090 they are by verbal agreement, but my experience may not be
1091 statutory but good business practice when you are going
1092 outside the family to have some kind of written agreement to
1093 protect both sides in case something should happen to the
1094 lender.

1095 Mr. ROSE. Can I respond to that.

1096 Mr. MYERS. Sure.

1097 Mr. ROSE.

1098 * * * *

1099

1100

1101 I forgot about the discussion that we had earlier about
1102 our records showing that \$45,900 went into the campaign,
1103 what we have focused here on the last several minutes is how
1104 that amount of money got paid to such an extent that I am
1105 entitled to receive it.

1106 The marker of \$50,000 that daddy borrowed in 1972, 1973.
1107 and used to pay off things that he had paid for me, that he
1108 had borrowed for me and quite possibly some obligations that
1109 I had somewhere else, such as that my obligation to him,
1110 might have even been greater than \$50,000.

1111 RPTS THOMAS

1112 DCMN LYNCH

1113 In 1973 he borrows \$50,000, the proceeds basically go to
1114 pay off obligations that he had at banks, but may have gone
1115 to some obligations that he had at other banks, such as he
1116 might have even, say, I gave my son some of that \$50,000 in
1117 1973.

1118 Skip over with me to '75. I get \$50,000 from the North
1119 Carolina National Bank and give that 50 to my father. The
1120 trail from how I paid that 50 off is pretty clear. What I
1121 have said is that if I had owed my father more than 50, that
1122 as cleared up with the Alaska land transaction.

1123 Mr. MYERS. I want to get back to my question. Since you
1124 have gotten on the '75 arrangements here. In '75, your
1125 father borrowed \$50,000.

1126 Mr. ROSE. I borrowed.

1127 Mr. MYERS. How did you pay your father back?

1128 Mr. ROSE. I gave him the check.

1129 Mr. MYERS. I don't remember seeing the check.

1130 Mr. ROSE. Are we clear that we got two \$50,000 loans here
1131 that don't create any new money. Think of three--think if
1132 three spots out here in this event. The \$50,000 goes into
1133 the campaign, through my father in 1972.

1134 In 1973, in November of '73, he creates a borrowing, he
1135 borrows \$50,000 at the bank where he is constantly rolling

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1136 notes all the time--First Citizens Bank and Trust Company in
1137 Fayetteville. He borrows \$50,000.

1138 Mr. MYERS. '73?

1139 Mr. ROSE. In '73. What he uses that for, I don't know,
1140 but it was our marker that I had to pay that 50 off. He
1141 probably paid some of the obligation--if he had borrowed
1142 money to let me have it, he could have used it to pay the
1143 20. He could have used the 50 to pay----

1144 Mr. MYERS. How paid the 20, you didn't?

1145 Mr. ROSE. I didn't pay the 20. He paid it for me and I
1146 became immediately obligated to pay him.

1147 He could have used that 50 to pay some notes at Southern
1148 National Bank or some other bank, so I would have owed him
1149 more than 50, he could have loaned me some of the money
1150 back.

1151 Mr. MYERS. 20 was part of the 50 you borrowed in '73?

1152 Mr. ROSE. I can't say that but then in--you got the '73,
1153 \$50,000.

1154 Now, go to '75. I have been reelected to my second term.
1155 I am a big shot now. They will let me have \$50,000 in my
1156 own name at the North Carolina National Bank. That \$50,000
1157 was paid off by me and I have given you as good a trail as I
1158 can construct of how that \$50,000 got paid off. My father
1159 and I have both testified that the North Carolina National
1160 Bank, \$50,000 in 1975, went to him, Charles Rose, Jr.

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1161 Mr. MYERS. You never saw the 50?

1162 Mr. ROSE. No.

1163 Mr. MYERS. The proceeds from the bank went to your

1164 father?

1165 DCMH DONOCK

1166 Mr. ROSE. Yes, sir, how he spread that out among all of
1167 his obligations, I don't know. If I really in fact owed him
1168 more than 50, in 1975, I am contending to you gentlemen that
1169 when I transferred the Alaska land to him--

1170 Mr. MYERS. That is when?

1171 Mr. ROSE. In 1978 to him, I told him--

1172 Mr. MYERS. You paid him twice, then, didn't you?

1173 Mr. ROSE. I didn't pay him twice.

1174 Mr. MYERS. The Alaskan land was in the middle of what you
1175 owed him. I assumed the \$50,000 you borrowed went to him.
1176 It looks like you paid him twice.

1177 Mr. ROSE. We haven't talked about what we spent in 1970,
1178 the time I lost; we are focusing on 50.

1179 Mr. MYERS. You are further confusing us.

1180 Mr. ROSE. That is right. But we are talking about 18
1181 years ago, Mr. Myers. We are talking about something that
1182 happened a long time ago, and as best we can construct it,
1183 there were other obligations to my father.

1184 That is why I was willing to turn the Alaskan land over to
1185 him and say, when you accept that and the profits you get
1186 from this sale, it brings us even. He agreed to that. He
1187 made close to \$100,000 when he sold that land that I had
1188 transferred to him.

1189 Now, that is--

1190 Mr. MYERS. That is beyond the \$50,000 you borrowed in
1191 1973, then?

1192 Mr. ROSE. Yes, sir.

1193 Mr. MYERS. The Alaskan land was separate from all that.

1194 Mr. ROSE. Absolutely. I paid him back in spades. He at
1195 one time was embarrassed he made money on the deal. I said,
1196 don't worry about that, there is enough obligations that you
1197 have covered through the years.

1198 Mr. MYERS. Okay. Now, we will set aside--

1199 Mr. ROSE. I apologize for the confusion about the 1973
1200 First Citizens loan.

1201 Mr. MYERS. We can understand, I can understand, that
1202 loans between family members not necessarily are always
1203 documented.

1204 Mr. ROSE. That is right.

1205 Mr. MYERS. However, the only documentation we have of
1206 what you claim to be loans between you and your committee,
1207 were there any loans executed there, any notes?

1208 Mr. ROSE. No, he has testified.

1209 Mr. MYERS. I understand.

1210 Mr. ROSE. You are right, that wasn't proper.

1211 Mr. MYERS. The only documentation we have is these loans
1212 were existent are two, three--you are filing with the Clerk
1213 of the House, and you are filing with the required authority
1214 in North Carolina.

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1215 Mr. ROSE. That is right.

1216 Mr. MYERS. And the checks trail.

1217 Mr. ROSE. Right.

1218 Mr. MYERS. Why were the checks that were issued by your
1219 election committee, say a loan, and why would your checks
1220 then they went back into that campaign say repayment of
1221 loan.

1222 Mr. ROSE. Because--

1223 DCMN MILTON

1224

1225 Mr. MYERS. Why would you put that on there if they
1226 weren't?

1227 Mr. ROSE. I didn't put them on there. My accountant put
1228 them on there and it should not have been put on there.

1229 That is the bad part about the accusation. On the face of
1230 it it says loan, but they weren't loans. You know, I am not
1231 asking this committee to swallow a horse here, but that was
1232 what my accountant in 1978, who was not around in 1972,
1233 thought that he should put down as for these transactions.
1234 They were corrected. They were amended in 1986.

1235 Mr. MYERS. After all this started to come out?

1236 Mr. ROSE. Yes, sir, after it was pointed out that that
1237 was against the House rules and I said I beg to differ with
1238 you because the committee owes me at least \$50,000, owes me
1239 money. When we looked in Raleigh, when we looked in
1240 Washington, we come with the documentation that I believe
1241 shows \$45,000, \$50,000.

1242 The CHAIRMAN. There is just one point, Mr. Rose, I want
1243 to touch upon to clear up here, just as far as what evidence
1244 we have in our possession. As I understand it, in 1975,
1245 1975 you borrowed \$50,000, you paid that to your father?

1246 Mr. ROSE. Yes, sir.

1247 The CHAIRMAN. Then in your testimony you indicated that

1248 | the evidence that you have of that is the front of a check
1249 | which indicates that a check is made out to you for \$50,000?
1250 | Mr. ROSE. Yes, sir.
1251 | The CHAIRMAN. But you don't have the back?
1252 | Mr. ROSE. I don't have the back.
1253 | The CHAIRMAN. Does the committee have the front of that
1254 | check?
1255 | Mr. ROSE. Yes, sir.
1256 | The CHAIRMAN. Or does the committee have a ledger card
1257 | that indicates that you borrowed money, \$50,000?
1258 | Mr. ROSE. Yes, sir, it does.
1259 | The CHAIRMAN. Is that correct?
1260 | Mr. MYERS. I thought a moment ago when I asked you, you
1261 | said the proceeds from the bank went to your father, that
1262 | you never had them.
1263 | Mr. ROSE. That is right. That wasn't his question.
1264 | Mr. MYERS. You said the check from you went to your
1265 | father.
1266 | Mr. ROSE. The loan with--
1267 | Mr. MYERS. The bank gave you the proceeds?
1268 | Mr. ROSE. Yes, sir.
1269 | Mr. MYERS. The burden is on your to show it went to your
1270 | father.
1271 | Mr. ROSE. I have testified to that and my father had
1272 | testified to it.

1273 Mr. MYERS. The documentation, I am talking about
1274 documentation.
1275 Mr. ROSE. The documentation--
1276 Mr. MYERS. The thing that bothers me is that everything,
1277 Charlie, the documentation is missing on all these things.
1278 The CHAIRMAN. Mr. Myers, hold on just a minute. All I
1279 want to know is, Mr. Rose, do we have a copy of the front of
1280 the check?
1281 The reason I asked these questions is because I think
1282 credibility is important here.
1283 Mr. ROSE. I agree.
1284 The CHAIRMAN. We have an actual copy of a front of this
1285 check?
1286 Mr. ROSE. Yes, sir.
1287 The CHAIRMAN. Is that your understanding?

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1288 RPTS CANTOR

1289 DCMN MILTON

1290 [12 noon]

1291

1292 The CHAIRMAN. Is that your understanding, Ms. Taylor?

1293 Ms. HUTCHINS-TAYLOR. We have a copy of the non-negotiable

1294 portion of the bank draft that was our cut to Congressman

1295 Rose. It is not the actual negotiable part of the check.

1296 We have a copy of the non-negotiable portion of the bank

1297 draft form MNCB to Congressman Rose.

1298 Mr. OLDAKER. Which was given to us by the bank when it

1299 was requested.

1300 Mr. MYERS. Given to Rose, Congressman Rose and not father

1301 Rose?

1302 Ms. HUTCHINS-TAYLOR. This was the loan that the

1303 Congressman himself took out so the check was made out to

1304 him.

1305 The CHAIRMAN. As I understand what you are saying, the

1306 bank usually presents a check and there is a carbon that

1307 says non-negotiable is normally yellow. We have a copy of

1308 that, not the front of the check.

1309 Mr. MYERS. Made payable to who?

1310 The CHAIRMAN. Charlie Rose.

1311 Mr. ROSE. Mr. Myers, are you confusing 1973 with 1975?

1312 Mr. MYERS. I am confusing more than 1973 and 1975. Back

1313 through 1972 and on up through 1986. I don't know what I am
1314 confusing. I am trying to find out the 1975 loan that you
1315 got form NCNB and where the proceeds went. NCNB keeps
1316 documentation. They have to.

1317 Let's go to 1975, that loan of 1975.

1318 Mr. ROSE. In 1975 I borrowed \$50,000 form North Carolina
1319 National Bank.

1320 Mr. MYERS. Again I ask the question, where are the
1321 proceeds? Who did the bank issue the proceeds?

1322 Mr. ROSE. They issued the check to Charles Rose, III.

1323 Mr. MYERS. To you then?

1324 Mr. ROSE. Who was doing business, whose checking account
1325 was at the Sergeant at Arms office in this building. Does
1326 that check appear in my Sergeant at Arms office?

1327 Ms. PENDER. Also had a bank account at United Carolina
1328 Bank. Those bank records are not available, not through
1329 anyone's fault but through passage of time, and I believe
1330 the committee has asked for them as well.

1331 Mr. MYERS. A bank doesn't keep records?

1332 Ms. PENDER. That particular bank was bought by another
1333 bank, and they no longer have the records. There is a seven-
1334 year retention statute in the State of North Carolina, which
1335 requires them to keep documents for seven years. That is
1336 the way the bank explained it to me, sir, and after that
1337 period of time, there is nothing wrong with them not having

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1338 then.

1339 Your committee and we have requested, we would like those
1340 checking account records, because we believe that they would
1341 substantiate where Mr. Rose's loans were. We want that
1342 information, but we are unable to get it.

1343 Mr. ROSE. You want to see where the \$50,000 loan proceeds
1344 check in 1975 from North Carolina National Bank went, the
1345 best records that we have are at the bottom of the check, as
1346 Mr. Dixon has told you, and the trail of payments of that
1347 \$50,000 by me in various--

1348 Mr. MYERS. What is that trail? The only thing the
1349 committee has is that the proceeds went to you. I am saying
1350 that the documentation are that the proceeds went to your
1351 father at that time.

1352 Mr. ROSE. My father has testified that he got \$50,000. I
1353 have testified that I gave him the \$50,000, and you have two
1354 problems. You have to show where the proceeds went and you
1355 have to show how you paid off the loan. I have better
1356 records of how I paid off that \$50,000, Mr. Myers, than I do
1357 of a paper trail to show where the \$50,000 went. I don't
1358 have the back-up check.

1359 Mr. CRAIG. Will the gentleman yield?

1360 Mr. MYERS. I yield.

1361 Mr. CRAIG. In 1975, you borrowed \$50,000. You get a
1362 check from the bank for \$50,000. You hand the check to your

1363 father?

1364 Mr. ROSE. That is our recollection, yes, sir.

1365 Mr. CRAIG. And your father spends that money?

1366 Mr. ROSE. Yes, sir.

1367 Mr. CRAIG. To pay off certain things. Does your father's
1368 account show a deposit sequential to your loan of \$50,000?

1369 Mr. ROSE. Not to our knowledge. We don't have the
1370 records. They don't exist.

1371 Mr. CRAIG. No, your father, not you, your father's
1372 account.

1373 Mr. MYERS. Citizens Bank.

1374 Mr. ROSE. We don't know. First Citizens.

1375 Mr. SPENCE. They don't have records.

1376 Mr. CRAIG. I can't understand how you get a check and not
1377 run it through your hand. You just sign it on the bank,
1378 sign it to your father and say, "You are paid, dad."

1379 Mr. ROSE. That is what we did.

1380 Mr. MYERS. The non-negotiable part we have a record is
1381 the copy he receives. That is a non-negotiable duplicate
1382 copy.

1383 Mr. CRAIG. But your father's accounts do not show him
1384 receiving the \$50,000?

1385 Mr. ROSE. We don't know.

1386 Mr. CRAIG. I thank the gentleman.

1387 Mr. MYERS. I have no further questions.

1388 The CHAIRMAN. Mr. Mollohan.
1389 Mr. Rose, I know that you have an appointment at 1
1390 o'clock, and so while I am not rushing members, it is only 5
1391 after 12:00 now, I am saying that we would like to finish as
1392 soon as possible. I am not rushing anybody.
1393 Mr. Mollohan.
1394 Mr. MOLLOHAN. Thank you, Mr. Chairman.
1395 Charlie, if I can spend a little bit reconstructing this,
1396 I would appreciate your help in my doing it. In May of 1972
1397 your campaign received \$20,000. It subsequently received
1398 \$5,150 and \$8,750, and then \$2,500 for a total of \$37,400 in
1399 the 1972 campaign from your father; is that correct?
1400 Mr. ROSE. Yes.
1401 Mr. MOLLOHAN. You, during that campaign, the record will
1402 reflect, contributed \$9,500. The total of that is \$46,900
1403 received from you and your father by the campaign during the
1404 1972 campaign.
1405 Subsequent to that, in 1973 you went to the First Citizens
1406 Bank, your father went to the First Citizens Bank?
1407 Mr. ROSE. His bank.
1408 Mr. MOLLOHAN. And he borrowed \$50,000. There was an oral
1409 understanding between you and your father that while it was
1410 his borrowing, and the note with the bank reflected it was
1411 his borrowing, it was nevertheless an oral understanding
1412 between you and your father that you were responsible for

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1413 | paying that indebtedness?
1414 | Mr. ROSE. Correct.
1415 | Mr. MOLLOHAN. I want to get back to that, but somehow we
1416 | assumed that that was repaid by you.
1417 | Mr. ROSE. Yes, sir.
1418 | Mr. MOLLOHAN. Now, in 1975 you, in your own name,
1419 | borrowed \$50,000 from?
1420 | Mr. ROSE. The North Carolina National Bank.
1421 | Mr. MOLLOHAN. The North Carolina National Bank?
1422 | Mr. ROSE. Yes, sir. That is how I paid the \$50,000, as I
1423 | recall.
1424 | Mr. MOLLOHAN. It is your representation that you took
1425 | that \$50,000 and paid it directly to your father?
1426 | Mr. ROSE. Yes, sir.
1427 | Mr. MOLLOHAN. Now, was that you satisfying the oral
1428 | obligation you had with your father to pay off the 1973
1429 | \$50,000?
1430 | Mr. ROSE. Yes, sir.
1431 | Mr. MOLLOHAN. That is the event that satisfied it?
1432 | Mr. ROSE. Yes, sir.
1433 | Mr. MOLLOHAN. So your father actually made the payments
1434 | on that 1973 loan?
1435 | Mr. ROSE. Yes, sir.
1436 | Mr. MOLLOHAN. Is that correct?
1437 | Mr. ROSE. Yes, sir.

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1438 Mr. MOLLOHAN. You paid him back with the 1975 loan which
1439 you paid directly to him?

1440 Mr. ROSE. Yes, sir.

1441 Mr. MOLLOHAN. You were going to say something?

1442 Mr. ROSE. The only footnote that I would add is that my
1443 father in the 1973 \$50,000 loan that he borrowed from his
1444 bank, North Carolina National Bank, may have paid off some
1445 obligations that I had at other banks around town, in which
1446 case, I would owe him more than the \$50,000 that I paid him
1447 in 1975.

1448 Mr. MOLLOHAN. There is a rather casual relationship
1449 between your father and yourself?

1450 Mr. ROSE. Absolutely.

1451 Mr. MOLLOHAN. In regard to borrowings, and he is helping
1452 you?

1453 Mr. ROSE. Yes, sir.

1454 Mr. MOLLOHAN. In ways you probably knew about at the
1455 time?

1456 Mr. ROSE. Yes, sir.

1457 Mr. MOLLOHAN. But you don't specifically recollect on
1458 this occasion?

1459 Mr. ROSE. Yes.

1460 Mr. CRAIG. Will the gentleman yield?

1461 Mr. MOLLOHAN. Will you allow me to go through?

1462 Mr. CRAIG. Go ahead.

1463 Mr. MOLLOHAM. Then some subsequent date you entered into
1464 a land transaction?
1465 Mr. ROSE. That is right.
1466 Mr. MOLLOHAM. In Alaska?
1467 Mr. ROSE. Yes, sir.
1468 Mr. MOLLOHAM. What was that date?
1469 Mr. ROSE. 1978. Well, I bought the land about 1975-1976.
1470 Mr. MOLLOHAM. 1975-1976, that you--
1471 Mr. ROSE. Conveyed to him.
1472 Mr. MOLLOHAM. Simply assigned?
1473 Mr. ROSE. I deeded, signed a deed.
1474 Mr. MOLLOHAM. Without consideration?
1475 Mr. ROSE. The consideration that was between us was in
1476 settlement of all obligations that I had--
1477 Mr. MOLLOHAM. And that was reflected; is that correct?
1478 Mr. ROSE. And \$10 and other good and valuable
1479 considerations as all warranty deeds state, but our
1480 understanding was that when he got the Alaska land--
1481 Mr. MOLLOHAM. Whatever happened with that asset, good or
1482 bad, paid him?
1483 Mr. ROSE. Paid him off.
1484 Mr. MOLLOHAM. Everything?
1485 Mr. ROSE. And it turned out good.
1486 Mr. MOLLOHAM. Right, and so he ends up a net plus?
1487 Mr. ROSE. Yes, sir.

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1488 Mr. MOLLOHAN. I would like to go back to the \$20,000, the
1489 initial \$20,000. I think I understand your theory about how
1490 all that worked.

1491 Mr. ROSE. Thank you.

1492 Mr. MYERS. I would like to go back to the campaign.
1493 There is \$20,000 debt which the campaign owes. Are you
1494 representing that you became the creditor of that debt when
1495 you assumed the obligation of your father?

1496 Mr. ROSE. Let me say it this way. The \$20,000 obligation
1497 of the committee was actually \$20,000 that my father
1498 borrowed at First Citizens Bank and gave to the campaign.

1499 Mr. MOLLOHAN. Yes, but at some point if you are going to
1500 make a circle out of this, you have to stand as the creditor
1501 form the campaign, do you not?

1502 Mr. ROSE. That is right.

1503 Mr. MOLLOHAN. Does that happen and how with regard, first
1504 of all, to the \$20,000?

1505 Mr. ROSE. As it was made.

1506 Mr. MOLLOHAN. No, sir, I'm sorry. You did not understand
1507 my question.

1508 At some point, if I understand your theory, you must
1509 become the creditor. That \$20,000 obligation must be to
1510 you, isn't that correct?

1511 Mr. ROSE. That is right.

1512 Mr. MOLLOHAN. Because I assume in these series of \$50,000

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1513 transactions, the bank has been paid off with the \$20,000,
1514 the First Citizens?
1515 Mr. ROSE. It was never paid off by the committee.
1516 Mr. MOLLOHAM. Well, then, let me ask you, was the \$20,000
1517 ever paid off by anybody?
1518 Mr. ROSE. Yes.
1519 Mr. MOLLOHAM. I understand that it wasn't paid off by the
1520 committee?
1521 Mr. ROSE. It just disappeared off the sheets. It fell
1522 off.
1523 Mr. MOLLOHAM. Of the bank's sheets?
1524 Mr. ROSE. No, it fell off my forms.
1525 Mr. MOLLOHAM. Excuse me, sir. The \$20,000 is an
1526 obligation owed by your committee to the bank, correct?
1527 Mr. ROSE. Right.
1528 Mr. MOLLOHAM. Under your theory, that obligation is paid
1529 off not by the committee.
1530 Mr. ROSE. Right.
1531 Mr. MOLLOHAM. But by your father or you or somebody, is
1532 that correct?
1533 Mr. ROSE. Exactly, yes, sir.
1534 Mr. MOLLOHAM. Does that happen?
1535 Mr. ROSE. Yes, sir.
1536 Mr. MOLLOHAM. So the \$20,000 debt owed to First Citizen
1537 by your committee is paid off by somebody?

1538 Mr. ROSE. My father.
1539 Mr. ROSE. All right, your father.
1540 Mr. ROSE. Yes.
1541 Mr. MULLOHAN. So your theory is that now the \$20,000,
1542 because you have paid your father--
1543 Mr. ROSE. Yes.
1544 Mr. MULLOHAN. --becomes an obligation to you?
1545 Mr. ROSE. That is right.
1546 Mr. MULLOHAN. Is that correct?
1547 Mr. ROSE. Yes, sir.
1548 Mr. MULLOHAN. Did the committee ever pay \$20,000?
1549 Mr. ROSE. No, sir.
1550 Mr. MULLOHAN. To anybody?
1551 Mr. ROSE. No, sir.
1552 Mr. MULLOHAN. Was it carried, continued to be carried on
1553 the forms as an obligation to anybody?
1554 Mr. ROSE. No, sir. It appears on the Federal Election
1555 Campaign Act form filed with the Clerk of the House, but
1556 when the forms are filed for the new committee in 1974,
1557 under the new Act, that \$20,000 obligation does not appear,
1558 and I can assure you First Citizens Bank did not forgive it,
1559 and the only mention of it is that in the case of
1560 dissolution of this committee excess funds will be used to
1561 pay preexisting obligations.
1562 Mr. MULLOHAN. So you would say that was a mistake?

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1563 Mr. ROSE. That was a mistake.

1564 Mr. MOLLOHAM. It should have been, the correct way would
1565 have been to, the obligation to First Citizens to have been
1566 dropped, but to have been reflected as an obligation to you
1567 directly?

1568 Mr. ROSE. Exactly, to me.

1569 Mr. MOLLOHAM. To you?

1570 Mr. ROSE. Yes, sir.

1571 Mr. MOLLOHAM. But it was not?

1572 Mr. ROSE. It was not.

1573 Mr. MOLLOHAM. Is that the same pattern with regard to the
1574 14.9 and the \$2500?

1575 Mr. ROSE. Yes.

1576 Mr. MOLLOHAM. Your recollection is clear on that?

1577 Mr. ROSE. The \$14,000 is cash on hand, is that correct?

1578 Mr. MOLLOHAM. \$14,900 is another loan, the sum of two
1579 loans your father made to the campaign?

1580 Mr. ROSE. That is right.

1581 Mr. MOLLOHAM. So it is the same pattern. That was paid
1582 off in the series of transactions?

1583 Mr. ROSE. Yes, sir.

1584 Mr. MOLLOHAM. And it was not carried over as a debt to
1585 you, is that correct?

1586 Mr. ROSE. Exactly.

1587 Mr. MOLLOHAM. Is that also true with the \$2500?

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1588 Mr. ROSE. Was that form my father?
1589 Mr. MOLLOHAN. That was form your father.
1590 Mr. ROSE. Yes, sir.
1591 Mr. MOLLOHAN. Is that true? How was the \$9500 which was
1592 reflected as a loan form you to your 1972 campaign carried
1593 forward? Was that carried forward?
1594 Mr. ROSE. It was not carried forward.
1595 Mr. MOLLOHAN. That is not carried forward either?
1596 Mr. ROSE. None of those were carried forward.
1597 Mr. MOLLOHAN. Was that ever satisfied by the campaign
1598 committee prior to this series of loans?
1599 Mr. ROSE. No.
1600 Mr. MOLLOHAN. Subsequent?
1601 Mr. ROSE. No, sir.
1602 Mr. MOLLOHAN. So your father's loans to the committee and
1603 your loans to the committee--
1604 Mr. ROSE. Yes, sir.
1605 Mr. ROSE. --all were treated the same after this series of
1606 payments between you and your father?
1607 Mr. ROSE. Yes, sir.
1608 Mr. MOLLOHAN. As far as the campaign filing forms are
1609 concerned, that is it was not, none of them were transferred
1610 form the old forms on to the new forms as a debt to you?
1611 Mr. ROSE. That is correct.
1612 Mr. MOLLOHAN. But you are indeed relying upon--

1613 Mr. ROSE. The old forms.

1614 Mr. MOLLOHAN. Those loans?

1615 Mr. ROSE. Yes, sir.

1616 Mr. MOLLOHAN. When you say that the series of
1617 transactions here, which you submitted to the committee
1618 today and are identified as chart No. 2--

1619 Mr. ROSE. Yes, sir.

1620 Mr. MOLLOHAN. --you are saying that those loans are not
1621 reflected, are the basis of the campaign owing you money?

