

PO Box 634  
Johnstown, PA 15907  
Phone: 814.254.4879  
Telecopier: 360.246.7961  
Email: stiles@justice.com

**Larry Stiles**

# Fax

**To:** Neomi Seligman-Steiner

**From:** Larry Stiles

**Fax:** 202.588.5020

**Pages:** 23 (including cover)

**Phone:** 202-408-5565

**Date:** 7.23.2008

**Re:** William Russell

**cc:**

**Urgent**     **For Review**     **Please Comment**     **Please Reply**     **Please Recycle**

● **Comments:** Please contact me if you have questions concerning the contents of this fax.

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Larry Stiles  
PO Box 634  
Johnstown, PA 15907  
Telephone: 814.254.4879  
Telecopier: 202.315.3814  
stiles@justice.com

Confirm.

To: Neomi Seligman-Steiner  
From: Larry Stiles  
Date: 7/23/2008  
Subject: William Russell for Congress FEC Complaint (MUR 6024)

---

Dear Ms. Seligman-Steiner:

Thank you for speaking with me yesterday about the above-referenced subject matter. Following is the FEC complaint filed on June 11, 2008. Because the Russell has raised more than 85 percent from outside the 12<sup>th</sup> Congressional District, I believe that the filing of the complaint merits national exposure. I hope that CREW can assist me.

As a result of a Federal Election Commission complaint, Russell is now disclosing receipts, disbursements and banking activities not previously disclosed. The Russell campaign committed clear and egregious violations of Federal election laws. However, Russell is still raising large sums of money.

Please confirm via email. Thank you.

Sincerely,

Larry Stiles



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

JUN 18 2008

Lawrence F. Stiles  
United States Marine Corps  
Vietnam Veteran  
PO Box 634  
Johnstown, PA 15907


RE: MUR 6024

Dear Mr. Stiles:

This letter acknowledges receipt of your complaint on June 11, 2008 alleging possible violations of the Federal Election Campaign Act of 1971, as amended. The respondent(s) will be notified of this complaint within five business days.

You will be notified as soon as the Federal Election Commission takes final action on your complaint. Should you receive any additional information in this matter, please forward it to the Office of the General Counsel. Such information must be notarized and sworn to in the same manner as the original complaint. We have numbered this matter MUR 6024. Please refer to this number in all future communications. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,



Jeff S. Jordan  
Supervisory Attorney  
Complaints Examination &  
Legal Administration

Enclosure:  
Procedures



**LAWRENCE F. STILES**  
UNITED STATES MARINE CORPS – VIETNAM VETERAN

106 CLINTON ST  
JOHNSTOWN, PA 15907  
EMAIL: stiles@justice.com

FACSIMILE: (360)246-7961

May 12, 2008

**VIA CERTIFIED MAIL/  
RETURN RECEIPT REQUESTED**

Thomasenia P. Duncan  
General Counsel  
Federal Election Commission  
999 E. Street NW  
Washington, DC 20463

**RE: Complaint against William Russell for Congress (Committee ID: C00440974)  
and Scott B. Mackenzie**

Dear Mr. Duncun:

Enclosed for filing please find the original and three (3) copies of the Complaint in the above-referenced matter. Also enclosed please find a self-addressed stamped envelope. Please return an endorsed-filed copy of the complaint. Thank you for your cooperation and assistance in this matter.

Please contact me if you questions concerning the contents of this letter.

Sincerely,

Lawrence F. Stiles

**LAWRENCE F. STILES**  
**UNITED STATES MARINE CORPS – VIETNAM VETERAN**

106 CLINTON ST  
JOHNSTOWN, PA 15907  
EMAIL: stiles@justice.com

FACSIMILE: (360)246-7961

May 12, 2008

**VIA CERTIFIED MAIL/**  
**RETURN RECEIPT REQUESTED**

Thomasenia P. Duncan  
General Counsel  
Federal Election Commission  
999 E. Street NW  
Washington, DC 20463

**RE: Complaint against William Russell for Congress (Committee ID:**  
**C00440974) and Scott B. Mackenzie**

Dear Mr. Duncan:

Larry Stiles, the Campaign Manager for the William Russell for Congress Committee from October, 2007 through January 3, 2008, hereby brings this Complaint pursuant to 2USC §437g(a)(1) against the William Russell for Congress and Scott Mckenzie as Treasurer.

William Russell is a Republicna candidate for the United States Congress from the 12th District of Pennsylvania. Russell's campaign committee is William Russell for Congress.

**COUNT 1**

On December 19, 2007, Russell filed a Form 2 "Statement of Candidacy" with the FEC. A true and correct copy is attached hereto, and incorporated by reference herein, as Exhibit A. in which he stated that he intended to expend zero personal funds on his election campaign.

