FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 2270

DATE FILMED 8/22/91 CAMERA NO. 4

CAMERAMAN AS

9104036J136

DEMOCRATIC PARTY OF WASHOE COUNTY

FILED AT THE FEC
GCC 1382
'86 SEP 2 P3:53

Jack Schroeder, Chair
Margaret Lake, Vice Chair
Sam Lumpe, Secretary
Hugo Wagner, Treasurer
Marion Conrad, Parliamentarian
Nancyann Leeder, Legal Counsel
Jin Van Winkle, Legal Counsel

August 27, 1986

Kenneth Gross, Esq.
Federal Election Commission
999 East Street
Washington, D.C. 20463

Dear Mr. Gross:

I am writing this letter as a formal complaint against the Nevada Republican Party and the Santini for Senate Campaign regarding two matters of the utmost seriousness.

First, I am aware that the Federal Election Commission has raised questions regarding contributions by the Nevada Republican Party to James Santini's campaign for the United States Senate. Specifically, I believe the FEC has inquired regarding an expenditure reported by the Nevada Republican State Central Committee in their first quarterly report as $15,469.49 to **"Defeat U.S. Rep. candidate Harry Reid."**

In responding to the FEC's inquiry, Robert L. Seal, the treasurer of the Nevada Republican State Central Committee, stated that the mailings were misdescribed and that they were, in fact, **"voter information mailings to Nevada Republicans."**

I am enclosing a copy of the item to which I believe that the quarterly report referred. As you can see, the item is most certainly a direct attack on Democratic candidate Harry Reid, and is designed to have an effect on his campaign for the United States Senate. Thus, Mr. Seal's statement that the mailing as erroneously reported is probably disingenuous.

More important, however, is the fact that the mailing itself contains a statement that **"a copy of this report has been submitted to the Federal Elections Commission, Washington, D.C."** Not only does that statement constitute an acknowledgment by the State Republican Party that the mailer was subject to regulation by the FEC, it also directly contradicts Mr. Seal's present position.

Furthermore, upon information or belief, my agents have inquired at the records section of the FEC in Washington, and have been informed that no such document is on file with the FEC. If that information is correct, then the Republican mailer itself contains a false and misleading statement of fact relating to compliance with regulatory materials.

Post Office Box 21373 • Reno, Nevada 89515-1373 • (702) 323-VOTE

9104036037

I presume that you will review these materials and make appropriate inquiry of the Nevada State Republican Party. I would be happy to provide you with further materials demonstrating that the mailer in question is directly tied to positions taken by Mr. Santini as the centerpiece of his campaign against Harry Reid.

I am enclosing one such item in which Mr. Santini restates the very claims laid out by the mailer as the basis for his attacks on Mr. Reid. As a result, there can be no question that Mr. Santini's campaign is closely tied into and coordinated with that mailer, and obviously had a direct input regarding its contents and distribution.

Accordingly, I am requesting that you place Mr. Seal and anyone else connected with that mailing under oath, and make inquiry regarding its genesis, that participation of Mr. Santini's campaign in its production, and what other matters you consider appropriate.

Second, and much more importantly, I have become aware that since before June 30, 1986, throughout the State of Nevada literally thousands of signs have been posted calling upon voters to elect James Santini to the United States Senate. Upon each of these signs is the statement **"Paid for by the Nevada Republican Party."** Since those signs constitute in-kind contributions which must amount to tens if not thousands of dollars, and since the state Republican Party has not only long since exceeded its contribution limits, but has failed to report any expenditures for sign purchases on its FEC disbursement reports, Forms B, I can only presume that the Nevada State Republican Party has intentionally chosen to directly violate federal law in its pursuit of power.

It has become obvious to me that the Republican Party has decided to pour funds into this state in an attempt to affect the U.S. Senate race and that it intends to be restrained neither by honesty nor by the laws and regulations governing federal elections As Democrats, we have been placed at a tremendous disadvantage, since we have not been willing to engage in the illegal conduct which seems to prevent no obstacle to the Republicans.

At this point, our only recourse is to report the illegal expenditures to the FEC. I request that you commence an immediate investigation, and that you either order the Nevada Republican Party to take immediate corrective action or that you refer this matter for a criminal investigation.

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If I may be of any further assistance in your investigation, please do not hesitate to contact me.

Yours truly,

John N. Schroeder

JNS/ma
Enclosures

9104036039

STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

JOHN N. SCHROEDER, being first duly sworn on oath, deposes and says:

1. That the above stated facts are made by me of my own personal knowledge except for those matters stated therein upon information and belief, which I well and truly believe; and

2. That I am personally aware that the above stated Supplement to Complaint is made under the penalty of perjury and subject to the provisions of §1001 of Title 18, United States Code.

JOHN N. SCHROEDER

Subscribed and Sworn to before me
this 27th day of August, 1986.

Kathleen Eyraud
Notary Public

KATHLEEN EYRAUD
Notary Public - State of Nevada
Appointment Recorded in Washoe County
MY APPOINTMENT EXPIRES FEB. 2, 1987

§ 110.11 Communications; advertising (2 U.S.C. 441d).

(a)(1) Except as provided at 11 CFR 110.11(a)(2), whenever any person makes an expenditure for the purpose of financing a communication that expressly advocates the election or defeat of a clearly identified candidate, or that solicits any contribution, through any broadcasting station, newspaper, magazine, outdoor advertising facility, poster, yard sign, direct mailing or any other form of general public political advertising, a disclaimer meeting the requirements of 11 CFR 110.11(a)(1) (i), (ii), (iii) or (iv) shall appear and be presented in a clear and conspicuous manner to give the reader, observer or listener adequate notice of the identity of persons who paid for and, where required, who authorized the communication. Such person is not required to place the disclaimer on the front face or page of any such material, as long as a disclaimer appears within the communication, except on communications, such as billboards, that contain only a front face.

(i) Such communication, including any solicitation, if paid for and authorized by a candidate, an authorized committee of a candidate, or its agent, shall clearly state that the communication has been paid for by the authorized political committee; or

(ii) Such communication, including any solicitation, if authorized by a candidate, an authorized committee of a candidate or an agent thereof, but paid for by any other person, shall clearly state that the communication is paid for by such other person and, is authorized by such candidate, authorized committee or agent; or

(iii) Such communication, including any solicitation, if made on behalf of or in opposition to a candidate, but paid for by any other person and not authorized by a candidate, authorized committee of a candidate or its agent, shall clearly state that the communication has been paid for by such person and is not authorized by any candidate or candidate's committee.

(iv)(A) For solicitations directed to the general public on behalf of a political committee which is not an authorized committee of a candidate, such solicitation shall clearly state the full name of the person who paid for the communication.

(B) For purposes of this section, whenever a separate segregated fund solicits contributions to the fund from those persons it may solicit under the applicable provisions of 11 CFR Part 114, such communication shall not be considered a form of general public advertising and need not contain the disclaimer set forth in 11 CFR 110.11(a)(1)(iv)(A).

(2) The requirements of 11 CFR 110.11(a)(1) do not apply to bumper stickers, pins, buttons, pens and similar small items upon which the disclaimer cannot be conveniently printed. The requirements of 11 CFR 110.11(a)(1) do not apply to skywriting, watertowers or other means of displaying an advertisement of such a nature that the inclusion of a disclaimer would be impracticable.

(b)(1) No person who sells space in a newspaper or magazine to a candidate, an authorized committee of a candidate, or an agent of the candidate, for use in connection with the candidate's campaign for nomination or for election, shall charge an amount for the space which exceeds the comparable rate for the space for non-campaign purposes.

(2) For purposes of this section, "comparable rate" means the rate charged to a national or general rate advertiser, and shall include discount privileges usually and normally available to a national or general rate advertiser.

(2 U.S.C. 438(a)(8), 441a, 441d, 441e, 441f, 441g, 441h, 441i)

[41 FR 35948, Aug. 25, 1976, as amended at 45 FR 15122, Mar. 7, 1980; 48 FR 8809, Mar. 2, 1983]

§ 110.12 Honoraria (2 U.S.C. 441i).

(a) No individual while an elected or appointed officer or employee of any branch of the Federal government shall accept any honorarium of more than $2,000.

(b) The term "honorarium" means a payment of money or anything of value received by an officer or employee of the Federal government, if it is accepted as consideration for an appearance, speech, or article. An honorarium does not include payment for or provision of actual travel and subsistence, including transp... commodations, and meal... cer or employee and spou... and does not include amo... incurred for any agents' ... missions.

(1) *Officer or employe...* "officer or employee of ... government," or "officer ... means any person appoint... to a position of respons... thority in the United St... ment, regardless of w... person is compensated f... tion; and any other perso... salary, compensation, o... ment from the United St... ment, who accepts an h... an appearance, speech, ... cluded within this class ... dent; the Vice President; ... of Congress; any judge of ... the United States; any C... and any other elected or... ficer or employee of any ... Federal government.

(2) *Appearance.* ... means attendance at a ... vate conference, convent... social event, or like gath... incidental conversation ... made at that time.

(3) *Speech.* "Speech" ... dress, oration, or other ... presentation, regardless ... presented in person ... broadcast over the media.

(4) *Article.* "Article" m... other than a book, whic... is intended to be publish...

(5) *Accepted.* "Accepte... there has been actual ... receipt of the honorari... the federal officeholder ... exercises dominion or ... and determines its su... However, an honora... deemed accepted for t... 11 CFR 110.12 if the ... holder or employee pay... um to a charitable or... the honorarium is paid ... organization on behalf ... officeholder or employ... this paragraph shall b... an interpretation of ... sions of the Internal ... (Title 26, United State...

Paid for and Authorized by the
Republican State Central Committee of Nevada
[redacted] Division Street
Carson City, Nevada 89702

U.S. Postage
PAID
Non-Profit Org.
Republican State
Central Committee
of Nevada

SPECIAL REPORT TO NEVADA REPUBLICANS: WHO LISTENS TO YOU IN WASHINGTON D.C.?

Section 1: Vote Comparison

**Separating political rhetoric from the facts can be difficult.
That's why the Nevada Republican Party has published this report.
Here's how our Representatives in Washington have voted on key issues.
Compare your positions with theirs, then decide who best represents you.**

		SENATORS		REPRESENTATIVES	
		PAUL LAXALT	CHIC HECHT	BARBARA VUCANOVICH	HARRY REID
1	Line Item Veto — Give President Reagan the ability to cut the federal budget. CQ#11, CQ#86, CQ#87, HR 2878, 1984	YES	YES	YES	NO
2	Raise taxes by placing a $720 limit on President Reagan's 10% income tax cut in 1983. CQ#207, 1983 CQ#170, 1983	NO	NO	NO	YES
3	Constitutional Amendment to balance the federal budget. CQ#384, 1984 CQ#288, 1982	YES	YES	YES	NO
4	Require literacy test for high school students. CQ#315, 1983	YES	YES	YES	NO
5	Support anti-Communist freedom fighters in Nicaragua. CQ#264, 1984 CQ#254, 1984	YES	YES	YES	NO

9104086042

**Positions have been taken from public statements and official records of the United States Congress.
A copy of this report has been submitted to the Federal Elections Commission, Washington D.C.**

Section 2: Ratings

		SENATORS		REPRESENTATIVES	
		PAUL LAXALT	CHIC HECHT	BARBARA VUCANOVICH	HARRY REID
1	**Presidential Support** Figured on the number of times a member of Congress supported President Reagan's position on Legislation during 1983 and 1984.	80	87	72	35
2	**Conservative Coalition** Based on the number of times a member of Congress supported the position of the Conservative Coalition (a group of conservative Democrats and Republicans) during 1983 and 1984.	83	91	90	38
3	**American Conservative Union** A Congressional watchdog organization that rates members of Congress based on their support for free enterprise, limited government, strong national defense, and family values. (1984 ratings)	95	95	96	17
4	**American Security Council** Rates members of Congress on their support of foreign policy issues that protect the security of America.	100	100	100	40
5	**Chamber of Commerce** Rates members of Congress on their support for small business and a strong economy.	89	89	82	28
6	**Americans for Democratic Action** A liberal organization that rates members of Congress on their support for increasing welfare and food stamp programs, forced busing, etc. . . .	5	0	0	70

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Section 3: Summary

Among the four members of Nevada's Congressional delegation in Washington D.C., only Harry Reid has consistently voted *against* President Reagan, a balanced federal budget, and fairer spending and tax policies.

In short, Harry Reid represents a philosophy that promises to raise taxes and spend our nation back to bigger government, bigger deficits and the certainty of higher interest rates and renewed unemployment.

9104036014

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

MAY 28 1986

Robert L. Seale, Treasurer
Nevada Republican State Central
Committee - Federal Account
P.O. Box 1888
Carson City, NV 89702

Identification Number: C00082925

Reference: April Quarterly Report (1/1/86-3/31/86)

Dear Mr. Seale:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Schedule B of your report (pertinent portion attached) discloses in-kind contributions which appear to exceed the limits established by the Act. (2 U.S.C. §441a(a)).

In addition, Schedule B, supporting Line 21 of the Detailed Summary Page discloses a disbursement for $15,469.49 (pertinent portion attached), with the purpose listed as "Campaign to Defeat U.S. Republican Candidate Harry Reid." Please be advised that any expenditures made by a party committee to defeat a clearly identified candidate are considered in-kind contributions on behalf of the candidate's opponent.

The Act precludes a multicandidate committee from making a contribution to a candidate for Federal office in excess of $5,000 per election. (2 U.S.C. §441a(a)) If you have made excessive contributions, the Commission recommends that you notify the recipients and request a refund of the amounts in excess of $5,000. Please inform the Commission immediately in writing and provide a photocopy of your refund request sent to the recipients. In addition, any refunds should appear on a supporting Schedule A, for Line 16 of your next report.

If the contributions in question were incorrectly reported and/or you have additional information, you may wish to submit documentation for the public record.

8673114422

Although the Commission may take further legal steps concerning the excessive contributions, your prompt action in obtaining refunds of the excessive amounts will be taken into consideration.

An amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 376-2480.

Sincerely,

Tammy Rollins

Tammy Rollins
Reports Analyst
Reports Analysis Division

8673341492

SCHEDULE B

ITEMIZED DISBURSEMENTS

Page 3 of 3 for LINE NUMBER 21
(Use separate schedule(s) 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 committee.

Name of Committee (in Full)
Nevada Republican State Central Committee

	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
A. Full Name, Mailing Address and ZIP Code James R Foster Associates 1411 LeMay Ste 402 Carson City 75007	Campaign to Defeat U.S. Rep. Candidate Harry Reid Disbursement for: X Primary ☐ General ☐ Other (specify):	1/8/86	15,469.49
B. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ 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 ☐ Primary ☐ General ☐ 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 ☐ Primary ☐ General ☐ 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: ☐ Primary ☐ General ☐ 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 ☐ Primary ☐ General ☐ 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 ☐ Primary ☐ General ☐ 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 ☐ Primary ☐ General ☐ 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 ☐ Primary ☐ General ☐ Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
TOTAL This Page (last page only)			15,469.49
TOTAL This Period (last page this line number only)			39,207.70

NEVADA REPUBLICAN PARTY

P.O. BOX 1030 • CARSON CITY, NEVADA 89702 • (702) 882-9115

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86 JUN 20 P2:02

June 11, 1986

Ms. Tammy Rollins
Reports Analyst
Reports Analysis Division
Federal Election Commission
Washington, DC 20463

Dear Ms. Rollins:

In response to your letter dated May 28, 1986, I am herewith amending the April Quarterly Report (1/1/86-3/31/86) for the Nevada Republican State Central Committee (Identification Number C00082925).

The mailings indicated on Schedule B, pages one and three, were mis-described. They were in fact voter information mailings to Nevada Republicans. The corrected Schedule B is enclosed.

Sincerely,

Robert L. Seale

Robert L. Seale
Treasurer
Nevada Republican State
Central Committee

RLS/pt
Enclosures

86030391243

SCHEDULE B

ITEMIZED DISBURSEMENTS

Page 1 of 1 for LINE NUMBER 19
(Use separate schedule(s) 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 committee.

Name of Committee (in Full)

Nevada Republican State Central Committee

A. Full Name, Mailing Address and ZIP Code James Foster Associates 1411 LeMay, Suite 402 Carrollton, TX 75007	Purpose of Disbursement informational mailing to Nevada Republicans Disbursement for: ☐ Primary ☐ General ☐ Other (specify):	Date (month, day, year) 2/7/86	Amount of Each Disbursement This Period $ 4,110.00
B. Full Name, Mailing Address and ZIP Code James Foster Associates 1411 LeMay, Suite 402 Carrollton, TX 75007	Purpose of Disbursement informational mailing to Nevada Republicans Disbursement for: ☐ Primary ☐ General ☐ Other (specify):	Date (month, day, year) 2/12/86	Amount of Each Disbursement This Period $13,663.21
C. Full Name, Mailing Address and ZIP Code Inline Computers 270 East Plumb Lane Reno, NV 89502	Purpose of Disbursement informational mailing to Nevada Republicans Disbursement for: ☐ Primary ☐ General ☐ Other (specify):	Date (month, day, year) 3/11/86	Amount of Each Disbursement This Period $ 2,190.00
D. Full Name, Mailing Address and ZIP Code James R. Foster Associates 1411 LeMay, Suite 402 Carrollton, TX 75007	Purpose of Disbursement informational mailing to Nevada Republicans Disbursement for: ☐ Primary ☐ General ☐ Other (specify):	Date (month, day, year) 1/8/86	Amount of Each Disbursement This Period $15,469.49
E. Full Name, Mailing Address and ZIP Code First Interstate Bank P.O. Box 11007 Reno, NV 89520	Purpose of Disbursement service charges Disbursement for: ☐ Primary ☐ General ☐ Other (specify):	Date (month, day, year) 3/31/86	Amount of Each Disbursement This Period $ 56.41
F. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ 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: ☐ Primary ☐ General ☐ 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: ☐ Primary ☐ General ☐ 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: ☐ Primary ☐ General ☐ Other (specify):	Date (month, day, year)	Amount of Each Disbursement This Period
SUBTOTAL of Disbursements This Page (optional)			

Jim Santini

U. S. SENATE

HOW THEY DIFFER ON: FISCAL RESPONSIBILIT

July, 1986

JIM SANTINI	HARRY REID
Voted for a Constitutional balanced budget amendment. *CQ 363 1982	Voted to prevent Republican members from attaching a balanced-budget amendment to a bill. CQ 384 1984
Supports an amendment to authorize the President to exercise a line-item veto.	Voted against giving the President a line-item veto. CQ 11 1984
Voted to reduce individual tax rates by 25 percent and to provide investment tax incentives. CQ 167 1981	Voted to raise $47.2 billion in new taxes. CQ 63 1984
Voted to reduce budget authority by $7 million in fiscal 1978 to delete funds for a pay raise for Congressional members CQ 13 1977	Voted against cutting $7 million from the $67 million for members of Congress' expense accounts. CQ 149 1983
Voted to defer $28.5 million for a Los Angeles subway. CQ 36 1981	Voted against deleting $127.5 million for a Los Angeles subway. CQ 195 1983
Voted to deny automatic salary increases for members of the House, Senate and top level federal officials. CQ 522 1976	Voted against delaying a 4 percent pay raise (for federal civilian workers) that would have increased total three-year savings to $10.3 billion . CQ 390 1983
Voted against an automatic yearly cost-of-living pay increase for members of Congress and members of the Executive Branch. CQ 344 1975	Voted against making a 2 percent cut across-the-board in legislative branch funding levels. CQ 192 1984
	Voted against an amendment to cut $10 million for congressional franking privileges. CQ 219 1985

Q--(source) Congressional Quarterly, 202/887-8500

Post Office Box 15230 • Las Vegas, Nevada 89114-5230 (702) 734-2450
527 Humboldt Street • Reno, Nevada 89509 (702) 785-1999

A copy of our report is filed with the Federal Election Commission and can be purchased from the F.E.C. in Washington
Authorized and paid for by the Jim Santini for Senate Committee Glen Sanford, Treasurer

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 12, 1986

John N. Schroeder, Chairman
Democratic Party of Washoe County
PO Box 21373
Reno, NV 89515-1373

Dear Mr. Schroeder:

This letter will acknowledge receipt of a complaint filed by you which we received on September 2, 1986, alleging possible violations of the Federal Election Campaign Act of 1971, as amended (the "Act"), by the Nevada Republican Party/Nevada Republican State Central Committee and Mr. Robert L. Seale as treasurer, and the Jim Santini For Senate Committee and Mr. J. Glen Sanford as treasurer. The respondents will be notified of this complaint within five days.

You will be notified as soon as the Commission takes final action on your complaint. Should you receive any additional information in this matter, please forward it to this office. We suggest that this information be sworn to in the same manner as the original complaint. For your information, we have attached a brief description of the Commission's procedures for handling complaints. We have numbered this matter under review MUR 2231. Please refer to this number in all future correspondence. If you have any questions, please contact Retha Dixon at (202) 376-3110.

Sincerely,

Charles N. Steele
General Counsel

By: Lawrence M. Noble
Deputy General Counsel

Enclosure

21040360151

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 12, 1986

Jim Santini For Senate Committee
J. Glen Sanford, Treasurer
2750 South Maryland Pkwy.
Las Vegas, NV 89109

Re: MUR 2231

Dear Mr. Sanford:

The Federal Election Commission received a complaint which alleges that you, as treasurer, and the Jim Santini For Senate Committee may have violated certain sections of the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2231. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you and the Jim Santini For Senate Committee in this matter. Your response must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

9104036052

If you have any questions, please contact Eric Kleinfeld, the attorney assigned to this matter, at (202) 376-3074. For your information, we have attached a brief description of the Commission's procedure for handling complaints.

Sincerely,

Charles N. Steele
General Counsel

By: Lawrence M. Noble
Deputy General Counsel

Enclosures
Complaint
Procedures
Designation of Counsel Statement

cc: Honorable Jim Santini

9104086015 3

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 12, 1986

Robert L. Seale, Treasurer
Nevada Republican Party/
Nevada Republican State Central Committee
PO Box 1888
Carson City, NV 89702

Re: MUR 2231

Dear Mr. Seale:

The Federal Election Commission received a complaint which alleges that you, as treasurer, and the Nevada Republican Party/Nevada Republican State Central Committee may have violated certain sections of the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2231. Please refer to this number in all future correspondence.

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Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

This matter will remain confidential in accordance with 2 U.S.C. §437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

2104036015 4

If you have any questions, please contact Eric Kleinfeld, the attorney assigned to this matter, at (202) 376-3074. For your information, we have attached a brief description of the Commission's procedure for handling complaints.

Sincerely,

Charles N. Steele
General Counsel

By: Lawrence M. Noble
Deputy General Counsel

Enclosures
Complaint
Procedures
Designation of Counsel Statement

9104036015 5

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Doc#1710

WILEY, REIN & FIELDING

1776 K STREET, N.W.
WASHINGTON, D. C. 20006

JAN W. BARAN
(202) 429-7330

October 8, 1986

RECEIVED
OFFICE OF THE
GENERAL COUNSEL
86 OCT 9 A10:17

Charles N. Steele, Esquire
General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20006

Re: MUR 2231
Nevada Republican Party/Nevada Republican
State Central Committee
Jim Santini for Senate Committee,
J. Glen Sanford as Treasurer

Attn: Eric Kleinfeld, Esq.

Dear Mr. Steele:

Enclosed please find statements signed by the Treasurers of the above organizations designating me as their counsel in MUR 2231.

Pursuant to your letters of September 12, 1986, I respectfully request a 20 day extension of time, until Thursday, October 30, 1986, in which to file a response on behalf of my clients to the complaint filed by John N. Schroeder, Chair of the Democratic Party of Washoe County (your letter having been received September 25, 1986).

My clients have indicated to me that because they are both currently overwhelmingly involved in political activities, they are unable to adequately assist me in responding to the complaint in any shorter period of time. Accordingly, this extension is necessary to enable me to respond fully to the questions raised by the complainant.

Sincerely,

Jan W. Baran

Enclosures
cc: Robert L. Seale
J. Glen Sanford

9104036015 56

[redacted]

[redacted] 2231

[redacted]: JAN BARAN

[redacted]: 1776 K Street NW
Washington, D.C. 20006

[redacted]: 202-429-7000

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

September 30, 1986
Date

Robert L. Seale
Signature

[redacted]'S [redacted]: Robert L. Seale

[redacted]: Nevada Republican Party
921 Hill St.
Reno, Nevada 89501

[redacted]:

[redacted]: 702-786-9960

910403601157

[redacted] OF DESIGNATION OF [redacted]

[redacted]: 2231

[redacted] OF COUNSEL: Jan W. Baran

[redacted]: Wiley & Rein
1776 K Street, N. W.
Washington, D. C. 20006

[redacted]: 202/ 429-7330

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

9/26/86
Date

J. Glen Sanford
Signature

[redacted]'S NAME: Jim Santini for Senate Committee
J. Glen Sanford, Treasurer

[redacted]: 2750 South Maryland Pkwy.
Las Vegas, NV 89109

[redacted] PHONE:

[redacted] PHONE:

91040360158

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 15, 1986

Jan W. Baran, Esquire
Wiley, Rein & Fielding
1776 K Street, N.W.
Washington, D.C. 20006

Re: MUR 2231
Nevada Republican Party/Nevada Republican State Central Committee - federal account
Robert L. Seale, treasurer
Jim Santini for Senate Committee
J. Glen Sanford, treasurer

Dear Mr. Baran:

This is in response to your letter dated October 8, 1986, in which you request a twenty day extension of time to respond to the allegations against your clients.

I have reviewed your request and agreed to the requested extension. Accordingly, your response is due no later than October 30, 1986. If you have any questions, please contact Eric Kleinfeld, at (202) 376-5690.

Sincerely,

Charles N. Steele
General Counsel

By: Lawrence M. Noble
Deputy General Counsel

2104086015 9

GCC#1962
86 SEP 9 AM : 50

September 3, 1986
300 So. 4th St. Ste. 1700
Las Vegas, Nevada 89101

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF THE GENERAL COUNSEL
86 SEP 10 P12:02

Kenneth Gross, Esq.
Federal Election Commission
999 East Street
Washington, D.C. 20463

Dear Mr. Gross:

I am writing this letter as a formal Complaint to the Federal Election Commission regarding the enclosed document (hereinafter referred to as "the Campaign Literature") which was mailed by the Nevada Republican Party, apparently to every registered Republican in the State, prior to the Nevada Primary Election on September 2, 1986.

The contents of the Campaign Literature beyond question make it a contribution by the Nevada Republican Party to the Campaign of James Santini for the United States Senate pursuant to 11 CFR 100.7, and given the timing of the mailing there can be no doubt that general election aggregate rules do not apply. The Nevada Republican Party's prior filings make it clear that the only possible source of this contribution is the Rebublican Senatorial Campaign Committee.

I am aware that the FEC has made inquiry of the Nevada Republican Party regarding previous mailings and other contributions to the Santini Campaign which, on their face, exceed permissible contribution limits. Given the pattern of contributions and other violations emerging in this Campaign there is no question that it is the intention of the Republican Party to pour money into this Senate Race, and deal with any consequences at a later date.

I do not know what the FEC can do, if anything, on an immediate basis to curtail such conduct. As an attorney, I have a great deal of faith in the ultimate power of the Justice System to deal with disregard of the rules of fair play; I have less faith in the system's ability to function in an expeditious fashion when faced with a situation for which the ultimate remedies provide no equitable solution. I have no idea if the FEC has ever sought injunctive relief against a Committee or Committees, or even if it has the power to attempt such a course of action, but would urge it to at least consider that relief.

In any case, given what can only be regarded as an undisguised agreement on the part of the Santini Committee, the Nevada State Republican Party Committee, and the Republican National Senatorial Campaign Committee, to violate Federal

21040360160

Election Laws and obtain and illegally transfer monies using the United States Mails , I believe a federal criminal conspiracy Complaint may be the appropriate remedy at this point in time.

I would appreciate it if you would take whatever action you can to immediately rectify this situation, and in any case, if you would ultimately pursue all available remedies to the fullest extent of the law.

If I may provide any further information or be of any assistance in your investigation, please do not hesitate to contact me. Would you be so kind as to send me a file stamped copy of this Complaint, after it has been filed.

Sincerely,

E J Wallach

Evan J. Wallach

State of Nevada)ss
County of Clark)

Evan J. Wallach, being first duly sworn deposes and states that:

1. The above stated facts are made by him of his own personal knowledge except for those matters stated upon information and belief, which he well and truly believes, and

2. That he is personally aware that the above stated Complaint is made under penalty of perjury, and subject to the provisions of Section 1001 of Title 18, United States Code.

E J Wallach
Evan J. Wallach

Subscribed and sworn to before me this 3rd day of September, 1986.

Lisa L. Willis
Notary Public

LISA L. WILLIS
Notary Public - State of Nevada
CLARK COUNTY
My Appointment Expires Apr. 5, 1989

2104036J161

Jim Santini
New Republican Leadership

NONPROFIT ORG.
U.S. Postage
PAID
Nevada Republican Party

Nevada Republican Party
421 Hill Street
Reno, Nevada 89501

9104036O162

Jim Santini: Real Accomplishment for Nevada

- **Member of Congress 1974-1982.**
- **Received Watchdog of the Treasury award on numerous occasions from the National Federation of Independent Business.**
- **Copper Club "Man of the Year" award, 1980: first public office holder to receive this award.**
- **Man of the Year award 1981: Travel Industry Association of America.**
- **Guardian of Small Business award National Federation of Independent Business, 1980.**
- Outstanding Congressional Leadership Award 1978: National Association of Counties.
- Chairman and Co-Founder, House of Representatives Travel and Tourism Caucus, 1980-1982.
- Chairman, House of Representatives Subcommittee on Mines and Mining, 1979-1982.
- Member, House Committee on Energy & Commerce, 1975-1982.
- Member, House Committee on Interior & Insular Affairs, 1975 – 1982.
- Member, National Strategic Materials and Minerals Program Advisory Committee. 1984-present.
- Member, Nevada Commission on Tourism, 1983-1986.
- Justice of the Peace, Las Vegas, Nevada 1970-1972.
- Public Defender, Clark County, Nevada 1968-1970: named one of three Outstanding Public Defenders in America 1969.
- Deputy District Attorney, Clark County Nevada 1966-1968.
- Owner/Lecturer "Nevada Bar Review" 1968-1973.
- Bachelor of Science Degree in Education, University of Nevada, Reno, 1959.
- Bachelor of Laws Degree, Hastings College of Law, University of California San Francisco, 1962.

Paid for by Nevada Republican Party

Leadership: A Nevada Tradition

Jim Santini will maintain the Nevada tradition of leadership and common-sense to work against liberal politicians more interested in bigger government than in solving our Nation's problems.

And that's good news for those of us who want to continue the reforms initiated by Ronald Reagan . . . like honest tax reform and real relief . . . a federal government that helps, not hurts, our efforts to build an educational system which teaches children the basics, and prepares them to meet the challenges of adulthood . . . a greater concern for the needs of our older neighbors who've worked hard to enjoy their retirement years . . . and a more sensible approach to environmental protection, economic development, and the fight against drugs and crime.

"Like President Reagan, I started out as a Democrat in the party of Franklin Roosevelt and Harry Truman. But with Democratic leaders like Jimmy Carter, Tip O'Neill, and Walter Mondale, a "spend more-tax more" policy emerged that put our country on the verge of collapse.

"I asserted my independence in 1981, joined a handful of others in bucking the Democratic power bosses and gave President Reagan the narrow margin he needed to restore our economy at home and our image abroad. It was a difficult decision—but it was right.

"I'll always maintain my independent spirit. And now, as a Republican, I can enjoy the support and commitment of those who share my desire to maintain a strong America and a healthy and flourishing Nevada."

Jim Santini

For more than 20 years Jim Santini has proven he'll stand up for our beliefs with vigor, courage and confidence.

And with everything at stake in this election year, we need that now, more than ever.

9104036016 3

21040360164

A good man. A great Senator!

For eight years, Jim Santini was Nevada's lone voice in the House of Representatives, earning an outstanding reputation of hard work and high accomplishment for the people of our state.

Jim Santini is in step with Nevada.

As our Congressman, Jim Santini was constantly on guard for the people who pay the taxes, who want big government out of their lives and away from their paychecks.

He fought for fair and lasting tax relief and an end to wasteful government spending. He helped make government tighten its belt when families had to tighten theirs.

But Jim Santini's tireless devotion to making government more responsive isn't surprising. He spent his entire life helping the working men and women who live in Nevada.

As a Deputy District Attorney in Clark County between 1963 and 1968 he investigated and prosecuted dangerous criminals. Later, he served as Justice of the Peace for Las Vegas and as a Clark County District Court Judge.

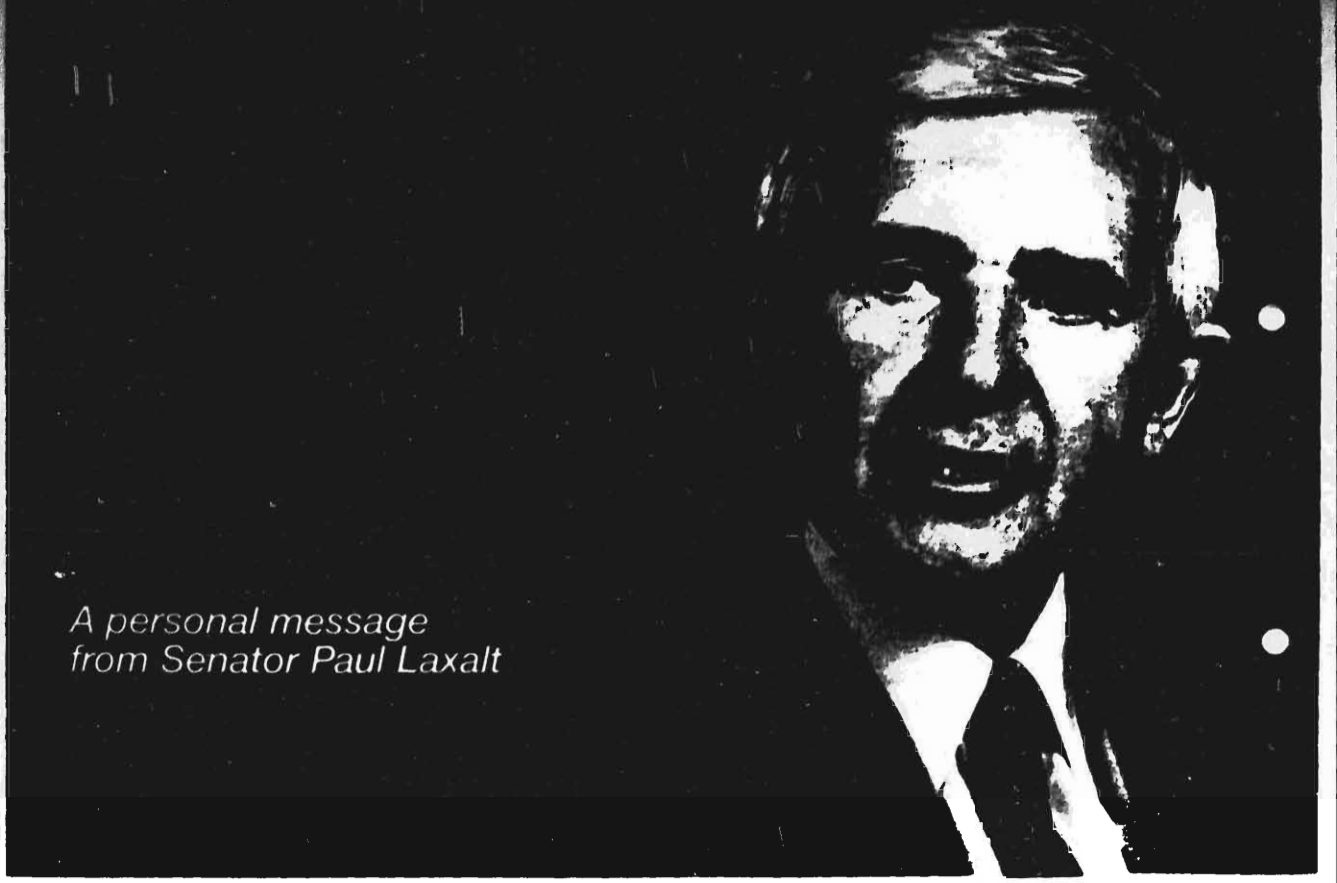
Then, in 1974, Jim Santini was elected to the United States Congress. An impressive record of real accomplishment followed.

That's why the National Federation of Independent Business awarded Jim Santini its "Watchdog of the Treasury" Award and that's why he received the "Outstanding Congressional Leadership" award from the National Association of Counties.

Jim Santini, One of us, for all of us. A proven fighter for Nevada. A good man. A great United States Senator.

Jim Santini

New Republican Leadership



2104036U165

Dear Friend,

This election year everything you and I have worked so hard for is threatened. Republicans could lose control of the Senate to the same kind of big government, big spending philosophy we experienced under Jimmy Carter and Walter Mondale. President Reagan's programs could be severely jeopardized.

But with vigorous new leaders like Jim Santini, I am convinced we will continue to expand our economic and moral recovery.

Jim Santini has long been a supporter of causes important to you and me. Now Jim has formally joined the Republican party. And that's important for Republicans who want a United States Senator with the leadership, experience and courage of conviction our Party needs.

I can tell you from personal experience, Jim Santini is a good and decent man . . . a man of high principle . . . a hard worker who has achieved great things for Nevada and America through his public service.

Jim Santini has the know-how, determination, and leadership that puts common sense and positive results above all else.

Jim Santini is exactly the kind of Republican we need to provide vision and forceful leadership for the 80's and beyond.

Paul Laxalt

Paul Laxalt
United States Senator

P.S. Please!! Do your part!
On September 2, go to the polls and join me in supporting Jim Santini.

perm

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 26, 1986

Mr. Evan J. Wallach
300 S. 4th Street, Suite 1700
Las Vegas, NV 89101

Dear Mr. Wallach:

This letter will acknowledge receipt of a complaint filed by you alleging possible violations of the Federal Election Campaign Act of 1971, as amended (the "Act"), by the Nevada Republican Party/Nevada Republican State Central Committee-Federal Account and Mr. Robert L. Seale as treasurer; Jim Santini For Senate committee and Mr. J. Glen Sanford as treasurer; and the National Republican Senatorial Committee and Mr. Rodney A. Smith as treasurer. The respondents will be notified of this complaint within five days.

You will be notified as soon as the Commission takes final action on your complaint. Should you receive any additional information in this matter, please forward it to this office. We suggest that this information be sworn to in the same manner as the original complaint. For your information, we have attached a brief description of the Commission's procedures for handling complaints. We have numbered this matter under review MUR 2233. Please refer to this number in all future correspondence. If you have any questions, please contact Retha Dixon at (202) 376-3110.

Sincerely,

Charles N. Steele
General Counsel

Lawrence M. Noble (FL)

By: Lawrence M. Noble
Deputy General Counsel

Enclosure

2104036016

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 26, 1986

Robert L. Seale, Treasurer
Nevada Republican Party/
Nevada Republican State Central Committee-Federal Account
421 Hill Street
Reno, NV 89501

Re: MUR 2233

Dear Mr. Seale:

The Federal Election Commission received a complaint which alleges that you, as treasurer, and the Nevada Republican Party/Nevada Republican State Central Committee-Federal Account may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2233. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you and the Nevada Republican Party/Nevada Republican State Central Committee-Federal Account in this matter. Your response must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

This matter will remain confidential in accordance with 2 U.S.C. §437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

2104036067

If you have any questions, please contact Eric Kleinfeld, the attorney assigned to this matter, at (202) 376-5690. For your information, we have attached a brief description of the Commission's procedure for handling complaints.

Sincerely,

Charles N. Steele
General Counsel

Lawrence M. Noble (by JJF)

By: Lawrence M. Noble
Deputy General Counsel

Enclosures
Complaint
Procedures
Designation of Counsel Statement

9104036018

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 26, 1986

Rodney A. Smith, Treasurer
National Republican Senatorial Committee
404 C Street, N.E.
Washington, DC 20002

Re: MUR 2233

Dear Mr. Smith:

The Federal Election Commission received a complaint which alleges that you, as treasurer, and the National Republican Senatorial Committee may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2233. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you and the National Republican Senatorial Committee in this matter. Your response must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

21040360169

If you have any questions, please contact Eric Kleinfeld, the attorney assigned to this matter, at (202) 376-5690. For your information, we have attached a brief description of the Commission's procedure for handling complaints.

Sincerely,

Charles N. Steele
General Counsel

Lawrence M Noble

By: Lawrence M. Noble
Deputy General Counsel

Enclosures
Complaint
Procedures
Designation of Counsel Statement

9104036017 0

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 26, 1986

Mr. J. Glen Sanford, Treasurer
Jim Santini For Senate
2750 S. Maryland Pkwy.
Las Vegas, NV 89109

Re: MUR 2233

Dear Mr. Sanford:

The Federal Election Commission received a complaint which alleges that you, as treasurer, and the Jim Santini For Senate committee may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2233. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you and the Jim Santini For Senate committee in this matter. Your response must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

9104086017 1

If you have any questions, please contact Eric Kleinfeld, the attorney assigned to this matter, at (202) 376-5690. For your information, we have attached a brief description of the Commission's procedure for handling complaints.

Sincerely,

Charles N. Steele
General Counsel

Lawrence M Noble (LMN)
By: Lawrence M. Noble
Deputy General Counsel

Enclosures
Complaint
Procedures
Designation of Counsel Statement

9104036017 2

GCC#1721

WILEY, REIN & FIELDING

1776 K STREET, N.W.

WASHINGTON, D.C. 20006

JAN W. BARAN
(202) 429-7330

October 10, 1986

RECEIVED
FEDERAL ELECTION COMMISSION
GENERAL COUNSEL
86 OCT 10 P3:51

9104036017 3

Charles N. Steele, Esquire
General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20006

Re: MUR 2233
Nevada Republican Party/Nevada Republican
State Central Committee--Federal Account
Robert L. Seale, as Treasurer

Attn: Eric Kleinfeld, Esq.

Dear Mr. Steele:

Enclosed please find the original signed Statement of Designation of Counsel designating me as counsel to the above party in this Matter Under Review ("MUR").

Pursuant to your letter of September 26, 1986, received October 1, 1986, I respectfully request a 20 day extension of time, until Wednesday, November 5, in which to file a response with the Commission in this MUR.

My client has indicated to me that the overwhelmingly press of activity at this point makes it impossible to adequately assist me in responding to this complaint in any shorter period of time. Accordingly, this extension is necessary to enable me to respond fully to the questions raised in this MUR.

Sincerely,

Jan W. Baran

Enclosure

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2233

NAME OF COUNSEL: JAN BARAN

ADDRESS: Wiley, Rein & Fielding
1776 K Street, N.W.
Washington, D.C. 20006

TELEPHONE: (202) 429-7330

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

October 2, 1986
Date

Robert L. Seale
Signature

RESPONDENT'S NAME: ROBERT L. SEALE
NEVADA REPUBLICAN PARTY

ADDRESS: 421 HILL ST.
RENO, NEVADA
89501

HOME PHONE:

BUSINESS PHONE: 702/786-9960

9104036U174

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 15, 1986

Jan W. Baran, Esquire
Wiley, Rein & Fielding
1776 K Street, N.W.
Washington, D.C. 20006

Re: MUR 2233
Nevada Republican Party
Nevada Republican State
Central Committee - federal
account
Robert L. Seale, treasurer

Dear Mr. Baran:

This is in response to your letter dated October 10, 1986, in which you request a twenty day extension to respond to the allegations against your clients.

I have reviewed your request and agreed to the requested extension. Accordingly, your response is due no later than November 5, 1986. If you have any questions, please contact Eric Kleinfeld, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Charles N. Steele
General Counsel

By: Lawrence M. Noble
Deputy General Counsel

9104086017 5

JOHN HEINZ
CHAIRMAN
TOM GRISCOM
EXECUTIVE DIRECTOR

National Republican Senatorial Committee

GCC 17560
RECEIVED AT THE FEC
HAND DELIVERED
86 OCT 16 P1:44

15 October 1986

Charles N. Steele, Esq.
General Counsel
Federal Election Commission
999 E Street, NW
Washington, D.C. 20463

86 OCT 17 A10:28
RECEIVED
GENERAL COUNSEL
FEC

Re: MUR 2233

Dear Mr. Steele:

This letter is submitted by the National Republican Senatorial Committee ("NRSC") pursuant to 2 U.S.C. Sec. 437(a)(1) in response to a letter filed with the Federal Election Commission by Mr. Evan Wallach, received in this office October 2, 1986 ("Wallach letter"). Mr. Wallach's letter alleges that the Federal Election Campaign Act ("the Act") has been violated in connection with a mailing produced by the Nevada Republican Party.

It is unclear from the letter what conduct, if any, by NRSC in connection with this mailing ostensibly violated the Act. The only specific allegation made in the letter is that the subject mailing constitutes a contribution by the Nevada Republican Party to the Santini for Senate campaign in excess of applicable limits. Both the return address and the bulk mail indicia state that the mailing was sent by the Nevada Republican Party. The only apparent connection between this mailing and NRSC is the complainant's vague assertion that "the only possible source of this contribution is the Rebublican [sic] Senatorial Campaign Committee", by which it is assumed complainant means NRSC. Wallach letter, p.1.

However, no evidence is submitted that the NRSC produced or sponsored the mailing. In fact, it did not. NRSC is thus not in a position, nor is it the proper party, to respond to issues raised in connection with this mailing.

NRSC has from time to time transferred monies to various state parties, including the Nevada Republican Party, pursuant to 2 U.S.C. Sec. 441a(a)(4). Funds so transferred between political party committees are exempt from limitation under the Act. Id. At no time have funds so transferred to the Nevada Republican Party been designated to pay any particular expense in connection with a federal election; rather, all such transfers have been made unconditionally, for use by the state party at its discretion in connection with its lawful operations. All such transfers have been fully and properly reported on the NRSC's regularly filed FEC reports.

2 1 0 4 0 3 6 0 1 7 6

440 First Street, N.W. • Suite 600 • Washington, D.C. 20001 • (202) 347-0202 • (202) 224-2351

Paid for and authorized by the National Republican Senatorial Committee.

The only other reference to NRSC in the Wallach letter alleges an "undisguised agreement" constituting a criminal conspiracy on the part of the Santini Campaign, the Nevada Republican Party, and NRSC. Mr. Wallach suggests that a federal criminal complaint may be in order. Leaving aside the fact that no evidence is adduced to support this vehement, if imprecise, accusation, NRSC respectfully suggests that the Federal Election Commission has primary jurisdiction over alleged violations of the election law and is competent to exercise it.

NRSC respectfully urges that the Commission find no reason to believe that NRSC has violated the Act in this matter.

Sincerely,

James Kevin Wholey

James Kevin Wholey
Legal Counsel
National Republican Senatorial Committee

cc: Commissioners Aikens
Josefiak
Elliott
McGarry
McDonald
Thomas

21040360177

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2233

NAME OF COUNSEL: James Kevin Wholey

ADDRESS: National Republican Senatorial Committee
440 First Street, NW, Suite 600
Washington, D.C. 20001

TELEPHONE: 202-347-0202

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

10/15/86
Date

Rodney N. Smith
Signature

RESPONDENT'S NAME: _____

ADDRESS: _____

_____

_____

HOME PHONE: _____

BUSINESS PHONE: _____

2104036017 8

FEC
86 SEP 30 P1:54

September 26, 1986
300 So. 4th St. Ste. 1700
Las Vegas, Nevada 89101

Charles N. Steele, Esq.
Federal Election Commission
999 East Street
Washington, D.C. 20463

Dear Mr. Steele:

I am writing this letter as an additional formal Complaint to the Federal Election Commission regarding the enclosed document (hereinafter referred to as "the Campaign Literature") which was mailed by the Nevada Republican Party, apparently to every registered voter in the State, on or about September 24, 1986. This Complaint is not a supplement to my prior Complaint of Sept.3, 1986.

The contents of the Campaign Literature beyond question make it a contribution by the Nevada Republican Party to the Campaign of James Santini for the United States Senate pursuant to 11 CFR 100.7. The Nevada Republican Party's prior filings make it clear that the only possible source of this contribution is the Rebublican Senatorial Campaign Committee.

I am aware that the FEC has made inquiry of the Nevada Republican Party regarding previous mailings and other contributions to the Santini Campaign which, on their face, exceed permissible contribution limits. Given the pattern of contributions and other violations emerging in this Campaign there is no question that it is the intention of the Republican Party to pour money into this Senate Race, and deal with any consequences at a later date.

I do not know what the FEC can do, if anything, on an immediate basis to curtail such conduct. As an attorney, I have a great deal of faith in the ultimate power of the Justice System to deal with disregard of the rules of fair play; I have less faith in the system's ability to function in an expeditious fashion when faced with a situation for which the ultimate remedies provide no equitable solution. I have no idea if the FEC has ever sought injunctive relief against a Committee or Committees, or even if it has the power to attempt such a course of action, but would urge it to at least consider that relief.

In any case, given what can only be regarded as an undisguised agreement on the part of the Santini Committee, the Nevada State Republican Party Committee, and the Republican National Senatorial Campaign Committee, to violate Federal

21040360179

Election Laws and obtain and illegally transfer monies using the United States Mails , I believe a federal criminal conspiracy Complaint may be the appropriate remedy at this point in time.

I would appreciate it if you would take whatever action you can to immediately rectify this situation, and in any case, if you would ultimately pursue all available remedies to the fullest extent of the law.

If I may provide any further information or be of any assistance in your investigation, please do not hesitate to contact me. Would you be so kind as to send me a file stamped copy of this Complaint, after it has been filed.

Sincerely,

E Wallach

Evan J. Wallach

State of Nevada)ss
County of Clark)

Evan J. Wallach, being first duly sworn deposes and states that:

1. The above stated facts are made by him of his own personal knowledge except for those matters stated upon information and belief, which he well and truly believes, and

2. That he is personally aware that the above stated Complaint is made under penalty of perjury, and subject to the provisions of Section 1001 of Title 18, United States Code.

E Wallach
Evan J. Wallach

Subscribed and sworn to before me this 26th day of September, 1986.

Lisa L. Willis
Notary Public

LISA L. WILLIS
Notary Public - State of Nevada
CLARK COUNTY
My Appointment Expires Apr. 5, 1989

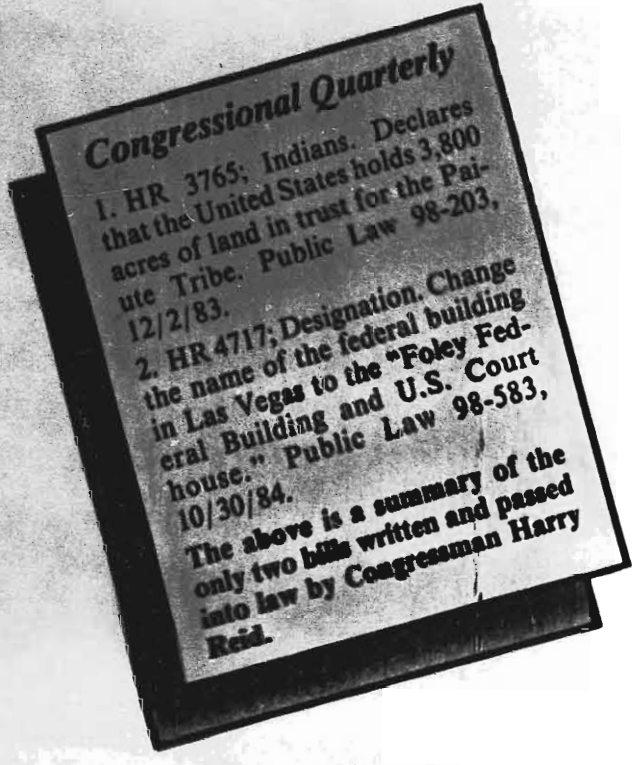
2104036J180

Paid for by the Republican State Central Committee of Nevada
421 Hill Street, Reno, Nevada 89501
Authorized by Jim Santini for United States Senate
2750 S. Maryland Parkway
Las Vegas, Nevada 89109

NON-P
U.S. Postage
PAID
Nevada Republican Party

One word describes Harry Reid's record of accomplishment...

SHORT



91040360182

Only two laws...

That's right. According to official public records, since his election to Congress, Harry Reid has written only two bills that became law.

Neither of Harry Reid's new laws created jobs for Nevadans.

Neither cut wasteful spending.

Neither reduced taxes . . . or improved education . . . or helped senior citizens.

It's not that Harry Reid has a bad record. It's just that he doesn't have much of any record at all.

So while Harry Reid wasn't working for Nevada, what was he doing?

Again, official records show that in 1983, his first year in Congress, Harry Reid visited 6 foreign countries at taxpayer expense.

Harry Reid traveled to Israel, Saudi Arabia, Japan, China, Singapore and Taiwan.

Then Harry Reid sent his travel bills to us, the taxpayers. Over $14,000 in bills.

In 1985, Harry Reid visited 10 more foreign countries—Portugal, Belgium, Israel, Denmark, Russia, Austria, Ireland, Switzerland, Italy and Yugoslavia.

And again Harry Reid billed us taxpayers. That time, nearly $15,000.

Of course, Harry Reid casts a lot of votes in Congress too.

Like his vote against allowing Congress to debate the Balanced Budget amendment.

Like his vote to raise taxes by placing a $720 limit on the 10% income tax cut in 1983.

And like his votes against President Reagan and his votes in support of Tip O'Neill.

In fact, official voting records say Harry Reid has opposed President Reagan 60% of the time. And he's supported Tip O'Neill and the liberals in Congress an average of 85% of the time.

So, that's Harry Reid. And that's Harry Reid's record. The long and the short of it.

Source: Congressional Quarterly. 1414 22nd Street, N.W.; Washington, D.C. 20037-9982

9 1 0 4 0 8 6 1 8 3

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 7, 1986

Mr. Evan J. Wallach
300 S. 4th Street, Suite 1700
Las Vegas, NV 89101

9104036J184

Dear Mr. Wallach:

This letter will acknowledge receipt of a complaint filed by you which we received on September 30, 1986, alleging possible violations of the Federal Election Campaign Act of 1971, as amended (the "Act"), by the Nevada Republican Party/Nevada Republican State Central Committee-Federal Account and Mr. Robert L. Seale as treasurer, Jim Santini For Senate and Mr. J. Glen Sanford as treasurer, and the National Republican Senatorial Committee and Mr. Rodney A. Smith as treasurer. The respondents will be notified of this complaint within five days.

You will be notified as soon as the Commission takes final action on your complaint. Should you receive any additional information in this matter, please forward it to this office. We suggest that this information be sworn to in the same manner as the original complaint. For your information, we have attached a brief description of the Commission's procedures for handling complaints. We have numbered this matter MUR 2259. Please refer to this number in all future correspondence. If you have any questions, please contact Retha Dixon at (202) 376-3110.

Sincerely,

Charles N. Steele
General Counsel

By: Lawrence M. Noble
Deputy General Counsel

Enclosure

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 7, 1986

J. Glen Sanford, Treasurer
Jim Santini For Senate
2750 S. Maryland Pkwy.
Las Vegas, NV 89109

Re: MUR 2259

Dear Mr. Sanford:

The Federal Election Commission received a complaint which alleges that Jim Santini For Senate and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2259. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you and Jim Santini For Senate in this matter. Your response must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

This matter will remain confidential in accordance with 2 U.S.C. §437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

9104036U185

If you have any questions, please contact Eric Kleinfeld, the attorney assigned to this matter, at (202) 376-5690. For your information, we have attached a brief description of the Commission's procedure for handling complaints.

Sincerely,

Charles N. Steele
General Counsel

By: Lawrence M. Noble
Deputy General Counsel

Enclosures
Complaint
Procedures
Designation of Counsel Statement

9104036U186

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 7, 1986

Rodney A. Smith, Treasurer
National Republican Senatorial Committee
404 C Street, N.E.
Washington, DC 20002

Re: MUR 2259

Dear Mr. Smith:

The Federal Election Commission received a complaint which alleges that the National Republican Senatorial Committee and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2259. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you and the National Republican Senatorial Committee in this matter. Your response must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

9104036U187

If you have any questions, please contact Eric Kleinfeld, the attorney assigned to this matter, at (202) 376-5690. For your information, we have attached a brief description of the Commission's procedure for handling complaints.

Sincerely,

Charles N. Steele
General Counsel

By: Lawrence M. Noble
Deputy General Counsel

Enclosures
Complaint
Procedures
Designation of Counsel Statement

9104036018 8

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 7, 1986

Robert L. Seale, Treasurer
Nevada Republican Party/
Nevada Republican State Central Committee-Federal Account
421 Hill Street
Reno, NV 89501

Re: MUR 2259

Dear Mr. Seale:

The Federal Election Commission received a complaint which alleges that the Nevada Republican Party/Nevada Republican State Central Committee-Federal Account and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2259. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you and the Nevada Republican Party/Nevada Republican State Central Committee-Federal Account in this matter. Your response must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

2 1 0 4 0 3 6 0 1 8 9

If you have any questions, please contact Eric Kleinfeld, the attorney assigned to this matter, at (202) 376-5690. For your information, we have attached a brief description of the Commission's procedure for handling complaints.

Sincerely,

Charles N. Steele
General Counsel

By: Lawrence M. Noble
Deputy General Counsel

Enclosures
Complaint
Procedures
Designation of Counsel Statement

9104086019O

RECEIVED BY THE FEC
86 OCT 20 AM 11:19

WILEY, REIN & FIELDING

1776 K STREET, N.W.
WASHINGTON, D.C. 20006

JAN W. BARAN
(202) 429-7330

October 15, 1986

86 OCT 21 P4:28
GENERAL COUNSEL

Charles N. Steele, Esquire
General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20006

Re: MURs 2231, 2233, 2259
Nevada Republican Party/Nevada Republican
State Central Committee--Federal Account
Jim Santini for Senate Committee,
J. Glen Sanford, as Treasurer

Attn: Eric Kleinfeld, Esq.

Dear Mr. Steele:

Enclosed please find a statement signed by the Treasurer of the Nevada Republican Party/Nevada Republican State Central Committee designating me as Counsel in MUR 2259. An additional designation of Counsel statement, signed by J. Glen Sanford and authorizing me to act as Counsel on behalf of the Jim Santini for Senate Committee in MUR 2259, will be filed with the Commission as soon as I receive it from my client.

Pursuant to your letter of October 7, 1986, I hereby request a twenty-day extension of time, until Thursday, November 13, 1986, in which to file a response on behalf of my clients in this MUR.

My clients' current overwhelming involvement in political activities makes it difficult for me to consult with them, and prepare a full and adequate response to the issues raised in the Complaint, in any shorter period of time.

21040861191

MURs 2259, 2231 and 2233 all concern allegations of excessive campaign spending by my clients in connection with the election in Nevada for the United States Senate. The issues in all three of these MURs are interwoven, and the complaints in MURs 2233 and 2259 are nearly identical. The most efficient way to assemble and convey the information and facts which will be necessary for me to respond fully to these three complaints, and which the Commission will need to adequately resolve these MURs, would be for me to respond to all three inter-related MURs at one time.

Therefore, I respectfully request that the Commission allow me to respond to MURs 2231, 2233 and 2259 at the same time, by Thursday, November 13, 1986. This will enable me to prepare a comprehensive reply to the issues raised in these MURs, and allow the Commission to consider these matters at one time.

Sincerely,

Jan W. Baran

Enclosure

2104036019 2

[redacted]

MUR 2259

[redacted]: Jan W. Baran

[redacted]: 1776 K Street, N.W.
Washington, D.C. 20006

[redacted]: (202)429-7330

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

October 10, 1986
Date

Robert L. Seale
Signature

[redacted]'S NAME: Nevada Republican Party

[redacted]:

[redacted]:

[redacted]:

9104086U193

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 23, 1986

Jan W. Baran, Esquire
Wiley, Rein & Fielding
1776 K Street, N.W.
Washington, D.C. 20006

Re: MUR 2259
Nevada Republican Party/Nevada Republican State Central Committee and Robert L. Seale, treasurer

Dear Mr. Baran:

This is in response to your letter dated October 15, 1986, in which you request an extension of time until November 13, 1986 to respond to the complaint in the above-captioned matter.