1622 Mr. ROSE. That is correct.

1623 Mr. MOLLOHAN. Thank you, Mr. Chairman.

1624 The CHAIRMAN. Mr. Gaydos.

1625 Mr. GAYDOS. I will ask questions when we come back. I
1626 would like to ask Mr. Rose, Charlie, when you bought the
1627 Alaskan property, following the transactions, how did you
1628 pay for that? Or was it paid for?

1629 Mr. ROSE. I borrowed some money from a bank to make the
1630 down payments, and I was paying on the mortgage.

1631 Mr. GAYDOS. That's all.

1632 The CHAIRMAN. Gentlemen, if we come right back, then
1633 probably we can wrap it up in 15 or 20 minutes.

1634 [Recess.]

1635 The CHAIRMAN. We will come to order.

1636 Mr. Hansen.

1637 Mr. HANSEN. Thank you, Mr. Chairman.

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1638 Throughout the testimony we have had a number of people
1639 allude and our counsel has alluded to your father's ledger
1640 card. Does our staff have that ledger card?

1641 Mr. OLDAKER. I have a copy of it right here.

1642 Mr. HANSEN. And it shows what you referred to earlier?

1643 Mr. ROSE. It shows that he borrowed \$20,000 the day that
1644 my campaign received \$20,000 from First Citizens Bank, the
1645 Federal Election Campaign form. The first item that I gave
1646 you has that on it, and his ledger card shows that \$20,000.

1647 Mr. HANSEN. Mr. Mollohan got into the idea of taking the
1648 amounts in the second \$50,000 paid off in aggregate totaled
1649 up \$46,000, which is money you felt you owed to your father.

1650 You introduced another item at that point, and you said,
1651 "And other obligations," of bank obligations that you had
1652 scattered around town that your father, I kind of got the
1653 impression unbeknownst to you, went out and paid those?

1654 Mr. ROSE. No, I probably owed him some money from 1970
1655 that I had never paid him back.

1656 Mr. HANSEN. So he in fact took an aggregate of your debts
1657 in other banks and paid those off too, is that correct?

1658 Mr. ROSE. I am not sure what he did with all the money,
1659 but I am saying that the possibility exists. Mr. Hansen,
1660 that in 1973 when he took that \$50,000 marker, loan from
1661 First Citizens Bank, that he may have paid off some of my
1662 obligations at other banks in town, in which case, I would

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1663 have received additional benefit beyond what I had already
1664 received form \$50,000, and therefore I would be obligated to
1665 him for more than \$50,000.

1666 Mr. HANSEN. I don't have too much trouble in wending my
1667 way through the problems between the North Carolina election
1668 law requirements and the Federal. Where I get in trouble is
1669 the trail, that I am having a hard time going down as
1670 between you and your father, what was signed, and I think
1671 that has probably been exhausted almost, but I would like to
1672 add a couple of things here.

1673 You said in 1975 through 1978 in your earlier testimony,
1674 that you purchased a section of land in Alaska at \$150 an
1675 acre?

1676 Mr. ROSE. That is right.

1677 Mr. HANSEN. So a section is 160 acres?

1678 Mr. ROSE. Six-hundred and forty.

1679 Mr. HANSEN. Sixty acres?

1680 Mr. ROSE. Yes, sir, a mile square.

1681 Mr. CRAIG. No, you take sections, Alaska sections.

1682 Mr. HANSEN. Alaska is a big country. Did you buy that
1683 with a real estate contract, a land contract?

1684 Mr. ROSE. You have all of that before the committee. Don
1685 Young of Alaska introduced me to one of his constituents,
1686 and we worked out the transaction between us, and the
1687 committee has all those transactions.

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1688 Mr. HANSEM. May I ask, how much equity did you return to
1689 your father for all debts incurred?

1690 Mr. ROSE. The understanding was, I guess there was
1691 probably \$50,000 or \$80,000 in equity in the land when he
1692 got it or more than that. The committee can give you a more
1693 direct amount.

1694 Mr. HANSEM. Your counsel seems to know. Can she respond
1695 to that?

1696 Ms. PENDER. Yes, sir. We provided to the committee staff
1697 the fact that the property was actually in two halves, the
1698 eastern one-half and a western one-half. We have given them
1699 all the documents on that. One-half of the property had a
1700 \$30,000 down payment at the time of the signing of the
1701 contract, \$41,000 paid on December 1st of 1975, \$9000 paid
1702 on January 1st of 1976, and in that sense one-half the
1703 property, of that equity, was free and clear in the addition
1704 in 1976 when that particular half, with all those down
1705 payments on it, free and clear, was transferred to his
1706 father, there was a State of Alaska patent on that, because
1707 it was untitled property, and that was for \$6900. So the
1708 half that he had total ownership and equity in, those are
1709 the sums involved in that.

1710 The other half had a mortgage payment per month of
1711 \$661.72, which Mr. Rose paid up until the time he
1712 transferred that other half to his father.

1713 Mr. HANSEN. So what equity?
1714 Mr. ROSE. Seventy-some thousand dollars.
1715 Mr. HANSEN. Seventy-some thousand dollars?
1716 Mr. ROSE. Yes, sir, that I had already paid.
1717 Mr. HANSEN. So the amount of money that your father had
1718 in the \$50,000 was paid the difference between 46, whatever
1719 it was, plus these other obligations that you had scattered
1720 around, so you felt it more than amply took care of it?
1721 Mr. ROSE. Yes.
1722 Mr. HANSEN. So in fact he got \$70,000, paying \$4000 plus
1723 for what the additional would be?
1724 Mr. ROSE. Yes, sir, plus whatever we spent in 1970.
1725 Mr. HANSEN. And this was transferred to your father by
1726 contract, assignment, fee title?
1727 Mr. ROSE. Deed, fee title.
1728 Mr. HANSEN. We have all that?
1729 Mr. ROSE. You have copies of all of that.
1730 Mr. HANSEN. Your father then turned around and sold it?
1731 Mr. ROSE. Yes, sir, sold it through the same real estate
1732 agent that Don Young put me in touch with, sold it in
1733 roughly 1981. I remember he got a contract for it about
1734 July, 1981, \$500 an acre.
1735 Mr. HANSEN. If I may ask, did your father pay you back?
1736 Obviously it seems like there is some overage here on your
1737 behalf.

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1738 Mr. ROSE. I am not worried about any overage, sir, form
1739 my father. I am just trying to establish that I have paid
1740 him.

1741 Mr. HANSEN. He raised you to be a good--

1742 Mr. ROSE. At least \$55,000 or \$60,000.

1743 Mr. HANSEN. So he came out pretty well on that.

1744 Mr. ROSE. He came out pretty well on this, yes.

1745 Mr. HANSEN. Thank you, Mr. Chairman.

1746 The CHAIRMAN. Mr. Pashayan.

1747 Mr. PASHAYAN. I just have a few scattered questions.
1748 Following your explanation, in 1975 the proceeds form the
1749 loan went--now we have established--through you to your
1750 father?

1751 Mr. ROSE. That is right.

1752 Mr. PASHAYAN. And that was the moment that you became in
1753 your mind the creditor to your campaign?

1754 Mr. ROSE. Yes.

1755 Mr. PASHAYAN. Is that correct, in a formal sense?

1756 Mr. ROSE. In a formal sense, but I owed the money, I owed
1757 my father form the time he advanced the money.
1758 Go ahead.

1759 Mr. PASHAYAN. I understand that. In other words, that
1760 was the transaction that formalized, that collapsed into one
1761 event or into one transaction loan that had accumulated form
1762 the past?

1763 | Mr. ROSE. Yes, sir.

1764 | Mr. PASHAYAN. So that you became at that moment the

1765 | creditor to your campaign in the amount of \$50,000?

1766 | Mr. ROSE. That is one way of expressing it, yes, sir.

1767 | Mr. PASHAYAN. I am asking.

1768 | Mr. ROSE. Yes.

1769 | Mr. PASHAYAN. At that time did you owe your father any

1770 | more money for events unrelated to your campaign?

1771 | Mr. ROSE. I may have. I may have owed him for some

1772 | things that he could have loaned me in 1970. He always

1773 | wanted me to know how obligated I am to him and constantly

1774 | has reminded me of how much I owe him, you understand.

1775 | Mr. PASHAYAN. Let me ask you this? Is it possible for

1776 | you to give us an amount that would be the maximum at that

1777 | time that you owed him? In other words, it might not have

1778 | been that much, but can you say, well, at most it could have

1779 | been such and such, in addition to--this is that additional

1780 | amount? Can you say "I owed him at least \$20,000," the

1781 | minimum that it would have been?

1782 | Mr. ROSE. I would say I owed him probably at a minimum

1783 | \$20,000.

1784 | Mr. PASHAYAN. And a maximum?

1785 | Mr. ROSE. Twenty to \$25,000.

1786 | Mr. PASHAYAN. Thirty to \$35,000?

1787 | Mr. ROSE. That would be my recollection, but, as I told

1788 | you, his might have been enhanced by passage of time, when
1789 | he would pay off a note.

1790 | Mr. PASHAYAM. I can appreciate that. I am just trying
1791 | to--

1792 | Mr. ROSE. He considered that I needed to repay him
1793 | interest. We frequently had discussions. I said, "You can
1794 | deduct interest." He said, "Yes, but I paid the interest
1795 | for you."

1796 | Mr. PASHAYAM. In other words, the amounts you just cited
1797 | to me were the principal. You would add to that interest?

1798 | Mr. ROSE. Yes.

1799 | Mr. PASHAYAM. That he demanded of you?

1800 | Mr. ROSE. Suggested.

1801 | Mr. PASHAYAM. Did that amount that you felt you owed him
1802 | in addition to the amount owed for the purposes of the
1803 | campaigning?

1804 | Mr. ROSE. Yes, sir.

1805 | Mr. PASHAYAM. Did that amount increase between the time
1806 | that you took out that \$50,000 note?

1807 | Mr. ROSE. No.

1808 | Mr. PASHAYAM. And you say you became the creditor to your
1809 | campaign?

1810 | Mr. ROSE. No.

1811 | Mr. PASHAYAM. Did that amount increase between then and--

1812 | Mr. ROSE. The Alaska?

1813 Mr. PASHAYAM. Alaskan land?

1814 Mr. ROSE. No.

1815 Mr. PASHAYAM. Now, in your own mind, therefore, did you
1816 transfer the deed to the Alaskan land to pay off that
1817 additional amount?

1818 Mr. ROSE. All of it. Anything that hadn't been covered
1819 properly before was to pay off that additional.

1820 Mr. PASHAYAM. In other words, you are saying that the
1821 Alaskan transfer, given the chain of events as you are
1822 describing them and as you are characterizing them, the
1823 Alaskan transfer you would say was to pay off debts not
1824 related to the campaign?

1825 Mr. ROSE. That was the initial purpose, but as a lawyer,
1826 if you want to look at it another way, it is possible to say
1827 that that money was payment for the campaign debt, but it
1828 wasn't intended to be. It was intended to be for all the
1829 other things that were--

1830 Mr. PASHAYAM. You say it was not intended to be because
1831 in 1975 you became a creditor to your campaign?

1832 Mr. ROSE. Exactly.

1833 Mr. PASHAYAM. For \$50,000?

1834 Mr. ROSE. Yes, sir.

1835 Mr. PASHAYAM. So then you and your counsel come back to
1836 these series of transactions and you say that if we do not
1837 believe that you became the creditor to your campaign in

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1838 1975, then you became the creditor to your campaign when you
1839 transferred the Alaskan land, is that right or wrong?

1840 Mr. ROSE. Absolutely, sir.

1841 Mr. PASHAYAN. I don't think I have any further questions.

1842 The CHAIRMAN. Mr. Petri.

1843 Mr. PETRI. I want to sort of go at this business from the
1844 other end, because it seems to me it is crucial for the
1845 whole situation, for there to be a case we can accept that
1846 these represent repayments of loans rather than loans to you
1847 and then repayments.

1848 Could you go over again the item? I think when you were
1849 here before, and again today, you said there was some
1850 confusion between newspaper accounts and also I think the
1851 last time you were in the heat of the campaign, and so you
1852 repaid or you sort of evened out accounts between you and
1853 the campaign committee so as to avoid charges that you owed
1854 them money or however it went at that time.

1855 Will you go through that whole part of it again, the last
1856 year or so, and how you characterized these things?

1857 Mr. ROSE. I was shocked at the charge in 1986, and the
1858 press asked me what do these loans represent, when they
1859 obviously said loans they were talking about what was on the
1860 Federal Election form that had been released by my
1861 opponent's party.

1862 I responded, they represent consolidation of personal

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1863 campaign loans. I was thinking that they represented an
1864 advancement to me of sums that I had paid on the
1865 consolidation of campaign loans, such as the payments that I
1866 had made beginning in 1975 to pay off in various ways the
1867 North Carolina National Bank loan, but I don't certainly
1868 have to tell this body that when you are dealing with a set
1869 of papers that say loan on their face of them, as filed by
1870 my accountant, and you are trying to say that they are not
1871 loans, and you are trying to explain that in three or four
1872 paragraphs, it is very difficult.

1873 * * * *

1874

1875 We found the documents in Raleigh. We
1876 found the documents in Washington. We went to the FEC. We
1877 amended the filings. I don't have to tell you that the
1878 press has had a field day with me changing, with my
1879 committee changing what they said was a loan into a
1880 reimbursement and a repayment, but I did not intend to
1881 violate the rules of the House at any point, and I have made
1882 the changes that I have made and sworn to the testimony that
1883 I have given you to justify what we have done.

1884 Mr. PETRI. Could you go through the transactions on chart
1885 2 for us. I am only asking you to do this because we are
1886 going to be asked. Put on the record what happened and what
1887 the money was used for and why you then reloaned money to

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1888 the committee on each of these occasions.

1889 Mr. ROSE. I felt that when the money came to me out of
1890 the committee, that it was in fact, that it was my money,
1891 because it was owed to me by the committee, and if you are
1892 asking me, can I tell you that these repayments to me were
1893 all used for bona fide campaign purposes, the answer is, no,
1894 I can't tell you that, because I considered it personal
1895 money at that particular point in time, but in 1978 I go to
1896 my accountant. 1979 was the first one, that is correct, and
1897 asked him to give me some of the money back that I had put
1898 into the campaign. He wanted to see proof that the campaign
1899 was owed money.

1900 I told him that the campaign owed--owed me the money, but
1901 he wasn't around in 1972. He did not prepare the filings in
1902 Raleigh and in Washington, and so he gave me what I
1903 considered was a reimbursement, but which he put down in my
1904 campaign forms as a loan; 4 and 7 and 895 is just \$11,895.
1905 That didn't make a very big dent on the balance of my
1906 campaign account, but in 1983, when I was advanced \$18,000,
1907 if you will notice the time there, it was September of 1983,
1908 and I paid it back December 31, paid it back if you
1909 considered it a loan, but I reloaned it to my committee on
1910 December 31, 1983, put it back in the committee, because I
1911 wanted the balances to look higher, because January of 1984
1912 was the year-end report, but also the filing period for the

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1913 next election, and you don't like to go into a campaign with
1914 a low balance.

1915 The same is true for 1984, 1984, 1985 and 1985, the other
1916 four items. So when I come to 1987, I reloaned the total
1917 amount, \$11,895 during the campaign to completely repay to
1918 the committee all the funds that it had advanced to me.
1919 That's all.

1920 If you have any other questions, I will be happy to answer
1921 them.

1922 Mr. PASHAYAM. Will the gentleman yield?

1923 Mr. PETRI. Sure.

1924 Mr. PASHAYAM. Can I ask counsel if the treasurer, and
1925 this is the kind of question I will say outright that no
1926 court would admit, because I am asking for hearsay.

1927 The CHAIRMAN. Certainly, go ahead.

1928 Mr. PASHAYAM. If the treasurer were here and were asked
1929 the question, when you became treasurer, you at that time,
1930 according to the testimony of the Congressman, became
1931 satisfied that the campaign did owe him, why then did you
1932 put it down as a loan rather than a repayment, what would
1933 his answer be?

1934 Mr. OLDAKER. His answer would be that he knew, at least
1935 had heard and talked to me, that there were loans owed by
1936 the committee to the Congressman. He had never seen any
1937 documentation of that. No one had presented him with any

1938 documentation of that.

1939 And that did not incur until 1986-1987 after this broke in
1940 the newspaper, he was presented with documentation, namely
1941 the old reports, and other information which would indicate
1942 that the loan was outstanding, and he then was satisfied
1943 that the loan was outstanding, and he then executed the note
1944 which we put together to conform with the election laws that
1945 were in effect at that time.

1946 Mr. PASHAYAM. So, in other words, he put down the loan
1947 because at that time there was a lack of documentation?

1948 Mr. OLDAKER. Exactly.

1949 Mr. PASHAYAM. Are you saying that had he had the
1950 documentation at that time, he would have put down repayment
1951 rather than loan?

1952 Mr. OLDAKER. That is what he has told them.

1953 Mr. PASHAYAM. That is perhaps the most difficult issue
1954 you faced by this committee, how to explain, if I may just
1955 add, something that says on the surface of the loan that in
1956 fact you are saying essentially was not a loan but a
1957 repayment.

1958 Mr. OLDAKER. I think he had a very honorable accountant
1959 trying to do the best job he could in reporting. It was put
1960 down on the fact of it exactly what the transaction was,
1961 that it was money that went to the Congressman. It was I
1962 think misattributed, and he has put in affidavits, it was

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1963 | misattributed at the time because he did not have sufficient
1964 | documentation.

1965 | Mr. PASHAYAN. I yield back to my colleague.

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1966 RPTS CANTOR

1967 DCMN KOEHLER

1968

1969 The CHAIRMAN. Tom.

1970 Mr. PETRI. I don't want to pursue it, but to ask could
1971 you give your explanation again as to why it is that you
1972 ended up getting back on Chart 2 to zero, in September of
1973 1986, if you were owed money by the campaign committee. Why
1974 did you want to go back and make that total that you were
1975 owed--

1976 Mr. ROSE. Lower instead of higher?

1977 Mr. PETRI. Or higher, whatever. Why did you want to
1978 cancel out payments that the committee had made, the
1979 repayments that the committee had made to you of loans you
1980 had made to it?

1981 Mr. ROSE. It was in the height of a campaign, as I told
1982 you, in July. My interest was to quiet down the issue.
1983 Since there was some obvious question as to the character of
1984 these funds, i.e., loan versus repayment, I concluded that
1985 the best political thing for me to do was to get it even
1986 with the board, and then go from there, and that is why I
1987 ran the ballots back to zero.

1988 The CHAIRMAN. Mr. Craig.

1989 Mr. CRAIG. A couple of questions, Mr. Chairman.

1990 Charlie, when you made your first payment, or when you

1991 | rloaned back to the committee the \$18,000.

1992 | Mr. ROSE. Yes.

1993 | Mr. CRAIG. I have two questions. Why \$18,000? Why not

1994 | \$20,000? Why not \$25,000? Why not \$150,000? Why does it

1995 | happen to be the exactly the same amount the committee had

1996 | paid you in repayment some 3 or 4 months before?

1997 | Mr. ROSE. Well, remember that I felt that the money was

1998 | mine rightfully.

1999 | Mr. CRAIG. I accept that.

2000 | Mr. ROSE. As a matter to be repaid to me.

2001 | Mr. CRAIG. Yes.

2002 |

* * * *

2003 |

2004 |

2005 | Mr. CRAIG. I can accept the \$18,000 on the repayment. My

2006 | confusion is, if you are bolstering your campaign account to

2007 | make it look bigger for the reporting purposes to ward off

2008 | challengers, and I can understand why we do those things, we

2009 | all go out and do fundraisers and try to bump things up

2010 | before the reporting periods.

2011 | Mr. ROSE. Right.

2012 | Mr. CRAIG. Why does it happen to be in this instance, the

2013 | same amount and the same pattern follows then from \$18,000

2014 | all the way through to zero?

2015 | Mr. ROSE. Just as a matter of keeping up with it in my

2016 mind. That is the only explanation I can give you. It was
2017 easier for me to conceive of what I had been reimbursed and
2018 what I hadn't been reimbursed.

2019 Mr. CRAIG. Do we have copies of the checks?

2020 Mr. ROSE. Yes.

2021 Mr. CRAIG. I assume there were checks you wrote to the
2022 committee. Did you make any designation on those checks as
2023 to what their intent was at the time you wrote them to the
2024 committee, starting from December 31, 1983?

2025 Mr. ROSE. Ms. Pender. She has gone through all the
2026 checks.

2027 Ms. PENDER. Mr. Craig, I believe the committee has one
2028 check that says, 'loan', on the front of it from Mr. * * *

2029 Rose.

2030 Mr. CRAIG. In what--

2031 Ms. PENDER. I don't have that in front of me, but the
2032 staff could help you with that. There is one that says, the
2033 one written in September of 1986 says, 'repayment of loan'
2034 on the front of it. There are two direct cashier checks or
2035 banking checks that came from a bank check, a bank process,
2036 where Mr. Rose obtained bank loans to make those loans to
2037 the campaign, and if I have misstated anything, I wish they
2038 would correct me, but I believe--

2039 Mr. CRAIG. My question is does the committee have the
2040 \$18,000, \$10,595, \$9,600?

2041 Mr. ROSE. Yes.

2042 Mr. CRAIG. Do we have all those checks?

2043 Mr. ROSE. I think you do.

2044 Ms. PENDER. We have given you all we had, I believe.

2045 Mr. CRAIG. And all of them are there?

2046 Mr. ROSE. I think so.

2047 Ms. HUTCHINS-TAYLOR. All but one.

2048 Mr. CRAIG. Which one do you not have?

2049 Ms. HUTCHINS-TAYLOR. \$9,600. I am not exactly sure. I

2050 will have to check, but I think we have all but one of those

2051 checks.

2052 Mr. CRAIG. Go ahead, Mr. Rose.

2053 Mr. ROSE. We have been working with your staff on this.

2054 Mr. CRAIG. Can you tell me at the time you put the

2055 \$18,000 back into the campaign, what the campaign balance

2056 was at that point then, after the \$18,000 deposit? You

2057 would have a filing.

2058 Mr. ROSE. I have a filing that would show it, but my

2059 recollection is that it was something in the \$100,000 range,

2060 but the key point is that the year-end report occurred one

2061 day after December 31, 1983. That is the balance as of

2062 January 1st, and my filing period in N.C. is the month of

2063 January.

2064 Mr. CRAIG. I understand that. I am not having any

2065 trouble with that. I am just saying does the \$100,000--here

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2066 is my line of thinking. I have been very open with you.
2067 Does the \$100,000 ward off an opponent, or does the \$82,000
2068 ward off an opponent? Why, if just before, we do it for the
2069 intent of bolstering the campaign, what is the difference in
2070 \$18,000? Why not put \$50,000 in it, if you are going to
2071 borrow it and then the campaign is going to pay you back?
2072 Why not go big?

2073 Mr. ROSE. It is a good question, but just more was better
2074 in my estimation.

2075 Mr. CRAIG. That is why I am curious why they just
2076 happened to be the exact figures all the way down the line
2077 and not different ones, if, in fact, your first column is a
2078 repayment.

2079 Mr. ROSE. That is all the money I had available to
2080 reloan, to keep it straight in my head as to what was the
2081 campaign reloaning and repaying to me.

2082 Mr. CRAIG. You said money available to reloan. You did
2083 not have to borrow the \$18,000? You had the cash on hand?

2084 Mr. ROSE. Some of the time I would go and borrow the
2085 money to reloan it to the committee, and the staff has the
2086 records that show that some of the money that I owed,
2087 personally owed to the Southern National Bank, said that the
2088 purpose of the loan is to put money in the campaign.

2089 Mr. CRAIG. One other question, Mr. Chairman, and that is
2090 in relation to the Alaskan thing. When did the committee

2091 become aware of the Alaskan thing?

2092 Mr. ROSE. In July.

2093 Mr. CRAIG. Did you point it up to them?

2094 Ms. PENDER. I think the staff probably did. We talked
2095 about it and we provided the documents.

2096 Mr. CRAIG. We paid that.

2097 Ms. PENDER. At the staff level, I believe Ms. Hutchins-
2098 Taylor asked me a question and I immediately went and got
2099 all the documents and brought them to her in, I think, it
2100 was July.