Russell established a campaign headquarters in an apartment in downtown Johnstown in October of 2007; however, Russell has failed to disclose any rent or lease payments on any of his campaign finance reports.

The law with regard to the rental of campaign space is clear. Payments for rent are to be reported as operating expenditures. 11C.F.R. § 104.3(b) (2) (i). Failure to disclose rental payments results in an in-kind contribution to the committee. 11C.F.R. §100.7(a) (1) (iii). The amount of any goods or services, including any rental property, provided to the

Letter to Thomasenia P. Duncan  
May 12, 2008  
Page 2 of 5

committee must be at the usual and normal charge in the market for which they would ordinarily be purchased. 11C.F.R. §100.7(a) (1) (iii) (B). However, any provision for less than the usual and normal charge, or for no charge results in an in-kind contribution by the lessor, and is subject to the limitations provided in Act. 2 U.S.C. §441b (b) (2); 11C.F.R. § 100.7(a) (1) (iii) (A).

It is axiomatic that a legitimate campaign requires at least some minimal office space to operate. As such, one would assume that the Russell campaign ought to be showing some sort of either payment or contributions for a campaign headquarters.

But Russell reports are completely devoid of such an entry. Thus, in the absence of other evidence, it would appear that he is either (1) receiving an in-kind contribution for office space, but not reporting it because it is corporate, or (2) paying for space but wishes to hide that fact from the public.

Because there is strong evidence that the Russell campaign is using property in some nature and is not reporting any contribution or expenditures for such use Commission action is warranted.

## COUNT 2

Russell's Statement of Candidacy and Organization were filed on December 19, 2007. His campaign fundraising had been anemic – virtually all of his campaign activity had been self-financed. Payment of Russell's and Larry Stiles' meals and travel; and rental of an RV for the campaign's announcement tour and other expenses were paid with Russell's personal credit card.

The announcement tour was videoed by I-IMS of Johnstown, PA and placed on YouTube. A true and correct copy of the Interact-Interactive Media Systems Invoice is attached hereto, and incorporated by reference herein, as Exhibit B. This has not been reported as either expenditure or an in-kind contribution. Moreover, there is no reference to any sort of receipt or disbursement in financial disclosures with the Commission.

Regardless of who created the website, Russell is required to disclose it as either a receipt or disbursement, and he fails to do so.

In December, 2007, Russell reimbursed himself One Thousand (\$1,000.00) Dollars for expenditures on behalf of the campaign.

Russell knowingly and willfully failed to report these disbursements on the 10/01/2007 – 12/31/2007 Year End Report.

In a document dated January 4, 2008, a true and correct copy is attached hereto, and incorporated by reference herein, as Exhibit C, Russell knowingly and willfully issued a

Letter to Thomasenia P. Duncan  
May 12, 2008  
Page 3 of 5

William Russell for Congress check from the First National Bank in the amount of Three Thousand Dollars (\$3,000.00) to Larry Stiles. Russell knowingly and willfully failed to report this disbursement on the 01/01/2008-04/02/2008, Pre-Primary Report in violation of 11 C.F.R. §104.3(b) (4) (vi) and 104.14(d).

Moreover, nothing found in Russell's reports to date support the characterization of this check as a reimbursement. Accordingly, there is no identifiable legitimate campaign purpose for this check.

### COUNT 3

On January 25, 2008, Russell had a Meet the Candidate Night at City View Bar & Grill, a commercial establishment located at 709 Edgehill Dr, Johnstown, PA., a true and correct copy of the Tribune Democrat article dated January 25, 2005, is attached hereto, and incorporated by reference herein, as Exhibit D.

Russell's FEC filings do not disclose any expenditures being reported for this fundraising event. Russell appears to have held a fundraising event at this business establishment without ever paying for any of the costs thereof. Moreover, there is no reference to any sort of receipt or disbursement in financial disclosures with the Commission. Any amount actually raised at the "Meet the Candidate Night" continues to be a mystery.

Russell knowingly and willfully failed to report this disbursement on the 01/01/2008-04/02/2008, Pre-Primary Report.

### COUNT 4

The use of a website by Russell raises a number of noteworthy issues. On one hand, if Russell was responsible for creating the website and provided it to Russell's campaign free of charge, it is a violation of federal law regarding in-kind contributions.

There is no reference to any of receipt or disbursement in financial disclosures with the Commission.

Regardless of who created the website, Russell is required to disclose it as either a receipt or disbursement, and he fails to do.

