



Joann Saunders' Loan Appears In Violation

WASHINGTON — Florida congressional candidate Joann Saunders appears to be in violation of the 1974 Federal Election Act by failing to report the backers of a \$5,000 bank loan made to her campaign.

Nevertheless, campaign manager George Saunders, the candidate's husband, refused Thursday to identify the co-signers of the loan, or to guarantee that their names would be made public before election day, Sept. 28.

"I don't need someone to tell me about the election law," George Saunders said in a telephone interview. "It doesn't make any difference if it's after the election, before, or what."

Joann Saunders, an Orlando businesswoman and housewife, is battling Pasco County Circuit Court Clerk Miller Newton for the Democratic nomination to the congressional seat now held by Republican Richard Kelly of Zephyrhills. Mrs. Saunders almost won the

nomination without a runoff Sept. 2, but Newton has made her total \$30,000 in unsecured bank loans a hot issue in the runoff campaign.

The Federal Election Commission (FEC), considers the cosigning of loans to candidates to be a campaign contribution, reportable under the law.

Mrs. Saunders has reported taking out \$5,000 loans from six Florida banks in the first primary. George Saunders said Sept. 12 there were no secret backers for any loans, and none were reported to federal officials.

He said Friday, however, that one of the loans, from the Florida Bank of Commerce in Clearwater, has six co-signers, and he declined to name them. That loan was made Aug. 12.

Saunders said he didn't know about the co-signers, and he declined to name them. That loan was made Aug. 12.

Saunders said he didn't know about the co-signers until recently, and he's withholding their names, he said, to get permission of the persons involved before releasing them.

"We will amend the report (to federal officials) if required," Saunders said.

Under the 1974 act, anyone "who knowingly and willfully" violates reporting requirements involving contributions of more than \$1,000 can be fined up to \$25,000 or three times the amount involved, imprisoned for a year, or both.

The candidate and campaign treasurer are considered liable under the law.

An FEC spokesman declined to comment on how the commission determines if a violation is made "knowingly and willfully," or on whether the Saunders position might fit that description.

Federal law also prohibits banks and other corporations from making any loans to political campaigns unless, as the FEC puts it, "the terms are substantially similar to extensions of credit to non-political debtors of similar risk and size of the obligation."

George Saunders has maintained that the banks involved gave his wife no "favors," despite her continued indebtedness from a past campaign and several pending court suits questioning the Saunders' handling of their business affairs.