2101 Mr. CRAIG. My confusion is if you, in fact, had paid your
2102 dad off, why are we even talking about the Alaskan thing?
2103 Why does it all of a sudden become a part of the movement of
2104 money to pay off your dad for your obligation to him as it
2105 relates to the campaign? Aren't we told by you that, prior
2106 to the Alaskan land deal, you had reimbursed your father,
2107 zeroed him out.

2108 Mr. ROSE. Yes.

2109 Mr. CRAIG. Then why are we dealing with Alaska. That is
2110 a separate issue between you and your father, having nothing
2111 to do with the campaign or campaign monies.

2112 Mr. ROSE. Mr. Pashayan asked a series of question about
2113 additional obligations that I might have had to my father,
2114 and that is correct. An Alaskan land transaction was
2115 basically to get straight with him on everything that I owed

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2116 him, and he would tell you that it did.

2117 As lawyers are, we are trying to present our evidence to
2118 you in as many favorable ways as we possibly can.

2119 Mr. CRAIG. Prior to the committee finding, the
2120 documentation of the Alaskan land transaction, you had not
2121 presented that to the committee.

2122 Mr. ROSE. I will let the people who were working with the
2123 staff talk.

2124 Ms. PENDER. I believe that they had some checks that came
2125 out of the Sergeant of Arms, and I wish the staff would help
2126 me on this, because it has been a couple of months, but I
2127 believe that they had some checks that were in the Sergeant
2128 of Arms account that they asked me about, and I believe that
2129 I told them that they related to Alaska land, and then I
2130 believe, they asked for documents, all the deeds and things
2131 like that, and again, please correct me if I am wrong. And
2132 we did get all the deeds and whatever. We had a special
2133 meeting on this, because there was some concern about this
2134 FIFO principal, following money in and following money out
2135 with respect to Mr. Rose's repaying his father, and they
2136 therefore, wanted to look at Alaska and see what equity was
2137 involved in that and whatever else.

2138 Mr. CHAIRMAN. Ms. Taylor, on this narrow point, do you
2139 have anything to offer.

2140 Ms. HUTCHINS-TAYLOR. I would just want to let the

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2141 committee know that we first started corresponding with
2142 Congressman Rose's attorneys back in March of this year, and
2143 from March through the summer, they provided an explanation
2144 of the borrowings. From March until August that explanation
2145 ended in January of 1975, when he paid his father \$50,000.
2146 It was not until August that they submitted materials to us,
2147 and, I guess, that is 4 or 5 months later that they brought
2148 up the Alaska land transaction, and that was our first
2149 knowledge that they were counting the Alaska property as
2150 part of the explanation on how he repaid his father.

2151 Mr. CHAIRMAN. Only on this narrow issue, Ms. Taylor, who
2152 first interjected the Alaska transactions?

2153 Ms. MUTCHINS-TAYLOR. I would say that we had some checks
2154 that evidenced a transaction. We didn't know that that was
2155 part of the explanation on how he paid his father back,
2156 until they asserted it in August. We just knew that there
2157 were some checks that related to Alaska transactions that
2158 appeared in the bank records that we got.

2159 Mr. CRAIG. You had further comment?

2160 Ms. PENDER. Yes, sir. For several months in the very
2161 beginning there, we were asked a number of questions but
2162 never asked really to go beyond 1975. I know Ms. Taylor
2163 came back and came into a middle of discussions that were
2164 going on, and we have several submissions that went on in
2165 the middle of that, and I think there might have been

2166 misunderstandings.

2167 Mr. ROSE. Can I interject one comment?

2168 Mr. CRAIG. Sure.

2169 Mr. ROSE. I felt that the bank transactions adequately
2170 covered the question, but based on the number of questions
2171 and the way we were getting questions, we finally got the
2172 question that related to the Alaska land, and so we
2173 presented that information to the committee. We weren't
2174 trying to hide anything or trying to change any particular
2175 story.

2176 Mr. CRAIG. The reason I bring this sequence up, because I
2177 am frustrated, Mr. Chairman. If the Alaska land is part of
2178 the payment to the father, and that is part of the
2179 consideration for loans that ultimately flowed through the
2180 campaign, and you say that is possible, that could have
2181 been, then why didn't that come to the table as part of the
2182 total picture at the beginning, because it is part of the
2183 payment that you are alleging all of this happened in the
2184 transaction.

2185 Now am I off here?

2186 Mr. ROSE. No. We stuck to answering the questions we
2187 were asked.

2188 Mr. CRAIG. I can appreciate that, but I can also
2189 appreciate defending one's self in presenting the total
2190 picture.

2191 Mr. CHAIRMAN. I want to avoid any cross dialogue here.
2192 Ms. Taylor. I would appreciate it if members of the staff
2193 do not give any oral or body expressions indicating any
2194 attitude of the correctness of an answer or not.

2195 I will give you ample time to respond, and I may call on
2196 you to clarify something. I just do not want to get into
2197 any cross-fire. I heard Mr. Wilson say, Ms. Taylor. I
2198 specifically indicated to all parties that we would not get
2199 into a cross-fire.

2200 Mr. CRAIG. I have one more question, Mr. Chairman.
2201 In the \$50,000 that you borrowed that you paid your father
2202 and you say he went out and you are not sure how he handled
2203 all of the others then to make the payments on the loans,
2204 you said he may have taken care of some of your obligations
2205 around town.

2206 Mr. ROSE. Let me rephrase that to move it back one loan.
2207 In 1973 as a freshman in Congress, I come up here and I
2208 worry about where the Xerox machines are.

2209 Mr. CRAIG. I appreciate that. I was there too.

2210 Mr. ROSE. In November of 1973, papa says it is time for
2211 us to get our finances straight. Let's get \$50,000 from the
2212 bank. I will borrow it, and it will cover the things that I
2213 have already loaned to you for 1972.

2214 Mr. PASHAYAN. Will you yield for a minute please?

2215 Mr. CRAIG. I will be happy to.

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2216 Mr. PASHAYAN. In respect to the campaign obligation, or
2217 in respect to other loans as well?

2218 Mr. ROSE. In respect--the \$50,000 was in respect to
2219 campaigns, but in truth and in fact, I can't show you
2220 exactly what papa did with the \$50,000. I submit that he
2221 may have even used part--just establish this as a point in
2222 fact, I am obligated to pay back the \$50,000 through
2223 agreement with him, but then if he used some of that \$50,000
2224 to pay off something at another bank, not First Citizens,
2225 then that is an added obligation for me.

2226 Mr. CRAIG. The reason I come back to the point is because
2227 you said he may have paid off some of your obligations
2228 around town.

2229 Mr. ROSE. That is right.

2230 Mr. CRAIG. I assume those were other than campaign?

2231 Mr. ROSE. No. It wouldn't have been anything but
2232 campaign.

2233 Mr. CRAIG. If they were your obligations and they were
2234 not his obligations.

2235 Mr. ROSE. That is right.

2236 Mr. CRAIG. Because you said they were yours.

2237 Mr. ROSE. Yes.

2238 Mr. CRAIG. I would assume then that there may have been
2239 other notes out there that you, in fact yourself, had
2240 borrowed?

2241 Mr. ROSE. Yes.

2242 Mr. CRAIG. And you were making monthly payments on them,
2243 or had made an agreement to have some level of payment?

2244 Mr. ROSE. Where we had--

2245 Mr. CRAIG. And therefore they would have been paid by
2246 your father. There would have been a receipt of payment,
2247 and you would have all of that.

2248 Mr. ROSE. Well, where we have paid off notes in that
2249 time, and have the record of it, we have given them to the
2250 committee.

2251 Mr. CRAIG. So there are some records there as to some,
2252 maybe some of those obligations.

2253 Mr. ROSE. I would have to ask the staff or they would
2254 have to tell you, but we are talking about, if you will
2255 notice in the filings in Raleigh and in Washington, I listed
2256 some small amounts that I contributed as loans to the
2257 campaign. My father may have paid off some of those for me
2258 which would add to what I owed him. I borrowed that money.

2259 Mr. CRAIG. That is why I was questioning, because I
2260 assumed by the way you phrased it you meant they were
2261 borrowings, potentially, they were borrowings that you had
2262 made. Therefore you had signed the note. If you father
2263 walked in and handed them a check and said, "This is for my
2264 son's obligation to the note", the note would have been
2265 stamped paid. You would have been handed a copy of it, and

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2266 I think, then it would have come to you, so that you would
2267 have a record that your obligation had been satisfied by
2268 your father.

2269 Mr. ROSE. I think we would have.

2270 Mr. CRAIG. Do you have?

2271 Ms. PENDER. We have given you every record.

2272 Mr. CRAIG. Thank you. Thank you, Mr. Chairman.

2273 Mr. CHAIRMAN. Mr. Rose, I have asked other members who
2274 are present if they have questions, and the do not. I thank
2275 you for your testimony.

2276 Mr. PASHAYAN. Mr. Chairman, may I deliver one or two more
2277 questions please?

2278 Mr. CHAIRMAN. Yes, Mr. Pashayan. Keep in mind Mr. Rose's
2279 time.

2280 Mr. PASHAYAN. Do you want me to take the time to ask some
2281 questions?

2282 Mr. ROSE. Go ahead, sir.

2283 Mr. PASHAYAN. This is by way of recapitalization, but
2284 just to get things straight beyond any non-clarity, if we
2285 can, from 1975 was it or was it not your intention that the
2286 \$50,000 loan be a repayment to your father for the purpose
2287 of the campaign and for the purpose of the campaign only?

2288 Mr. ROSE. Yes, sir.

2289 Mr. PASHAYAN. Is that what you argued to the staff of the
2290 committee beginning in March, and the counsel may answer

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2291 | this question, or in any combination, through the summer?

2292 | Mr. ROSE. Based on my conversations with my staff, the
2293 | answer is yes, but I will let them speak.

2294 | Is that correct?

2295 | Mr. OLDAKER. The answer is yes.

2296 | Mr. PASHAYAM. At what point in the inquiry did the
2297 | subject of what your father did with that \$50,000 arise?
2298 | Can you recall that?

2299 | Ms. PENDER. I believe some time around the second
2300 | submission.

2301 | Mr. OLDAKER. It was after the second submission.

2302 | Mr. PASHAYAM. Give me a time.

2303 | Ms. PENDER. After May 26th.

2304 | Mr. PASHAYAM. When that inquiry began to be made, was it
2305 | accompanied by the argument that what the father did with
2306 | some or all of that \$50,000 would go to the question of
2307 | whether or not the loans was for the purpose of the
2308 | campaign. When did that argument begin to surface, because
2309 | that is one of the arguments that the committee is being
2310 | asked to consider.

2311 | Mr. OLDAKER. It was unclear to us when that issue
2312 | actually came up and talked to the staff. Most of the
2313 | dealings with staff was done on the record.

2314 | Mr. PASHAYAM. Was it your intention among other ways to
2315 | answer that inquiry with the Alaska land. In other words,

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2316 Were you constructing the argument that if, in fact, what
2317 the father did with the money would, in effect, bear on the
2318 character of the 1975 transaction, whether or not it was for
2319 the campaign or not, if that became relevant, then argue
2320 even to the last loan or the last transaction would become
2321 relevant to cover whatever might have been omitted vis a vis
2322 the campaign in 1975 on, I think, to the argument that I am
2323 saying.

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2324 RPTS THOMAS

2325 DCMK DANIELS

2326 [1:05 p.m.]

2327 Ms. PENDER. I think we had a full understanding at that
2328 point, yes, sir, but it was unclear with us all along, where
2329 did it end that he had repaid his father. It was there was
2330 always another step as to where, and to prove the whole
2331 line, that was my unclear part.

2332 Mr. PASHAYAN. Was it your intention to show there was no
2333 unjust enrichment from the campaign either to the father or
2334 to the Congressman, that is to say, in your mind, did the
2335 Alaskan land transfer become relevant as a demonstration
2336 that no more money was coming out of the campaign to the
2337 Congressman than had gone into the campaign, from the
2338 Congressman or through the father as the conduit?

2339 You see what I am asking?

2340 Mr. OLDAKER. I think it was a demonstration the father
2341 had been repaid all the money that he was owed and then
2342 possibly, how you characterize it, then all debts were
2343 satisfied between the father and the son.

2344 Mr. PASHAYAN. That is what I am trying to get at. In
2345 other words, that you would then argue even to include a
2346 fortiori you would include the--

2347 Mr. OLDAKER. Any other portion that the committee--

2348 Mr. PASHAYAN. The campaign debt?

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2349 Mr. OLDAKER. Exactly.

2350 Mr. PASHAYAN. Now, Mr. Craig is concerned why that wasn't
2351 brought in earlier, and I guess what I am asking was,
2352 because it was your intention that the 1975 transaction was
2353 intended to pay the entire campaign portion?

2354 Mr. OLDAKER. You have to understand we were dealing with
2355 specific questions from your staff and we answered those
2356 specific questions as best we could. They did not deal
2357 with, as you have put it, a fortiori here. We answered only
2358 questions which were asked. We did not know exactly what
2359 they were going--

2360 Mr. PASHAYAN. Let me just ask a question this way: So
2361 are you in effect saying to us, if we do not believe that
2362 the entire \$50,000 was for campaign purposes, because what
2363 the father might have done with some of that money, then in
2364 order to show that the campaign is not losing an amount of
2365 money that was not put into it, consider the Alaskan land
2366 transfer as money going from the Congressman to his father?

2367 Mr. OLDAKER. I think that is fair. This was money going
2368 to the father to pay off the father for debts that the
2369 father had paid off in making, in fact, Mr. Rose,
2370 Congressman Rose, the creditor.

2371 Mr. PASHAYAN. Thank you.

2372 The CHAIRMAN. Any further questions by any member of the
2373 committee of Representative Rose?

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2374 | Hearing none, Mr. Rose, thank you very much for your
2375 | attendance here today.

APPENDIX M

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AGE 1

1 RPTS MCGINN

2 DCMN DAMIELS

3

4 EXECUTIVE SESSION

5

6 PENDING BUSINESS

7

8 Wednesday, December 16, 1987

9

10 U.S. House of Representatives,

11 Committee on Standards of Official Conduct,

12 Washington, D.C.

13

14

15

16 The Committee met, pursuant to call, at 1:00 p.m., in Room
17 2318, Rayburn House Office Building, Hon. Julian C. Dixon
18 [Chairman of the Committee] presiding.

19 Present: Representatives Dixon,

20 Staff present: Ralph L. Lotkin, Chief Counsel; Elneita
21 Hutchins-Taylor, Counsel; Mark Davis, Counsel; Keith Giese,
22 Counsel; Richard J. Powers, Investigator; Jan Loughry,
23 Administrative Assistant; and Linda Shealy, Secretary.

24 Also present: Representative Charles Rose; accompanied by
25 Heidi Pender, Counsel; William Oldaker, Counsel; and Tom

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26 Porter, CPA, Laventhol and Horwath.

1070 The staff can invite in Mr. Rose.

1071 In the Rose matter, let the record show that Congressman
1072 Charlie G. Rose, III, is present as the respondent with his
1073 counsel. The members of the bar are present today. Would
1074 they state their names.

1075 Mr. OLDAKER. Mr. Chairman, my name is William Oldaker of
1076 the law firm Manatt, Phelps, Rothenberg & Evans.

1077 Mr. KLEINFELD. Eric Kleinfeld, also a member of the law
1078 firm of Manatt, Phelps, Rothenberg & Evans.

1079 The CHAIRMAN. Gentlemen and ladies, let me see if the
1080 Chair and Members of the committee have a good understanding
1081 of where we are.

1082 Prior to your entering into the room, the committee voted
1083 to move forward with a disciplinary hearing on counts 1
1084 through 4, and 4 as amended. 4(b) was dismissed and 4(e)
1085 was amended to reflect the transaction on February 7, 1981,
1086 in the amount of \$12,702.74 from Sergeant at Arms of the
1087 National Bank of Washington, that both sides have entered
1088 into a series of stipulations dealing with the counts on 1
1089 through 4, and that both sides have agreed to one hour of
1090 argument on each side, in other words, two hours to be
1091 divided equally, that staff counsel will open and close, not
1092 to exceed one hour, and that Congressman Rose and his
1093 counsel will take an hour to argue whatever they wish.

1094 At that point in time, if we vote to sustain any or all of
1095 the counts, that we would immediately move forward with a
1096 sanctions hearing on the matter and try, if possible, to
1097 expedite this if action is taken to the Floor sometime this
1098 week or before we adjourn.

1099 Mr. Oldaker, is that generally the understanding?

1100 Mr. OLDAKER. Yes.

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1101 RPTS STEIN

1102 DCMN PARKER

1103 The CHAIRMAN. Ms. Taylor?

1104 Ms. HUTCHINS-TAYLOR. Yes, Mr. Chairman. I had planned to
1105 move up and stand at the podium, but I understand we have a
1106 difficulty with the mikes, so I will stand here.

1107 Mr. Chairman and members of the committee, the purpose of
1108 this hearing is to determine if Representative Rose violated
1109 House rules as regards converting campaign funds to personal
1110 use in the form of borrowing from his campaign in count 1
1111 and in the form of using a campaign certification of deposit
1112 as collateral on personal loan in count 2.

1113 As part of the stipulation agreement, counsel agreed that
1114 as it relates to count 3 that it is tied to count 1 and
1115 whatever the finding on count 1, the finding will be
1116 likewise as it relates to count 3. On count 4 there will not
1117 be, to my understanding, any argument presented today and
1118 there are no stipulations on that count.

1119 I want you to pay close attention to the stipulation
1120 document that has been drafted by counsel. I especially
1121 want you to pay attention to the type of evidence and
1122 stipulations that are offered by both sides here today.
1123 This isn't a very difficult case. I think the facts as
1124 regards count 1 and the alleged borrowings are fairly
1125 straightforward.

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1126 It only becomes difficult when you get to the explanation
1127 presented by the Respondent, which at times is confusing and
1128 circuitous in the attempts to explain away what the hard
1129 facts say. The hard facts in this stipulation document
1130 begin on page 4, and I want to go over them with you. The
1131 hard facts in that document tell you that the Federal
1132 Election Campaign reports from 1978 to 1985 show
1133 Representative Rose received loans from his campaign.

1134 Those same filings, beginning in 1983 show that the
1135 disbursements from the campaign to the Congressman were
1136 repayments of loans. That is hard, tangible evidence in the
1137 filing submitted by the Respondent's own campaign committee
1138 as to the characterization of transactions between himself
1139 and that campaign. Those documents were prepared
1140 contemporaneous with those transactions so far as the time
1141 limits for when FEC reports should be filed.

1142 The other hard evidence that is listed on page 4 of the
1143 stipulations goes to the checks themselves that passed
1144 between the Congressman and his campaign. Several of the
1145 checks have notations on them that were written and signed
1146 by Alton Buck, who served in the capacity of treasurer,
1147 assistant treasurer, accountant, etcetera, for the campaign.

1148 The notation on the checks that have notations say,
1149 "loan." I think that is pretty hard evidence that at the
1150 time he signed those checks, Mr. Buck believed that he was

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1151 giving a loan from the campaign to the Congressman. Mr.
1152 Oldaker is going to tell you that Mr. Buck was confused when
1153 he signed those MPC reports and that he was confused when he
1154 signed those checks that said, "loan," and that he didn't
1155 know how to characterize those transactions because he
1156 didn't know about the loaning of money to the campaign back
1157 in 1972, so he put his signature on reports and on checks
1158 where the characterizations were loans because he didn't
1159 know what else to put down.

1160 I would submit that that is not correct; that he did know
1161 what those were. In his deposition he testified that at the
1162 time he made those characterizations, it was his feeling,
1163 his state of mind that the transactions were in fact loans
1164 to the Congressman and that it was not until 1986 when media
1165 attention focused on the Congressman's borrowings that
1166 evidence was presented to him that made him feel that
1167 perhaps there was some question about it. But he thought at
1168 the time he signed those documents that that is what they
1169 were.

1170 Let's talk about what it means when you sign a document.
1171 The reason that we are asked to sign things is because we
1172 are saying, "I have read it; I know what it means; that is
1173 correct; it is all right with me." That is why I was asked
1174 to sign a stipulation agreement. I signed it saying I have
1175 read the stipulations; I agree to them; I know what they

1176 mean; this is what I mean and I signed the document.

1177 I think that is what Alton Buck meant when he signed his
1178 name to those documents. He read it, understood it, knew
1179 what it was and he felt at the time that those transactions
1180 were loans to the Congressman.

1181 I also think that you need to pay attention to the hard
1182 evidence that went back from the Congressman to the
1183 campaign. There were two checks that were signed by the
1184 Congressman's wife from his personal account back to the
1185 campaign. There were more than two checks, but two that
1186 were signed by his wife and bear the notation, "repayment
1187 of loan."

1188 Again, it was her state of mind, we have to assume from
1189 looking at that check, that she thought she was repaying the
1190 campaign for loans that had been made.

1191 Other hard evidence that I want you to look at on page 4
1192 is the campaign check book. The check stubs in your
1193 campaign check book are the ledger part of your check book.
1194 You have to put down the deposits that go into the account
1195 so you can reconcile the check book. Every time they got a
1196 deposit, they put it in the ledger portion of the check book
1197 so they could reconcile it. The notations clearly reflect
1198 that the deposits that were received from the Congressman
1199 were thought to be repayments of loans. That is hard
1200 evidence.

1201 Again, Mr. Oldaker is going to ask you to ignore that hard
1202 evidence that was made contemporaneously with those
1203 transactions and to consider the FEC amendments that were
1204 filed in January of 1987. Those amendments go back to
1205 transactions, some of which occurred ten years ago, at least
1206 nine years ago, and now they are recharacterized. They are
1207 flip-flopped. The transactions of money that went from the
1208 campaign to the Congressman, they now say are repayments,
1209 and the money that went from the Congressman to the campaign
1210 they now say were loans to the campaign.

1211 I don't think that they can produce any hard evidence to
1212 substantiate that. I want to take you through what they
1213 will present to you as evidence, that in fact the
1214 Congressman was entitled to withdraw money from his
1215 campaign.

1216 They are going to cite you to the fact on page 1 of this
1217 stipulation document that \$45,900 was received in 1972 by
1218 the principal campaign committee for Representative Rose
1219 from Congressman and from his father. We don't dispute
1220 that. The evidence shows that \$45,900 went into the
1221 campaign. It is shown on North Carolina state filings and
1222 it is shown on FEC filings. What we do dispute is the
1223 inference to be drawn from that.

1224 We don't believe that the inference to be drawn from that
1225 is that the money was loaned to the campaign in a fashion

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1226 that entitled the Congressman to withdraw \$50,000 from his
1227 campaign. The North Carolina files, as I told you before,
1228 don't have any provision for separately reporting what was a
1229 contribution in the nature of a donation and what was a
1230 contribution in the nature of a loan.

1231 It is all reported on one long sheet together and that is
1232 the way that it is reported for purposes of Congressman
1233 Rose.

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1234 RPTS STEIN

1235 DCMN KOEHLER

1236

1237 I want to show you what one of those sheets looks like.
1238 It is just a long sheet of names with everybody that made
1239 contributions that had to be reported. On these pages you
1240 find the Congressman's name and his father's name, and you
1241 find an amount that they put into the campaign, but there is
1242 now way to determine that that money was loaned to the
1243 campaign.

1244 This filing raises the possibility that it may have been
1245 loaned, but it equally raises the possibility that the money
1246 was donated to the campaign. From what the Congressman is
1247 telling that anybody's name who is listed on this page could
1248 now say, I loaned the money to the campaign and give me my
1249 money back, and I would assert that that is not a reasonable
1250 inference to draw from the fact that the money was received
1251 by the campaign and reported on this sheet.

1252 They will also ask you to look at the stipulations on the
1253 first page about what was reported on the Clerk of the
1254 House. those filings did have a separate schedule that you
1255 were supposed to report loans on, and Mr. Oldaker will tell
1256 you that only loan agreements that were in writing were
1257 supposed to be put on that.

1258 Granted the instructions may have been confusing, but at

1259 least one loan by his father is reported on that report, a
1260 loan of \$5,150, and they have given us no writing to show
1261 that that was in writing, and that is why it was reported on
1262 that sheet, so why then were the other loans that were in
1263 writing reported on the sheet?

1264 The only loans reported on the schedule are a \$20,000 loan
1265 and the \$5,150 loan from his father. Neither is evidenced
1266 in writing, there is no written agreement executed in 1972
1267 to show that those were loans to the campaign. There is an
1268 executed document showing that there was \$50,000 loaned to
1269 the campaign, but that document was executed in April of
1270 1987 and refers to money loaned in 1972.

1271 That is the hard evidence that they present you, documents
1272 that were created in 1987 to change the characterization of
1273 facts of over 15 years ago.

1274 There is something else that I want to point out to you in
1275 this stipulation document, and that is the note that appears
1276 above Count 1. Stipulations contained in this document as
1277 to the testimony of any witness either by deposition,
1278 affidavit, or appearance before this Committee go only to
1279 the fact that the witness actually made the statement.

1280 They should not be interpreted as a stipulation as to the
1281 truth or accuracy of the statement and that is very
1282 important because we do stipulate in this document that the
1283 Congressman swore to certain facts and that his father swore

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1284 | to certain facts, but I want you to understand that
1285 | Committee counsel isn't stipulating that that underlining
1286 | fact is true.

1287 | We only stipulate that that is what they said, so when you
1288 | deliberate, don't misunderstand that what was said by
1289 | affidavit or deposition, or in appearance before this
1290 | Committee is stipulated to as being true, it is only
1291 | stipulated that in fact that statement was made under oath.