Under Federal Election Commission regulations, payment by an individual for campaign expenses is considered a contribution. 11C.F.R. § 116.5(b). Similarly, payments for an individuals own expenses are a contribution unless the individual is reimbursed within sixty days if payment was made by credit card, otherwise within thirty days. 11C.F.R. §116.5(b) (1) & (2). Any obligation arising from such expenditures is a loan to the campaign, and is to be treated as a debt. 11C.F.R. § 116.5(c). Such a loan is considered a

Letter to Thomasenia P. Duncan  
May 12, 2008  
Page 4 of 5

contribution to the extent of the outstanding balance of the loan. 11C.F.R §100.52(a).

Russell knowingly and willfully failed to report this disbursement on any of his reports.

#### COUNT 5

Russell and his Committee have distributed printed campaign materials, and maintained a campaign website.

Political committees must include a disclaimer on all "public communications" regardless of whether the communication expressly advocates the election or defeat of a clearly identified candidate or solicits funds in connection with a federal election. Specific examples of public communications that would require a disclaimer include a political committee's website, newspaper advertisements, and printed materials. 11 CFR §110.1(a).

Printed materials: Russells' printed material violates 11 CFR §110.11 (c) (2) (i)-(iii). According to these regulations, notice must appear within a printed box set apart from the other contents in the communication and the print must be of a sufficient type-size to be clearly readable by the recipient. Further, in the case of single-sided documents, the disclaimer must appear on the front. 11 CFR §110.1 l(c) (2) (iv).

A. The Russell printed materials, a true and correct copy is attached hereto, and incorporated by reference herein, as Exhibit E, have no disclaimer.

B. Website: The disclaimer on the William Russell for Congress website, a true and correct copy is attached hereto, and incorporated by reference herein, as Exhibit F, does not appear within a printed box set apart from the other contents in the communication and the print must be of a sufficient type-size to be clearly readable by the recipient. 11 CFR §110.11.

#### COUNT 6

Russell failed to disclose individual contributions from his campaign website ([www.williamrussellforcongress.com](http://www.williamrussellforcongress.com)) and ([campaignsitebuilder.com](http://campaignsitebuilder.com)) in its reports illegally shielding the identities of the individual contributors from the public.

As a result the failure of William Russell for Congress to disclose all individual contributors appears to be knowing and willfull.

#### COUNT 7

On or about November 1, 2007, Russell established a campaign checking account in the name of William Russell for Congress with First National Bank located at 534 Main St, Johnstown, PA. The William Russell for Congress Account was set up so that checks could

Letter to Thomasenia P. Duncan  
May 12, 2008  
Page 5 of 5

be drawn on the account with only one signature. Russell listed himself as the only person authorized to *write* checks.

Subsequently, on or about February 6, 2008, Russell established a second campaign checking account with First Virginia Community Bank located at 11325 Random Hills Dr., Suite 240, Fairfax, VA.

Each committee shall notify the commission of the campaign depository (ies) it has designated 11 CFR §103.1.

Each political committee shall designate one or more State banks, federally chartered depository institutions(including a national bank), or depository institutions the depositor accounts of which are insured by the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, or the National Credit Union Administration, as its campaign depository or depositories. One or more depositories may be established in one or more States. Each political committee shall maintain at least one checking account or transaction account at one of its depositories. Additional accounts may be established at each depository. 11 CFR §103.2.

### CONCLUSION

I request that the Federal Election Commission conduct an investigation into these allegations, declare the respondents to have violated the Federal Election Campaign Act and applicable FEC regulations, and impose sanctions appropriate to these violations and take such further action as may be appropriate.

I declare, under penalty of perjury under the laws of the State of Pennsylvania and the United States that the foregoing is true and correct, except as to those matters which are stated on information and belief, which I believe to be true to the best of my knowledge and understanding.

Respectfully submitted,

By: \_\_\_\_\_  
Lawrence F. Stiles

# **EXHIBIT A**



## FEC FORM 2

### STATEMENT OF CANDIDACY

FILING FEC-313419

#### 1. WILLIAM RUSSEL

PO BOX 630  
JOHNSTOWN, PA 15907

2. Identification Number: H8PA12044

3. Party: Republican Party

4. Office Sought: House of Representatives

5-6. State & District of Candidate: Pennsylvania - 12

#### DESIGNATION OF PRINCIPAL CAMPAIGN COMMITTEE

7. I hereby designate the following named political committee as my Principal Campaign Committee for the 2008 election(s).

WILLIAM RUSSELL FOR CONGRESS  
FEC ID #: C00440974

PO BOX 630  
JOHNSTOWN, PA 15907

#### DESIGNATION OF OTHER AUTHORIZED COMMITTEES

8. I hereby designate the following named committee, which is NOT my principal campaign committee, to receive and expend funds on behalf of my candidacy.