I have reviewed your request and agree to the requested extension. Accordingly, your response is due no later that November 13, 1986. If you have any questions, please contact Eric Kleinfeld, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Charles N. Steele
General Counsel

By: Lawrence M. Noble
Deputy General Counsel

9104036J194

SENSITIVE

RECEIVED
OFFICE OF THE FEC
COMMISSION SECRETARY

86 OCT 24 P12:53

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 23, 1986

MEMORANDUM

TO: The Commission

FROM: Charles N. Steele
General Counsel

By: Lawrence M. Noble
Deputy General Counsel

SUBJECT: Request for Extension
MURs 2231 and 2233
Nevada Republican Party/Nevada Republican State Central Committee - federal account
Robert L. Seale, treasurer
Jim Santini for Senate Committee
J. Glen Sanford, treasurer

By letter dated October 15, 1986, the above-captioned respondents requested an extension until November 13, 1986, to respond to the complaints in MURs 2231 and 2233. See Attachment. The letter explains that this extension is necessary due to the interrelatedness of the issues in these MURs with those in MUR 2259.

The Office of General Counsel recommends that the Commission grant the requested extension.

Recommendations

The Office of General Counsel recommends that the Commission:

1. Grant the Nevada Republican Party/Nevada Republican State Central Committee - federal account and Robert L. Seale, as treasurer, and the Jim Santini for Senate Committee and J. Glen Sanford, as treasurer, their requested extension until November 13, 1986.

2. Approve the attached letter.

Attachments

1. Request for extension
2. Letter

9104086019 5

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES N. STEELE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/CHERYL A. FLEMING

DATE: OCTOBER 29, 1986

SUBJECT: OBJECTION TO MURs 2231 & 2233:
MEMORANDUM TO THE COMMISSION
DATED OCTOBER 23, 1986

The above-captioned document was circulated to the Commission on Monday, October 27, 1986 at 11:00 A.M.

Objections have been received from the Commissioners as indicated by the name(s) checked:

Commissioner Aikens _____
Commissioner Elliott _____
Commissioner Josefiak _____
Commissioner McDonald _____
Commissioner McGarry _____
Commissioner Thomas X

This matter will be placed on the Executive Session agenda for Tuesday, November 4, 1986.

2104036096

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RECEIVED
FEC
SECRETARY

86 OCT 31 P5:29

October 31, 1986

MEMORANDUM

TO: Marjorie W. Emmons
Commission Secretary

FROM: Scott E. Thomas
Commissioner

SUBJECT: Withdrawal of objection

Please withdraw the objection I submitted regarding the General Counsel's Memorandum dated October 23, 1986, in MURs 2231 and 2233. I approve the recommendations.

cc: Commissioners

9104036019 97

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Nevada Republican Party/Nevada Republican State Central Committee - federal account Robert L. Seale, treasurer	)	MURs 2231 and 2233
Jim Santini for Senate Committee J. Glen Sanford, treasurer	)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of November 4, 1986, do hereby certify that the Commission decided by a vote of 6-0 to take the following actions in the above-captioned matters:

1. Grant the Nevada Republican Party/Nevada Republican State Central Committee - federal account and Robert L. Seale, as treasurer, and the Jim Santini for Senate Committee and J. Glen Sanford, as treasurer, their requested extension until November 13, 1986.

2. Approve the letter attached to the General Counsel's report dated October 23, 1986.

Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision.

Attest:

11-5-86
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

9104036019 8

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 12, 1986

Jan W. Baran, Esquire
Wiley, Rein & Fielding
1776 K Street, N.W.
Washington, D.C. 20006

Re: MURs 2231 and 2233
Nevada Republican Party/
Nevada Republican State
Central Committee and
Robert L. Seale, treasurer
Jim Santini for Senate
Committee and J. Glen Sanford,
treasurer

Dear Mr. Baran:

This is in reference to your letter dated October 15, 1986, requesting an extension until November 13, 1986 to respond to the complaints in the above-captioned matters. After considering the circumstances presented in your letter, the Commission has determined to grant you your requested extension. Accordingly, your response will be due no later than November 13, 1986.

If you have any questions, please call Eric Kleinfeld, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Charles N. Steele
General Counsel

By: Lawrence M. Noble
Deputy General Counsel

2104036019 9

EPSTEIN BECKER BORSODY & GREEN, P.C.
ATTORNEYS AT LAW
1140 19TH STREET, N.W.
WASHINGTON, D.C. 20036-6601*
(202) 861-0900
TELEX 756-260

250 PARK AVENUE
NEW YORK, NEW YORK 10177-0077*
(212) 370-9800
TELEX 6101006171

108 NORTH ST. ASAPH STREET
ALEXANDRIA, VIRGINIA 22314*
(703) 684-1804

201 MAIN STREET
FORT WORTH, TEXAS 76102-3105
(817) 334-0701

FOUR EMBARCADERO
SAN FRANCISCO, CALIFORNIA 94111-5994
(415) 398-5565

1875 CENTURY PARK EAST
LOS ANGELES, CALIFORNIA 90067-2501
(213) 556-8861

515 EAST PARK AVENUE
TALLAHASSEE, FLORIDA 32301-2524
(904) 681-0598

*P.C. NEW YORK, WASHINGTON, D.C. AND VIRGINIA ONLY

HAND DELIVERED

86 OCT 23 A 8:44

October 21, 1986

86 OCT 23 P 4:04

Charles N. Steele, Esquire
General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 2259

Dear Mr. Steele:

We are the attorneys for the National Republican Senatorial Committee ("NRSC"), and hereby respond on behalf of the NRSC to your October 7, 1986 letter to Rodney A. Smith, the NRSC's Treasurer, concerning the complaint of Mr. Evan J. Wallach contained in his letter to you of September 26, 1986. This complaint is essentially the same as that addressed in MUR 2233, as to which the NRSC responded through the October 15, 1986 letter of its staff Legal Counsel, James Kevin Wholey, Esquire.

Although Mr. Wallach's most recent complaint addresses an additional mailing produced by the Nevada Republican Party, his argument is identical to that which he made as to MUR 2233. The NRSC's response to MUR 2233, therefore, is sufficient to serve as its response to the instant MUR 2259, and so we invite the Commission's attention to that response, which we incorporate by reference herein.

We also note that Mr. Wallach again submits no evidence that the NRSC produced or sponsored the September 24, 1986 mailing about which he now complains. Once again, it did not. We thus reiterate that NRSC is not a proper party to this matter

2104036U200

and ask that the Commission find no reason to believe that the NRSC has violated the Federal Election Campaign Act.

Yours very truly,

Stuart M. Gerson

Stuart M. Gerson

cc: Commissioners Aikens
Elliott
Josefiak
McDonald
McGarry
Thomas
Rodney A. Smith

2104036020 1

RECEIVED AT THE FEC
GCC#2020
86 NOV 17 A9:35

WILEY, REIN & FIELDING

1776 K STREET, N.W.
WASHINGTON, D. C. 20006

JAN W. BARAN
(202) 429-7330

November 10, 1986

RECEIVED
OFFICE OF THE
GENERAL COUNSEL
86 NOV 10 A11:09

Charles N. Steele, Esquire
General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20006

Re: MUR 2233
MUR 2259

Attn: Eric Kleinfeld, Esq.

Dear Mr. Steele:

Pursuant to my letter to you of October 15, 1986, enclosed please find Designation of Counsel Statements signed by J. Glen Sanford authorizing me to act as counsel on behalf of the Santini for Senate Committee in the above-referenced MURs.

Sincerely,

Jan W. Baran

Enclosures

2104036020 2

STATEMENT OF DESIGNATION OF COUNSEL

FEC 2233

NAME OF COUNSEL: Jan W. Baran

ADDRESS: Wiley, Rein & Fielding
1776 K Street, N.W.
Washington, D.C. 20006

TELEPHONE: (202) 429-7330

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

10/24/86
Date

J. Glen Sanford
Signature

RESPONDENT'S NAME: Jim Santini for Senate Committee
J. Glen Sanford, Treasurer

ADDRESS: 2750 South Maryland Parkway
Las Vegas, Nevada 89109

HOME PHONE:

BUSINESS PHONE:

9104086U203

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2259

NAME OF COUNSEL: Jan W. Baran

ADDRESS: Wiley, Rein & Fielding
1776 K Street, N.W.
Washington, D.C. 20006

TELEPHONE: (202) 429-7330

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

Date 10/24/86

Signature J. Glen Sanford

RESPONDENT'S NAME: Jim Santini for Senate Committee

ADDRESS: J. Glen Sanford, Treasurer
2750 South Maryland Parkway
Las Vegas, Nevada 89109

HOME PHONE:

BUSINESS PHONE:

21040860204

GCC#1745
RECEIVED AT THE FEC
86 OCT 20 P2:57

October 13, 1986
300 So. 4th St. Ste. 1700
Las Vegas, Nevada 89101

86 OCT 21 P4:25

Charles N. Steele, Esq.
Federal Election Commission
999 East Street
Washington, D.C. 20463

Dear Mr. Steele:

I am writing this letter as an additional formal Complaint to the Federal Election Commission regarding the enclosed documents (hereinafter referred to collectively as "the Campaign Literature") which were mailed by the Nevada Republican Party, apparently to every registered voter in the State, on or about October, 9, 1986. This Complaint is not a supplement to my prior Complaints of Sept.3, 1986, and September 26, 1986.

The contents of the Campaign Literature beyond question make it a contribution by the Nevada Republican Party to the Campaign of James Santini for the United States Senate pursuant to 11 CFR 100.7. The Nevada Republican Party's prior filings make it clear that the only possible source of this contribution is the Rebublican Senatorial Campaign Committee, or other unknown Committees.

I am aware that the FEC has made inquiry of the Nevada Republican Party regarding previous mailings and other contributions to the Santini Campaign which, on their face, exceed permissible contribution limits. Given the pattern of contributions and other violations emerging in this Campaign there is no question that it is the intention of the Republican Party to pour money into this Senate Race, and deal with any consequences at a later date.

Furthermore, I have no doubt that the content of the campaign literature was specifically directed and provided by the Santini Campaign and its media consultant Sig Rogich of R&R Advertising. I believe such direction was provided with specific knowledge, agreement and intent that the actions above-discussed would constitute a violation of federal election laws, and that James Santini, his Campaign Manager Acel Robison, and Sig Rogich along with the Committee Treasurers of the Santini For Senate Committee, the Nevada State Republican Party/Nevada State Central Committee-Federal Account, and the National Republican Senatorial Campaign Committee, agreed to commit both unlawful acts, and lawful acts in an unlawful manner. I believe that the series of materials previously provided in my earlier Complaints, as well as the campaign literature attached hereto, demonstrate a prima

21040360205

facie case of criminal conspiracy to avoid contribution limits imposed by federal law on the Nevada State Republican Party/Nevada State Campaign Committee-Federal Account.

Accordingly, I hereby request that you make inquiry regarding the above-stated violations in the following manner:

a) I request that you subpoena and depose the following individuals and entities:

1) James Santini
2) Acel Robison
3) Robert L. Seale
4) J. Glen Sanford
5) Sig Rogich
6) Custodian of Records for:
   i) Santini For Senate Campaign
   ii) Nevada Republican Party Federal Account
   iii) National Republican Senatorial Campaign Committee
   iv) R&R Advertising
   v) Printers which printed the campaign literature
   vi) Banks where the above entities maintain accounts

In deposing those individuals and entities, I request that you make inquiry regarding all payments and communications, and documentation regarding such payments and communications relating to expenses incurred in conceptualization, drafting, design, preparation, layout, printing, proof-reading, mailing and distribution of the campaign literature discussed in this Complaint and in my previous Complaints.

b) I also request that you propound Requests For Production of Documents to the above named persons and entities who have been named as Defendants herein, seeking production of the above discussed documents.

I would appreciate it if you would take whatever action you can to immediately rectify this situation, and in any case, if you would ultimately pursue all available remedies to the fullest extent of the law.

/////
/////
/////

9 1 5 4 0 3 6 0 2 0 6

If I may provide any further information or be of any assistance in your investigation, please do not hesitate to contact me. Would you be so kind as to send me a file stamped copy of this Complaint, after it has been filed.

Sincerely,

E J Wallach

Evan J. Wallach

State of Nevada)ss
County of Clark)

Evan J. Wallach, being first duly sworn deposes and states that:

1. The above stated facts are made by him of his own personal knowledge except for those matters stated upon information and belief, which he well and truly believes, and

2. That he is personally aware that the above stated Complaint is made under penalty of perjury, and subject to the provisions of Section 1001 of Title 18, United States Code.

E J Wallach
Evan J. Wallach

Subscribed and sworn to before me this 13th day of October, 1986.

Lisa L. Willis
Notary Public

LISA L. WILLIS
Notary Public-State of Nevada
CLARK COUNTY
My Appointment Expires [illegible]

9104036020 7

Paid for by the Nevada Republican Party,
421 Hill Street, Reno NV 89501

9104086U208

Permit Holder:
Nevada Republican Party
421 Hill Street
Reno, Nevada 89501

******** CAR-RT SORT ** CR26

MR EVAN J WALLACH
5700 AVENIDA SILLA
LAS VEGAS, NV 89108

NON-PROFIT ORG.
U.S. Postage
PAID
Nevada Republican Party

WORLD CLASS SPENDERS

Six years ago Jimmy Carter and Walter Mondale controlled the White House. Tip O'Neill the House of Representatives. And Ted Kennedy and his friends the U.S. Senate. But they lost control and now, they want it back. Harry Reid is their candidate for Senate. And Nevada is their first step.

When first elected to Congress, Harry Reid promised moderate representation, independent from the political bosses and powerful special interests.

Now, Harry Reid is a candidate for United States Senate. And again, he promises moderate, independent representation.

But Harry Reid's record shows that he is a lot better at making promises than he is at keeping them.

Harry Reid, Tip O'Neill and Walter Mondale: raise taxes, increase spending

According to The Congressional Quarterly, Harry Reid has voted more than 8 out of 10 times with liberal Speaker of the House, Tip O'Neill.

And he's voted 60% of the time against President Reagan.

When Ronald Reagan tried to cut your taxes and bring runaway spending under control, Harry Reid fought the President and ridiculed his efforts.

Instead, he worked for Walter Mondale's campaign for President and supported Mondale's formula of higher taxes and increased spending.

In 1983, Harry Reid voted to raise our taxes by putting a $720 lid on the ten percent tax cut that took effect that year.

And one year later, Harry Reid joined Tip O'Neill and voted for the biggest tax increase in history — over $47 Billion in new taxes.

Against line-item veto and balanced budget

Harry Reid wants you to believe he is a fiscal conservative. But what he doesn't mention is that each year he has voted to increase spending — and the national debt — by Billions of dollars.

Now, rather than own up to his share of the blame for the federal deficit, Harry Reid blames President Reagan.

Even though Harry Reid voted against giving the President the ability to cut spending with the line-item veto.

And even though Harry Reid voted against an Amendment that would have forced Congress to balance the federal budget.

How to get ahead: put yourself first, and taxpayers last

Worst of all, while Harry Reid is voting to take more of your money away in higher taxes, he has refused to cut any of the tax money he spends on himself.

He voted against cutting his own expense account by 10% . . .

and against reducing the money he and his fellow Congressmen spend on their political mailings.

Harry Reid even voted against cutting back on the number of public employees who operate the automatic elevators in his Congressional office building.

Harry Reid: Congress' 40th biggest spender

In fact, in 1985, only 39 out of 435 other Congressmen have voted to spend more money than Harry Reid.

According to the National Taxpayers Union, Harry Reid has voted with the Taxpayers and the working men and women of America fewer than 3 out of 10 times.

One reason they've named Reid a "Big Spender" every single year he has been in Congress.

Now, Ted Kennedy is working to elect Harry Reid to the Senate — and has already contributed $10,000 to Reid's campaign.

Ted Kennedy knows, just like Tip O'Neill, that he can count on Harry Reid to support his big spending programs and the higher taxes to pay for them.

Harry Reid has not kept his word on taxes and spending. And he has not been honest with us on other important issues.

It's an old story. Tell the voters what they want to hear, but once elected, put your own political ambition first.

That's how a politician gets ahead.

On November 4th let's make it our turn to get ahead. Vote NO on Harry Reid and his political promises.

9 1 0 4 0 3 6 0 2 0 9

21040860210

Permit Holder:
Nevada Republican Party
421 Hill Street
Reno, Nevada 89501

CAR-RT SORT ** CR26

MR EVAN J MALLACH
9700 AVENIDA SELLA
LAS VEGAS, NV 89108

NON-PROFIT ORG.
U.S. Postage
PAID
Republican Party

All about money...

YOUR MONEY!

Here are six things you should know about Harry Reid's record before you vote.

1. **In 1984, Harry Reid voted for the biggest tax hike in history — 47 Billion Dollars.**

Congressional Quarterly, 1984
H.C.R. 280 CQ63

2. **His first year in Congress, 1983, Harry Reid voted to raise our taxes by placing a $720 lid on President Reagan's ten percent tax cut.**

Congressional Quarterly, 1983
H.R. 1183 CQ207

3. **Harry Reid opposed legislation that would have forced Congress to balance the Federal Budget.**

Congressional Quarterly, 1984
H.R. 2848 CQ384

4. **Harry Reid voted with House Speaker Tip O'Neill more than 8 times out of 10 times. He opposed President Reagan 60% of the time.**

Congressional Quarterly, 1983, 1984, 1985

5. According to the non-partisan National Taxpayers Union, only 39 out of all 435 members of Congress voted to spend more tax money than Harry Reid during the last three years. They have named Harry Reid one of Congress' "Big Spenders" every year since his election.

6. House Speaker Tip O'Neill and Senator Ted Kennedy are working hard to elect Harry Reid. Kennedy has already contributed $10,000 to Harry Reid's campaign.

FEC, June 28, 1986

On November 4th, say no to the politics of tax more—spend more... say no to Harry Reid.

9104036021 1

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 23, 1986

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Evan J. Wallach
300 S. 4th Street
Suite 1700
Las Vegas, NV 89101

RE: MUR 2270

Dear Mr. Wallach:

This letter is to acknowledge receipt of your complaint of October 21, 1986, against the Nevada Republican Party/Nevada Republican State Central Committee - Federal Account and Mr. Robert L. Seale as treasurer, Jim Santini For Senate and Mr. J. Glen Sanford as treasurer, and the National Republican Senatorial Committee and Mr. Rodney A. Smith as treasurer, which alleges violations of the Federal Election Campaign laws. A staff member has been assigned to analyze your allegations. The respondents will be notified of this complaint within 24 hours. You will be notified as soon as the Commission takes final action on your complaint. Should you have or receive any additional information in this matter, please forward it to this office. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Please be advised that this matter shall remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless the respondents notify the Commission in writing that they wish the matter to be made public.

Sincerely,

Charles N. Steele
General Counsel

By: Lawrence M. Noble
Deputy General Counsel

Enclosure

2150860212

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 23, 1986

SPECIAL DELIVERY
RETURN RECEIPT REQUESTED

National Republican Senatorial Committee
Rodney A. Smith, Treasurer
404 C Street, NE
Washington, DC 20002

RE: MUR 2270

Gentlemen:

This letter is to notify you that on October 21, 1986, the Federal Election Commission received a complaint which alleges that the National Republican Senatorial Committee and you, as treasurer, have violated certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2270. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you and the National Republican Senatorial Committee in connection with this matter. You may respond to the allegations within 15 days of receipt of this letter. The complaint may be dismissed by the Commission prior to receipt of the response if the alleged violations are not under the jurisdiction of the Commission or if the evidence submitted does not indicate that a violation of the Act has been committed. Should the Commission dismiss the complaint, you will be notified by mailgram. If no response is filed within the 15 day statutory requirement, the Commission may take further action based on available information.

You are encouraged to respond to this notification promptly. In order to facilitate an expeditious response to this notification, we have enclosed a pre-addressed, postage paid, special delivery envelope.

Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

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This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission, in writing, that you wish the matter to be made public.

If you intend to be represented by counsel in this matter, please advise the Commission by sending a letter of representation stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notification and other communications from the Commission.

If you have any questions, please contact Robert Raich, the attorney assigned to this matter at (202) 376-8200.

Sincerely,

Charles N. Steele
General Counsel

By: Lawrence M. Noble
Deputy General Counsel

Enclosures
Complaint
Procedures
Envelope

2104036021 4

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 23, 1986

SPECIAL DELIVERY
RETURN RECEIPT REQUESTED

Nevada Republican Party
Nevada Republican State Central Committee - Federal Account
Robert L. Seale, Treasurer
PO Box 1888
Carson City, NV 89702

RE: MUR 2270

Gentlemen:

This letter is to notify you that on October 21, 1986, the Federal Election Commission received a complaint which alleges that the Nevada Republican Party/Nevada Republican State Central Committee - Federal Account and you, as treasurer, have violated certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2270. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against the Nevada Republican Party/Nevada Republican State Central Committee - Federal Account and you in connection with this matter. You may respond to the allegations within 15 days of receipt of this letter. The complaint may be dismissed by the Commission prior to receipt of the response if the alleged violations are not under the jurisdiction of the Commission or if the evidence submitted does not indicate that a violation of the Act has been committed. Should the Commission dismiss the complaint, you will be notified by mailgram. If no response is filed within the 15 day statutory requirement, the Commission may take further action based on available information.

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Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

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This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission, in writing, that you wish the matter to be made public.

If you intend to be represented by counsel in this matter, please advise the Commission by sending a letter of representation stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notification and other communications from the Commission.

If you have any questions, please contact Robert Raich, the staff attorney assigned to this matter at (202) 376-5690.

Sincerely,

Charles N. Steele
General Counsel

By: Lawrence M. Noble
Deputy General Counsel

Enclosures
Complaint
Procedures
Envelope

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 23, 1986

SPECIAL DELIVERY
RETURN RECEIPT REQUESTED

Jim Santini For Senate
J. Glen Sanford, Treasurer
2750 S. Maryland Pkwy.
Las Vegas, NV 89109

RE: MUR 2270

Dear Sir:

This letter is to notify you that on October 21, 1986, the Federal Election Commission received a complaint which alleges that Jim Santini For Senate and you, as treasurer, have violated certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 2270. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you and Jim Santini For Senate in connection with this matter. You may respond to the allegations within 15 days of receipt of this letter. The complaint may be dismissed by the Commission prior to receipt of the response if the alleged violations are not under the jurisdiction of the Commission or if the evidence submitted does not indicate that a violation of the Act has been committed. Should the Commission dismiss the complaint, you will be notified by mailgram. If no response is filed within the 15 day statutory requirement, the Commission may take further action based on available information.

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This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission, in writing, that you wish the matter to be made public.

If you intend to be represented by counsel in this matter, please advise the Commission by sending a letter of representation stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notification and other communications from the Commission.

If you have any questions, please contact Robert Raich, the staff attorney assigned to this matter at (202) 376-5690.

Sincerely,

Charles N. Steele
General Counsel

By: Lawrence M. Noble
Deputy General Counsel

Enclosures
Complaint
Procedures
Envelope

cc: Mr. James Santini

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SENSITIVE

RECEIVED
FEDERAL ELECTION
COMMISSION
SECRETARIAT
98 OCT 23 P12:19

FEDERAL ELECTION COMMISSION
999 E Street, N.W.
Washington, D.C. 20463

EXPEDITED FIRST GENERAL COUNSEL'S REPORT

RESPONDENTS: Nevada Republican Party
Nevada Republican State Central Committee - Federal Account
Robert L. Seale, as treasurer

National Republican Senatorial Committee
Rodney A. Smith, as treasurer

Jim Santini for Senate
J. Glen Sanford, as treasurer

COMPLAINANT: Evan J. Wallach

MUR NO. 2270
DATE TRANSMITTED TO COMMISSION:

STAFF: Robert Raich

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SUMMARY OF ALLEGATIONS

The complaint contains allegations indicating that Nevada Republican Party and Nevada Republican State Central Committee - Federal Account and Robert L. Seale, as treasurer, (the "State Party") and National Republican Senatorial Committee and Rodney A. Smith, as treasurer, ("NRSC") may have violated 2 U.S.C. § 441a(d)(3)(A) by making excessive expenditures in connection with the Nevada U.S. Senate general election campaign, and 2 U.S.C. § 434(b) by failing properly to report those expenditures. The complaint also contains information indicating that the State Party, NRSC, or Jim Santini for Senate and J. Glen Sanford, as treasurer, (the "Committee") may have violated 2 U.S.C. § 441d(a) by failing to include disclaimers on two communications expressly advocating the defeat of a clearly identified candidate (to wit, Harry Reid).

PRELIMINARY LEGAL ANALYSIS

The Office of the General Counsel's initial review of the complaint indicates that the State Party and NRSC may have violated 2 U.S.C. §§ 441a(d)(3)(A) and 434(b). Additionally, the State Party, NRSC, or the Committee may have violated 2 U.S.C. § 441d(a).

Accordingly, the respondents must be given the opportunity to respond to the complaint before the General Counsel's Office makes recommendations regarding this matter.

Charles N. Steele
General Counsel

10/23/86
Date

By: [signature]
Lawrence M. Noble
Deputy General Counsel

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86 NOV 7 P1:46

EPSTEIN BECKER BORSODY & GREEN, P.C.
ATTORNEYS AT LAW
1140 19TH STREET, N.W.
WASHINGTON, D.C. 20036-6601†
(202) 861-0900
TELEX 756-260

250 PARK AVENUE
NEW YORK, NEW YORK 10177-0077†
(212) 370-9800
TELEX 6101008171

108 NORTH ST. ASAPH STREET
ALEXANDRIA, VIRGINIA 22314†
(703) 684-1204

201 MAIN STREET
FORT WORTH, TEXAS 76102-3105
(817) 334-0701

FOUR EMBARCADERO
SAN FRANCISCO, CALIFORNIA 94111-5994
(415) 398-5565

1875 CENTURY PARK EAST
LOS ANGELES, CALIFORNIA 90067-2501
(213) 556-8661

515 EAST PARK AVENUE
TALLAHASSEE, FLORIDA 32301-2524
(904) 681-0598

†P.C. NEW YORK, WASHINGTON, D.C. AND VIRGINIA ONLY

November 7, 1986

RECEIVED
OFFICE OF THE
GENERAL COUNSEL
86 NOV 10 All: 34

Charles N. Steele, Esquire
General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 2270

Dear Mr. Steele:

As the attorneys for the National Republican Senatorial Committee ("NRSC"), we furnish this response to your October 23, 1986 letter to Rodney A. Smith, the NRSC's Treasurer, regarding the latest complaint of Mr. Evan J. Wallach.

The issue raised in MUR 2270 is, at least as far as the NRSC is concerned, the very same one raised in MURs 2259 and 2233, to which the NRSC previously responded. Once again, Mr. Wallach is complaining about a mailing apparently sponsored by the Nevada Republican Party and, once again, Mr. Wallach offers no evidence of NRSC involvement. For the reasons already stated in the NRSC's responses to MUR 2259 (see my letter of October 21, 1986) and MUR 2233 (see letter of James Kevin Wholey of October 15, 1986), we suggest that NRSC is not a proper party to this matter and therefore ask the Commission to find no reason to believe that the NRSC has violated the Federal Election Campaign Act.

Yours very truly,

Stuart M. Gerson

Stuart M. Gerson

SMG:cr
cc: Commissioners Aikens
Elliot
Josefiak
McDonald
McGarry
Thomas
Rodney A. Smith

21040360221

MUR 2270 (also MURs 2259 and 2233)

NAME OF COUNSEL: Stuart M. Gerson

ADDRESS: 1140 19th Street, N.W.
Suite 900
Washington, D.C. 20036

TELEPHONE: (202) 861-0900

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

November 5, 1986
Date

Rodney A. Smith
Signature

Treasurer

RESPONDENT'S NAME: National Republican Senatorial Committee

ADDRESS: 440 First Street, N.W.
Suite 600
Washington, D.C. 20001

HOME PHONE:

BUSINESS PHONE: (202) 347-0202

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86 NOV 12 All : 52

WILEY, REIN & FIELDING

1776 K STREET, N.W.
WASHINGTON, D.C. 20006

JAN W. BARAN
(202) 429-7330

November 5, 1986

RECEIVED
OFFICE OF THE
GENERAL COUNSEL
86 NOV 12 P3: 46

Charles N. Steele, Esquire
General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20006

Re: MUR 2270

Attn: Robert Raich

Dear Mr. Steele:

This letter confirms that we will be representing the Jim Santini for Senate Committee in the above referenced matter. Please be advised that a Designation of Counsel Statement, signed by J. Glen Sanford and authorizing me to act as Counsel on behalf of the Jim Santini for Senate Committee in the above captioned MUR, will be filed with the Commission as soon as I receive it from my client.

It is not clear to me whether the Nevada Republican Party/Nevada Republican State Central Committee has been made a party to this MUR, as it was to MURs 2231, 2233 and 2259. If the state committee is to be a party to this proceeding then I will be representing them in this matter as well. Because the Complaint in MUR 2270 is substantially identical to the complaints in MURs 2233 and 2259, I respectfully request that I be allowed to respond to it at the same time as my response in those MURs. Attached for your convenience is a copy of my letter of October 15, 1986 concerning the response to those MURs.

Sincerely,

Jan W. Baran

JWB/njl
Attachment
cc: Robert L. Seale
J. Glen Sanford

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GCC# 2072

WILEY, REIN & FIELDING

1776 K STREET, N.W.
WASHINGTON, D. C. 20006

JAN W. BARAN
(202) 429-7330

November 21, 1986

RECEIVED
OFFICE OF THE
GENERAL COUNSEL
86 NOV 21 P5:21

Charles N. Steele, Esquire
General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Dear Mr. Steele:

RE: MURs 2231, 2233

This Response, along with the attached Affidavit and materials, is submitted on behalf of the Nevada Republican Party/Nevada Republican State Central Committee - Federal Account, Robert L. Seale as treasurer ("Nevada Republican Party"), and the Jim Santini for Senate Committee, J. Glenn Sanford as treasurer. This response is in reply to a complaint filed by John N. Schroeder and designated Matter Under Review ("MUR") 2231, and a complaint filed by Evan J. Wallach and designated MUR 2233. For the reasons set forth herein, the Federal Election Commission should find no reason to believe that the Nevada Republican Party has violated the Federal Election Campaign Act of 1971, as amended ("Act").

I. THE REPORT TO NEVADA REPUBLICANS (MUR 2231)

A. The Facts

In late January of 1986 the Nevada Republican Party mailed to registered Republican households in the state of

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Nevada a "Special Report" which reviewed the performance of Nevada's two U.S. Senators and two U.S. Representatives (Senators Laxalt and Hecht, Congresswoman Vucanovich and Congressman Reid) see Attachment 1 for a copy of the Report. This report contained three sections. The first ("Vote Comparison") simply listed the votes of Nevada's four "Representatives in Washington" on five key issues. The second section ("Ratings") listed the ratings given Nevada's four elected federal officials by four different groups, ranging from the American Conservative Union to the Americans for Democratic Action, and then their levels of support for the President and the Conservative Coalition. The third section ("Summary") concluded that only one member of Nevada's Congressional delegation (Democrat Harry Reid) had consistently voted against President Reagan, and against Republican policies.

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This Report was modelled on similar reports sent by such organizations as the NEA and the AFL- CIO to their members. See copies of other "Report Cards" at Attachment 2 , and Affidavit of Stuart Piper, Executive Director of the Nevada Republican Party (hereinafter "Piper Aff.") ¶ 4, at Attachment 3. The Report contained the statement that it was "Paid for and authorized by the Republican State Central Committee of Nevada," and the additional statement that "A

copy of this report has been submitted to the Federal Election Commission, Washington, D.C." See Attachment 1.

The Report to Nevada Republicans contained no reference to any election, nor to the fact that any person might be or become a candidate in any election, nor did it urge anyone to vote either for or against any person or political party. The Report did not solicit any money, nor did it mention any individual's campaign finances or fundraising. See Attachment 1.

B. The Complaint

The Complaint alleges that the Nevada Republican Party erroneously reported the expenditures for the Report to Nevada Republicans as "voter information mailings to Nevada Republicans" when they allegedly were actually materials "designed to have an effect" on Mr. Reid's "campaign for the United States Senate." Complaint at 1. The Complaint further alleges the "more important" fact that no copy of the Report was actually on file at the Federal Election Commission. Id.

C. The Law

The Complaint suggests that the Nevada Republican Party's Report to Nevada Republicans was in fact a campaign expenditure subject to the limits of 2 U.S.C. § 441a(d).

Section 441a(d) of Title 2 of the United States Code applies by its terms to expenditures by party committees "in

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connection with the general election campaign of candidates for Federal office." Subsection (d)(3) limits such expenditures for Senate candidates. The Commission has on several occasions reviewed whether actual or proposed expenditures by national or state party organizations were in connection with a general election, and in so doing has established criteria which must be met for an expenditure to fall within the limitations.

In FEC Advisory Opinion 1984-15, Fed. Election Camp. Fin. Guide (CCH) ¶ 5766 (1984), the Commission considered whether a series of television advertisements attacking the records of potential Democratic Presidential nominees would be reportable for purposes of limits of 2 U.S.C. § 441a(d)(2). The Commission found that the advertisements identified specific Democratic candidates, and sought to influence the outcome of the general election by critically reviewing the record of these candidates and then ending "with a partisan statement to vote Republican." Citing Advisory Opinion 1978-46, the Commission concluded that the expenditures would therefore be considered to have "the purpose of influencing the outcome of the general election." Id.

Advisory Opinion 1978-46 concerns "communications influencing the election of candidates to federal office or otherwise connected with a federal election." The Commission

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defined that term as "(1) the solicitation, making or acceptance of contributions to a campaign for federal office, or (2) any communication expressly advocating the election or defeat of a clearly identified candidate for federal office." FEC Advisory Opinion 1978-46, Fed. Election Camp. Fin. Guide (CCH) ¶ 5348 (1978).

The phrase "expressly advocating the election or defeat of a clearly identified candidate" is a term of art. Section 109.1(b)(2) of the Commission's regulations define "express advocacy" as "any communication containing a message advocating election or defeat, including but not limited to the name of the candidate and such expressions as "vote for," "elect," "support," "cast your ballot for," and "Smith for Congress," or "vote against," "defeat," or "reject." 11 C.F.R. § 109.1(b)(2). See Buckley v. Valeo, 424 U.S. 1, 44, n. 52 (1976).

Thus, the Commission in Advisory Opinion 1984-15 concluded that party expenditures will be subject to the limits of 2 U.S.C. § 441a(d) if they are for communications which (1) clearly identify specific candidates, and (2) seek to influence the outcome of the general election by including specific partisan statements such as "Vote Republican" or other words of "express advocacy."

The Commission again addressed the question of which party expenditures are limited by § 441a(d)(3) in Advisory

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Opinion 1985-14, Fed. Election Camp. Fin. Guide (CCH) ¶ 5819 (1985). There, the Commission was asked how to allocate proposed expenditures by the Democratic Congressional Campaign Committee ("DCCC") for several different broadcast advertisements and mailings criticizing the political records of serving Republican Congressmen. The DCCC asked the Commission whether the § 441a(d)(3) limitations would be implicated by the presence of a "Vote Democratic" message, or other specific references to elections. The predicate of the question was the DCCC's statement that the proposed communications "will have the clear purpose of influencing voter perceptions of these candidates with a view towards weakening their positions as candidates for re-election in 1986." Id.

The Commission responded by restating the holding of Advisory Opinion 1984-15 that "the limitations of § 441a(d) would apply where the communication both (1) depicted a clearly identified candidate and (2) conveyed an electioneering message." Id. The Commission again incorporated by reference the "express advocacy" standard of Advisory Opinion 1978-46 as a definition of "electioneering message." The Commission then further defined "electioneering message" as including "statements designed to urge the public to elect a certain candidate or party," citing United States v. United Auto Workers, 352 U.S. 567,

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587 (1957), and Advisory Opinion 1984-62 (involving a slate card which contained an actual endorsement for election of specified candidates for federal office) Fed. Election Camp. Fin. Guide (CCH) ¶ 5813 (1985).

Most recently, the Commission in MUR 2116 declined to find expenditures subject to the limitations of § 441a(d)(3) in a series of mailings paid for by the National Republican Congressional Committee ("NRCC") which engaged in public discussion of Rhode Island Congressman Fernand St Germain's personal finances and conduct in office. The NRCC, in response to a complaint by the DCCC, stated that the mailing discussed matters of public controversy, and that it did not urge a vote against St Germain, urge a vote for anyone else, refer to an election, contain a request for contributions, or mention any political party.

The General Counsel's Report to the Commission in MUR 2116 urged the Commission to find the NRCC expenditures subject to section 441a(d)(3) limitations. This recommendation was not based on the presence or absence of any express advocacy or particular words or phrases, but on the grounds that the "mailing as a whole" "convey[ed]" an electioneering message. MUR 2116, General Counsel's Report, at 7. The Commission wisely declined to adopt this new standard, and Commissioners (according to a tape recording of the meeting provided by the FEC), expressed uncertainty as to

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how the proposed "message as a whole" test would ever allow different listeners or hearers to reach the same conclusion as to the presence or absence of an electioneering message.[1]

The Commission has the difficult task of clearly delineating electioneering activities which may be limited by the Act, while at the same time accommodating the First Amendment rights of individuals and organizations who publicly debate positions taken by their elected government officials. This line-drawing exercise must produce a comprehensible standard which enables persons to comply with the Act. The proposed "test" mentioned in the General Counsel's Report in MUR 2116 regarding the "message as a whole" violates this basic standard. It is wholly subjective, and would lead to after-the-fact ad hoc Commission decision-making. An ever-shifting majority of Commissioners would have to review each "message as a whole" to decide whether it conveyed to them in their own individual hearing or reading an electioneering message. This type of approach is not mandated by the Act. Moreover, it inevitably

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[1] The Supreme Court, when invalidating a Texas standard which similarly required a decision based upon the hearer's interpretation of regulated advocacy, said that the attempted distinction between legal and illegal messages "put the speaker in these circumstances wholly at the mercy of the varied understanding of his hearers and consequently of whatever inference may be drawn as to his intent and meaning." Thomas v. Collins, 323 U.S. 516, 535 (1944).

will make the Commission a censor of Constitutionally protected political expression.

However, the Commission has correctly refused to adopt this "message as a whole" approach in MUR 2116 (St Germain). Thus, the Commission's standard for limiting expenditures by state parties, after Advisory Opinions 1984-15 and 1985-14, is that an expenditure must depict or refer to a clearly identified candidate, and convey an electioneering message, either by employing express advocacy ("vote for," "vote against," etc.) or by otherwise "urging the public to elect a certain candidate or party."

D. The Nevada Republican Party's Report To Nevada Republicans Does Not Meet The Commission's Standard For Communications Subject To Section 441a(d)(3) Limitations

The Report to Nevada Republicans at issue here contained no "electioneering message" as defined by the Commission. To begin with, it concluded no language urging anyone to vote for or against any person or any political party. See Attachment 1. There is no reference to the election or defeat of any candidate. Id. There is no solicitation for any money in the mailing, nor is there any mention of any candidate's campaign finances or campaign fundraising. Id.

Finally, and most importantly it was a report to Nevada Republicans: it was sent only to households with registered Republican voters. Piper Aff., ¶ 3, at Attachment 3. It was

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therefore a far more restricted communication than those considered by the Commission in Advisory Opinions 1984-15 (television advertisements), 1985-14 (radio and television advertisements, newspaper and print advertisements and direct mail) and in MUR 2116 (broadcast advertisements and direct mail).

It is quite true that the Report contains facts which could lead its recipients -- Nevada Republicans -- to be critical of the record and public positions of an elected Member of Congress. The Report drew the attention of Nevada Republicans to the fact that Congressman Harry Reid's voting record was different from that of Nevada's other Representatives in Washington and from President Reagan's policies. See Attachment 1. The votes noted in the Report were all on issues of central concern to Nevada Republicans: the federal budget and deficit, taxes, education and Nicaragua. Id. All of these issues have been discussed by the Republican Party and its office-holders in Nevada for some time. As the Executive Director of the Nevada Republican Party notes in his Affidavit, Piper Aff., ¶ 4, at Attachment 3, "We consider the differences between the Nevada Republican Party and Democrats on those questions of national policy to be an important matter of public debate, and the Republican position on issues such as these to be an integral part of the state party's message and purpose."

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However, one significant fact which makes it clear that the Report to Nevada Republicans was not a campaign expenditure on behalf of any Republican candidate for the U.S. Senate or against Congressman Reid's candidacy is that there were no candidates for either party's nomination for the United States Senate at the time the Report was mailed. The eventual Republican candidate, Jim Santini, did not even establish his Exploratory Committee until February 21, 1986, see Attachment 4, and Harry Reid did not declare his candidacy until February 11th.[2] See Attachment 5. The

[2] There is some question whether Congressman Reid in fact became a candidate on February 11th. In May of 1986 Congresswoman Vucanovich brought to the attention of the House Committee on Mailing Standards the fact that Reid, a publicly-announced candidate for the United States Senate from Nevada, was "abusing his franking privilege as a Member of the United States House of Representatives to mail throughout the state of Nevada in order to further his candidacy for the United States Senate." See Vucanovich Complaint, at Attachment 6). The Complaint specifically cited a newsletter sent throughout the state of Nevada by Reid (including the half of the state outside of his district) at taxpayer expense in late April of 1986 (over two months after Reid announced his candidacy). The Newsletter contained no fewer than eighteen mentions of the Congressman's name, and four pictures of the Congressman at work or in front of the American flag. See Attachment 6. The Vucanovich complaint alleged that the sending of such a campaign communication by a declared candidate under the frank was a violation of the Rules of the House of Representatives.

Congressman Reid's defense, filed with the House Committee on Congressional Mailing Standards on May 20, 1986 (three months after publicly declaring his candidacy) was that he was not yet a candidate for his party's nomination for the United States Senate. See Attachment 7.

Under Harry Reid's interpretation of the law, therefore, he was not only not a candidate when the Report was sent to

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mailing was conceived and planned in 1985, and actually sent out on December 19, 1985. Piper Aff., ¶ 3, at Attachment 3. Thus, the Report was not even sent to Nevada Republicans in the same year as the general election.

Communications such as this Report to Nevada Republicans, which criticize an elected official's voting record and policies, are not prohibited by the Act, and are the First Amendment right of any citizen of the United States. As Judge Kaufman of the Second Circuit has noted, the Constitution historically has been interpreted as holding that "freedom to criticize public officials and oppose or support their continuation in office constitutes the central meaning of the First Amendment." Central Long Island Tax Reform Immediately Committee v. Federal Election Commission, 616 F.2d 45, 54 (2d Cir. 1980) (Kaufman, C.J., concurring).

The communications at issue here, in fact, at worst may only be interpreted as criticism of Congressman Reid's voting record in Congress: they do not use any language which opposes or supports his continuation in office, or his election to any other office. However, as the Supreme Court has noted:

> Public discussion of public issues which are also campaign issues unavoidably draws in candidates and their positions, their voting record and other

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Nevada Republicans, but he was not one until many months later, in June of 1986.

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> official conduct. Discussion of these issues, as well as more positive efforts to influence public opinion on them, tend naturally and inexorably to exert some influence on voting at elections.

Buckley v. Valeo, 424 U.S. 1, 42, N. 50 (1976).

Such a result is inevitable in a country which expects vigorous comment on public officials and issues from its citizens.

The Nevada Republican Party's Report to Nevada Republicans did not contain "electioneering messages," which is an element which must be present for the Commission to find that the § 441a(d)(3) limitations are applicable. See Advisory Opinions 1984-15 & 1985-14, supra. There is no reference to any possible candidacy by Congressman Reid for the United States Senate, no reference to any possible Republican nominee, and no reference to the fact that the voters would be able to choose between a Republican and a Democrat in November, or any "electioneering" language which even mentions the general election or partisan political considerations. Nor was the message sent to all voters, or to voters at random. Since the Nevada Republican Party's Report to Nevada Republicans contained no electioneering message and no mention of any political party, see Advisory Opinions 1984-15 & 1985-14, supra, the expenditures associated with its dissemination are not subject to the limitations of 2 U.S.C. § 441a(d)(3).

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E. The Statement On The Special Report That A Copy Was On File With The FEC Does Not Constitute A Violation Of The Act

As the Affidavit of Stuart Piper, Executive Director of the Nevada Republican Party, explains, a copy of the Special Report was mailed to the Federal Election Commission. Piper Aff., ¶ 5, at Attachment 3. The fact that the Federal Election Commission may not have retained this copy for its files is not within the control of Respondents.[3]

In fact, however, no such copy is required to be filed with the FEC under the Act. Accordingly, a copy of the Special Report was sent to the Commission (as the mailer suggests), and the Nevada Republican Party has in any case violated no provision of the Act if the FEC does not have a copy on file.

II. THE YARD SIGNS (MUR 2231) AND THE LAXALT ENDORSEMENT MAILING (MUR 2233)

The complaint in MUR 2231 further alleges that the Nevada Republican Party made, but failed to report, an in-kind contribution to the Santini campaign in the form of yard signs urging voters to elect James Santini to the United

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[3] The Act at one time contained a requirement that certain literature and advertisements include a notice that a copy of the material was on file with the FEC. See 2 U.S.C. § 435(b) (1976) (repealed). That requirement was eliminated when the Act was amended, so it is possible that the FEC may not have attempted to retain the copy of the Special Report which it was sent.

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States Senate and marked "Paid for by the Nevada Republican Party." Schroeder Complaint at 2. The complaint in MUR 2233 alleges that the Nevada Republican party made and failed to report an in-kind contribution in the form of a mailing to registered Republicans in Nevada. Wallach Complaint at 1.

A. The Facts

The Nevada State Republican Central Committee placed an order in May of 1986 for yard signs urging voters to support James Santini for the United States Senate. Piper Aff., ¶ 7, at Attachment 3. Those signs were distributed beginning in mid-June of 1986, and payment for them was made in August of 1986. Id. The cost of these signs was reported as a disbursement on the October 15, 1986 FEC Quarterly Report, at line 19. See Attachment 8.

At the time the order for the signs was placed, and at the time they were received and first distributed by volunteers, Jim Santini was the only announced Republican candidate for the United States Senate. Piper Aff., ¶ 8, at Attachment 3. On July 2nd, the last day to file for the primary, two other individuals filed as candidates for the Republican nomination for the United States Senate. Piper Aff., ¶ 12, at Attachment 3.

The Nevada Republican Party also paid for a mailing to all registered Republicans in August of 1986, before the primary election. Id., ¶¶ 9, 11, Attachment 3. This mailing

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contained a personal endorsement of Jim Santini by Senator Paul Laxalt, and information about Jim Santini's accomplishments and qualifications. See Attachment 11. This expenditure was reported as a coordinated expenditure on behalf of the Santini for Senate Campaign on Respondents October 15 FEC Quarterly Report at line 23. See Attachment 9.

In the primary election, held on September 2, 1986, James Santini received 55,947 votes, "none of the above" received 8,214 votes, and Richard Gilster and Kirk Cave received 3,544 and 1,989 votes respectively. Thus, the two late filing individuals together received less than 10% of James Santini's vote in the Republican Primary. See Attachment 10.

B. The Law - The Yard Signs (MUR 2231)

The Act provides that the term "contribution" does not include -

> the payment by a state or local committee of a political party of the costs of campaign materials (such as pins, bumper stickers, handbills, brochures, posters, party tabloids, and yard signs) used by such committee in connection with volunteer activities on behalf of nominees of such party,

2 U.S.C. § 431 (8)(B)(X), provided that such materials are not used for general public communication (such as broadcasting or billboards), and are made from funds subject

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to the Act, and are not made with earmarked contributions. Id.

C. The Law - The Laxalt Endorsement (MUR 2233)

The Act provides that

> the National Committee of a political party and a state committee of a political party, including any subordinate committee of a state committee, may make expenditures in connection with the general election campaign of candidates for Federal office [subject to specific dollar limitations].

2 U.S.C. § 441a(d)(1).

The FEC has interpreted this section in Advisory Opinion 1984-15, Fed. Election Camp. Fin. Guide (CCH) ¶ 5766 (1984). The Commission stated in that Advisory Opinion that it was "immaterial" "whether a specific nominee has been chosen, or a candidate assured of nomination, at the time the expenditures are made." Id. The Commission declared that "nothing in the Act, its legislative history, Commission regulations, or court decisions indicates that coordinated party expenditures must be restricted to the time period between nomination and the general election." Id.

The test established by the Commission in Advisory Opinion 1984-15 was "whether the expenditures . . . proposed in this request are made for the purpose of influencing the outcome of the general election . . . ." Id. The Commission concluded that the anti-Democratic party television advertisements proposed by the Republican party in Advisory

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Opinion 1984-15 sought "to garner support for whomever may be the eventual Republican party nominee," id., and therefore concluded that the cost of the advertisements would be properly allocated as coordinated expenditures pursuant to § 441a(d).

C. The Yard Signs are Within the Contribution Exemption, and the Mailing was Correctly Paid for by the Nevada Republican Party; Both Expenditures were thus Correctly Reported

The complainant in MUR 2231 alleges that the Nevada Republican Party paid for yard signs and failed to report them to the FEC. In fact, however, the expenditure for yard signs was reported to the FEC. See Attachment 8. The expenditure was correctly treated for reporting purposes by Respondents as a disbursement for operating expenditures, because it was exempt as a contribution under 2 U.S.C. § 431 (8)(B)(X). The Act specifically cites "yard signs" as an item exempted from the definition of contribution, id., and volunteers were involved in their distribution and/or placement. According to the Affidavit of Stuart Piper, Executive Director of the Nevada Republican Party, "volunteers handed out signs at rallies, signed up people interested in displaying signs, and installed signs." Piper Aff., ¶ 7, at Attachment 3.

Similarly, the Complainant in MUR 2233 states that the mailing containing Senator Laxalt's endorsement was

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improperly paid for by the Nevada Republican Party, and implies that the expenditure was incorrectly reported as well. However, the expenditure was made, pursuant to 2 U.S.C. § 441a(d)(1), "in connection with" the general election, and was so reported.

Both the yard signs and the mailing advocated the election of the person who was for some time the only Republican running for the United States Senate, and was at all times the obvious nominee of his party. Piper Aff., ¶¶ 8, 10, 12 & 13, at Attachment 3. As state party officials have sworn, they considered all expenditures made on behalf of James Santini as expenditures made on behalf of the party's nominee in the general election, and for the purpose of winning the general election. Id.

The provision of the Act allowing state parties to pay for yard signs specifically refers to expenditures on behalf of the party's "nominee," 2 U.S.C. § 431(8)(B)(X), and that person in 1986 in Nevada was James Santini. Party officials knew that would be the case when they ordered the yard signs, and when those signs were delivered. Id. Thus, the expenditures for the yard signs were in fact in support of the individual who was the party's nominee in the general election, and party officials always contemplated that they would be.

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Similarly, the Act refers to party expenditures "in connection with the general election." 2 U.S.C. § 441a(d)(1). As the Affidavit of the Executive Director of the Nevada Republican Party makes clear, the entire purpose of the state party's expenditures was to assist the inevitable Republican nominee in the general election campaign. The mailing was intended to build Republican enthusiasm for Jim Santini, the Republican candidate in the hard fought general election campaign:

> "It was also clear that, as a new member of the Republican Party, it would be necessary for the party to generate enthusiasm for [Santini] among Republican voters if he were to win the general election. It was my opinion that the endorsement by Senator Laxalt would be particularly helpful in this connection." Piper Aff., ¶ 10, at Attachment 3.

As Mr. Piper's Affidavit explains, id., the fact that Jim Santini was a new member of the Republican party made it particularly important that Republican voters be seen to support his candidacy in order to strengthen his position in the general election contest. This is precisely the sort of expenditure which meets the test for coordinated expenditures made "in connection with the general election" which the Commission established in Advisory Opinion 1984-15.

It would elevate form over substance to claim that an individual who was for all intents and purposes unopposed in the primary, who was the only person supported by party officials and office-holders throughout the period in which

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expenditures were being made, and who was in fact the party's nominee was not the "nominee" for FEC contribution purposes, or that the expenditures were not made "in connection with" the general election.

The provisions of the Act to be construed here do not seek to allocate expenditures between primary and general election campaigns. Accordingly, the date of the primary (which in this case was as late as September 2, well into the actual general election campaign, since both party's candidates were essentially unopposed in their primaries) is not central to any FEC expenditure limitation policy (such as limiting individual contributions per election). Instead, the purpose of the provisions of the Act at stake here is only to remove Federal limitations which would otherwise restrict activity by the state party and volunteers on behalf of the party's nominee in the general election, which in this case was Jim Santini. The expenditure by the Nevada Republican State Central Committee for yard signs for Jim Santini in June is consistent with this goal, as is the expenditure of funds for a mailing in August endorsing Santini. However, a tortured interpretation of the Act which attempted to claim such expenditures were not made on behalf of the nominee, or were not made in connection with the general election, would break faith with the purposes of §§ 431 (8)(B)(X) and 441a(d) of the Act.

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III. CONCLUSION

For the reasons set forth above the Commission should find no reason to believe that the Nevada Republican Party/ Nevada Republican State Central Committee violated the Act. For the same reasons that the materials complained of in these MURs do not constitute improper contributions by the Nevada Republican Party, the Jim Santini for Senate Committee has received no improper contributions from the Nevada Republican Party. Accordingly, the Commission should find no reason to believe that the Jim Santini for Senate Campaign violated the Act.

Sincerely,

Jan W. Baran

Trevor Potter

Counsel for the Nevada
Republican Party/Nevada
Republican State Central
Committee, and the Jim Santini
for Senate Committee

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Republican Central Committee of Nevada
[illegible] Division Street
Carson City, Nevada 89702

U S Postage
PAID
Non-Profit Or
Republican St
Central Commit
of Nevada

SPECIAL REPORT TO
NEVADA REPUBLICANS
WHO LISTENS TO YOU
IN WASHINGTON D.C.?

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Section II: Vote Comparison

Separating political rhetoric from the facts can be difficult. That's why the Nevada Republican Party has published this report. Here's how our Representatives in Washington have voted on key issues. Compare your positions with theirs, then decide who best represents you.

		SENATORS		REPRESENTATIVES	
		PAUL LAXALT	CHIC HECHT	BARBARA VUCANOVICH	HARRY REID
1	**Line Item Veto — Give President Reagan the ability to cut the federal budget.** CQ#11, CQ#86, CQ#87, HR 2878, 1984	YES	YES	YES	NO
2	Raise taxes by placing a $720 limit on President Reagan's 10% income tax cut in 1983. CQ#207, 1982 CQ#170, 1983	NO	NO	NO	YES
3	Constitutional Amendment to balance the federal budget. CQ#384, 1984 CQ#238, 1982	YES	YES	YES	NO
4	Require literacy test for high school students. CQ#315, 1983	YES	YES	YES	NO
5	Support anti-Communist freedom fighters in Nicaragua. CQ#264, 1984 CQ#284, 1984	YES	YES	YES	NO

Positions have been taken from public statements and official records of the United States Congress.
A copy of this report has been submitted to the Federal Elections Commission, Washington D.C.

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Section 2: Ratings

		SENATORS		REPRESENTATIVES	
		PAUL LAXALT	CHIC HECHT	BARBARA VUCANOVICH	HARRY REID
1	**Presidential Support** Figured on the number of times a member of Congress supported President Reagan's position on Legislation during 1983 and 1984.	80	87	72	35
2	**Conservative Coalition** Based on the number of times a member of Congress supported the position of the Conservative Coalition (a group of conservative Democrats and Republicans) during 1983 and 1984.	83	91	90	38
3	**American Conservative Union** A Congressional watchdog organization that rates members of Congress based on their support for free enterprise, limited government, strong national defense, and family values. (1984 ratings)	95	95	96	17
4	**American Security Council** Rates members of Congress on their support of foreign policy issues that protect the security of America.	100	100	100	40
5	**Chamber of Commerce** Rates members of Congress on their support for small business and a strong economy.	89	89	82	28
6	**Americans for Democratic Action** A liberal organization that rates members of Congress on their support for increasing welfare and food stamp programs, forced busing, etc. . . .	5	0	0	70

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Among the four members of Nevada's Congressional delegation in Washington D.C., only Harry Reid has consistently voted *against* President Reagan, a balanced federal budget, and fairer spending and tax policies.

In short, Harry Reid represents a philosophy that promises to raise taxes and spend our nation back to bigger government, bigger deficits and the certainty of higher interest rates and renewed unemployment.

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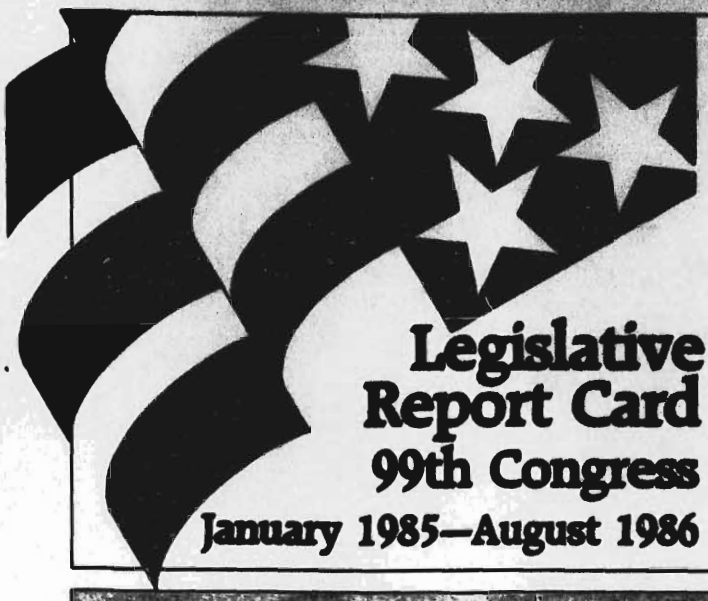
VOTING RECORDS



Legislative Report Card
99th Congress
January 1985—August 1986

The 99th Congress has been dominated by one overwhelming issue—the federal deficit and its economic and political consequences. With an accumulated national debt in excess of $2 trillion and annual federal deficits at historic levels, the Congress has sought to reduce federal expenditures substantially and to design new mechanisms to bring the deficit under control.

The fundamental issue for education has been what share of federal resources it would receive. The Legislative Report Card that follows shows the critical votes on these and other issues of concern to NEA during the period from January 1985 through August 1986. A final report card on the 99th Congress will be available in December.

Several important proposals were adopted by voice votes, or by such overwhelming margins that they have not been included here as voting record items. Such instances include House passage of the Dropout Prevention and Reentry Act, the Gifted and Talented Children and Youth Act, the Effective Schools and Even Start Act, and the Asbestos Hazard Emergency Response Act; House and Senate passage of the reauthorization of the Head Start program, the Children's Justice Assistance Act, and the Higher Education Act; and Senate passage of the Education of the Handicapped Amendments of 1986.

Voting records are only one of the factors considered by NEA-PAC—NEA's political action arm—and state and local political action committees as they decide which incumbents to endorse for reelection. Political judgments about each individual's stance on education are based on a careful review of all available information, including public statements and answers to direct questioning via personal interviews, correspondence, and lobbying contacts.

In the case of incumbent members of the U.S. Senate, the entire voting record over their six-year terms—not just the latest Congress, as detailed here—is considered.

U.S. HOUSE OF REPRESENTATIVES

1. During the debate over the Fiscal Year 1986 Budget Resolution, Rep. Delbert Latta (R-OH) offered a substitute that would have frozen education funding. The Latta substitute failed on a vote of 102-329. NEA opposed the substitute. A *no* vote was the right vote according to the NEA position.

2. The final vote on the FY1986 Budget Resolution provided for funding increases in certain needs-based education programs—such as Chapter 1. NEA supported the resolution, which passed on a vote of 258-170. A *yes* vote was the right vote according to the NEA position.

3. The House voted 295-127 to adopt a limited set of economic sanctions against the Republic of South Africa for its continued support of the racial policy of apartheid. NEA supported the legislation. A *yes* vote was the right vote according to the NEA position.

4. During the debate over extension of the school lunch and child nutrition programs, Rep. Steve Bartlett (R-TX) offered an amendment to eliminate cost-of-living adjustments for the program. The House rejected the amendment on a vote of 143-284. NEA opposed the amendment. A *no* vote was the right vote according to the NEA position.

5. During the debate over extension of federal higher education programs, Rep. Steve Bartlett (R-TX) offered an amendment that would have frozen all non-student aid programs at their current levels. The House rejected the amendment by a vote of 127-289. NEA opposed the amendment. A *no* vote was the right vote according to the NEA position.