1292 | I want to take you through the timetable of Key
1293 | transactions that occurred in this case. As I told you in
1294 | 1972, the Congressman and his father put some money into the
1295 | Congressman's campaign. The records reflect that the
1296 | Congressman himself only put in \$9,500 and I want you to
1297 | remember that, that the records reflect the Congressman
1298 | himself put in \$9,500, but in 1987 he has a promissory note
1299 | that says he is entitled to receive \$50,000 from his
1300 | campaign. In 1973, the Congressman tells us that his father
1301 | went to a bank and borrowed \$50,000 in order to pay himself
1302 | back for money that he loaned to the campaign. Initially,
1303 | it was represented to the Committee staff that this was a
1304 | consolidation note to consolidate campaign debut, but in
1305 | fact, we find that that 1973--\$50,000 didn't retire at least
1306 | that \$20,000 bank not. It wasn't retired until two years
1307 | later.

1308 | They also submit that the purpose of the 1973 loan was as

1309 a marker in time. I think the Congressman referred to it as
1310 a bellwether so that he and his father would know that he
1311 was owed \$50,000 from the campaign. We don't dispute that
1312 his father received a \$50,000 loan in 1973 from First
1313 Citizen's Bank, but we do assert that there is no tangible
1314 proof that that loan had anything to do with the 1972
1315 campaign, and in fact, in the father's own deposition, he
1316 testified that it wasn't related to the 1972 campaign, and
1317 there is a lot of contradictory testimony that you are going
1318 to hear about today that relates to that \$50,000 transaction
1319 in 1973.

1320 By affidavit, the Congressman's father says that he kept
1321 the money to pay himself back for the money he loaned in
1322 1972, however, at least three times in his deposition, he
1323 says he gave the money to his son, the Congressman. The
1324 Congressman testified that his father did keep the money, so
1325 there is a lot of confusion when it comes to sworn testimony
1326 about exactly what happened to the 1973 money.

1327 When the facts are unclear, we have to look to the
1328 surrounding evidence in order to draw a reasonable
1329 conclusion about what happened, so I ask you to look at the
1330 surrounding evidence. If the 1973 loan had something to do
1331 with campaign debt, then why wasn't it reported on 1973 FEC
1332 reports? In fact, there are no FEC reports filed with the
1333 Clerk of the House for 1973, so there are no transactions

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1334 | documented with the Clerk of the House filings about any
1335 | campaign expenditures in 1973.

1336 | The next important transaction is in 1975. Congressman
1337 | Rose says that he borrowed \$50,000 from North Carolina
1338 | National Bank in January of 1975, and he stipulates to that,
1339 | but that doesn't mean that that is a relevant fact, just
1340 | because we stipulated to it. It just means that it is a
1341 | fact. He borrowed \$50,000 from North Carolina National Bank
1342 | in 1975. There is no evidence that that \$50,000 was related
1343 | to any campaign transactions other than the sworn testimony
1344 | of the Congressman and his father upon questioning, neither
1345 | man recalls exactly how the money was transferred. That is
1346 | a lot of money not to remember exactly how it was
1347 | transferred.

1348 | You have before you a report from Laventhol & Horwath, a
1349 | little booklet and there are two very important propositions
1350 | set forth in that report, one relating to Count 1 and one to
1351 | Count 2.

1352 | The proposition for Count 1 is that in tracing out from
1353 | financial documents prepared by the Congressman himself, it
1354 | appears to Laventhol & Horwath, a certified public
1355 | accounting firm, that the \$50,000 that the Congressman
1356 | borrowed from North Carolina National Bank in January 1975
1357 | probably went to Peoples Bank to satisfy an outstanding debt
1358 | at that bank.

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1359 RPTS MCGINN

1360 DCMN DANIELS

1361 Now, the reason that the certified public accountants feel
1362 comfortable making that statement is because they went
1363 through a lot of documentation, some submitted by the
1364 respondent, some that the Committee staff was able to obtain
1365 by subpoena.

1366 In looking at that, the only way the Congressman's
1367 financial statements, prepared by the respondent himself,
1368 can be reconciled, is to say that debt at Peoples Bank was
1369 retired in January of 1975.

1370 Now, unless there was another \$50,000 that he got from
1371 someplace with no strings attached, not another lobby, a
1372 gift from someone, an inheritance or something of that
1373 nature, the only reasonable conclusion that we can draw is
1374 that that \$50,000 went to retire that debt, not to his
1375 father to pay off campaign debts.

1376 They have offered an alternative to that and that is if
1377 you don't believe that in 1975 he paid his father with that
1378 \$50,000, then believe that his father was paid off by a
1379 property transfer of Alaska property in 1978 and in 1980.

1380 The Congressman and his father have said that that
1381 property conveyance was to satisfy all debts that existed
1382 between father and son going back to when he was in law
1383 school.

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1384 Well, that is a fine thing to do except that at least half
1385 of that 640 acres had a mortgage on it and the Congressman's
1386 father had to pay that.

1387 So it wasn't exactly an outright gift the way the
1388 respondent would like for us to believe.

1389 To the extent that half of the property didn't have a
1390 mortgage on it, it was still subject to approximately \$8,000
1391 in what Alaska calls patent fees that appear to have been
1392 paid by the Congressman's father.

1393 In addition, we have no idea how much the Congressman
1394 actually owed his father from law school for other personal
1395 loans that he made, for loans he made for his unsuccessful
1396 campaign in 1970.

1397 We don't know how much he owed and neither man has been
1398 able to tell us that.

1399 So how can we say the Alaska property satisfied all of
1400 that debt, including the \$50,000, when we don't know how
1401 much that debt was. Maybe the property transfer wasn't
1402 enough to satisfy all of that debt. We can't draw that
1403 conclusion.

1404 Now, they are going to say that the father sold that
1405 property at a substantial profit and that the amount of that
1406 profit far exceeded whatever that debt might have been.

1407 But we don't know that and I would submit that if the
1408 father was paying the notes on the property, he was entitled

1409 | to whatever property he got and that certainly can't be in
1410 | satisfaction of any debt between father and son.

1411 | He paid the notes on the property. He later sold it at a
1412 | profit.

1413 | So be it.

1414 | All the better for him. That has nothing to do with
1415 | satisfying the debt between father and son that we don't
1416 | know was related to the 1972 campaign.

1417 | Another important factor in weighing how the Alaska
1418 | transaction should fit into this is that you should know
1419 | that the Congressman was trying to sell the property himself
1420 | at the time his father's property was--property was conveyed
1421 | to his father.

1422 | So when his father took over those notes, in one sentence
1423 | he was doing his son as much a favor as his son was doing
1424 | him a favor.

1425 | I want you to keep that in mind when you are deliberating.

1426 | That brings us to again the transactions that occurred
1427 | beginning in 1978 and the hard, tangible evidence, the FEC
1428 | reports that characterize them as borrowings, the checks
1429 | going back and forth between the Congressman and the
1430 | campaign characterizing them as borrowings and repayments.
1431 | That is hard evidence, hard evidence that is only
1432 | controverted by recent FEC amendments in 1987 after media
1433 | attention to the borrowings and after this Committee began

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1434 | to look into the affairs.

1435 | There are some other things that I think are important for
1436 | you to know about the campaign treasurer, Mr. Buck. He is
1437 | the individual who was signing these checks.

1438 | Mr. Oldaker is going to try to get you to believe that all
1439 | of these people, Mr. Buck, his staff, all of these people
1440 | were confused about the nature of the transaction. But
1441 | there were some letters that Mr. Buck signed that went to
1442 | the Clerk of the House of Representatives and in two of
1443 | those letters he characterized the transactions as
1444 | borrowings, as loans to the Congressman.

1445 | I am going to read from one of those letters. This letter
1446 | was signed by Mr. Buck in June of 1984 to the Clerk of the
1447 | House.

1448 | ''Although all of the information relevant to Mr. Rose's
1449 | loan was disclosed in our pre-primary report, we failed to
1450 | list the information again on supporting Schedule C.''

1451 | So this is a letter explaining to the Clerk of the House
1452 | about some amendments or some filings that they had
1453 | previously made. But notice that he had an opportunity in
1454 | this letter to say I don't know how to characterize this
1455 | disbursement. But he didn't say that. He said he referred
1456 | to it as Mr. Rose's loan. And there is another letter in
1457 | which he referred to Mr. Rose's loan and that was a letter
1458 | of May 1982.

1459 It says, "The candidate did receive a loan from the
1460 committee during this period and this has been reported in
1461 the disbursement section."

1462 So it seems clear once again that Mr. Buck's state of
1463 mind, when he had an opportunity to ask questions of the
1464 Clerk of the House, was that these were loans to the
1465 Congressman, not that he didn't know how to characterize
1466 this transaction or that he was unfamiliar with getting
1467 advice on how to characterize these transactions.

1468 I think the clear, hard evidence is that he thought that
1469 they were loans.

1470 As it relates to count 2, once again the respondent is
1471 asking you not to look at what the hard evidence is, that
1472 everybody was confused. He is asking you to look at an
1473 assignment of a campaign certificate of deposit and say that
1474 even though he signed it, didn't mean what he said it meant,
1475 that he didn't really convert campaign funds to personal use
1476 when he signed that assignment of certificate of deposit
1477 when he put it up as collateral on a personal loan.

1478 They have submitted two defenses. One is it was a legal
1479 impossibility because his name didn't appear on the
1480 signature card for the campaign accounts; he couldn't sign a
1481 certificate of deposit assignment on that.

1482 Well, I submit to you that it doesn't make any difference
1483 if there was a legal impossibility and that is because he

1484 | violated the spirit of the House rule.

1485 | The House rules requires that a Member must adhere to the
1486 | spirit as well as the letter of the rule. What that means
1487 | is that if you have violated the spirit of the rule, then
1488 | you violated the rule.

1489 | So for him to submit as a defense that even though I
1490 | signed it, the fact that the bank's lawyers think that it
1491 | was invalid should mean I didn't violate the House rule
1492 | isn't true. Because he is not being accused with violating
1493 | the law.

1494 | He is being accused of violating the House rule. Under
1495 | the House rule, when you violated the spirit of the rule,
1496 | you violated the rule.

1497 | Now, I am not conceding here that it wasn't a valid
1498 | transaction because I believe that it was. The key point is
1499 | that the manager accepted this as collateral.

1500 | So for the period of time while that loan was outstanding,
1501 | those funds were encumbered. It remained listed on that
1502 | account as collateral for that loan.

1503 | The bank would not have released those funds, that
1504 | certificate of a deposit to the campaign during that period
1505 | of time, because they believed that it was collateral on the
1506 | loan.

1507 | It wasn't until 1987 when they were asked to look at this
1508 | transaction again in light of these allegations, I believe.

1509 that they produced a letter saying, 'Oh, this was
1510 invalid.' But at the time they never went back and said
1511 this isn't a good transaction.

1512 They apparently asked for collateral on the loan. The
1513 Congressman complied and put up collateral. They accepted
1514 it and never said, 'Put up something different. This isn't
1515 valid.'

1516 They accepted the assignment that he put forward. He
1517 intended to assign that certificate of deposit.

1518 I want to read to you the language that appears on that
1519 document because I think it is very important for you to
1520 know what the Congressman signed.

1521 The language on that document assigning the certificate of
1522 deposit says as follows: 'The undersigned warrants and
1523 represents that above-described savings account instrument
1524 is owned solely by undersigned and is free and clear of all
1525 liens and encumbrances and the undersigned has full power,
1526 right and authority to execute and deliver this
1527 assignment.'

1528 Now, that is what the Congressman signed. And the
1529 Congressman is an attorney. I think he understood full well
1530 the language that was on the document. I think it was his
1531 intent to have an assignment and inasmuch as he intended to
1532 do have an assignment, he has violated the spirit of the
1533 House rule and that constitutes a violation of the House

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1534 rule.

1535 DCMN GLASSMAP

1536

1537 It is very important also to note that the person who, in
1538 fact, did have the authority to sign that document had full
1539 knowledge of the fact that the Congressman was signing this
1540 assignment and had full knowledge of his intent to use it as
1541 collateral. The name that appeared on the signature card
1542 was Alton Buck. He could sign on behalf of the campaign.

1543 Apparently the bank must have questioned Mr. Buck about
1544 whether it would be appropriate for the Congressman to put
1545 up the campaign certificate of deposit on a personal loan.
1546 And Mr. Buck responded to that inquiry by letter, dated
1547 March 22, of 1985, and this is what that letter says. 'In
1548 regard to the use of the committee for Congressman Charlie
1549 Rose's certificate of deposit with Southern National Bank as
1550 collateral for his loan, this would be permissible. Since
1551 Congressman Rose was elected to Congress prior to 1980, he
1552 may use any campaign funds he has raised in any manner in
1553 which he sees fit. He, of course, would have to pay income
1554 tax if he makes personal use of the funds other than to
1555 carry out the objectives of the Election Committee. I hope
1556 this answers your question. If not, please do not hesitate
1557 to call.'

1558 So clearly the person who did have the authority to sign
1559 the assignment gave full knowledge and consent to the bank

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1560 on this, and that is probably why the bank accepted that
1561 assignment, because they checked with the person who had the
1562 authority to do it, and he says this would be permissible.

1563 But they are asking you, once again, don't look at the
1564 hard evidence. Don't look at the hard facts. Let's put up
1565 a little smoke screen here and say it wasn't valid and so he
1566 didn't do it. But, again, in the law an attempt is
1567 culpable, an attempt to do something wrong is culpable. An
1568 attempted robbery is a crime. An attempted burglary is a
1569 crime. And here at the very least we had an attempt to
1570 convert campaign funds to personal use.

1571 The analogue to that in the House Rules is that you can't
1572 violate the spirit of the rule, and that covers the attempt,
1573 and that is what happened with Congressman Rose in using his
1574 certificate of deposit as collateral on a personal loan.

1575 Now, the second line of defense that they use on this
1576 count is that it wasn't a personal loan, it was a campaign
1577 loan because there are some credit memos of the bank that
1578 call this \$56,000 a campaign expenditure. But I submit to
1579 you that it wasn't, and I ask you to look at the report that
1580 is prepared by Laventhol and Horwath. I mentioned there
1581 were two important points in that report, and the one that
1582 relates to count 2 is that in tracing the history of that
1583 loan, you find that there are other personal loans comingled
1584 in there, and that is uncontroverted evidence. This \$50,000

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1585 loan for which he put up collateral was a pre-existing loan.

1586 It merged two loans that the Congressman already had at

1587 that bank.

1588 Well, those loans were the result of other loans that came

1589 before them which were the result of other loans that came

1590 before them, notes that were constantly rolled and rolled

1591 into other notes. Some of those other notes clearly are in

1592 the files of the bank that they have for personal expenses.

1593 Once you have comingled, that transaction becomes tainted.

1594 So he can't now characterize it as a campaign obligation

1595 when back then the predecessors of that loan were for

1596 personal expenses. To the extent that he does characterize

1597 it as a campaign expense, I want you to take note of

1598 something. Some of the money that went back into the

1599 campaign that committee counsel believes were repayments to

1600 the campaign from the Congressman for the loan that he had

1601 borrowed was borrowed by him from the bank. In other words,

1602 the Congressman went to the bank and borrowed money to put

1603 it back in the campaign.

1604 Now, at least one of those we know was \$16,000, and he

1605 went to the bank and borrowed \$16,000 to put back in the

1606 campaign. That is one of those notes that he calls a

1607 campaign expense. When you borrow from your campaign and

1608 have to pay it back, that is a personal expense. That is

1609 not a campaign expense for you to go to the bank and borrow

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1610' the money to give it back to the campaign and then say that
1611 is a campaign loan and, therefore, this is a campaign
1612 transaction.

1613 I don't want you to be confused about the nature of what
1614 they have characterized as a campaign loan. These were
1615 personal obligations of the Member in the sense he had to
1616 put them back in the campaign that he had borrowed earlier.
1617 Based on the information that I had given you as relates to
1618 count 1 and count 2, I would urge the committee to sustain
1619 these counts.

1620 Counsel has stipulated as to count 3. I would like to
1621 read the stipulation to you. With respect to count 3,
1622 respondent and committee counsel agree to the following: It
1623 is hereby stipulated that if the committee finds in favor of
1624 respondent on count 1 on the statement of alleged
1625 violations, that respondent shall also prevail on count 3.
1626 It is further stipulated that if the committee finds against
1627 respondent on count 1 of the statement of alleged
1628 violations, then the committee will find against the
1629 respondent on count 3. So I present no argument to you on
1630 count 3 in that it is tied to count 1.

1631 I do ask you, finally, when listening to Mr. Rose's
1632 explanation, to use your common sense and ask yourselves if
1633 these explanations are plausible or are they rather
1634 contorted, circuitous explanations that are applied to

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1635 straightforward hard facts asking that you not believe them.
1636 The CHAIRMAN. The counsel for the staff started at 2:35.
1637 So you now have 25 minutes left. Counsel for the
1638 respondent?
1639 Mr. PETRI. Mr. Chairman?
1640 The CHAIRMAN. Mr. Petri.
1641 Mr. PETRI. I have a question on proceedings so far as
1642 count 3 is concerned. I believe that vote was by six to
1643 three and Rule 12(e)(1) says that the committee should
1644 proceed by a vote of a majority of the members of the
1645 committee, not a majority of those present.
1646 The CHAIRMAN. The chair will ask the respondent and
1647 counsel and the staff to step out. Off the record.
1648 [Discussion off the record.]
1649 The CHAIRMAN. Without objection, the vote on count 3--it
1650 is count 2, isn't it?
1651 Mr. PETRI. Is this the one where he was alleged to have
1652 signed a--
1653 Mr. MYERS. Which is count 2.
1654 The CHAIRMAN. It is count 2.
1655 Mr. MYERS. The record will show count 3--it is going to
1656 confuse them, too.
1657 The CHAIRMAN. All right. Then what I would like to
1658 suggest, Mr. Petri, if you will agree to this, that the
1659 chair will set aside the vote on count 2. I would like to

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1660 ask that if it does not prevail that we leave the roll open
1661 to obtain the members who did not have an opportunity to
1662 vote on that issue. Do you have an objection to that?

1663 Mr. PETRI. No. I have no objection to leaving the roll
1664 open, but I do think we had an imperfect record of the
1665 committee in that the rules provided for counts to go
1666 forward by a vote of majority of the committee, and six
1667 votes is not a majority of this committee.

1668 The CHAIRMAN. Your point is well taken. The chair will
1669 set aside the vote on count 2.

1670 Mr. MYERS. I move it be set aside and reconsidered.

1671 The CHAIRMAN. It has been moved by Mr. Myers and seconded
1672 by Mr. Fazio that the vote on count 2 be set aside and that
1673 we re-vote on that issue. All in favor, signify by saying
1674 aye; all opposed. The ayes have it. The count 2 vote is
1675 vacated.

1676 Mr. Petri, do you want to make a motion on count 2?

1677 Mr. PETRI. Yes. I renew my motion that we not proceed on
1678 count 2, and I just am making it again at this time because
1679 I did not want the committee to find itself in a position if
1680 it took the matter to the Floor of having a flawed record
1681 and being thrown out on a procedural vote. I understand I
1682 was on the losing end. The vote was six to three, but the
1683 rules of the committee provide we not go forward without a
1684 majority vote. I, myself, just to renew the argument in

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1685 case there are some people here who were not here earlier,
1686 argued against us going forward on count 2 at an earlier
1687 time because that was not a charge brought before this
1688 committee. It seemed to me extraneous to the charges that
1689 were brought before this committee. It was legalistic and
1690 really not particularly substantive, in my opinion, and it
1691 was not necessary for us to go forward on that count in
1692 order to conduct a reasonable investigation of the
1693 allegations originally made of Mr. Rose.

1694 I was afraid, in my own opinion, it over-stepped the
1695 grounds and was starting the committee to embark on a
1696 fishing expedition, and rather than discharging our duties
1697 of the House, which is not investigating allegations by
1698 members of the press or members of the public.

1699 The CHAIRMAN. The chair would renew the statement it made
1700 before. It is my understanding, one, the respondent was
1701 placed on notice some time ago about this particular count.
1702 In fact, the respondent has responded to this particular
1703 count and has set up a defense. The issue to be discussed
1704 is whether, in fact, there is a prima facie showing. Mr.
1705 petri addresses a visceral reaction to when this was
1706 discovered. He is correct in that the complaint that was
1707 filed did not allege this. In the course of investigation
1708 of the complaint that was filed, that was discovered.

1709 I would argue that the thrust of the complaint was in the

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1710 nature of misuse of campaign funds as it relates to the
1711 respondent, and further that there were some specifics as to
1712 mis-use and in that investigation, in fact, another misuse
1713 was alleged based on the facts.

1714 Secondly, I would say that the committee is certainly not
1715 bound by the rules and the rule in particular cited by Mr.
1716 Myers that we are bound by specific allegations against a
1717 Member of Congress or employee but rather that may, along
1718 with further evidence, trigger an investigation. It is
1719 clear to me that there is a clear precedent on this issue.
1720 I would allow Mr. Petri to respond.

1721 Mr. PETRI. I am sure there are precedents for going
1722 forward when things are discovered in the course of an
1723 investigation. But it seems to me that there is a question
1724 as to how broadly you are required to spread your net as a
1725 result of a charge being made and how volatile the things
1726 that you find are to the functions of the House and to the
1727 duties of this committee.

1728 It seems to me that this just exceeds that. This charge
1729 has to do with Mr. Rose signing something he did not have
1730 the legal authority to sign. It is argued that he received
1731 some benefit, but, in fact, he owed the money and I guess
1732 repaid it, and it is unclear he received any particular
1733 benefit. The bank did require security. They accepted this
1734 as security, though it was not actually something he legally

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1735 had the power to do. if they had not accepted this, he
1736 might have to go to some other co-signer or something else.

1737 So it seems to me this is tangential to the whole
1738 investigation and that it is designed to make the rest of it
1739 look more substantive than it might really be; and to that
1740 extent it is prejudicial to a fellow Member and that we
1741 ought not to proceed with this count.

1742 Mr. MYERS. Tom, if you will yield, it seems to me the
1743 argument you are making is not whether we should proceed or
1744 whether we have a right to proceed, but how we should decide
1745 on the issue once the issue is debated here in a
1746 disciplinary hearing. Every argument you made is not
1747 whether we have a right to go forward but whether we should
1748 be finding him guilty of the violation. Every argument you
1749 have made is not to the point of whether we should proceed
1750 on this particular count.

1751 Mr. PETRI. I would agree we have a right to go forward.
1752 I just don't think it is wise for us to go forward or
1753 necessary for us to go forward. So I don't think we should.
1754 That is all.

1755 Mr. PASHAYAN. Mr. Chairman?

1756 The CHAIRMAN. Mr. Pashayan. I think on this one Mr.
1757 Petri is correct, because lines have to be drawn, and
1758 sometimes inside of the line the issue is whether or not to
1759 find somebody accountable. But I think on this one we

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1760 should be on the other side of the line, just as a
1761 prosecutor will decide whether or not to bring a case.

1762 I know John has the rule in his hand, but still I think
1763 the rule has to be read that there has to be a reasonable
1764 ambit beyond which I think even if we have the authority--and
1765 I don't think Tom intends to question the authority--but we
1766 also have the right to limit with some reasonable boundary
1767 about how far we are going to go and just how far do we
1768 look. How deep do you dig the well looking for contaminated
1769 ground?

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1770 RPTS STEIN

1771 DCMN PARKER

1772 [3:20 p.m.]

1773 Mr. MYERS. What do you think that particular ruling I
1774 cited--one sentence on page 17--what do you think that means?
1775 Do you think during the course of the hearing the committee
1776 may expand or contract the scope?

1777 Mr. PASHAYAN. I think it means that during the course of
1778 the hearing the committee may expand the scope, but I think
1779 you have to read that within the context of what is
1780 reasonable.

1781 The CHAIRMAN. Mr. Spence?

1782 Mr. SPENCE. I don't want to prolong this unnecessarily.
1783 I think we have missed another point, too, and that is no
1784 matter how far we might go or not go, if our investigation
1785 turns up additional wrong-doing when you aren't even looking
1786 for it, in this case we weren't, and we ignore that and
1787 don't take action on it, we are derelict in our duty.

1788 We are open to the accusation and charge that we are
1789 covering up for Members of Congress when we have evidence of
1790 wrong-doing and that we should investigate these things. We
1791 have cited other cases where people weren't even being
1792 investigated and information came to our attention there was
1793 wrong-doing and this committee, on its own initiative,
1794 brought charges against these people.

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1795 I think we would be derelict in our duty if we didn't go
1796 ahead with the charge.

1797 The CHAIRMAN. Ready for the vote on the issue. Is there
1798 any objection to holding the role open on this issue by any
1799 member of the committee so that those who have not voted
1800 would have an opportunity to vote? All in favor of the
1801 motion by Mr. Petri to drop count 2, raise your right hand.

1802 One, two--two. All in favor--all opposed to dropping the
1803 motion raise your right hand. Eight. On a vote of 2 to 8,
1804 the count remains for the purpose of a disciplinary hearing.

1805 Let me say to the members of the committee that--off the
1806 record.

1807 [Discussion held off the record.]

1808 The CHAIRMAN. When the members come back, I will indicate
1809 to them that I sustained this motion and there was a
1810 recount--we did not take a vote on a motion to approve it.
1811 It is moved by Mr. Spence and seconded by Mr. Fazio on a
1812 motion to move forward with count 2. All in favor of that,
1813 raise your right hand.