#### DECLARATION OF INTENT TO EXPEND PERSONAL FUNDS (House or Senate Only)

9. I intend to expend personal funds exceeding the threshold amount (see 11 C.F.R. 400.9) by

- 9A. 0.00 for the primary election, and
- 9B. 0.00 for the general election

Signed as: WILLIAM RUSSEL

EXHIBIT A

Signed by the candidate on: 11/21/2007

Filed: 12/19/2007

**(End FEC FORM 2)**



Generated Tue May 6 21:18:58 2008

# **EXHIBIT B**



**Interact-Interactive Media Systems**  
 Creating Solutions for Marketing, Training and Communicating  
 Web Design / CD-ROM / Training / Video Production / Graphics  
 Photography / Digital Audio Production / Printed Material

201 Elkwood Lane - Johnstown, PA 15905  
 Phone 814.255.1229 Fax 801.705.1395

## Invoice

Date: November 28, 2007

To: Russell For Congress  
 PO Box 630  
 Johnstown, PA 15907

Attn: William Russell - Larry Stiles

RE: 9 Location Tour Video Coverage

Quantity		Unit Cost	Total Cost
12	Hours Location Video Shoot - 2 Cameras - 2 Man Crew with wireless mics, tripods and on-camera lights	230.00	\$2,760.00
12	Discounted Rate for Production	-65.00	(\$780.00)
4	Pro MiniDV - 60 minute tapes	15.00	\$60.00
310	Mileage (48.5 cents per mile)	0.485	\$150.35
	Travel Expenses	n/c	n/c
Sub Total			\$2,190.35
PA Sales Tax			\$131.42
<b>TOTAL DUE</b>			<b>\$2,321.77</b>

Net Due Upon Receipt - Please make checks payable to Interact - Interactive Media Systems

EXHIBIT B

# **EXHIBIT C**

William Russell for Congress  
PO Box 630  
Johnstown, PA 15907


January 4, 2008

This certifies that the William Russell for Congress campaign has reimbursed Larry Stiles on this date for relocation, travel and incidental expenses incurred by him over the period from October 2007 to January 4, 2008 in his capacity as a volunteer to the campaign.

Such reimbursement shall be in the amount of \$3,000.00

With his signature, Larry Stiles attests that he has received this payment as described above and has returned to the campaign any and all materials associated with the campaign and/or the candidate including equipment, documents, audio and/or video tapes, and data without copying them, and that he will not use any information obtained through his involvement with the campaign for any purpose not authorized by the campaign.

For the campaign:

  
\_\_\_\_\_  
William Russell

Jan 4 2008  
\_\_\_\_\_  
Date

\_\_\_\_\_  
Larry Stiles

\_\_\_\_\_  
Date

EXHIBIT "C"

**Johnstown Pa Jobs**

Found 481 Jobs in your area. Make \$10-\$100 / hour with benefits.  
www.FastLocalJobs.com

**"Teeth Whiteners Exposed"**

7 Teeth Whitening Products Tested, Rated, and Reviewed. A Must Read!  
www.Best-Teeth-Whitening.com

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Convert Your Car To Run On Water. Save Fuel And Double Your Mileage!  
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# The Tribune Democrat

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Published: January 25, 2008 11:57 pm

## GOP candidate opposes Iraq troop pullout

**BY PATRICK BUCHNOWSKI**  
The Tribune-Democrat

Republican William Trower Russell III took a tough stand Friday against pulling troops out of Iraq.

The Republican candidate seeking to unseat U.S. Rep. John Murtha in the 12th Congressional District greeted a dozen supporters at a meet the candidates event at the City View Restaurant.

Russell - a former lieutenant colonel in the Army Reserve - took Democrats to task for wanting to withdraw troops.

"I think (Senator) Joe Lieberman said it best: "It's a very necessary war but, unfortunately, it's going to be a very long war," Russell said.

Flanked by his wife, Katarzyna, Russell called the war a long-term commitment needing diplomacy and military intervention to keep militants from committing genocide.

"When you look at the cost of not being there, it's so much higher," he said.

"They're progressing toward peace. We're probably going to be there for a while."

Russell is relocating his wife and two children to Johnstown from Washington to challenge Murtha.

Russell wants a simplified tax code and elimination of the Death Tax. He is a pro-life candidate who supports traditional marriage and school choice.

For Johnstown resident Bob Medvesky, economic development is a key issue.

"We need four-lane roads in and out of Johnstown to make the area grow," he said. "(Murtha) never did anything. Hopefully, if we can get Bill in there, he can do something about the roads."

Russell acknowledges he has an uphill fight, especially in the heavily Democratic Johnstown region. In 2006, Murtha handily defeated Republican challenger Diane Trey of Washington County.

Russell is courting voters one at a time.

"I'm getting out and talking to people and sharing my ideas," he said.



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EXHIBIT D