6. The so-called Gramm-Rudman deficit reduction amendment has caused—and could again cause—significant cuts in federal support of education. The House accepted the final amendment as reported out of a House/Senate conference committee on a vote of 271-154. NEA opposed the amendment. A *no* vote was the right vote according to the NEA position.

7. During consideration of the Department of Education appropriations bill for FY1987, Rep. Bill Frenzel (R-MN) moved to slash education and other funding by 9.14 percent across the board. The House rejected this proposed reduction in federal education support by a vote of 99-321. NEA opposed the amendment. A *no* vote was the right vote according to the NEA position.

8. Rep. Robert Michel (R-IL) moved to reduce funding in the FY1987 appropriations bill for the Departments of Labor, Health and Human Services, and Education in order to limit spending to no more than 3 percent above its reduced FY1986 Gramm-Rudman level. This would have cut the elementary and secondary funding contained in the bill by more than $600 million. The Michel amendment was rejected by a vote of 164-253. NEA opposed the amendment. A *no* vote was the right vote according to the NEA position.

	1	2	3	4	5	6	7	8	% Pro NEA
Alabama									
1 Callahan (R)	—	—	—	—	—	—	—	—	0
2 Dickinson (R)	—	—	—	—	—	+	+	—	25
3 Nichols (D)	+	+	—	—	+	—	+	—	50
4 Bevill (D)	+	+	+	NV	+	—	+	+	88
5 Flippo (D)	+	+	+	+	+	—	+	+	88
6 Erdreich (D)	+	+	+	+	+	—	+	+	88
7 Shelby (D)	+	+	+	+	+	—	+	+	88
Alaska									
1 Young (R)	+	—	+	+	+	+	—	+	63
Arizona									
1 McCain (R)	—	—	—	+	—	—	+	+	38
2 Udall (D)	+	+	+	+	+	+	+	+	100
3 Stump (R)	—	—	—	—	—	—	—	—	0
4 Rudd (R)	—	—	—	—	—	—	+	+	25
5 Kolbe (R)	—	—	—	—	—	—	—	—	0
Arkansas									
1 Alexander (D)	+	+	+	+	+	+	+	+	100
2 Robinson (D)	+	+	+	+	+	—	+	+	88
3 Hammerschmidt (R)	—	+	—	+	+	—	+	—	50
4 Anthony (D)	+	+	+	+	+	—	+	NV	88
California									
1 Bosco (D)	+	+	+	+	+	+	—	+	+	88
2 Chappie (R)	—	—	—	+	—	NV	—	—	14
3 Matsui (D)	+	+	+	+	+	+	+	+	100
4 Fazio (D)	+	+	+	+	+	+	+	+	100
5 Burton (D)	+	+	+	+	+	+	+	+	100
6 Boxer (D)	+	+	+	+	+	+	+	+	100
7 Miller (D)	+	+	NV	+	+	+	+	+	100
8 Dellums (D)	+	+	+	+	+	+	+	+	100
9 Stark (D)	+	+	+	+	+	+	NV	+	100
10 Edwards (D)	+	+	+	+	+	+	+	+	100
11 Lantos (D)	+	+	+	+	+	—	+	+	88
12 Zschau (R)	+	—	—	—	—	—	+	+	38
13 Mineta (D)	+	+	+	+	+	+	+	+	100
14 Shumway (R)	—	—	—	—	—	+	—	—	13
15 Coelho (D)	+	+	+	+	+	+	+	+	100
16 Panetta (D)	+	+	+	+	+	—	+	+	88
17 Pashayan (R)	—	—	—	—	—	NV	+	—	14
18 Lehman (D)	+	+	+	+	+	+	+	+	100
19 Lagomarsino (R)	—	—	—	+	—	—	+	—	25
20 Thomas (R)	+	—	NV	—	+	—	—	—	29
21 Fiedler (R)	—	—	—	—	—	—	—	—	0
22 Moorhead (R)	—	—	—	—	—	—	—	—	0
23 Beilenson (D)	+	+	+	+	+	+	+	+	100
24 Waxman (D)	+	+	+	+	+	+	+	+	100
25 Roybal (D)	+	+	+	+	+	+	+	+	100
26 Berman (D)	+	+	+	+	+	+	+	+	100
27 Levine (D)	+	+	+	+	+	+	+	+	100
28 Dixon (D)	+	+	+	+	+	+	+	+	100
29 Hawkins (D)	+	+	+	+	+	+	+	+	100
30 Martinez (D)	+	+	+	+	+	+	+	+	100
31 Dymally (D)	+	+	+	+	+	+	+	+	100
32 Anderson (D)	+	+	+	+	+	+	+	+	100
33 Dreier (R)	—	—	—	—	—	—	—	—	0
34 Torres (D)	+	+	+	+	+	—	+	+	88
35 Lewis (R)	—	—	+	—	NV	+	—	—	43
36 Brown (D)	+	+	+	+	+	+	+	+	100
37 McCandless (R)	—	—	—	—	—	—	—	—	0
38 Dornan (R)	—	—	—	+	—	+	—	—	25
39 Dannemeyer (R)	+	—	—	—	—	—	—	—	13
40 Badham (R)	—	—	—	—	—	—	—	—	0
41 Lowery (R)	—	—	—	—	—	—	+	—	13
42 Lungren (R)	—	—	—	—	—	—	—	—	0
43 Packard (R)	—	—	—	—	—	—	—	—	0
44 Bates (D)	+	+	+	+	+	—	+	+	88
45 Hunter (R)	—	—	—	—	—	+	—	—	13
Colorado									
1 Schroeder (D)	+	+	+	+	+	+	+	+	100
2 Wirth (D)	+	+	+	+	+	—	+	+	88
3 Strang (R)	—	—	—	—	—	—	—	—	0
4 Brown (R)	—	—	+	—	+	—	—	—	25
5 Kramer (R)	+	—	—	—	—	—	—	—	13
6 Schaefer (R)	+	—	—	—	+	—	—	—	25
Connecticut									
1 Kennelly (D)	+	+	+	+	+	+	+	+	100
2 Gejdenson (D)	+	+	+	+	+	—	+	+	88
3 Morrison (D)	+	+	+	+	+	+	+	+	100
4 McKinney (R)	+	+	+	+	NV	NV	+	+	100
5 Rowland (R)	—	+	+	—	—	—	+	+	63
6 Johnson (R)	+	+	+	+	+	—	+	—	75
Delaware									
1 Carper (D)	+	+	+	+	+	—	+	+	88
Florida									
1 Hutto (D)	—	+	—	+	—	—	—	—	25
2 Fuqua (D)	+	+	+	+	+	—	+	+	88
3 Bennett (D)	+	+	+	+	—	+	+	—	75
4 Chappell (D)	+	+	+	+	+	+	+	+	100
5 McCollum (R)	—	—	—	—	—	—	—	—	0
6 MacKay (D)	+	+	+	+	+	—	+	+	88
7 Gibbons (D)	+	+	+	+	—	—	—	—	50
8 Young (R)	—	—	—	—	+	+	+	+	50
9 Bilirakis (R)	—	—	—	—	—	+	+	+	38
10 Ireland (R)	—	—	—	—	—	—	—	—	0
11 Nelson (D)	+	—	+	+	NV	NV	+	+	83
12 Lewis (R)	—	—	—	—	—	—	+	+	25
13 Mack (R)	+	—	—	—	—	—	—	—	13
14 Mica (D)	+	+	+	+	—	—	+	+	75
15 Shaw (R)	+	—	—	—	—	—	+	+	38
16 Smith (D)	+	+	+	+	+	—	+	+	88
17 Lehman (D)	+	+	+	+	+	+	+	+	100
18 Pepper (D)	+	+	+	+	+	+	+	+	100
19 Fascell (D)	+	+	+	+	+	—	+	+	88
Georgia									
1 Thomas (D)	+	+	+	—	+	—	+	+	75
2 Hatcher (D)	+	+	+	+	+	—	+	+	88
3 Ray (D)	+	—	+	—	—	—	—	—	25
4 Swindall (R)	—	—	—	—	—	—	—	—	0
5 Fowler (D)	+	+	+	+	+	—	NV	NV	83
6 Gingrich (R)	+	—	—	—	+	—	—	—	25
7 Darden (D)	+	+	+	—	—	—	+	—	50
8 Rowland (D)	+	+	+	+	+	—	+	+	88
9 Jenkins (D)	+	+	+	+	+	—	+	+	88
10 Barnard (D)	+	+	+	—	+	—	—	—	50

Key

+ FAVORABLE
— UNFAVORABLE
NV NOT VOTING
P PRESENT
O NOT THEN A MEMBER

9 1 0 4 0 3 6 0 2 5 2

VOTING RECORDS

	1	2	3	4	5	6	7	8	NEA*
Hawaii									
1 Hefel	+	+	+	+	NV	–	O	O	
2 Akaka	+	+	+	+	+	–	+	+	
Idaho									
1 Craig	–	–	–	–	–	–	–	–	
2 Stallings (D)	+	+	NV	+	+	–	+	–	
Illinois									
1 Hayes	+	+	+	+	+	+	+	+	
2 Savage	+	+	+	+	+	–	+	+	
3 Russo	–	NV	–	–	–	–	–	–	
4 Derwinski	+	+	+	+	+	+	+	–	
5 Lipinski	+	+	+	+	+	+	+	+	
6 Hyde	+	+	+	+	+	+	+	+	
7 Collins	+	+	+	+	+	–	+	+	
8 Rostenkowski	+	+	+	+	+	+	+	+	
9 Yates	+	+	+	+	+	+	+	+	
10 Porter	+	+	+	+	+	+	+	+	
11 Annunzio	+	+	+	+	+	+	+	+	
12 Crane	–	–	–	–	–	–	–	–	
13 Fawell	+	+	+	+	+	+	+	+	
14 Hastert	+	+	+	+	+	+	+	+	
15 Madigan	+	+	+	+	+	+	+	+	
16 Martin	+	+	+	+	+	+	+	+	
17 Evans	+	+	+	+	+	+	+	+	
18 Michel	+	+	+	+	+	+	+	+	
19 Bruce	+	+	+	+	+	+	+	+	
20 Durbin	+	+	+	+	+	+	+	+	
21 Price	+	+	+	+	+	+	+	+	
22 Gray	+	+	+	+	+	+	+	+	
Indiana									
1 Visclosky	+	+	+	+	+	+	+	+	
2 Sharp	+	+	+	+	+	+	+	+	
3 Hiler	–	–	–	–	–	–	–	–	
4 Coats	–	–	–	+	–	–	–	–	
5 Hillis	–	–	–	+	–	–	–	–	
6 Burton	–	–	–	+	–	–	–	–	
7 Myers	–	–	–	+	+	–	+	+	
8 McCloskey	+	+	+	+	+	+	+	+	
9 Hamilton	+	+	+	+	+	+	+	+	
10 Jacobs	+	+	+	+	+	–	+	–	
Iowa									
1 Leach	+	–	+	+	+	–	+	–	
2 Tauke	+	–	+	+	+	+	+	–	
3 Evans	+	–	+	+	+	+	+	+	
4 Smith	+	–	+	+	+	+	+	+	
5 Lightfoot	+	–	+	–	–	–	+	–	
6 Bedell (D)	+	+	+	+	+	–	NV	NV	
Kansas									
1 Roberts	+	–	–	–	–	+	–	–	
2 Slattery	+	+	+	+	+	+	–	–	
3 Meyers	+	+	–	–	–	+	–	–	
4 Glickman	+	+	+	+	+	+	–	–	
5 Whittaker	+	+	–	–	–	–	–	–	
Kentucky									
1 Hubbard	+	+	+	+	–	+	+	+	
2 Natcher	+	+	+	+	+	–	+	+	
3 Mazzoli	+	+	+	+	+	–	+	+	
4 Snyder	+	–	–	–	–	+	+	+	
5 Rogers	+	+	–	–	–	+	+	+	
6 Hopkins	+	–	+	+	–	–	–	–	
7 Perkins	+	+	+	+	+	+	+	+	
Louisiana									
1 Livingston (R)	–	–	+	–	–	–	+	–	
2 Boggs (D)	+	+	+	+	+	+	+	+	
3 Tauzin (D)	+	+	+	+	+	+	–	–	
4 Roemer (D)	+	–	+	+	+	+	–	–	
5 Huckaby (D)	+	+	+	+	–	–	–	–	
6 Moore (R)	–	+	+	–	–	–	NV	NV	
7 Breaux (D)	+	+	+	+	+	–	NV	NV	
8 Long (D)	+	+	+	NV	+	+	+	+	
Maine									
1 McKernan (R)	+	–	–	+	+	+	–	–	
2 Snowe (R)	+	–	–	+	+	+	–	–	
Maryland									
1 Dyson (D)	+	+	+	+	+	+	–	+	
2 Bentley (R)	–	–	–	+	+	+	–	–	
3 Mikulski (D)	+	+	+	+	+	+	+	+	
4 Holt (R)	–	–	–	+	+	+	–	–	
5 Hoyer (D)	+	+	+	+	+	+	+	+	
6 Byron (D)	+	+	+	–	–	–	+	+	
7 Mitchell (D)	+	+	+	+	+	+	+	+	
8 Barnes (D)	+	+	+	+	+	+	NV	NV	
Massachusetts									
1 Conte (R)	+	+	+	+	+	+	+	+	
2 Boland (D)	+	+	+	+	+	+	+	+	
3 Early (D)	+	+	+	+	+	+	+	+	
4 Frank (D)	+	+	+	+	+	+	+	+	
5 Atkins (D)	+	+	+	+	+	–	+	+	
6 Mavroules (D)	+	+	+	+	+	–	+	+	
7 Markey (D)	+	+	+	+	+	+	+	+	
8 O'Neill* (D)									
9 Moakley (D)	+	+	+	+	+	+	+	+	
10 Studds (D)	+	+	+	+	+	+	+	+	
11 Donnelly (D)	+	+	+	+	+	+	+	+	
Michigan									
1 Conyers (D)	+	–	+	+	+	+	+	NV	
2 Pursell (R)	+	–	NV	–	+	–	+	+	
3 Wolpe (D)	+	+	+	+	+	–	+	+	
4 Siljander (R)	+	–	–	–	NV	–	–	–	
5 Henry (R)	+	–	–	–	+	–	+	–	
6 Carr (D)	+	–	+	+	NV	+	+	+	
7 Kildee (D)	+	+	+	+	+	+	+	+	
8 Traxler (D)	+	+	+	+	+	+	+	+	
9 Vander Jagt (R)	–	–	–	–	–	–	NV	–	
10 Schuette (R)	–	–	–	–	–	–	+	–	
11 Davis (R)	+	+	+	+	+	+	+	–	
12 Bonior (D)	+	+	+	+	+	+	+	+	
13 Crockett (D)	+	NV	+	+	+	+	+	+	
14 Hertel (D)	+	+	+	+	+	–	+	+	
15 Ford (D)	+	+	NV	+	+	+	+	+	
16 Dingell (D)	+	+	+	+	+	+	+	+	
17 Levin (D)	+	+	+	+	+	+	+	+	
18 Broomfield (R)	+	–	–	–	+	–	–	–	
Minnesota									
1 Penny	+	–	+	–	–	+	–	–	
2 Weber	+	–	+	–	–	–	–	–	
3 Frenzel	+	–	+	–	NV	–	–	–	
4 Vento	+	+	+	+	+	+	+	+	
5 Sabo	+	+	+	+	+	–	+	+	
6 Sikorski	+	+	+	+	+	+	+	+	
7 Stangeland	–	–	–	–	–	–	NV	NV	
8 Oberstar	+	+	+	+	+	+	+	+	
Mississippi									
1 Whitten	+	+	+	+	+	+	+	+	
2 Franklin	+	–	–	–	–	–	+	–	
3 Montgomery	+	+	–	–	–	–	–	–	
4 Dowdy	+	+	–	–	–	–	–	–	
5 Lott	+	+	+	+	+	+	+	+	
Missouri									
1 Clay (D)	+	+	+	+	+	+	NV	NV	
2 Young (R)	+	+	+	NV	+	–	+	+	
3 Gephardt (D)	+	+	+	+	+	+	+	+	
4 Skelton (D)	+	+	+	+	+	–	+	+	
5 Wheat (D)	+	+	+	+	+	+	+	+	
6 Coleman (R)	+	–	+	+	+	–	+	–	
7 Taylor (R)	–	–	–	–	–	–	+	–	
8 Emerson (R)	+	+	NV	+	+	+	+	+	
9 Volkmer (D)	+	+	+	+	+	–	+	+	
Montana									
1 Williams (D)	+	+	+	+	NV	+	+	NV	
2 Marlenee (R)	+	–	–	+	–	+	+	–	
Nebraska									
1 Bereuter (R)	+	–	–	+	+	–	+	–	
2 Daub (R)	+	–	–	+	–	–	+	–	
3 Smith (R)	+	–	–	–	+	–	+	+	
Nevada									
1 Reid (D)	+	+	+	+	+	–	+	+	
2 Vucanovich (R)	–	–	–	+	–	–	+	–	
New Hampshire									
1 Smith (R)	–	–	–	–	–	–	–	–	
2 Gregg (R)	+	–	+	–	–	–	–	–	
New Jersey									
1 Florio (D)	+	+	+	+	+	+	+	+	
2 Hughes (D)	+	+	+	+	+	+	+	+	
3 Howard (D)	+	+	+	+	+	+	+	+	
4 Smith (R)	+	+	+	+	+	+	+	+	
5 Roukema (R)	+	–	+	–	+	–	–	–	
6 Dwyer (D)	+	+	+	+	+	+	+	+	
7 Rinaldo (R)	+	+	+	+	+	+	+	+	
8 Roe (D)	+	+	+	+	+	+	+	+	
9 Torricelli (D)	+	+	+	+	+	+	+	+	
10 Rodino (D)	+	+	+	+	+	+	+	+	
11 Gallo (R)	–	+	–	+	–	+	+	–	
12 Courter (R)	–	–	+	–	+	–	+	–	
13 Saxton (R)	–	+	+	–	+	–	+	+	
14 Guarini (D)	+	+	+	+	+	+	+	+	
New Mexico									
1 Lujan (R)	–	+	–	–	–	–	–	–	
2 Skeen (R)	–	–	–	–	+	–	+	–	
3 Richardson (D)	+	+	+	+	NV	–	+	+	
New York									
1 Carney (R)	–	–	–	–	–	–	NV	NV	
2 Downey (D)	+	+	+	+	+	+	+	+	
3 Mrazek (D)	+	+	+	+	+	+	+	+	
4 Lent (R)	+	–	+	–	–	–	+	–	
5 McGrath (R)	+	–	+	–	–	–	+	–	
6 Weldon (D)	O	O	O	O	O	O	+	NV	
7 Ackerman (D)	+	+	+	+	+	+	+	+	
8 Scheuer (D)	+	+	+	+	+	+	+	+	
9 Manton (D)	+	+	+	+	+	+	+	+	
10 Schumer (D)	+	+	+	+	+	+	+	+	
11 Towns (D)	+	+	+	+	+	+	+	+	
12 Owens (D)	+	+	+	+	+	+	+	+	
13 Solarz (D)	+	+	+	+	+	+	+	+	
14 Molinari (R)	–	–	+	–	–	–	+	–	
15 Green (R)	+	+	+	+	+	–	+	+	
16 Rangel (D)	+	+	+	NV	+	+	+	+	
17 Weiss (D)	+	+	+	+	+	+	+	+	
18 Garcia (D)	+	+	+	+	+	+	+	+	
19 Biaggi (D)	+	+	+	+	+	+	+	+	
20 DioGuardi (R)	+	–	+	–	–	–	+	–	
21 Fish (R)	+	NV	+	+	–	–	+	–	
North Carolina									
1 Jones (D)	+	–	+	+	+	+	+	+	
2 Valentine (D)	+	+	+	+	+	+	+	+	
3 Whitley (D)	+	+	+	+	–	+	+	+	
4 Andrews (D)	+	+	+	+	–	+	+	+	
5 Neal (D)	+	+	+	+	–	+	+	+	
6 Coble (R)	+	–	+	+	–	–	+	–	
7 Rose (D)	+	+	+	+	–	+	+	+	
8 Hefner (D)	+	+	+	+	–	+	+	+	
9 Martin (R)	+	–	+	+	–	–	+	–	
10 Ballenger (R)	+	–	+	+	–	–	+	–	
11 Clarke (D)	+	+	+	+	–	+	+	+	
North Dakota									
1 Dorgan (D)	+	+	+	+	+	+	+	+	
Ohio									
1 Luken (D)	+	+	+	+	–	+	+	+	
2 Gradison (R)	NV	NV	NV	–	–	–	–	–	
3 Hall (D)	+	+	+	+	+	+	–	+	
4 Oxley (R)	–	–	–	–	–	–	–	–	
5 Latta (R)	–	–	–	–	–	–	–	–	
6 McEwen (R)	–	–	–	–	+	–	–	–	
7 DeWine (R)	–	–	–	–	+	–	–	–	
8 Kindness (R)	–	–	–	–	–	–	–	–	
9 Kaptur (D)	+	+	+	+	+	+	+	+	
10 Miller (R)	–	–	–	–	NV	–	–	–	
11 Eckart (D)	+	+	+	+	+	+	+	+	
12 Kasich (R)	+	+	+	–	–	–	–	–	
13 Pease (D)	+	+	+	+	+	+	+	+	
14 Sawyer (D)	+	NV	+	+	+	+	+	+	
15 Wylie (R)	–	–	+	–	–	–	–	–	
16 Regula (R)	+	–	–	+	+	–	–	–	
17 Traficant (D)	+	+	+	+	+	+	+	+	
18 Applegate (D)	+	–	+	+	+	–	+	+	
19 Feighan (D)	+	+	+	+	+	+	+	+	
20 Oakar (D)	+	+	+	+	NV	+	+	+	
21 Stokes (D)	+	+	+	+	+	+	+	+	
Oklahoma									
1 Jones (D)	+	+	+	+	+	–	+	–	
2 Synar (D)	+	+	+	+	+	+	+	+	
3 Watkins (D)	+	+	+	+	+	–	+	+	
4 McCurdy (D)	+	+	+	+	+	–	+	–	
5 Edwards (R)	+	–	–	NV	–	–	–	–	
6 English (D)	+	–	–	+	+	–	+	–	
Oregon									
1 AuCoin (D)	+	+	+	–	+	–	+	+	
2 Smith (R)	+	–	–	–	–	–	–	–	
3 Wyden (D)	+	+	+	+	+	–	+	+	
4 Weaver (D)	+	+	+	+	+	+	+	+	
5 Smith (R)	+	–	–	–	–	–	–	–	
Pennsylvania									
1 Foglietta (D)	+	+	+	+	–	+	+	+	
2 Gray (D)	+	+	+	NV	+	+	+	+	
3 Borski (D)	+	+	+	+	NV	+	+	+	
4 Kolter (D)	+	–	+	+	+	+	+	+	
5 Schulze (R)	+	–	–	–	–	–	–	–	
6 Yatron (D)	+	–	+	+	+	+	+	+	
7 Edgar (D)	+	+	+	+	+	+	+	+	
8 Kostmayer (D)	+	+	+	+	+	–	+	+	
9 Shuster (R)	+	–	–	–	–	–	–	–	
10 McDade (R)	+	–	–	+	+	+	+	+	
11 Kanjorski (D)	+	–	+	+	+	+	+	+	
12 Murtha (D)	+	+	+	+	+	+	+	+	
13 Coughlin (R)	–	+	+	+	+	+	+	+	
14 Coyne (D)	+	+	+	+	+	+	+	+	
15 Ritter (R)	+	–	–	–	–	–	–	–	
16 Walker (R)	+	–	–	–	–	–	–	–	
17 Gekas (R)	+	–	+	+	+	–	–	–	
18 Walgren (D)	+	+	+	+	+	+	+	+	
19 Goodling (R)	–	–	+	+	+	–	+	+	
20 Gaydos (D)	+	–	+	+	+	+	+	+	
21 Ridge (R)	+	–	–	+	+	+	+	–	
22 Murphy (D)	+	+	+	+	+	+	+	+	
23 Clinger (R)	+	+	–	+	NV	–	+	+	
Rhode Island									
1 Germain (D)	+	+	+	+	+	+	+	+	
2 Schneider (R)	NV	–	+	+	+	NV	+	+	
South Carolina									
1 Hartnett (R)	–	–	–	–	–	–	–	–	
2 Spence (R)	–	–	–	–	–	–	–	–	
3 Derrick (D)	+	+	+	+	+	+	+	+	
4 Campbell (R)	–	–	–	+	+	–	–	–	
5 Spratt (D)	+	+	NV	+	+	–	+	+	
6 Tallon (D)	+	+	+	+	+	–	+	+	
South Dakota									
1 Daschle (D)	+	+	+	+	NV	–	+	+	
Tennessee									
1 Quillen (R)	–	+	–	+	+	–	+	–	
2 Duncan (R)	+	+	+	+	+	–	+	+	
3 Lloyd (D)	+	+	+	+	+	–	+	+	
4 Cooper (D)	+	+	+	+	+	–	+	+	
5 Clement (D)	+	+	+	+	+	–	+	+	
6 Gordon (D)	+	+	+	+	+	–	+	+	
7 Sundquist (R)	+	+	–	+	+	–	NV	NV	
8 Jones (D)	+	+	+	+	+	–	+	+	
9 Ford (D)	+	+	+	+	+	–	+	+	
Texas									
1 Chapman (D)	O	O	O						
2 Wilson (D)	+	+	NV	+	NV	–	+	+	
3 Bartlett (R)	–	–	–	–	–	–	–	–	
4 Hall (D)	+	–	–	+	–	–	+	–	
5 Bryant (D)	+	+	+	+	+	–	+	+	
6 Barton (R)	–	–	–	–	–	–	–	–	
7 Archer (R)	–	–	–	–	–	–	–	–	
8 Fields (R)	–	–	–	–	–	–	–	–	
9 Brooks (D)	+	+	+	+	NV	–	+	+	
10 Pickle (D)	+	+	+	+	+	–	+	+	
11 Leath (D)	+	+	–	+	–	–	+	+	
12 Wright (D)	+	+	–	+	+	–	+	+	
13 Hightower (D)	–	–	–	–	–	–	–	–	
14 Patman (D)	–	–	–	–	–	–	–	–	
15 de la Garza (D)	+	+	+	+	+	–	+	+	
16 Coleman (D)	+	+	+	+	–	–	+	+	
17 Stenholm (D)	+	+	+	–	–	–	+	+	
18 Leland (D)	+	+	+	+	+	–	+	+	
19 Combest (R)	–	–	–	–	–	–	–	–	
20 Gonzalez (D)	+	–	+	+	+	–	+	+	
21 Loeffler (R)	–	–	–	–	–	–	–	–	
22 DeLay (R)	–	–	–	–	–	–	–	–	
23 Bustamante (D)	+	+	+	+	+	–	+	+	
24 Frost (D)	+	+	+	+	+	–	+	+	
25 Andrews (D)	+	+	+	+	–	–	+	+	
26 Armey (R)	–	–	–	–	–	–	–	–	
27 Ortiz (D)	+	+	+	+	+	–	+	+	
Utah									
1 Hansen (R)	–	–	–	–	–	–	–	–	
2 Monson (R)	+	–	–	–	+	–	–	–	
3 Nielson (R)	–	–	–	–	–	–	–	–	
Vermont									
1 Jeffords (R)	+	–	+	+	+	–	+	+	
Virginia									
1 Bateman (R)	–	–	–	–	–	–	+	–	
2 Whitehurst (R)	–	–	–	+	–	–	+	–	
3 Bliley (R)	–	–	+	–	–	–	+	–	
4 Sisisky (D)	+	+	+	+	–	–	+	+	
5 Daniel (D)	+	–	–	–	–	–	+	–	
6 Olin (D)	+	+	+	+	–	–	+	+	
7 Slaughter (R)	–	–	–	–	–	–	–	–	
8 Parris (R)	+	–	–	–	+	–	+	–	
9 Boucher (D)	+	+	+	+	–	–	+	+	
10 Wolf (R)	+	–	–	–	+	–	+	–	
Washington									
1 Miller (R)	+	–	+	–	–	–	+	–	
2 Swift (D)	+	+	+	+	+	–	+	+	
3 Bonker (D)	+	+	+	+	NV	+	+	+	
4 Morrison (R)	+	+	+	+	+	–	+	+	
5 Foley (D)	+	+	+	+	+	–	+	+	
6 Dicks (D)	+	+	+	+	+	+	+	+	
7 Lowry (D)	+	+	+	+	+	+	+	+	
8 Chandler (R)	+	–	–	–	+	–	+	+	
West Virginia									
1 Mollohan (D)	+	+	+	+	+	+	+	+	
2 Staggers (D)	+	+	+	+	+	+	+	+	
3 Wise (D)	+	+	+	+	+	–	+	+	
4 Rahall (D)	+	+	+	+	+	+	+	+	
Wisconsin									
1 Aspin (D)	+	+	+	+	+	+	+	+	
2 Kastenmeier (D)	+	+	+	+	+	+	+	+	
3 Gunderson (R)	+	–	–	–	+	–	+	+	
4 Kleczka (D)	+	+	+	+	+	–	+	+	
5 Moody (D)	+	+	+	+	+	–	+	+	
6 Petri (R)	+	–	–	–	+	–	–	–	
7 Obey (D)	+	+	+	+	+	+	+	+	
8 Roth (R)	–	–	–	–	NV	–	+	–	
9 Sensenbrenner (R)	–	–	–	–	–	–	–	–	
Wyoming									
1 Cheney (R)	–	–	–	–	–	–	–	–	

* Speaker of the House normally does not vote.

Key

+ FAVORABLE
– UNFAVORABLE
NV NOT VOTING
P PRESENT
O NOT THEN A MEMBER

9 1 0 4 0 8 6 0 0 2 5 3

VOTING RECORDS

U.S. SENATE

1. During Senate debate on the Fiscal Year 1986 Budget Resolution, Sen. Robert Byrd (D-WV) offered a substitute that would have increased education funding and retained the Social Security cost-of-living adjustment. The Senate rejected the substitute on a vote of 43-54. NEA supported the substitute. A *yes* vote was the right vote according to the NEA position.

2. During Senate debate on the FY1986 Budget Resolution, Sen. Paula Hawkins (R-FL) presented an amendment that would have restored funding for the school lunch program. The Senate rejected a motion to table the Hawkins amendment on a vote of 36-60. NEA supported consideration of the amendment and opposed the motion to table the amendment. A *no* vote—a vote not to table consideration—was the right vote according to the NEA position.

3. During Senate debate on the FY1986 Budget Resolution, Sen. Lawton Chiles (D-FL) presented an amendment to add additional funds for Head Start, developmental disability, and education of the handicapped. The Senate rejected the amendment on a vote of 47-50. NEA supported the amendment. A *yes* vote was the right vote according to the NEA position.

4. During Senate debate on the FY1986 Budget Resolution, Sen. James Abdnor (R-SD) presented an amendment that would have restored impact aid funds. The Senate rejected the amendment on a vote of 47-49. NEA supported the amendment. A *yes* vote was the right vote according to the NEA position.

5. The Senate adopted a final FY1986 Budget Resolution that makes no adjustments for inflation for programs supporting public education, on a vote of 50-49. NEA opposed that final budget resolution. A *no* vote was the right vote according to the NEA position.

6. The so-called Gramm-Rudman deficit reduction amendment has caused—and could again cause—significant cuts in federal support of education. The Senate accepted the final amendment as reported out of a House/Senate conference committee on a vote of 61-31. NEA opposed the amendment. A *no* vote was the right vote according to the NEA position.

7. The Senate adopted the Andrews (R-ND)-Hollings (D-SC) amendment to the FY1987 budget resolution, increasing spending authority for federal education programs by $1.2 billion. NEA supported the amendment, which passed by a vote of 60-38. A *yes* vote was the right vote according to the NEA position.

	1	2	3	4	5	6	7	% Pro NEA
Alabama								
Denton (R)	–	–	–	–	–	+	–	14
Heflin (D)	+	+	+	+	+	–	+	86
Alaska								
Murkowski (R)	–	–	–	+	–	–	+	29
Stevens (R)	–	–	–	+	–	–	+	29
Arizona								
Deconcini (D)	+	+	+	+	+	+	+	100
Goldwater (R)	–	–	–	–	–	NV	NV	0
Arkansas								
Bumpers (D)	+	+	+	+	+	–	+	86
Pryor (D)	+	+	+	+	+	+	+	100
California								
Cranston (D)	+	+	+	–	+	+	+	86
Wilson (R)	NV	NV	NV	NV	–	–	–	0
Colorado								
Armstrong (R)	–	–	–	–	–	–	–	0
Hart (D)	+	+	+	+	+	+	+	100
Connecticut								
Dodd (D)	+	+	+	+	+	–	+	86
Weicker (R)	–	+	–	–	–	+	+	43
Delaware								
Biden (D)	+	+	+	+	+	NV	+	100
Roth (R)	–	–	–	–	–	+	–	14
Florida								
Chiles (D)	+	+	+	+	+	NV	–	83
Hawkins (R)	–	+	+	+	+	+	NV	83
Georgia								
Mattingly (R)	–	–	–	–	–	–	–	0
Nunn (D)	–	+	–	+	+	–	–	43
Hawaii								
Inouye (D)	+	+	+	+	+	P	+	100
Matsunaga (D)	+	+	+	+	+	+	+	100
Idaho								
McClure (R)	–	–	–	–	–	–	–	0
Symms (R)	–	–	–	–	–	–	–	0
Illinois								
Dixon (D)	–	+	+	–	+	–	+	57
Simon (D)	+	+	+	–	+	–	+	71
Indiana								
Lugar (R)	–	–	–	–	–	–	–	0
Quayle (R)	–	–	–	–	–	–	–	0
Iowa								
Grassley (R)	–	+	–	–	–	–	+	29
Harkin (D)	+	+	+	–	+	+	+	86
Kansas								
Dole (R)	–	–	–	–	–	–	–	0
Kassebaum (R)	–	–	–	–	–	+	–	14
Kentucky								
Ford (D)	+	+	+	+	+	–	+	86
McConnell (R)	–	–	–	–	–	–	–	0
Louisiana								
Johnston (D)	+	+	+	+	+	+	–	86
Long (D)	+	+	–	+	+	–	–	57
Maine								
Cohen (R)	–	+	–	–	–	–	+	29
Mitchell (D)	+	+	+	+	+	–	+	86
Maryland								
Mathias (R)	+	NV	+	+	+	P	+	100
Sarbanes (D)	+	+	+	+	+	+	+	100
Massachusetts								
Kennedy (D)	+	+	+	–	+	–	+	71
Kerry (D)	+	+	+	+	+	–	+	86
Michigan								
Levin (D)	+	+	+	+	+	+	–	86
Riegle (D)	+	+	+	+	+	+	+	100
Minnesota								
Boschwitz (R)	–	+	–	–	–	–	–	14
Durenberger (R)	–	+	–	–	–	–	+	29
Mississippi								
Cochran (R)	–	–	–	–	–	–	–	0
Stennis (D)	+	+	+	+	+	–	+	86
Missouri								
Danforth (R)	–	+	–	–	–	–	+	29
Eagleton (D)	+	+	+	NV	+	+	+	100
Montana								
Baucus (D)	+	+	+	+	+	–	+	86
Melcher (D)	+	+	+	+	+	+	+	100
Nebraska								
Exon (D)	NV	NV	NV	NV	NV	+	–	50
Zorinsky (D)	+	+	+	+	–	+	–	71
Nevada								
Hecht (R)	–	–	–	–	–	–	–	0
Laxalt (R)	–	–	–	–	–	NV	–	0
New Hampshire								
Humphrey (R)	–	–	–	–	–	–	–	0
Rudman (R)	–	–	–	–	–	–	–	0
New Jersey								
Bradley (D)	+	+	+	+	+	+	+	100
Lautenberg (D)	+	+	+	+	+	+	+	100
New Mexico								
Bingaman (D)	+	+	+	+	+	+	+	100
Domenici (R)	–	–	–	–	–	–	–	0
New York								
D'Amato (R)	–	+	–	+	+	–	+	57
Moynihan (D)	+	+	+	+	+	+	+	100
North Carolina								
Broyhill (R)	O	O	O	O	O	O	O	
Helms (R)	–	–	–	–	–	–	–	0
North Dakota								
Andrews (R)	–	+	+	+	–	+	+	71
Burdick (D)	+	+	+	+	+	+	+	100
Ohio								
Glenn (D)	+	+	+	+	+	+	+	100
Metzenbaum (D)	+	+	+	–	+	+	+	86
Oklahoma								
Boren (D)	+	+	+	+	+	–	+	86
Nickles (R)	–	–	–	+	–	–	–	14
Oregon								
Hatfield (R)	–	+	–	–	–	+	+	43
Packwood (R)	–	–	–	–	–	+	+	14
Pennsylvania								
Heinz (R)	–	+	–	+	–	NV	+	50
Specter (R)	–	–	+	+	+	–	+	57
Rhode Island								
Chafee (R)	–	+	–	–	–	–	+	29
Pell (D)	+	+	+	+	+	+	+	100
South Carolina								
Hollings (D)	–	+	+	+	+	–	+	71
Thurmond (R)	–	–	–	–	–	–	–	0
South Dakota								
Abdnor (R)	–	–	–	+	–	–	+	29
Pressler (R)	–	–	–	+	–	+	+	43
Tennessee								
Gore (D)	+	+	+	+	+	–	+	86
Sasser (D)	+	+	+	+	+	–	+	86
Texas								
Bentsen (D)	+	+	+	–	+	–	+	71
Gramm (R)	–	–	–	–	–	–	–	0
Utah								
Garn (R)	–	–	–	–	–	–	–	0
Hatch (R)	–	–	–	–	–	–	–	0
Vermont								
Leahy (D)	+	+	+	–	+	–	+	71
Stafford (R)	–	+	–	–	–	+	+	43
Virginia								
Trible (R)	–	–	–	+	–	–	–	14
Warner (R)	–	–	–	+	–	–	–	14
Washington								
Evans (R)	–	+	–	–	–	–	–	14
Gorton (R)	–	–	–	–	–	–	+	14
West Virginia								
Byrd, Robert (D)	+	+	+	–	+	+	+	86
Rockefeller (D)	+	+	+	–	+	–	+	71
Wisconsin								
Kasten (R)	–	+	–	–	–	–	+	29
Proxmire (D)	–	–	–	–	+	–	–	14
Wyoming								
Simpson (R)	–	–	–	–	–	–	–	0
Wallop (R)	–	–	–	–	–	–	–	0

Key

+ FAVORABLE
– UNFAVORABLE
NV NOT VOTING
P PRESENT
O NOT THEN A MEMBER

9 1 0 4 0 3 6 0 2 5 5

AFL-CIO news

A Report On Congress

By Lane Kirkland

THE SECOND session of the 99th Congress was a near carbon copy of 1985. Again the focus of congressional attention was economics—the federal budget deficit, tax reform and the foreign trade crisis. As Congress moved toward adjournment and the '86 elections, its agenda of accomplishment remained decidedly mixed in each of these three key areas.

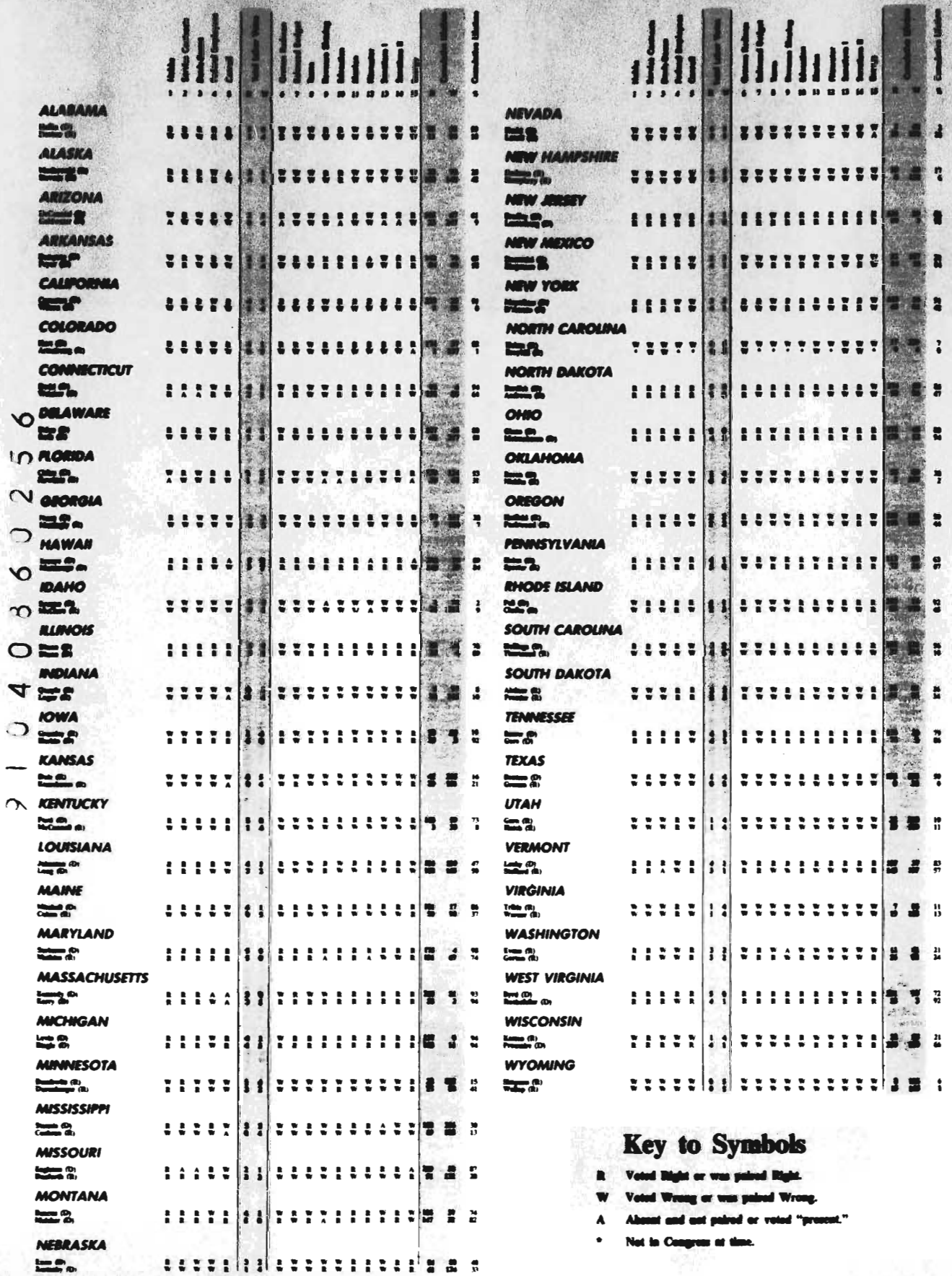
On the budget deficit, no sooner had the Gramm-Rudman meat ax begun to hack away at federal spending than the Supreme Court stepped in and, in a lawsuit joined by the AFL-CIO, ruled parts of it to be unconstitutional. The conservative-controlled

The House also took the initiative on two other key labor objectives. Bills to ban most employers from using lie detectors as a condition of employment and to outlaw double-breasted contracting in the construction industry easily passed the House. But as with most labor initiatives of the past six years, they stalled in the Senate. Senate conservatives, meanwhile, resumed their all-out assault on federal labor laws. A series of attacks was aimed at the Davis-Bacon and Service Contract Acts, twin statutes that set fair wage levels for federal government contractors who employ building trades and service workers. While the foray against the Service Contract Act was beaten back

Three of President Reagan's other nominees didn't fare as well. Jefferson Sessions, nominated for the federal district court in Alabama, and Jeffery Zuckerman, picked for general counsel at the Equal Employment Opportunities Commission, were sidetracked in committee as a result of lobbying by labor and civil rights groups, and neither was confirmed. The AFL-CIO also blocked approval of Robert Rader, an anti-job-safety, business-backed candidate, to be chairman of the Occupational Safety & Health Review Commission.

In contrast, on human rights, Congress turned its back on the President on the major foreign policy

HOW YOUR SENATORS VOTED



Key to Symbols

- R — Voted Right or was paired Right.
- W — Voted Wrong or was paired Wrong.
- A — Absent and not paired or voted "present."
- * — Not in Congress at time.

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HOW YOUR REPRESENTATIVE

ALABAMA

ALASKA

ARIZONA

ARKANSAS

CALIFORNIA

COLORADO

CONNECTICUT

DELAWARE

FLORIDA

GEORGIA

HAWAII

IDAHO

ILLINOIS

INDIANA

IOWA

KANSAS

KENTUCKY

LOUISIANA

MAINE

MARYLAND

MASSACHUSETTS

MICHIGAN

MINNESOTA

Key to Symbols

- Voted "aye" on crucial bill.
- Voted "nay" on crucial bill.
- Absent and not paired or voted "present."
- Not in Congress at time.

Number below each name shows congressional district.

ES VOTED IN THE U.S. HOUSE

9104080602 59

City of Reno
State of Nevada

Affidavit of Stuart B. Piper

Stuart B. Piper, being duly sworn, deposes and says:

1. I am Stuart B. Piper, Executive Director of the Nevada Republican Party.

2. I am familiar with the "Special Report to Nevada Republicans", the mailing complained of in MUR 2231.

3. Planning and production of this Special Report was completed in late 1985, and it was mailed December 19, 1985. It was mailed only to households in Nevada containing registered Republicans. This list of registered voters was compiled under the direction of the Republican Party in Nevada.

4. The issues this Special Report focused upon -- the federal budget and deficit, taxes, education and Nicaragua -- are all issues which have been discussed by the Nevada Republican Party, and elected and appointed Republican officials in Nevada, for some time. We consider the differences between the Nevada Republican Party and Democrats on those questions of national policy to be an important matter of public debate, and the Republican position on issues such as these to be an integral part of the state party's message and purpose. This mailing was similar to year end mailings done by interest groups in Nevada and nationally.

5. The text of the "Special Report to Nevada Republicans" contained the statement that "A copy of this report has been submitted to the Federal Election Commission, Washington, D.C." In fact, a copy of the mailing was sent to the Federal Election Commission by Tony Marsh, who was responsible for the inclusion of the statement on the report.

6. I am familiar with the production of the yard signs complained of in MUR 2231 which urged voters to elect Jim Santini to the U.S. Senate, and which are the subject of the complaint in MUR 2231.

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7. These signs were ordered in May of 1986, and were distributed beginning in mid-June, 1986. Volunteers were involved in the distribution and placement of the yard signs. Volunteers handed out signs at rallies, signed up people interested in displaying signs, and installed signs.

8. At the time the signs were ordered, delivered, and first distributed, Jim Santini was the only announced Republican candidate for the U.S. Senate. He was also endorsed by the ranking officials of the Nevada Republican Party, by the Republican National Committeeman and Committeewoman from Nevada and by a number of Republican elected officials.

9. I was also involved in the planning for the mailing which discussed Jim Santini's background and record, and in which Senator Laxalt endorsed Jim Santini for the United States Senate, ("Laxalt endorsement") and urged Republicans to support him. This mailing, which was the subject of the complaint in MUR 2233, was sent only to households in Nevada containing registered Republicans.

10. At the time the Laxalt endorsement was mailed to registered Republicans in Nevada, it was clear that no one other than Jim Santini would be the Republican nominee. It was also clear that, as a new member of the Republican Party, it would be necessary for the party to generate enthusiasm for him among Republican voters if he were to win the general election. It was my opinion that the endorsement by Senator Laxalt would be particularly helpful in this connection.

11. I therefore regarded Jim Santini as the individual who would represent the Republican party in the 1986 general election for the U.S. Senate in Nevada, and I regarded the expenditures for yard signs and the Laxalt endorsement mailer as money spent on behalf of the Republican nominee for the U.S. Senate, and in connection with the general election campaign.

12. The filing (on the last possible day) of two other individuals as candidates in the September 2nd Republican Primary did not change the purpose of the expenditures for the yard signs or the Laxalt endorsement mailer. There was never any possibility that either of them would become the Republican nominee instead of Jim Santini, and I continued to regard the expenditures on behalf of Jim Santini as expenditures on behalf of the Republican nominee in the general election.

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13. I believe the results of the Republican Primary (in which Santini received over ten times as many votes as the other two candidates combined) demonstrated the correctness of spending money on behalf of his general election campaign through the yard signs and the Laxalt endorsement mailer in June and August.

Stuart B. Piper

Sworn to and subscribed before me
this 20th day of November, 1986.

Brenda K Rodie
Notary Public

My Commission Expires:

BRENDA K. RODIE
Notary Public - State of Nevada
Appointment Recorded in Washoe County
MY APPOINTMENT EXPIRES NOV. 7, 1988

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H.D.

Friends of Jim Santini
P. O. Box 25303
Washington, D. C. 20007

February 20, 1986

Office of Public Records
Office of the Secretary of the Senate
Hart Senate Office Building
Room 232
Washington, D. C. 20510

Dear Mr. Secretary:

Enclosed is the Statement of Organization for the Friends of Jim Santini Exploratory Committee. This committee is being organized for the sole purpose of exploring the possibility of Mr. James D. Santini's candidacy for the U. S. Senate. It is authorized and is being formed to accept contributions and make expenditures soley for the purpose of determining whether Mr. Santini should become a candidate for the U. S. Senate in 1986.

Should Mr. Santini determine that he will become a candidate for the U. S. Senate, the Secretary of the Senate will receive appropriate notification and other required filings will be made at that time.

Sincerely,

Anne C. Holbach
Treasurer

Enclosure

STATEMENT OF ORGANIZATION

(type or print all information)

1 (a) Name of Committee (in Full) (b) Check if name or address is changed

Friends of Jim Santini Exploratory Committee

(b) Address (Number and Street)

P. O. Box 25303

(c) City, State and ZIP Code

Washington, D. C. 20007

2 Date

2/20/86

3 FEC Identification Number

*See note below.

4 Is this an amended Statement? YES X NO

5 TYPE OF COMMITTEE (check one) - Exploratory Committee: This committee is authorized and,

(a) This committee is a principal campaign committee. (Complete the candidate information below.)

(b) This committee is an authorized committee, and is NOT a principal campaign committee. (Complete the candidate information below.)

James D. Santini	Republican	United States Senate	Nevada
Name of Candidate	Candidate Party Affiliation	Office Sought	State/District

(c) This committee supports/opposes only one candidate _____ (name of candidate) and is NOT an authorized committee.

(d) This committee is a _____ (National, State or subordinate) committee of the _____ (Democratic, Republican, etc.) Party.

(e) This committee is a separate segregated fund.

(f) This committee supports/opposes more than one Federal candidate and is NOT a separate segregated fund nor a party committee.

6 Name of Any Connected Organization or Affiliated Committee	Mailing Address and ZIP Code	Relationship

is being formed to accept contributions and make expenditures solely for the purpose of determining whether Mr. James D. Santini should become a candidate for the U. S. Senate in 1986.

If the registering political committee has identified a connected organization above, please indicate type of organization.

☐ Corporation ☐ Corporation w/o Capital Stock ☐ Labor Organization ☐ Membership Organization ☐ Trade Association ☐ Cooperative

7 Custodian of Records. Identify by name, address (phone number optional) and position the person in possession of committee books and records.

Full Name	Mailing Address and ZIP Code	Title or Position
Anne C. Hilbach	P. O. Box 25303 Washington, DC 20007 (202)898-7759	Treasurer

8 Treasurer. List the name and address (phone number optional) of the treasurer of the committee and the name and address of any designated agent or assistant treasurer.

Full Name	Mailing Address and ZIP Code	Title or Position
Anne C. Hilbach	P. O. Box 25303 Washington, DC 20007 (202)898-7759	Treasurer

9 Banks or Other Depositories. List all banks or other depositories in which the committee deposits funds, holds accounts, rents safety deposit boxes or maintains funds.

Name of Bank, Depository, etc.	Mailing Address and ZIP Code
[illegible] American Bank, N.A.	1055 Thomas Jefferson St., NW Washington, D

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

[illegible] Treasurer — SIGNATURE OF TREASURER — 2/2-/86 Date

[illegible] information may subject the person signing it's statement to the penalties [illegible]

For further information contact: Federal Election Commission Toll Free (800) 424-9530 [illegible]

[illegible] was a Democratic candidate for the U. S. Senate [illegible] Identification number for his unsuccessful primary [illegible] was [illegible]0017995.

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2/7/86

2/7/86 RCVD FEB

NO DELN

C NV DEM C424

STATEMENT OF CANDIDACY

(see reverse side for instructions)

1. (a) Name of Candidate (in Full)
Harry Mason Reid

(b) Address (Number and Street)
1325 Kirby Road

(c) City, State and ZIP Code
McLean, VA 22101

2. Identification No.

3. Party Affiliation
Democratic

4. Office Sought
U.S. Senate

5. District & State of Candidacy
Nevada

DESIGNATION OF PRINCIPAL CAMPAIGN COMMITTEE

6. I hereby designate the following named political committee as my Principal Campaign Committee for the 1986 (Year of Election) election(s).

NOTE: This designation must be filed with the appropriate office noted below.

(a) Name of Committee (in Full)
Friends for Harry Reid

(b) Address (Number and Street)
116 Princeton St.

(c) City, State and ZIP Code
Las Vegas, Nevada 89107

DESIGNATION OF OTHER AUTHORIZED COMMITTEES

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

NOTE: This designation should be filed with the principal campaign committee.

(a) Name of Committee (in Full)
NONE

(b) Address (Number and Street)

(c) City, State and ZIP Code

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

Signature of Candidate

Feb. 2, 1986
(Date)

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

CANDIDATES FOR –

President mail to:	U.S. Senate mail to:	U.S. House of Representatives mail to:	For further information contact:	Federal Election Commission Toll Free 800-424-9530 Local 202-523-4068
Federal Election Commission 1325 K Street, N.W. Washington, D.C. 20463	Secretary of the Senate 119 D Street, N.E. Washington, D.C. 20510	Clerk of the House 1036 Longworth Office Bldg. Washington, D.C. 20515		

FEC FORM 2 (3-80)

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Reid enters race for U.S. Senate

By Vaughn Reeths
Review-Journal

With Nevada's historic Capitol as a forum, Rep. Harry Reid Monday announced his candidacy for the U.S. Senate, advocating a balance between environmental protection and economic growth in a far-ranging speech containing a few subtle barbs for an acknowledged but unnamed opponent.

Beginning what is to be a shift of image from Southern Nevada congressman to senator for all of Nevada, the two-term Democrat chose the Carson City setting for its symbolism as the state's heart of politics and history. He is the first announced candidate in the race to succeed retiring Republican Paul Laxalt.

Reid's attempt to project a statesmanlike image was reflected in the presence of Gov. Richard Bryan and former Govs. Mike O'Callaghan and Grant Sawyer, all popular Democrats.

He associated himself with the political leadership of O'Callaghan, still a powerful political figure, by noting that their terms as state officials coincided during what he said were "the most prosperous years in Nevada history."

The 46-year-old Reid prided himself on promoting policies that furthered economic prosperity during his terms as a legislator, lieutenant governor and chairman of the Gaming Commission. But while promoting industrial growth and economic diversification, he said he has remained an advocate of environmental protection.

Reid, whose bill to preserve nearly a million acres of the state's land as wilderness is pending, said he was greeted with derision by his colleagues in the state Assembly more than 15 years ago when he proposed legislation to protect air quality against growth. But he said his words had proven prophetic.

"The naysayers said Nevada was too unpopulated a state to ever have to worry about its environment," Reid said, noting a 22 percent growth in state population in the last five years. "Today we have laws to protect our air and water quality, and Nevada can have growth without repeating the mistakes of other, more short-sighted states."

REP. HARRY REID
...announces candidacy

Reid accepted no direct credit for the existing environmental laws, but said he has spent his terms as 1st District congressman fighting what he believes is the encroachment of the federal government and private industry on Nevada land.

Reid has opposed the federal government's selection of Nevada as one of three potential sites for a repository where the nuclear industry's high-level radioactive waste would be disposed.

"I have fought against the illegal seizures of our land and air space by the federal government," Reid said. "Nevada must be for Nevadans. It must not be for the nuclear trash of other states. It must not be for the selfish profit of out-of-state corporations. It must not be for the federal government to abuse."

His mention of out-of-state corporations was a reference to what he believes is an assault by the country's great oil corporations on his bill to preserve Nevada's wilderness. The Nevada Mining Association, which Reid says represents the oil companies, has joined with other mining lobbies to discredit the legislation.

To strengthen his weak name rec-

Please see REID/4B

Reid

From 1B

ognition in Northern Nevada and rural communities, Reid was to follow his announcement Monday with a weeklong tour of Reno, Carson City and rural towns.

The route is expected to be criss-crossed this week by his unannounced Republican opponent, former Democratic Rep. Jim Santini, who plans to appear at several Lincoln Day celebrations in northern cities.

Reid did not mention Santini's name in prepared remarks but made obvious reference to his party-switching opponent when he said, "The question in this race is who

[illegible]

cares most about Nevada and puts the interests of the state ahead of his own ambition."

Santini, who served as Nevada's lone congressman from 1974 to 1982, has been criticized by Democrats as an opportunist who switched parties at the behest of national Republican figures who want to retain the Republican majority in the Senate.

In obvious reference to the Santini candidacy, Reid said, Nevada "definitely should not be available to purchase by political chieftains in Washington, D.C., whose concern is more with the attainment of power than with Nevada's security."

As for his own backing, Reid denied the longtime Republican charge that he is controlled by organized labor. He also dismissed the suggestion that he is too liberal for Nevada political tastes, saying: "If anyone in Washington described me as a liberal, you would hear belly laughs coming out of the Capitol."

On other issues, Reid said he planned to attack "the heavy burden" of taxes bearing on the middle class, to create a favorable environment for educators and students, and to drive down the cost of insurance and medical costs. Medical costs in Nevada are among the nation's highest.

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COMMISSION ON CONGRESSIONAL MAILING STANDARDS

THE HONORABLE BARBARA F. VUCANOVICH,

Complainant,

v.

COMPLAINT

THE HONORABLE HARRY M. REID,

Respondent.

The Complainant, for her complaint against Respondent, states:

1. That I, Barbara F. Vucanovich, reside at 540 Riverview Circle, West, Reno, Nevada.

2. That this complaint arises under the franking laws extended to Members of the House of Representatives of the United States as hereinafter more fully appears.

3. That Respondent Harry M. Reid ("Reid") is the Representative from the First Congressional District of Nevada.

4. That Reid is a candidate in the 1986 elections for the office of United States Senator from Nevada (see newspaper articles attached as Exhibit A and official declaration documents as Exhibits B and C).

5. That on or about April 25, 1986, Reid caused to be mailed, under his frank, to various persons in the Second Congressional District of the State of Nevada, a newsletter (a copy of which is attached hereto as Exhibit D and made a part hereof).

6. That Reid is not the United States Representative for the area into which he sent the mailing attached as Exhibit D.

7. That the mailing of this newsletter is a violation of the franking laws extended to Members of the United States House of Representatives, and, more particularly, Section 3210(a)(6)(A)(ii):

> (6)(A) It is the intent of Congress that a Member of, or Member-elect to, Congress may not mail any mass mailing as franked mail --

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(ii) in the case of a Member of, or Member-elect to, the House who is a candidate for any other public office, if the mass mailing --

(I) is prepared for delivery within any portion of the jurisdiction of or the area covered by the public office which is outside the area constituting the congressional district from which the Member or Member-elect was elected...

8. That Reid is publicly a candidate for the United States Senate from Nevada, and is abusing his franking privilege as a Member of the United States House of Representatives to mail throughout the State of Nevada in order to further his candidacy for the United States Senate.

Wherefore, the complainant demands that the respondent be found in violation of the franking laws as hereinbefore alleged. Complainant further demands that the Commission order Reid to repay to the Treasury of the United States the costs of the illegal mailings and order such other relief as is proper and lawful. The Complainant further demands that no further mailings of this nature be mailed at taxpayers' expense.

_____

Complainant

Signed at Reno, Nevada,
this 9th day of May, 1986.

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Reid enters race for U.S. Senate

By Vaughn Roche
Review-Journal

With Nevada's historic Capitol as a forum, Rep. Harry Reid Monday announced his candidacy for the U.S. Senate, advocating a balance between environmental protection and economic growth in a far-ranging speech containing a few subtle barbs for an acknowledged but unnamed opponent.