1814 An affirmative motion to move forward on count 2. On a
1815 vote of 8 to 2 we will move forward on that count.

1816 If staff would bring the Members back.

1817 Outside the presence of counsel and the Respondent, the
1818 Chair sustained Mr. Petri's objection and took another vote
1819 on count 2 and the committee decided to move forward; that

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1820 is, to have a disciplinary hearing on count 2 also.

1821 Ms. Taylor, you have 25 minutes left, and I would allow a
1822 full hour. Mr. Oldaker, starting now at 3:25 by that clock.

1823 Mr. OLDAKER. If I could get clarification, I thought you
1824 said count 3--

1825 The CHAIRMAN. It was 2. So that there will be no
1826 misunderstanding, the motion made by Mr. Petri was in error
1827 as it related to the particular count. Outside of your
1828 presence, he amended that to say count 2.

1829 Mr. OLDAKER. I understand, sir.

1830 Mr. Chairman, members of the committee, Ms. Hutchins-
1831 Taylor, we are here today and we have heard Ms. Hutchins-
1832 Taylor's arguments, and I think that one of the things that
1833 we should take note of at the beginning is the length of
1834 time that this has gone on. I believe the committee
1835 commenced its investigation in March. There have been seven
1836 responses that we have given to the committee. There have
1837 been 11 affidavits, three depositions, two appearances by
1838 Representative Rose and numerous subpoenas for evidence.

1839 In all of that, there has been no new evidence which has
1840 been turned up which would indicate that these were other
1841 than currently characterized as matters in count 1 as loans
1842 by the Congressman and his father to the committee.

1843 The evidence that Mrs. Hutchins-Taylor has put forward is
1844 the evidence that was put on the public record by the

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1845 committee in the 1970's. It was not evidence which was
1846 discovered in this investigation. So we are left with a
1847 dichotomy. Ms. Hutchins-Taylor says, and I agree, that this
1848 is not a difficult case.

1849 This is a case where we have to look at some fairly simple
1850 facts. We stipulated the facts and they are before you.
1851 The facts that have been uncovered by the committee, which
1852 show, I think, several things which we should discuss--first
1853 that \$45,900 went into the committee in 1972 from the
1854 Representative and his father.

1855 No question about that. The committee staff does not
1856 question that; that money went in. Of that money, \$25,150
1857 were loans that went in; no question. The committee staff
1858 agrees that they were loans. They were loans when they were
1859 made. They have never been forgiven and other than the
1860 repayments made during the period of time, they have never
1861 been repaid. They are still outstanding.

1862 The fact that they may not have been reported properly
1863 does not change their characterization. It means that
1864 possibly the Federal Election Campaign Act was not complied
1865 with. That is not a jurisdictional question before this
1866 committee. We agree by and large on these facts and other
1867 facts. We disagree as to the inferences.

1868 Let me talk for a moment about evidence. I know you have
1869 had a recent hearing before the committee. You have had

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1870 several other hearings in other matters, but evidence and
1871 the way they handle the evidence is very importance. Your
1872 rules state that the responsibility of the staff, of the
1873 committee, is to prove by clear and convincing evidence that
1874 the violation of the rules occurred.

1875 This means that where there are ambiguities you have to
1876 resolve those ambiguities in favor of the Respondent.
1877 Ambiguities in and of themselves are not inferences.
1878 Ambiguities are unproved facts; that is all they are. You
1879 have to--this is not a case where 51 percent of the evidence
1880 is going to demonstrate for one side or the other. This is
1881 a case which requires more than that.

1882 It is not a criminal case, but it is a very stringent
1883 standard, clear and convincing evidence. I would indicate,
1884 as the Supreme Court indicated in the Anderson case, that
1885 all justifiable inferences are to be drawn in favor of the
1886 Respondent. Let me move to the counts.

1887 Count 1, as I stated before, we have uncontroverted
1888 evidence that \$25,150 went into the committee as loans. If
1889 you look at your stipulations, it is stipulated to. No
1890 issue. Twenty thousand dollars of that loan was from a
1891 bank, \$5,150 was from the Congressman's father. We also
1892 agree that the most money ever taken out of the committee by
1893 the Congressman, which we characterize as repayments of
1894 loans, was \$29,875.

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1895 | Therefore, what we are talking about here, if there was a
1896 | violation, is the difference between those two numbers. We
1897 | aren't talking about, as we have sometimes heard, \$65,000 or
1898 | other numbers. I just want to put on for you the exact
1899 | ramifications of what we are dealing with here today.

1900 | It was stated by committee counsel that various amounts
1901 | were reported on the North Carolina reports. Clearly they
1902 | were. One of the interesting things about North Carolina
1903 | reports is loans and contributions are reported in exactly
1904 | the same manner.

1905 | There is no way that you can draw a conclusion one way or
1906 | the other as to whether they are contributions or loans by
1907 | looking at that report. Therefore, those amounts that were
1908 | reported only on that report are in question. We have only
1909 | one way to determine what they were, and that is to look to
1910 | the donors themselves, which the committee staff did.

1911 | The committee staff deposed Congressman Rose's father and
1912 | you gentlemen heard Congressman Rose testify before you on
1913 | two occasions. In each statement, in unambiguous terms, Mr.
1914 | Rose's father and Congressman Rose stated that these loans
1915 | were loans to the committee. There is no ambiguity on that
1916 | point. There is no failure of memory on that point. They
1917 | remember it quite clearly.

1918 | In addition, every other person who the committee talked
1919 | to indicated that it was their understanding that these were

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1920 loans. There was no question about that. This is 15 years
1921 later--every person, Mr. Buck, who was later to become the
1922 treasurer in 1974, he was a person around the campaign at
1923 the time. He said at the time he heard people discussing
1924 the loans.

1925 Mr. Rand, in his deposition by the committee, states
1926 unequivocally that he heard at that time--he was the
1927 treasurer--that these were loans. Mr. Styles' affidavit
1928 states the same thing. There is no deviation on this point.
1929 There was some question that came up whether Congressman
1930 Rose appeared here before about an oral agreement, oral
1931 loans made to the committee and whether they should have
1932 been reported or documented. Loans themselves under the law
1933 in 1972, there was no necessity for those loans to be
1934 documented or in writing from any source.

1935 The law in 1979 was amended to require that loans from
1936 national banks, which is the only other source other than
1937 from the Member after 1975, had to be in writing. There
1938 still is no requirement that loans from an individual member
1939 of Congress to his committee have to be documented.

1940 They do not have to be documented. There has to be no
1941 writing. The money can go in and it can be determined
1942 solely on the intent of the Member. That is the law.

1943 DCMN MILTON

1944

1945 Let me deal for a moment with the reports. The Clerk's
1946 manual in '72 said that loans had to be in writing. It
1947 seems that there was some confusion, at least looking
1948 backwards, possibly as to why some loans were not included
1949 in the Federal report. This may reflect several of the
1950 loans which we have stated were on the North Carolina
1951 report.

1952 I think that it is important when looking at the North
1953 Carolina report to remember that some of that report appears
1954 to be prior to the effective date of the Act. The Act went
1955 into effect April 7, 1972. We are talking about a critical
1956 juncture as far as campaign law was concerned. Prior to
1957 April 7, 1972, people didn't have to report under Federal
1958 law. In various states they did have to report, and North
1959 Carolina was one of those. We have heard from Ms. Taylor
1960 that there was confusion about how the loans which Mr.
1961 Rose's father made to the campaign were repaid to Mr. Rose's
1962 father, an issue which has consumed time before this
1963 committee in questioning and has gone back and forth.

1964 I think one of the things you must keep in mind is whether
1965 or not Congressman Rose's father was paid back. There is no
1966 question in either Congressman Rose's mind or his father's
1967 mind that Congressman Rose's father was paid back in full

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1968 for the money that Congressman Rose's father lent the
1969 committee. His father felt that his son was obligated to
1970 repay him for that money, not that the committee was
1971 obligated but that Congressman Rose was obligated to repay
1972 him.

1973 He has testified that he was repaid and it is without
1974 dispute that he was repaid as far as testamentary evidence.
1975 There is a question, I would agree, as to in what form he
1976 was repaid.

1977 Let me go for a second to a transaction which we have
1978 called the Alaska land transaction. Ms. Taylor has talked
1979 about that, but I think that we can cut through a lot of the
1980 questions if we look at that transaction and in the
1981 stipulations we have been able to stipulate as to facts
1982 regarding that transaction.

1983 October 1, 1975, Congressman Rose purchased land in Alaska
1984 for \$160,000. No question about that. We stipulated to
1985 that. On May 1, 1978, Representative Rose conveyed one half
1986 of the land to his father, free and clear of a mortgage,
1987 with a patent of approximately \$9000 owing on that piece of
1988 land--\$8000, excuse me.

1989 On March 13, 1980, Representative Rose conveyed the other
1990 one half of the land to his father with a mortgage on it of
1991 at most \$90,000 and a patent which had to be paid of \$8000.
1992 This property was sold in '81 for \$288,000, a net profit

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1993| made by the father of more than \$180,000.

1994| Now, that is a lot of money. That money was to satisfy
1995| all debts outstanding between the Congressman and his
1996| father. There was no reason for Congressman Rose to
1997| transfer this to his father other than the fact that there
1998| were debts, and he felt that there were some remaining debts
1999| possible from '72.

2000| The only question which I think is unclear, which Ms.
2001| Taylor points out, is when was Congressman Rose's father
2002| repaid, not how or if, but when, and I would assert to the
2003| committee that it is clear that he was ultimately repaid.
2004| There is no question in the Congressman's mind, in his
2005| father's mind, and I think if you look at the Alaska
2006| transaction, there can be no question in your mind that he
2007| was repaid.

2008| Let me turn for a second to what Ms. Hutchins-Taylor calls
2009| hard evidence, which I will call documentary evidence as
2010| opposed to testamentary evidence, the reports filed with the
2011| Federal Election Commission, with the Clerk of the House of
2012| Representatives by Mr. Buck and others. These reports were
2013| filed, no question about it. We don't deny what they say.
2014| Mr. Buck, though, the man who filed those, said that they
2015| were in error. His testimony under oath states that they
2016| were in error.

2017| If I could for you, I will read what Mr. Buck said in his

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2018 deposition before the committee. In answer to a question
2019 asked by Ms. Taylor, which says, "So you would not have
2020 characterized them in this manner if you didn't have reason
2021 to believe that the Congressman was borrowing from the
2022 campaign."

2023 "It could have been that I didn't know what they were or
2024 the girl preparing this didn't know what they were since the
2025 Clerk was through Mr. Rose, no invoice, she assumed that it
2026 was a loan."

2027 It goes on to say that the bookkeeping people, whoever
2028 actually reported it, characterized it at the moment as the
2029 best information they had at hand at the time. There is no
2030 doubt that they characterized it that way. He did not think
2031 it was important at the time. He, after careful examination
2032 on his own behalf, he went and made the determination that
2033 the reports were in error and should be amended. It was at
2034 the time that he came to this realization that the reports
2035 were amended.

2036 The issue which Ms. Taylor puts in as to the letters which
2037 were written by Mr. Buck I would assert are nothing more
2038 than letters that were written by Mr. Buck at the time on
2039 his current understanding of the transactions. This is a
2040 man who is not trying to commit fraud; he is a man merely
2041 reporting what he sees before him at the time.

2042 On January 8th Mr. Buck, as is stipulated, filed an

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2043 amendment to the Federal Election reports and he did this on
2044 the basis of information which he had before him. He
2045 conducted his own investigation. He talked to a banker at
2046 Citizens Bank in North Carolina. He looked at the Federal
2047 filings in '72, which he did not have available to him at
2048 the time when he was making the original reports in the mid-
2049 '70s. He looked at the North Carolina filings which he did
2050 not have available to him at the time he was making the
2051 filings in the mid-'70s, and he testified that after looking
2052 at these matters and talking to Mr. I.B. Juling, that the
2053 reports that he had filed were in error. He recharacterized
2054 the amounts which came out of the committee as repayments of
2055 the loans and the amounts going back in as loans from the
2056 Congressman to his committee.

2057 I think again it is important to note all the way along,
2058 there is no question as to the \$25,150, as to whether that
2059 should have been characterized as a loan. Everyone agrees
2060 that those loans went in in '72 and that they never came
2061 out. What we have been discussing with committee staff and
2062 the issue before the committee is the difference between
2063 that \$25,150 and the total amount of money ever taken out of
2064 the committee by Congressman Rose, a little under \$5000, and
2065 whether or not there were loans to the committee in that
2066 amount out of the remaining \$20,000 plus, which there is no
2067 argument about, that went into the committee.

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2068 Committee counsel talks about check notations. By and
2069 large, the check notations coming out of the committee
2070 reflect what the reports reflect. We would be surprised if
2071 they did not. But the checks going back in from the
2072 committee in one case do not. In one case the checks
2073 indicate that the money going back into the committee was a
2074 loan and not a repayment of a loan. That was from
2075 Congressman Rose. It raises at least a question, an
2076 inference, as to what in fact people were thinking about.

2077 On Congressman Rose's check it says "loan." I would
2078 agree on several of the checks that his wife put in it said
2079 "repayment of loan." I would also indicate that Mrs. Rose
2080 was not married to the Congressman in '72. It is not known
2081 whether she knew of the loans at the time. She may not have
2082 known the history; he did.

2083 I think that we have heard various things about the state
2084 of the records in this case. I think when we look closely
2085 at the campaign records--we had an accounting firm look at
2086 the campaign records--one thing that was evident from the
2087 campaign is that although I think everything was always
2088 contemplated to be honestly portrayed, there did demonstrate
2089 in the records a failure to fully comprehend what the rules
2090 were.

2091 If you look closely at the records filed by the committee,
2092 there were oftentimes different closing cash on-hands on one

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2093 | report and opening cash on-hands on the next report.

2094 | Elementary accounting would tell us that they should be the
2095 | same, but they weren't.

2096 | We found that there was no way to tally the reports one
2097 | way or the other. We are giving you the report from that
2098 | accounting firm. I don't think that it means that anything
2099 | unlawful was going on, but I think that there is sufficient
2100 | evidence there that those who were filling out the reports
2101 | were not that sophisticated in what they were doing, as I
2102 | might add most people who fill out Federal Election reports
2103 | are not that sophisticated. Errors are made quite often in
2104 | characterization on reports.

2105 | Amendments--if one were to go to the Federal Election
2106 | Commission and look at the number of amendments, I would
2107 | suggest even in your reports, gentlemen, you would find that
2108 | there are a number of amendments where those people who
2109 | filled out the reports have at a later time determined that
2110 | they made an error, an honest error in how they
2111 | characterized it. And I would suggest if it wasn't done
2112 | even by some of the best campaigns, I would worry that they
2113 | weren't fully complying.

2114 | We have had campaigns, half had big-name accounting names,
2115 | and they find errors. It is human nature that errors will
2116 | be made on these reports.

2117 RPTS MCGINN

2118 DCMN DONOCK

2119 3:50 p.m.

2120 If I might turn to Count 2, Count 2 presents an
2121 interesting question. We said at the outset Congressman
2122 Rose has been before you twice. You have had an opportunity
2123 to ask him questions about Count 2.

2124 Congressman Rose testified that it was not his intent to
2125 use the CD in a way that would convert it. He did not think
2126 signing the assignment would violate the rule. But beyond
2127 that, I think that goes to whether or not he intended to
2128 violate the rule. Had he signed it, and it had been
2129 effective, and whether that would be a violation of the
2130 rule, I think is the issue that is before this committee.

2131 It seems clear from looking at the law that no assignment
2132 could take place. The lawyer for the bank, when queried
2133 about this, stated no assignment took place since this was a
2134 contract, certificate of deposit was a contract between the
2135 bank and the committee.

2136 Congressman Rose could not assign it. It was impossible.
2137 We thought that that was good evidence. We talked to the
2138 committee counsel during our negotiations on stipulation of
2139 facts. They raised the issue. They asked me, if the
2140 committee had seen the Alton Buck letter when he wrote that
2141 letter. I said, I have no idea if they saw it.

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2142 I have never talked to the man. I called him today, and
2143 he said absolutely I saw the Alton Buck letter. That
2144 doesn't make any difference. The assignment was
2145 ineffective. It couldn't be effective unless Congressman
2146 Rose's signature was on the signature card.

2147 This is not a person from our side. This is the bank's
2148 own lawyer. We then decided to obtain other counsel on the
2149 matter. We went to the Library of Congress, an institution
2150 that you use, to discuss whether or not this assignment was
2151 effective. We gave them all the documents that the
2152 committee has.

2153 Their opinion, a lawyer from the Library of Congress, was
2154 that it was not an effective assignment, that it did not, in
2155 fact, assign what it purported to assign. But they say, and
2156 let me quote, "Mr. Rose's signature on the instrument would
2157 be ineffective to transfer, since the signature card
2158 reflects a contract between the bank and the depositor that
2159 the funds will not be transferred without Mr. Buck's
2160 signature."

2161 It seems clear from that that an assignment, as a matter
2162 of law, did not take place. This is not my belief. This is
2163 not what I am saying. This is what the Library of Congress
2164 has said.

2165 I think that Ms. Hutchins-Taylor makes an eloquent
2166 argument about intent. I know this body should always be

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2167 worried about intent, how its Members appear. I do not
2168 think Congressman Rose intended to violate the rule.

2169 But I would caution this body from going into
2170 investigations on intent. I would think that if you started
2171 to investigate whether there was an intent to violate a rule
2172 with no demonstration of a violation of the rule, that your
2173 jurisdiction, by increasing your jurisdiction that way, you
2174 would be open for endless investigation.

2175 I don't think that is the case here. I am just merely
2176 saying that as a matter of fact. I understand the argument,
2177 but I would caution against, in this case, or in future
2178 cases, of merely going on the question of intent.

2179 The bank's lawyer, Mr. Stacey, says in essence, "Since
2180 the depositor of the certificate of deposit was the
2181 committee for Congressman Charles D. Rose, and the signature
2182 contract (contract between the bank and the depositor) for
2183 the account had only one authorized signatory, Alton Buck,
2184 in my opinion the signature of Alton Buck was necessary to
2185 assign the certificate."

2186 Then, Ms. Taylor asked, she said, was he aware that there
2187 was a letter sent by Mr. Buck that had been requested by the
2188 bank? I said I don't know. I called him. And he said,
2189 "At the time of my letter"--the prior letter I just read
2190 from--I had seen the letter written by Alton Buck to the bank
2191 dated March 25, 1985. My interpretation was that Mr. Buck

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2192 | considered it permissible for a committee certificate of
2193 | deposit to be used as collateral for a personal loan to Mr.
2194 | Rose.

2195 | I did not, however, consider the Buck letter as legal
2196 | authority for passing on the method of assigning the
2197 | certificate, nor did I view the letter as authorization by
2198 | the depositor of the committee for Mr. Rose to execute
2199 | assignment of the certificate.

2200 | This is not a person who is arguing for our side. This is
2201 | a person who would do everything he could to find that the
2202 | assignment was valid. He is the bank lawyer. I think that
2203 | at the bottom of Count 2 what we found is a
2204 | misunderstanding, and we find something that never occurred,
2205 | a misunderstanding by Congressman Rose as to whether or not
2206 | signing an assignment would be use of campaign funds and the
2207 | fact, uncontroverted at least from the Library of Congress'
2208 | viewpoint and the bank's lawyer that the assignment did not
2209 | occur.

2210 | Let me return for one minute to Count 1. This, as you
2211 | know, is a very important matter. It is important to the
2212 | committee. It is very important to Congressman Rose. It is
2213 | a matter that has gone on for a good period of time. There
2214 | have been a number of press stories on it, and we are hoping
2215 | that it can be quickly resolved.

2216 | We are dealing with matters which occurred 15 years ago.

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2217 at the dawn of reporting of election laws. In most any
2218 other body in the world, these would not be matters open to
2219 investigation. These are matters which--and the reason that
2220 that is so--these are matters that are so old that not only
2221 memories fade and are unclear, but the documents disappear.
2222 That is why we have statutes of limitations.

2223 It is not, in my mind, at all surprising that people have
2224 differing recollections of what occurred 10 or 15 years ago.

2225 I would be suspicious as a finder of fact if everyone had
2226 exactly the same recollection on exactly every issue. That
2227 would be far more suspicious to me as a judge or a finder of
2228 fact from when people have some differing interpretations as
2229 to what happened that number of years ago.

2230 I think if any one of you honestly asked yourself, you
2231 will realize you will have a hard time remembering instances
2232 with your campaigns that happened last month, last year,
2233 five years ago and certainly 10 years ago.

2234 We are talking about a sum of money here which, by
2235 newspaper accounts, is large, but in fact, when we get down
2236 to the actual issue involved, we are talking about an
2237 agreement of loans which were made to the committee of
2238 25,150.

2239 So, there is no question that that was made. There is no
2240 question that that was misreported in future reports.

2241 Everyone agrees on that. And they have been reported

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2242 consistently. There would be no question about whether
2243 Congressman Rose could be repaid that amount.

2244 The only question then is the additional \$20,000 and
2245 whether or not it was loans. These were amounts that were
2246 reported on the North Carolina reports, which as we have
2247 stated, did not have a place to put the loans. Their oral
2248 testimony--the oral testimony of every person who
2249 testified--stated they were loans.

2250 The only question then is why weren't they reported?
2251 Well, they weren't reported for the same reasons that the
2252 other 25,150 weren't reported. It was merely an omission in
2253 the change of reporting people.

2254 Mr. Buck came in in 1974. A prior Treasurer existed prior
2255 to that. They didn't realize that they should be reporting.
2256 That error is the consequential error of what you are
2257 investigating.

2258 Let me add one more factor we talked about. In 1974, the
2259 statement of organization that was filed for the committee
2260 in that period stated when asked, what did he do with the
2261 residual funds from this committee, stated it would be used
2262 to pay off 1972 loan debts.

2263 I think that there is sufficient evidence here, without a
2264 doubt, to find that Congressman Rose lent, and his father
2265 lent, money to the committee in 1972. The monies lent by
2266 Congressman Rose's father were monies which Congressman Rose

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2267 became responsible for, and that Congressman Rose repaid his
2268 father for any amount that was lent the committee, and that
2269 that obligation existed in 1972 and existed throughout the
2270 time until today's date.

2271 I have nothing, Mr. Chairman. Thank you.

2272 The CHAIRMAN. Let me take this opportunity to say you
2273 have 25 minutes left, and if you would like to take just two
2274 minutes to discuss it with Mr. Rose or if he wants to make
2275 any statement, that is fine.

2276 Counsel will wait until they have exhausted their time or
2277 yield back.

2278 Mr. OLDAKER. Mr. Chairman, a point of interest, we have
2279 no chance for rebuttal after this?

2280 The CHAIRMAN. No, Mr. Oldaker.

2281 Mr. OLDAKER. I have one point that I would like to make,
2282 if I can. I recently saw a report from Laventhol & Horwath,
2283 which I think I will hear something about it--

2284 The CHAIRMAN. You have 25 minutes.

2285 Mr. OLDAKER. What I planned to say in rebuttal, but I
2286 will say now, is I think when the members are deliberating,
2287 you have to remember that there is documentary evidence
2288 which you have before you, there is testimonial evidence
2289 which you have before you.

2290 The documentary evidence you all can review. Other people
2291 can review it, and look at it. The testimonial evidence,

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2292 the people best able to interpret it--that is why we have
2293 courts, and they are conducted in a way that we have--is
2294 people who observe the testimony themselves.

2295 In this case, the members have had an opportunity to watch
2296 Congressman Rose and to see what his testimony was and to
2297 determine the veracity of the witness when he testified and
2298 was cross-examined.

2299 As to the three other witnesses that have been before the
2300 committee, they were questioned, and I would say in great
2301 detail, by committee counsel, committee investigator, or by
2302 a member in each case, Mr. Pashayan in two cases and Mr.
2303 Hansen in the other case.

2304 Both of those Members were there and observed for the
2305 committee the veracity and the appearance of those
2306 witnesses. Their views on those witnesses, I would say, is
2307 far more important than anyone else's who would happen to,
2308 as a lay person, pick up and read a report as Laventhol &
2309 Horwath did. That is what I would say in rebuttal.

2310 I say it now. Just one minute, please. One of the things
2311 the Congressman reminds me, one of the things we did
2312 circulate and I didn't mention it by name, but the
2313 accounting firm which we had asked to review this was
2314 Coopers and Lybrand.

2315 We circulated this report to you. One of the essence, and
2316 I guess since we are moving at such rapid fire in this

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2317 | thing, I shouldn't wait or hope you read it. I probably
2318 | should point out to you what we think the essence of that
2319 | report is. The essence of that report is that if you follow
2320 | standard auditing methods, you can't tell whether these were
2321 | loans or contributions.

2322 | Accountants looking at the documents are left with the
2323 | question that you have to answer. When you read Laventhol &
2324 | Horwath's report, they go beyond generally accepted auditing
2325 | principles and they render opinions on testimony.

2326 | I don't think it is necessary for me to say that is the
2327 | purview of the committee. That is not the purview of an
2328 | accounting firm that you hire. That kind of information and
2329 | opinion by the accountants is no greater--they have no
2330 | greater expertise to render that type of opinion than anyone
2331 | else.

2332 | It is interesting that at the beginning of their report,
2333 | they agree with that. I guess the spirit of the moment
2334 | doesn't stop them from proceeding to give that opinion on
2335 | numerous occasions throughout their report.

2336 | We are tried by our peers in this country. The peers
2337 | listen to the testimony. You gentlemen are the peers in
2338 | this case, and I think that it is your responsibility to
2339 | listen to the testimony, to review the evidence, which you
2340 | have done, and to make the determination on that basis.

2341 | Mr. ROSE. Mr. Chairman, I would be happy to answer any

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2342 questions, if there are any from the Members. Otherwise, I
2343 would--I will be happy to be sworn if you wish to ask me any
2344 questions.

2345 RPTS MCGUINN

2346 DCMN KOENLER

2347

2348 The CHAIRMAN. Well, Mr. Rose, you are already under oath
2349 to this issue. If any Member of the Committee has a
2350 question, I would ask them now is time to ask it within the
2351 limits of 4:30, so that it does not take more than is
2352 appropriate time.

2353 Mr. Myers.

2354 Mr. MYERS. Thank you, Mr. Chairman. Can a political
2355 campaign similar to your campaign in North Carolina borrow
2356 money under the laws of North Carolina?

2357 Mr. ROSE. Yes, sir.

2358 Mr. OLDAKER. Are you talking about today? It is true in
2359 both cases, but in 1976 the Federal law preempted all state
2360 laws.

2361 Mr. MYERS. Has your campaign ever borrowed money?

2362 Mr. ROSE. Yes, sir.

2363 Mr. MYERS. Directly as a campaign they borrowed money,
2364 not from you, but borrowed from a bank, from a commercial
2365 bank or a lending institution?

2366 Mr. ROSE. Yes, one time. But I would have to let--I do
2367 not keep all those times and places in my head. My staff
2368 can fill in the record on that.

2369 Mr. MYERS. Under Count 2, the loan that was made then for

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2370 \$56,277.77, was an odd number for a loan but what was the
2371 date of the loan?

2372 Mr. ROSE. While they are looking that up, let me tell you
2373 that money was owed before my signature appeared on this
2374 document and the loan existed after that was withdrawn from
2375 the file. That was not done to encourage anybody to make a
2376 loan. And it was not considered--in other words, when it was
2377 removed, I didn't go back and add additional collateral.

2378 Mr. MYERS. While we are looking for the date of the loan,
2379 the loan was made, why was any collateral pledged?

2380 Mr. ROSE. I had a conversation with a banker and said,
2381 "You are charging me too much money on this loan. Can't
2382 you charge me a little lower interest?" He said, "I will
2383 see if I can." And I can't swear to you, Congressman,
2384 right now the time in which these sequences occurred, but he
2385 renewed the note or he made me the \$56,000 note, and at some
2386 time later, he said, "Will you sign this particular piece
2387 of paper?"

2388 My feeling and belief is that he asked me to sign that
2389 paper to justify a lower rate of interest. I knew at the
2390 time that I had no authority to sign an assignment, didn't
2391 believe I was signing one, didn't believe I was breaking the
2392 rules of the House, as I have testified to, and when the
2393 bank decided that it wasn't any good, they threw it out of
2394 my folder and just upped my interest rate a few points.

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2395 Mr. MYERS. Now, when did this happen, the bank decided it
2396 wasn't any good? First off, do you have the date of the
2397 loan?

2398 Mr. OLDAKER. The original date of the two loans, the
2399 \$40,000 loan was--

2400 Mr. MYERS. The \$56,277.

2401 Mr. OLDAKER. That was when it was consolidated.

2402 Mr. MYERS. Yes.

2403 Mr. OLDAKER. That was 3/26/85.

2404 Mr. MYERS. The same date as the collateral was pledged.

2405 Mr. OLDAKER. That is correct.

2406 Mr. MYERS. So, the collateral was pledged to--

2407 Mr. ROSE. Was attempted to be pledged.

2408 Mr. MYERS. Was there a loan before that date?

2409 Mr. OLDAKER. There were two loans.

2410 Mr. MYERS. Was there any new money at that time?

2411 Mr. OLDAKER. Maybe a couple hundred in interest, but
2412 there is a \$40,000 loan and a \$16,000 loan that were
2413 consolidated.

2414 Mr. MYERS. You are going to explain, you say the so-
2415 called bank threw it out. What do you mean by the bank
2416 threw it out?

2417 Mr. ROSE. Well, some time in 1986, I got a call from the
2418 banker who replaced the guy that made this--

2419 Mr. MYERS. New lending officer.

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2420 Mr. ROSE. New lending officer. He goes and reviews the
2421 files and he determines, he says that ain't a valid deal. I
2422 said, well I cannot assign that and therefore you are going
2423 to have to take it out and make me another loan.

2424 I believe the record would show that the interest rate
2425 changed a couple points upward. It was my belief at the
2426 time I signed that document that the banking officer was
2427 trying to do me a favor and wanted to cover the record so
2428 far as the bank examiner might be concerned.

2429 Mr. MYERS. Now, I am asking for a judgment. I guess I
2430 shouldn't ask that. Under North Carolina law--you are both
2431 lawyers, the four of you there--under North Carolina law, if
2432 that loan had become delinquent during the period of time
2433 that this pledge was made for the collateral, what would the
2434 bank have done?

2435 Mr. OLDAKER. The bank, in the bank's lawyer's mind could
2436 not have collected on the assignment. That is the bank's
2437 lawyer.

2438 Mr. MYERS. I am speaking now before this new banker came
2439 in and decided that wasn't--

2440 Mr. OLDAKER. That is what I am saying. I am saying when
2441 that piece of paper was signed and out there, the bank
2442 lawyer says they could not have collected on it.

2443 Mr. MYERS. Not could have. What would they have done?

2444 Mr. OLDAKER. They would have attempted to collect the

2445 money from Congressman Rose.

2446 Mr. MYERS. And they would not have seized that?

2447 Mr. OLDAKER. They would not have seized that certificate

2448 of deposit.

2449 Mr. ROSE. Can I give you what the new banker told me?

2450 Mr. MYERS. I am talking about the old banker before he

2451 pulled the rug out from under you.

2452 What would he have done if the loan had become delinquent?

2453 Mr. OLDAKER. He wouldn't have done anything.

2454 Mr. MYERS. I know what the bank board would do.

2455 Mr. OLDAKER. He would have turned you over to the bank

2456 lawyer, right?

2457 Mr. MYERS. That is what the collateral says. We have a

2458 copy of the collateral some place. I have read it. The

2459 bank has the right to attach, to take the money without any

2460 court proceedings.

2461 That is what the collateral is all about. Otherwise you

2462 wouldn't need the collateral. Under the Uniform Code, I am

2463 sure North Carolina is the same as the Uniform Code in

2464 Indiana. The bank has the right and I have done it. Okay.

2465 Mr. OLDAKER. I would disagree but--

2466 Mr. MYERS. Okay. Now, I have a couple other questions,

2467 Mr. Chairman.

2468 Mr. FAZIO [Presiding] Go ahead.

2469 Mr. MYERS. Is Mr. Alton G. Buck still your treasurer?

2470 Mr. OLDAKER. Yes.

2471 Mr. MYERS. How did he become your treasurer?

2472 Mr. OLDAKER. He is Assistant Treasurer, excuse me. He
2473 keeps all the books.

2474 Mr. MYERS. How did he become Assistant Treasurer?

2475 Mr. ROSE. He became the one that was handling my accounts
2476 and our reports after we discovered in the early 1970's that
2477 we weren't doing a very good job.

2478 Mr. MYERS. Who is we?

2479 Mr. ROSE. Me and my friends.

2480 Mr. MYERS. How did he become your Acting or Assistant
2481 Treasurer?

2482 Mr. ROSE. I hired his accounting firm when the FEC law
2483 started requiring all those new forms.

2484 Mr. MYERS. Did you appoint him?

2485 Mr. ROSE. Yes.

2486 Mr. MYERS. How would he be replaced if you had to replace
2487 him? Who would do that?

2488 Mr. OLDAKER. The campaign organization would replace him.

2489 Mr. MYERS. You hired him, but you couldn't fire him. Is
2490 that what you are saying?

2491 Mr. ROSE. I assumed that I could.

2492 Mr. MYERS. You still had the power to name your campaign
2493 treasurer; is that correct?

2494 Mr. ROSE. Yes.

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2495 Mr. MYERS. I have no further questions. Thank you.

2496 The CHAIRMAN. [Presiding] Mr. Mollohan.

2497 Mr. MOLLOHAN. Mr. Rose, does your campaign owe you money

2498 right now?

2499 Mr. ROSE. Yes, sir.

2500 Mr. MOLLOHAN. How much?

2501 Mr. ROSE. \$50,000.

2502 Mr. MOLLOHAN. It owes you \$50,000?

2503 Mr. ROSE. Yes.

2504 Mr. MOLLOHAN. Does your current FEC filing reflect that

2505 campaign debt to you?

2506 Mr. ROSE. Yes, sir.

2507 Mr. MOLLOHAN. At what point in time did your campaign FEC

2508 filing reflect such an obligation?

2509 Mr. ROSE. January of this year.

2510 Mr. MOLLOHAN. Thank you, Mr. Chairman.

2511 The CHAIRMAN. Any other Member?

2512 Mr. Pashayan. Let me remind you the respondent has 15

2513 minutes left.

2514 Mr. PASHAYAN. Thank you. These questions can be directed

2515 to either the respondent or to counsel, Mr. Chairman; is

2516 that correct?

2517 The CHAIRMAN. I think the question should be directed to

2518 Mr. Rose, the respondent. Keep in mind this is just

2519 argument. It is not testimony. If you want to ask him to

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2520 amplify on something he said, I will allow that, but I don't
2521 think there should be a choice of either/or here.

2522 You are asking a question of Mr. Rose. He volunteered to
2523 take questions. On the other hand, if he said something
2524 that is ambiguous, then if you want to ask him that--

2525 Mr. PASHAYAN. Shall we have the opportunity to question
2526 counsel on their statements, on their points of law?

2527 The CHAIRMAN. Within that 15 minutes if Mr. Oldaker were
2528 to agree to get into a debate with you on a point of law,
2529 fine.

2530 Mr. PASHAYAN. I want to question him on some things.

2531 The CHAIRMAN. Fine.

2532 Mr. PASHAYAN. You mentioned that the accounting firm used
2533 by the committee exceeded the boundaries of ordinary
2534 accounting principles. Would you cite one or two examples?

2535 Mr. OLDAKER. I can go to their report. Basically, what I
2536 am referring to is that they draw conclusions from
2537 testimony.

2538 Mr. PASHAYAN. Can you give me one or two examples very
2539 quickly so we can see what you are talking about?

2540 Mr. OLDAKER. That will take a second.

2541 Mr. PASHAYAN. Let me go to another question then. I want
2542 to refer now to the transactions that were, I think they
2543 were in the late 1970's or even in the early 1980's that the
2544 staff has made reference to, the ones that were listed on

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2545 the FEC forms as contributions. Would you please explain
2546 why that is not clear? I am sure you agree that is not
2547 clear and convincing evidence, but would you explain, would
2548 you present an argument why that is not clear and convincing
2549 evidence that those were, in fact, something other than
2550 loans?

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2551 RPTS STEIN

2552 DCMN GLASSMAP

2553 [4:20 p.m.]

2554

2555 Mr. OLDAKER. I think standing by themselves, if you take
2556 them as that, they have been amended. The treasurer who
2557 filed those said they were in error, which would put in the
2558 question immediately whether or not they were correct. The
2559 amendments in and of themselves are evidence that they have
2560 been re-characterized, and on top of that since you have two
2561 sets of documentary evidence that say differing things, you
2562 have to go some place else to make a determination as to
2563 what the correctness of the facts are, and the only place
2564 you have to go outside the documentary evidence is to oral
2565 testimony, and the record is replete with oral testimony as
2566 to what the proper characterization of these transactions
2567 were. Every witness said they were loans made by
2568 Congressman Rose to his committee and repayments of loans to
2569 him.

2570 Mr. PASHAYAN. There was a sequence of transactions
2571 whereby the Congressman received money from the campaign and
2572 in very short order put the same amount back in. Would you
2573 explain in your view whether you feel that is clear and
2574 convincing evidence that he violated the campaign laws or
2575 why it is not clear and convincing evidence or whether that

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2576 | is clear and convincing evidence that he improperly was
2577 | receiving money?

2578 | Mr. OLDAKER. I do not think it is clear and convincing
2579 | evidence.

2580 | Mr. PASHAYAM. Explain why.

2581 | Mr. OLDAKER. He took the money out of the campaign which
2582 | he felt were repayments, he put money back into the
2583 | campaign. He knew that that \$50,000 was owed him, and he
2584 | was going to leave it basically as a transaction that was
2585 | owed to him from the committee. There are a number of
2586 | loans, Members have had out standing loans for any number of
2587 | years. I don't think the fact that a Member has repaid part
2588 | and then puts that money back into the campaign is evidence
2589 | of anything one way or the other.

2590 | What we have here is documentary evidence which was then
2591 | amended and changed. I think if it were solely on that
2592 | basis it would be clear and convincing evidence. It is not
2593 | solely on the basis of that evidence that the committee must
2594 | render a decision.

2595 | Mr. Buck filled out the reports. You have to go behind
2596 | them and hear why things were done. I believe you were at
2597 | the deposition where Mr. Buck testified. I was not. I read
2598 | the words on the paper. But he seems to say that they were
2599 | confused when they filled out the report at that time. He
2600 | seems to say quite clearly that he knew that loans existed,

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2601 but they didn't put them down. He didn't have an answer as
2602 to why. He says clearly he thinks the reports now are
2603 correct. That is evidence.

2604 And there are different kinds of evidence. Documentary
2605 evidence is not more probative than oral evidence, they are
2606 both evidence, and you have to take all of that into
2607 account.

2608 Mr. PASHAYAN. You said there is an agreement on the fact
2609 that the original loans amounted to \$25,150.

2610 Mr. OLDAKER. The loans.

2611 Mr. PASHAYAN. So, therefore, if there is anything at
2612 issue, it would be the difference between that amount and
2613 how much--

2614 Mr. OLDAKER. Nine thousand eight something--895.

2615 Mr. PASHAYAN. So that would be what then--

2616 Mr. OLDAKER. \$4,750.

2617 Mr. PASHAYAN. Is it your view that there is not clear and
2618 convincing evidence that that was an improper reception by
2619 the Congressman from the campaign of money?

2620 Mr. OLDAKER. That is the issue of the committee, and my
2621 opinion is that there is not clear and convincing evidence
2622 that they were not loans. That is the way you have to look
2623 at it. If you do it the other way, you put the burden of
2624 proof on the Member--

2625 Mr. PASHAYAN. I understand that argument.

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2626 Mr. OLDAKER. The issue is it is the staff's
2627 responsibility to prove by clear and convincing proof that
2628 these were not loans--this isn't something like a phantom
2629 transaction, this occurred. Everyone agrees the money went
2630 in. There is no question about that.

2631 Mr. PASHAYAN. Without wanting to take a lot of time, do
2632 you have one or two examples where you think the accounting
2633 firm used by the staff--

2634 Mr. OLDAKER. At page 20, they say in documentation and
2635 testimony submitted by Congressman Rose, he stated that--on
2636 page 20 of the Laventhol and Horwath report of December 9,
2637 which respondent received last evening, addressed to Mr.
2638 Ralph Lotkin, on page 9, second paragraph, the third and
2639 fourth sentence, it says, "In documentation and testimony
2640 submitted by Representative Rose he stated that a \$55,655
2641 loan from MCMB was satisfied in October, '74 with a loan
2642 from First Citizens Bank." That is an incorrect statement,
2643 he didn't say that.

2644 But there are other instances that may reach a conclusion
2645 based on that incorrect statement. But there are any number
2646 of instances in here which I can take a moment and read
2647 through in which they make basically a characterization not
2648 only from the record, which I think they can do, and that is
2649 their professional opinion, that is what experts do, but
2650 they make interpretations in testimony.

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2651 Mr. PASHAYAN. Editorial remarks?

2652 Mr. OLDAKER. I did not think that they were expert to do

2653 that.

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2654 DCMN STEVENS

2655 Mr. PASHAYAN. Thank you very much. I hope I haven't
2656 taken too much time, Mr. Chairman.

2657 The CHAIRMAN. Mr. Petri, there is five minutes left.

2658 Mr. PETRI. I want to follow up on a reference made in the
2659 argument and that was to--I didn't catch which year the
2660 report was filed by the committee that stated that any funds
2661 left over in the accounts were to be used for the repayment
2662 of loans to the committee. Could you reference that?

2663 Mr. OLDAKER. That was the statement of organization for
2664 the 1974 committee filed in 1974. I am sorry. I didn't
2665 hear you correctly. I can read exactly what it says.

2666 First, it is a stipulation number 10, we agreed on it.
2667 And it says the campaign statement of the organization filed
2668 in 1974 to the Clerk stated that any residual campaign funds
2669 would be used to repay outstanding debts from the 1972
2670 campaign.

2671 Mr. PETRI. What were the debts listed in the 72
2672 campaign--I guess that is on the record.

2673 Mr. OLDAKER. That is listed in the 1972 campaign, the
2674 \$25,150. What is in question before the committee is the
2675 \$20,000 above that that makes up the 45.9 which we assert
2676 were also loans made to the campaign.

2677 The CHAIRMAN. Thank you.

2678 Mr. Oldaker, as I understand you are saying that as it

2679 relates to the accounting firm used by the staff attorney
2680 that they did not use generally accepted auditing standards
2681 in compiling their report.

2682 Mr. OLDAKER. What I am saying is that generally accepted
2683 audit standards would be a review of the records and not the
2684 testimony. Generally accepted auditing standards--it doesn't
2685 mean like any other person in the world they cannot have an
2686 opinion but I am saying it is not in the purview of an
2687 accountant to render an opinion on testimony.

2688 That is all I am saying.

2689 The CHAIRMAN. My question to you then is isn't it true
2690 that Coopers and Lybrand followed the same or similar kind
2691 of statement. On the last page it says because the
2692 aforementioned procedure does not constitute an examination
2693 made in accordance with generally accepted auditing
2694 standards, we do not express an opinion on any of the
2695 accounts or items mentioned above.

2696 Mr. OLDAKER. Exactly.

2697 The CHAIRMAN. So it is six on the one hand and six on the
2698 other?

2699 Mr. OLDAKER. But Coopers and Lybrand was pointing out
2700 that as accountants they can't render opinions on these
2701 matters. Number one, they can only render them on the
2702 documents that were before them, not on affidavits, not on
2703 testimony. That is what I was saying.

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2704 The CHAIRMAN. Mr. Myers.

2705 Mr. MYERS. Relative to count two, there was a certificate

2706 of deposit issued by the Southern National Bank to the

2707 campaign committee which was used as collateral to

2708 consolidate a loan?

2709 Mr. OLDAKER. There was a certificate of deposit and

2710 Congressman Rose signed what appears to be an assignment.

2711 Mr. MYERS. Who issued that certificate of deposit?

2712 Mr. OLDAKER. The bank--

2713 Mr. MYERS. Which bank?

2714 Mr. OLDAKER. Southern National Bank in favor of the

2715 committee.

2716 Mr. MYERS. At the time the pledge was made of collateral,

2717 who physically held that certificate of deposit? Was that

2718 turned over with the collateral?

2719 Mr. OLDAKER. No. It was held by Alton Buck, who never

2720 turned it over during that period of time.

2721 The CHAIRMAN. You have one minute if you want to

2722 summarize.

2723 Mr. OLDAKER. I would only direct the committee back to

2724 the issue before the committee on the first question as to

2725 whether loans were made. I think that there was sufficient

2726 evidence to demonstrate that there were. The committee

2727 staff has failed in its burden of proofing by clear and

2728 convincing evidence there were not.

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2729 On the second, Mr. Myers' question, I should have made the
2730 point myself, I think it is a very good point.

2731 The CHAIRMAN. Ms. Taylor, you have 25 minutes.

2732 Ms. HUTCHINS-TAYLOR. I would like to clear up the opinion
2733 of the accounting firm. The standard referred to by the
2734 respondent was the generally accepted auditing standard,
2735 that is, a professional standard that accounting firms do
2736 adhere to, but that standard only applies to audits.

2737 We did not ask Laventhol and Horwath to perform an audit.
2738 We asked for their professional expert opinion.

2739 It is not uncommon for an expert to be called upon to
2740 render an expert opinion based on the facts presented to
2741 them and that is what they did in this report, they applied
2742 their certified accountant skills to documents before them
2743 and rendered an opinion.

2744 There is nowhere in the report that says it is an audit.
2745 I think the conclusions were likely drawn based on the
2746 evidence that they received.

2747 I want to point out to you that the issues that were
2748 looked at by Coopers and Lybrand, the firm used by the
2749 respondent, were not the same issues that were examined by
2750 or the conclusions that they drew were not the same
2751 conclusions of the two major ones I pointed out that we were
2752 relying on Laventhol and Horwath for. Coopers and Lybrand
2753 looked at the issue of whether the FEC reports and the NC

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2754 reports could be reconciled.

2755 The CHAIRMAN. The committee will take this opportunity to
2756 stand in recess for 15 minutes.

2757 You will have 22 minutes when we return. We stand in
2758 recess for 15 minutes to take up immediately after this
2759 vote.

2760 [Recess.]

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2761 RPTS MCGINN

2762 DCMN GLASSNAP

2763 [5:00 p.m.]

2764

2765 We didn't depose this gentleman. We planned to call him
2766 as a witness if we had gone forward in the hearing, but we
2767 didn't, and that is fine. That affidavit doesn't say which
2768 campaign that 50,000 in '73 was related to. It could have
2769 been related to the 1970 campaign. As many loans--I submit
2770 to you there were many many loans that the Congressman's
2771 father had at that bank during those years--he was able to
2772 remember this one loan in November of 1973 was for campaign
2773 debts? He remembered that in 1987.

2774 Again, I ask that you do consider the testimony and
2775 consider the plausibility of that testimony. They have also
2776 mentioned that there was one check that went from the
2777 Congressman to the campaign that did have a loan on it. His
2778 wife had written the word 'loan' and not 'repayment of
2779 loan'. That is fine, but the FEC reports don't corroborate
2780 that. If, in fact, that was intended to be a loan to the
2781 campaign, then the FEC filing should have corroborated that
2782 there was a loan to the campaign, but they don't. The FEC
2783 reports say just the opposite, that the money received from
2784 the Congressman by the campaign was a repayment of a loan.

2785 In addition, Mr. Oldaker mentioned Mrs. Rose when she made

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2786 those notations that say "repayment of loan" on the checks
2787 that went back to the campaign, that she wasn't married to
2788 the Congressman in 1972, so she may not have known about the
2789 50,000 that was loaned to the campaign allegedly in that
2790 time period. But she was certainly married to the
2791 Congressman when she signed that check that said "repayment
2792 of loan".

2793 It is my assertion if she was married to him at that time
2794 when she signed that check that she presumably had some
2795 reason to believe that in fact it was a repayment of a loan.

2796 Is it just a coincidence that the treasurer, his wife, they
2797 both thought that these were loans and repayments of loans?
2798 Is that just a coincidence that we are supposed to accept
2799 here?

2800 There is something else that I think is very coincidental,
2801 and that is when the money started coming back to the
2802 campaign, with the exception of the first three, they went
2803 in and out very close periods of time in the same amounts.
2804 For example, in september of 1983, the Congressman withdrew
2805 18,000 from the campaign and three months later he put the
2806 exact amount back. In April of 1984, he withdrew \$10,000
2807 and two weeks later he put \$10,000 back, and that is the
2808 pattern that went on, this much out, this much back. Was
2809 that just coincidence?

2810 He says he re-loaned the money to his campaign to keep the

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2811 campaign balance high. But at a time when his campaign
2812 balances were the lowest, he chose not to replace that
2813 money, not to re-loan it. He first took out a withdrawal
2814 from his campaign in 1978 for \$4,000. At that time in 1978,
2815 his campaign cash on hand was \$10,965, but he didn't re-loan
2816 to the campaign then. His next one was in February of 1982.
2817 He took out \$7,000. At that time his campaign balance was
2818 approximately \$42,000, but he didn't re-loan it to the
2819 campaign then. He didn't replace those amounts until 1986.
2820 The amounts that he chose to replace, re-loan to keep his
2821 campaign balances high he replaced at a time when his
2822 campaign had nearly \$200,000 in the bank. That is when he
2823 decided it was necessary to go to the bank and borrow money
2824 to re-loan to the campaign. When he had less than \$50,000
2825 in the campaign, he didn't re-loan then.

2826 I would like to move to some of the issues that were
2827 raised with count 2 at this time. Mr. Oldaker has stressed
2828 to you that the Congressman didn't intend to violate the
2829 House Rule. He may not have intended to violate the House
2830 Rule, but that is not the critical intent factor here. The
2831 critical intent factor is whether he intended to effect an
2832 assignment and he did intend to effect an assignment.

2833 Now he told you here, and he is under oath here today
2834 still from the last appearance, that he was able to get a
2835 lower interest rate on an existing loan because he put up

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2836 collateral. To the extent that he got a lower interest
2837 rate, he benefited from the use of that certificate of
2838 deposit. He got a personal benefit from using that
2839 certificate of deposit, and that was a lower interest rate.

2840 Now Mr. Oldaker has said that the bank didn't have
2841 possession of that certificate of deposit. There has been
2842 no testimony and no evidence submitted to suggest that the
2843 bank didn't. The campaign account was at Southern National
2844 Bank. The Congressman's loans were at Southern National
2845 Bank. All of these transactions took place at Southern
2846 National Bank, and it would seem to me a logical conclusion
2847 that the bank had possession at Southern National Bank of
2848 that certificate of deposit.

2849 They told you that the lawyers from the bank have said
2850 that would not have been a valid transaction. We submit to
2851 you that Mr. Powers has talked with a representative from
2852 the bank who asserted that if Congressman Rose had defaulted
2853 on the loan, they probably would have gone after the
2854 certificate of deposit.