Beginning what is to be a shift of image from Southern Nevada congressman to senator for all of Nevada, the two-term Democrat chose the Carson City setting for its symbolism as the state's heart of politics and history. He is the first announced candidate in the race to succeed retiring Republican Paul Laxalt.

Reid's attempt to project a statesmanlike image was reflected in the presence of Gov. Richard Bryan and former Govs. Mike O'Callaghan and Grant Sawyer, all popular Democrats.

He associated himself with the political leadership of O'Callaghan, still a powerful political figure, by noting that their terms as state officials coincided during what he said were "the most prosperous years in Nevada history."

The 46-year-old Reid prided himself on promoting policies that furthered economic prosperity during his terms as a legislator, lieutenant governor and chairman of the Gaming Commission. But while promoting industrial growth and economic diversification, he said he has remained an advocate of environmental protection.

Reid, whose bill to preserve nearly a million acres of the state's land as wilderness is pending, said he was greeted with derision by his colleagues in the state Assembly more than 15 years ago when he proposed legislation to protect air quality against growth. But he said his words had proven prophetic.

"The naysayers said Nevada was too unpopulated a state to ever have to worry about its environment," Reid said, noting a 22 percent growth in state population in the last five years. "Today we have laws to protect our air and water quality, and Nevada can have growth without repeating the mistakes of other, more short-sighted states."

REP. HARRY REID
...announces candidacy

Reid accepted no direct credit for the existing environmental laws, but said he has spent his terms as 1st District congressman fighting what he believes is the encroachment of the federal government and private industry on Nevada land.

Reid has opposed the federal government's selection of Nevada as one of three potential sites for a repository where the nuclear industry's high-level radioactive waste would be disposed.

"I have fought against the illegal seizures of our land and air space by the federal government," Reid said. "Nevada must be for Nevadans. It must not be for the nuclear trash of other states. It must not be for the selfish profit of out-of-state corporations. It must not be for the federal government to abuse."

His mention of out-of-state corporations was a reference to what he believes is an assault by the country's great oil corporations on his bill to preserve Nevada's wilderness. The Nevada Mining Association, which Reid says represents the oil companies, has joined with other mining lobbies to discredit the legislation.

To strengthen his weak name rec-

Please see REID/4B

Reid

From 1B

ognition in Northern Nevada and rural communities, Reid was to follow his announcement Monday with a weeklong tour of Reno, Carson City and rural towns.

The route is expected to be criss-crossed this week by his announced Republican opponent, former Democratic Rep. Jim Santini, who plans to appear at several Lincoln Day celebrations in northern cities.

Reid did not mention Santini's name in prepared remarks but made obvious reference to his party-switching opponent when he said, "The question in this race is who cares most about Nevada and puts the interests of the state ahead of his own ambition."

Santini, who served as Nevada's lone congressman from 1974 to 1982, has been criticized by Democrats as an opportunist who switched parties at the behest of national Republican figures who want to retain the Republican majority in the Senate.

In obvious reference to the Santini candidacy, Reid said, Nevada "definitely should not be available to purchase by political chieftains in Washington, D.C., whose concern is more with the attainment of power than with Nevada's security."

As for his own backing, Reid denied the longtime Republican charge that he is controlled by organized labor. He also dismissed the suggestion that he is too liberal for Nevada political tastes, saying: "If anyone in Washington described me as a liberal, you would hear belly laughs coming out of the Capitol."

On other issues, Reid said he planned to attack "the heavy burden" of taxes bearing on the middle class, to create a favorable environment for educators and students, and to drive down the cost of insurance and medical costs. Medical costs in Nevada are among the nation's highest.

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Reid enters race

From page 1A

federal bureaucracy in Washington. I have fought against the illegal seizures of our land and air space by the federal government. I have vigorously opposed our state's designation as a nuclear garbage dump and, I might add, without the need of a poll to tell me that Nevadans overwhelmingly opposed the notion."

That dig was in reference to a shift by state Republican leaders away from supporting the dump following a Republican poll that showed most Nevadans opposed.

On other issues, Reid said:

☐ "Unlike my one-room school (in Searchlight), we must have a modern and progressive educational system, one that will not export our sons and daughters to other states. We must provide an environment that is conducive to teaching, because a teacher's working condition is a student's learning condition.

"And, as a nation, we must overcome the educational imbalance that puts us behind countries like Japan and the Soviet Union in training scientists, engineers and mathematicians."

☐ "In Nevada today, we face an even greater challenge than we have in the past. Our state has grown by 22 percent in the past five years and we must be prepared for further growth; growth that is orderly enough not to overrun us, but steady enough to provide continued economic security."

☐ "Nor should we turn our backs on our seniors, who must be allowed to retire in dignity and to have necessary health care in their golden years."

☐ "Our gaming establishment is strong and healthy, to the point where today other states look with envy at the source of our economic base, some wanting to cut its success."

Summing up his candidacy, Reid said, "I [illegible] for the United States Senate because I [illegible] Nevada. In my time in state government and in Congress, I have always put Nevada first and I [illegible] I believe I have a vision for our future. I believe in tomorrow, not yesterday."

...announces they are running, they are merely "phantom opponents" and he would not debate the merits of phantoms.

The 40-year-old former legislator, lieutenant governor and Nevada Gaming Commission chairman announced his decision to run in the old Assembly chambers of the Capitol, where he once represented Clark County. He later flew to Las Vegas to repeat his announcement Monday evening.

A native of tiny Searchlight, Hecht, south of Las Vegas, Reid proclaimed, "Nevada must be for Nevadans. It must not be for the nuclear trash of other states. It must not be for the selfish profit of out-of-state corporations. It must not be for the federal government to abuse.

"And it definitely should not be available to purchase by political chieftains in Washington, D.C., whose concern is more with the attainment of power than Nevada's security."

The latter was an obvious reference to an expected huge influx of national Republican Party money and political expertise to keep the seat and retain a majority control of the U.S. Senate.

Reid declared war on insurance companies, labeling them as all "industries controlling American business," with rates going uncontrolled.

"In our county today, the demand for insurance pervades nearly every part of our lives, yet little has been done to restrain those exorbitant profits gained from gambling on life, death and injury. I will devote a major part of my campaign and legislative energies to reforming the insurance industry."

Reid painted himself as a champion of Nevadans against "the insensitivity of the

See REID, back page

...announces run for U.S. Senate

By Michael Phillips/Review-Journal

CARSON CITY — U.S. Rep. Harry Reid of Las Vegas announced Monday he will run for the U.S. Senate seat being vacated by retiring Republican Sen. Paul Laxalt.

Setting the tone for his second Senate campaign, Reid said, "Nevada must be for Nevadans," and attacked federal intrusion into Nevada lives. He also blasted the high cost of insurance while championing education, senior citizens and planned growth.

Surrounded at the Capitol by the cream of the Democratic Party, including Gov. Richard Bryan and former Govs. Grant Sawyer and Mike O'Callaghan, Reid said he will have the money and people to match an all-out effort by Republicans to retain the seat for their party.

Asked what he thought of at least one and possibly two campaign visits to Nevada by President Reagan, Reid said, "He's visited the state every time I've run. I've got my people behind me and I think we can match anything Senator Laxalt brings in."

Laxalt, a close friend and adviser to the president, announced Aug. 10 he would not seek re-election. He said part of his decision was based on confidence that a Republican candidate could capture his seat in the Senate, where Republicans hold a precarious 53-47 edge over Democrats.

Laxalt first won the seat in 1974 by edging Reid with a 624-vote margin. He was considered a shoo-in to win re-election to a third term. Political leaders in Nevada have predicted it will take at least $1.5 million to capture his seat.

Reid said during questioning he would not discuss any potential Republican candidates, including Democrat-turned-Republican James Santini, a former Nevada congressman considered to be

1/31 S3485 NVDEM

STATEMENT OF ORGANIZATION

(see reverse side for instructions)

1. (a) Name of Committee (in Full) ☐ Check if name or address is changed.

FRIENDS FOR HARRY REID

2. Date: 1-29-86

(b) Address (Number and Street)

116 Princeton

3. FEC Identification Number

(c) City, State and ZIP Code

Las Vegas, Nevada 89107

4. Is this an amended Statement? ☒ YES ☐ NO

5. TYPE OF COMMITTEE (check one):

☒ (a) This committee is a principal campaign committee. (Complete the candidate information below.)

☐ (b) This committee is an authorized committee, and is NOT a principal campaign committee. (Complete the candidate information below.)

Harry Mason Reid	Democrat	U.S. Senate	Nevada
Name of Candidate	Candidate Party Affiliation	Office Sought	State/District

☐ (c) This committee supports/opposes only one candidate _____ and is NOT an authorized committee.
(name of candidate)

☐ (d) This committee is a _____ committee of the _____ Party.
(National, State or subordinate) (Democratic, Republican, etc.)

☐ (e) This committee is a separate segregated fund.

☐ (f) This committee supports/opposes more than one Federal candidate and is NOT a separate segregated fund nor a party committee.

6. Name of Any Connected Organization or Affiliated Committee	Mailing Address and ZIP Code	Relationship
NONE		

If the registering political committee has identified a "connected organization" above, please indicate type of organization:

☐ Corporation ☐ Corporation w/o Capital Stock ☐ Labor Organization ☐ Membership Organization ☐ Trade Association ☐ Cooperative

7. Custodian of Records: Identify by name, address (phone number — optional) and position, the person in possession of committee books and records.

Full Name	Mailing Address and ZIP Code	Title or Position
Janice Miller	116 Princeton Las Vegas, Nevada 89107	Vice-Treasurer

8. Treasurer: List the name and address (phone number — optional) of the treasurer of the committee; and the name and address of any designated agent (e.g., assistant treasurer).

Full Name	Mailing Address and ZIP Code	Title or Position
Paul Eisenberg	116 Princeton Las Vegas, Nevada 89107	Treasurer

9. Banks or Other Depositories: List all banks or other depositories in which the committee deposits funds, holds accounts, rents safety deposit boxes or maintains funds.

Name of Bank, Depository, etc.	Mailing Address and ZIP Code
Valley Bank of Nevada	4801 West Charleston Boulevard Las Vegas, Nevada 89102

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

PAUL EISENBERG — Type or Print Name of Treasurer

Paul Eisenberg — SIGNATURE OF TREASURER

1-29-86 — Date

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

For further information contact: Federal Election Commission, Toll Free 800-424-9530, Local 202-523-4068

FEC FORM 1 (3/80)

9 1 0 4 0 3 6 0 2 2 4 1

S FOR HARRY REID
INCETON
gas, Nevada 89107

SECRETARY OF THE SENATE
119 D Street NE
Washington, D.C. 20510

9104036922755

2/7/86

C NV DEM C424

STATEMENT OF CANDIDACY

(see reverse side for instructions)

1. (a) Name of Candidate (in Full)

Harry Mason Reid

(b) Address (Number and Street)

1326 Kirby Road

(c) City, State and ZIP Code

McLean, VA 22101

2. Identification No.

3. Party Affiliation

Democratic

4. Office Sought

U.S. Senate

5. District & State of Candidate

Nevada

DESIGNATION OF PRINCIPAL CAMPAIGN COMMITTEE

6. I hereby designate the following named political committee as my Principal Campaign Committee for the 1986 election(s).
(Year of Election)

NOTE: This designation must be filed with the appropriate office listed below.

(a) Name of Committee (in Full)

Friends for Harry Reid

(b) Address (Number and Street)

116 Princeton St.

(c) City, State and ZIP Code

Las Vegas, Nevada 89107

DESIGNATION OF OTHER AUTHORIZED COMMITTEES

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

NOTE: This designation should be filed with the principal campaign committee.

(a) Name of Committee (in Full)

NONE

(b) Address (Number and Street)

(c) City, State and ZIP Code

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

(Signature of Candidate)

Feb. 2, 1986
(Date)

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

CANDIDATES FOR –

President mail to:	U.S. Senate mail to:	U.S. House of Representatives mail to:		
Federal Election Commission 1325 K Street, N.W. Washington, D.C. 20463	Secretary of the Senate 119 D Street, N.E. Washington, D.C. 20510	Clerk of the House 1036 Longworth Office Bldg. Washington, D.C. 20515	For further information contact:	Federal Election Commission Toll Free 800-424-9530 Local 202-523-4068

FEC FORM 2 3-80

21640393691763

rinceton St.
gas, NV 89107

LAS VEGAS NV
PM
7 FEB
1986

Secretary of the Senate
119 D Street, N.W.
Washington, D.C. 20515

9 1 0 4 0 0 8 6 1 2 7 3 5

3/27/86

Harry Reid
U.S. SENATE

March 27, 1986

Secretary of the Senate
119 D Street, NE
Washington, D.C. 20510

Re: Statement of Organization

Dear Sir:

I sent a Statement of Organization dated January 29, 1986. This statement was intended to reflect the termination of the Friends for Harry Reid committee used for reporting to the Clerk of the House, and to redesignate this same committee as a Senate campaign committee.

On line 4 of the form, I checked the wrong box. I should have indicated that this was not an amendment. The Friends for Harry Reid committee is now a Senate campaign committee.

I am sorry if I caused any confusion and am enclosing a new copy of the form. Our old FEC number is C00145094. I do not know if we keep this or are assigned a new number. Please advise. I have used our current number on the form.

If you need additional information, please contact me at (702)-878-4154.

Sincerely,

Janice Miller

Janice Miller
Vice-Treasurer

JM/cam

320 E. CHARLESTON, SUITE E, LAS VEGAS, NV 89104 (702) 388-7330
120 SO. WELLS AVENUE, RENO, NV 89502 (702) 785-1987
1987 NO. CARSON ST., NO. 5, CARSON CITY, NV 89701 (702) 882-7343
PAID FOR BY FRIENDS FOR HARRY REID, PAUL EISENBERG TREAS.

26049896278

STATEMENT OF ORGANIZATION

(see reverse side for instructions)

1. (a) Name of Committee (in Full) ☐ Check if name or address is changed.	2. Date
Friends FOR HARRY REID	1-29-86
(b) Address (Number and Street)	3. FEC Identification Number
116 PRINCETON	C00145094
(c) City, State and ZIP Code	4. Is this an amended Statement? ☐ YES ☒ NO
Las Vegas, Nevada 89107	

5. TYPE OF COMMITTEE (check one):

☒ (a) This committee is a principal campaign committee. (Complete the candidate information below.)

☐ (b) This committee is an authorized committee, and is NOT a principal campaign committee. (Complete the candidate information below.)

Harry Mason Reid	Democrat	U.S. Senate	Nevada
Name of Candidate	Candidate Party Affiliation	Office Sought	State/District

☐ (c) This committee supports/opposes only one candidate _____ and is NOT an authorized committee.
(name of candidate)

☐ (d) This committee is a _____ committee of the _____ Party.
(National, State or subordinate) (Democratic, Republican, etc.)

☐ (e) This committee is a separate segregated fund.

☐ (f) This committee supports/opposes more than one Federal candidate and is NOT a separate segregated fund nor a party committee.

6. Name of Any Connected Organization or Affiliated Committee	Mailing Address and ZIP Code	Relationship
NONE		

If the registering political committee has identified a "connected organization" above, please indicate type of organization:

☐ Corporation ☐ Corporation w/o Capital Stock ☐ Labor Organization ☐ Membership Organization ☐ Trade Association ☐ Cooperative

7. Custodian of Records: Identify by name, address (phone number – optional) and position, the person in possession of committee books and records.

Full Name	Mailing Address and ZIP Code	Title or Position
Janice Miller	116 Princeton Las Vegas, Nevada 89107	Vice-Treasurer

8. Treasurer: List the name and address (phone number – optional) of the treasurer of the committee; and the name and address of any designated agent (e.g., assistant treasurer).

Full Name	Mailing Address and ZIP Code	Title or Position
Paul Eisenberg	116 Princeton Las Vegas, Nevada 89107	Treasurer

9. Banks or Other Depositories: List all banks or other depositories in which the committee deposits funds, holds accounts, rents safety deposit boxes or maintains funds.

Name of Bank, Depository, etc.	Mailing Address and ZIP Code
Valley Bank of Nevada	4801 West Charleston Boulevard Las Vegas, Nevada 89102

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

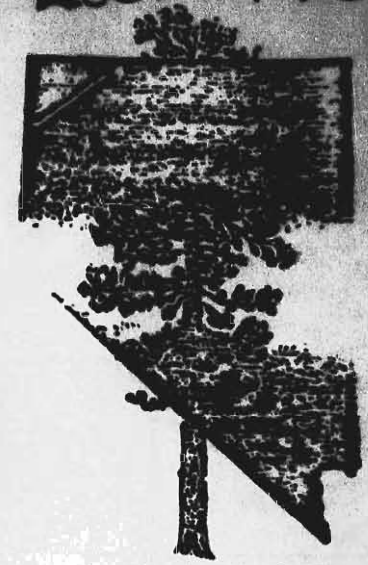
Paul Eisenberg	Paul Eisenberg	1-29-86
Type or Print Name of Treasurer	SIGNATURE OF TREASURER	Date

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

For further information contact: Federal Election Commission, Toll Free 800-424-9530, Local 202-523-4068

FEC FORM 1 (3/80)

LS3485 NV D 424



Harry Reid
U.S. SENATE

RECEIVED
APR - 2 1986

RECEIVED
OFFICE OF THE CLERK
U.S. HOUSE OF REPRESENTATIVES
1986 APR -4 AM 9 44

April 1, 1986

Benjamin Guthrie, Clerk
United States House of Representatives
1036 Longworth HOB
Washington, D.C. 20515
RE: Year-end Report (7-1-85 to 12-31-85)
ID: 096679

Dear Sir:

On March 21, 1986, we received a letter from the Federal Election Commission informing us that the contribution we accepted from the Democratic Senatorial Campaign Committee for $17,500 exceeded the amount of money that a candidate for the U.S. House of Representatives can accept.

At the time that we accepted the contribution, on December 22, 1985, we understood that a new Statement of Organization, changing our committee to a Senate campaign committee, had already been filed.

Unknown to us, the staff person in Washington, D.C. who was responsible for filing the necessary form failed to do so. In December, 1985 he left for a new job. When we discovered the oversight, we filed a new Statement of Organization dated January 29, 1986. Based upon phone conversations with the FEC, we understood the matter to be closed.

In response to the FEC's letter, we felt that in order to fully comply with FEC regulations we should refund the money. A check was promptly sent to the Democratic Senatorial Campaign Committee on March 25, 1986 for $17,500 (check number 3295). This refund will be reflected in the first quarterly report to the U.S. Senate. If you have further questions, please advise.

Sincerely,

Janice Miller
Vice-Treasurer

JM/ge

320 E. CHARLESTON, SUITE E, LAS VEGAS, NV 89104 (702) 388-7330
120 SO WELLS AVENUE, RENO, NV 89502 (702) 785-1987
1987 NO CARSON ST., NO 5, CARSON CITY, NV 89701 (702) 882-7343

PAID FOR BY FRIENDS FOR HARRY REID, PAUL FITZPATRICK, TREAS.

BARBARA F. VUCANOVICH
2ND DISTRICT, NEVADA

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

COMMITTEE ON HOUSE ADMINISTRATION

CONGRESSIONAL TRAVEL AND TOURISM CAUCUS

ENVIRONMENTAL AND ENERGY STUDY CONFERENCE

CONGRESS OF THE UNITED STATES

HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20515

312 CANNON BUILDING
WASHINGTON, D.C. 20515
(202) 225-6155

FEDERAL BUILDING
300 BOOTH STREET, SUITE 1130
RENO, NEVADA 89509
(702) 784-5005

443 5TH STREET
ELKO, NEVADA 89801
(702) 738-4064

POST OFFICE BOX A
2200 CIVIC CENTER DRIVE
NORTH LAS VEGAS, NV 89030
(702) 399-3535

May 12, 1986

Honorable Morris K. Udall
Chairman
House Commission on
Congressional Mailing Standards
305 Cannon House Office Building
Washington, D.C. 20515

Dear Mr. Chairman:

Thank you for the Commission's response to my letter of April 30.

In accordance with the procedures, enclosed are a formal complaint and accompanying documents. As well, I have enclosed a copy of my original letter for reference to my initial questions.

It is my hope that the Commission will come to a swift and satisfactory conclusion to this very serious matter.

Sincerely,

BARBARA F. VUCANOVICH
Member of Congress

BFV:jt

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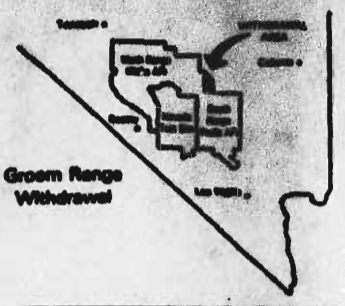
9104036002882

Congressman HARRY REID Of Nevada

STAYING IN TOUCH

Spring 1988

Nevada's Voice Heard In Nation's Capital



★ Project to Be Implemented

Lives have been lost and millions of dollars of damage have been incurred because of the repeated flooding in Nevada. That's why, for three years, Rep. Harry Reid has worked for federal assistance for flood control.

He has testified before and chaired congressional hearings, authored legislation and acquired money for Army Corps of Engineers studies.

The funding of phase one of the Corps project, which began in 1983, is now ready for implementation. Basically, such funding will require a 50-50 cost-sharing by the federal government and Clark County for this feasibility phase.

★ Federal Compensation Sought

The Nevada Test Site plays a vital role in Nevada's economy. That's why Rep. Harry Reid recently voted against a bill calling for a comprehensive ban on nuclear testing and, at the same time, introduced legislation to compensate the state and displaced test site workers should a test ban go into effect.

In remarks on the floor of the House of Representatives, Reid spoke against House Joint Resolution 3, which would require the President to enter into negotiations with the Soviet Union for a comprehensive test ban treaty. The cessation of testing without federal compensation to Nevada would deal a severe blow to the state's economy.

The Nevada Test Site employs more than 7,000 Nevadans. Including support industries, the site generates nearly one billion dollars each year to Nevada's economy. If and when testing is stopped, the federal government should provide for the retraining of Nevada workers.

In addition to the employment loss, the state should be compensated for the destruction and the contamination of what was once beautiful and potentially productive land.

"Nevada has accepted nuclear waste disposal on our doorstep and we put up with decades of bombing in our backyard," Reid said, "because we knew it was in the interest of our country."

Despite the current economic benefits of the test site, however, the state has lost grazing, mining and recreational opportunities on the vast tract of federally withdrawn land — losses that should be compensated if nuclear testing is halted. Such compensation was paid to the Micronesian Islands after testing there ceased.

★ Proposal to Mitigate State for Lost Use of Land

The nation's military readiness has been well served by the Nellis Air Force Range, Rep. Harry Reid recently testified before the House Public Lands Subcommittee, "but the military must continue to use the proper legal channels — congressional approval — to obtain its land withdrawals." His testimony referred to renewal of the 2,945,000-acre Nellis Air Force Range withdrawal.

His statement particularly stressed the need for compensation to Nevada for the Air Force's illegal seizure of the 89,000-acre Groom Mountain area in 1984. The Air Force withdrew this excellent recreational area and wildlife refuge as a necessary buffer zone to protect the secrecy of some of the activities being conducted at the Nellis Range.

Thereafter, legislation to make the seizure legal was introduced. It contained provisions for mitigation that required the Air Force to find other land, through exchange or otherwise, to mitigate the impact of lost recreation, mineral and agricultural uses to Nevada when Groom Mountain was withdrawn.

Reid has proposed that the Air Force buy 5,000 to 9,000 acres of land near Red Rock Canyon Recreational Lands outside Las Vegas to fulfill this mitigation obligation. That's 1/18 the size of the parcel illegally seized by the Air Force.

CONGRESSIONAL TESTIMONY — Prior to his own testimony, Rep. Harry Reid listens to opening statements during a Public Lands Subcommittee hearing on the renewal of the 2,945,000-acre Nellis Air Force Range withdrawal.

★ Leaders Favor Taxpayers' Bill

With our attention focused once again on paying taxes, Rep. Harry Reid has confirmed growing support for his Taxpayers' Bill of Rights, introduced earlier in the 99th Congress.

An important indicator of coast-to-coast support for his legislation to return equity to the Internal Revenue Service's dealings with taxpayers is a survey conducted by "Write Your Congressman." This nationwide organization has received responses from more than 100,000 opinion leaders across the country; more than 75 percent of them favor the Taxpayers' Bill of Rights.

Basically, this bill is a responsive one. It is designed to prevent the IRS from going beyond its legal jurisdiction and, therefore, lays the foundation to prevent violation of citizens' rights.

★ Legislation to Mon...or Military Airspace Withdrawals

A massive use of airspace by the military for maneuvers and weapons testing has prompted Rep. Harry Reid to introduce H.R. 1504. This bill would require an act of Congress for the Department of Defense to withdraw airspace over unmilitary public land.

Current law requires that the DOD submit its airspace requests to the Department of Transportation for approval. Because the DOT generally grants DOD airspace requests, the present airspace withdrawal method allows the military virtually free reign over the airspace above public lands. Currently, this process is done without congressional approval or public input.

How the airspace is used is another problem. Dozens of Dixie Valley residents, near the Fallon Naval Air Station, have been subjected to low altitude supersonic flights that produce sonic booms. These booms can shake the earth and physically damage buildings. The effect on humans and animals is yet unknown.

"Nevadans aren't complainers," Reid stated at a recent Public Lands Subcommittee hearing. "They recognize the importance of our military to Nevada and the nation," but added, "Nevadans want just compensation when military activities make their land useless to them."

★ Las Vegas Vies for Printing Plant

Las Vegas is one of 11 western cities being considered for the location of a new currency facility of the U.S. Bureau of Engraving and Printing.

In addition to diversifying the economy with a stable and prestigious facility, Rep. Harry Reid said, "This operation would generate about five jobs for every one in the plant." The plant itself would employ 300 to 400 Nevadans.

The facility would be one of two in the United States, the other being Washington, D.C., where currency, postage stamps and federal securities are printed.

CITY REPS DISCUSS PRIORITIES — Several representatives of the Nevada League of Cities recently met with Rep. Harry Reid to discuss current and upcoming needs of Nevada cities. Also pictured are G.P. Etcheverry, of Carson City, executive director of the Nevada league, and Michael R. Harris, representing the City of Henderson. Issues discussed included: revenue-sharing, Community Development Block Grants, tax reform, general revenue bonds and public transportation.

AFTERMATH OF A FLOOD — As flood waters in Northern Nevada began receding from one of the state's worst floods in this century, Rep. Harry Reid toured disaster-struck areas in the Reno-Sparks area. Also pictured is Sparks Mayor Jim Spoo.

★ Nuclear Waste Issue Persists

Confirming his ongoing opposition to the transport of nuclear waste in Nevada, Rep. Harry Reid is co-sponsoring legislation that would make the federal government liable for any accident occurring from the transportation of high- and low-level nuclear waste.

In addition to the transportation issue, Nevada also faces the problem of safe nuclear waste storage, an issue which has not been resolved.

Similarly, whether the nation's first high-level nuclear waste repository will be located at Yucca Mountain has not yet been determined.

As a constant opponent of the DOE's placement of a high-level nuclear waste repository in Nevada, Reid testified last August before the House Subcommittee on Energy Conservation and Power that "nuclear waste storage is totally incompatible with Nevada's number one industry — tourism. This nuclear waste project would have negative impact on people's perceptions about Nevada — where more than half of the state's revenues are derived from tourism."

★ Delegation Compromise Needed

One of the most important issues now being considered by Nevadans is the designation of a small portion of our state's lands as wilderness. Unfortunately, efforts to reach a delegation compromise on a wilderness measure that could pass BOTH houses of Congress have failed.

"It's disappointing that we, as a delegation, have been unable to reach a moderate, realistic compromise that meets the needs of ALL Nevadans," Rep. Harry Reid said, "because, without a wilderness bill, Nevada will be encumbered with nearly four million acres of defacto wilderness indefinitely."

The Wilderness Act of 1964 mandates states to create wilderness legislation from areas deemed by the U.S. Forest Service to meet the wilderness criteria.

Nevada, the only state without this legislation, has 3 6 million acres that qualify as wilderness. All of this land will be treated as wilderness until legislation *designating* specific Nevada wilderness areas passes Congress.

Reid's proposal would create wilderness for less than one percent of the state and RELEASE nearly three million acres for multiple use. In addition, his bill, as amended in the Interior Committee, would provide for the state's first national park.

INSIDE:

★ Mitigation for Lost Lands .....page 1

★ Test Site's Impact.....page 1

★ Military Airspace Withdrawals .....page 2

★ Compromise Needed ....page 2

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

Official Business

M.C.

Barbara F. Vucanovich
540 W. Riverview Cir.
Reno, NV 89509

9104086028 3

9104080602 84

HOUSE COMMISSION ON CONGRESSIONAL MAILING STANDARDS

RECEIVED
1986 MAY 20 AM 11:17

THE HONORABLE BARBARA F. VUCANOVICH)
Complainant)
)
)
V.)
)
)
THE HONORABLE HARRY M. REID)
Respondent)
)
)

ANSWER

Respondent Harry Reid admits, denies and answers as follows herein:

1. Admits Paragraph 3.

2. Denies Paragraphs 2, and 7.

3. Based upon lack of knowledge and information denies Paragraph 1.

4. Answering Paragraph 4 and 8 denies that he is a "candidate for any other public office" within the ambit of 39 U.S. C. Section 3210 (a) (6) (A) (ii).

5. Answering Paragraph 5, admits that on April 25, 1986 he caused to be mailed a newsletter to various persons in the State of Nevada, including Nevadans residing in the Second Congressional District thereof, but denies the other allegations thereof on the basis that the newsletter attached to Complainant's COMPLAINT is not marked as Exhibit D, and he therefor has no means of determining Complainant's stated intent that a particular document be incorporated by reference.

6. Answering Paragraph 6, admits that he is not the member of Congress elected from the Second Congressional District of Nevada, but avers that he, as well as every other Representative and Senator from the State of Nevada bears responsibility to represent, and provide services for, all citizens of Nevada, and denies the other allegations thereof.

7. Respondent has been forced to incur attorneys fees herein in retaining to represent him:

BRENT T. ADAMS, Esq.
111 California Ave.
Reno, NV 89505
(702) 323-8616

9 1 0 4 0 8 6 0 2 8 5

FIRST AFFIRMATIVE DEFENSE

Complainant's COMPLAINT fails to state a claim upon which relief may be based.

SECOND AFFIRMATIVE DEFENSE

On or about April 14, 1986 Respondent sought and obtained approval of counsel for the Commission on Congressional Mailing Standards before mailing a Newsletter under his frank to any person outside the First Congressional District of the State of Nevada.

THIRD AFFIRMATIVE DEFENSE

Complainant's COMPLAINT is motivated by improper motives, and is an attempt to abuse the processes of this Commission in an attempt to influence the outcome of a Federal election.

FOURTH AFFIRMATIVE DEFENSE

To the extent that this Commission will not entertain a Motion to Dismiss, Respondent hereby incorporates by reference as if stated fully herein, all matters stated in the Motion to Dismiss filed concurrently herewith.

WHEREFOR, the Respondent requests that the Complainant's COMPLAINT against him be dismissed in its entirety.

Harry Reid, M.C.
signed at: Washington D.C.
this 20th day of May, 1986

2104036U286

HOUSE COMMISSION ON CONGRESSIONAL MAILING STANDARDS

THE HONORABLE BARBARA F. VUCANOVICH)
Complainant)
)
V.)
)
THE HONORABLE HARRY M. REID)
Respondent)

RECEIVED
MAY 30 11:17

MOTION TO DISMISS COMPLAINT

Pursuant to 2 U.S.C. Sections 501 (d) and 501 (e), 39 U.S.C. Section 3210 (a) (6), Rule XLVI (5) of the Rules of the House of Representatives, Chapter 4, Part 2 of the Regulations of the Use of the Congressional Frank, and the Rules of Practice In Proceedings Before The House Commission on Congressional Mailing Standards, Respondent moves the Commission to dismiss the Complainant's COMPLAINT in the above entitled matter on the grounds that he is not a candidate for public office as defined in this Commission's Regulations, and that he sought and obtained prior advice of this Commission's counsel prior to the mailing complained of by Complainant. This Motion is made and based on the Points and Authorities and Exhibits attached hereto and submitted herewith, and upon the pleadings and papers on file in this matter.

Respectfully submitted,

Harry Reid, M.C.

POINTS AND AUTHORITIES

I

Introduction

The Commission has before it a Complaint alleging that the Respondent improperly used the Congressional franking privilege in violation of 39 U.S.C. Section 3210 by allegedly engaging in a mass mailing of a newsletter outside the boundaries of the Congressional District which he represents, while "a candidate for any other public office."

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As will be demonstrated below, not only is Complainant's Complaint invalid as a matter of law; Respondent also obtained advice of this Commission's counsel that the mailing in which he engaged was legal before one piece of that mailing was placed under the Congressional frank.

Indeed, under the clear regulations of this Commission, as well as Nevada law which Complainant must be presumed to know, since Respondent has not filed a Declaration of Candidacy with the Secretary of State of Nevada, he could not be deemed to be in violation of Section 3210. Accordingly, Complainant's Complaint can only have been filed for an ulterior motive, and it should be immediately dismissed.

II.

Discussion

A

Complainant's Complaint Must Fail
As A Matter of State and Federal Law

The crux of Complainant's Complaint is her allegation that Respondent is a candidate for office sufficient to bring him within the restrictions on franking of 39 U.S.C. Section 3210 (a) (6) (A). That Section provides in part:

> (6) (A) It is the intent of Congress that a Member of, or Member-elect to, Congress may not mail any mass mailing as franked mail--
> (ii) in the case of a Member of...the House who is a candidate for any other public office, if the mass mailing--
> (I) is prepared for delivery within any portion of the jurisdiction of the area covered by the public office which is outside the area constituting the congressional district from which the Member...was elected...

See, 39 U.S.C. section 3210 (a) (6) (A).

What Respondent, in her haste to file this Complaint, has apparently overlooked is Chapter 4, Part 2 of the Regulations on the Use of the Congressional Frank promulgated by this Committee on June 7, 1983. That Regulations specifically interprets Section 3210 (a) (6) (A) and states:

> For the purpose of this provision "other public office" means any local, State, or Federal office. "Candidate" means a Member who has qualified under Federal, State, or local law for the official ballot in a primary, runoff, special or general election, or who has been certified for candidacy by an appropriate Federal, State, or local election official.

See, Chapter 4, Part 2 of Regulations, (emphasis added).

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Under Nevada law, a person may appear on the official ballot in a primary election for the United States Senate only if he or she has filed a declaration of candidacy or an acceptance of candidacy no earlier than January 1, and no later than the 1st Wednesday in July in the year in which the election is to be held. The Declaration or Acceptance must set forth certain information including, inter alia, residence and party affiliation. See N.R.S. 293.177, a copy of which is attached hereto as Exhibit A.

As is demonstrated by the Affidavit of Harry Reid attached as Exhibit B, he has not filed a Declaration of Candidacy with Nevada's Secretary of State sufficient to place him on the ballot as a candidate for the United States Senate from Nevada. As a result, he cannot be a candidate under the definition provided by this Commission's Regulations, and is not subject to the limitations of 39 U.S.C. Section 3210 (a) (B) (A). Accordingly, Complainant's COMPLAINT must be dismissed.

Indeed, as will be demonstrated, Respondent, through his staff, sought and obtained advice of this Commission's counsel that he was not a candidate under Section 3210 (a) (6) (A), prior to the mailing of which Complainant complains.

2104036U2389

B

The Newsletter About Which Complainant Complains Was Mailed Only After Respondent Sought Advice Of This Commission's Counsel

In order to avoid any possibility of impropriety, prior to mailing the newsletter about which Complainant has filed a Complaint, Respondent requested that his Administrative Assistant, Don Wilson, contact this Commission's counsel for advice.

As is demonstrated by the Affidavit of Don Wilson attached as Exhibit C, he contacted Jim Cregan, counsel for this Commission on or about April 14, 1986. When he spoke with Mr. Cregan shortly thereafter, he asked Mr. Cregan whether such a mailing would be improper. After reviewing the requirements for declaration of candidacy in Nevada with Don Wilson, Mr. Cregan informed him that Respondent was not a candidate under this Commission's Regulations.

While an advisory opinion of this Commission's staff is, of course, neither final nor binding until issued in writing; the fact that Mr. Cregan was so quickly able to determine the matter is strongly indicative of the merit of Respondent's position. Furthermore, that Respondent cared enough to seek advice of staff before taking any action demonstrates his good faith, and desire to abide by the laws, Rules, and Regulations governing use of the franking privilege.

III

Conclusion

Complainant's complaint has no merit and must be dismissed.

Respectfully submitted,

Harry Reid, M.C.

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293.176 Candidacy for party nomination prohibited if person changed designation of affiliation of political party since September 1 before closing filing date for election. No person may be a candidate for a party nomination in any primary election if he has changed the designation of his political party affiliation on an official affidavit of registration in the State of Nevada or in any other state since September 1 prior to the closing filing date for such election, whether or not his previous registration was still effective at the time of the change in party designation.

(Added to NRS by 1963, 1373; A 1971, 1551; 1979, 491)

293.177 Conditions for printing name on ballot; form of declaration or acceptance of candidacy; candidates' names.

1. Except as provided in NRS 293.165, no name may be printed on a ballot to be used at a primary election unless the person named has filed a declaration of candidacy, or an acceptance of a candidacy, and paid the fee required by NRS 293.193 not earlier than January 1 of the year in which the election is to be held nor later than 5 p.m. of the 1st Wednesday in July.

2. A declaration of candidacy or an acceptance of a candidacy required to be filed by this section must be in substantially the following form:

DECLARATION OF CANDIDACY OF _____ FOR THE OFFICE OF _____

STATE OF NEVADA

ss.

COUNTY OF _____

For the purpose of having my name placed on the official primary ballot as a candidate for the _____ Party nomination for the office of _____, I, the undersigned _____, do swear (or affirm) that I reside at No. _____ Street, in the City (or Town) of _____, _____ County of _____, State of Nevada; that I am a registered voter of the election precinct in which I reside; that my actual, as distinguished from constructive, residence therein began on a date 30 days or more prior to the date of close of filing of declarations of candidacy for this office; that I am registered as a member of the _____ Party; that I have not changed the designation of my political party affiliation on an official affidavit of registration in any state since September 1 prior to the closing filing date for this election; that I generally believe in and intend to support the concepts found in the principles and policies of such political party in the coming election; that if nominated as a nonpartisan candidate or as a candidate of

EXHIBIT A

the _____ Party at the ensuing election I will accept such nomination and not withdraw; that I will not knowingly violate any election law or any law defining and prohibiting corrupt and fraudulent practice in campaigns and elections in this state; and that I will qualify for the office if elected thereto; and my name shall appear on all ballots as here designated.

_____
(Designation of name)

_____
(Signature of candidate for office)

Subscribed and sworn to before
me this _____ day of _____, 19___

_____
(Notary Public or other person
authorized to administer an oath)

3. A person may be a candidate under the name by which he is a voter, or under any other name which he has borne and by which he is known in the community where he resides.

4. The party designation in nonpartisan elections must not be shown on the declaration of candidacy.

(Added to NRS by 1960, 243; A 1961, 285; 1963, 1372; 1967, 859; 1971, 438, 1551; 1975, 617; 1977, 240; 1979, 262, 635; 1983, 1116; 1985, 1218)

293.180 Certificates of candidacy: Requirements; filing; acceptance of candidacy.

1. Ten or more registered voters may, not earlier than the last Monday in May nor later than 5 p.m. on the last Friday in June, file a certificate of candidacy designating any registered voter as a candidate for his party's nomination for any partisan elective office, or as a candidate for nomination for any nonpartisan office. When the certificate has been filed, the officer in whose office it is filed shall notify the person named in the certificate. If the person named in the certificate files an acceptance of such candidacy and pays the required fee, as provided by law, he shall be a candidate in the primary election in like manner as if he had filed a declaration of candidacy.

2. If any such certificate of candidacy relates to a partisan office, all of the signers shall be of the same political party as the candidate designated.

(Added to NRS by 1960, 244; A 1963, 1387; 1971, 439; 1983, 1117)

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AFFIDAVIT OF HARRY REID

State of _____)
County of _____) ss

HARRY REID, being first sworn and under oath, does state:

1. I am a Member of Congress from the First Congressional District of Nevada.

2. On or about April 14, 1986, I requested of my Administrative Assistant, Don Wilson, that he determine from the appropriate House body whether I was not a candidate for other office under the laws governing franking, as was my opinion as an attorney who has been practicing law in Nevada for twenty-three years.

3. I had been previously advised by my former Administrative Assistant, Claude Zobell, a licensed attorney in Nevada and the District of Columbia, and now a Dean at BYU Law School, that he had researched the issue and that I would not be a candidate under Nevada law until I filed a Declaration of Candidacy.

4. On or about April 15, 1986, Mr. Wilson told me he had spoken to counsel for the House Commission on Congressional Mailing Standards, and that under the Regulations governing mass mailing I was not a candidate. Accordingly, I determined that it would be legal and proper for me to mail a newsletter to Nevadans outside the First Congressional District.

5. It has been my practice, since I came to the House, to continually upgrade and expand my office computer date base for use in mass mailing materials of interest to Nevadans under the franking privilege. I have never used that data base for electorial purposes, and have paid for expansion of the data base outside my District out of my own pocket, rather than from campaign funds, or from Congressional funds. It has been and remains my firm belief, that in any Western State like Nevada, with a relatively small population, a large land area, and only two Representatives in the House, that it is the obligation of both Members to provide constituent services throughout the State.

6. On or about April 25, 1986 I caused to be mailed under my frank, a newsletter dealing with issues I thought of interest to Nevadans in general.

7. Shortly thereafter, the issue of legality of such mailing was raised by Patty Caferatta, the daughter of Rep. Barbara Vucanovich.

EXHIBIT B

2104036U293

8. I intend to make no use of the Congressional franking privilege for mass mailings of newsletters until this election period is over.

9. If called upon to testify, I could testify to the above facts of my own personal knowledge.

Harry Reid, M.C.

Subscribed and sworn to before me this 20th day of May 1986,

Notary Public

My commission expires Sept. 14, 1989

9104036U294

AFFIDAVIT OF DON WILSON

State of _____)
County of _____)ss

DON WILSON, being first sworn and under oath, does state:

1. I am the Administrative Assistant employed by Rep. Harry Reid of Nevada and have been since prior to April 1, 1986.

2. On or about April 14, 1986 Rep. Reid requested that I contact the appropriate body of the House of Representatives to determine if there was any possibility that he was a candidate for "other public office" under 39 U.S.C. Section 3210.

3. On or about April 15, 1986 I telephoned the Committee on Standards of Official Conduct seeking clarification of that definition. I was advised by the person with whom I spoke that the inquiry should be directed to Jim Cregan, Deputy General Counsel for the Committee on the Post Office and Counsel to the Commission on Congressional Mailing Standards.

4. Mr. Cregan returned my telephone call on April 15, 1986. He responded to my question by directing my attention to Chapter Four, Section D, Paragraph 2, of the Commission's Regulations.

5. I informed Mr. Cregan that in Nevada a name cannot appear on a ballot until a person files a Declaration of Candidacy, and that Rep. Reid had not filed such a Declaration. Mr. Cregan stated that if that was the case, Rep. Reid was not a candidate for other public office under the Commission's Regulations, and that he could continue to use the franking privilege for mass mailings outside his District.

6. If called upon to testify, I could testify to the above stated facts of my own personal knowledge.

Don Wilson

Don Wilson

SUBSCRIBED AND sworn to before me this 21st day of May,

Notary Public

My commission expires

Sept. 14, 989

EXHIBIT C

21040360295

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REPORT OF RECEIPTS AND DISBURSEMENTS
For a Political Committee Other Than an Authorized Committee

RECEIVED AT THE FEC

(Summary Page)

86 OCT 28 P 6:07

1. Name of Committee (In Full)

Nevada State Republican Central Committee

Address (Number and Street)

421 Hill Street

City, State and ZIP Code

Reno, NV 89501

☐ Check here if address is different than previously reported.

2. FEC Identification Number

C00082925

3. ☒ This committee qualified as a multicandidate committee during this Reporting Period on 8-14-86 (Date)

4. TYPE OF REPORT (Check appropriate box(es))

(a) ☐ April 15 Quarterly Report ☒ October 15 Quarterly Report
☐ July 15 Quarterly Report ☐ January 31 Year End Report
☐ July 31 Mid Year Report (Non-Election Year Only)
☐ Monthly Report for _____
☐ Twelfth day report preceding _____ (Type of Election) election on _____ in the State of _____
☐ Thirtieth day report following the General Election on _____ in the State of _____
☐ Termination Report

(b) Is this Report an Amendment?
☐ YES ☒ NO

SUMMARY	COLUMN A This Period	COLUMN B Calendar Year-to-Date
5. Covering Period August 14, 1986 through Sept. 30, 1986		
6. (a) Cash on hand January 1, 1986		$ 18,826
(b) Cash on Hand at Beginning of Reporting Period	$ 32,255	
(c) Total Receipts (from Line 18)	$ 90,992	$ 230,358
(d) Subtotal (add Lines 6(b) and 6(c) for Column A and Lines 6(a) and 6(c) for Column B)	$ 123,247	$ 249,184
7. Total Disbursements (from Line 28)	$ 57,812	$ 183,749
8. Cash on Hand at Close of Reporting Period (subtract Line 7 from Line 6(d))	$ 65,435	$ 65,435
9. Debts and Obligations Owed TO The Committee (Itemize all on Schedule C or Schedule D)	$	
10. Debts and Obligations Owed BY the Committee (Itemize all on Schedule C or Schedule D)	$	

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

Robert L. Seale
Type or Print Name of Treasurer

Robert L. Seale
SIGNATURE OF TREASURER

October 14, 1986
Date

For further information contact:
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463
Toll Free 800-424-9530
Local 202 376-3120

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 3X (3/80)

91949840002-97

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

Name of Committee (in Full)
Nevada Republican State Central Committee

Report Covering the Period
From 8-14-86 To 9-30-86

	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	90,958	145,943	11(a)
(Memo Entry Unitemized $ 21,208)			
(b) Political Party Committees		81,000	11(b)
(c) Other Political Committees			11(c)
(d) TOTAL CONTRIBUTIONS (other than loans) (add 11(a), 11(b) and 11(c))	90,958	226,943	11(d)
12. TRANSFERS FROM AFFILIATED/OTHER PARTY COMMITTEES			12
13. ALL LOANS RECEIVED			13
14. LOAN REPAYMENTS RECEIVED		3,271	14
15. OFFSETS TO OPERATING EXPENDITURES (Refunds, Rebates, etc.)			15
16. REFUNDS OF CONTRIBUTIONS MADE TO FEDERAL CANDIDATES AND OTHER POLITICAL COMMITTEES			16
17. OTHER RECEIPTS (Dividends, Interest, etc.)	34	146	17
18. TOTAL RECEIPTS (Add 11(d), 12, 13, 14, 15, 16 and 17)	90,992	230,360	18
II. DISBURSEMENTS			
19. OPERATING EXPENDITURES	29,100	142,804	19
20. TRANSFERS TO AFFILIATED/OTHER PARTY COMMITTEES		5,000	20
21. CONTRIBUTIONS TO FEDERAL CANDIDATES AND OTHER POLITICAL COMMITTEES	5,000	8,755	21
22. INDEPENDENT EXPENDITURES (use Schedule E)			22
23. COORDINATED EXPENDITURES MADE BY PARTY COMMITTEES, 12 U.S.C. § 441 a(d)) (Use Schedule F)	23,602	23,602	23
24 LOAN REPAYMENTS MADE			24
25 LOANS MADE		3,271	25
26 REFUNDS OF CONTRIBUTIONS TO			
(a) Individuals/Persons Other Than Political Committees			26(a)
(b) Political Party Committees			26(b)
(c) Other Political Committees			26(c)
(d) TOTAL CONTRIBUTION REFUNDS (Add 26(a), 26(b) and 26(c))			26(d)
27 OTHER DISBURSEMENTS	110	317	27
28 TOTAL DISBURSEMENTS (add lines 19, 20, 21, 22, 23, 24, 25, 26(d) and 27)	57,812	183,749	28
III. NET CONTRIBUTIONS AND NET OPERATING EXPENDITURES			
29 TOTAL CONTRIBUTIONS (other than loans) from Line 11(d)			29
30 TOTAL CONTRIBUTION REFUNDS from Line 26(d)			30
31 NET CONTRIBUTIONS (other than loans) (Subtract Line 30 from Line 29)			31
32 TOTAL OPERATING EXPENDITURES from Line 19			32
33 OFFSETS TO OPERATING EXPENDITURES from Line 15			33
34 NET OPERATING EXPENDITURES (Subtract Line 33 from Line 32)			34

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SCHEDULE B — ITEMIZED DISBURSEMENTS

Use separate schedule(s) for each category of the Detailed Summary Page

FOR LINE NUMBER 19

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)

Nevada Republican State Central Committee

	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
A. Full Name, Mailing Address and ZIP Code Boomtown Hotel and Casino Interstate 80 West Verdi, NV 89439	Travel Expense Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	8-20-86	8,694
B. Full Name, Mailing Address and ZIP Code R & R Advertising 2800 W. Sahara, Bldg. 5 Las Vegas, NV 89102	Purpose of Disbursement Yard Signs Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	8-20-86	14,339
C. Full Name, Mailing Address and ZIP Code Sunworld 2333 Renaissance Drive Las Vegas, NV 89119	Purpose of Disbursement Shipping Costs Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	10-1-86	771
D. Full Name, Mailing Address and ZIP Code U.S. Postmaster	Purpose of Disbursement Volunteer Mailings Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	9-24-86	154
E. Full Name, Mailing Address and ZIP Code U.S. Postmaster	Purpose of Disbursement Volunteer Mailings Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	9-24-86	5,142
F. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ 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: ☐ Primary ☐ General ☐ 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: ☐ Primary ☐ General ☐ 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: ☐ Primary ☐ General ☐ Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period

SUBTOTAL of Disbursements This Page (optional)

TOTAL This Period (last page this line number only) 29,100

21040360299

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RECEIVED AT THE FEC

86 OCT 20 P 6:07

REPORT OF RECEIPTS AND DISBURSEMENTS
For a Political Committee Other Than an Authorized Committee

(Summary Page)

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Nevada State Republican Central Committee

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421 Hill Street

City, State and ZIP Code

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☐ Check here if address is different than previously reported.

2. FEC Identification Number

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(a) ☐ April 15 Quarterly Report ☒ October 15 Quarterly Report

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☐ July 31 Mid Year Report (Non Election Year Only)

☐ Monthly Report for _____

☐ Twelfth day report preceding _____ (Type of Election) election on _____ in the State of _____

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

☐ Termination Report

(b) Is this Report an Amendment?

☐ YES ( ) ☒ NO

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9. Debts and Obligations Owed TO The Committee (Itemize all on Schedule C or Schedule D)	$	
10. Debts and Obligations Owed BY the Committee (Itemize all on Schedule C or Schedule D)	$	

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

Robert L. Seale
Type or Print Name of Treasurer

Robert L. Seale
SIGNATURE OF TREASURER

October 14, 1986
Date

For further information contact:
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463
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FEC FORM 3X (3/80)

86034008091

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

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(a) Individuals/Persons Other Than Political Committees			26(a)
(b) Political Party Committees			26(b)
(c) Other Political Committees			26(c)
(d) TOTAL CONTRIBUTION REFUNDS (Add 26(a), 26(b) and 26(c))			26(d)
27 OTHER DISBURSEMENTS	110	317	27
28 TOTAL DISBURSEMENTS (add lines 19, 20, 21, 22, 23, 24, 25, 26(d) and 27)	57,812	183,749	28
III. NET CONTRIBUTIONS AND NET OPERATING EXPENDITURES			
29 TOTAL CONTRIBUTIONS (other than loans) from Line 11(d)			29
30 TOTAL CONTRIBUTION REFUNDS from Line 26(d)			30
31 NET CONTRIBUTIONS (other than loans) (Subtract Line 30 from Line 29)			31
32 TOTAL OPERATING EXPENDITURES from Line 19			32
33 OFFSETS TO OPERATING EXPENDITURES from Line 15			33
34 NET OPERATING EXPENDITURES (Subtract Line 33 from Line 32)			34

SCHEDULE F

ITEMIZED COORDINATED EXPENDITURES MADE BY POLITICAL PARTY COMMITTEES OR DESIGNATED AGENT(S) ON BEHALF OF CANDIDATES FOR FEDERAL OFFICE (2 U.S.C. §441a(d))

(To be used only by Political Committees in the General Election)

Name of Political Committee (in Full)

Nevada Republican State Central Committee

Has your Committee been designated to make coordinated expenditures by a political party committee? ☐ YES ☒ NO
If YES, name the designating committee:

Full Name, Mailing Address and ZIP Code of Subordinate Committee

Full Name, Mailing Address and ZIP Code of Each Payee	Name of Federal Candidate Supported, State, District & Office Sought	Purpose of Expenditure	Date (month, day, year)	Amount
U.S. Postmaster	Jim Santini U.S. Senate Nevada Aggregate General Election Expenditure for this Candidate—$ 4,118	Direct Mailing	8-27-86	4,118
Full Name, Mailing Address and ZIP Code of Each Payee	**Name of Federal Candidate Supported, State, District & Office Sought**	**Purpose of Expenditure**	**Date (month, day, year)**	**Amount**
U.S. Postmaster	Jim Santini U.S. Senate Nevada Aggregate General Election Expenditure for this Candidate—$ 6,738	Direct Mailing	8-27-86	2,620
Full Name, Mailing Address and ZIP Code of Each Payee	**Name of Federal Candidate Supported, State, District & Office Sought**	**Purpose of Expenditure**	**Date (month, day, year)**	**Amount**
B & K Printing, Inc 3233 Industrial Rd. Las Vegas, NV 89109	Jim Santini U.S. Senate Nevada Aggregate General Election Expenditure for this Candidate—$ 7,002	Campaign Materials	9-9-86	264
Full Name, Mailing Address and ZIP Code of Each Payee	**Name of Federal Candidate Supported, State, District & Office Sought**	**Purpose of Expenditure**	**Date (month, day, year)**	**Amount**
James R. Foster Associates 1411 Lemay Ste 402 Carrollton, TX 75007	Jim Santini U.S. Senate Nevada Aggregate General Election Expenditure for this Candidate—$ 23,602	Direct Mailing	9-9-86	16,600
SUBTOTAL of Expenditures This Page (optional)				
TOTAL This Period (last page this line number only)				23,602

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NEVADA REPUBLICAN PRIMARY - SEPTEMBER 2, 1986

Results Reported by the Nevada Secretary of State

Jim Santini	55,947
Kirk Cave	1,989
Richard Gilster	3,544
None of the above	8,214

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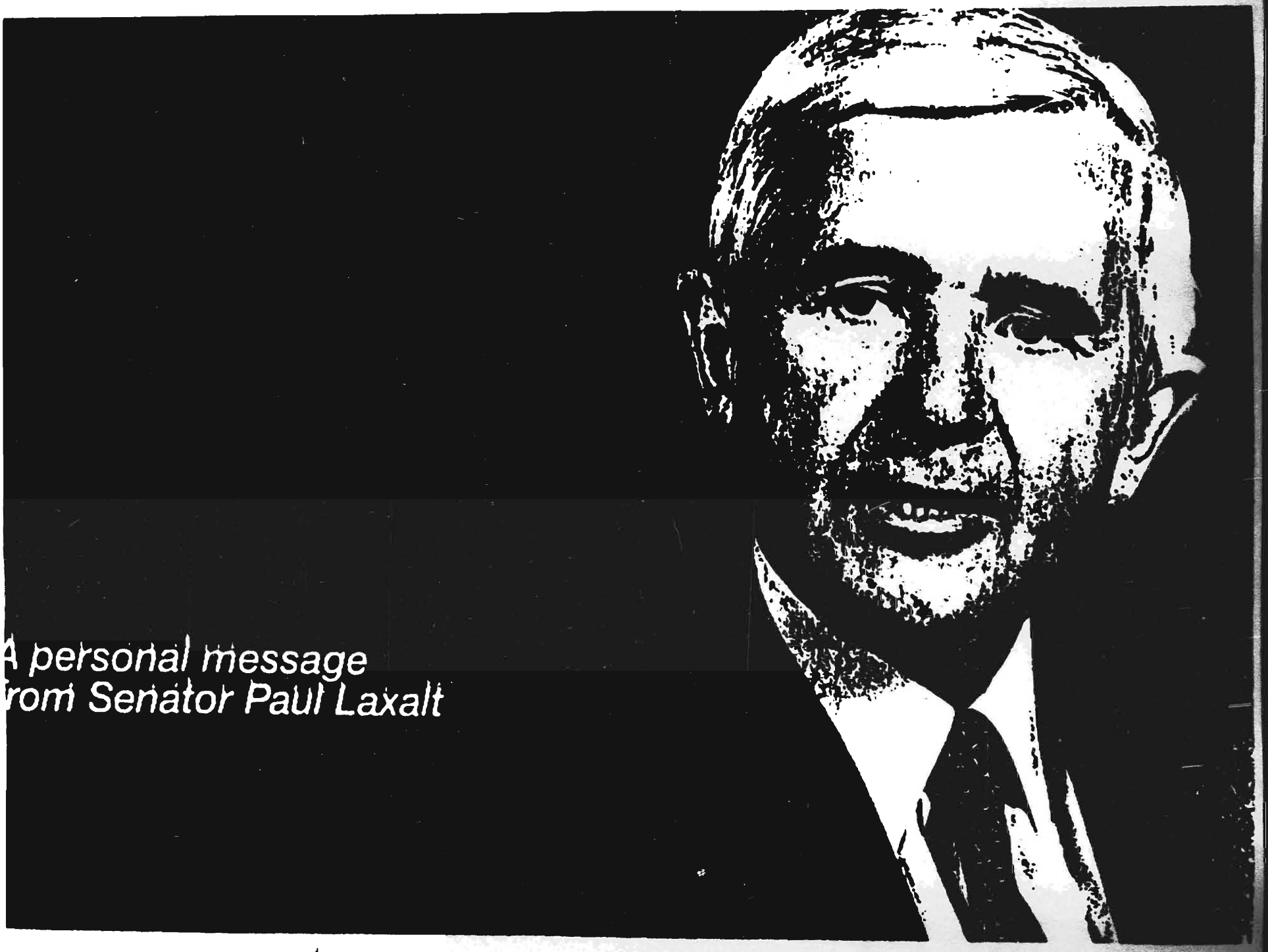

Dear Friend,

...ing you and I have worked so hard for is threatened. Republicans could lose control of the Senate to the same kind of big government, big spending philosophy we experienced under Jimmy Carter and Walter Mondale. President Reagan's programs could be severely jeopardized.

But with vigorous new leaders like Jim Santini, I am convinced we will continue to expand our economic and moral recovery.

Jim Santini has long been a supporter of causes important to you and me. Now Jim has formally joined the Republican party. And that's important for Republicans who want a United States Senator with the leadership, experience and courage of conviction our Party needs.

I can tell you from personal experience, Jim Santini is a good and decent man . . . a man of high principle . . . a hard worker who has achieved great things for Nevada and America through his public service.

Jim Santini has the know-how, determination, and leadership that puts common sense and positive results above all else.

Jim Santini is exactly the kind of Republican we need to provide vision and forceful leadership for the 80's and beyond.

Paul Laxalt
United States Senator

P.S. Please!! Do your part!
On September 2, go to the polls and join me in supporting Jim Santini.

9 1 0 4 0 3 6 0 3 0 9

Nevada Republican Party
421 Hill Street
Reno. Nevada 89501

NON-PROFIT ORG.
U.S. Postage
PAID
Nevada Republican Party

Jim Santini:

New Republican Leadership

9 1 0 4 0 3 6 0 3 1 0

Leadership:
A Nevada Tradition

Jim Santini will maintain the Nevada tradition of leadership and common-sense to work against liberal politicians more interested in bigger government than in solving our Nation's problems.

And that's good news for those of us who want to continue the reforms initiated by Ronald Reagan . . . like honest tax reform and real relief . . . a federal government that helps, not hurts, our efforts to build an educational system which teaches children the basics, and prepares them to meet the challenges of adulthood . . . a greater concern for the needs of our older neighbors who've worked hard to enjoy their retirement years . . . and a more sensible approach to environmental protection, economic development, and the fight against drugs and crime.

"Like President Reagan, I started out as a

emerged that put our country on the verge of collapse.