2855 Now let's talk about what the law would have done there.
2856 if it was an invalid assignment, it only means that if it
2857 had gone to court, the bank may not have been able to get
2858 the CD. That is all it would mean. It didn't mean that it
2859 didn't stand for collateral and that he didn't benefit from
2860 it from the time that he had it because he did benefit from

2861 it.

2862 He told you he got a lower interest rate for putting up
2863 that campaign CD. That is converting campaign funds to
2864 personal use. The personal use was the lower interest rate
2865 that he received from using that certificate of deposit. So
2866 it looks here in this transaction the only person who
2867 benefited was the Congressman himself.

2868 According to what they are telling you, the campaign lost
2869 out and the bank would have lost out. The bank wouldn't
2870 have been able to get their money because it was invalid.
2871 The campaign funds were encumbered for that period of time,
2872 and, by the way, the documents--and you will have them to
2873 review--reflect that that CD remained as collateral on that
2874 loan until the loan was paid off. We received no documents
2875 that show it was removed at some point in time. So the only
2876 two people again who would have lost out would have been the
2877 campaign and the bank. The Congressman benefited to the
2878 tune of a lower interest rate.

2879 There is one other issue that I want to come back to as it
2880 relates to count 1. There was some questioning I believe
2881 about the statement in the 1974 statement of organization to
2882 the Clerk of the House that any residual campaign funds
2883 would be used to repay outstanding debts from the 1972
2884 campaign. Well, we have stipulated to that because that is
2885 exactly what the document says.

2886 But I want you to look at the final report from 1972. The
2887 final report from 1972 reflects that the campaign took in
2888 total receipts of \$76,807 odd, and that they had total
2889 expenditures of \$86,932.95. Now any time your expenditures
2890 exceed your receipts, then you owe somebody somewhere. So
2891 for them to file a statement saying that the fund would be
2892 used to retire the 1972 debt, their reports reflect there
2893 was 1972 debt to be retired, and that has no relationship or
2894 necessarily any bearing whatsoever on loans from Congressman
2895 Rose.

2896 Again, I do urge the committee to look at the hard
2897 evidence, the hard evidence that was created
2898 contemporaneously with the transactions. Not to say you
2899 can't look at testimonial evidence, but it is clear, it is
2900 convincing. It is right there plainly on the face of more
2901 than one document, signed by more than one person, and you
2902 are asked to ignore all of that and instead to consider
2903 documents created in 1987 after these allegations arose, and
2904 I understand, as Mr. Oldaker said, there were amendments
2905 made to FEC reports all the time, because they can be
2906 complicated to fill out, and certainly not mistakes of this
2907 nature that went on for a period of ten years where you
2908 would know if you loan money to your campaign or if your
2909 campaign loaned money to you. That is not the kind of
2910 mistake that is corrected routinely on FEC reports. That is

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2911 something that is very clear that went on for years and
2912 years and years and was never changed until recently when
2913 allegations regarding these transactions came up.

2914 So I would urge the committee to sustain counts 1, 2 and
2915 3.

2916 The CHAIRMAN. Thank you, Ms. Taylor. You have 11 minutes
2917 left, and I have been told by at least one committee member
2918 they would like to ask you a question or two. So within the
2919 timeframe of 11 minutes, let me--are there questions? Mr.
2920 Mollohan.

2921 Mr. MOLLOHAN. Ms. Taylor, does your case hinge on the
2922 argument that the father's financial participation in the
2923 initial campaign was not a loan? That is, if we were to
2924 find here as a matter of fact that it was a loan, that the
2925 father's financial participation in the first campaign
2926 should be treated as a loan, was a loan or should be treated
2927 as a loan, would that undermine your case? Would that
2928 finding on our part, in your judgment, lead us to also
2929 conclude that Mr. Rose's subsequent transactions were as he
2930 depicts them?

2931 Ms. HUTCHINS-TAYLOR. No, Congressman Mollohan, they would
2932 not. The reason being that even if the father loaned money
2933 to the campaign, there was this agreement that the son would
2934 repay the father. That is what they have testified to.
2935 That doesn't bind the third party campaign. That doesn't

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2936 entitle the Congressman to be paid back to the tune of
2937 \$50,000. So if the father loaned money, his son said "I
2938 will pay you back for every dollar you put in, I will give
2939 it back to you", there was no agreement binding that said
2940 that the campaign would reimburse the Congressman for that.

2941 So that would just mean there is a private agreement
2942 between father and son in which the son said, "Dad, I will
2943 pay you back for helping me out with my campaign." But
2944 that certainly wouldn't entitle the Congressman to withdraw
2945 \$50,000. He himself has only put up \$9,500, as the
2946 documents show, in 1972. So that would not undermine the
2947 committee staff's case.

2948 Mr. MOLLOHAN. Do you disagree that Congressman Rose re-
2949 paid his father for his father's initial financial
2950 contribution in his first campaign?

2951 Ms. HUTCHINS-TAYLOR. It is my submission that there is no
2952 evidence that he re-paid his father other than the testimony
2953 of two of them, and there is evidence to suggest that he did
2954 not.

2955 Mr. MOLLOHAN. But you would not disagree that there was
2956 not a considerable amount of money that passed from
2957 Congressman Rose to his father. You would simply argue that
2958 it was not in re-payment of the loan?

2959 Ms. HUTCHINS-TAYLOR. We have documentation that the
2960 Congressman wrote his father checks totaling \$7,200 during

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2961 | that time period. We don't know what it was for. So that
2962 | is all that--we don't know if that was related to the
2963 | campaign or other debts that they have acknowledged that
2964 | existed between father and son.

2965 | But we know he did write his father checks for \$7,200
2966 | during that time period.

2967 | Mr. MOLLOHAM. But is there not other evidence in the
2968 | record that other value, resources of value were transferred
2969 | from the Congressman to the father equaling or in excess to
2970 | the amount of money that the father participated in the
2971 | first campaign?

2972 | Ms. HUTCHINS-TAYLOR. If you are referring to the Alaska
2973 | property, first of all, the amount of profit that the father
2974 | got when he sold the land should not be counted as part of
2975 | the repayment of the debt. It was his property. If he sold
2976 | it, he was entitled to whatever profit he got out of it.

2977 | The only thing that would satisfy the debt between father
2978 | and son would be any value that he got from the transfer of
2979 | the property itself. Half of it had a mortgage attached to
2980 | it, and he had to pay the notes on it. As far as the rest
2981 | of it is concerned, we don't know what the debt was that
2982 | existed between father and son. They say it went for all
2983 | debt, for all time, for everything. Well, if we don't know
2984 | how much that was, we don't know if that property was able
2985 | to satisfy that plus the \$50,000, and they have never been

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2986 | able to tell us how much that was.

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2987 DCMN MILTON

2988

2989 Mr. MOLLOHAM. But the satisfaction is really a judgment
2990 for the father to make, is it not? If he considered the
2991 transfer of the Alaskan property as satisfactory, then would
2992 you disagree that it was not satisfactory? Isn't that his
2993 decision to make?

2994 Ms. HUTCHINS-TAYLOR. That is his testimony.

2995 Mr. MOLLOHAM. That he did accept the Alaskan land in
2996 testimony?

2997 Ms. HUTCHINS-TAYLOR. Yes, that he did accept it.

2998 Mr. PASHAYAN. Will the gentleman yield?

2999 Mr. MOLLOHAM. Yes.

3000 Mr. PASHAYAN. Are you arguing, Counsel, the fact we do
3001 not know the reason or there is no documentation of the
3002 reason those moneys passed from the Congressman to his
3003 father, are you arguing simply because we do not know that,
3004 that amounts to clear and convincing evidence that he did
3005 not repay the loan? Is that your argument?

3006 Ms. HUTCHINS-TAYLOR. The burden for clear and convincing
3007 evidence, Congressman, is that he borrowed from his
3008 campaign. I am arguing that there is clear and convincing
3009 evidence that he borrowed from his campaign. That is one
3010 point that goes into that, but in and of itself, it doesn't
3011 stand for that proposition and it doesn't have to.

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3012 The CHAIRMAN. You have five minutes left.

3013 Mr. Myers.

3014 Mr. MYERS. Mr. Chairman, I will first ask of the
3015 committee today, there was a Congressional Research Service
3016 at the Library of Congress letter dated December 16, signed
3017 by Maureen Murphy, legislative attorney. Was that
3018 introduced as one of the exhibits?

3019 The CHAIRMAN. Yes, I believe. Mr. Oldaker?

3020 Mr. OLDAKER. It was introduced by Respondent.

3021 Mr. MYERS. All right. It refers--several times today and
3022 other exhibits today refer to a signature card with the
3023 Southern National Bank between the Committee for Congressman
3024 Charlie Rose and that bank. Now that is a contract. Of
3025 course it is a limited contract providing for certain
3026 responsibilities and obligations between the depositor and
3027 the bank.

3028 Has the committee seen, the investigating staff seen that
3029 signature card?

3030 Ms. HUTCHINS-TAYLOR. We have seen a copy of the signature
3031 card.

3032 Mr. MYERS. Does the committee have a copy of that
3033 signature card?

3034 Ms. HUTCHINS-TAYLOR. You have it in your packet. Yes,
3035 you do.

3036 Mr. MYERS. Could you refer to what exhibit it is?

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3037 Ms. HUTCHINS-TAYLOR. I believe it is one of the exhibits
3038 attached to the Respondent's brief; is that correct?

3039 Mr. MYERS. The reason I am asking, there are so many
3040 different contracts; being a banker myself, I know there are
3041 many, many different contracts. There can be a number of
3042 different signatures and what that means so I think it is
3043 very important we read that contract and see if it is a
3044 dated contract and what responsibilities and obligations are
3045 of that contract between the Committee for Congressman
3046 Charlie Rose and the bank.

3047 Ms. HUTCHINS-TAYLOR. It is attached as an exhibit.

3048 Mr. MYERS. All right. I may want to return to it. thank
3049 you. It isn't legible.

3050 Ms. HUTCHINS-TAYLOR. That is the one we got too.

3051 Mr. MYERS. There are so many different ways a contract
3052 can be read and what the responsibilities are of each. I
3053 will pass at this time.

3054 The CHAIRMAN. Anyone else on this side?

3055 Mr. Gaydos?

3056 Mr. GAYDOS. Charlie, there were at the beginning of this
3057 matter, there were conflicting newspaper reports that you
3058 supposedly have admitted that you were doing such and such
3059 with your funds. Could you explain that once again to the
3060 committee, what you said and under what circumstances you
3061 said it, and what you did say.

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3062 The CHAIRMAN. Let me interrupt you. I think it is
3063 appropriate that he answer that question; however, this is
3064 the time on Ms. Taylor's time to answer questions of the
3065 committee. Therefore, I will give you an opportunity to
3066 answer that question.

3067 Mr. GAYDOS. I have a question for counsel.

3068 The CHAIRMAN. All right.

3069 Mr. GAYDOS. Counsel, when again--I have slipped somewhat
3070 on the evidence--when did Mr. Rose allege that he stepped
3071 into the shoes of his father and assumed that debt? Is
3072 there any question about it, and when did that occur?

3073 Ms. HUTCHINS-TAYLOR. There is a question in my mind and
3074 there always has been. Maybe that question would be more
3075 properly directed to the other table over there. I am not
3076 sure if he alleges that he stepped into his father's shoes
3077 immediately in '72 when they made the oral agreement or in
3078 '73 when his father borrowed the money or in '75 when he
3079 paid it back.

3080 Mr. GAYDOS. Don't you think that is important, though, to
3081 make that determination?

3082 Ms. HUTCHINS-TAYLOR. I think it is important but again I
3083 have never been able to get a clear answer on exactly when
3084 he stepped into his father's shoes.

3085 Mr. GAYDOS. I have no questions.

3086 The CHAIRMAN. Any other questions of Ms. Taylor?

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3087 Mr. PETRI. Yes. I would like to ask Ms. Taylor, on
3088 stipulation 10, that in 1974 the campaign statement said
3089 that "any residual campaign funds would be used to pay off
3090 outstanding debts from the 1972 campaign," subsequent to
3091 that, were those debts repaid? Are they still outstanding?
3092 What should we make of that stipulation, in your judgment,
3093 legally?

3094 Ms. HUTCHINS-TAYLOR. It is very difficult to tell,
3095 Congressman, because in 1973 no FEC report was filed. I
3096 think if you don't take in or expend a thousand dollars, you
3097 don't have to file a report. The Congressman's campaign did
3098 not file a report in 1973.

3099 The next report that is filed is in 1974, and the debts
3100 have disappeared. So we don't know. They were not carried
3101 forward as debts owed to the Congressman or his father on
3102 the next report.

3103 Mr. PETRI. Was there any report showing--so there is no
3104 report that they have ever been paid?

3105 Ms. HUTCHINS-TAYLOR. No. There was no report that
3106 indicated how they were discharged. They just disappeared
3107 from the filings.

3108 Mr. PASHAYAN. Mr. Chairman.

3109 The CHAIRMAN. One minute, Mr. Pashayan.

3110 Mr. PASHAYAN. On the matter of who has the right to tell
3111 the campaign to borrow money or to create debt on the part

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3112 of the campaign, as a general proposition, what role does
3113 the Member of Congress have in that respect?

3114 Ms. HUTCHINS-TAYLOR. Well, in answering that I guess I
3115 would have to say that as the candidate--

3116 Mr. PASHAYAN. This is a legal question.

3117 Ms. HUTCHINS-TAYLOR. When he wears his hat as the
3118 candidate, that he would have some say in how the money is
3119 spent.

3120 Mr. PASHAYAN. Do you agree a Member of Congress has a
3121 right to tell his campaign to go out and borrow any given
3122 amount of money?

3123 Ms. HUTCHINS-TAYLOR. To go out and borrow it?

3124 Mr. PASHAYAN. Yes.

3125 Ms. HUTCHINS-TAYLOR. Is that my assertion?

3126 Mr. PASHAYAN. Yes. Does he have the legal right to do
3127 that?

3128 Ms. HUTCHINS-TAYLOR. I have not asserted that. I haven't
3129 touched on that issue as it relates to this case.

3130 Mr. PASHAYAN. I guess I am leading to the fact at the
3131 time when the Congressman said he stepped into his father's
3132 shoes, why, in your view, would it be improper for us to
3133 conclude at that time that he intended his campaign to--that
3134 he was a conduit between his father and the campaign and the
3135 campaign assumed the debt?

3136 Ms. HUTCHINS-TAYLOR. For one thing, and most importantly,

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3137 | there is no documentary evidence to support that.

3138 | Mr. PASHAYAN. But is there any documentary evidence
3139 | showing to the contrary?

3140 | Ms. HUTCHINS-TAYLOR. Yes, there is. The documentary
3141 | evidence to the contrary is the FEC reports show they were
3142 | loans to the Congressman and that the money that went back
3143 | was repayments to the Congressman. The checks that
3144 | transpired support that same proposition. So from
3145 | everything that is tangible documentary evidence from the
3146 | time would not support the conclusion that the campaign was
3147 | indebted to him to the tune of \$50,000.

3148 | Mr. PASHAYAN. I thought what you had reference to
3149 | occurred much later in time than the time I have reference
3150 | to.

3151 | At what point in time did the Congressman say he stepped
3152 | into his father's shoes?

3153 | Ms. HUTCHINS-TAYLOR. We don't know. I am not clear on
3154 | that myself at what point he felt he stepped into his
3155 | father's shoes.

3156 | Mr. PASHAYAN. My impression is it is much earlier than
3157 | these other events you have made reference to, but I might
3158 | be wrong on that.

3159 | Ms. HUTCHINS-TAYLOR. I can't answer for him on that.

3160 | The CHAIRMAN. Mr. Rose, I think at least one Member over
3161 | here has expressed a question. I will allow equal time for

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3162 counsel on this side to rebut anything that may be said.

3163 Mr. Gaydos.

3164 Mr. GAYDOS. Mr. Rose, would you very briefly explain the
3165 newspaper account as to what you had said regarding loans
3166 and things like that regarding this matter?

3167 Mr. ROSE. In the heat of the campaign in 1986, Mr.
3168 Gaydos, I was very firmly under the impression that all of
3169 the things that we have testified to as having transpired
3170 between me and my father as having happened, had happened.
3171 I knew that we had loaned money, that I had assumed the
3172 loaning of money to the campaign when my father would let me
3173 have it, and we would put it in the campaign, and I knew
3174 that I was entitled to be reimbursed. But I knew that I was
3175 having to deal with what was sitting there on the public
3176 record and that my accountant didn't know about the filings
3177 that were in Raleigh or the filings that were in Washington.

3178 We found those filings and--the committee found those
3179 filings, reconsidered its position, and in fact now
3180 indicates that it owes me \$50,000.

3181 It was statements in the heat of the campaign, in an
3182 effort to explain what to me then and is now a very logical
3183 situation. But in January, the committee, my committee
3184 looked at the evidence anew, made another conclusion and
3185 then in fact filed new reports with the FEC.

3186 Mr. GAYDOS. Let me ask you the last question. When did

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3187 | you step into the shoes or the Moccasins of your father?
3188 | Mr. ROSE. My deal, my understanding with my father was
3189 | that in '72 and at the times that he put money into the
3190 | campaign, that was my obligation. I have testified earlier
3191 | that whatever personal credit or money I had went out the
3192 | window in my unsuccessful attempt to run against an
3193 | incumbent in 1970. So in 1972, when father, when daddy
3194 | would loan me the money or we would go to the bank and he
3195 | would borrow the money, it was my obligation. That was our
3196 | understanding.

3197 | Mr. PASHAYAN. Will the gentleman yield?
3198 | Mr. GAYDOS. Sure, I yield.

3199 | Mr. PASHAYAN. I have one or two questions.
3200 | Mr. GAYDOS. I yield.

3201 | Mr. PASHAYAN. When was the last time a transaction
3202 | occurred that you felt you stepped into your father's shoes?
3203 | Mr. ROSE. It would have been in '72.
3204 | Mr. PASHAYAN. It would have been in '72?
3205 | Mr. ROSE. Yes, sir.

3206 | Mr. PASHAYAN. At that time when you stepped into your
3207 | father's shoes, did you intend that your campaign repay you?
3208 | Mr. ROSE. Yes, sir.

3209 | Mr. PASHAYAN. Thank you.

3210 | The CHAIRMAN. Any further questions of Mr. Rose?
3211 | Ms. Taylor, you have three minutes.

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3212 Ms. HUTCHINS-TAYLOR. I have no further comments to make,
3213 Mr. Chairman. Thank you.

3214 The CHAIRMAN. I would like to thank both counsel for the
3215 Respondent and for the staff for their candor and the
3216 forthcoming of Congressman Rose. We will take this matter
3217 under submission.

3218 I understand, counsel, that if the committee decides to
3219 move forward on any of the counts, that you would like to
3220 argue immediately as it relates to sanction with the
3221 understanding that we would make our best effort. Assuming
3222 that a count was sustained and that a disciplinary action
3223 was recommended, that we would make all efforts to get it to
3224 the Floor before the end of the week or when we get out of
3225 here.

3226 Mr. OLDAKER. That is correct, Mr. Chairman.

3227 The CHAIRMAN. Fine.

3228 I want to thank both counsel for the Respondent and staff
3229 attorney for an excellent job.

3230 Gentlemen, Mr. Murphy is on the way down to the committee.

3231 I would ask the committee to indulge me for two or three
3232 minutes until he gets here.

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3233 RPTS STEIN

3234 DCMN DANIELS

3235 The CHAIRMAN. The Committee will come to order.

3236 Ms. Taylor, before the recess, I indicated you have 27
3237 minutes left. I was in error. You have 22 minutes left and
3238 you may proceed.

3239 Ms. HUTCHINS-TAYLOR. I have a couple more remarks to make
3240 about the Laventhal-Horwath report, that they looked at
3241 different information it appears than what was looked at by
3242 Coopers & Lybrand.

3243 The Coopers & Lybrand draft report that was submitted by
3244 respondent's counsel focused on reconciling the FEC reports
3245 and the Clerk of the House reports from 1972 and the North
3246 Carolina State filings.

3247 They have relied on that evidence as showing that \$45,900
3248 went into the campaign as loans. If they now want to assert
3249 that those reports were fraught with errors and they can't
3250 tell you anything, that is fine.

3251 We have not relied on those documents and that is what the
3252 Coopers & Lybrand report seems to say, that those documents
3253 can't be reconciled, there are a lot of mistakes in them and
3254 you can't tell anything from them.

3255 If that is what they want to put before this Committee,
3256 that is fine with us. We are not relying on those documents
3257 to substantiate that he is entitled to \$50,000. I thought

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3258 | it was their argument that they were.

3259 | The next point that I want to raise is that Mr. Oldaker
3260 | has submitted that it is not important how Congressman Rose
3261 | repaid his father if, in fact, he did.

3262 | The only thing important is that both men have given sworn
3263 | testimony that he did.

3264 | I submit that it is important how that repayment occurred
3265 | because it bears critically on how much credence to give to
3266 | the testimony.

3267 | It goes to how well the men remember the transaction,
3268 | period, yet upon close questioning about the transaction,
3269 | they can't give you any details, and certainly every witness
3270 | who testifies it is the duty of this body to weigh the
3271 | credibility of that witness and to determine what credence
3272 | and how much weight should be applied to that testimony, so
3273 | I think it is important that they don't remember when
3274 | questioned exactly how it occurred, they only remember that
3275 | it did.

3276 | I also call attention to some items that were mentioned
3277 | about Mr. Buck, that Mr. Buck amended the FEC reports in
3278 | 1987, so he must have felt that there was reason to do so.

3279 | Let's look at the three items that they say that Mr. Buck
3280 | saw that Mr. Buck saw that made him feel he could change his
3281 | mind and amend those reports.

3282 | He looked at the North Carolina filings which have been on

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3283 | record since 1972, so why he never looked at them before
3284 | when he was the campaign treasurer, I don't know.

3285 | He says he looked at that now to determine it was all
3286 | right to amend.

3287 | In 1987, he amended based on the fact that the North
3288 | Carolina filings show that money was received in the
3289 | campaign for Mr. Rose and his father.

3290 | That certainly doesn't substantiate that the money was
3291 | loaned.

3292 | We have already discussed that it just raises the
3293 | possibility. It also raises the possibility that the money
3294 | wasn't loaned.

3295 | That alone doesn't give grounds to amend.

3296 | the second thing that he relied on was an affidavit
3297 | presented to him from a Mr. I.B. Julian, a retired gentleman
3298 | from the bank there who testified that he recalled that the
3299 | Congressman's father came to the bank back in 1973 and
3300 | borrowed \$50,000 and stated it was for his son's campaign.

3301 | [Whereupon, at at 5:28 p.m., the Committee adjourned, to
3302 | reconvene pursuant to other business.]

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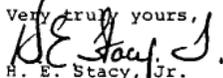
12 December 1987

Ms. Elneita Hutchins-Taylor
 Committee on Standards of Official Conduct
 U.S. House of Representatives
 Suite ET-2, The Capitol
 Washington, D.C. 20515

Dear Ms. Hutchins-Taylor:

I have been requested to make additional comments on my letter of November 11, 1987, to Mr. Vince Nelson of Southern National Bank of North Carolina concerning the assignment of a certificate of deposit to secure a loan made by the bank to Charles G. Rose, III.

At the time of my letter I had seen the letter written by Alton G. Buck to the bank under date of March 22, 1985. My interpretation was that Mr. Buck considered it permissible for the Committee's certificate of deposit to be used as collateral for a personal loan to Mr. Rose. I did not, however, consider the Buck letter as legal authority for passing on the method of assigning the certificate nor did I view the letter as authorization by the depositor, the committee, for Mr. Rose to execute an assignment of the certificate to the bank. The contract between the depositor and the bank shown that the depositor was a committee, not Mr. Buck. Consequently, my opinion was focused on the matters set forth in my letter of November 11, 1987.

Very truly yours,

 H. E. Stacy, Jr.

hesjr/s

cc: Ms. Heidi Pender

RESPONDENT'S EXHIBIT 1
 (12/16/87 MEETING)



Congressional Research Service
The Library of Congress

December 16, 1987

Washington, D.C. 20540

TO : Hon. Charles Rose
Attention: Heidi Pender

FROM : American Law Division

SUBJECT : Assignment of Certificate of Deposit under North Carolina Law

~~Confidential~~

This responds to your request for a brief statement on the law of North Carolina regarding the assignment of a certificate of deposit as collateral for a loan.

"Collateral is security given by a borrower to a lender as a pledge for payment of a loan. Such lenders thus become secured creditors; in the event of default, such creditors are entitled to proceed against the collateral, and in the event of its insufficiency in coverage, are entitled to treatment as unsecured creditors to the extent of deficiency judgment obtained on the note evidencing debt obligation of the borrower" Encyclopedia of Banking and Finance 195 (1973).

Under the North Carolina enactment of Article IX, dealing with secured transactions, of the Uniform Commercial Code, N.C. Stat. § 25-9-503, a secured creditor has the right to take possession of the collateral after default:

Unless otherwise agreed a secured party has on default the right to take possession of the collateral. In taking possession a secured party may proceed without judicial process if this can be done without breach of the peace or may proceed by action....

You have forwarded to us several documents: a signature card governing transactions of an individual and committee account at the Southern National

~~Confidential~~

CRS-2

Bank of North Carolina for account no. 045-007887. The account is in the name of Committee for Congressman Charles G. Rose, III; the signature card shows only Alton G. Buck as authorized to make transactions regarding the account.

Another document issued August 27, 1987, shows Alton G. Buck's signature as renewing a \$75,000 certificate of deposit for the account.