"I asserted my independence in 1981, joined a handful of others in bucking the Democratic power bosses and gave President Reagan the narrow margin he needed to restore our economy at home and our image abroad. It was a difficult decision—but it was right.

"I'll always maintain my independent spirit. And now, as a Republican, I can enjoy the support and commitment of those who share my desire to maintain a strong America and a healthy and flourishing Nevada."

Jim Santini

For more than 20 years Jim Santini has proven he'll stand up for our beliefs with vigor, courage and confidence.

And with everything at stake in this election year, we need that now, more than ever.

Jim Santini: Real Accomplishment for Nevada

- Member of Congress 1974-1982.
- Received Watchdog of the Treasury award on numerous occasions from the National Federation of Independent Business.
- Copper Club "Man of the Year" award. 1980: first public office holder to receive this award.
- Man of the Year award 1981: Travel Industry Association of America.
- Guardian of Small Business award National Federation of Independent Business, 1980.
- Outstanding Congressional Leadership Award 1978: National Association of Counties.
- Chairman and Co-Founder, House of Representatives Travel and Tourism Caucus, 1980-1982.
- Chairman, House of Representatives Subcommittee on Mines and Mining, 1979-1982.
- Member, House Committee on Energy & Commerce, 1975-1982.
- Member, House Committee on Interior & Insular Affairs, 1975 – 1982.
- Member, National Strategic Materials and Minerals Program Advisory Committee, 1984-present.
- Member, Nevada Commission on Tourism, 1983-1986.
- Justice of the Peace, Las Vegas, Nevada 1970-1972.
- Public Defender, Clark County, Nevada 1968-1970: named one of three Outstanding Public Defenders in America 1969.
- Deputy District Attorney, Clark County Nevada 1966-1968.
- Owner/Lecturer "Nevada Bar Review" 1968-1973.
- Bachelor of Science Degree in Education, University of Nevada, Reno, 1959.
- Bachelor of Laws Degree, Hastings College of Law, University of California San Francisco, 1962.

Paid for by Nevada Republican Party

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A good man.
A great Senator!

For eight years, Jim Santini was Nevada's lone voice in the House of Representatives, earning an outstanding reputation of hard work and high accomplishment for the people of our state.

Jim Santini is in step with Nevada.

As our Congressman, Jim Santini was constantly on guard for the people who pay the taxes, who want big government out of their lives and away from their paychecks.

He fought for fair and lasting tax relief and an end to wasteful government spending. He helped make government tighten its belt when families had to tighten theirs.

But Jim Santini's tireless devotion to making government more responsive isn't surprising. He spent his entire life helping the working men and women who live in Nevada.

As a Deputy District Attorney in Clark County between 1963 and 1968 he investigated and prosecuted dangerous criminals. Later, he served as Justice of the Peace for Las Vegas and as a Clark County District Court Judge.

In 1974, Jim Santini was elected to

Independent Business awarded Jim Santini its "Watchdog of the Treasury" Award and that's why he received the "Outstanding Congressional Leadership" award from the National Association of Counties.

Jim Santini, One of us, for all of us. A proven fighter for Nevada. A good man. A great United States Senator.

Jim Santini

New Republican Leadership

GCC# 2073

WILEY, REIN & FIELDING

1776 K STREET, N.W.
WASHINGTON, D.C. 20006

JAN W. BARAN
(202) 429-7330

November 21, 1986

RECEIVED
OFFICE OF THE
GENERAL COUNSEL

86 NOV 21 P5:25

Charles N. Steele, Esquire
General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: MURs 2259, 2270

Dear Mr. Steele:

This Response, along with the attached Affidavit of Stuart Piper and materials, is submitted on behalf of the Nevada Republican Party/Nevada Republican State Central Committee--Federal Account, Robert L. Seale, as Treasurer, and the Jim Santini for Senate Committee, J. Glenn Sanford, as Treasurer. It is submitted in response to two complaints filed by Evan J. Wallach and designated Matters Under Review ("MURs") 2259 and 2270. For the reasons set forth herein, the Federal Election Commission ("FEC") should find no reason to believe that the Nevada Republican Party has violated the Federal Election Campaign Act of 1971, as amended ("Act").

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I. The Complaints

Both complaints allege that the Nevada Republican Party mailed materials advocating the election of Jim Santini to the United States Senate, and that the Nevada Republican party has failed to adequately report these expenditures to the Federal Election Commission.

II. The Facts

The Nevada Republican Party, and its volunteer workers, were in fact responsible for the mailings complained of in MURs 2259 and 2270. See Affidavit of Stuart Piper, Executive Director of the Nevada Republican Party (hereinafter "Piper Aff."), ¶ 3 at Attachment 1. The mailings themselves include the name and address of the Nevada Republican Party as the mailing permit holder. See Attachment 2. Some of the expenditures for these mailings have already been fully reported to the Federal Election Commission on the Nevada Republican Party's FEC Pre-General Report at line 19 and Schedule B. See Attachment 3. The remaining expenditures for these mailings will be reported on the FEC Post-General Election Report due December 4, 1986. Piper Aff., ¶ 6 at Attachment 1.

The text and design of these mailings were approved by officials of the Nevada Republican Party. The materials were printed and then delivered to campaign volunteers. Those volunteers then affixed by hand the mailing permit stamp to each piece of mail, and were responsible for delivering the materials to the United States Post Office for mailing. Piper Aff., ¶ 3, at Attachment 1. The mailing list used was developed from records of registered voters by the Republican Party of Nevada. Id., ¶ 4. The mailings were sent after the Republican primary in Nevada on September 2, 1986. Id., ¶ 5.

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III. The Law

The Federal Election Commission's Regulations interpreting 2 U.S.C. §431(8)(B)(X) state that:

> "The payment by a state or local committee of a political party of the costs of campaign materials . . . used by such committee in connection with volunteer activities on behalf of any nominee(s) of such party is not a contribution"

provided certain conditions are met. 11 C.F.R. § 100.7(b)(15). The condition which is applicable here is that:

> "Such payment is not for cost incurred in connection with any broadcasting, newspaper, magazine, bill board, direct mail, or similar type of general public communication or political advertising. For purposes of [this section], the term "direct mail" means any mailing(s) by a commercial vendor or any mailing(s) made from commercial lists. Id.

IV. The Mailings in MURs 2259 and 2270 Were Made in Connection with Volunteer Activities, and Were Not Contributions Under the Provisions of 11 C.F.R. §100.7(b)(15)

The Commission's regulations, noted above, permit State parties to pay for campaign materials used "in connection with volunteer activities on behalf of any nominee(s) of such party" without an in-kind contribution occurring, so long as such payment is not for "direct mail" or other specific purposes. The Commission has defined direct mail as "mailing(s) by a commercial vendor" or "any mailing(s) made from commercial lists." Id.

The materials complained of in these MURs were the responsibility of the Nevada Republican Party, but were hand stamped, prepared for mailing, and mailed, by volunteers. See Piper Aff. at Attachment 1. The mailings were sent to names provided by a list compiled from records of registered

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voters by the Republican Party in Nevada, not from a commercial list. Id.

Thus, the volunteer mailings in these MURs were neither "mailings by a commercial vendor" nor "mailings from commercial lists." Accordingly, the materials were not "direct mail," as defined by the Commission. Therefore, the mailings, made "in connection with volunteer activities" on behalf of the Republican Party's nominee, id., are not "contributions" pursuant to 11 C.F.R. § 100.7(b)(15)(i).

V. Conclusion

For the reasons set forth above, the Commission should find no reason to believe that the Nevada Republican Party/Nevada Republican State Central Committee violated the Act. For the same reasons that the materials complained of

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in these MURs were not contributions by the Nevada Republican Party to the Jim Santini for Senate Campaign, the Commission should find that the Jim Santini for Senate Campaign did not receive contributions from the Nevada Republican Party, and accordingly did not violate the Act.

Sincerely,

Jan W. Baran

Trevor Potter

Counsel for the Nevada Republican Party/Nevada Republican State Central Committee; and The Jim Santini for Senate Committee

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City of Reno
State of Nevada

Affidavit of Stuart B. Piper

Stuart B. Piper, being duly sworn, deposes and says:

1. I am Stuart B. Piper, Executive Director of the Nevada Republican Party.

2. I am familiar with the campaign mailings complained of in MURs 2259 and 2270.

3. These materials were paid for by the Nevada Republican Party, but were only made possible by the work of volunteers in stamping and preparing the materials for mailing. The volunteers individually stamped each piece with the Nevada Republican Party's mailing permit, and then organized and transported the materials to the U.S. Post Office for mailing.

4. The mailings were sent to registered voters in the State of Nevada. The lists of such registered voters were obtained from County Clerk offices in the State of Nevada. The Republican Party was responsible for assembling these names of registered voters.

5. These mailings were sent after the Republican primary on September 2, 1986.

6. Some of the expenditures in conjunction with these mailings have already been reported to the Federal Election Commission, and the remainder will be on the post-general election report due December 4, 1986.

Stuart B. Piper

Sworn to and subscribed before me
this 20th day of November, 1986.

Brenda K Rodie
Notary Public

My Commission Expires:

BRENDA K. RODIE
Notary Public - State of Nevada
Appointment Recorded in Washoe County
MY APPOINTMENT EXPIRES NOV. 7, 1988

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NON-P
U.S. Postage
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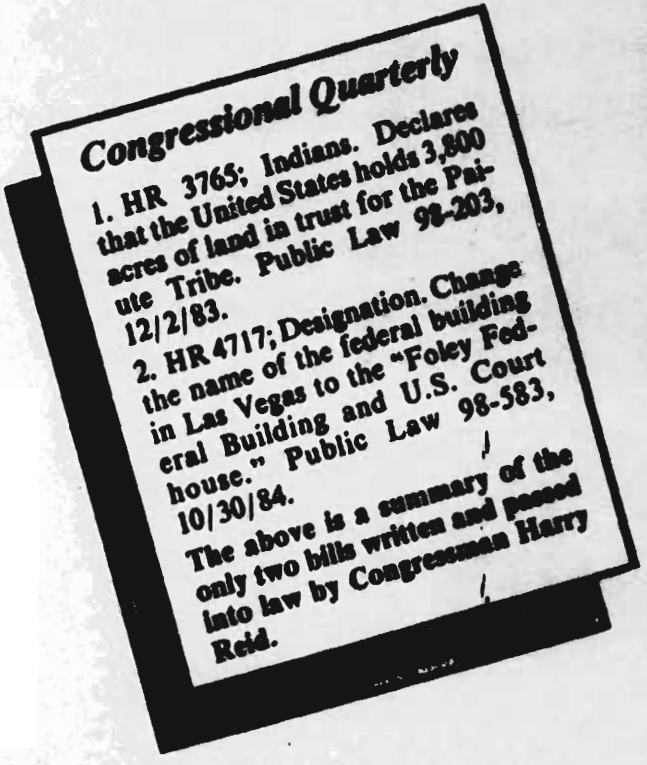
Nevada Republican Party

One word describes Harry Reid's record of accomplishment...

9 1 3 4 0 8 6 0 3 2 5

SHORT



9 1 0 4 0 8 6 0 3 2 6

Only two laws...

That's right. According to official public records, since his election to Congress, Harry Reid has written only two bills that became law.

Neither of Harry Reid's new laws created jobs for Nevadans.

Neither cut wasteful spending.

Neither reduced taxes . . . or improved education . . . or helped senior citizens.

It's not that Harry Reid has a bad record. It's just that he doesn't have much of any record at all.

So while Harry Reid wasn't working for Nevada, what was he doing?

Again, official records show that in 1983, his first year in Congress, Harry Reid visited 6 foreign countries at taxpayer expense.

Harry Reid traveled to Israel, Saudi Arabia, Japan, China, Singapore and Taiwan.

Then Harry Reid sent his travel bills to us, the taxpayers. Over $14,000 in bills.

In 1985, Harry Reid visited 10 more foreign countries—Portugal, Belgium, Israel, Denmark, Russia, Austria, Ireland, Switzerland, Italy and Yugoslavia.

And again Harry Reid billed us taxpayers. That time, nearly $15,000.

Of course, Harry Reid casts a lot of votes in Congress too.

Like his vote against allowing Congress to debate the Balanced Budget amendment.

Like his vote to raise taxes by placing a $720 limit on the 10% income tax cut in 1983.

And like his votes against President Reagan and his votes in support of Tip O'Neill.

In fact, official voting records say Harry Reid has opposed President Reagan 60% of the time. And he's supported Tip O'Neill and the liberals in Congress an average of 85% of the time.

So, that's Harry Reid. And that's Harry Reid's record. The long and the short of it.

Source: Congressional Quarterly. 1414 22nd Street, N.W.; Washington, D.C. 20037-9982

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Permit Holder
Nevada Republican Party
421 Hill Street
Reno, Nevada 89501

CAR-RT SORT **C R2

MR EVAN J WALLACH
5700 AVENIDA SILLA
LAS VEGAS, NV 89108

U.S Postage
Paid
Nevada Republican Party

WORLD CLASS SPENDERS

Six years ago Jimmy Carter and Walter Mondale controlled the White House. Tip O'Neill the House of Representatives. And Ted Kennedy and his friends the U.S. Senate. But they lost control and now, they want it back. Harry Reid is their candidate for Senate. And Nevada is their first step.

When first elected to Congress, Harry Reid promised moderate representation, independent from the political bosses and powerful special interests.

Now, Harry Reid is a candidate for United States Senate. And again, he promises moderate, independent representation.

But Harry Reid's record shows that he is a lot better at making promises than he is at keeping them.

Harry Reid, Tip O'Neill and Walter Mondale: raise taxes, increase spending

According to The Congressional Quarterly, Harry Reid has voted more than 8 out of 10 times with liberal Speaker of the House, Tip O'Neill.

And he's voted 60% of the time against President Reagan.

When Ronald Reagan tried to cut your taxes and bring runaway spending under control, Harry Reid fought the President and ridiculed his efforts.

Instead, he worked for Walter Mondale's campaign for President and supported Mondale's formula of higher taxes and increased spending.

In 1983, Harry Reid voted to raise our taxes by putting a $720 lid on the ten percent tax cut that took effect that year.

And one year later, Harry Reid joined Tip O'Neill and voted for the biggest tax increase in history — over $47 Billion in new taxes.

Against line-item veto and balanced budget

Harry Reid wants you to believe he is a fiscal conservative. But what he doesn't mention is that each year he has voted to increase spending — and the national debt — by Billions of dollars.

Now, rather than own up to his share of the blame for the federal deficit, Harry Reid blames President Reagan.

Even though Harry Reid voted against giving the President the ability to cut spending with the line-item veto.

And even though Harry Reid voted against an Amendment that would have forced Congress to balance the federal budget.

How to get ahead: put yourself first, and taxpayers last

Worst of all, while Harry Reid is voting to take more of your money away in higher taxes, he has refused to cut any of the tax money he spends on himself.

He voted against cutting his own expense account by 10% . . .

and against reducing the money he and his fellow Congressmen spend on their political mailings.

Harry Reid even voted against cutting back on the number of public employees who operate the automatic elevators in his Congressional office building.

Harry Reid: Congress' 40th biggest spender

In fact, in 1985, only 39 out of 435 other Congressmen have voted to spend more money than Harry Reid.

According to the National Taxpayers Union, Harry Reid has voted with the Taxpayers and the working men and women of America fewer than 3 out of 10 times.

One reason they've named Reid a "Big Spender" every single year he has been in Congress.

Now, Ted Kennedy is working to elect Harry Reid to the Senate — and has already contributed $10,000 to Reid's campaign.

Ted Kennedy knows, just like Tip O'Neill, that he can count on Harry Reid to support his big spending programs and the higher taxes to pay for them.

Harry Reid has not kept his word on taxes and spending. And he has not been honest with us on other important issues.

It's an old story. Tell the voters what they want to hear, but once elected, put your own political ambition first.

That's how a politician gets ahead.

On November 4th let's make it our turn to get ahead. Vote NO on Harry Reid and his political promises.

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Permit Holder:
Nevada Republican Party
421 Hill Street
Reno, Nevada 89501

CAR-RT SORT
MR EVAN J WALLACH
5733 AVENIDA SILLA
LAS VEGAS, NV 89108

U.S. Postage
PAID

All about money...

YOUR MONEY!

Here are six things you should know about Harry Reid's record before you vote.

1. **In 1984, Harry Reid voted for the biggest tax hike in history — 47 Billion Dollars.**

Congressional Quarterly, 1984
H.C.R. 280 CQ63

2. **His first year in Congress, 1983, Harry Reid voted to raise our taxes by placing a $720 lid on President Reagan's ten percent tax cut.**

Congressional Quarterly, 1983
H.R. 1183 CQ207

3. **Harry Reid opposed legislation that would have forced Congress to balance the Federal Budget.**

Congressional Quarterly, 1984
H.R. 2848 CQ384

4. **Harry Reid voted with House Speaker Tip O'Neill more than 8 times out of 10 times. He opposed President Reagan 60% of the time.**

Congressional Quarterly, 1983, 1984, 1985

5. According to the non-partisan National Taxpayers Union, only 39 out of all 435 members of Congress voted to spend more tax money than Harry Reid during the last three years. They have named Harry Reid one of Congress' "Big Spenders" every year since his election.

6. House Speaker Tip O'Neill and Senator Ted Kennedy are working hard to elect Harry Reid. Kennedy has already contributed $10,000 to Harry Reid's campaign.

FEC, June 28, 1986

On November 4th, say no to the politics of tax more—spend more... say no to Harry Reid.

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REPORT OF RECEIPTS AND DISBURSEMENTS
For a Political Committee Other Than an Authorized Committee

RECEIVED THE FEC

Summary Page

ALIGN AREA

1 Name of Committee (In Full)

NEVADA STATE REPUBLICAN CENTRAL COMMITTEE

Address (Number and Street)

421 Hill Street

City, State and ZIP Code

Reno, NV 89501

☐ Check here if address is different than previously reported.

2. FEC Identification Number

C00082925

3. ☒ This committee qualified as a multicandidate committee during this Reporting Period on 10-1-86 (Date)

4. TYPE OF REPORT (Check appropriate boxes)

(a) ☐ April 15 Quarterly Report ☐ October 15 Quarterly Report
☐ July 15 Quarterly Report ☐ January 31 Year End Report
☐ July 31 Mid Year Report (Non-Election Year Only)
☐ Monthly Report for _____
☒ Twelfth day report preceding General (Type of Election) election on 11-4-86 in the State of NV
☐ Thirtieth day report following the General Election on _____ in the State of _____
☐ Termination Report

(b) Is this Report an Amendment?
☐ YES ☒ NO

SUMMARY	COLUMN A This Period	COLUMN B Calendar Year-to-Date
5 Covering Period Oct. 1, 1986 through Oct. 15, 1986		
6 (a) Cash on hand January 1, 19 86		$ 18,826
(b) Cash on Hand at Beginning of Reporting Period	$ 65,435	
(c) Total Receipts (from Line 18)	$ 31,486	$ 261,844
(d) Subtotal (add Lines 6(b) and 6(c) for Column A and Lines 6(a) and 6(c) for Column B)	$ 96,921	$ 280,670
7 Total Disbursements (from Line 28)	$ 9,996	$ 193,745
8 Cash on Hand at Close of Reporting Period (subtract Line 7 from Line 6(d))	$ 86,925	$ 86,925
9 Debts and Obligations Owed TO The Committee (Itemize all on Schedule C or Schedule D)	$	
10 Debts and Obligations Owed BY the Committee (Itemize all on Schedule C or Schedule D)	$	

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

Robert L. Seale
Type or Print Name of Treasurer

Robert L. Seale 10/27/86
SIGNATURE OF TREASURER Date

For further information contact
Federal Election Commission
Toll Free 800 424 9530
Local 202 523 4068

Willful violations 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 3X (1/80)

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

FEC

Name of Committee (In Full)	Report Covering the Period	
Nevada State Republican Central Committee	From: 10-1-86	To: 10-15-86

P2: 53

	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	2,507	148,448	11(a)
(Memo Entry Unitemized $ 2,007)			
(b) Political Party Committees	28,979	109,979	11(b)
(c) Other Political Committees			11(c)
(d) TOTAL CONTRIBUTIONS (other than loans) (add 11(a), 11(b) and 11(c))	31,486	258,427	11(d)
12 TRANSFERS FROM AFFILIATED/OTHER PARTY COMMITTEES			12
13 ALL LOANS RECEIVED			13
14 LOAN REPAYMENTS RECEIVED		3,271	14
15 OFFSETS TO OPERATING EXPENDITURES (Refunds, Rebates, etc.)			15
16 REFUNDS OF CONTRIBUTIONS MADE TO FEDERAL CANDIDATES AND OTHER POLITICAL COMMITTEES			16
17 OTHER RECEIPTS (Dividends, Interest, etc.)		146	17
18 TOTAL RECEIPTS (Add 11(d), 12, 13, 14, 15, 16 and 17)	31,486	261,844	18
II. DISBURSEMENTS			
19 OPERATING EXPENDITURES	8,996	151,800	19
20 TRANSFERS TO AFFILIATED/OTHER PARTY COMMITTEES		5,000	20
21 CONTRIBUTIONS TO FEDERAL CANDIDATES AND OTHER POLITICAL COMMITTEES		8,755	21
22 INDEPENDENT EXPENDITURES (use Schedule E)			22
23 COORDINATED EXPENDITURES MADE BY PARTY COMMITTEES (2 U.S.C. § 441a(d)) (Use Schedule F)		23,602	23
24 LOAN REPAYMENTS MADE			24
25 LOANS MADE		3,271	25
26 REFUNDS OF CONTRIBUTIONS TO			
(a) Individuals/Persons Other Than Political Committees	1,000	1,000	26(a)
(b) Political Party Committees			26(b)
(c) Other Political Committees			26(c)
(d) TOTAL CONTRIBUTION REFUNDS (Add 26(a), 26(b) and 26(c))			26(d)
27 OTHER DISBURSEMENTS		317	27
28 TOTAL DISBURSEMENTS (add lines 19, 20, 21, 22, 23, 24, 25, 26(d) and 27)	9,996	193,745	28
III. NET CONTRIBUTIONS AND NET OPERATING EXPENDITURES			
29 TOTAL CONTRIBUTIONS (other than loans) from Line 11(d)			29
30 TOTAL CONTRIBUTION REFUNDS from Line 26(d)			30
31 NET CONTRIBUTIONS (other than loans) (Subtract Line 30 from Line 29)			31
32 TOTAL OPERATING EXPENDITURES from Line 19			32
33 NON-OPERATING EXPENDITURES from Line 18			33
34 NET OPERATING EXPENDITURES (Subtract Line 33 from Line 32)			34

SCHEDULE B — ITEMIZED DISBURSEMENTS

Page 1 of 1 for Period Covered
(Use separate schedule(s) 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 committee.

Name of Committee (In Full)

Nevada State Republican Central Committee

	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
A. Full Name, Mailing Address and ZIP Code Odell, Roper & Associates 165 S. Union - Suite 850 Lakewood, CO 80228	Absentee Ballot Application Mailing Disbursement for: ☐Primary ☐General ☐Other (specify):	10-1-86	1,744.77
B. Full Name, Mailing Address and ZIP Code U.S. Postmaster	Purpose of Disbursement Volunteer Mailing Disbursement for: ☐Primary ☐General ☐Other (specify):	Date (month, day, year) 10-3-86	Amount of Each Disbursement This Period 3,339.57
C. Full Name, Mailing Address and ZIP Code U.S. Postmaster	Purpose of Disbursement Volunteer Mailing Disbursement for: ☐Primary ☐General ☐Other (specify):	Date (month, day, year) 10-7-86	Amount of Each Disbursement This Period 3,261.61
D. Full Name, Mailing Address and ZIP Code U.S. Postmaster	Purpose of Disbursement Volunteer Mailing Disbursement for: ☐Primary ☐General ☐Other (specify):	Date (month, day, year) 10-15-86	Amount of Each Disbursement This Period 650.00
E. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐Primary ☐General ☐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: ☐Primary ☐General ☐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: ☐Primary ☐General ☐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: ☐Primary ☐General ☐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: ☐Primary ☐General ☐Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
SUBTOTAL of Disbursements This Page (optional)			
TOTAL This Period (last page this line number only)			8,996

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WILEY, REIN & FIELDING

1776 K STREET, N.W.
WASHINGTON, D. C. 20006

JAN W. BARAN
(202) 429-7330

November 25, 1986

Charles N. Steele, Esq.
General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: MURs 2231, 2233

Dear Mr. Steele:

As counsel for the Nevada Republican Party/Nevada Republican State Central Committee - Federal Account, Robert L. Seale as Treasurer, and the Jim Santini for Senate Committee, J. Glenn Sanford as Treasurer, I respectfully request that the attached Affidavit be associated with the Response in the above-noted MURs filed by my clients on November 21, 1986 ("Response").

This Affidavit, received this morning, specifically collaborates statements made in the Response at §I.E., at p. 14, and in its accompanying Affidavit of Stuart B. Piper, at para. 5, found at Attachment 3 of the Response.

Sincerely yours,

Jan W. Baran

Attachment
JWB/mm

2104086U335

Tony Marsh
& Associates

City of Sacramento
State of California

Affidavite of Tony Marsh

Tony Marsh, being duly sworn, deposes and says:

1. I am Tony Marsh proprietor of Tony Marsh & Associates.

2. I was asked to design and prepare the artwork for a mailing entitled "Special Report to Nevada Republicans" in December, 1985.

3. I included in the material the statement that "A copy of this report has been submitted to the Federal Election Commission, Washington DC."

4. I personally mailed a copy of the "Special Report to Nevada Republicans" to the Federal Election Commission shortly after the mailing was completed.

910403603336

TONY MARSH

Sworn to and subscribed before me this 24th day of November, 1986.

NOTARY PUBLIC

My commission expires: June 12, 1987

OFFICIAL SEAL
RALPH H. NISHIMI
NOTARY PUBLIC-CALIFORNIA
Principal Office in SACRAMENTO County
My Commission Expires June 12, 1987

Candidates and Committees
Management • Advertising
Direct-Mail Fund Raising

6659
Belleau Wood Lane
Suite 201
Sacramento
California 95822

Telephone
916 424-6003

SENSITIVE

Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

First General Counsel's Report

Date and Time of Transmittal by OGC to the Commission _____

MURs 2231
2233
2259
2270

Complaints Received: September 2, 10, 30 and October 21, 1986
Dates of Notification: September 12, 26, October 7 and 23, 1986
Staff Eric Kleinfeld

Complainants' Names: John N. Schroeder, Chairman, Democratic Party of Washoe County (2231)
Evan J. Wallach (2233, 2259 & 2270)

Respondents' Names: Nevada Republican Party/Nevada Republican State Central Committee - Federal Account
Robert L. Seale, treasurer
Jim Santini for Senate
J. Glen Sanford, treasurer
National Republican Senatorial Committee
Rodney A. Smith, treasurer

Relevant Statutes:
2 U.S.C. § 434(b)
2 U.S.C. § 441a(a)(2)(A)
2 U.S.C. § 441a(d)(3)(A)
2 U.S.C. § 441d
11 C.F.R. § 104.3
11 C.F.R. § 110.7

Internal Reports Checked: 1985 and 1986 Disclosure Reports
Advisory Opinions 1984-15, 1985-14

Federal Agencies Checked: N/A

Summary of Allegations

This First General Counsel's Report concerns allegations made in four related signed, sworn and notarized complaints received by the Office of General Counsel in September and October, 1986. These four complaints were assigned Matter Under Review numbers 2231, 2233, 2259 and 2270. MUR 2231 was filed on

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September 2, 1986 by John N. Schroeder, Chairman of the Democratic Party of Washoe County. MURs 2233, 2259 and 2270 were filed on September 10, September 30 and October 21, 1986, respectively, by Evan J. Wallach. All four complaints contain allegations of violations of the Federal Election Campaign Act of 1971, as amended, ("Act") by the Nevada Republican Party through the Nevada Republican State Central Committee - federal account ("state party" or "federal account") and by the Jim Santini for Senate Committee ("Santini Committee"). Additionally, MURs 2233, 2259 and 2270 include allegations against the National Republican Senatorial Committee ("NRSC").

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Factual and Legal Analysis

These matters involve a variety of activities undertaken by the Nevada Republican Party concerning the 1986 race for the United States Senate seat from Nevada. On November 4, 1986, Harry Reid, the Democratic candidate, defeated Jim Santini, the Republican candidate, in this race.

In MUR 2231, complainant alleges that the state party incorrectly reported expenditures made in connection with a mailing and yard signs, and that such expenditures exceeded the Act's limitations.

In MUR 2233, 2259, and 2270 complainant alleges that the state party made contributions to the Santini Committee in the form of three mailings which had as their source the NRSC and which exceed the Act's limitations.

Notification letters were mailed to all respondents. After extensions of time were granted, responses were received from all

parties by November 21, 1986.

The Office of the General Counsel had prepared a First General Counsel's Report containing recommendations on these matters, including the merger of all four MURs. However, the recent decision of the Ninth Circuit in FEC v. Furgatch, __ F.2d __,(9th Cir., 1987) compels further review and analysis of MURs 2231, 2233, 2259 and 2270. The court's decision appears to be directly relevant to the Commission's consideration of the legal issues involved. Therefore, upon completion of this additional analysis, the Office of the General Counsel will present its report with recommendations to the Commission.

Charles N. Steele
General Counsel

1/13/87
Date

By: Lois G. Lerner
Lois G. Lerner
Associate General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES N. STEELE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS /JOSHUA MCFADDEN

DATE: JANUARY 14, 1987

SUBJECT: OBJECTIONS - MUR 2231/2233/2259/2270 - FIRST GENERAL COUNSEL'S REPORT SIGNED JANUARY 13, 1987

The above-captioned document was circulated to the Commission on Tuesday, January 13, 1987 at 4:00 P.M.

Objections have been received from the Commissioners as indicated by the name(s) checked:

Commissioner Aikens	X
Commissioner Elliott	
Commissioner Josefiak	
Commissioner McDonald	
Commissioner McGarry	
Commissioner Thomas	

This matter will be placed on the Executive Session agenda for January 27, 1987.

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SENSITIVE

Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

First General Counsel's Report

Date and Time of Transmittal by OGC to the Commission _____

MURs 2231
2233
2259
2270

Complaints Received: September 2, 10, 30 and October 21, 1986
Dates of Notification: September 12, 26, October 7 and 23, 1986
Staff Eric Kleinfeld

Complainants' Names: John N. Schroeder, Chairman, Democratic Party of Washoe County (2231)
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Respondents' Names: Nevada Republican Party/Nevada Republican State Central Committee - Federal Account
Robert L. Seale, treasurer
Jim Santini for Senate
J. Glen Sanford, treasurer
National Republican Senatorial Committee
Rodney A. Smith, treasurer

Relevant Statutes: 2 U.S.C. § 434(b)
2 U.S.C. § 441a(a)(2)(A)
2 U.S.C. § 441a(d)(3)(A)
2 U.S.C. § 441d
11 C.F.R. § 104.3
11 C.F.R. § 110.7

Internal Reports Checked: 1985 and 1986 Disclosure Reports
Advisory Opinions 1984-15, 1985-14

Federal Agencies Checked: N/A

Introduction

This First General Counsel's Report concerns allegations made in four signed, sworn and notarized complaints received by the Office of General Counsel in September and October, 1986. These four complaints were assigned Matter Under Review numbers 2231, 2233, 2259 and 2270. MUR 2231 was filed on September 2,

2104036034 1

1986 by John N. Schroeder, Chairman of the Democratic Party of Washoe County. MURs 2233, 2259 and 2270 were filed on September 10, September 30 and October 21, 1986, respectively, by Evan J. Wallach. All four complaints contain allegations of violations of the Federal Election Campaign Act of 1971, as amended, ("Act") by the Nevada Republican Party through the Nevada Republican State Central Committee - federal account ("state party" or "federal account") and by the Jim Santini for Senate Committee ("Santini Committee"). Additionally, MURs 2233, 2259 and 2270 include allegations against the National Republican Senatorial Committee ("NRSC").

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Summary of Allegations

In MUR 2231, complainant alleges that the state party incorrectly reported expenditures made in connection with a mailing and yard signs, and that such expenditures exceeded the Act's limitations.

In MUR 2233, 2259, and 2270 complainant alleges that the state party made contributions to the Santini Committee in the form of three mailings which had as their source the NRSC and which exceed the Act's limitations.

Factual and Legal Analysis

A. Factual Basis

These matters involve a variety of activities undertaken by the Nevada Republican Party concerning the 1986 race for the United States Senate seat from Nevada. On November 4, 1986, Harry Reid, the Democratic candidate, defeated Jim Santini, the Republican candidate, in this race. The specific activities complained of are summarized below.

1. Yard Signs (2231)

In June 1986, the state party distributed and posted yard signs throughout the state of Nevada. The signs urged voters to elect James Santini to the United States Senate. Payment for the yard signs was not made until August 1986, and the cost of these signs was reported on the October Quarterly report of the Nevada Republican State Central Committee (federal account). Payment occurred on August 20, 1986 in the amount of $14,339.

Complainant contends that not only was the expenditure for the yard signs unreported, but it also constituted an excessive contribution to the Santini Committee from the state party.

Respondents argue that the yard signs are exempt from the definition of contribution, and as such were correctly treated for reporting purposes as a disbursement for operating expenditures. 1/ Respondents state that volunteers distributed, installed and displayed the yard signs, and as a result, their disbursement should be considered payment for campaign materials in connection with volunteer activities and exempt from the definition of contribution.

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1/ On November 4, 1986, the Federal Election Commission ("Commission") granted a request for an extension of time until November 13, 1986 for the state party and the Santini Committee to respond to all four MURs simultaneously. The Office of General Counsel received that response on November 21, 1986.

2. The "Special Report" Mailing (2231)

In late January, 1986, the Nevada Republican Party mailed literature to registered Republicans in the state of Nevada entitled "Special Report to Nevada Republicans." This report contained three sections. The first listed the votes of Nevada's two Senators and two Representatives on five specific issues. Representative Harry Reid is one of the four identified by name. The second section lists ratings given to those same four officeholders by a variety of interest groups, as well as the four's level of support for President Reagan's position and the "Conservative Coalition." The final section contains a conclusion, specifically naming Harry Reid alone, that "...only Harry Reid has consistently voted against President Reagan, a balanced federal budget, and fairer spending and tax policies. ... Harry Reid represents a philosophy that promises to raise taxes and spend our nation back to bigger government, bigger deficits and the certainty of higher interest rates and renewed unemployment" (Emphasis in original).

On its April Quarterly report, the state party reported a $15,469.49 disbursement for this mailing, describing it as "campaign to defeat U.S. Rep. Candidate Harry Reid." However, after contact with the Reports Analysis Division, an amended April Quarterly was filed which changed the description to

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"informational mailing to Nevada Republicans." 2/

Complainant alleges that this disbursement was incorrectly reported and was in fact a campaign expenditure subject to the Act's limits on coordinated party expenditures. 3/

Respondents argue that the Special Report mailing is not subject to the Act's limitations on coordinated party expenditures. According to respondents, because the mailing lacks any electioneering message, and because it was mailed at a time prior to when there were any formal candidates, the expenditures made for the Special Report are not subject to the Act's limits.

3. The "Laxalt Endorsement" Mailing (2233)

In August, 1986, prior to the Nevada Republican primary of September 2, 1986, the Nevada Republican Party paid for a mailing to all registered Republicans in Nevada. The mailing contained a personal endorsement of Jim Santini by Senator Paul Laxalt, urging support for Santini, as well as information about Santini's "accomplishments and qualifications" and a personal statement by Santini. On its October Quarterly report, the state party reported four items totalling $23,602 for "Campaign Materials" and "Direct Mailing," as coordinated party expenditures.

2/ An RFAI was sent by RAD to respondent on May 28, 1986.

3/ Complainant also complains that a copy of this mailing is not apparently on file with the Commission. As respondents correctly point out, no such copy is required to be filed with the FEC under the Act, and thus, no violation has occurred with regard to this allegation.

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Complainant contends the Laxalt Endorsement mailing is a contribution from the state party to the Santini Committee, in excess of the Act's limitations.

Respondents argue that the costs of this mailing were correctly allocated and reported as coordinated party expenditures, since Santini was essentially the Republican nominee at the time of the mailing. 4/

4. The "Anti-Reid" Mailing (2259)

In late September, 1986, the Nevada Republican Party mailed to all registered voters in Nevada literature on Harry Reid's record as a Congressman, concluding that Reid's accomplishments are "short," in that only two bills written by Reid have become law. The mailing also discusses Reid's votes "against President Reagan" and his travel to foreign countries at "taxpayer expense."

Complainant contends that this mailing constitutes a contribution to the Santini Committee from the state party, in excess of the Act's limitations.

According to respondents, the Nevada Republican Party approved the text of the mailing, had the material printed and then delivered it to campaign volunteers, who in turn affixed stamps to each piece by hand and delivered the material to the Post Office for mailing. According to respondents, the costs of

4/ On July 2, 1986, the last filing day to enter the Nevada Republican primary, two other individuals filed as candidates. In the primary election on September 2, 1986, Jim Santini received 55,947 votes, "none of the above" received 8,214 votes, Richard Gilster received 3,544 votes and Kirk Cave received 1,989 votes.

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this mailing were reported, in part, to the Commission on the state party's Pre-general Election report, which shows three items labelled "Volunteer Mailing" totalling $7251.18. Respondents indicated that the remaining expenditures for these mailings would be reported on the state party's Post-general report due December 4, 1986. This report was received at the Commission on December 8, 1986 and disclosed $89,124.13 expended for "Volunteer Mailings" plus $1,515.12 for "Mailing/Postage." Respondents state that the mailing list used was developed from records of registered voters by the Nevada Republican Party. Thus, conclude respondents, the mailing does not qualify as direct mail, as defined by the Commission, and instead is volunteer activity, which cannot be considered a contribution under the Act.

5. "World Class Spender" Mailing (2270)

In October, 1986, the Nevada Republican Party mailed to all registered voters in Nevada, literature on Harry Reid's spending record in Congress. The mailing compares Harry Reid to such "World Class Spenders" as Tip O'Neill and Ted Kennedy, as well as noting his opposition to President Reagan. The mailing discusses Reid's voting record and urges the reader to "Vote NO on Harry Reid..."

Complainant contends that this mailing constitutes a contribution to the Santini Committee from the state party, in excess of the Act's limitations.

According to respondents, the Nevada Republican Party approved the text of the mailing, had the material printed and then delivered it to campaign volunteers, who in turn affixed

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stamps to each piece and delivered the material to the Post Office for mailing. According to respondents, the costs of this mailing are included with those reported as operating expenditures for the Anti-Reid mailing (2259) on the Pre-general and Post-general Election reports. Respondents state that the mailing list used here was also internally generated by the state party. Thus, conclude respondents, this mailing also does not qualify as direct mail, but rather is volunteer activity exempt from the definition of contribution under the Act.

B. Legal Analysis

A state committee of a political party is not permitted to make independent expenditures on behalf of the party's candidate for United States Senate. 11 C.F.R. § 110.7(b)(4). Instead, a state party committee may make a contribution to the party's Senate candidate, subject to the $5000 contribution limitation of 2 U.S.C. § 441a(a)(2)(A) and may make coordinated party expenditures on behalf of that candidate, pursuant to 2 U.S.C. § 441a(d)(3), which shall not exceed the greater of (1) two cents multiplied by the voting age population of the state or (2) $20,000. See Advisory Opinion 1980-103.

The application of Section 441a(d) limitations was addressed by the Commission in Advisory Opinions 1984-15 and 1985-14. In AO 1984-15, the Commission determined that disbursements for advertisements made by the Republican National Committee ("RNC") were expenditures subject to the limitations of Section 441a(d) where the ad (1) depicted a clearly identified candidate and (2) conveyed an electioneering message. The Commission indicated

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that the clearly identified candidate may be negatively portrayed.

In AO 1985-14, the Democratic Congressional Campaign Committee ("DCCC") proposed conducting campaigns in a number of specific congressional districts with the clear purpose of influencing voter perceptions of Republican candidates and with a view towards weakening their positions as candidates for re-election in 1986. The Commission again stated that the two factors contained in AO 1984-15, noted above, are to be considered when determining whether expenditures were subject to Section 441a(d). Moreover, citing 2 U.S.C. § 431(18) and 11 C.F.R. § 106.1(d), a candidate was said to be "clearly identified" if his or her name or likeness appears on the communication or if his or her identity is apparent by unambiguous reference.

Additionally, citing United States v. United Auto Workers, 352 U.S. 567, 587 (1957), the Commission determined that "electioneering messages" included statements "designed to urge the public to elect a certain candidate or party." The Commission addressed a number of proposed ads and determined that mailers containing negative statements about a named Republican Congressman distributed within that Congressman's district are expenditures subject to Section 441a(d) limitations, whether or not such mailers included the words "vote Democratic." In reaching this conclusion, the Commission recognized that there may not be an announced or qualified Democratic candidate in congressional districts chosen to receive the DCCC's proposed communications.

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In addition to the AO's, the Commission also faced a similar issue in MUR 2116 as to whether certain expenditures made by the RNC in a Rhode Island congressional race were allocable under Section 441a(d). The communication in question named a specific Congressman and criticized his alleged use of his public position to help wealthy investors. The mailer circulated in the Congressman's district, but did not mention the Congressman's voting record on any issues, did not cite any inconsistencies in the Congressman's positions, and did not contain any words of express advocacy. Instead, the mailer stated the Congressman must disclose his taxes and finances. The Commission failed to find by four affirmative votes that this mailer constituted an expenditure subject to Section 441a(d), and closed the file.

Thus, in the instant case, the inquiry into whether the costs of the activities in question are expenditures subject to the limitations of Section 441a(d), focuses on whether there is a clearly identified candidate and an electioneering message. An electioneering message may be either express advocacy or a message designed to influence the voter to support a particular candidate. Two recent court cases also provide some guidance for the analysis herein and more specifically, for the issue of express advocacy. The first of these, FEC v. Massachusetts Citizens for Life, 55 U.S.L.W. 4067 (U.S. Dec. 15, 1986) peripherally touched on the issue of what constitutes express advocacy. The Supreme Court considered the essential nature of the message, in determining whether the publication at issue contained a sufficient exhortation to qualify as express

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advocacy.

A more detailed analysis of express advocacy was discussed by the Court of Appeals for the Ninth Circuit in FEC v. Furgatch, _____ F.2d _____ (9th Cir. 1987). The court based its analysis on the proposition that express advocacy is not strictly limited to communications using certain key words or phrases, i.e. those listed by the Supreme Court in Buckley v. Valeo, 424 U.S. 1 (1976), but the speech at issue must be read as a whole. If that speech conveys an exhortation through some form of a call to action, and that call to action is unambiguous, in that it cannot be reasonably interpreted to mean anything else, the requirement of express advocacy is satisfied.

However, in determining whether expenditures are subject to Section 441a(d) limitations, a threshold question must be addressed as to whether the expenditures were made in connection with the general election campaign. Coordinated party expenditures may not be made in connection with the primary election, but only with the general. Here, three of the state party's activities at issue were undertaken before the Nevada primary election of September 2, 1986: the Special Report was mailed in January, 1986; the yard signs were distributed in June, 1986; and the Laxalt Endorsement was mailed in August, 1986.

However, the Commission has in the past recognized that the timing of an activity is not dispositive of the question of whether it qualifies as a Section 441a(d) expenditure. In AO 1984-15, the Commission determined that Section 441a(d) expenditures are not necessarily restricted to the period between

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nomination and election. Rather, this advisory opinion stated that where a candidate appears assured of a party's nomination, the general election campaign, at least from the political party's perspective, may begin prior to formal nomination.

The Commission concluded that to permit expenditures made prior to nomination but with the purpose and effect of influencing the outcome of the general election to escape the limitation would be inconsistent with the purpose and intent of 2 U.S.C. § 441a(d). Although this advisory opinion related to planned expenditures in the context of a presidential election, its rule is equally applicable in the present matter. Both Mr. Santini and Mr. Reid had only token opposition in their respective primaries with Mr. Santini receiving 80.3% of the total vote cast, while Mr. Reid received 82.4% in the Democratic primary. The yard signs and the Laxalt Endorsement were made on behalf of Santini at a time when he was the obvious nominee of the Nevada Republican Party. In fact, the yard signs were distributed at a time when Santini's primary opposition had not yet filed to be on the ballot. Similarly, the Special Report was made against Reid who was the obvious nominee of the Nevada Democratic Party.

With respect to the yard signs and the Laxalt Endorsement, respondents themselves argue that these expenditures were made in connection with the general election. According to the sworn affidavit of the Executive Director of the Nevada Republican Party, Stuart B. Piper, all expenditures made on behalf of James

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Santini were considered expenditures made on behalf of the state party's nominee in the general election, and for the purpose of the general election. According to Mr. Piper, "there was never any possibility" that Santini would not be the Republican nominee, and thus, the entire purpose of the state party's expenditures was to assist Mr. Santini in the general election.

However, respondents do not make a similar argument with regard to the anti-Reid Special Report mailing. According to respondents, because Reid did not formally declare his candidacy until February 11, 1986, there was no candidate at the time of the mailing. Thus, respondents have placed themselves in a position of arguing that timing is not dispositive for Section 441a(d) expenditures in connection with the candidate they are supporting, while otherwise arguing that timing is dispositive in connection with the candidate they are opposing. However, as noted above, the Commission does not consider timing of expenditures to be the controlling factor in this type of situation. In Advisory Opinion 1985-14, the Commission concluded that expenditures for a mailer which refers to a specific Congressman by name would be subject to the Act's limitations, even though there may have been no announced or qualified opponent in that particular district. Here, Mr. Reid was an incumbent Congressman when the Special Report was mailed. A Statement of Organization for his principal campaign committee for his Senate race was filed on January 31, 1986. The Special

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Report was mailed in late January, 1986. In the opinion of the Office of General Counsel, Mr. Reid was a Senate candidate at the time of this mailing and was at all times the obvious nominee of the Nevada Democratic Party.

Similarly, Mr. Santini was the obvious nominee of the Nevada Republican Party. As a result, expecially in light of the late date of the Nevada primary, all of the expenditures at issue were made in connection with the 1986 general election in Nevada.

1. The Yard Signs Are Expenditures Subject to the Limitation of Section 441a(d)

The Yard signs distributed by the state party in June, 1986 qualify as coordinated party expenditures subject to the limits of Section 441a(d), under the analysis set forth herein. First, the signs clearly identify Jim Santini by name. Second, the signs expressly advocate by urging voters to support James Santini for United States Senate. This is not disputed by respondents. Instead, respondents argue that the yard sign expenditure is exempt from the Act's definition of "contribution." Respondents base this conclusion on their assertion that "volunteers handed out signs at rallies, signed up people interested in displaying signs, and installed signs."

The correct analysis for these purposes, however, is not the definition of contribution, but rather, the definition of expenditure which includes any payment for the purpose of

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influencing any election for federal office. 2 U.S.C. § 431(9)(A)(i). Exempt from the definition of expenditure is,

> the payment by a State or local committee of a political party of the costs of campaign materials (such as pins, bumper stickers, handbills, brochures, posters, party tabloids, and yard signs) used by such committee in connection with volunteer activities on behalf of nominees of such party: Provided, That-
>
> (1) such payments are not for the costs of campaign materials or activities used in connection with any broadcasting, newspaper, magazine, billboard, direct mail, or similar type of general public communication or political advertising;
>
> (2) such payments are made from contributions subject to the limitations and prohibitions of this Act; and
>
> (3) such payments are not made from contributions designated to be spent on behalf of a particular candidate or particular candidates. 2 U.S.C. § 431(9)(B)(viii).

Thus, payment by a state party committee for yard signs used in connection with volunteer activities on behalf of the party's nominee, will be exempt from the definition of expenditure if certain conditions are met. Here there is no evidence that the payment was in connection with any general public communication or political advertising other than the signs themselves; or that the payment was made from contributions not subject to the Act's limitations or prohibitions; or that the payment was made from contributions designated for candidates other than Santini.

However, the Commission regulations, at 11 C.F.R. § 100.8(b)(16), include several additional conditions which must

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be met for such a disbursement to be exempt. Materials must be distributed by volunteers rather than by commercial operations, 11 C.F.R. § 100.8(b)(16)(iv), the payment must be reported by the state party committee as a disbursement, 11 C.F.R. § 100.8(b)(16)(v), and finally,

> Campaign materials . . . purchased with funds donated by the national committee to such State or local committee for the purchase of such materials, shall not qualify under this exemption. Rather, the cost of such materials shall be subject to the limitations of 2 U.S.C. § 441a(d) and 11 C.F.R. § 110.7. 11 C.F.R. § 100.8(b)(16)(vii).

Here, then, the question is whether the yard signs were purchased with funds provided by the national committee. If so, the amount of the payment, $14,399, is subject to the limits of Section 441a(d). The signs were ordered and distributed in late June of 1986. From April through mid-August, 1986, the state party reported $93,863 in receipts. Of this amount, $41,000 was received from the NRSC (approximately 43.7% of receipts). During this same period, the state party does not report any disbursement on behalf of a specific federal candidate. Therefore, in the opinion of the Office of General Counsel, it is likely that the yard signs advocating the election of Jim Santini were purchased in whole or part with funds donated by the NRSC. Here, the NRSC provided a substantial amount of money to the state party at a time when the only ostensible activity by the latter on behalf of its Senate candidate were the yard signs and one mailing (the Laxalt Endorsement).

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Thus, it can be concluded that the yard signs were paid for with funds donated by the NRSC. As stated above, the Office of General Counsel agrees with respondents' argument that the expenditure for yard signs was made in connection with the general election and for the purpose of winning the general election. At the time the signs were ordered, Jim Santini was the only Republican candidate for the United States Senate. Accordingly, the payment of $14,339 for the Santini yard signs is a coordinated party expenditure, subject when aggregated, to the limitations of Section 441a(d).

2. The Special Report Mailing is an Expenditure Subject to the Limitations of Section 441a(d).

The Special Report mailed by the state party in December 1985 qualifies as a coordinated party expenditure, subject to the limits of Section 441a(d), under the analysis set forth herein. First, the Special Report clearly identifies and concentrates on Harry Reid. As stated above, Harry Reid was the obvious nominee of the Nevada Democratic Party for the United States Senate. The primary issue is whether the Special Report contained an electioneering message.

Respondents argue that the Special Report contains no electioneering message. First, they argue that there is no express advocacy in the Special Report, because there is no reference to the election or defeat of any candidate, nor is there a solicitation of any type. Second, respondents argue that the Special Report is simply a criticism of Congressman Reid's record in Congress, on issues of concern to Nevada Republicans, without reference to the upcoming campaign.

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However, in their arguments, respondents appear to equate the requirement of an electioneering message solely with that of express advocacy without addressing the standard of United Auto Workers, 352 U.S. 367, that electioneering messages include statements designed to urge the recipient of the message to elect a certain candidate or party. By the same token, a message designed to defeat a certain candidate or party would also be electioneering. Here, the Special Report clearly concentrates on Harry Reid, with the first two pages containing issues setting Reid apart from the remainder of the Nevada Congressional delegation, while the third of three pages concerns solely Reid, critizing his votes and his basic philosophy. The message contained therein could have been designed with no other purpose than to persuade its recipients not to vote for or otherwise support Harry Reid. This conclusion is implicitly recognized by respondents, "[i]t is quite true that the Report contains facts which could lead its recipients -Nevada Republicans - to be critical of the record and public positions of [Harry Reid]." Certainly, the state party cannot deny (nor does it) that its design was to translate this criticism of Reid into votes against him.

Moreover, under the recently enunciated Furgatch, standard, the Special Report mailing appears to qualify as express advocacy. Here, the state party did not simply mail the voting records of the Nevada congressional delegation. Instead, they included a direct criticism of Harry Reid. In a mailing showing

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the voting records of four individuals, only Reid was singled out for criticism. This criticism presumably would not have been necessary if the mailing were designed solely to point out differences in voting records on questions of national policy. The call to action does not have to be stated in any certain words, but only leave an obvious blank for the reader to fill in. It is the inclusion of the attack on Reid which leads to the unambiguous conclusion that the recipients should vote against Reid.

Finally, it should not be overlooked that when the state party filed its original April Quarterly report, the payment for the Special Report was described as a "Campaign to Defeat U.S. Rep. Candidate Harry Reid." After being contacted by the Reports Analysis Division, the state party filed an amended April Quarterly stating that the disbursement was "mis-described" and redescribing it as an "informational mailing to Nevada Republicans." Thus, it appears that even the state party viewed the Special Report originally as an expenditure designed to defeat Mr. Reid. Accordingly, the payment of $15,469 for the Special Report is a coordinated party expenditure, subject, when aggregated, to the limitations of Section 44la(d).

3. The Laxalt Endorsement Mailing is an Expenditure Subject to the Limitations of Section 44la(d)

The Laxalt Endorsement mailed by the state party in August, 1986 qualifies as a coordinated party expenditure, subject to the limits of Section 44la(d), under the analysis set forth herein. First, Jim Santini is clearly identified by name throughout the mailer. Second, the mailer expressly advocates, by not only

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urging support for Santini, "A Great United States Senator," but also through Senator Laxalt's endorsement of him and a recitation of Santini's qualifications. This is not disputed by respondents. Rather, respondents admit that the expenditure for the Laxalt Endorsement mailer is a coordinated party expenditure, and in fact, argue that any other interpretation would not be consistent with the Act.

Respondents state, "[a]s the Affidavit of the Executive Director of the Nevada Republican Party makes clear, the entire purpose of the state party's expenditures was to assist the inevitable Republican nominee in the general election campaign... As [the] Affidavit explains,... the fact that Jim Santini was a new member of the Republican Party made it particularly important that Republican voters be seen to support his candidacy in order to strengthen his position in the general election contest." Respondent then concludes, "[t]his is precisely the sort of expenditure which meets the test for coordinated expenditures..."

The Office of General Counsel believes that in light of the Commission's past determinations in Advisory Opinions 1984-15 and 1985-14 respondent's argument that the Laxalt Endorsement, despite being mailed prior to the Nevada primary, is a coordinated party expenditure, has merit. Accordingly, the state party correctly reported its coordinated party expenditure on its October Quarterly report, and this amount is subject, when aggregated, to the limitations of Section 441a(d).

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4. The Anti-Reid Mailing is an Expenditure Subject to the Limitation of Section 441a(d)

The Anti-Reid mailing distributed by the state party in September, 1986, qualifies as a coordinated party expenditure subject to the limits of Section 441a(d), under the analysis set forth herein. The analysis for the Anti-Reid mailing is similar to that for the yard signs and Special Report mailer discussed earlier. The Anti-Reid mailing clearly identifies Harry Reid by name. The mailing contains an electioneering message, as required by 2 U.S.C. § 441a(d), in that its message is designed to influence the public to vote against Reid.

The mailing states "[o]ne word describes Harry Reid's record of accomplishment . . . SHORT." The mailing goes on to criticize Reid's lack of a legislative record, as well as his trips to sixteen foreign countries, and his opposition to President Reagan. Thus, even though the mailing never states "vote against" Harry Reid, the message is unmistakable: the voter should not support Reid.

Moreover, under the recently enunciated Furgatch standard, the Anti-Reid mailing appears to qualify as express advocacy. The mailing is a call to action, calling for the reader to vote against Harry Reid. Again, this exhortation need not be limited to certain words, but is obvious nevertheless, given the variety of different subjects on which Reid is being attacked. Given the timing of the mailing in September, 1986, there can be no other reasonable interpretation by the reader, and as such is sufficient to meet the standard of express advocacy.

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However, respondents do not argue that the mailing contains no electioneering message. Instead, they assert the exemption to the definition of contribution for the payment of campaign materials used in connection with volunteer activities. See 2 U.S.C. § 431(8)(B)(x). Respondents state that although the Nevada Republican Party had the mailing printed by a commercial vendor, the envelopes were stamped, stuffed and mailed by volunteers. According to respondents, the mailing list was developed by the state party internally, and therefore, the materials were not direct mail as defined by the regulations.

Thus, the state party is claiming the volunteer exemption to the Act's definition of contribution for the Anti-Reid mailing. However, as with the yard signs, the appropriate analysis is whether the cost of this mailing is subject to the volunteer exemption to the definition of expenditure contained at 2 U.S.C. § 431(9)(B)(viii) and 11 C.F.R. § 100.8(b)(16). Here, a state party committee paid the cost of campaign materials on behalf of its nominee. The evidence indicates that payment was not made in connection with any general public communication or political advertising. "Direct Mail" is not implicated, as the mailing was neither made by a commercial vendor nor made from a commercial list. 11 C.F.R. § 100.8(b)(16)(i). The materials were distributed by volunteers, rather than by a commercial or for-profit operation. 11 C.F.R. § 100.8(b)(16)(iv). There is no evidence indicating that the payment was made from contributions

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not subject to the Act's limitations or prohibitions, 11 C.F.R. § 100.8(b)(16)(ii), or that payment was made from contributions designated to be spent on behalf of a particular federal candidate, 11 C.F.R. § 100.8(b)(16)(iii). The state party also complied with the reporting requirement of 11 C.F.R. § 100.8(b)(16)(v).

However, as discussed previously, 11 C.F.R. § 100.8(b)(16)(vii) provides that

> Campaign materials... purchased with funds donated by the national committee to such State or local committee for the purchase of such materials, shall not qualify under this exemption. Rather, the cost of such material shall be subject to the limitations of 2 U.S.C § 441a(d) and 11 C.F.R. § 100.7.

Here, then, the question is whether the Anti-Reid mailing was paid for with funds provided by the national committee. If so, the amount of payment is subject to the limits of Section 441a(d). On its October Quarterly, Pre-general and Post-general Election reports, the state party reported disbursements totalling $94,420.13 for "Volunteer Mailings." An additional $1515.12 was disclosed on the Post-general Election report for "Mailing/Postage." For the same time period, mid-August through mid-November, the state party reports receipts of $22,000 from NRSC and $133,570.78 from the RNC (as well as an unspecified $25,000 in-kind contribution from the RNC). Thus, at this key time in the general election, over 64.7% of the state party's total receipts were from the RNC and the NRSC. Yet of its disbursements, other than the expenditure for the Laxalt Endorsement, only $3634.07 was specifically reported on behalf of Jim Santini and all in the form of in-kind contributions.

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Therefore, in the opinion of the Office of General Counsel, a review of the state party's reports provides sufficient evidence that the Anti-Reid mailing was paid for with funds donated by the RNC and NRSC. Here, the RNC and NRSC provided a substantial amount of money to the state party, at a key time in the election, when the latter's primary activities on behalf of its Senate candidate were the mailings complained of.

Thus, it can be concluded that the Anti-Reid mailing was paid for with funds donated by the NRSC and the RNC. The reports filed by the state party do not specifically disclose which amounts of the disbursements labelled "Volunteer Mailings" apply to the Anti-Reid mailing and which apply to the mailing discussed in the next section of this report. Accordingly, the payments for the Anti-Reid mailing are coordinated party expenditures, subject, when aggregated, to the limitations of Section 441a(d).

5. The World Class Spender Mailing is an Expenditure Subject to the limitations of Section 441a(d).

The World Class Spender mailing distributed by the state party in October 1986, qualifies as a coordinated party expenditure subject to the limits of Section 441a(d). The analysis of the World Class Spender mailing is the same as that for the Anti-Reid mailing of the previous section. In fact, the mailing is even more clearly a coordinated party expenditure than the Anti-Reid mailing. Here, Harry Reid is clearly identified throughout the mailing by name as well as by "candidate for Senate." The electioneering message is equally clear. The mailing expressly advocates Reid's defeat: "Vote NO on Harry Reid...."

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Respondents make the same argument with respect to the World Class Spender mailing as they do for the Anti-Reid mailing: both are exempt from the Act's definition of contribution as payments for campaign materials made in connection with volunteer activities. Respondents make the same assertions with regard to both mailing, that is, even though the state party had the mailing printed by a commercial vendor, the envelopes were stamped, stuffed and mailed by volunteers, using a mailing list that the state party had developed internally.

For the same reasons discussed in connection with the Anti-Reid mailing, the World Class Spender mailing cannot be exempted from treatment as an expenditure under the Act. The payment for campaign materials by a state party with funds donated by the national party is subject to the limitations of Section 441a(d), notwithstanding the presence of volunteer activity. Here, it is likely the World Class Spending mailer was paid for using funds provided by the RNC and NRSC. As set forth earlier, the state party disclosed disbursements in excess of $94,000 for "Volunteer Mailings," without differentrating between the amounts spent for the mailing or the Anti-Reid mailing. At the same time, over $150,000 or nearly 65% of total receipts was being provided by the RNC and NRSC.

Thus, a review of the state party's reports overwhelmingly indicates, in the opinion of the Office of General Counsel, that the World Class Spender mailing was paid for with funds provided by the RNC and NRSC. The latter donated a substantial amount of money at a time when the state party's primary activities on behalf of Jim Santini were the mailings complained of.

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In that the Commission regulations only require the donation of funds by the national party for the purchase of campaign materials, which is likely here, the amounts listed by the state party as "Volunteer Mailings" are in fact coordinated party expenditures. Accordingly, the amount spent on the Anti-Reid and World Class Spender Mailings, is subject, when aggregated, to the limitations of Section 441a(d).

C. Summary of Analysis

Based on the foregoing analysis, the Nevada Republican Party made coordinated party expenditures in connection with four mailings and yard signs for the 1986 United States Senate race in Nevada. The Nevada Republican Party is subject to a Section 441a(d) spending limit in 1986 for the Senate election of $43,620.00. See, FEC Record, Vol. 12 No. 4 (April 1986). In order to determine the amounts spent by the state party as coordinated party expenditures and to accurately assess whether the limit was exceeded, the four mailings and yard signs must be considered in the aggregate. Therefore, the Office of General Counsel recommends that the Commission merge Matters Under Review 2231, 2233, 2259 and 2270.

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The state party's reports indicate that the amounts spent on the four mailings and yard signs are as follows:

Activity	Amount
Yard signs	$14,339.00
Special Report	15,469.49
Laxalt Endorsement	23,602.00
Anti-Reid & World Class Spenders	89,124.13
Total	$142,534.62

The aggregate of $142,534.62 exceeds the state party's Section 441a(d) limitation of $43,620.00 for the Senate race by $98,914.62. In addition to its coordinated expenditures, the state party is entitled to make a $5000 contribution to the Santini Committee pursuant to 2 U.S.C. § 441a(a)(2)(A). On its 1986 Post-general Election report, the state party discloses contributions to the Santini Committee totalling $3633.07. Therefore, only $1366.93 of its contribution limit remains available to the state party. Even when applying the amount to the coordinated party expenditures made on behalf of Jim Santini, the state party shall have exceeded its Section 441a(d) limitation by nearly $100,000.00: 5/

Amount of expenditures:	$142,534.62
Less 441a(d) limit:	43,620.00
Subtotal	98,914.62
Less amount available as contribution under 441a(a)(2)(A):	1,366.93
Total in excess of 441a(d) limitation:	$ 97,547.69

Accordingly, the Office of General Counsel recommends that the Commission find reason to believe that the state party violated 2 U.S.C. § 441a(d).

D. Reporting Problems

Each person who receives any expenditure from a reporting committee in connection with a Section 441a(d) expenditure must

5/ At this stage, there is no information to indicate that the state party had received any authorization to spend under the separate limitation of the national Republican Party.

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be identified, and the date, amount and purpose of the expenditure must be noted. 2 U.S.C. § 434(b)(6)(B)(iv); 11 C.F.R. § 104.3(b)(3)(viii). A committee reporting a Section 441a(d) expenditure must also include the name of the candidate on behalf of whom the expenditure is made and the Office sought. Id.

A review of the state party's reports reveals that of the coordinated expenditures consisting of the four mailings and yard signes, only one mailing, the Laxalt Endorsement, was correctly itemized as a coordinated party expenditure on Schedule F for this purpose. The remaining three mailings and the yard signs were incorrectly reported by the state party as disbursements on Schedule B. Accordingly, the Office of General Counsel recommends that the Commission find reason to believe that the state party violated 2 U.S.C. § 434(b)(6)(B)(iv).

E. Disclaimer Problems

Whenever any person makes an expenditure for the purpose of financing a communication expressly advocating the election or defeat of a clearly identified candidate, such communication, if not paid for by a candidate or authorized committee, must clearly state the name of the person who paid for it and whether a candidate or authorized committee authorized it. 2 U.S.C. § 441d(a)(2) and (3).

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A review of the mailings reveals that all contain some form of disclaimer. However, the Laxalt Endorsement and the World Class Spender mailings state only that they were "[p]aid for by the Nevada Republican Party." Neither of these mailings contain an authorization statement and are therefore insufficient under Section 441d. The other two mailings contain authorization statements; the Special Report was authorized by the party, and the Anti-Reid mailing was authorized by Santini. Accordingly, this Office recommends that the Commission find reason to believe the party violated 2 U.S.C. § 441d(a).

F. The NRSC and the Santini Committee.

Allegations are made by complainant in MURs 2233, 2259 and 2270 against the NRSC for allegedly providing the funds with which the state party paid for the Laxalt Endorsement, the Anti-Reid, and the World Class Spenders mailings. However, the Act permits the NRSC to transfer funds, in an unlimited amounts, to the state party. See 2 U.S.C. § 441a(a)(4). The NRSC did not produce any of the mailings, and it denies playing any role with regard to their production and distribution.

The fact that the NRSC donated funds to the state party which are used for the purchase of campaign materials does not per se give rise to a violation of the Act. Accordingly, the Office of General Counsel recommends that the Commission find no reason to believe that the NRSC violated 2 U.S.C. § 441a(a).

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Similarly, although complainants allege violations of the Act by the Santini Committee, the latter, as the recipient of the benefit of coordinated party expenditures, rather than contributions, is not subject to the limitations of 2 U.S.C. § 441a(d). Nor is it subject to any reporting requirements. Expenditures made under Section 441a(d) are reported as expenditures by the committee making them, 11 C.F.R. § 104.3(b)(3)(viii), but the candidate on whose behalf such expenditures are made, however, does not report these expenditures as contributions. 11 C.F.R. § 104.3(a)(3)(iii).

Accordingly, the Office of General Counsel recommends that the Commission find no reason to believe that the Santini Committee violated 2 U.S.C. § 441a(a).

Recommendations

The Office of General Counsel recommends that the Commission:

1. Merge Matters Under Review 2231, 2233, 2259 and 2270.

2. Find reason to believe that the Nevada Republican Party/Nevada Republican State Central Committee - Federal Account and Robert L. Seale, as treasurer, violated 2 U.S.C. § 441a(d).

3. Find reason to believe that the Nevada Republican Party/Nevada Republican State Central Committee - Federal Account and Robert L. Seale, as treasurer, violated 2 U.S.C. § 434(b)(6)(B)(iv).

4. Find reason to believe that the Nevada Republican Party/Nevada Republican State Central Committee - Federal Account and Robert L. Seale, as treasurer, violated 2 U.S.C. § 441d(a).

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5. Find no reason to believe that Jim Santini for Senate and J. Glen Sanford, as treasurer, violated 2 U.S.C. § 441a(a).

6. Find no reason to believe that the National Republican Senatorial Committee and Rodney D. Smith, as treasurer, violated 2 U.S.C. § 441a(a).

7. Approve attached letters.

Charles N. Steele
General Counsel

2/9/87
Date

By: Lawrence M. Noble
Deputy General Counsel

Attachments
I. Special Report mailing
II. Laxalt Endorsement mailing
III. Anti-Reid mailing
IV. World Class Spender mailing
V. Response of Nevada Republican Party/Nevada Republican State Central Committee - Federal Account and Jim Santini for Senate Committee
VI. Response of National Republican Senatorial Committee
VII. Disclosure Reports
VIII. Letters

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES N. STEELE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/ JOSHUA MCFADDEN

DATE: FEBRUARY 13, 1987

SUBJECT: OBJECTION TO MUR's 2231, 2233, 2259 & 2270- FIRST GENERAL COUNSEL'S REPORT SIGNED FEBRUARY 9, 1987

The above-captioned document was circulated to the Commission on Tuesday, February 10, 1987 at 4:00 P.M.

Objections have been received from the Commissioners as indicated by the name(s) checked:

Commissioner Aikens	X
Commissioner Elliott	X
Commissioner Josefiak	X
Commissioner McDonald	X
Commissioner McGarry	
Commissioner Thomas	X

This matter will be placed on the Executive Session agenda for Wednesday, February 18, 1987.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 24, 1987

MEMORANDUM

TO: Robert J. Costa
Assistant Staff Director

THROUGH: John C. Surina
Staff Director

FROM: Charles N. Steele
General Counsel

SUBJECT: Matters Under Review 2231, 2233, 2259 & 2270
Nevada Republican Party/Nevada Republican State Central Committee, Robert Seale, as treasurer

At the Executive Session of February 24, 1987, the Commission requested certain information with regard to reports filed by the Nevada Republican State Central Committee ("Committee"). This memorandum is to request the Audit Division's assistance in determining that information.

The Commission is seeking to determine whether certain expenditures listed on the Committee's 1986 October Quarterly, Pre-general and Post-general reports were paid for with funds received by the Committee from the national party, i.e. the Republican National Committee ("RNC") or the National Republican Senatorial Committee ("NRSC"), or whether the source of such expenditures were non-party funds.

Attached are the Committee's reports filed in 1986. All receipts from either the RNC or the NRSC should be included in the analysis. The particular expenditures of interest are marked on the attached reports. The Commission suggested that a LIFO analysis be used to determine this information.

If you have any questions, please contact Eric Kleinfeld, at 376-5690.

Attachments

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SENSITIVE

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

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March 6, 1987

MEMORANDUM

TO: The Commission

FROM: Charles N. Steele
General Counsel

BY: Lawrence M. Noble
Deputy General Counsel

SUBJECT: MUR's 2231, 2233, 2259 and 2270

In response to questions raised by the Commission during the February 24, 1987 Executive Session, this Office is circulating materials prepared by the Audit Division concerning transfers of funds by the Republican National Committee to the Nevada Republican State Central Committee on an informational basis.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

March 6, 1987

TO: CHARLES N. STEELE
GENERAL COUNSEL

THROUGH: JOHN C. SURINA
STAFF DIRECTOR

FROM: ROBERT J. COSTA
ASSISTANT STAFF DIRECTOR
AUDIT DIVISION

SUBJECT: MUR'S 2231, 2233, 2259, AND 2270
NEVADA REPUBLICAN STATE CENTRAL COMMITTEE (NRSCC)

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On February 25, 1987, the Audit Division was asked by the Office of General Counsel (OGC) to assist in the review of certain reported activity in the above referenced matter. Specifically, we were asked to determine whether or not 11 transfers, totalling $261,570.78, reported as received by the NRSCC from the National Republican Senatorial Committee ("the Senatorial Committee") and the Republican National Committee (RNC) were used by the NRSCC to fund the 13 expenditures listed on the NRSCC's 1986 October 15 Quarterly, 12 day Pre-general and 30 day Post-general reports; or whether the NRSC/RNC on its disclosure reports included any description as to how the funds were to be used.

A. Source and Application of Funds Received

OGC provided the Audit staff with copies of the NRSCC's disclosure reports for the period January 1, 1986 through November 24, 1986.

Given the limited amount of material available, and because no source documentation (i.e., bank statements, check registers, deposit records, etc.) was provided, the Audit staff was required to make several assumptions to perform this review of reported activity. These were the general assumptions made:

1. Information as disclosed on FEC reports is complete and accurate (no material changes per amendments filed by the NRSCC). This is NOT audited information.

2. Activity to be analyzed covered the period 1/1/86-11/24/86. Beginning cash on hand as of 1/1/86 is assumed to contain private funds only (no Senatorial Committee/RNC funds).

3. In instances where the date(s) of contributions cannot be ascertained (e.g., contributions not itemized on Schedule A for Line 11), the amount of these was apportioned based on the relative amounts of itemized contributions for the dates listed.

4. When Senatorial Committee/RNC funds are reported as being received on the same date as private funds (non-Senatorial/RNC), it is assumed that the Senatorial Committee/RNC funds were received first. Similarly, in cases where a questioned expenditure is reported as being made on the same date as other expenditures, it is assumed that the identified expenditure was made first.

5. All funds were applied on a first in first out basis.

Changes to any of the five assumptions above could result in different conclusions being reached.

Based on the Audit staff's review of the reported activity relative to the 13 expenditures noted above, utilizing the aforementioned assumptions, 4 were funded in whole or in part with funds reported as being received by NRSCC from the Senatorial Committee/RNC (see Exhibit A).

B. Cursory Review of FEC Disclosure Reports

The Audit staff reviewed the disclosure reports filed by the Senatorial Committee and the RNC for the subject period to determine if any description regarding how the funds transferred were to be used was listed on the Committees' reports. The following results ensued:

1. The NRSCC reported having received four transfers, totalling $103,000, from the Senatorial Committee. One transfer, in the amount of $18,000, was itemized on the Senatorial Committee's report as "Party Building." The remaining three transfers, totalling $85,000, were all itemized as "transfer."

2. The RNC reported making six transfers, totalling $158,389, to the NRSCC.* All six transfers were itemized on the RNC's reports as "transfer-out."

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* The NRSCC reported receiving an additional transfer in the amount of $181.78 from the RNC. This transfer was not itemized by the RNC.

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If you have any questions, please contact Marty Favin or Rick Halter at 376-5320. Audit workpapers are available for review in the Audit Division.

Attachments
Exhibit A

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EXHIBIT A

SOURCE AND APPLICATION OF FUNDS

	PAYEE	DATE	AMOUNT	PURPOSE	SOURCE OF FUNDS NRSC	RNC	PRIVATE
1.	R & R Advertising	8/20/86	$ 14,339.00	Yard Signs	$14,339.00	$ - 0 -	$ - 0 -
2.	U.S. Postmaster	9/24/86	154.00	Volunteer Mailings	- 0 -	- 0 -	154.00
3.	U.S. Postmaster	9/24/86	5,142.00	Volunteer Mailings	- 0 -	- 0 -	5,142.00
4.	U.S. Postmaster	10/03/86	3,339.57	Volunteer Mailings	- 0 -	- 0 -	3,339.57
5.	U.S. Postmaster	10/07/86	3,261.61	Volunteer Mailings	- 0 -	- 0 -	3,261.61
6.	U.S. Postmaster	10/15/86	650.00	Volunteer Mailings	- 0 -	- 0 -	650.00
7.	Mail Resources	10/23/86	1,515.12	Mailing/Postage	- 0 -	- 0 -	1,515.12
8.	Passkey Systems	10/28/86	3,949.11	Volunteer Mailings	- 0 -	- 0 -	3,949.11
9.	PDQ Printing	10/28/86	1,972.24	Volunteer Mailings	- 0 -	- 0 -	1,972.24
10.	James R. Foster & Associates	10/29/86	$ 73,752.54	Volunteer Mailings	22,000.00	9,243.01	42,509.53
11.	B & K Printing	11/07/86	396.56	Campaign Materials - Volunteer Mailings	- 0 -	396.56	- 0 -
12.	Tony Marsh & Associates	11/07/86	1,760.83	Volunteer Mailings	- 0 -	1,760.83	- 0 -
13.	B & K Printing	11/18/86	41.67	Campaign Materials - Volunteer Mailings	- 0 -	- 0 -	41.67
	Totals		$110,274.25		$36,339.00	$11,400.40	$62,534.85

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Nevada Republican Party/Nevada Republican State Central Committee - Federal Account Robert L. Seale, treasurer	)	
	)	
Jim Santini for Senate J. Glen Sanford, treasurer	)	MURs 2231, 2233, 2259 and 2270
National Republican Senatorial Committee Rodney A. Smith, treasurer	)	

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CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of March 10, 1987, do hereby certify that the Commission took the following actions with respect to the above-captioned matters:

1. Decided by a vote of 6-0 to merge Matters Under Review 2231, 2233, 2259, and 2270.

   Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision.

2. Decided by a vote of 6-0 to find reason to believe that the Nevada Republican Party/ Nevada Republican State Central Committee - Federal Account and Robert L. Seale, as treasurer, violated 2 U.S.C. § 441a.

   Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision.

(continued)

3. Decided by a vote of 6-0 to find reason to believe that the Nevada Republican Party/Nevada Republican State Central Committee - Federal Account and Robert L. Seale, as treasurer, violated 2 U.S.C. § 434(b)(6)(B).

Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision.

4. Decided by a vote of 6-0 to find reason to believe that the Nevada Republican Party/Nevada Republican State Central Committee - Federal Account and Robert L. Seale, as treasurer, violated 2 U.S.C. § 441d(a).

Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision.

5. Decided by a vote of 6-0 to

a) Find no reason to believe that Jim Santini for Senate and J. Glen Sanford, as treasurer, violated 2 U.S.C. § 441a(a).

b) Find no reason to believe that the National Republican Senatorial Committee and Rodney D. Smith, as treasurer, violated 2 U.S.C. § 441a(a).

(continued)

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c) Direct the Office of General Counsel to amend the letters attached to the report dated February 9, 1987, and circulate them for Commission approval.

Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision.

Attest:

3-13-87
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

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SENSITIVE

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 2, 1987

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MEMORANDUM

TO: The Commissioners

FROM: Lawrence M. Noble
Acting General Counsel

SUBJECT: Commission Approval of Letters in MURs 2231, 2233, 2259, and 2270

Pursuant to the Commission's instructions, attached for Commission approval are revised letters in the above-captioned matters.

RECOMMENDATION

Approve the attached letters.

Attachments
Certification
Proposed Letters (3)

9104036038 2

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: LAWRENCE M. NOBLE
ACTING GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/JOSHUA MCFADDEN

DATE: APRIL 7, 1987

SUBJECT: OBJECTION TO MUR 2270 - MEMO. TO THE COMMISSION DATED APRIL 2, 1987

9104083603383

The above-captioned document was circulated to the Commission on Thursday, April 2, 1987 at 4:00 P.M.

Objections have been received from the Commissioners as indicated by the name(s) checked:

Commissioner Aikens	_____
Commissioner Elliott	_____
Commissioner Josefiak	_____
Commissioner McDonald	_____
Commissioner McGarry	_____
Commissioner Thomas	X

This matter will be placed on the Executive Session agenda for April 21, 1987.

Please notify us who will represent your Division before the Commission on this matter.

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 13, 1987

87 APR 13 P3:30

SENSITIVE

MEMORANDUM

TO: The Commission

FROM: Lawrence M. Noble
Acting General Counsel

SUBJECT: Errata MURs 2231, 2233, 2259 and 2270

It has come to our attention that there was a typographical error in the First General Counsel's Report, the Commission Certification and one of the letters in these matters. On pages 30 and 31 of the report, the recommendation should have read for the Commission to find no reason to believe that Jim Santini for Senate and J. Glen Sanford, as treasurer, violated 2 U.S.C. § 441a(f) rather than Section 441a(a) as it appeared in the report. This error was carried forward in the Commission Certification as well as the Santini letter.

The Office of the General Counsel is recommending that the Commission amend the March 10, 1987, Certification to reflect the intent of the Commission to find no reason to believe that the Committee violated 2 U.S.C. § 441a(f) by receiving excessive contributions. Such an amendment would make the Certification consistent with the discussion of the allegations on pages 30 and 31 of the First General Counsel's Report. Furthermore, by correcting the typographical error in the Report, Certification and letter to respondent, the amendment to the Certification relates back to March 10, 1987 meeting. Thus, the prospect of sending respondents a letter confusingly referring to two different dates for the Commission's determination of reason to believe would be avoided. Also, the record would remain free of the erroneous determination of reason to believe the Committee violated 2 U.S.C. § 441a(a). The attached letters reflect the amendment to the Commission Certification recommended above.

RECOMMENDATIONS

1. Amend the March 10, 1987, Commission Certification to indicate a finding of no reason to believe that Jim Santini for Senate and J. Glen Sanford, as treasurer, violated 2 U.S.C. § 441a(f).

2. Approve the attached letters.

Attachment
Proposed letters (3)

9104086038 4

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: LAWRENCE M. NOBLE
ACTING GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/JOSHUA MCFADDEN

DATE: APRIL 15, 1987

SUBJECT: OBJECTION TO MUR 2231, 2233, 2259 and 2270 - Errata Memo. to the Commission Dated April 13, 1987

The above-captioned document was circulated to the Commission on Tuesday, April 14, 1987 at 11:00 A.M.

Objections have been received from the Commissioners as indicated by the name(s) checked:

Commissioner Aikens	X
Commissioner Elliott	X
Commissioner Josefiak	
Commissioner McDonald	X
Commissioner McGarry	
Commissioner Thomas	

This matter will be placed on the Executive Session agenda for April 22, 1987.

Please notify us who will represent your Division before the Commission on this matter.

9104036U385

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Nevada Republican Party/Nevada Republican State Central Committee - Federal Account Robert L. Seale, treasurer	)	MURS 2231, 2233, 2259, and 2270
Jim Santini for Senate J. Glen Sanford, treasurer	)	
National Republican Senatorial Committee and Rodney A. Smith, treasurer	)	

2104036J386

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of April 22, 1987, do hereby certify that the Commission decided by a vote of 6-0 to take the following actions in the above-captioned matters:

1. Rescind the March 10, 1987, finding of no reason to believe that Jim Santini for Senate and J. Glen Sanford, as treasurer, violated 2 U.S.C. § 441a(a), and instead find no reason to believe that Jim Santini for Senate and J. Glen Sanford, as treasurer, violated 2 U.S.C. § 441a(f).

2. Direct the Office of General Counsel to send appropriate letters pursuant to the discussion held in the meeting.

Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision.

Attest:

4-23-87
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 30, 1987

Jan W. Baran, Esquire
Wiley, Rein & Fielding
1776 K Street, N.W.
Washington, D. C. 20006

RE: MUR 2231, 2233, 2259 and 2270
Jim Santini for Senate Committee and J. Glen Sanford, treasurer

Dear Mr. Baran:

On September 12 and 26 and October 7 and 23, 1986, the Federal Election Commission notified your clients of four complaints alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

On April 22, 1987, the Commission found, on the basis of the information in the complaint, and information provided by your clients, that there is no reason to believe your clients violated 2 U.S.C. § 441a(f). Accordingly, the Commission closed its file in this matter as it pertains to the Santini Committee and its treasurer.

This matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. If you wish to submit any materials to appear on the public record, please do so within ten days. Please send such materials to the Office of the General Counsel.

The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

Sincerely,

Lawrence M. Noble
Acting General Counsel

2104086U387

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 30, 1987

Stuart M. Gerson, Esquire
Epstein, Becker, Borsody & Green, P.C.
1140 19th Street, N.W.
Washington, D.C. 20036-6601

RE: MUR 2233, 2259 and 2270
National Republican Senatorial Committee and Rodney A. Smith, as treasurer

Dear Mr. Gerson:

On September 26 and October 7 and 23, 1986, the Federal Election Commission notified your clients of three complaints alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

On March 10, 1987, the Commission found, on the basis of the information in the complaint, and information provided by your clients, that there is no reason to believe your clients violated 2 U.S.C. § 441a(a). Accordingly, the Commission closed its file in this matter as it pertains to the National Republican Senatorial Committee and Rodney A. Smith, as treasurer.

This matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. If you wish to submit any materials to appear on the public record, please do so within ten days. Please send such materials to the Office of the General Counsel.

The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

Sincerely,

Lawrence M. Noble
Acting General Counsel

cc: James Kevin Wholey, Esquire

2104086038

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 30, 1987

Jan W. Baran, Esquire
Wiley, Rein & Fielding
1776 K Street, N.W.
Washington, D.C. 20006

RE: MURs 2231, 2233, 2259 & 2270
Nevada Republican Party/Nevada Republican State Central Committee - Federal Account and Robert L. Seale, as treasurer

21040360389

Dear Mr. Baran:

The Federal Election Commission notified your clients on September 12 and 26, and October 7 and 23, 1986 of four complaints alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). Copies of the complaints were forwarded to your clients at that time.

Upon further review of the allegations contained in the complaints, and information supplied by your clients, the Commission, on March 10, 1987, determined that there is reason to believe that your clients, the Nevada Republican Party/Nevada Republican State Central Committee - Federal Account and Robert L. Seale, as treasurer, ("state party") have committed several violations of the Act. Because of the similarity of the allegations in MURs 2231, 2233, 2259 and 2270, the Commission determined to merge these MURs. In the future, therefore, these matters will be referred to as MUR 2270.

A. Findings Relating to 2 U.S.C. § 441a

The Commission determined that there is reason to believe that the state party and its treasurer violated 2 U.S.C. § 441a, by exceeding the limitation on coordinated party expenditures in the 1986 Nevada Senate campaign and by exceeding the Act's limitation at section 441a. The expenditures in question were for the items contained in the four complaints originally forwarded to respondents, the yard signs and four mailings. The Commission made this determination based on a review of the state party's reports on file with the Commission. These reports indicated the state party either made excessive contributions to the Jim Santini for Senate Committee or made expenditures exceeding the limitation at 2 U.S.C. § 441a(d).

B. Findings Relating to 2 U.S.C. § 434(b)(6)(B)

The Commission determined that there is reason to believe the state party and its treasurer violated 2 U.S.C. § 434(b)(6)(B), by failing to report expenditures made for yard signs and three mailings as coordinated party expenditures on Schedule F of its reports.

C. Findings Relating to 2 U.S.C. § 441d

The Commission determined that there is reason to believe that the state party and its treasurer violated 2 U.S.C. § 441d(a), by failing to affix a sufficient disclaimer to two mailings, the Laxalt Endorsement Mailing and the World Class Spender Mailing.

Under the Act you have an opportunity to demonstrate that no action should be taken against your clients. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of receipt of this letter. Where appropriate, statements should be submitted under oath.

In the absence of any additional information demonstrating that no further action should be taken against the Santini Committee, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of General Counsel is not authorized to give extensions beyond 20 days.

This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) unless you notify the Commission in writing that your clients wish the matter to be made public.

2104036J390

If you have any questions, please contact Patty Reilly, the attorney assigned to this matter, at (202) 376-8200.

Sincerely,

Scott E. Thomas
Chairman

Enclosures
Procedures

9104036U391

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Nevada Republican Party/Nevada) MUR 2270
Republican State Central Committee-)
Federal Account and Robert L.)
Seale, as treasurer)

87 JUN 15 AM 10:45

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On March 10, 1987, the Commission found reason to believe the Nevada Republican Party/Nevada Republican State Central Committee - Federal Account and Robert L. Seale, as treasurer, ("State Party") violated 2 U.S.C. §§ 441a, 434(b)(6)(B) and 441d(a). Underlying the Commission's findings were the State Party's five expenditures in the 1986 Nevada Senate race, the total of which exceeded limitations of section 441a(d). Respondents were notified of the Commission's determinations by a letter dated April 30, 1987.*/ To date, no response has been received.

II. INVESTIGATION

As discussed in the First General Counsel's Report, part of the investigation in this matter requires a determination of whether the costs of three expenditures (Yard Signs, Anti-Reid Mailer and the World Class Spender Mailer), said to be volunteer activity, were made with funds donated by either the National Republican Senatorial Committee or the Republican National Committee. In the event the State Party paid for these items using funds donated from these entities, these payments

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*/ Notification was delayed due to an error in the General Counsel's Report that required the Commission to make an additional reason to believe finding.

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would constitute expenditures subject to the limitations of 2 U.S.C. § 441a(d). Moreover, if the State Party paid for these items without using funds donated, it must be determined whether the other requirements of the Commission's Regulations at 11 C.F.R. § 100.8(b)(16) were met.

Accordingly, attached for Commission approval are questions and a request for production of documents seeking information regarding the State Party's volunteer activities, the composition of funds used to pay for the alleged volunteer activities, as well as information regarding other expenditures made by the State Party on behalf of Jim Santini in order to determine whether the State Party has met the Act's and Regulations' requirements for the exception to the definition of an expenditure. After receiving this information this Office will report to the Commission with appropriate recommendations.

III. RECOMMENDATION

Approve the attached interrogatories and request for production of documents and proposed letter.

6/15/87
Date

Lawrence M. Noble
Acting General Counsel

Attachments
1. Interrogatories and Request for Production of Documents
2. Proposed letter

9104036J393

FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20463

MEMORANDUM TO: LAWRENCE M. NOBLE
ACTING GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/JOSHUA MCFADDEN

DATE: JUNE 17, 1987

SUBJECT: OBJECTIONS TO MUR 2270 - General Counsel's Report Signed June 15, 1987

9104086039 4

The above-captioned document was circulated to the Commission on Monday, June 15, 1987 at 4:00 P.M.

Objections have been received from the Commissioners as indicated by the name(s) checked:

Commissioner Aikens	X
Commissioner Elliott	X
Commissioner Josefiak	
Commissioner McDonald	
Commissioner McGarry	
Commissioner Thomas	X

This matter will be placed on the Executive Session agenda for June 23, 1987.

Please notify us who will represent your Division before the Commission on this matter.

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Nevada Republican Party/Nevada Republican State Central Committee - Federal Account and Robert L. Seale, as treasurer	)	MUR 2270

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of June 23, 1987, do hereby certify that the Commission failed in a vote of 0-6 to approve the recommendations contained in the General Counsel's June 15, 1987 report on MUR 2270.

Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted against approval of the recommendations.

Attest:

June 24, 1987
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

9104086U395

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 24, 1987

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

THROUGH: JOHN C. SURINA
STAFF DIRECTOR

FROM: ROBERT J. COSTA
ASSISTANT STAFF DIRECTOR
AUDIT DIVISION

SUBJECT: MUR 2270 AUDIT ANALYSIS UPDATE OF USE OF REPUBLICAN NATIONAL COMMITTEE/NATIONAL REPUBLICAN SENATORIAL COMMITTEE FUNDS BY NEVADA REPUBLICAN STATE CENTRAL COMMITTEE

2104036039 6

In a response to a request from your office, on March 6, 1987, the Audit Division forwarded to your office an analysis of 13 identified Nevada Republican State Central Committee (NRSCC) expenditures based on a review of the Disclosure reports filed by the NRSCC, Republican National Committee (RNC), and National Republican Senatorial Committees (NRSC). During audit fieldwork on the NRSCC, performed August 10-20, 1987, the Audit staff revised this analysis. Audit fieldwork was suspended and is due to resume December 7, 1987 at which time further information regarding MUR 2270 may become available. Audit work performed to date indicates that the Committee apparently made disbursements beyond those mentioned in MUR 2270 in support of federal candidates, including Santini. Your office will be advised via the interim audit report of any additional disbursements made. Attached is the updated Source and Application of Funds as requested by your office. (See Exhibits A and B).

Method of Review

The Committee provided the audit staff with bank statements, deposit records and check registers relative to its federal account upon which the attached Source and Application of Funds Received was based. In order to calculate the extent to which RNC/NRSC funds were used to fund the disbursements addressed in MUR 2270, two different analyses, Type A and Type B, were

performed. The Type A analysis is distinguished from the Type B analysis by the Audit staff approach when both private and RNC/NRSC funds were deposited on the same day. Under Type A, the Audit staff considered RNC/NRSC funds to be deposited first and disbursed first. On the other hand, under Type B, the Audit staff considered private funds to be deposited first and disbursed first. The following assumptions were used:

1. Cash on hand at 1/1/86 was $13,825.79, all privately funded.

2. Deposit date of funds received determined when funds were available to be spent.

3. Disbursements were made in check number order.

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Results of Analysis

In both the Type A and the Type B Analysis the same five disbursements were funded in full or in part by RNC/NRSC funds (See Exhibits A and B); the aggregate difference between the Types being $1,820.00.

In comparison to the analysis dated March 6, 1987, the current analysis reflects a lower aggregate amount of RNC/NRSC funds expended; however, the March 6 analysis identified 4 disbursements funded by the RNC/NRSC and the current analysis identified 5 disbursements funded by the RNC/NRSC.

ALTERNATIVE METHOD - Weighted % of Funds Available

Preliminary calculations concerning 12 of the 13 disbursements discussed in MUR 2270 were performed utilizing an approach other than FIFO. Essentially, under this approach, funds available (both RNC/NRSC and private) are considered indivisible. Thus, in order to postulate what portion of a given disbursement was funded by RNC/NRSC monies a weighted % of funds on hand must be calculated. For example, on 2/7/86, the cash balance was $43,434.87 ($40,000 NRSC + $3,434.87 private) which is comprised of 92.09% NRSC funds and 7.91% private. Then, prior to the receipt of any additional funds, all disbursements made would be considered as funded 92.09% NRSC and 7.91% private.

Upon each receipt of additional funds, the % would be recalculated and applied to the applicable disbursements.

Using this approach for the first 12 disbursements in question, the preliminary analysis shows that all 12 disbursements were funded in part by RNC/NRSC funds. The breakdown is $65,603.33 RNC/NRSC vs. $44,671.49 private or approximately 59% RNC/NRSC vs. 41% private. This is in contrast to a breakdown of approximately 30% RNC/NRSC vs. 70% private under Type A and Type B.

If you have any questions, please contact Valerie Conroy or Rick Halter at 376-5320. Audit workpapers are available for review in the Audit Division.

Attachments
Exhibit A
Exhibit B

9104036U398

EXHIBIT A

SOURCE AND APPLICATION OF FUNDS

TYPE A - ANALYSIS

	PAYEE	CHECK NUMBER	CHECK DATE	AMOUNT	PURPOSE	SOURCE OF FUNDS NRSC	NNC	PRIVATE
1.	R & R Advertising	1029	8/14/86	$ 14,338.91	Yard Signs	$ 6,666.43	$ - 0 -	$ 7,672.48
2.	U.S. Postmaster	1037	9/24/86	154.39	Volunteer Mailings	- 0 -	- 0 -	154.39
3.	U.S. Postmaster	1038	9/24/86	5,142.17	Volunteer Mailings	- 0 -	- 0 -	5,142.17
4.	U.S. Postmaster	1042	10/03/86	3,339.57	Volunteer Mailings	- 0 -	- 0 -	3,339.57
5.	U.S. Postmaster	1043	10/07/86	3,261.61	Volunteer Mailings	- 0 -	- 0 -	3,261.61
6.	U.S. Postmaster	1044	10/15/86	650.00	Volunteer Mailings	- 0 -	- 0 -	650.00
7.	Mail Resourses	1046	10/23/86	1,515.12	Mailing/Postage	- 0 -	- 0 -	1,515.12
8.	PDQ Printing	1048	10/28/86	1,972.24	Volunteer Mailings	- 0 -	- 0 -	1,972.24
9.	Passkey Systems	1049	10/28/86	3,949.11	Volunteer Mailings	- 0 -	- 0 -	3,949.11
10.	James R. Foster & Associates	1054	10/19/86	73,752.54	Volunteer Mailings	22,000.00	2,658.48	49,094.06
11.	Tony Marsh & Associates	1061	11/07/86	1,760.83	Volunteer Mailings	- 0 -	1,760.83	- 0 -
12.	B & K Printing	1064	11/07/86	396.56	Campaign Materials/ Volunteer Mailing	- 0 -	396.56	- 0 -
13.	B & K Printing	1090	11/18/86	41.67	Campaign Materials	- 0 -	41.67	- 0 -
Totals				$110,274.72		$28,666.43	$4,857.54	$76,750.75

EXHIBIT B

SOURCE AND APPLICATION OF FUNDS

TYPE B - ANALYSIS

	PAYEE	CHECK NUMBER	CHECK DATE	AMOUNT	PURPOSE	SOURCE OF FUNDS NRSC	NNC	PRIVATE
1.	R & R Advertising	1029	8/14/86	$ 14,338.91	Yard Signs	$ 6,916.43	$ - 0 -	$ 7,422.48
2.	U.S. Postmaster	1037	9/24/86	154.39	Volunteer Mailings	- 0 -	- 0 -	154.39
3.	U.S. Postmaster	1038	9/24/86	5,142.17	Volunteer Mailings	- 0 -	- 0 -	5,142.17
4.	U.S. Postmaster	1042	10/03/86	3,339.57	Volunteer Mailings	- 0 -	- 0 -	3,339.57
5.	U.S. Postmaster	1043	10/07/86	3,261.61	Volunteer Mailings	- 0 -	- 0 -	3,261.61
6.	U.S. Postmaster	1044	10/15/86	650.00	Volunteer Mailings	- 0 -	- 0 -	650.00
7.	Mail Resourses	1046	10/23/86	1,515.12	Mailing/Postage	- 0 -	- 0 -	1,915.12
8.	PDQ Printing	1048	10/28/86	1,972.24	Volunteer Mailings	- 0 -	- 0 -	1,972.24
9.	Passkey Systems	1049	10/28/86	3,949.11	Volunteer Mailings	- 0 -	- 0 -	3,949.11
10.	James R. Foster & Associates	1054	10/19/86	73,752.54	Volunteer Mailings	22,000.00	588.48	51,164.06
11.	Tony Marsh & Associates	1061	11/07/86	1,760.83	Volunteer Mailings	- 0 -	1,760.83	- 0 -
12.	B & K Printing	1064	11/07/86	396.56	Campaign Materials/ Volunteer Mailing	- 0 -	396.56	- 0 -
13.	B & K Printing	1090	11/18/86	41.67	Campaign Materials	- 0 -	41.67	- 0 -
Totals				$110,274.72		$28,916.43	$2,787.54	$78,570.75

RECEIVED
FEDERAL ELECTION COMMISSION
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87 DEC -1 PM 5:00
SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Nevada Republican Party/Nevada Republican State Central Committee - Federal Account and Robert L. Seale, as treasurer	)	MUR 2270

COMPREHENSIVE INVESTIGATIVE REPORT #1

I. BACKGROUND

On March 10, 1987, the Commission found reason to believe the Nevada Republican Party/Nevada Republican State Central Committee - Federal Account and Robert L. Seale, as treasurer, ("State Party") violated 2 U.S.C. §§ 441a, 434(b)(6)(B), and 441d(a). Underlying the Commission's determinations were the State Party's five disbursements for campaign materials in the 1986 Nevada Senate race, the totals of which exceeded the limitations of section 441a.

On June 15, 1987, this Office recommended that the Commission approve interrogatories for the State Party. In part, these questions sought to determine whether the payments for these campaign materials, said to be exempt volunteer activity, were made with funds donated from either the National Republican Senatorial Committee ("NRSC") or the Republican National Committee ("RNC"). Because the State Party had been referred to the Audit Division for an audit pursuant to 2 U.S.C. § 438(b), it was determined that the better course would be for the auditors to analyze the State Party's records to ascertain whether the disbursements in question were made using funds donated by the NRSC or the RNC.

9104036040 1

On November 24, 1987, this Office received a memorandum from the Audit Division analyzing of the State Party's disbursements to determine whether the campaign materials were purchased using funds donated. After reviewing this document, this Office will report to the Commission with appropriate recommedations.

Lawrence M. Noble
General Counsel

12/1/87
Date

By: Lois G. Lerner
Associate General Counsel

9104086040 2

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/JOSHUA MCFADDEN

DATE: DECEMBER 3, 1987

SUBJECT: MUR 2270 - COMPREHENSIVE INVESTIGATIVE REPORT #1
SIGNED DECEMBER 1, 1987

The above-captioned matter was received in the Office of the Secretary of the Commission Tuesday, December 1, 1987 at 5:00 P.M. and circulated to the Commission on a 24-hour no-objection basis Wednesday, December 2, 1987 at 11:00 A.M.

There were no objections received in the Office of the Secretary of the Commission to the Comprehensive Investigative Report #1 at the time of the deadline.

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SENSITIVE

RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARIAT

88 FEB -4 AM 9:23

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Nevada Republican Party/Nevada) MUR 2270
Republican State Central)
Committee-Federal Account and)
Robert L. Seale, as treasurer)

EXECUTIVE SESSION
FEB 23 1988

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On March 10, 1987, the Commission found reason to believe the Nevada Republican Party/Nevada Republican State Central Committee-Federal Account and Robert L. Seale, as treasurer, ("State Party") violated 2 U.S.C. §§ 44la, 434(b)(6)(B) and 44ld(a). Underlying these determinations were five disbursements made by the State Party that allegedly were coordinated party expenditures. These alleged expenditures were said not to have been reported to the Commission and were also said to have exceeded the limitations contained in section 44la(a). Additionally, the State Party allegedly failed to place appropriate disclaimers on some of its materials.

In a General Counsel's Report dated June 15, 1987, this Office submited for Commission approval interrogatories and a request for production of documents to the State Party. The questions addressed whether three of the State Party's alleged Section 44la(d) expenditures had come within the volunteer exemption to the definition of expenditure. Specifically, the State Party was requested to determine whether these disbursements had been made using funds donated from either the Republican National Committee ("RNC") or the National Republican

2104036004

Senatorial Committee ("NRSC").[1] Because, however, the State Party had been referred to the Audit Division for an audit pursuant to 2 U.S.C. § 438(b), it was determined that payments for the materials in question could be reviewed more effectively by the Commission's auditors. On November 24, 1987, the Audit Division provided this Office with an analysis of the funds used by the State Party for these mailers and yard signs.

This report is divided into three parts. First, it reviews the disbursements made by the State Party in this matter. Second, it discusses the analyses employed by the auditors and the effects of these analyses on the State Party's limitations at section 44la. Finally, it discusses the additional information needed in this investigation and provides interrogatories and a request for production of documents for Commission approval.

9104036J405

II. ALLEGED EXPENDITURES MADE BY THE STATE PARTY

A. The Mailings

As discussed in the General Counsel's Report dated February 9, 1987, the complaints in this matter alleged that five disbursements made by the State Party were coordinated party expenditures that had not been reported to the Commission as required, and which were also said to have exceeded the limitations of that section. These disbursements were for

---

1/ As discussed more fully below, campaign materials purchased with funds donated to a state or local party are not within the volunteer exemption, and thus would be subject to the limits of section 44la.

1) yard signs ($14,339), 2) Special Report Mailer ($15,469), 3) Laxalt Endorsement Mailer ($23,602), 4) Anti-Reid Mailer (unknown) and 5) World Class Spender Mailer (unknown).2/ In response to the complaints, the State Party agreed that the Laxalt Endorsement was subject to section 441a(d), and noted that it had filed a Schedule F with its 1986 October Quarterly Report and had reported the cost of this mailing as a coordinated party expenditure. Of the remaining four sets of materials distributed by the State Party, the State Party asserted that the Special Report was not subject to section 441a(d) because it did not contain an electioneering message and because there was no "identified" candidate at the time of the mailing. Additionally, the State Party asserted the yard signs, Anti-Reid Mailer, and World Class Spender Mailer were volunteer activity and thus were exempt from the definition of expenditure and properly reportable as operating expenditures.

2103603406

B. The Law

Pursuant to 2 U.S.C. § 431(9)(B)(viii), the definition of expenditure does not include payments by a state party of the costs of certain campaign materials used by such committee in connection with volunteer activities on behalf of its nominees, provided the payments are not for costs in connection with broadcasting, newspaper, magazine, billboard, direct mail, or

2/ As discussed in section four, the exact cost of these latter two mailings cannot be determined from the Committee's reports.

similar type of general public communication or political advertising. Additionally, such payments by the state party must be made with permissible funds and cannot be made from contributions designated to be spent on behalf of a particular candidate.

The Commission's Regulations at 11 C.F.R. § 100.8(b)(16) provide further information regarding the application of the exemption to the definition of expenditure. In relevant part, the Regulations clarify the definition of "direct mail" to mean mailings by a commercial vendor from a commercial list. Additionally, regarding volunteer activity, the Regulations require that the materials be distributed by volunteers and not by commercial or for profit operations. Payments by the party organization for travel and subsistence or customary token payments to volunteers do not remove such individuals from the volunteer category. Moreover, campaign materials purchased by the national committee of a political party and delivered to a State or local party committee, or materials purchased with funds donated by the national committee to such state or local committee for the purchase of such materials, shall not qualify under this exemption. Rather, the cost of such materials shall be subject to the limitations of 2 U.S.C. § 441a(d) and 11 C.F.R. § 110.7.

Thus, it appears that Respondents' activity is exempted activity provided they are able to demonstrate the type of volunteer activity envisioned by the Act, Regulations, and legislative history. Additionally, Respondents' disbursements for the yard signs, Anti-Reid, and World Class Spender mailers

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cannot have been made using funds donated by either the RNC or the NRSC in order to qualify for this exemption. As discussed below, the auditors' review demonstrates that funds donated by the NRSC and the RNC were apparently used to pay for these campaign materials.

III. REVIEW CONDUCTED BY THE AUDITORS

A. Methodology

The auditors used alternative analyses of the State Party's expenditures in order to determine whether the costs of the yard signs and two mailers were paid using funds donated. Alternative analyses were required to address the situation where the State Party deposited into its account on the same day private funds and RNC/NRSC funds. The first analysis, Analysis A, considered the RNC/NRSC funds to be deposited first and used first. Analysis B considered private funds to be deposited first and used first. Under either analysis, the same five disbursements of the thirteen disbursements made by the State Party during the review period were viewed as funded in full or in part by RNC/NRSC funds with an aggregate difference between the two types calculated as $1,820.[3/]

B. Results

As illustrated by the charts accompanying the Audit Memorandum, it is clear that payments for the yard signs were

3/ The auditors also noted a third possible analysis with funds available (both RNC/NRSC and private funds) were considered indivisible. A disbursement would be analyzed using a percentage figure of the amount each source's funds that composed the total of cash on hand figure on the date of deposit. See Audit Memorandum at page 2. Under this approach twelve of the thirteen disbursements in question were funded, in part, by RNC/NRSC funds.

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made with funds donated by the NRSC. Thus, these campaign materials do not appear to qualify under the volunteer exemption.

It cannot be determined at this time whether the other disbursements said to be volunteer activity, Anti-Reid and World Class Spender Mailers, were also made using funds donated. The State Party's response to the complaint stated the costs of these two mailings were reported on its 1986 Pre-General and Post-General Reports as operating expenditures. The Pre-General Election Report includes three disbursements totalling $7,251.18 to the United States Postmaster for "volunteer mailings." The Audit Memorandum indicates these three disbursements were made with private funds. The Post General Report indicates seven disbursements for volunteer mailings. Four of these, totalling approximately $25,000 (depending upon which set of figures are used) were made using funds donated by the RNC or NRSC. Because these reports do not differentiate between the two mailings, it cannot be determined whether either mailer was made solely with private funds. Moreover, it is unknown whether these two mailings were the only mailings made by the State Party during these two reporting periods. It is clear, however, that of the approximately $84,000 spent on volunteer mailings and postage on the Post-General Report, approximately $25,000 has been identified by the auditors as from funds donated by the RNC/NRSC. Thus, it is highly probable that RNC/NRSC funds were used for one or both of these mailings. However, this ambiguity can only be resolved by asking the State Party for a listing of all volunteer mailings noted in its state reports for this period and to further identify which disbursements were made for which mailings.

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IV. NEED FOR DISCOVERY IN THIS MATTER

A number of issues need to be resolved in this matter. Information is needed regarding the types of activities conducted by the volunteers and the extent of their involvement. The cursory information in the response notes only that the volunteers stamped the mailers and brought them to the post office to be mailed. Additionally, further information is required regarding the disbursements made by the State Party on its 1986 Pre-General and Post-General Reports in order to ascertain which disbursements were made for the two mailers said to have been produced under the volunteer exemption. Finally, the issue of the State Party's possible assignment of its ability to make section 441a(d) expenditures must be addressed. The attached interrogatories and request for production of documents explore these issues.

V. RECOMMENDATION

Approve the attached letter and interrogatories and request for production of documents.

2/3/88
Date

Lawrence M. Noble
General Counsel

Attachment
Audit Memo
Proposed Letter
Subpoena

STAFF MEMBER: Patty Reilly

9104036041 0

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

MEMORANDUM TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/JOSHUA MCFADDEN

DATE: FEBRUARY 8, 1988

SUBJECT: OBJECTIONS TO MUR 2270 - General Counsel's Report Signed February 3, 1988

The above-captioned document was circulated to the Commission on Thursday, February 4, 1988 at 11:00 A.M.

Objections have been received from the Commissioners as indicated by the name(s) checked:

Commissioner Aikens	X
Commissioner Elliott	X
Commissioner Josefiak	X
Commissioner McDonald	
Commissioner McGarry	
Commissioner Thomas	

This matter will be placed on the Executive Session agenda for February 23, 1988.

Please notify us who will represent your Division before the Commission on this matter.

2104036041 1

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Nevada Republican Party/Nevada Republican State Central Committee-Federal Account and Robert L. Seale, as treasurer	)	MUR 2270

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of February 23, 1988, do hereby certify that the Commission decided by a vote of 4-2 to approve the letter and interrogatories and request for production of documents as recommended in the General Counsel's report dated February 3, 1988.

Commissioners Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision; Commissioners Aikens and Elliott dissented.

Attest:

2/24/88
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

2104036041 2

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 26, 1988

Jan Baran, Esquire
Wiley Rein & Fielding
1776 K Street, N.W.
Washington, D.C. 20006

Re: MUR 2270
Nevada Republican Party/Nevada Republican State Central Committee - Federal Account and Robert L. Seale, as treasurer

Dear Mr. Baran:

On April 30, 1987, you were notified that the Federal Election Commission had found reason to believe Nevada Republican Party/Nevada Republican State Central Committee - Federal Account and Robert L. Seale, as treasurer, violated 2 U.S.C. SS 441a, 434(b)(6)(B), and 441d(a), provisions of the Federal Election Campaign Act of 1971, as amended.

Pursuant to its investigation of this matter, the Commission has issued the attached interrogatories and request for production of documents requesting your clients to provide information, which will assist the Commission in carrying out its statutory duty of supervising compliance with the Federal Election Campaign Act of 1971, as amended.

It is required that you submit all answers to questions under oath and that you do so within 15 days of your receipt of these interrogatories and request for production of documents.

If you have any questions, please direct them to Patty Reilly, the attorney handling this matter at (202) 376-8200.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosures
Interrogatories and Request for Production of Documents

9104036041 3

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of) MUR 2270

INTERROGATORIES AND REQUEST FOR PRODUCTION OF DOCUMENTS

TO: Robert L. Seale
Treasurer, Nevada Republican Party/Nevada Republican State Central Committee - Federal Account

c/o: Jan Baran, Esquire
Wiley, Rein & Fielding
1776 K Street, N.W.
Washington, D.C. 20006

In furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby requests that you submit answers in writing and under oath to the questions set forth below within 15 days of your receipt of this request. In addition, the Commission hereby requests that you produce the documents specified below, in their entirety, for inspection and copying at the Office of the General Counsel, Federal Election Commission, Room 659, 999 E Street, N.W., Washington, DC 20463, on or before the same deadline, and continue to produce those documents each day thereafter as may be necessary for counsel for the Commission to complete their examination and reproduction of those documents. Clear and legible copies or duplicates of the documents which, where applicable, show both sides of the documents may be submitted in lieu of the production of the originals.

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INSTRUCTIONS

In answering these interrogatories and request for production of documents, furnish all documents and other information, however obtained, including hearsay, that is in possession of, known by or otherwise available to you, including documents and information appearing in your records.

Each answer is to be given separately and independently, and unless specifically stated in the particular discovery request, no answer shall be given solely by reference either to another answer or to an exhibit attached to your response.

The response to each interrogatory propounded herein shall set forth separately the identification of each person capable of furnishing testimony concerning the response given, denoting separately those individuals who provided informational, documentary or other input, and those who assisted in drafting the interrogatory response.

If you cannot answer the following interrogatories in full after exercising due diligence to secure the full information to do so, answer to the extent possible and indicate your inability to answer the remainder, stating whatever information or knowledge you have concerning the unanswered portion and detailing what you did in attempting to secure the unknown information.

Should you claim a privilege with respect to any documents, communications, or other items about which information is requested by any of the following interrogatories and requests for production of documents, describe such items in sufficient detail to provide justification for the claim. Each claim of privilege must specify in detail all the grounds on which it rests.

Unless otherwise indicated, the discovery requests shall refer to the time period from December 1985 to the date of this subpoena.

The following interrogatories and requests for production of documents are continuing in nature so as to require you to file supplementary responses or amendments during the course of this investigation if you obtain further or different information prior to or during the pendency of this matter. Include in any supplemental answers the date upon which and the manner in which such further or different information came to your attention.

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DEFINITIONS

For the purpose of these discovery requests, including the instructions thereto, the terms listed below are defined as follows:

"You" or "State Party" shall mean the named respondent in this action to whom these discovery requests are addressed, including all officers, employees, agents or attorneys thereof.

"NRSC" shall mean the National Republican Senatorial Committee, including all officers, employees, agents, attorneys or treasurers thereof.

"RNC" shall mean the Republican National Committee, including all officers, employees, agents, attorneys or treasurers thereof.

"Persons" shall be deemed to include both singular and plural, and shall mean any natural person, partnership, committee, association, corporation, or any other type of organization or entity.

"Document" shall mean all writings of every kind.

"Identify" with respect to a document shall mean state the nature or type of document (e.g., letter, memorandum), the date, if any, appearing thereon, the date on which the document was prepared, the title of the document, the general subject matter of the document, the location of the document, the number of pages comprising the document.

"Identify" with respect to a person shall mean state the full name, the most recent business and residence addresses and telephone numbers, the present occupation or position of such person, the nature of the connection or association that person has to any party in this proceeding. If the person to be identified is not a natural person, provide the legal and trade names, the address and telephone number, and the full names of both the chief executive officer and the agent designated to receive service of process for such person.

"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these interrogatories and requests for the production of documents any documents and materials which may otherwise be construed to be out of their scope.

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INTERROGATORIES AND REQUEST FOR PRODUCTION OF DOCUMENTS

QUESTIONS

1. In your responses to MUR 2270, five disbursements ("Yard Signs," "Special Report," "Laxalt Mailer," "Anti-Reid Mailer" and "World Class Spender Mailer") are noted. For each disbursement state:

   a. The date incurred, cost, and vendors used,

   b. Number of items mailed in each mailing,

   c. The original source(s) of the list of names used in each mailing,

   d. Where each disbursement is reported on reports filed with the Federal Election Commission (report, page, and line), and if your reports combine disbursements for different mailers, specify how much of each disbursement should be attributed to a specific mailer

2. Identify the volunteer mailings noted on your 1986 Pre-General and Post-General Reports. Attach a copy of each mailer except for the Anti-Reid and World Class Spender mailings.

3. Your responses to MUR 2270 state that the Yard Signs, the Anti-Reid Mailer, and the World Class Spender Mailer were volunteer activities. For each of these disbursements state:

   a. The number of volunteers and the basis for determining that these individuals were volunteers,

   b. Whether the volunteers were paid and the amount of each payment,

   c. Describe the duties/tasks performed by the volunteers and the time expended by each.

4. State whether the State Party authorized either the NRSC or the RNC to make coordinated party expenditures for the 1986 Nevada Senate race on its behalf. State whether the State Party was authorized to make coordinated party expenditures on behalf of the NRSC or the RNC. Attach a copy of each such authorization.

5. List all expenditures and contributions made by the State Party on behalf of Jim Santini. Specify where these are reported on the State Party's reports to the Federal Election Commission.

The Commission further requests all documents noted in your answers to question 1.

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RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

88 MAR 10 PM 4:01

WILEY, REIN & FIELDING

1776 K STREET, N.W.
WASHINGTON, D.C. 20006
(202) 429-7000

JAN W. BARAN
(202) 429-7330

March 10, 1988

Lawrence M. Noble, Esquire
General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

ATT: Patty Reilly

Re: MUR 2270 (Nevada Republican Party)

Dear Mr. Noble:

I am in receipt of your letter of February 26, 1988 which requested that the Nevada Republican Party respond to the attached Interrogatories and Request for Production of Documents pursuant to the Commission's investigation in this matter. This response is currently due on March 17, 1988. Respondent, Mr. Seale, is a Certified Public Accountant currently in the midst of an unusually complicated and hectic tax season which makes it difficult to confer with him on this matter. Moreover, as you know, respondents and all of the documentation in this matter are in Nevada and therefore not readily accessible. In light of these unusual circumstances, I respectfully request a forty-six day extension of time to and including May 2, 1988 in order to fully confer with Respondents in Nevada and to produce documents. I appreciate that this requested extension exceeds the time period customarily granted, however, I believe it is warranted in this situation.

Your favorable consideration of this request will be appreciated.

Sincerely,

Jan W. Baran

JWB/slg
cc: Robert L. Seale

9104036041 8

RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARIAT
88 MAR 17 PM 3:42

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

SENSITIVE

March 17, 1988

MEMORANDUM

TO: The Commission

FROM: Lawrence M. Noble
General Counsel

SUBJECT: MUR #2270 Request for Extension of Time

By letter dated March 9, 1988, Counsel for the Nevada Republican Party/Federal Account and Robert L. Seale, as treasurer, requested an extension of 46 days in which to respond to the Commission's subpoena. (Attachment 1.) The letter explains that an extension is necessary because the Committee's treasurer is a certified public accountant who is currently in the midst of a busy tax practice. The press of this practice is said to prevent the treasurer from responding to the Commission's subpoena. Respondents thus request a 46 day extension of time until May 2, 1988 to respond to this request.

Ordinarily the Office of the General Counsel would recommend that the Commission deny a requested extension of time of 46 days. In order to accommodate the treasurer's demonstrated business concerns, however, this Office recommends that the Commission grant the requested extension of time until May 2, 1988, for the Committee to respond to the Commission's subpoenas in this matter.

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RECOMMENDATIONS

1. Grant an extension of 46 days to the Nevada Republican/Party Federal Account and Robert L. Seale, as treasurer.

2. Approve the attached letter.

Attachments
1. Request for Extension
2. Letter

Staff Person: Patty Reilly

91040360420

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Nevada Republican Party/Federal Account and Robert L. Seale, as treasurer	)	MUR 2270

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on March 22, 1988, the Commission decided by a vote of 6-0 to take the following actions in MUR 2270:

1. Grant an extension of 46 days to the Nevada Republican/Party Federal Account and Robert L. Seale, as treasurer, as recommended in the General Counsel's memorandum to the Commission dated March 17, 1988.

2. Approve the letter, as recommended in the General Counsel's memorandum to the Commission dated March 17, 1988.

Commissioners Aikens, Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision.

Attest:

3/23/88
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

Received in the Office of Commission Secretary: Thurs., 3-17-88, [illegible]
Circulated on 48 hour tally basis: Fri., 3-18-88, [illegible]
Deadline for vote: Tues., 3-22-88, [illegible]

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 24, 1988

Jan Baran, Esquire
Wiley, Rein & Felding
1776 K Street, N.W.
Washington, D.C. 20006

RE: MUR 2270
Nevada Republican Party/
Federal Account and
Robert L. Seale, as
treasurer

Dear Mr Baran:

On March 22, 1988, the Commission considered your request for a 46 day extension of time to respond to the Commission's subpoena in the above-captioned matter and determined to grant it. Accordingly, your response is due no later than May 2, 1988.

If you have any questions, please contact Patty Reilly, the attorney assigned to this matter, at 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

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CC #9186

WILEY, REIN & FIELDING

1776 K STREET, N.W.
WASHINGTON, D.C. 20006
(202) 429-7000

JAN W. BARAN
(202) 429-7330

May 2, 1988

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
88 MAY -2 PM 12:47

Lawrence M. Noble, Esquire
General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Attn: Patty Reilly

Re: MUR 2270 (Nevada Republican Party)

Dear Mr. Noble:

This response is submitted on behalf of the Nevada Republican Party (the "NRP"), in reply to the interrogatories and request for documents propounded by the Federal Election Commission (the "Commission") to the NRP on February 26, 1988.

Enclosed are the sworn answers to these interrogatories and requests, along with their corresponding Exhibits.

Sincerely,

Jan W. Baran

Carol A. Laham

Carol A. Laham

Counsel to the Nevada
Republican Party

JWB/slg
Enclosure
cc: Robert L. Seale

9104036042 3

RESPONSE OF THE NEVADA REPUBLICAN PARTY TO THE INTERROGATORIES OF THE FEDERAL ELECTION COMMISSION IN MUR 2270

QUESTION 1. In your responses to MUR 2270, five disbursements ("Yard Signs," "Special Report," "Laxalt Mailer," "Anti-Reid Mailer" and "World Class Spender Mailer") are noted. For each disbursement state:

a. The date incurred, cost and vendors used,

b. Number of items mailed in each mailing,

c. The original source(s) of the list of names used in each mailing,

d. Where each disbursement is reported on reports filed with the Federal Election Commission (report, page, and line), and if your reports combine disbursements for different mailers, specify how much of each disbursement should be attributed to a specific mailer.