You have also forwarded a March 26, 1985, document signed by Charles G. Rose, III, assigning this certificate of deposit as collateral for a \$56,277.77 loan. This document is signed by the institution's Savings Teller after a statement to the effect that "the Signature[s] as shown above compare correctly with our files." There is also a copy of a November 11, 1987, memorandum to Mr. Vince Nelson, Vice President, Southern National Bank of North Carolina, from H.E. Stacy, Jr., of McLean, Stacy, Henry & McLean, Attorneys and Counselors at Law. The memorandum concludes that "[s]ince Mr. Buck's signature was not on the assignment of the certificate of assignment, in my opinion, the assignment was not a valid assignment of the certificate."

There is much support for such a conclusion. The purpose of N.C.Stat. § 25-9-503, according to Rea v. Universal C.I.T. Credit Corp., 257 N.C. 639, 127 S.E.2d 225 (1962), is to give the secured party the right to possession upon default. If the debtor does not surrender the collateral, the secured party must proceed against the debtor in court. In the situation involving the assignment of this certificate of deposit, the court would be required to test the authority of Mr. Rose to yield possession of the certificate. Mr. Rose's signature on the instrument would be ineffective to transfer it since the signature card reflects a contract between the bank and the depositor that the funds will not be transferred without Mr. Buck's signature.

You have also furnished a document dated March 22, 1985, signed by Mr.

CRS-3

Buck, stating:

In regard to the use of the Committee for Congressman Charlie Rose's Certificate of Deposit with Southern National Bank as collateral for his loan, this would be permissible. Since Congressman Rose was elected to Congress prior to 1980, he may use any campaign funds he has raised in any manner in which he sees fit. He, of course, would have to pay income tax if he makes personal use of the funds other than to carry out the objectives of the election committee.

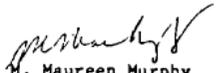
That statement is not an assignment of the certificate of deposit as security for the loan. Mr. Buck may have written it assuming that if Mr. Rose chose to make use of the campaign funds in such a way and if he were prepared to pay taxes on such use, he would have to contact Mr. Buck to sign any actual assignment of the certificate as collateral. If the institution wishes to use it as evidence of Mr. Buck's authorization for the assignment, it would have to introduce outside evidence to supplement the actual document signed by Mr. Rose, which contains no other signature but that of Mr. Rose, which signature does not appear as an authorized signature for the certificate of deposit.

We could find no precise caselaw or statutory law directly on all fours with this situation. There is, however, dicta in cases involving joint tenancies in certificates of deposit that speak of the signature card as a contract governing the disposition of the amount represented by the certificate. Threatte v. Threatte, 59 N.C. App. 292, 296 S.E.2d 521 (1982), cert. withdrawn as improvidently granted, 308 N.C. 384, 302 S.E.2d 226 (1983); Myers v. Myers, ___ N.C. App. ___, 314 S.E.2d 809 (1984). This would suggest that Mr. Rose was without authority to assign the certificate. Since Mr. Buck was authorized to transact business with respect to the account, the better way of assuring that the collateral was adequately assigned would have been to have had him sign along with the debtor, Mr. Rose.

CRS-4

In preparing this memorandum, we confined our analysis to your specific question, namely, whether the signature was sufficient under North Carolina law to make an assignment of the certificate of deposit. We emphasize that this analysis is based solely on the documents that you provided us and was prepared under time constraints. Further delving into North Carolina practice and regulations, or further elaboration of the actual factual context might alter the analysis.

We hope this information is helpful to you.



M. Maureen Murphy
Legislative Attorney

~~Confidential~~

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H. E. STACY 1070-1022
DICKSON MCLEAN 1000-1002
HORACE E. STACY 1007-1000

November 11, 1987

Mr. Vince Nelson
Vice President
Southern National Bank of N. C.
P. O. Box 969
Fayetteville, North Carolina 28302

Dear Mr. Nelson:

On October 29, 1987, you showed me an assignment of a certificate of deposit which was formerly assigned to Southern National Bank of North Carolina to secure a loan made by the bank to Charles G. Rose, III. After reviewing the assignment document, a copy of the certificate of deposit and the signature card held by the bank for this certificate, I gave you my oral opinion that the purported assignment of the certificate of deposit was not valid because it did not have an authorized signature on the assignment.

You have now requested that my opinion be put in writing. Hence, this letter.

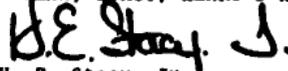
The purported assignment of Southern National's certificate of deposit # 904828 for account # 045-007887, dated March 26, 1985, was signed only by Charles G. Rose, III, as assignor. The bank's certificate of deposit # 904828 was issued on February 27, 1985, to Committee for Congressman Charlie G. Rose, as depositor. The signature card shown to me for this account in the name of Committee for Congressman Charlie G. Rose, for account # 045-007887, showed only one authorized signatory, the signature of Alton G. Buck.

Since the depositor of the certificate of deposit was the Committee for Congressman Charlie G. Rose and the signature card (contract between the bank and the depositor)

for this account had only one authorized signatory, Alton G. Buck, in my opinion the signature of Alton G. Buck was necessary to assign the certificate. Since Mr. Buck's signature was not on the assignment of the certificate of deposit, in my opinion, the assignment was not a valid assignment of the certificate.

Very truly yours,

MCLEAN, STACY, HENRY & MCLEAN



H. E. Stacy, Jr.

HRSjr/s

MCLEAN, STACY, HENRY & MCLEAN

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HORACE E. STACY 1887-1888

12 December 1987

Ms. Elaine Hutchins-Taylor
Committee on Standards of Official Conduct
U.S. House of Representatives
Suite ET-2, The Capitol
Washington, D.C. 20515

Dear Ms. Hutchins-Taylor:

I have been requested to make additional comments on my letter of November 11, 1987, to Mr. Vince Nelson of Southern National Bank of North Carolina concerning the assignment of a certificate of deposit to secure a loan made by the bank to Charles G. Rose, III.

At the time of my letter I had seen the letter written by Alton G. Buck to the bank under date of March 22, 1985. My interpretation was that Mr. Buck considered it permissible for the Committee's certificate of deposit to be used as collateral for a personal loan to Mr. Rose. I did not, however, consider the Buck letter as legal authority for passing on the method of assigning the certificate nor did I view the letter as authorization by the depositor, the committee, for Mr. Rose to execute an assignment of the certificate to the bank. The contract between the depositor and the bank shown that the depositor was a committee, not Mr. Buck. Consequently, my opinion was focused on the matters set forth in my letter of November 11, 1987.

Very truly yours,
H. E. Stacy, Jr.
H. E. Stacy, Jr.

hesjr/s

cc: Ms. Heidi Pender

STACY LETTER re: BUCK letter.

December 11, 1987

Mr. William C. Oldaker
Manatt, Phelps Rothenberg & Evans
1200 New Hampshire Avenue, N. W.
Washington, D.C. 20036

Dear Mr. Oldaker:

This report is in response to your request for Coopers & Lybrand to perform certain procedures in connection with the 1972 Federal and State campaign reports for Congressman Charles G. Rose, III.

Background

Reports prepared in connection with Congressman Rose's 1972 Campaign (the Campaign) were filed periodically with the Secretary of State for the State of North Carolina (the "State reports") and the Clerk of the House of Representatives under the Federal Election Campaign Act (the "FEC reports"). We understand that the regulations governing the State and FEC reports differed with respect to both the reporting period and required content of each filing.

We understand that certain amounts transferred to the 1972 Campaign were considered by Congressman Rose to be loans from himself and his father, Charles G. Rose, Jr. You requested us to review the State and FEC reports to determine:

1. If the receipts and disbursements reported in the respective State and FEC reports could be reconciled, and
2. If there were any evidence in these reports contrary to the assertion that the amounts transferred from Congressman Rose and his father to the Campaign were loans.

D. Observations Based on Procedures

1. Preparation of Reports

It appears that there was not a clear understanding of how the reports were to be prepared and there apparently were difficulties in preparing them accurately. These problems are evidenced by the such matters as the following:

- Ending cumulative balances carried-forward from reports for one period do not always agree with beginning balances reported in the next period;
- Mathematical errors are reflected in some of the reports;
- The same contributions are sometimes reported on the FEC reports and on the State reports in different periods.
- Some contributions reported on the State Reports do not appear to be listed on the FEC Reports.

2. Receipts from Congressman Rose and Mr. Charles C. Rose, Jr.

Certain receipts from Congressman Rose and from Mr. Charles C. Rose, Jr. were listed on the State Reports but were not listed on the FEC Reports , as shown below:

<u>Date of Receipt</u>	<u>Reported on FEC Report</u>	<u>Reported on State Report</u>
April 7, 1972	\$ -	\$ 8,750
April 20, 1972	-	7,500
May 5, 1972	5,150	5,150
June 2, 1972	-	8,500
June 2, 1972		2,000
	<u>\$5,150</u>	<u>\$25,900</u>

Because original documentation (such as cancelled checks or bank statements) are apparently no longer extant, we were unable to validate these receipts in accordance with generally accepted auditing standards. Receipts aggregating \$25,900 are reported on the State reports as "Contributions" in schedules entitled "Statement of Contributions and Expenditures". Only the receipt dated May 5, 1972 for \$5,150 from Charles Rose, Jr. is reported on the FEC report (in the schedule entitled "Itemized Receipts - Contributions, Listed Purchases, Loans and Transfers"). It is not clear why the remaining \$20,750 was not reported on the FEC report.

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~~OUR~~
OTHER PROCEDURES

The procedures we performed were as follows:

FEC Reports

1. We reviewed the FEC reports for the following periods:
April 7, 1972 - April 14, 1972
April 15, 1972 - April 24, 1972
April 25, 1972 - May 12, 1972
May 12, 1972 - May 22, 1972
May 23, 1972 - May 31, 1972
June 1, 1972 - September 9, 1972
September 10, 1972 - October 16, 1972
October 17, 1972 - October 26, 1972
October 27, 1972 - December 31, 1972
2. From the FEC Reports referred to above, we prepared a summary of all listed receipts (those over \$200) and a summary of unlisted contributions.
3. From the FEC Reports referred to above, we prepared a summary of aggregate campaign expenditures in each expense category.

State Reports

1. We reviewed the state reports covering the following periods:
January 25, 1972 - April 21, 1972
April 26, 1972 - May 2, 1972
April 26, 1972 - May 16, 1972
May 23, 1972 - June 6, 1972
June 6, 1972 - October 3, 1972
November 6, 1972 - November 9, 1972
2. From the State Reports referred to above, we prepared a summary of all listed contributions (all contributions are required to be detailed regardless of amount).
3. From the State Reports referred to above, we prepared a summary of aggregate campaign expenditures.

DRAFTRESULTS OF OUR PROCEDURESA. FEC Reports

1. Receipts reflected in the FEC Reports were as follows:

Receipts from Charles G. Rose, Jr. (May 5, 1972)	\$ 5,150
Itemized Contributions	37,075
Unitemized Contributions	2,725
Fund raising dinner	11,020
Transfers	900
SubTotal	<u>56,870</u>
Loan (May 23, 1972) From First Citizens	<u>20,000</u>
Total Receipts	<u>\$76,870</u>

2. A receipt from Charles G. Rose, Jr. reported on the FEC Reports was as follows:

<u>Date</u>	<u>Individual</u>	<u>Amount</u>
May 5, 1972	Charles G. Rose, Jr.	\$ 5,150

3. Expenses reported in the FEC Report referred to above were as follows:

Communications Media Expenses	\$42,359
Personal Services, Salaries, & Reimb. Expenses	11,584
Other Expenditures	28,394
Transfers Out	<u>4,595</u>
	<u>\$86,933</u>

B. State Reports

1. Receipts reported in the State Report referred to above were as follows:

Receipts from Congressman Rose and Mr. Charles G. Rose, Jr. (see below)	\$20,750
Other Individually Listed Contributions	<u>56,109</u>
	76,859
Loans (none indicated)	<u>-</u>
Total Receipts	<u>\$76,859</u>

DRAFT

2. Receipts from Congressman and Mr. Charles G. Rose, Jr. reported on the State Reports were as follows:

<u>Date</u>	<u>Individual</u>	<u>Amount</u>
April 7, 1972	Charles G. Rose, Jr.	8,750
April 20, 1972	Charles G. Rose, III	7,500
June 2, 1972	Charles G. Rose, Jr.	2,500
June 2, 1972	Charles G. Rose, III	<u>2,000</u>
		<u>\$20,750</u>

C. Comparison of FEC and State Reports

From the foregoing analysis, we performed a comparison of the FEC and State Reports, with results as follows:

	<u>FEC Reports</u>	<u>State Reports</u>
Beginning Cash Balance	<u>\$ 14,428</u>	Not Reported
Receipts:		
Rose Family Receipts	5,150	\$25,900
Contributions	51,720	50,959
Loans	<u>20,000</u>	<u>-</u>
Total Receipts	76,870	76,859
Expenditures	<u>(86,933)</u>	<u>(88,867)</u>
Net	<u>(10,063)</u>	<u>\$(12,008)</u>
Ending Cash Balance	<u>\$ 4,365.00</u>	Not Reported

Although the differences between the reported contributions (\$51,720 vs. \$50,959) are reported expenditures (\$86,933 vs. \$88,867) as shown above are relatively small, in some cases the reported amounts pertain to different reported time periods. Accordingly, the differences for the same time periods may be larger.

In the absence of additional information or audit evidence, we do not believe that the aggregate receipts and disbursements shown in the respective reports can be fully reconciled.

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Mr. Oldaker provided us with a copy of the Manual of Regulations and Accounting Instructions relating to disclosure of Federal Campaign Funds dated March 1972. Page 4 of those instructions contains a section entitled, "Manner of Reporting Debts and Contracts, Agreements, and Promises to Make Contributions or Expenditures," which states:

Every contribution and expenditure in the nature of a debt incurred, or a contract agreement, or promise to make a contribution or expenditure entered into on or after April 7, 1972, which is in writing and exceeds the amount of \$100, shall be reported in separate schedules on the reporting forms prescribed by the Clerk until such debts, contracts, agreements or promises are paid, liquidated, cancelled, forgiven or otherwise extinguished. Such debts, contracts, agreements and promises shall not be considered as part of the totals of receipts or expenditures until actual payment is made.

These instructions appear to indicate that debts of the Campaign which are in writing are to be reported on the FEC Report. If there were a verbal understanding that the receipts from Congressman Rose and his father were loans, in light of the foregoing instructions it is reasonable to us that the preparer of the report may have excluded these items for the FEC Report because they were not in writing.

It is also reasonable to us that certain of the receipts from Congressman Rose and his father were of sufficiently different character from the other contributions reported in the FEC Report that there may have been confusion on the part of the preparer as to whether or not to include them on the FEC Report.

There is no extant evidence which can be used to definitively characterize these receipts. They may have been perceived as contributions by those preparing the reports; Congressman Rose is apparently asserting that the items were loans. The fact that they were not reported on both State and FEC forms (when virtually all other large contributions were reported on both forms) may indicate that there was at least some doubt as to whether these were contributions or not. In any event, there appears to be no extant evidence which can be examined to reach a definitive conclusion about the nature of these items in accordance with generally accepted auditing standards.

DRAFT

C. Loan from First Citizens Bank and Trust Company of Fayetteville, North Carolina (First Citizens)

As shown from the analysis on pages one and two, above, the \$20,000 loan from First Citizens was reported on the FEC Report but not on the State Report. The omission appears to have resulted from the absence in the State Forms of a specified place to report loans. Evidence for the existence of the loan, in addition to its being listed on the FEC Report, is a copy of First Citizens ledger card for the account of Charles E. Rose, Jr. which reports a \$20,000 debit to the account on May 15, 1972. The assertion that Mr. Rose received a loan from First Citizens on May 15, 1972, and then loaned the proceeds to the Campaign on May 23, 1972 is reasonable to us given to proximate dates of these transactions.

D. Other Observations:

- . Nothing came to our attention in reviewing these reports which appeared to be intentionally misleading. Also, we observed no suspicious entries on either the FEC or State Reports. Although the scope of our review was not designed to detect fraud or illegal acts, nothing came to our attention in our review of these reports which would indicate that the errors and oversights in the reports were intentional.
- . It is not possible to perform an examination of the reports or the transactions included therein in accordance with generally accepted auditing standards because there is not sufficient competent evidential matter available to perform the tests required under generally accepted auditing standards.
- . It is not possible to reach definitive conclusions about the character of the transactions between Congressman Rose, Mr. Rose and the Campaign because audit evidence is not available to validate the nature of these transactions. In our view, there is no audit evidence available either to confirm or to refute the characterization of the transactions as loans.

* * * *

Because the aforementioned procedures do not constitute an examination made in accordance with generally accepted auditing standards, we do not express an opinion on any of the accounts or items mentioned above.

DRAFT

Had we performed additional procedures, or had we made an examination in accordance with generally accepted auditing standards, additional matters may have come to our attention which would have been reported to you. This report relates only to the items specified above and does not extend to any financial statement of Congressman Rose or his Campaign. We make no representations regarding the sufficiency of the foregoing for your purposes.

Very truly yours,

APPENDIX N

NINETY-NINTH CONGRESS
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 RALPH L. LUTER, CHIEF COUNSEL

U.S. House of Representatives

COMMITTEE ON STANDARDS OF
 OFFICIAL CONDUCT

SUITE MT-2, U.S. CAPITOL

Washington, DC 20515

TO: All Members, Officers, and Employees of the U.S.
 House of Representatives

FROM: Committee on Standards of Official Conduct

SUBJECT: Revised Policy Regarding Amendments to Financial
 Disclosure Statements

DATE: April 23, 1986

The purpose of this letter is to inform all Members, officers, and employees who are required to file Financial Disclosure (FD) Statements pursuant to the Ethics in Government Act (EIGA) of 1978, 2 U.S.C. §701, et seq., whose filings are under the jurisdiction of this Committee, of a revision to this Committee's policy regarding the submission of amendments to earlier filed disclosure statements. The new policy, discussed below, will be implemented immediately and all future statements as well as the amendments thereto will be handled in accordance therewith.

To date, it has been the general policy of this Committee to accept amended FD Statements from all filers and consider such amendments to have been timely filed without regard to the duration of time between the date of the original filing and the amendment submitted thereto. Over time, this practice has resulted in the Committee having received a significant number of amendments to disclosure statements under circumstances not necessarily reflecting adequate justification or explanation that the amendment was necessary to clarify previously disclosed information or that a disclosure was omitted due either to unavailability of information or inadvertence. Moreover, and particularly in the case of an individual whose conduct (having EIGA implications) is under review, the Committee has been faced with the somewhat inconsistent tasks of identifying deficiencies in earlier FD Statements while simultaneously accepting amendments to such statements that may well have been intended to have a mitigating or even exculpatory effect. Quite clearly, both time and experience have established the need to make some adjustments to the financial disclosure process in order to

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alleviate such perceived problems and create a more logical and predictable environment for filers to meet their statutory obligation under EIGA and the parallel responsibility of this Committee to implement that law. It is in this context that a new policy for accepting and considering amended disclosure statements is being implemented.

To begin, effective immediately, an amendment to an earlier FD Statement will be considered timely filed if it is submitted by no later than the close of the year in which the original filing so affected was proffered. There will be, however, a further caveat to this "close-of-year" approach. Specifically, an amendment will not be considered to be timely if the submission thereof is clearly intended to "paper over" an earlier mis/non filing or there is no showing that such amendment was occasioned by either the prior unavailability of information or the inadvertent omission thereof. Thus, for example, so long as a filer wishes to amend within the appropriate period of prescribed "timeliness" and such amendments are not submitted as a result of, or in connection with, action by this Committee that may have the effect of discrediting the quality of the initial filing(s), then such amendments will be deemed to be presumptively good faith revisions to the filings. In essence, the amendment, per se, should be submitted only as a result of the need to either clarify an earlier filing or to disclose information not known (or inadvertently omitted) at the time the original FD was submitted. In sum, the Committee will adopt a two-pronged test for determining whether an amendment is considered to be filed with a presumption of good faith: First, whether it is submitted within the appropriate amendment period (close-of-year); and second, a "circumstance" test addressing why the amendment is justified. In this latter regard, filers will be expected to submit with the amendment a brief statement on why the earlier FD is being revised. Thus, amendments meeting the two-pronged test will be accorded a rebuttable presumption of good faith and this Committee will have the burden to overcome such a presumption. Conversely, any amendment not satisfying both of the above-stated criteria will not be accorded the rebuttable presumption of good faith. In such a case, the burden will be on the filer to establish such a presumption.

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The Committee is well aware that disclosure statements filed in years past may be in need of revision. To this end, the Committee has determined that a grace period ending at the close of calendar year 1986 will be granted during which time all filers may amend any previously submitted FD Statements. Again, while an amendment may be timely from the standpoint of when it is submitted--i.e., within the current year--information regarding the need for and, hence, appropriateness of the amendment will also be considered vis-a-vis the rebuttable presumption of good faith.

In sum, the effect of the new policy is to establish a practice of receiving and anticipating that FD Statements and amendments thereto will be submitted within the same calendar year and that departures based on either timeliness or circumstances can be readily identified for scrutiny and possible Committee action. As noted, implementation of the new policy will effect not only statements filed this year but also all statements filed in prior years in light of the grace period being adopted.

Should you have a question regarding this matter, please feel free to contact the Committee staff at 225-7103.



JULIAN C. DIXON
Chairman



FLOYD D. SPENCE
Ranking Minority Member

ONE HUNDRETH CONGRESS
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APPENDIX O

FLOYD D. SPENCE SOUTH CAROLINA
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U.S. House of Representatives
Committee on Standards of Official Conduct
 Suite 702-2, U.S. Capitol
 Washington, DC 20515

March 23, 1988

The Honorable Charles G. Rose, III
 United States House of Representatives
 2230 Rayburn House Office Building
 Washington, D. C. 20515

Dear Representative Rose:

On June 17, 1987, this Committee initiated a Preliminary Inquiry focusing on your alleged misuse of campaign funds and financial disclosure violations. Following this investigatory phase, the Committee found reason to believe that violations of House rules had occurred and, therefore, on October 28, 1987, issued a four-count Statement of Alleged Violations.

After considering the evidence presented in written and oral responses by your counsel and counsel to the Committee, the Committee determined that all four counts had been proved by clear and convincing evidence. The Committee concluded that you violated House Rule XLIII, clause 6, on eight separate occasions by borrowing funds from your campaign (count one), and that you failed to report these borrowings as liabilities on your Financial Disclosure Statements as required by House Rule XLIV, clause 2 (count three). The Committee also concluded that you violated House Rule XLIII, clause 6, by pledging a certificate of deposit from your campaign as collateral on a personal loan (count two). Finally, the Committee concluded that you violated House Rule XLIV, clause 2, by failing to report various liabilities to financial institutions on your Financial Disclosure Statements (count four).

Two of the violations, which the Committee held to have been proved, involved misuse of campaign funds. The House of Representatives adopted House Rule XLIII, the Code of Official Conduct, on April 3, 1968. Clause 6, which restricts the use of campaign funds to bona fide campaign purposes, has been a part of the Code since that time. The Committee feels this rule is crucial to maintaining public confidence in the fundraising system governing House Members. The use of your campaign funds, as alleged and proved in counts one and two of the Statement of Alleged Violations, is entirely inconsistent with this principle.

The Honorable Charles G. Rose, III
March 23, 1988
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The Committee holds you responsible for being familiar with rules governing this area. Your mishandling of campaign funds, and concurrent violations of House rules in such matters, are deserving of reproach. We find that the personal benefit you received in each instance of borrowing, and the lower interest rate received from use of the campaign certificate of deposit, are the kinds of abuses the rule was designed to protect against. For this reason, the Committee instructs that you refrain from any future campaign borrowings and/or use of campaign assets as collateral.

The Committee recognizes and takes into consideration the fact that all funds borrowed were replaced in full without the insistence of this Committee, and that this action was taken by you prior to this Committee beginning a Preliminary Inquiry. Furthermore, the Committee recognizes that the campaign certificate of deposit in question is no longer encumbered, due to restrictions placed on it in connection with your personal financial dealings. While these actions could be viewed as mitigating factors or as evidence of a lack of any improper intent, the Committee emphasizes, nevertheless, the violations did occur. Although the Committee does not feel this conduct warrants a recommendation of sanction to the full House of Representatives, it is still a cause of concern.

Failure to disclose campaign borrowings on your Financial Disclosure Statements (count three) must also be viewed in light of maintaining public trust. As Members of the House, we are bound by law and House rules to publicly disclose various aspects of our financial status. The initial disclosure of the campaign borrowings in Federal Election Commission reports, which are publicly available documents, is a mitigating factor. However, this does not negate the fact that you violated House Rule XLIV, clause 2. These liabilities should have been disclosed on your Financial Disclosure Statements.

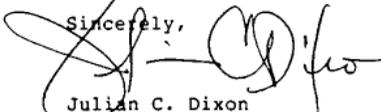
As for the liabilities to financial institutions in count four of the Statement of Alleged Violations, your failure to disclose, again, causes concern on the part of the Committee. Once informed of these deficiencies, however, you have, at your own initiative, amended your Financial Disclosure Statements to reflect the omitted information. The Committee respects your forthrightness in this area.

This Committee has spent much time and effort digesting and deliberating about the matters presented by this Preliminary

The Honorable Charles G. Rose, III
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Inquiry. The violations cause this Committee formally and publicly to reprove you for failing to adhere to House Rule XLIII, clause 6, and House Rule XLIV, clause 2, as described in the Statement of Alleged Violations.

Sincerely,



Julian C. Dixon
Chairman



Floyd D. Spence
Ranking Minority Member

JS:EHT