RESPONSE

The answer to this interrogatory has been provided in great part by the Nevada Republican Party ("NRP") in its submissions of November 21, 1986 in MURs 2231, 2233, 2259, and 2270 (now MUR 2270). Further, the Commission's auditors have been provided with invoices which document the date incurred, cost and vendors used with respect to four of these five disbursements. Nonetheless, the NRP will once again provide this information for each of the five disbursements. NRP incorporates in this response those materials submitted to the auditors to the extent they are relevant to these interrogatories.

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Yard Signs (2231)

R & R Advertising Ltd. produced the Yard Signs for the NRP. As seen on their invoice of July 15, 1986, provided to the Commission on December 3, 1987, 1000 signs were produced at a cost of $14,338.91. This disbursement was reported on NRP's 1986 October Quarterly Report, Schedule B, p. 1 of 1 for line 19, item B, as previously submitted to the Commission in NRP's November 21, 1986 Response to MUR 2231 at Attachment 8.

With respect to the source of the list used for distribution of these Yard Signs, as stated by Stuart B. Piper, the Executive Director of NRP in his affidavit submitted to the Commission with respect to MUR 2231 at Attachment 3, "volunteers handed out signs at rallies, signed up people interested in displaying signs, and installed signs." Affidavit dated November 20, 1986 of Stuart B. Piper in MUR 2231 ("Piper Aff. 1"), resubmitted herewith at Exhibit 1, ¶ 7.

Special Report (2231)

James R. Foster and Associates produced the communication referred to as the Special Report. As seen on their invoice of December 16, 1985, provided to the Commission on December 3, 1987, 80,000 pieces were produced at a cost of $15,469.49. This disbursement was reported on NRP's 1986 April Quarterly Report, Schedule B, p. 3 of 3 for line 21, item A.

2104036U425

As for the source of the list, again, as stated by Stuart B. Piper in his Affidavit submitted in response to MURs 2231 and 2233 "[t]his list of registered voters was compiled under the direction of the Republican Party in Nevada." Piper Aff. 1, ¶ 3.

Laxalt Mailer (2233)

James R. Foster and Associates produced the communications referred to as the Laxalt Mailer. As seen on their invoice of August 28, 1986, provided to the Commission on December 3, 1987, these pieces were produced at a total cost of $16,600. A total of 100,000 pieces were produced. This disbursement was reported on NRP's 1986 October Quarterly Report, Schedule F, p. 1 of 1 for line 23, as previously submitted to the Commission in NRP's November 21, 1986 Response to MURs 2231 and 2233 at Attachment 9.

Further, Mr. Piper also stated with respect to this mailing that it "was sent only to households in Nevada containing registered Republicans." Piper Aff. 1, ¶ 9.

Anti-Reid Mailer (Harry Reid "Short" Mailer) (2259)

James R. Foster and Associates produced the communication referred to as the Anti-Reid Mailer. As seen on their invoice of October 3, 1986, 95,000 pieces were produced at a cost of $11,918.00 to the NRP. Exhibit 2. This disbursement was reported on NRP's 1986 30 Day Post-General Report, Schedule B, p. 1 of 2 for line 19, item C. Exhibit 2.

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Further, as with the Special Report, "the list of such registered voters were obtained from County Clerk offices in the State of Nevada. The Republican Party was responsible for assembling these names of registered voters." Affidavit dated November 20, 1986 of Stuart B. Piper in MURs 2259 and 2270 ("Piper Aff. 2") submitted to the Commission with respect to these MURS on November 21, 1986 at Attachment 1, resubmitted herewith at Exhibit 3, ¶ 4.

World Class Spender Mailer (2270)

James R. Foster and Associates produced the communications referred to as the World Class Spender Mailer. As seen on their invoice of October 3, 1986 (which refers to this mailer as the "O'Neil, Kennedy, Mondale & Reid" Mail Piece), provided to the Commission on December 3, 1987, 60,000 pieces were produced at a cost of $9,074.18. This disbursement was reported on NRP's 1986 30 Day Post-General Report, Schedule B, p. 1 of 2 for line 19, item C.

Further, as with the Anti-Reid Mailing "the list of such registered voters were obtained from County Clerk offices in the State of Nevada. The Republican Party was responsible for assembling these names of registered voters." Piper Aff. 2 ¶ 4.

QUESTION 2. Identify the volunteer mailings noted on your 1986 Pre-General and Post-General Reports. Attach a copy of each mailer except for the Anti-Reid and World Class Spender mailing.

9104036U427

RESPONSE

Three entries to the U.S. Postmaster were identified as for the purpose of volunteer mailings on NRP's 1986 Pre-General Report. The relevant pages of this Report were submitted to the Commission as Attachment 3 to NRP's Response of November 21, 1986 in MURs 2259 and 2270, and it was explained at that time that the items reported were expenditures made in conjunction with the mailers which are the subject of those MURs. Piper Aff. 2 ¶ 6.

The remainder of this response will discuss those items reported on NRP's 1986 30 Day Post-General Election Report. As noted in response to Question 1, the entry to James R. Foster & Associates for $73,752.54, item C, p. 1 of 2 for line 19, was made with respect to both the Anti-Reid Mailer and the World Class Spender Mailer. This entry also applied to the "All About Money" Mailer which can be found at Exhibit 2 to NRP's response of November 21, 1986 in MURs 2259 and 2270.

In addition, three other mailers were included in this $73,752.54 payment. One of these mailers was called "Positively for Nevada," attached hereto at Exhibit 4. A second mailer was called "Raise Taxes." Despite the fact that the party made payment for production of this piece, it was never mailed, but in fact destroyed. Thus, no copy of this mailer exists to the best of my knowledge. The final

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item encompassed in the James R. Foster payment was a Laxalt/Santini letter, attached hereto at Exhibit 5.

Each of the other items reported on the 30 Day Post-General Report as for volunteer mailings are discussed below.

Item F on p. 1 of 2 for line 19 reflects two payments totalling $438.23 to B & K Printing for "Campaign Materials for Volunteer Mailings" paid for on November 7 and 18, 1986. The party purchased a total of 34 self inking stamps from B & K printing which functioned as postal permit stamps. The stamps said, for instance, "NON-PROFIT ORG. U.S. Postage PAID Nevada Republican Party" as can be seen on the volunteer mailings.

Item I of this same page reports a payment of $1,972.24 to PDQ Printing for "Volunteer Mailings." PDQ Printing produced 47,000 postal cards for volunteer mailings with respect to the Bob Ryan campaign. A copy of this Get-out-the-vote mailer can be found at Exhibit 6.

With respect to the expenditure made to Passkey Systems, reported on p. 2 of 2 for line 19, item A, the NRP has only been able to determine that this mailing was done within Bob Ryan's district. However, the NRP does not have a copy of this mailing in its records, and has been unable to obtain a copy of this mailing from Passkey Systems.

Finally, the NRP has been unable to locate an invoice which identifies the services billed by Tony Marsh and Associates for $1,760.83 reflected on p. 2 of 2 for Line 19,

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item B. Mr. Marsh states that he received a check in this amount for "writing, artwork and expenses" associated with the creation of volunteer mailings identified above for which the NRP paid James R. Foster and Associates to produce. Letter of Tony Marsh, attached at Exhibit 7.

QUESTION 3. Your responses to MUR 2270 state that the Yard Signs, the Anti-Reid Mailer, and the World Class Spender Mailer were volunteer activities. For each of these disbursements state:

a. The number of volunteers and the basis for determining that these individuals were volunteers,

b. Whether the volunteers were paid and the amount of each payment.

c. Describe the duties/tasks performed by the volunteers and the time expended by each.

RESPONSE

Attached at Exhibit 8 are lists which indicate the days and time spent by volunteers which assisted in volunteer activities such as unpacking, labeling, sorting, packaging and delivering the Anti-Reid and World Class Spender mailings to the Post Office. In addition, pictures were taken of the volunteers stamping the Party's postal permit on the volunteer mailings as well as engaging in other volunteer activity. Exhibit 8. These lists do not represent a complete lists of all volunteers and time spent by these individuals on this activity, but are indicative of the magnitude of the volunteer effort. The individuals were

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labelled volunteers because they were not paid, but rather volunteered their services to the Nevada Republican Party.

With respect to the yard signs, Mr. Piper states in Piper Aff. 1, ¶ 7 that "[v]olunteers were involved in the distribution and placement of the yard signs. Volunteers handed out signs at rallies, signed up people interested in displaying signs, and installed signs." With respect to the mailings, Mr. Piper states in Piper Aff. 2, ¶ 3 that "volunteers individually stamped each piece with the Nevada Republican Party's mailing permit, and then organized and transported the materials to the U.S. Post Office for mailing." As indicated above, volunteers also affixed labels to the volunteer mailings.

As can be seen on the attached lists, volunteers apparently spent between two and six and one half hours during any one session participating in these volunteer activities. Many volunteers dedicated several days to this effort.

9104036043 1

QUESTION 4. State whether the State Party authorized either the NRSC or the RNC to make coordinated party expenditures for the 1986 Nevada Senate race on its behalf. State whether the State Party was authorized to make coordinated party expenditures on behalf of the NRSC or the RNC. Attach a copy of each such authorization.

RESPONSE

The NRP authorized the NRSC to make a certain amount of expenditures for the 1986 Nevada Senate Race. However, the

NRSC was not authorized to expend the entire amount permitted to be expended by the NRP in coordinated expenditures for this Senate race nor did the NRSC expend the entire amount of coordinated expenditures. The total amount of coordinated expenditures made by the NRP and NRSC were within the limits permitted by law. The NRP has been unable to locate copies of the authorizations as requested.

To the best of my knowledge, the NRP did not authorize the RNC to make any coordinated expenditures with respect to this race. In addition, neither the RNC nor the NRSC authorized the NRP to make any expenditures on their behalf with respect to this race.

9104036043 2

QUESTION 5. List all expenditures and contributions made by the State Party on behalf of Jim Santini. Specify where these are reported on the State Party's reports to the Federal Election Commission.

RESPONSE

The following in-kind contributions were reported by the state party as in-kind contributions to Jim Santini on its April 1986 Quarterly Report with respect to the primary election..

2/25/86	Interstate Air Service	$ 750.00
3/11/86	Tony Marsh & Associates	1,320.00
3/15/86	Clark County Republican Central Committee	700.00
3/27/86	Van Slycke & Reeside Travel	1,005.00

In addition, the State Party reported the following in-

kind expenditures on its 30 Day Post-General Election Report for 1986:

10/31/86	R & R Advertising	$1,469.60
11/7/86	Lois Grillo	68.71
11/7/86	Donald Gowins	29.71
11/7/86	Pam Owens	57.57
11/7/86	Lorraine Weiner	95.56
11/7/86	Kelly Anderson	23.00
11/7/86	Kevin DeLaPaz	52.00
11/7/86	Karen Coates	34.00
11/7/86	Allie Lakey	147.50
11/7/86	Lawrence Rockwell	80.00
11/7/86	Christie Smith	82.00
11/7/86	Eron Bushell	23.00
11/18/86	Cassie Wood	38.00
11/18/86	Carrie Gates	42.00
11/18/86	Kelly Struzzieri	38.00
11/18/86	John Wesley	126.00
11/18/86	Jenny Doughty	76.00
11/18/86	Paul Pence	72.00
11/18/86	Anthony Relander	50.00
11/18/86	Mary M. Phillips	126.00
11/18/86	Tricia Tsermos	82.00
11/18/86	Steven Bernsten	104.00
11/18/86	Kathleen Hatman	126.00
11/18/86	Eddie Bernsten	114.00
11/18/86	Cindy Doughty	104.00
11/18/86	Julia Stromer	110.00
11/7/86	Bruce Weiner	94.71
11/7/86	Maria Timmins	44.57
11/7/86	William Casey	44.57
11/7/86	Edythe Casey	44.57
11/7/86	Marna LaBarbara	34.00

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Three additional in-kind expenditures were reported on the NRP's January 31 Year End Report with respect to the General Election.

11/30/86	Wendy Lescenski	$110.00
12/5/86	Western Temp.	625.53
12/10/86	Prestige Travel Centers	160.50

The State Party also reported the following coordinated expenditures on behalf of Jim Santini on its 1986 October Quarterly Report.

8/27/86	U.S. Postmaster	$4,118.00
8/27/86	U.S. Postmaster	2,620.00
9/9/86	B & K Printing, Inc.	264.00
9/9/86	James R. Foster Associates	16,600.00

The above statements are true to the best of my knowledge and belief.

Robert L. Seale
Treasurer

Washington D.C.

Subscribed to and sworn before me this 2nd day of May, 1988.

Notary Public

My Commission Expires: My Commission Expires September 30, 1991

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9104080604 35

City of Reno
State of Nevada

Affidavit of Stuart B. Piper

Stuart B. Piper, being duly sworn, deposes and says:

1. I am Stuart B. Piper, Executive Director of the Nevada Republican Party.

2. I am familiar with the "Special Report to Nevada Republicans", the mailing complained of in MUR 2231.

3. Planning and production of this Special Report was completed in late 1985, and it was mailed December 19, 1985. It was mailed only to households in Nevada containing registered Republicans. This list of registered voters was compiled under the direction of the Republican Party in Nevada.

4. The issues this Special Report focused upon -- the federal budget and deficit, taxes, education and Nicaragua -- are all issues which have been discussed by the Nevada Republican Party, and elected and appointed Republican officials in Nevada, for some time. We consider the differences between the Nevada Republican Party and Democrats on those questions of national policy to be an important matter of public debate, and the Republican position on issues such as these to be an integral part of the state party's message and purpose. This mailing was similar to year end mailings done by interest groups in Nevada and nationally.

5. The text of the "Special Report to Nevada Republicans" contained the statement that "A copy of this report has been submitted to the Federal Election Commission, Washington, D.C." In fact, a copy of the mailing was sent to the Federal Election Commission by Tony Marsh, who was responsible for the inclusion of the statement on the report.

6. I am familiar with the production of the yard signs complained of in MUR 2231 which urged voters to elect Jim Santini to the U.S. Senate, and which are the subject of the complaint in MUR 2231.

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7. These signs were ordered in May of 1986, and were distributed beginning in mid-June, 1986. Volunteers were involved in the distribution and placement of the yard signs. Volunteers handed out signs at rallies, signed up people interested in displaying signs, and installed signs.

8. At the time the signs were ordered, delivered, and first distributed, Jim Santini was the only announced Republican candidate for the U.S. Senate. He was also endorsed by the ranking officials of the Nevada Republican Party, by the Republican National Committeeman and Committeewoman from Nevada and by a number of Republican elected officials.

9. I was also involved in the planning for the mailing which discussed Jim Santini's background and record, and in which Senator Laxalt endorsed Jim Santini for the United States Senate, ("Laxalt endorsement") and urged Republicans to support him. This mailing, which was the subject of the complaint in MUR 2233, was sent only to households in Nevada containing registered Republicans.

10. At the time the Laxalt endorsement was mailed to registered Republicans in Nevada, it was clear that no one other than Jim Santini would be the Republican nominee. It was also clear that, as a new member of the Republican Party, it would be necessary for the party to generate enthusiasm for him among Republican voters if he were to win the general election. It was my opinion that the endorsement by Senator Laxalt would be particularly helpful in this connection.

11. I therefore regarded Jim Santini as the individual who would represent the Republican party in the 1986 general election for the U.S. Senate in Nevada, and I regarded the expenditures for yard signs and the Laxalt endorsement mailer as money spent on behalf of the Republican nominee for the U.S. Senate, and in connection with the general election campaign.

12. The filing (on the last possible day) of two other individuals as candidates in the September 2nd Republican Primary did not change the purpose of the expenditures for the yard signs or the Laxalt endorsement mailer. There was never any possibility that either of them would become the Republican nominee instead of Jim Santini, and I continued to regard the expenditures on behalf of Jim Santini as expenditures on behalf of the Republican nominee in the general election.

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13. I believe the results of the Republican Primary (in which Santini received over ten times as many votes as the other two candidates combined) demonstrated the correctness of spending money on behalf of his general election campaign through the yard signs and the Laxalt endorsement mailer in June and August.

Stuart B. Piper

Sworn to and subscribed before me
this 20th day of November, 1986.

Brenda K Rodie
Notary Public

My Commission Expires:

BRENDA K. RODIE
Notary Public - State of Nevada
Appointment Recorded in Washoe County
MY APPOINTMENT EXPIRES NOV. 7, 1988

2104086U438

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INVOICE

James R. Foster and Associates
Consultants in Direct Response

INVOICE # 000254 DATE 10/3/86

TO: Nevada Republican Party
421 Hill Street
Reno, NV 89501

FOR: Harry Reid "Short" Mail Piece

Quantity	Description	
95,000	Print, Fold, Labels from Rexnord, Label, Sort, Tie, Bag, Ship to Las Vegas, Postage.	$ 17,500.00
	Less Postage Paid by Nevada GOP	- 5,582.00

TOTAL BALANCE DUE $ 11,918.00

THANK YOU !

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REPORT OF RECEIPTS AND DISBURSEMENTS
For a Political Committee Other Than an Authorized Committee

(Summary Page)

1. Name of Committee (In Full)

NEVADA STATE REPUBLICAN CENTRAL COMMITTEE

Address (Number and Street)

421 Hill Street

City, State and ZIP Code

Reno, NV 89501

☐ Check here if address is different than previously reported.

2. FEC Identification Number
C00082925

3. ☒ This committee qualified as a multicandidate committee during this Reporting Period on 10-16-86 (Date)

4. TYPE OF REPORT (Check appropriate boxes)

(a) ☐ April 15 Quarterly Report ☐ October 15 Quarterly Report
☐ July 15 Quarterly Report ☐ January 31 Year End Report
☐ July 31 Mid Year Report (Non Election Year Only)
☐ Monthly Report for _____
☐ Twelfth day report preceding _____ (Type of Election) election on _____ in the State of _____
☒ Thirtieth day report following the General Election on 11-4-86 in the State of NV
☐ Termination Report

(b) Is this Report an Amendment?
☒ YES ☐ NO

SUMMARY	COLUMN A This Period	COLUMN B Calendar Year-to-Date
5. Covering Period Oct. 16, 1986 through Nov. 24, 1986		
6.(a) Cash on hand January 1, 19 86	[redacted]	$ 18,826
(b) Cash on Hand at Beginning of Reporting Period	$ 86,925	
(c) Total Receipts (from Line 18)	$ 181,582	$ 443,426
(d) Subtotal (add Lines 6(b) and 6(c) for Column A and Lines 6(a) and 6(c) for Column B)	$ 268,507	$ 462,252
7. Total Disbursements (from Line 28)	$ 138,369	$ 332,114
8 Cash on Hand at Close of Reporting Period (subtract Line 7 from Line 6(d))	$ 130,138	$ 130,138
9. Debts and Obligations Owed TO The Committee (Itemize all on Schedule C or Schedule D)	$	
10. Debts and Obligations Owed BY the Committee (Itemize all on Schedule C or Schedule D)	$	

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

Robert L. Seale
Type or Print Name of Treasurer

Robert L. Seale
SIGNATURE OF TREASURER

12/5/86
Date

For further information contact:
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463
Toll Free 800-424-9530
Local 202-376-3120

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 3X (3/80)

91040860441

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

Name of Committee (In Full): Nevada State Republican Central Committee

Report covering the period: from 10-16-86 to: 11-24-86

	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	13,990	162,438	11(a)
(Memo Entry Unitemized $13,265)			
(b) Political Party Committees	126,592	236,571	11(b)
(c) Other Political Committees	16,000	16,000	11(c)
(d) TOTAL CONTRIBUTIONS (other than loans) (Add 11(a), 11(b) and 11(c)	156,582	415,009	11(d)
12 TRANSFERS FROM AFFILIATED/OTHER PARTY COMMITTEES	25,000	25,000	12
13 ALL LOANS RECEIVED			13
14 LOAN REPAYMENTS RECEIVED		3,271	14
15 OFFSETS TO OPERATING EXPENDITURES (Refunds, Rebates, etc.)			15
16 REFUNDS OF CONTRIBUTIONS MADE TO FEDERAL CANDIDATES AND OTHER POLITICAL COMMITTEES			16
17 OTHER RECEIPTS (Dividends, Interest, etc.)		146	17
18 TOTAL RECEIPTS (Add 11(d), 12, 13, 14, 15, 16 and 17)	181,582	443,426	18
II. DISBURSEMENTS			
19 OPERATING EXPENDITURES	110,735	262,535	19
20 TRANSFERS TO AFFILIATED/OTHER PARTY COMMITTEES	16,000	21,000	20
21 CONTRIBUTIONS TO FEDERAL CANDIDATES AND OTHER POLITICAL COMMITTEES	11,634	20,389	21
22 INDEPENDENT EXPENDITURES (use Schedule E)			22
23 COORDINATED EXPENDITURES MADE BY PARTY COMMITTEES, 2 U.S.C. §441a(d) (Use Schedule F)		23,602	23
24 LOAN REPAYMENTS MADE			24
25 LOANS MADE		3,271	25
26 REFUNDS OF CONTRIBUTIONS TO			
(a) Individuals/Persons Other Than Political Committees		1,000	26(a)
(b) Political Party Committees			26(b)
(c) Other Political Committees			26(c)
(d) TOTAL CONTRIBUTION REFUNDS (Add 26(a), 26(b) and 26(c))			26(d)
27 OTHER DISBURSEMENTS		317	27
28 TOTAL DISBURSEMENTS (add lines 19, 20, 21, 22, 23, 24, 25, 26(d) and 27)	138,369	332,114	28
III. NET CONTRIBUTIONS AND NET OPERATING EXPENDITURES			
29 TOTAL CONTRIBUTIONS (other than loans) from Line 11(d)			29
30 TOTAL CONTRIBUTION REFUNDS from Line 26(d)			30
31 NET CONTRIBUTIONS (other than loans) (Subtract Line 30 from Line 29)			31
32 TOTAL OPERATING EXPENDITURES from Line 19			32
33 OFFSETS TO OPERATING EXPENDITURES from Line 15			33
34 NET OPERATING EXPENDITURES (Subtract Line 33 from Line 32)			34

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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)

NEVADA STATE REPUBLICAN CENTRAL COMMITTEE

	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This P
A. Full Name, Mailing Address and ZIP Code Mail Resources 2800 S. Chochone Englewood, CO 80110	Mailing/Postage Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	10-23-86	1,515.12
B. Full Name, Mailing Address and ZIP Code Wm. D. Swackhamer Secretary of State Capitol Complex Carson City, NV 89710	FEC Report Copies Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	10-29-86	12.50
C. Full Name, Mailing Address and ZIP Code James R. Foster & Assoc. PO Box 112413 Carrollton, TX 75011-2413	Volunteer Mailings Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	10-29-86	73,752.54
D. Full Name, Mailing Address and ZIP Code UPA - UTT Printing 1905 N. Carson St. Carson City, NV 89701	Slate Cards Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	11-7-86	1,390.95
E. Full Name, Mailing Address and ZIP Code Art Associates 139 Vassar St. Reno, NV 89502	Slate Cards Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	11-7-86	223.94
F. Full Name, Mailing Address and ZIP Code B & K Printing 3233 Industrial Road Las Vegas, NV 89109	Campaign Materials for Volunteer Mailings Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	11-7-86 11-18-86	396.56 41.67
G. Full Name, Mailing Address and ZIP Code R & R Advertising 615 Riverside Dr. Reno, NV 89503	Media Presidential Rally Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	10-31-86	719.74
H. Full Name, Mailing Address and ZIP Code Republican National Committee 310 First Street SE Washington, DC 20003	Transfer for Get-Out-The-Vote Media Buy Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	10-24-86	25,000.00
I. Full Name, Mailing Address and ZIP Code PDQ Printing 3901 W. Charleston. Las Vegas, NV 89012	Volunteer Mailings Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	10-28-86	1,972.24
SUBTOTAL of Disbursements This Page (optional)			105,025.26
TOTAL This Period (last page this line number only)			

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SCHEDULE B — ITEMIZED DISBURSEMENTS

Detailed Summary Page | FOR LINE NUMBER 19

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)

Nevada State Republican Central Committee

	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
A. Full Name, Mailing Address and ZIP Code Passkey Systems 4027 Petra Ave Las Vegas, NV 89103	Volunteer Mailings Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	10-28-86	3,949.11
B. Full Name, Mailing Address and ZIP Code Tony Marsh & Associates 6650 Belleau Wood Lane #201 Sacramento, CA 95822	Volunteer Mailings Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	11-7-86	1,760.83
C. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ 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: ☐ Primary ☐ General ☐ 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: ☐ Primary ☐ General ☐ 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: ☐ Primary ☐ General ☐ 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: ☐ Primary ☐ General ☐ 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: ☐ Primary ☐ General ☐ 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: ☐ Primary ☐ General ☐ Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period

SUBTOTAL of Disbursements This Page (optional)	5,709.94
TOTAL This Period (last page this line number only)	110,735.20

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City of Reno
State of Nevada

Affidavit of Stuart B. Piper

Stuart B. Piper, being duly sworn, deposes and says:

1. I am Stuart B. Piper, Executive Director of the Nevada Republican Party.

2. I am familiar with the campaign mailings complained of in MURs 2259 and 2270.

3. These materials were paid for by the Nevada Republican Party, but were only made possible by the work of volunteers in stamping and preparing the materials for mailing. The volunteers individually stamped each piece with the Nevada Republican Party's mailing permit, and then organized and transported the materials to the U.S. Post Office for mailing.

4. The mailings were sent to registered voters in the State of Nevada. The lists of such registered voters were obtained from County Clerk offices in the State of Nevada. The Republican Party was responsible for assembling these names of registered voters.

5. These mailings were sent after the Republican primary on September 2, 1986.

6. Some of the expenditures in conjunction with these mailings have already been reported to the Federal Election Commission, and the remainder will be on the post-general election report due December 4, 1986.

Stuart B. Piper

Sworn to and subscribed before me
this 20th day of November, 1986.

Brenda K Rodie
Notary Public

My Commission Expires:

BRENDA K. RODIE
Notary Public - State of Nevada
Appointment Recorded in Washoe County
MY APPOINTMENT EXPIRES NOV. 7, 1988

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...but I need Jim Santini now."

"I came to know Jim Santini when he and a handful of Democratic Congressmen courageously supported my budget and tax cuts in 1981. Jim kept his word to me, despite great pressure from his party's liberal leadership.

"He's a man of integrity . . . in the mainstream of Nevada. For America, I must have the support of those senators who share our values. I need Jim Santini to succeed Senator Paul Laxalt in the Senate."

Ronald Reagan

★

"In traveling throughout Nevada, one thing comes through loud and clear. Nevadans are just fed up with negative campaigning such as the Reid campaign conducted against me and my family back in 1974.

"That's why I'm asking you to look beyond the personal attacks on Jim Santini and instead look at his great record as our Congressman for eight years. And I'm asking you to vote to keep Nevada on the same side as President Reagan.

"You'll be proud of the job Jim does in the U.S. Senate. I know I will be too."

Paul Laxalt

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A Positive Plan For Nevada's Future

On Nuclear Waste

Jim Santini was the first elected official to oppose nuclear waste. In fact, it was his amendment in 1980 in Congress which first gave states a veto over nuclear dumping.

Balanced Budget Amendment

Jim Santini voted for a Balanced Budget Amendment and voted for the tough Reagan budget cuts in 1981 that reduced our nation's deficit and cut our taxes – the largest tax cut in history.

National Defense

As the only veteran in the U.S. Senate campaign, Jim has always supported a powerful, but cost efficient, National Defense and has earned an 80% rating from the American Security Council.

Right to Work

Jim Santini has a clear record of support for Nevada's Right to Work Law and has always said so.

Nevada Lands

Jim Santini, Nevada's leader of the Sagebrush Rebellion while in Congress, believes in preserving our state's beauty, but believes that the use of Nevada's land should be determined by Nevadans and not by Washington bureaucrats.

Drugs and Crime

Jim Santini proposed a 12-point program to curb drug abuse in America. As a former prosecutor, District Court Judge, and a concerned father, he has seen first hand the tragic effects of drug abuse and will continue to push for stringent laws to combat the problem.

Seniors

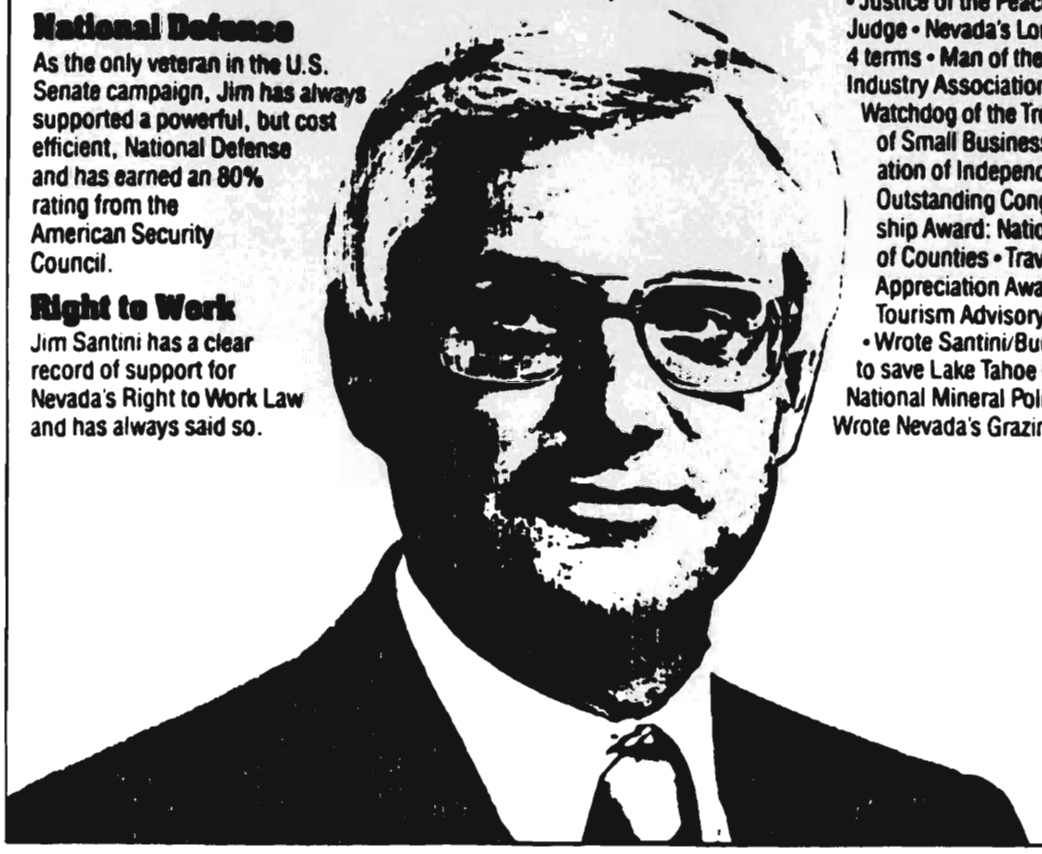
Jim Santini opposes mandatory retirement and <u>any</u> cut in Social Security.

Veterans

Jim Santini has always voted for cost of living increases for America's veterans.

A Record of Helping Nevada

• Clark County Deputy District Attorney • Justice of the Peace • District Court Judge • Nevada's Lone Congressman, 4 terms • Man of the Year: Travel Industry Association of America • Watchdog of the Treasury, Guardian of Small Business: National Federation of Independent Business • Outstanding Congressional Leadership Award: National Association of Counties • Travel and Tourism Appreciation Award: Travel and Tourism Advisory Committee • Wrote Santini/Burton Bill to save Lake Tahoe • Wrote National Mineral Policy • Wrote Nevada's Grazing Formula



Paid for by the Nevada Republican Party.

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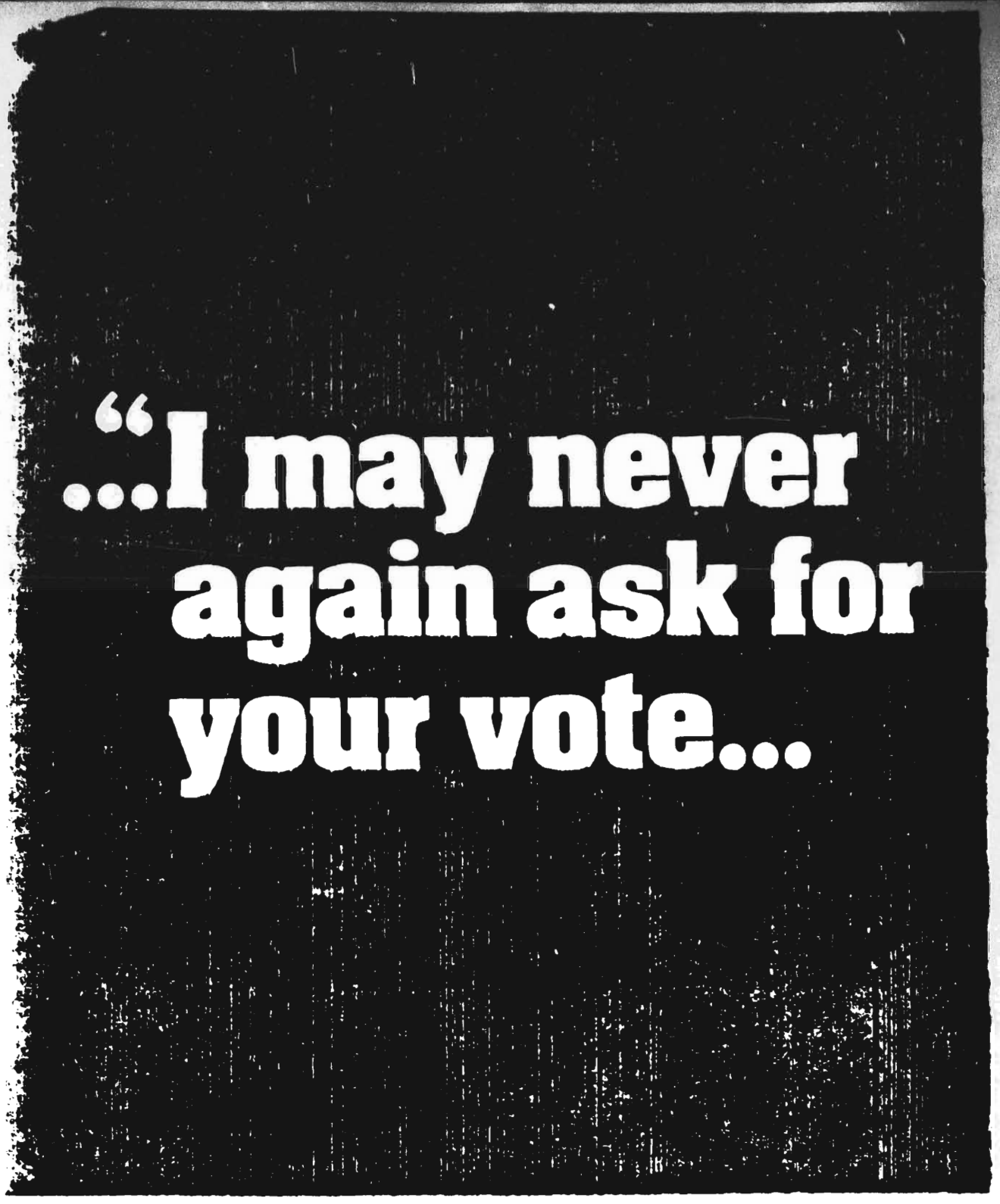
"...I may never
again ask for
your vote..."

Permit Holder
Nevada Republican Party
421 Hill Street
Reno, Nevada 89501

Non-Profit Org.
U.S. Postage
PAID
Nevada Republican
Party

"...I may never again ask for your vote...

P I J 4 0 3 6 J 4 5 1

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U.S. Senator Paul Laxalt

Dear Friends -

As we approach election day and my retirement from the U.S. Senate, I want to say "thanks" for your continued support over the past several years - I'll be forever appreciative -

Also, I urge you to vote for Jim Santini to follow me in the Senate. Simply, in my view, he is the better candidate -

Finally, Jim's election will help keep a needed balance in Congress so a Republican Senate can help our great President continue the Reagan Revolution and keep Washington who understands Nevada, in key committee assignments —

I hope you will give us one more vote - It is important — to each of us —

Thanks much —

Sincerely —

Paul Laxalt
U.S. Senator

9104036004453

Jim Santini
830 Pinehurst
Las Vegas, Nevada 89109

Dear Fellow Republican,

Election day is nearly here and I'm certain you are saying, "Thank goodness". Believe me, I echo your sentiments.

However, before another day goes by, Ann and I wanted to thank each of you for accepting us into the Republican party. Indeed, your patience and understanding is deeply appreciated.

Also, a brief comment on party change. In hindsight, I now wish I had changed parties earlier. However, as you know, I have consistently and strongly supported Ronald Reagan's programs with my votes and public stands despite intense pressure and threats from the Democratic leadership.

I am very proud of the support I gave President Reagan, and you can be absolutely confident I will continue to support the President and our Republican party, whether in the U.S. Senate or as a private citizen.

For me, as President Reagan has said, "It is better to leave your party than your principles". That is what I did and I'm proud to be a part of the Republican team.

I am particularily grateful for the support of our outstanding Senator Paul Laxalt, our totally dedicated Congressman Barbara Vucanovich, and our state and local party leaders.

Most of all, I am grateful to all of our Nevada Republicans who have supported me through the tough primary and general election months. You were outstanding.

No one replaces Senator Paul Laxalt. He's one of a kind.

But I do promise you that, just as I fought and worked for Nevada people and Nevada issues in Congress, I will continue that work and fight in the U.S. Senate. Nothing is more rewarding than working for our special state and people.

In closing, I ask for your support and for you to support our many fine Republican candidates with whom it has been a privilege to work during this campaign.

Please vote --- it is a privilege many people in the world do not enjoy and they quietly say, "I want to be an American".

Again, thanks and God bless.

Sincerely,

Jim Santini

Paid for by the Nevada Republican Party.

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[redacted]

Permit Holder: Nevada Republican Party
2770 S. Maryland Parkway
Las Vegas, Nevada 89109

Your vote can make a difference in the race for Congress. Vote for

BOB RYAN

Paid for by the Nevada Republican Party

[redacted]

This will Reginally
Delivered Hand to
Bob Ryan's Office
on 3/10

[redacted]

From the desk of

Paul Laxalt

U.S. Senator

MY FELLOW NEVADAN,

In 1979, I was so impressed with the ability of Bob Ryan that I hired him as my special assistant. For three years, Bob worked for me in both Washington, D.C. and in Las Vegas. Therefore, speaking from personal knowledge, let me tell you about Bob.

To begin with, he is impeccably honest. During his years in politics, there has never been as much as a whisper that Bob Ryan has done anything improper or unethical. When Bob Ryan tells you something, you can believe it. He is as good as his word.

Bob is also extremely knowledgeable. No public official has a better grasp of the issues or a more logical approach to solving our problems. Bob Ryan tells you exactly where he stands. He does not talk out of both sides of his mouth.

Finally, Bob Ryan is one of the most courageous individuals I have ever known. Considering his accomplishments, and the obstacles he had to overcome to achieve them, Bob Ryan is truly remarkable and unique. Bob Ryan possesses the type of courage we desperately need in Washington.

Next Tuesday, I strongly urge you to get out and vote. Vote Bob Ryan to the United States Congress.

Sincerely,

Paul Laxalt

PAUL LAXALT
U.S. Senator

[redacted]

[redacted]

[redacted]

9104036O457

9104030604 58

[redacted] & ASSOCIATES

March 22, 1988

Mr. Bill Logan
Audit Division
Federal Election Commission
999 E Street, N.W.
Washington D.C. 20463

Dear Mr. Logan,

In 1986 I was retained to create a series of volunteer mailings for the Jim Santini for United States Senate Campaign. These mailings included the Harry Reid "Short" mailing, the Mondale/Kennedy/ Tip O'Neil "World Class Spender" mailing and others.

The check in the amount of $1,760.83 received from the Nevada Republican Party would have been for writing, artwork and expenses associated with these mailings.

Unfortunately, I cannot find an invoice in my files for that exact amount. Should you require further information or wish to discuss this matter in more detail, please feel free to call.

Thank you for your attention.

Sincerely,

Tony Marsh

9104036045 9

Candidates and Committees • Management • Advertising • Direct Mail Fund Raising
6650 Belleau Wood Lane, Suite 201 • Sacramento, California 95822 • Telephone 916 424-6003

9104080360460

9104036046 1

9104080604 62

MAILING

EVENING - FRANK STEINBERG
LOIS BARNES
MARCO BARBIERI - 6½ HRS
KURT HARDING
GINA CONTI - 2 HRS
JENNI CAPRI - 2 HRS
JENNIFER LYNN - 2 HRS
MARNI MASI
SHIRLEY FRANCIS

9/17/96 8:30AM - 6PM

MORNING - FRANK STEINBERG
HEATHER ISAACS
JO FLOYD
NORMA JUNG

AFTERNOON - FRANK STEINBERG
JO FLOYD
PAT RAITSKY - 2 HRS
BRIGETTE AMES - 2 HRS
ANNE LAWYER
DONALD JONES

EVENING - FRANK STEINBERG
LOUISE DEPORTO

9/25/96 8:15AM - 5 PM

MORNING - FRANK STEINBERG
DOMINIQUE GUTIERREZ
JO FLOYD
ANGELICA GOMEZ
JENNY GARBAT } 5 HRS EA
CINDI RANTS
JASON MEYER
MARCIA RODRIGUEZ

AFTERNOON - FRANK STEINBERG
ANGELICA GOMEZ
JENNY GARBAT
CINDI RANTS
JASON MEYER - 4½ HRS
MARCIA RODRIGUEZ
BETTI FULTON
OLVINA SEDLAK. - 3½ HRS
MARCO BARBIERI - 2¼ HRS
JIM BERNS - 2¼ HRS
STEVE CERIO - 2¼ HRS
RONNIE ALDERSON - 2½ HRS

GREG MUCHEE } 2 HRS EA.
BARRY BLAKELY }

OVER

21040360463

MORNING – FRANK STEINBERG
AFTERNOON – FRANK STEINBERG
BETTY FULTON
JASON MEIER – 4 HRS
RONNIE ALDERSON – 1/2 HRS
STEVE OSHINS – 1 1/2 HRS

9/22/86 11AM – 5 PM

MORNING – FRANK STEINBERG
HEIDI BRETTHAUER
LETTY NESS
RHEAN PENDLETON

AFTERNOON – FRANK STEINBERG
LETTY NESS
RHEAN PENDLETON
MARCIA HOSKINS
CARMEN FINGLE
WENDY NOA
BARRY BLAKELY
MILLIE GONG

9/23/86 9AM – 7:15 PM

MORNING – FRANK STEINBERG
HEIDI BRETTHAUER
LETTY NESS
JO FLOYD

AFTERNOON – FRANK STEINBERG
CARTIE SLACK
JO FLOYD
MARIE SARVER
JACKIE SYMONS
LIZA VASILE
DAVID SANGER
LORETTA BRADLEY

9/24/86 8:30 AM – 2 PM

MORNING – FRANK STEINBERG
HEIDI BRETTHAUER
JO FLOYD
DORIS NELSON

9 1 0 4 0 3 6 U 4 6 4

95542
PIECES MAILED
9/24

12:45 PM – 6 PM
FRANK STEINBERG
DICK MASSAR
JOAN JOLLEY
ORVIN SMITH – 1:45 – 6PM
JACKIE PARSON
JO FLOYD
MARCIA RODRIGEZ

[redacted]
10/14/96 9AM – 7PM
FRANK STEINBERG
HEATHER HACKMAN 9:
MINA HALL 9:
BRIAN BECKER 9:20 –
MATT KLONOWSKI 9:30 –
SERENA KNAPP 10 –
DONNA GUDGEON 10 –
HELEN CAMPBELL
JOHN FRANKFELL
DANIELLE DAIDONE
DOROTHY NOLAN
JANENE DAVIES
ANGIE BALLARD
ANNE DAVIS
WILL ENSLEY
JAMES ENSLEY
PATRICIA GIBSON
MADALENE FISCHER 11:15
MONICA MCCLINTIC 11:30 – 4:00
CHRIS WRIGHT
BRIGETTE AMES
LAYNE BARNEY
DANNY ROSS
NICOLE NEAGLE
JAMES BARTON
GREG GORDON
EVA LANG
JEFFREY GEHNS
DIRK KEENE } BC HIGH 3:30 – 6
DON BUSH }
SHIRLEY FRANCIS
BARBARA MCDONALD
PERRY PENDLEY
DORIS NEILSON

FRANK STEINBERG
LISA DUNCA[illegible] C HIGH 11:15 – 4:15
JESLIE DUNCA[illegible]
TONY GRASSO
MONICA MCCLINTIC 11:15 – 2:30 Carmel

10/16/96 2:15 PM – 6:50PM
FRANK STEINBERG
LIZA VIROLLE 2:15 – 3:30 } Carmel
CAMILLE QUIROGA 2:15 – 3:15 }
WENDY NOIA 3:20 – 5:20
JANETTE BURRELL 4:50 – 8:50 } Carmel
SCOTT MCKINNEY 4:50 – 8:50 }

10/17/96 7:20AM – 9:0M
FRANK STEINBERG

MAILED 10/17/96
2:30PM

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0 4 0 6 0 4 6 6

10/4/86 MORNING

10/4-/86 MORNING

9104036U467

10/3/86 AFTERNOON

RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARIAT
88 MAY 31 PM 4:22

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Nevada Republican Party/Nevada Republican State Central Committee and Robert L. Seale, as treasurer	)	MUR 2270

SENSITIVE

COMPREHENSIVE INVESTIGATIVE REPORT #2

On March 10, 1987, the Commission found reason to believe the Nevada Republican Party/Nevada Republican State Central Committee-Federal Account and Robert L. Seale, as treasurer, ("State Party"), violated 2 U.S.C. §§ 441a, 434(b)(6)(B) and 441d(a). Underlying the Commission's determinations were disbursements made by the State Party for five sets of campaign materials, the total costs of which were said to exceed the limitations of 2 U.S.C. § 441a(d).

On June 15, 1987, this Office recommended Commission approval of interrogatories to the State Party. Because the State Party had been referred to the Audit Division for an audit pursuant to 2 U.S.C. § 438(b), and because this audit would provide information sought by the interrogatories, it was determined that the better course would be to have the auditors provide this information to the Office of the General Counsel.

Based on information contained in a memorandum provided by the Audit Division, on February 23, 1988, the Commission approved additional interrogatories. On March 9, 1988, the State Party requested a 46 day extension of time until May 2, 1988, to respond to the interrogatories in this matter. The Commission approved this request on March 22, 1988, and respondents were so notified. A timely response was submitted on May 2, 1988.

9104036504 68

A review of this response by this Office reveals that outstanding questions remain regarding precisely what activities were conducted by the volunteers. Following conversations with counsel, it was agreed that the State Party would contact the volunteers and request additional information. A supplemental response further describing the volunteer activity will be submitted on June 9, 1988. After receiving and evaluating this response, this Office will report to the Commission.

Lawrence M. Noble
General Counsel

5/31/88
Date

Staff Person: Patty Reilly

21U40360U4469

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/KAREN E. TRACH

DATE: JUNE 2, 1988

SUBJECT: MUR 2270 - COMPREHENSIVE INVESTIGATIVE REPORT #2
SIGNED MAY 31, 1988

The above-named document was circulated to the Commission on a 24 hour no-objection basis at 11:00 on Wednesday, June 1, 1988.

There were no objections to the MUR 2270 - Comprehensive Investigative Report #2, at the time of the deadline.

9104036047O

GCC# 9545

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

88 JUN 20 AM 11:08

WILEY, REIN & FIELDING

1776 K STREET, N.W.
WASHINGTON, D.C. 20006
(202) 429-7000

JAN W. BARAN
(202) 429-7330

June 17, 1988

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

RE: MUR 2270 (Nevada Republican Party)

Attn: Patty Reilly

Dear Mr. Noble:

Enclosed please find the affidavits of Eleanor Mills and Franklin Steinberg, two individuals who were involved in the volunteer effort on behalf of the Nevada Republican Party ("NRP"). These affidavits should supplement the May 2, 1988 Response of the NRP to the Interrogatories of the Federal Election Commission in MUR 2270 based on the oral request received by this office from Patty Reilly. They have been labelled Exhibit 9 to that Response.

In addition, since the filing of the NRP's May 2 Response, the National Republican Senatorial Committee ("NRSC") has found copies of the NRP's authorizations to make coordinated party expenditures (attached hereto as Exhibit 10 to the May 2 Response) requested in Question 4 of the interrogatories and request for documents propounded by the Commission on February 26, 1988. The final and controlling authorization of October, 1986 confirms Mr. Seale's representation that the NRP did not authorize the NRSC to expend the entire amount permitted to be expended by the NRP in coordinated expenditures. As seen in the authorization, the NRSC was authorized and permitted to expend 45% of the NRP's 2 U.S.C. § 441a(d)(3) limit, which, combined with the coordinated expenditures made by the NRP, (See pp. 10-11 of the May 2 Response) were within the limits provided in 1986.

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You will also note that some additional pictures of the volunteer activity have been located since the filing of the May 2 Response. A set of these pictures have been reproduced for your use, and should supplement those found at Exhibit 8 of that Response.

If we can be of further assistance please feel free to contact us.

Sincerely,

Jan W. Baran

Carol A. Laham

Carol A. Laham

Counsel to the Nevada
Republican Party

JWB/slg

Enclosure
cc: Robert L. Seale
Dan Peterson

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P4036J

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BEFORE THE FEDERAL ELECTION COMMISSION

City of Las Vegas)
) MUR 2270
Clark County)

AFFIDAVIT OF FRANKLIN STEINBERG

FRANKLIN STEINBERG, being first duly sworn, deposes and says:

1. I am Franklin Steinberg, a resident of Las Vegas, Nevada. I served as a Republican volunteer during the summer and fall of 1986, assisting with Republican campaigns in the 1986 elections.

2. In addition to being a full time volunteer myself, I functioned as the coordinator of other volunteers for the purpose of ensuring that Nevada Republican Party's ("NRP") exempt volunteer activity flyers were timely processed and mailed by the volunteers. I also kept a record of those people who participated in these volunteer activities, which I understand has already been provided to the Federal Election Commission in Exhibit 8 of the May 2, 1988 Response of the Nevada Republican Party to the Interrogatories of the Federal Election Commission in MUR 2270.

3. I am therefore personally familiar with the volunteer activities undertaken by the NRP in connection with the flyers which are the subject of MUR 2270.

4. The following chain of events generally occurred in processing the exempt volunteer mailings. In general, a representative of James R. Foster would call me or another individual, sometimes just hours in advance of a shipment, to

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6/15

inform us when, or on what flight, the flyers would arrive since James R. Foster and Associates was located in Texas. On occasion, I would have to contact James R. Foster for this information. The shipment would usually be loaded onto a truck for delivery to the processing site. Once the flyers arrived, the volunteers took over.

5. The shipments, which weighed between 2,000 and 4,000 pounds each, were either in mail bags or in cartons. Volunteers would meet the truck for the purpose of unloading the truck. Volunteers would lift and drag the mail bags containing anywhere between 60,000 and 100,000 flyers into a conference room where they would be stored until the volunteers were ready to process them. Often times the bags would have to be dragged between two buildings (the main office and the volunteer office) so that the volunteers could work on them. Tables would even be set up outdoors so the volunteers could do this work.

6. Processing the flyers usually took place on a short fuse. The flyers would often have to be turned around in twenty-four hours or less. Thus, sometimes volunteers would work through the night to get the flyers ready for delivery to the U.S. Postal Service.

7. Each bag was unloaded by volunteers and either they themselves or other volunteers would affix the NRP's postage paid stamp to each piece in the shipment. Individual bundles would often be untied and then retied when the volunteers were finished preparing them for mailing. Once processed,

2104036047 7

the flyers were rebundled and put into mail sacks for delivery to the Post Office. Every bag of volunteer mailing required a label for the Postal Service. I personally verified the labels on the bags and properly tagged the bags. The Post Office also required that we list how many sacks were bundled for each zip code.

8. Once the flyers were bundled for delivery to the Post Office, volunteers would load the processed exempt volunteer flyers onto a truck so that the mailings could be delivered to the Post Office. On one occasion, I drove the loaded truck myself to the Post Office. No matter who drove to the Post Office, however, volunteers would ride along in back of the truck so that they could unload the truck at the Post Office. Once the sacks were unloaded at the Post Office the activity for that individual flyer would be concluded.

Franklin Steinberg

Las Vegas, Nevada

Subscribed to and sworn before me this 15th day of June, 1988.

Haunani D. Ayat
Notary Public

My Commission Expires: 10/2/91

Notary Public-State Of Nevada
COUNTY OF CLARK
HAUNANI D. AYAT
My Appointment Expires
Oct. 2, 1991

2104036047 8

BEFORE THE FEDERAL ELECTION COMMISSION

City of Las Vegas)
) MUR 2270
Clark County)

AFFIDAVIT OF ELEANOR P. MILLS

ELEANOR P. MILLS, being first duly sworn, deposes and says:

1. I am Eleanor P. Mills. I served as Headquarters Director of James Santini's Las Vegas, Clark County Headquarters from January, 1986 through September, 1986.

2. As Headquarters Director my responsibilities included precinct organization and organization of the volunteer effort. Thus, I was responsible for recruiting volunteers to assist in the Nevada Republican Party's exempt volunteer activity; keeping track of the volunteers, and placing the volunteers where needed. It is my understanding that the Federal Election Commission has already obtained copies of the pictures and lists which were kept as part of this volunteer effort.

3. I am therefore well acquainted with the volunteer activity undertaken by the Nevada Republican Party on behalf of Jim Santini, and volunteered some of my time in the evenings for this effort.

4. Volunteers were responsible for arranging the pickup of the unprocessed mailings from the printer so that they could be prepared for mailing by the Party. The volunteers would unpack the mailings from the printer; stamp

9104036047 9

the mailings with the party's postal permit; repack the mailings; sort them into postal bags according to zip codes; and deliver the sorted mailings to the Post Office.

Eleanor P. Mills

Eleanor P. Mills

Las Vegas, Nevada

Subscribed to and sworn before me this 10th day of June, 1988.

Notary Public

My Commission Expires: April 24, 1992

LINDA J. KEPLER
NOTARY PUBLIC-NEVADA
OFFICIAL SEAL
CLARK COUNTY
My appointment expires Apr. 24, 1992

2104036048O

ALL-STATE LEGAL SUPPLY CO. ONE COMMERCE DRIVE HC NEW JERSEY 07047 ED11-1C

9104030604881

SENATOR JOHN HEINZ
CHAIRMAN

TOM ERICSON
EXECUTIVE DIRECTOR

National Republican Senatorial Committee

AGREEMENT

By this agreement, the Republican State Central Committee of Nevada authorizes the National Republican Senatorial Committee to serve as its agent for the purpose of making 45% of the expenditures allowed under 2 U.S.C. 441a(d) (3) in the State of Nevada for the 1986 election for the United States Senate. This letter replaces any authorization for the above expenditures issued prior to October 27, 1986.

By signature below, Bob Cashell, hereby represents that he is authorized to enter into this agreement.

Robert A. Cashell
State Chairman

10-28-86
Date

Scott Cottington
Political Director,
National Republican
Senatorial Committee

10-29-86
Date

21040360482

440 FIRST STREET, N.W. • SUITE 600 • WASHINGTON, D.C. 20001 • (202) 347-0202 • (202) 224-2351

PAID FOR AND AUTHORIZED BY THE NATIONAL REPUBLICAN SENATORIAL COMMITTEE.

AGREEMENT

By this agreement, the Republican State Central Committee of Nevada authorizes the National Republican Senatorial Committee to serve as the agent of the Republican State Central Committee of Nevada for the purpose of making expenditures allowed under 2 U.S.C. 441a (d)(3) in the state of Nevada for the 1986 election for the United States Senate.

By signature below, Robert Cashell hereby represents that s/he is authorized to enter into this agreement.

21040866U4833

Robert A. Cashell
State Chairman

Scott Cattington
Political Director, NRSC

AGREEMENT

By this agreement, the Republican State Central Comm. of Nevada authorizes the National Republican Senatorial Committee to serve as the agent of the Republican State Central Comm. of Nevada for the purpose of making one-hundred percent of the expenditures allowed under 2 U.S.C. 441a(d)(3) in the State of Nevada for the 1986 election for the United States Senate.

By signature below, Marilyn Gubler hereby represents that s/he is authorized to enter into this agreement.

Marilyn Gubler
State Chairman

6/18/85
Date

Scott Cottington
Political Director,
National Republican
Senatorial Committee

5-22-85
Date

5/85

21040306U4884

RECEIVED
FEDERAL ELECTION COMMISSION
88 JUL 28 PM 12:12

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Nevada Republican Party/Nevada) MUR 2270
Republican State Central Committee)
and Robert L. Seale, as treasurer)

SENSITIVE

COMPREHENSIVE INVESTIGATIVE REPORT #3

On March 10, 1987, the Commission found reason to believe the Nevada Republican Party/Nevada Republican State Central Committee-Federal Account and Robert L. Seale, as treasurer, ("State Party"), violated 2 U.S.C. §§ 44la, 434(b)(6)(B) and 44ld(a). Underlying the Commission's determinations were disbursements made by the State Party for five sets of campaign materials, the total costs of which were said to exceed the limitations of 2 U.S.C. § 44la(d).

On June 15, 1987, this Office recommended Commission approval of interrogatories to the State Party. Because the State Party had been referred to the Audit Division for an audit pursuant to 2 U.S.C. § 438(b), and because this audit would provide information sought by the interrogatories, it was determined that the better course would be to have the auditors provide this information to the Office of the General Counsel.

Based on information contained in a memorandum provided by the Audit Division, on February 23, 1988, the Commission approved additional interrogatories. On March 9, 1988, the State Party requested a 46 day extension of time until May 2, 1988 to respond to these interrogatories. The Commission approved this request on March 22, 1988, and respondents were so notified. A lengthy response was submitted on May 2, 1988.

2104036435

Because this response did not resolve outstanding questions regarding the activities conducted by volunteers, this Office informally requested further information. Respondents' counsel agreed to provide this information on June 9, 1988, however, due to difficulties in obtaining sworn affidavits, a response was not received by this Office until June 20, 1988.

This Office is currently analyzing the two responses in the context of the information in the Audit Memorandum. After completing this review, this Office will report to the Commission.

Lawrence M. Noble
General Counsel

Date 7/27/88

Staff Person: Patty Reilly

21040864886

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/JOSHUA MCFADDEN

DATE: JULY 29, 1988

SUBJECT: MUR 2270 - COMPREHENSIVE INVESTIGATIVE REPORT #3
SIGNED JULY 27, 1988

The above-captioned matter was received in the Office of the Secretary of the Commission Thursday, July 28, 1988 at 12:12 P.M. and circulated to the Commission on a 24-hour no-objection basis Thursday, July 28, 1988 at 4:00 P.M.

There were no objections received in the Office of the Secretary of the Commission to the Comprehensive Investigative Report #3 at the time of the deadline.

2104036047

RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARIAT

BEFORE THE FEDERAL ELECTION COMMISSION

88 NOV -3 AM 9:31

In the Matter of	)	
	)	
Nevada Republican Party/Nevada Republican State Central Committee-Federal Account and Dan J. Peterson, as treasurer	)	MUR 2270

SENSITIVE

GENERAL COUNSEL'S REPORT

The Office of the General Counsel is prepared to close the investigation in this matter as to the Nevada Republican Party/Nevada Republican State Central Committee-Federal Account and Dan J. Peterson, as treasurer.

11/2/88
Date

Lawrence M. Noble
General Counsel

2104036U438

Staff Person: Patty Reilly

RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARIAT
88 NOV 18 AM 9:34

BEFORE THE FEDERAL ELECTION COMMISSION

SENSITIVE

In the Matter of)
)
Nevada Republican Party/Nevada) MUR 2270
Republican State Central Committee-)
Federal Account and Dan J.)
Peterson, as treasurer)

GENERAL COUNSEL'S REPORT

On November 2, 1988, the Office of the General Counsel closed the investigation in the above-captioned matter. On October 29, 1988, this Office received an interim audit report referencing MUR 2270. Because it appears that information in the interim audit report differs with information obtained during the investigation, this Office will delay the submission of a brief in MUR 2270 pending discussions with the auditors. Following these discussions, this Office will report to the Commission.

11/17/88
Date

Lawrence M. Noble
General Counsel

9104036039

FEDERAL ELECTION COMMISSION

BEFORE THE FEDERAL ELECTION COMMISSION

89 FEB 21 AM 9:59

SENSITIVE

In the Matter of)
)
Nevada Republican Party and) MUR 2270
Dan J. Peterson, as treasurer)

GENERAL COUNSEL'S REPORT

On November 3, 1988, the Office of the General Counsel circulated to the Commission a Closing Investigative Report in the above-captioned matter. On November 18, 1988, this Office informed the Commission that an interim audit report including references to MUR 2270 had been reviewed by this Office and that material inconsistent with information gathered in the MUR appeared.

This Office submitted comments to the interim audit report on December 21, 1988. Included with the audit comments was a recommendation that information relating to specific expenditures made in MUR 2270 be referred to the Office of the General Counsel for consolidation into that matter. On February 15, 1989, members of the Office of the General Counsel and the audit staff met to discuss these comments and agreed that certain materials would be recommended for referral by the Audit Division. Accordingly, the Audit Division is preparing these referral materials for Commission consideration.

2/17/89
Date

Lawrence M. Noble
General Counsel

Staff Person: Patty Reilly

9104036040

RL#2/031489

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

89 MAR 17 AM 9:12

March 15, 1989

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

THROUGH: JOHN C. SURINA
STAFF DIRECTOR

FROM: ROBERT J. COSTA
ASSISTANT STAFF DIRECTOR
AUDIT DIVISION

Pls For R.J.C. 3/16/89

SUBJECT: NEVADA REPUBLICAN STATE CENTRAL COMMITTEE - MATTER REFERABLE TO THE OFFICE OF GENERAL COUNSEL

On March 14, 1989, the Commission voted to refer the attached matter to your office for incorporation into MUR 2270. Should you have any questions or require access to audit workpapers, please contact Ray Lisi or Rick Halter at 376-5320.

Attachments as stated

Exhibit 1 - Expenditures Made on Behalf of Federal Candidates. (including attachments 1 and 2)

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2104036049 2

Expenditures Made on Behalf of Federal Candidates

Section 441a(d) of Title 2 of the United States Code states, in part, that a state committee of a political party may not make any expenditure in connection with the general election campaign of a candidate for Federal office in a state who is affiliated with such party which exceeds, in the case of a candidate for election to the office of Senator, the greater of 2 cents multiplied by the voting age population of the state or $20,000 (plus cost of living adjustment).

Section 434(b)(4)(H)(iv) of Title 2 of the United States Code states that each report shall disclose expenditures made under Section 441a(d). The Regulations at 11 C.F.R. §104.3(b)(3)(viii) state that each political committee shall report each person who receives any expenditures from the reporting committee during the reporting period in connection with an expenditure under 11 C.F.R. 110.7 (2 U.S.C. §441a(d)), together with the date, amount, and purpose of any such expenditure as well as the name of, and office sought by (including State and Congressional district, when applicable), the candidate on whose behalf the expenditure is made.

Sections 100.8(b)(10) and (16) of Title 11 of the Code of Federal Regulations define exemptions to the definition of expenditure for various categories of payments made by state party committees.

The Audit staff reviewed all of the Committee's expenditures on behalf of federal candidates with particular attention to expenditures related to Senate candidate James Santini and MUR 2270. The Audit staff identified $143,185.29 which appear to be expenditures made by the Committee on behalf of the Santini campaign. (See Attachment 1) Four of the expenditures (Checks #1030, 1031, 1034 and 1035) totalling $23,601.87 were reported as coordinated expenditures for direct mail and campaign materials. One expenditure for $13,000.00 (Check #1023) was incorrectly reported to Grassroots Consultants*/ rather than Campaign Consultants. Documentation at Attachment 2 to Exhibit 1 clearly indicates that the payment was for newspaper and radio advertisements against Harry Reid, Mr. Santini's opponent.

One payment to R & R Advertising for $14,338.91 (Check #1029) was for yard signs for the Santini campaign. According to a funding analysis supplied to your office on November 24, 1987, funding for this expenditure was made through the National Republican Senatorial Committee (NRSC), thereby negating any exemption pursuant to 11 C.F.R. §§100.7(b)(15)(vii) or 100.8(b)(16)(vii).

---

*/ Grassroots Consultants was a firm conducting voter registration drives for the Committee.

Five additional expenditures (Checks #954, 1054, 1061, 1064, and 1090) totalling $83,686.34 were identified during the investigation of MUR 2270 as specifically relating to the printing of mailings on behalf of Santini, including artwork, and the payment to a printing company for ink pads to be used to stamp the non-profit mail seal on the mailings. The remaining three expenditures totalling $8,558.17 (Checks #1037, 1038, and 1043) for postage have been associated with Santini mailings due to the dates paid and number of items mailed.

The Audit staff's workpapers relating to the expenditures noted above are available for the Office of General Counsel's staff review at any time.

Recommendation

The Audit Division recommends that the matters noted above be referred to the Office of General Counsel with regard to MUR 2270.

2104036049 3

NEVADA REPUBLICAN STATE
CENTRAL COMMITTEE
REFERRAL - IAR

ATTACHMENT 1
to EXHIBIT 1

Date	Payee	Check #	Amount
01/08/86	James R. Foster & Associates	954	$ 7,734.74
05/20/86	Campaign Consultants, Inc.	1023	13,000.00
08/04/86	R & R Advertising	1029	14,338.91
08/27/86	U.S. Postmaster	1030	4,117.60
08/27/86	U.S. Postmaster	1031	2,619.91
09/09/86	B & K Printing	1034	264.36
09/09/86	James Foster & Associates	1035	16,600.00
09/24/86	U.S. Post Office	1037	154.39
09/24/86	U.S. Post Office	1038	5,142.17
10/07/86	U.S. Postmaster	1043	3,261.61
10/29/86	James R. Foster & Associates	1054	73,752.54
11/07/86	Tony March & Associates	1061	1,760.83
11/07/86	B & K Printing	1064	396.56
11/18/86	B & K Printing	1090	41.67
TOTAL			$143,185.29

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2110403350495

NEVADA REPUBLICAN CENTRAL COMMITTEE
LTE 2/86
3610-1155
CYCLE-14
22-MAY-1986 PROC 94-1
1023
94-8/1212

May 20 1986

Pay to the order of Campaign Consultants Inc. $13,000.00

Thirteen thousand and 00/100 Dollars

First Interstate Bank
First Interstate Bank of Nevada, N.A.
South Virginia Office 011
P.O. Box 11007
Reno, Nevada 89520

Robert L. Beale

For Martha Rugg

20007143

⑈001023⑈ ⑆121200190⑆100201 23⑈ ⑈0001300000⑈

(15)

2.4

4.c

Campaign Consultants Inc.

42-5885369

21034003604996

13,000-00 DD 98'22MAY96 MA KEP

PAY ANY BK. . BKR. . ORTR. CO. P.E.G.
SECURITY BANK OF NEVADA
0007 0002 07 05-22-96 20007143

1013

SO13610-1155 22-MAY-1996 CYCLE-19

(6)

4.C

BAL. FOR'D. 14544 08

1022

DATE May 15 19 86 Voided #1012

TO Gulf Tesco DATES 5/14/86 $34.00

FOR Lease on Day Office Expenses DEPOSITS $15.00

TOTAL 14593 08

THIS CHECK 50 00

BALANCE 14526 82

TAX DEDUCTIBLE ☐

BAL. FOR'D.

1023

DATE May 29 19 86

TO Campaign Consultants Inc DATES

FOR (2) DEPOSITS

TOTAL 14526 82

THIS CHECK 13000 00

BALANCE 1526 82

TAX DEDUCTIBLE ☐

BAL. FOR'D.

1024

DATE June 1 19 86

TO Campaign Consultants Inc DATES 5/27/86 200 00

FOR Jesse fee DEPOSITS 5/28/86 330 00

Voter Registration Fund

TOTAL 2056 82

THIS CHECK 2000 00

BALANCE 56 82

TAX DEDUCTIBLE ☐

4.C

Campaign Consultants Inc.

50 Washington St.
Reno, NV 89503
702/786-4800

May 19, 1986

Nevada Republican Party

Attention: Bob Cashell

BILLING

Pre-paid newspaper and radio placement and production	$13,000.00
TOTAL DUE	$13,000.00

Approved budget:

Newspaper placement	$7,500.00
Newspaper production	650.00
Radio placement	4,350.00
Radio production	500.00
TOTAL	$13,000.00

A reconciliation will be provided after placement is completed.

2403604998

4.c

Campaign Consultants Inc.
50 Washington St.
Reno, NV 89503
702/786-4900

STATEMENT

NEVADA REPUBLICAN PARTY
P.O. BOX 1888
CARSON CITY, NV 89710

DATE **7-16-86**

FINAL RECONCILIATION -- Nevada Republican Party
Harry Reid Ad

7006-001-86 -- Radio

Radio Placement		$4502.00
Shipping		140.00
Studio $ for Talent		310.00
	TOTAL	$4952.00

7006-002-86 -- Newspaper

Newspaper Placement		$7061.97
Shipping		77.00
DDGM for production		426.85
Nevada Type for typesetting		477.95
	TOTAL	$8043.77

GRAND TOTAL	$12995.77
PREPAYMENT	$13000.00
BALANCE	$(4.23)

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4.c)

Dunn Draper Glenn Randolph
ADVERTISING & MARKETING

CLIENT Nevada Republican Party TITLE Harry Reid

DATE 5/20/86 LENGTH :60 JOB ORDER # 7006-001-86 APPROVAL

RADIO

	1	THERE IS AN INVESTIGATION GOING ON IN WASHINGTON TO
	2	DETERMINE IF CONGRESSMAN HARRY REID HAS BROKEN THE LAW...: A
	3	CONGRESSIONAL COMMITTEE HAS BEEN ASKED TO DECIDE IF HARRY REID
10 SECS	4	BROKE THE LAW WHEN HE USED HIS FREE POSTAGE PRIVILEGE TO FLOOD
	5	NORTHERN NEVADA WITH MAIL... THE LAW IS CLEAR... IF YOU ARE
	6	A CANDIDATE FOR ANY OTHER PUBLIC OFFICE, YOU CANNOT SEND
15 SECS	7	FREE MAIL OUTSIDE OF YOUR DISTRICT...HARRY REID IS A CANDIDATE
	8	FOR ANOTHER OFFICE... AND AT LEAST TWICE HE HAS USED HIS FREE
	9	MAIL PRIVILEGE TO SEND NEWSLETTERS TO VOTERS IN NORTHERN
	10	NEVADA... ALL PRODUCED AND MAILED AT A COST OF THOUSANDS OF
30 SECS	11	DOLLARS TO THE TAXPAYERS... FREE POSTAGE HELPS CONGRESSMEN STAY
	12	IN TOUCH WITH THEIR CONSTITUENTS... BUT HARRY REID DOESN'T
	13	HAVE ANY CONSTITUENTS IN NORTHERN NEVADA... THE FACTS ARE CLEAR...
	14	HARRY REID USED YOUR TAX DOLLARS TO FURTHER HIS PERSONAL
45 SECS	15	CANDIDACY FOR ANOTHER OFFICE... IF YOU'RE CONCERNED, WRITE TO
	16	THE NEVADA REPUBLICAN PARTY, P.O. BOX 1888, CARSON CITY 89502...
	17	WE'LL SEE THAT YOUR CONCERNS ARE HEARD IN WASHINGTON...
60 SECS	18	...Paid for by the Nevada Republican Party.

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BREAK THE LAW

There is a strong possibility that Congressman Harry Reid may have broken the law when he used his free postage privilege to flood Northern Nevada with mail.

The House Franking Commission is investigating to determine if mass mailings outside of Harry Reid's southern Clark County district violated the law.

The law is clear: "A Member of the House who is a candidate for any other public office may not frank any mass mailing when (it) is delivered to any address outside the area constituting the congressional district from which such Member was elected."

A spokesman for the Commission, quoted in the Reno Gazette-Journal, said: "There are no exceptions."

FACT: By any reasonable measure, Harry Reid is a candidate for another office.

FACT: At least twice, Harry Reid has used his free mail privilege to send newsletters to Northern Nevada Voters.

FACT: The newsletters were produced and mailed at a cost of thousands of dollars to the taxpayers.

FACT: Free postage helps congressmen stay in touch with constituents. Harry Reid has no constituents in Northern Nevada.

The facts are clear: Harry Reid used your tax dollars to send mail with only one purpose — to further his candidacy for another office.

If you feel you have been affected by these mailings, write the Nevada Republican Party, P.O. Box 1888, Carson City, 89702.

Your letters will be forwarded to the appropriate officials in Washington, D.C.

(Paid for by the Nevada Republican Party, Robert A. Cashell, Chairman)

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RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARIAT
89 JUL -6 AM 11:50

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

SENSITIVE

July 6, 1989

MEMORANDUM

TO: The Commission

FROM: Lawrence M. Noble
General Counsel

SUBJECT: MUR 2270

Attached for the Commission's review is a brief stating the position of the General Counsel on the legal and factual issues of the above-captioned matter. A copy of this brief and a letter notifying the respondent of the General Counsel's intent to recommend to the Commission a finding of probable cause to believe were mailed on July 6, 1989. Following receipt of the respondent's reply to this notice, this Office will make a further report to the Commission.

Attachments
1. Brief
2. Letter to respondent

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RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARIAT
89 JUL -6 AM 11:50

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 6, 1989

Jan Baran, Esquire
Wiley, Rein & Fielding
1776 K Street, N.W.
Washington, D.C. 20006

RE: MUR 2270
Nevada Republican Party/Nevada Republican State Central Committee-Federal Account and Dan J. Peterson, as treasurer

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Dear Mr. Baran:

Based on complaints filed with the Federal Election Commission on September 2, 10, 30 and October 21, 1986, and information supplied by your clients, the Commission, on March 10, 1987, found that there was reason to believe your clients violated 2 U.S.C. §§ 441a, 434(b)(6)(B) and 441a(d), and instituted an investigation of this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that violations have occurred.

The Commission may or may not approve the General Counsel's recommendation. Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within 15 days of your receipt of this notice, you may file with the Secretary of the Commission a brief (ten copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of the General Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of whether there is probable cause to believe a violation has occurred.

If you are unable to file a response brief within 15 days, you may submit a written request for an extension of time. All requests for extensions of time must be submitted in writing five days prior to the due date, and good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

A finding of probable cause to believe requires that the Office of the General Counsel attempt for a period of not less than 30, but not more than 90 days, to settle this matter through a conciliation agreement.

Should you have any questions, please contact Patty Reilly, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Brief

9104036050 4

RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARIAT

BEFORE THE FEDERAL ELECTION COMMISSION

89 JUL -6 AM 11:50

In the Matter of)
)
Nevada Republican Party/Nevada) MUR 2270
Republican State Central)
Committee-Federal Account and)
Dan J. Peterson, as treasurer)

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

This matter arose from four complaints filed with the Federal Election Commission during September and October, 1986.[1/] Named as respondents were the Nevada Republican Party/Nevada Republican State Central Committee-Federal Account and its treasurer ("the State Party"). The complaints alleged a number of violations arising from the State Party's spending during the 1986 general election campaign in the State of Nevada.

On March 10, 1987, the Commission determined to merge the MURs into MUR 2270. Additionally, on that date the Commission found reason to believe the State Party violated 2 U.S.C. §§ 441a, 434(b)(6)(B) and 441d(a) and commenced an investigation. Moreover, pursuant to 2 U.S.C. § 438(b), the Commission audited the State Party and referred certain issues discussed herein to the Office of the General Counsel. The Office of the General Counsel now recommends that the Commission find probable cause to believe the State Party violated 2 U.S.C. §§ 441a(f), 434(b)(6)(B) and 441d(a).

1/ The first, MUR 2231, was filed on September 2, 1986, by John N. Schroeder, Chairman of the Democratic Party of Washoe County. The remaining three (MURs 2233, 2259, and 2270), were filed by Evan J. Wallach on September 10, September 30, and October 21, 1986, respectively.

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This brief first analyzes certain State Party communications subject to the limitations of 2 U.S.C. § 441a(d). Second, it addresses the issue of whether these materials are within the volunteer exemption at 2 U.S.C. § 431(9)(B)(viii) and 11 C.F.R. § 100.8(b)(16). Finally, it addresses the disclaimers placed on some of these materials.

II. ANALYSIS

A. ANALYSIS OF MATERIALS SAID TO BE SUBJECT TO THE LIMITATIONS OF 2 U.S.C. § 441a(d)

Pursuant to 2 U.S.C. § 441a(d)(3)(A)(i), the national committee of a political party or a state committee of a political party may not make any expenditures in connection with the general election campaign of a candidate for federal office in a state who is affiliated with such party which exceeds, in the case of a candidate for election to the Office of Senator, 2 cents multiplied by the voting age population of that state. The 1986 limit for the Nevada Senatorial race was $43,620. Political committees are prohibited from making expenditures exceeding the Act's limitations. 2 U.S.C. § 441a(f). Political committees are also required to report the name and address of each person who receives any expenditure from the committee in connection with an expenditure under section 441a(d), together with the date, amount, and purpose of the expenditure, as well as the name of, and office sought by, the candidate on whose behalf the expenditure is made. 2 U.S.C. § 434(b)(6)(B)(iv).

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Additionally, the Commission has permitted state party committees to authorize national party committees to make coordinated party expenditures on behalf of the state parties. See Federal Election Commission v. Democratic Senatorial Committee, 454 U.S. 27 (1981). Such an authorization must be in writing and be made prior to the time when the authorizing party has exhausted its section 441a(d) limit. 2/

In its advisory opinions, the Commission has addressed the issue of whether certain communications are subject to the limitations of section 441a(d). The Commission has consistently taken the position that such communications are subject to the limitations of section 441a(d) where they are made for the purpose of influencing the general election, depict a clearly identified candidate, and convey an electioneering message. The Commission has also concluded that section 441a(d) expenditures are not necessarily restricted to the time period between nomination and election. Rather, where a candidate appears assured of a party's nomination, the general election campaign, at least from the political party's perspective, may begin prior to nomination. See A.O. 1984-15. Moreover, the expending party

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2/ On October 29, 1986, the State Party authorized the National Republican Senatorial Committee to serve as its agent for the purpose of making 45% of the State Party's section 441a(d) expenditures ($19,629). Thus, the State Party's limitation was $23,991. This authorization replaced an earlier authorization dated June 18, 1986, permitting the National Republican Senatorial Committee to make 100% of the State Party's section 441a(d) expenditures.

is not required to be assured of its own nominee.[3] Instead, it is sufficient that the expenditures benefit the eventual nominee. Id. As developed below, the communications in question meet the Commission's criteria for section 441a(d) expenditures.

1. Materials Noted In The Reason To Believe Notification Letter

As noted in the Commission's reason to believe notification letter, the State Party paid for yard signs and four mailers that meet the criteria for section 441a(d) expenditures. According to the State Party's sworn affidavit, the yard signs urged voters to support Jim Santini for United States Senate. See November 21, 1986 Response at 14. The signs were for the general election because Jim Santini was considered to be the nominee by his party in May of 1986 when the signs were ordered. Id. at Piper

3/ In the 1986 U.S. Senate race in Nevada, both Harry Reid and Jim Santini were the obvious nominees of their parties prior to their formal nominations. According to a sworn affidavit provided by the Executive Director of the Nevada Republican Party, after Jim Santini announced his candidacy, but prior to the primary, he was endorsed by the ranking officials of the Nevada Republican Party and Republican elected officials. Moreover, according to this sworn affidavit, notwithstanding the eventual filing of two Republican challengers, there was never a possibility that anyone other than Jim Santini would receive the Republican nomination. See Piper Affidavit submitted with November 21, 1986 Response. Thus, the general election campaign, at least from the perspective of the Republican Party, began prior to formal nomination.

Similarly, Harry Reid was considered the obvious nominee of the Democrats prior to his formal nomination. His Statement of Organization for his Senatorial campaign committee was filed on January 31, 1986. Additionally, the chairman of the Washoe County Democratic Party was the complainant in MUR 2231, alleging that a mailer paid for by the Republican State Party circulating in late 1985 was in opposition to Harry Reid. Thus, Mr. Reid was also considered by his party to be its nominee prior to formal nomination.

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Affidavit. Jim Santini was clearly identified by name on the yard signs, and by urging support of Jim Santini, the signs contained an electioneering message.

A second communication entitled the Laxalt Endorsement mailer was mailed to Republican households in August 1986, prior to the September 2, 1986, Republican primary. The mailer contained a personal message from Senator Laxalt praising Jim Santini, information about Jim Santini's "accomplishments and qualifications" and a personal statement by the candidate. Respondents do not dispute that this mailer is a coordinated party expenditure, and have reported it as a $16,600 coordinated party expenditure.4/

Third, in late September 1986, the State Party sent the Anti-Reid mailer to Republican households. The mailer characterizes Harry Reid's legislative record of accomplishments in huge block letters as "SHORT." The mailer lists the bills said to be written and passed into law by Harry Reid, noting "Only two laws" are contained in this category. The mailer further asserts that the noted bills did not create jobs for Nevadans, or cut wasteful spending, or reduced taxes. In response to an inquiry in the mailer regarding what Harry Reid was doing during this time period, the mailer cites the candidate's foreign travel totalling approximately $29,000 and points out votes against the Balanced Budget amendment and votes

4/ Because, as previously noted, the State Party permitted the NRSC to make 45% of its coordinated party expenditures, payment for this mailer (along with $7,002 in other coordinated party spending) exhausted all but $389 of the State Party's coordinated party limitation.

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for higher taxes. The mailer concludes:

> In fact, official voting records say Harry Reid has opposed President Reagan 60% of the time. And he supported Tip O'Neil and the liberals in Congress an average of 85% of the time.
>
> So, that's Harry Reid. And that's Harry Reid's record. The long and the short of it.

The Anti-Reid mailer also meets the requirements for a section 441a(d) expenditure. Mailed after the primary election, and criticizing a candidate in the general election, the mailer is thus directed towards the general election. Harry Reid is identified by name. By attacking Harry Reid personally as well as Reid's alleged travel excesses, legislative inaction, and alliances with "Tip O'Neil and the liberals in Congress," the State Party mailer plainly is designed to diminish electorial support for candidate Reid.

Fourth, in October, 1986, the State Party sent the World Class Spender mailer to Republican households in the state. This document compares Harry Reid to such "World Class Spenders" as Tip O'Neil and Ted Kennedy and notes Reid's opposition to President Reagan. The mailer discusses Harry Reid's voting record and notes that Ted Kennedy is working to elect Harry Reid to the Senate. The mailer urges, "On November 4th let's make it our turn to get ahead. Vote NO on Harry Reid and his political promises." The World Class Spender mailer was sent out after the primary and urges voters to vote in the November 4th election. Thus, it is a general election expenditure. Harry Reid is clearly identified in it as a candidate for office. Additionally, the mailer contains an electioneering message by urging voters to "Vote No" on Harry Reid. Therefore, the

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requirements for a section 44la(d) expenditure have been met.

Finally, the State Party issued a mailer entitled "Special Report" in late January 1986. This report contained three sections. The first listed the votes of Nevada's two Senators and two Representatives on five specific issues. Representative Harry Reid is one of the four identified by name. The second section lists ratings given to those same four officeholders by a variety of interest groups, as well as the four's level of support for President Reagan's position and the "Conservative Coalition." The final section contains a conclusion, specifically naming solely Harry Reid, noting that "... only Harry Reid has consistently voted against President Reagan, a balanced federal budget, and fairer spending and tax policies. In short, Harry Reid represents a philosophy that promises to raise taxes and spend our nation back to bigger government, bigger deficits and the certainty of higher interest rates and renewed unemployment." (Emphasis in original).

Like the other ads previously discussed, the Special Report mailer meets the requirements for a section 44la(d) expenditure. The ad notes a clearly identified candidate, Harry Reid. Because Mr. Reid was the obvious nominee of his party at the time the mailer was sent, the mailer is for the general election. See A.O. 1984-15. Respondents have previously asserted, however, that this mailer does not contain an electioneering message, and as such, would not qualify as a section 44la(d) expenditure.

It is the opinion of the Office of the General Counsel that the Special Report mailer does include an electioneering message

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in its criticism of Harry Reid. It is clear that the Special Report focuses on Harry Reid: the first two pages contain issues setting Reid apart from the remainder of the Nevada congressional delegation; the third of three pages focuses solely on Reid, criticizing his votes, his lack of support for President Reagan, and his basic philosophy. The respondents concede as much, stating, "[i]t is quite true that the Report contains facts which could lead its recipients -- Nevada Republicans -- to be critical of the record and public positions of [Harry Reid]." See November 21, 1986 Response at 10. Moreover, this attack piece could have been designed with no other purpose than to persuade its recipients not to vote for or otherwise support Harry Reid. Indeed, respondents described the Special Report as a "Campaign to Defeat U.S. Representative Candidate Harry Reid." 1986 April Quarterly Report, Schedule B for line 21, p. 3, filed April 15, 1986.[5/] After being contacted by the Commission's Reports Analysis Division, the State Party amended this report stating this disbursement was "misdescribed" and labeled the mailing instead as an "informational mailing to Nevada Republicans."

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5/ To the extent the State Party argues this was an expenditure for the 1986 House Race for the First District of Nevada, violations of the Act are nevertheless implicated because the State Party made the maximum permitted primary and general election contributions in the First District Race. It also reported $5,921.35 for volunteer mailings on behalf of First District Republican candidate Bob Ryan. Moreover, it appears the State Party authorized the National Republican Congressional Committee ("NRCC") to make coordinated party expenditures on its behalf for the First District race. The limit for the House race was $21,810. In that event, the NRCC's expenditures of $39,431.70 for that race came close to its combined $43,620 limitation. Thus, it appears that even if the Special Report mailer was for the 1986 House Race, the State Party would have exceeded its limitation for that election.

This new reported purpose, however, cannot change the nature of the special report: to persuade voters to vote against Reid. Therefore, the Special Report also meets the requirements of a section 441a(d) expenditure.

In sum, the communications noted above meet the requirements for section 441a(d) expenditures. As demonstrated below, other materials discovered in the course of the Commission's investigation in this matter also meet this criteria.

2. Materials Reviewed In The Course Of The Investigation

Three additional mailers, a radio ad, and a newspaper ad paid for by the State Party were reviewed during the course of this investigation. All of these communications meet the Commission's requirements for section 441a(d) expenditures.

The first mailer is entitled "All About Money." Mailed by the State Party in October, 1986, the mailer lists six points regarding Harry Reid's record and concludes "On November 4th, say no to the politics of tax more-spend more ... say no to Harry Reid." The mailer references the November election and thus is a general election expenditure. Reid is noted by name; thus, he is a clearly identified candidate. The message to "say no" on November 4th is an electioneering message in that it obviously urges persons to cast their votes against Reid. Therefore, the All About Money mailer meets the requirements for a section 441a(d) expenditure.

Similarly, the mailer entitled "Positively For Nevada," mailed shortly before the general election, also meets the

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requirements for this section. This mailer includes a picture of President Reagan and the quote, "I may never again ask for your vote, but I need Jim Santini now." The President is further quoted as stating, "I need Jim Santini to succeed Senator Paul Laxalt in the Senate." In the succeeding paragraph, Senator Laxalt is quoted as explicitly exhorting the reader "to vote to keep Nevada on the same side as President Reagan." This mailer is for the general election because it was sent after the primary and references an event that can only be accomplished by the general election, i.e., the replacement of Senator Laxalt by Jim Santini. Jim Santini is clearly identified by name and thus is a clearly identified candidate. The mailer contains an electioneering message in that the President solicits support for Jim Santini and Senator Laxalt explicitly asks for the reader's vote.

The third mailer is entitled "Laxalt/Santini Letter." It is composed of letters from Senator Laxalt and Jim Santini. Senator Laxalt's letter notes the approach of election day and his retirement from the Senate and states, "Also, I urge you to vote for Jim Santini to follow me in the Senate." This mailer's post-primary reference to election day makes it an expenditure for the general election. Again, Jim Santini is identified by name. An electioneering messsage is present in that voters are specifically requested to vote for Jim Santini.

Respondents also paid approximately $13,000 to Grassroots Consultants for a radio ad and a newspaper ad that also meet the requirements for a section 441a(d) expenditure. The ads aired in

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May and June of 1986. The radio ad ("the Franking Radio Ad") notes an on-going investigation in Washington to determine if Harry Reid had broken the law by using "his free postage privilege to flood Northern Nevada with mail...." The ad states that "Harry Reid is a candidate for another office," yet he allegedly used the franking privilege to contact persons in Nevada outside his congressional district. The Franking Radio Ad asserts that the law prohibits a "candidate for any other public office" from sending free mail outside the district. The Franking Radio Ad states "The facts are clear ... Harry Reid used your tax dollars to further his personal candidacy for another office ... If you're concerned, write to The Nevada Republican Party.... We'll see that your concerns are heard in Washington."

A similar newspaper ad ("the Franking Newspaper Ad") appeared in a number of newspapers. It states that "[t]here is a strong possibility that Congressman Harry Reid may have broken the law when he used his free postage privilege to flood Northern Nevada with mail," and notes the existence of a House Franking Commission investigation to determine whether the law was broken. The ad cites the previously-noted law, and quotes a Franking Commission staffer to say "There are no exceptions." The ad includes the "Facts" stating that "By any reasonable measure Harry Reid is a candidate for another office," and that "at least twice, Harry Reid has used his free mail privilege to send newsletters to Northern Nevada voters," and that these newsletters were "produced and mailed at a cost of thousands of dollars to taxpayers" to a place where Reid is said to have no

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constituents. The ad concludes: "The facts are clear Harry Reid used your tax dollars to send mail with only one purpose - to further his candidacy for another office." The ad invites persons "affected by these mailings" to write to the State Party who will forward letters to "appropriate officials" in Washington.

Both the Franking Radio Ad and the Franking Newspaper Ad meet the criteria for a section 441a(d) expenditure. The ads name Harry Reid by name; consequently he is a clearly identified candidate. Both ads note that Harry Reid is a candidate "for another office." Thus, both ads that negatively refer to Harry Reid are for the general election where Harry Reid would run against the eventual Republican nominee. The ads also contain an electioneering message by noting Harry Reid's candidacy, challenging his mailings in light of this candidacy and citing an investigation into whether Reid had "broken the law." Additionally, the ads refer to an election in that Harry Reid is allegedly illegally using taxpayers funds in support of his candidacy. Therefore, both ads contain an electioneering message and are thus subject to 2 U.S.C. § 441a(d).

In short, each of the three mailers and the two ads noted above also meets the requirements for a section 441a(d) expenditure. As demonstrated next, respondents are unable to come within the Act's volunteer exemption to the definition of an expenditure.

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B. EXEMPTION TO THE DEFINITION OF EXPENDITURE

Respondents have argued that some of the materials noted in the complaint are not expenditures under the Act, but are exempt volunteer activity. Pursuant to 2 U.S.C. § 431(9)(B)(i)(viii), excluded from the definition of an expenditure are payments by a state party of the costs of certain campaign materials used by such committee in connection with volunteer activities on behalf of its nominees, provided the payments are not for costs in connection with broadcasting, direct mail, or similar types of general public communication or political advertising. Additionally, the payments for such materials must be made with permissible funds and cannot be made from contributions designated to be spent on behalf of a particular candidate. Id.

The Commission's Regulations define "direct mail" to mean mailings by a commercial vendor or mailings made from a commercial list, and thus such mailings are outside the exemption. 11 C.F.R. § 100.8(b)(16). Additionally, the Regulations require that volunteers, and not commercial or for profit operations, distribute the materials. Id. Therefore, a lack of requisite volunteer involvement would also place purported volunteer activity outside the exemption. The Regulations also exclude from this exemption campaign materials purchased with funds donated by the national committee to the state local committee. Id. As illustrated below, because the materials in question were purchased using funds donated by the national party, they are outside the exemption. Moreover,

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respondents have failed to demonstrate the requisite volunteer participation envisioned by the Act, Regulations, and legislative history. Therefore, there is a second independent basis for concluding that respondents' spending fails to meet the requirements of the volunteer exemption.

1. Use of Funds Donated by the Republican National Committee and the National Republican Senatorial Committee

a. Methodology

During the period between August 1986 and November 1986, when payments for many of the mailers and yard signs were made, the State Party received a total of $33,523.97 from the National Republican Senatorial Committee ("NRSC") and the Republican National Committee ("RNC").

The Commission's auditors, in their previously-noted review of the State Party's books and records, performed an analysis to determine whether monies used by the State Party to pay for the materials discussed above contained funds donated by the NRSC and the RNC. The analysis used the State Party's bank statements, deposit records, and check registers from its federal account. In order to calculate the extent to which RNC/NRSC funds were used to fund the disbursements previously discussed, two different analyses, Type A and Type B, were performed. The auditors concluded that two analyses should be performed in order to address the fact that in some instances both private funds and funds from the RNC/NRSC were deposited in the State Party's federal account on the same day without any indication as to which funds were placed in the account first (and thus would

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be considered spent first). Thus, under the Type A analysis, the Audit staff considered RNC/NRSC funds to be deposited first and disbursed first. Under the Type B Analysis, the Audit staff considered private funds to be deposited first and disbursed first. The following assumptions were used for both analyses:

1. Cash on hand at 1/1/86 was $13,825.79, all privately funded.

2. Deposit date of funds received determined when funds were available to be spent.

3. Disbursements were made in check number order.

As illustrated by the charts attached to this brief, the two analyses yield essentially the same result because under both the Type A and the Type B analyses, the same five disbursements were paid for using funds containing RNC/NRSC monies. (See Exhibits A and B).

b. Disbursements Made Using National Party Funds

The State Party paid $14,388.91 for yard signs, asserting that these are exempt volunteer activity. See May 2, 1988, Response at 2. However, because this amount included over $6,600 of funds donated by the NRSC, the State Party's payments are not within the volunteer exemption.

Mailings said to be exempt volunteer activity were also purchased and produced using funds donated by the NRSC and the RNC. According to the State Party's May 2, 1988 Response, the Anti-Reid mailer, World Class Spender mailer, All About Money mailer, Positively for Nevada mailer and Laxalt/Santini mailer were part of a $73,752.54 disbursement made by the State Party.

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The State Party reported this amount on its 1986 Post-General Election Report as an operating expense to "James R. Foster & Associates" for "volunteer mailings."[6/] As illustrated by the charts, because the source of nearly one third of this amount was funds from the RNC and NRSC, respondents have failed to meet the requirements for the volunteer exemption.

Moreover, disbursements for other materials used in conjunction with purported volunteer activity also contained funds donated by the RNC and NRSC. For example, the State Party's Response notes two payments totalling $438.23 to B&K Printing that included 34 self-inking stamps "that functioned as postal permit stamps." May 2, 1988 Response at 6. The auditors' analysis reveals the State Party's payments for these was from funds donated entirely by the RNC. Additionally, the State Party admits that a $1,760.83 payment made to Tony Marsh and Associates was for "writing, art work, and expenses" associated with the volunteer mailings produced by James R. Foster & Associates. Id. at 6-7. This entire amount was paid from funds donated by the RNC.

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2. Insufficient Volunteer Activity

As discussed above, payments for the yard signs and five of the mailers were made with monies containing NRSC and RNC funds. Thus, they are outside the volunteer exemption. Moreover, as developed below, because the State Party is unable to demonstrate

6/ Respondents assert the mailings individually cost the following amounts: Anti-Reid $11,918; World Class Spender $9,074.18; All About Money $9,074.18; Positively for Nevada $22,750; and Laxalt/Santini $11,862. A mailer entitled "Raise Taxes" was never mailed, but destroyed. See May 2, 1988 Response at 3-6.

sufficient volunteer activity to meet the requirements of the Act, Regulations and legislative history, the activity is outside the volunteer exemption for a second, independent reason.

As previously discussed, the Act and Regulations exempt from the definition of expenditure certain state party volunteer activity. The Regulations require that the materials in question be distributed by volunteers and not by commercial or for-profit organizations. The legislative history of this exemption states that its purpose was to encourage volunteers to work for and with local and state political party organizations. H.R. Rep. No. 422, 96th Cong., 1st Sess. at 9 (1979), reprinted in FEC, Legislative History of Federal Election Campaign Act Amendments of 1979, at 193 (GPO 1983) (hereinafter "Legislative History"). The Legislative History specifies that the test for determining volunteer activity is two fold - how the campaign materials are used and by whom. It stresses that the exemption excludes all general public communications or political advertising. Moreover, the purchase of specific types of campaign materials may be within the exemption depending upon the role of volunteers using these materials. Because the purpose of this exemption is to encourage volunteer participation, "distribution by commercial or for-profit operations is not exempted." Id.

In the instant case, respondents assert that they have demonstrated sufficient volunteer activity to meet the requirements of the Act and Regulations. Regarding the yard signs, the State Party asserts that volunteers handed out signs

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at rallies, signed up persons to display the signs and installed signs. See May 2, 1988 Response at 8. Regarding the mailings, this response further asserted that the volunteers stamped each mailer with the Party's non-profit mail seal, and organized and transported the mail to the post office. 7/ Respondents provided a list of volunteers for the mailings, stating that "volunteers apparently spent between two and six and one half hours during any one session participating in these volunteer activities." Id. Photographs of the volunteers were included with this response.

At the request of this Office, respondents provided further information regarding the volunteers. The volunteers were said to have unloaded shipments of flyers and placed the flyers in a conference room, and in some cases then moved the flyers to a different location. According to respondents, each bag of flyers was unloaded and stamped with the non-profit mail seal, rebundled, tagged, listed by zip code, and transported to the post office by the volunteers and unloaded there. June 17, 1988 Response at 4-8.

It is the opinion of the Office of the General Counsel that the mailing program was essentially a commercial operation. Respondents used a Texas-based direct mail firm to print the mailers and prepare them for mailing. An invoice supplied by respondents indicate that for at least one mailer (Anti-Reid), labels were attached to the mailers as part of this commercial

7/ The responses received to date have not addressed the applicability of the volunteer exemption to the Franking Newspaper Ad.

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operation. In fact, the invoice describes these services as "Print, Fold, Labels from Rexnord, Label, Sort, Tie, Bag, Ship to Las Vegas, Postage." See May 2, 1988 Response at Attachment 2. Consistently, the sworn affidavits do not claim the volunteers addressed any of the mailers. It thus appears all the mailings were pre-labeled. The mailers also arrived pre-bundled. See June 17, 1988 Response at 5. Thus, when the mailers reached State Party headquarters the sole remaining task was to individually affix the non-profit mail seals on each mailer. It appears no other volunteer activity was conducted and that respondents essentially argue that an individual touching each mailer transforms an otherwise commercial operation into exempt activity. This is squarely at odds with the legislative intent that sought to exclude such commercial operations from the exemption. It is the position of the Office of the General Counsel that the mere stamping of mail seals on these documents (and the incidental physical tasks of loading and unloading the mailers) cannot convert an essentially commercial operation into the type of activity envisioned by the Act, Regulations and legislative history.[8/] In sum, the absence of the requisite

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8/ The mailers are also outside the volunteer exemption because they are "direct mail" within 2 U.S.C. § 431(9)(B)(viii)(1), and thus specifically outside the volunteer exemption. As discussed above, the mailers were printed by a commercial printing firm. The evidence suggests that this direct mail firm printed the mailers, folded them, obtained mailing labels, attached these labels, sorted the mailers, tied the sorted mailers, bagged them, and then shipped them to Las Vegas. Thus, these mailers were "distribut[ed] by [a] commercial or for profit operation[]," Legislative History at 197, and constitute "mailings by a commercial vendor," squarely within the Regulations' definition of direct mail at 11 C.F.R. § 100.8(b)(16)(i).

volunteer involvement places the disbursements for the mailings outside the volunteer exemption and instead subject to the limitations of section 441a(d).

3. Summary Of Expenditures

The absence of required volunteer activity, as well as the State Party's use of funds donated by the RNC and the NRSC to finance these mailings and the yard signs, lead to the conclusion that the costs of the noted materials are expenditures subject to the limitation of 2 U.S.C. § 441a(d).

Respondents admit that the Laxalt Endorsement is an expenditure subject to the limitations of section 441a(d). Additionally, as illustrated above, the Special Report mailer, Franking Newspaper Ad, and Franking Radio Ad (not claimed to be within the "volunteer" exemption) meet the standard for a section 441a(d) expenditures. The other mailings are outside the volunteer exemption because of their use of funds donated by the RNC and NRSC to pay for them, as well as the absence of required volunteer activity. The use of funds donated by the national party also removes the yard signs from the volunteer exemption. Therefore, the State Party made the following section 441a(d) expenditures:

Item	Amount
1. Laxalt Endorsement	$ 16,600.00
2. Yard Signs	14,338.91
3. Special Report	15,469.49
4. Anti-Reid	11,915800
5. World Class Spender	9,074.18

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Item	Amount
6. Positively for Nevada	22,750.00
7. Laxalt/Santini	11,862.00
8. All About Money	9,074.18
9. Franking Ads (Newspaper and Radio) .	12,995.77
10. Postage	8,558.17
11. Other Reported coordinated party spending reported by State Party . .	7,002.00
Total:	$ 139,642.70

As previously noted, the State Party had authorized the NRSC to spend all but $23,991 of the State Party's coordinated party expenditure limitation on its behalf.9/ The State Party's expenditures of $139,642.70 exceed that amount. Thus, the State Party has made expenditures exceeding the Act's expenditure limitations. Moreover, aside from the disbursements made for the Laxalt Endorsement, the State Party has not reported these expenditures as coordinated party expenditures as required by 2 U.S.C. § 434(b)(6)(B). Accordingly, the Office of the General Counsel recommends that there is probable cause to believe the Nevada Republican Party and Dan J. Peterson, as treasurer, violated 2 U.S.C. §§ 441a(f) and 434(b)(6)(B).

9/ The coordinated party limitation for the 1986 Senate race was $43,620. The State Party reported spending $23,991, and assigned $19,629 to the NRSC. The NRSC thus had a limitation of $63,249 ($43,620 + $19,629). The NRSC's reported section 441a(d) expenditures for this race totalled $62,999.94.

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C. FAILURE TO PLACE COMPLETE DISCLAIMERS

The Commission also found reason to believe the State Party violated 2 U.S.C. § 441d(a) by failing to place required disclaimers on the Laxalt Endorsement and the World Class Spender mailers. Pursuant to 2 U.S.C. § 441d(a), whenever any person makes an expenditure for the purpose of financing a communication expressly advocating the election or defeat of a clearly identified candidate, such communication, if not paid for by a candidate or authorized committee, must clearly state the name of the person who paid for it and whether or not such communication was authorized. 2 U.S.C. § 441d(a)(2) and (3).

The Laxalt Endorsement and the World Class Spender mailers merely state that they were "[p]aid for by the Nevada Republican Party." This same disclaimer was placed on the Laxalt/Santini mailer, Positively for Nevada mailer, All About Money mailer, the Franking Radio Ad, and the Franking Newspaper Ad. As indicated by the discussion in Section A, all of these mailers contain express advocacy.10/ Because these mailers do not contain

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10/ All About Money contains the statement, "On November 4th, say no to the politics of tax more-spend more ... say no to Harry Reid." The Laxalt/Santini Letter states, "I urge you to vote for Jim Santini to follow me in the Senate." The Laxalt Endorsement urges voters to "join me in supporting Jim Santini." The World Class Spender mailer notes, "On November 4th let's make it our turn to get ahead. Vote NO on Harry Reid and his political promises." The Positively For Nevada Mailer quotes the President to say "I need Jim Santini to succeed Senator Paul Laxalt in the Senate." All of these statements constitute express advocacy. It is also the opinion of this Office that the Franking Newspaper Ad and Franking Radio Ad constitute express advocacy under FEC v. Furgatch, 807 F.2d 857 (9th Cir.), cert. denied, 108 S. Ct. 151 (1987).

an authorization statement, the Office of the General Counsel recommends that there is probable cause to believe the Nevada Republican State Party/Nevada Republican State Central Committee-Federal Account and Dan J. Peterson, as treasurer, violated 2 U.S.C. § 441a(d).

III. GENERAL COUNSEL'S RECOMMENDATION

Find probable cause to believe the Nevada Republican State Party/Nevada Republican State Central Committee-Federal Account and Dan J. Peterson, as treasurer, violated 2 U.S.C. §§ 441a(f), 434(b)(6)(B) and 441d(a).

7/5/87
Date

Lawrence M. Noble
General Counsel

Attachments
Exhibit A
Exhibit B

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EXHIBIT A

SOURCE AND APPLICATION OF FUNDS

TYPE A - ANALYSIS

	PAYEE	CHECK NUMBER	CHECK DATE	AMOUNT	PURPOSE	SOURCE OF FUNDS NRSC	NRC	PRIVATE
1.	R & R Advertising	1029	8/14/86	$ 14,338.91	Yard Signs	$ 6,666.43	$ - 0 -	$ 7,672.48
2.	U.S. Postmaster	1037	9/24/86	154.39	Volunteer Mailings	- 0 -	- 0 -	154.39
3.	U.S. Postmaster	1038	9/24/86	5,142.17	Volunteer Mailings	- 0 -	- 0 -	5,142.17
4.	U.S. Postmaster	1042	10/03/86	3,339.57	Volunteer Mailings	- 0 -	- 0 -	3,339.57
5.	U.S. Postmaster	1043	10/07/86	3,261.61	Volunteer Mailings	- 0 -	- 0 -	3,261.61
6.	U.S. Postmaster	1044	10/15/86	650.00	Volunteer Mailings	- 0 -	- 0 -	650.00
7.	Mail Resources	1046	10/23/86	1,515.12	Mailing/Postage	- 0 -	- 0 -	1,515.12
8.	PDQ Printing	1048	10/28/86	1,972.24	Volunteer Mailings	- 0 -	- 0 -	1,972.24
9.	Passkey Systems	1049	10/28/86	3,949.11	Volunteer Mailings	- 0 -	- 0 -	3,949.11
10.	James R. Foster & Associates	1054	10/19/86	73,752.54	Volunteer Mailings	22,000.00	2,658.48	49,094.06
11.	Tony Marsh & Associates	1061	11/07/86	1,760.83	Volunteer Mailings	- 0 -	1,760.83	- 0 -
12.	B & K Printing	1064	11/07/86	396.56	Campaign Materials/ Volunteer Mailing	- 0 -	396.56	- 0 -
13.	B & K Printing	1090	11/18/86	41.67	Campaign Materials	- 0 -	41.67	- 0 -
Totals				$110,274.72		$28,666.43	$4,857.54	$76,750.75

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EXHIBIT B

SOURCE AND APPLICATION OF FUNDS

TYPE B - ANALYSIS

	PAYEE	CHECK NUMBER	CHECK DATE	AMOUNT	PURPOSE	SOURCE OF FUNDS NRSC	NRC	PRIVATE
1.	R & R Advertising	1029	8/14/86	$ 14,338.91	Yard Signs	$ 6,916.43	$ - 0 -	$ 7,422.48
2.	U.S. Postmaster	1037	9/24/86	154.39	Volunteer Mailings	- 0 -	- 0 -	154.39
3.	U.S. Postmaster	1038	9/24/86	5,142.17	Volunteer Mailings	- 0 -	- 0 -	5,142.17
4.	U.S. Postmaster	1042	10/03/86	3,339.57	Volunteer Mailings	- 0 -	- 0 -	3,339.57
5.	U.S. Postmaster	1043	10/07/86	3,261.61	Volunteer Mailings	- 0 -	- 0 -	3,261.61
6.	U.S. Postmaster	1044	10/15/86	650.00	Volunteer Mailings	- 0 -	- 0 -	650.00
7.	Mail Resources	1046	10/23/86	1,515.12	Mailing/Postage	- 0 -	- 0 -	1,515.12
8.	PDQ Printing	1048	10/28/86	1,972.24	Volunteer Mailings	- 0 -	- 0 -	1,972.24
9.	Passkey Systems	1049	10/28/86	3,949.11	Volunteer Mailings	- 0 -	- 0 -	3,949.11
10.	James R. Foster & Associates	1054	10/19/86	73,752.54	Volunteer Mailings	22,000.00	588.48	51,164.06
11.	Tony Marsh & Associates	1061	11/07/86	1,760.83	Volunteer Mailings	- 0 -	1,760.83	- 0 -
12.	B & K Printing	1064	11/07/86	396.56	Campaign Materials/ Volunteer Mailing	- 0 -	396.56	- 0 -
13.	B & K Printing	1090	11/18/86	41.67	Campaign Materials	- 0 -	41.67	- 0 -
Totals				$110,274.72		$28,916.43	$2,787.54	$78,570.75

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NEVADA REPUBLICAN PARTY

Fish Lake Valley via Tonopah, NV 89049
572-3349 482-5988

July 13, 1989

Dan J. Peterson
Treasurer

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

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
89 JUL 18 PM 2:06

RE :MUR 2270
General Counsel's Brief
July 6, 1989

Attention: Patty Reilly

Dear Ms. Reilly,

Please refer to the General Counsel's Brief dated July 7, 1989, page 21 and page 26, wherein it states in part "Accordingly, the Office of General Counsel recommends that there is probable cause to believe the Nevada Republican Party and DAN J. PETERSON, AS TREASURER, violated 2 U.S.C" etc. Although I am the current treasurer, I was NOT the Treasurer in 1986 when these ALLEGED violations occurred.

It is, therefore, respectfully requested that wherever the Nevada Republican State Central Committee is alleged to have violated any FEC regulations my name be removed as a violator.

Our Attorney, Mr. Jan Baran, Esquire, is preparing a denial of the alleged violations and will require an additional 20 days to complete his response.

Thank you for your cooperation and understanding in these matters.

Sincerely,

Dan J. Peterson
Treasurer

cc: Jan Baran, Esquire
18890713

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FEDERAL ELECTION COMMISSION
OFFICE SERVICES BRANCH
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OGC 3505

WILEY, REIN & FIELDING

1776 K STREET, N.W.
WASHINGTON, D.C. 20006
(202) 429-7000

JAN W. BARAN
(202) 429-7330

TELECOPIER
(202) 429-7049
TELEX 248348 WYRN UR

July 22, 1989

Lawrence M. Noble, Esquire
General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Attn: Patty Reilly

Re: MUR 2270 (Nevada Republican Party)

Dear Mr. Noble:

I am in receipt of your letter of July 6, 1989 notifying me that the Office of General Counsel is prepared to recommend that the Federal Election Commission find probable cause to believe that the Nevada Republican Party/Nevada State Central Committee-Federal Account and Dan J. Peterson, as Treasurer ("Respondents" or "State Party") violated the Federal Election Campaign Act of 1971, as amended ("the Act") in Matter Under Review 2270, and enclosing the General Counsel's Brief in this matter.

As recognized in your brief, only five activities were the subject of the Federal Election Commission's ("FEC" or "Commission") reason to believe findings in this matter. They are expenditures for yard signs and four mailers: Special Report Mailer; Laxalt Mailer; Anti-Reid Mailer; and World Class Spenders Mailer. As required by 2 U.S.C. § 437g(a)(1) the Commission notified the State Party of four complaints filed against it (now merged into MUR 2270) and gave the State Party an opportunity to respond to the complaints. Further, as required by 2 U.S.C. § 437g(a)(2) the Commission notified the State Party of its reason to believe findings against it. Section 437g(a)(2) states specifically "[s]uch notification shall set forth the factual basis for such alleged violation."

Indeed, the Commission's notification stated that:

> The Commission determined that there is reason to believe that the state party and its treasurer

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> violated 2 U.S.C. § 441a, by exceeding the limitation on coordinated party expenditures in the 1986 Nevada Senate campaign and by exceeding the Act's limitation at section 441a. The expenditures in question were for the items contained in the four complaints originally forwarded to respondents, the yard signs and four mailings. . . .
>
> The Commission determined that there is reason to believe that the state party and its treasurer violated 2 U.S.C. § 434(b)(6)(B), by failing to report expenditures made for yard signs and three mailings as coordinated party expenditures on Schedule F of its reports.
>
> The Commission determined that there is reason to believe that the state party and its treasurer violated 2 U.S.C. § 441d(a), by failing to affix a sufficient disclaimer to two mailings, the Laxalt Endorsement Mailing and the World Class Spender Mailing.

Reason to Believe Letter dated April 30, 1987. The letter went on to state that "[u]nder the Act you have an opportunity to demonstrate that no action should be taken against your clients." Id.

The Commission has always made individual findings with respect to whether there is reason to believe that items such as mailers have violated any provisions of the Act, often finding that there is reason to believe one mailer has violated the Act, but that there is no reason to believe another mailer has violated the Act. The violations are discrete because they are fact dependent. They are not subsumed under a general finding of a violation of the Act. This is precisely why the Commission is required to notify a respondent of the factual basis for any finding.

Now, however, the General Counsel's Probable Cause Brief includes allegations that Respondents violated the Act in connection with three additional mailers and newspaper and radio advertisements which were not the subject of the complaints, and upon which the Commission made no finding of reason to believe a violation has occurred. The General Counsel's Brief appears to subsume these additional and discrete items into its probable cause recommendation. The Commission will not have followed the statutorily mandated procedures of 2 U.S.C. § 437g if it proceeds to probable cause on those violations upon which it has not found

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reason to believe. The State Party has not been provided its statutory opportunity to respond at the required stage to any allegations or reason to believe findings with respect to these items which were not the subject of the complaints. Upon bringing this to the attention of the General Counsel's Office, Respondents were informed that the General Counsel has declined to request a reason to believe finding by the Commission and is instead recommending that the Commission proceed directly to finding probable cause to believe a violation has occurred. Respondents expressly reserve their objection to the statutory procedural insufficiency of the Commission's actions in this matter.

Additionally, the matters raised in the General Counsel's Brief include alleged expenditures for a Franking Newspaper Ad and a Franking Radio Ad which are not otherwise identified. Ms. Reilly of your office has confirmed that these advertisements were not the subject of Interrogatories to the State Party. Further, the date of these expenditures have not been specifically referenced. Thus, we request that you forward to us a copy of those advertisements and the date of the expenditures so that we may respond to the General Counsel's allegations with regard to these materials.

Upon receipt of these additional materials, Respondents respectfully request a sixty day extension of time within which to respond to the General Counsel's Brief in this matter. Given that the General Counsel's Brief is long and complex, and addresses facts and issues not previously the subject of this matter, this requested extension is necessary to enable Respondents to fully and fairly respond to the General Counsel's recommendations, and to the factual basis of the above-described new matters. This requested extension will in no way prejudice the resolution of this matter, and is only a small proportion of the time used by the General Counsel's Office to prepare its brief.

Sincerely,

Jan W. Baran /CHL

Jan W. Baran

Carol A. Laham

Carol A. Laham

cc: Mr. Dan J. Peterson

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RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARIAT

89 AUG 10 AM 11:39

BEFORE THE FEDERAL ELECTION COMMISSION **SENSITIVE**

In the Matter of)
Nevada Republican Party/) MUR 2270
Nevada Republican State)
Central Committee and Dan J.)
Peterson, as treasurer)

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On July 6, 1989, the Office of the General Counsel sent a brief to respondents' counsel in the above-captioned matter recommending probable cause to believe the Nevada Republican Party/Nevada Republican State Central Committee and Dan J. Peterson, as treasurer, ("respondents") violated 2 U.S.C. §§ 441a(f), 434(b)(6)(B), and 441a(d). The bases of these recommendations were expenditures made by respondents during the 1986 election cycle that appeared to be coordinated party spending activity in excess of the Act's limitations. By letter dated July 13, 1989, the treasurer responded, asserting that he was not the treasurer at the time the alleged violations occurred, and informing this Office that the Committee's counsel would submit a response on its behalf.[1]

On July 21, 1989, this Office received an initial response from the State Party's counsel raising three major points. First, respondents state that the General Counsel's probable cause to believe recommendations encompass spending other than that noted

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1.The Commission's treasurer policy will be discussed in the General Counsel's Probable Cause Report.

in the complaint and the Commission's reason to believe determinations. Counsel argues that because each of the expenditures in question is "fact dependent," the Commission was required to make a separate reason to believe determination for each possible excessive expenditure made by the State Party. Response at 2. Respondents state they "expressly reserve their objections" to this purported insufficiency of notice. Id. at 3.

In the opinion of this Office, respondents' assertions are without foundation. The Commission's reason to believe determinations are a minimal threshold for commencing an investigation. 2 U.S.C. § 437g. To adopt respondents' position that a separate reason to believe determination was required in this matter for each alleged coordinated party expenditure leads to an unwieldy result hampering the Commission's investigatory function. Moreover, contrary to respondents' allegation, they have been afforded notice and an opportunity to respond regarding all the activity in question through their response to the General Counsel's Brief. Therefore, respondents' assertion that they rece insufficient notice and opportunity to respond to activity uncovered after the reason to believe determination in this matter is unwarranted.

Second, respondents note that two of the ads discussed in the General Counsel's Brief were not the subject of the Commission's

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interrogatories in this matter. Respondents request copies of these two ads and the dates on which expenditures for them were made.

The State Party produced these materials to the Commission's auditors during the Commission's recent section 438(b) audit of the State Party. Although this Office has suggested to counsel that their clients might be a more appropriate source of these documents, this Office does not object to providing this information. Accordingly, copies of the ads and information regarding the date of these disbursements are included in the attached proposed letter.

Finally, respondents request an extension of time to respond to the General Counsel's Brief in this matter. Respondents request sixty days from the date requested materials are provided. As it now stands, respondents' brief was due July 25, 1989. In view of the complexity of this matter, this Office is not adverse to recommending some additional time for respondents to submit a reply brief. Nevertheless, the proposed sixty days from the receipt of materials in this matter appears excessive.[2] Therefore, the Office of the General Counsel recommends that the Commission grant respondents a fifty day extension of time from the date their brief was due, i.e., until September 13, 1989.

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2. The analyses of these two ads should not be time consuming. Presumably the more difficult task would be for respondents to assess the Brief's determination that funds used by the State Party to make certain expenditures were composed of funds donated by national party organizations. This assessment is unrelated to the provision of the requested materials.

II. RECOMMENDATIONS

1. Grant the Nevada Republican Party/Nevada Republican State Central Committee-Federal Account and Dan J. Peterson, as treasurer, a fifty day extension of time to respond to the General Counsel's Brief.

2. Approve the attached letter.

8/5/89
Date

Lawrence M. Noble
General Counsel

Attachments
Response
Proposed Letter

Staff Assigned: Patty Reilly

9104036U537

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/DELORES R. HARRIS DRH
COMMISSION SECRETARY

DATE: AUGUST 14, 1989

SUBJECT: MUR 2270 - GENERAL COUNSEL'S REPORT
DATED AUGUST 9, 1989

The above-captioned document was circulated to the Commission on Friday, August 11, 1989 at 12:00.

Objection(s) have been received from the Commissioner(s) as indicated by the name(s) checked below:

Commissioner Aikens	
Commissioner Elliott	XX
Commissioner Josefiak	
Commissioner McDonald	
Commissioner McGarry	
Commissioner Thomas	

This matter will be placed on the meeting agenda for Tuesday, August 22, 1989 at 10:00 a.m.

Please notify us who will represent your Division before the Commission on this matter.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Nevada Republican Party/ Nevada Republican State Central Committee and Dan J. Peterson, as treasurer	)	MUR 2270

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of August 22, 1989, do hereby certify that the Commission decided by a vote of 5-0 to take the following actions in MUR 2270:

1. Grant the Nevada Republican Party/Nevada Republican State Central Committee-Federal Account and Dan J. Peterson, as treasurer, a fifty day extension of time to respond to the General Counsel's Brief.

2. Approve the letter attached to the General Counsel's report dated August 9, 1989, subject to certain amendments as agreed during the meeting discussion.

Commissioners Aikens, Elliott, Josefiak, McDonald, and McGarry voted affirmatively for the decision; Commissioner Thomas was not present.

Attest:

8-23-89
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 30, 1989

Jan Baran, Esquire
Wiley, Rein & Fielding
1776 K Street, N.W.
Washington, D.C. 20006

RE: MUR 2270
Nevada Republican Party/Nevada Republican State Central Committee-Federal Account and Dan J. Peterson, as treasurer

Dear Mr. Baran:

This is in response to your letter dated July 22, 1989, requesting an extension of 60 days from the date of your receipt of the enclosed information to respond to the General Counsel's Brief in the above-captioned matter. Considering the Federal Election Commission's responsibilities to act expeditiously, the Commission cannot grant your full request, but will only agree to a fifty day extension from the date your responsive brief was due. Accordingly, your response is due by the close of business on September 13, 1989.

Your request also raised the issue whether the Commission was required to make additional reason to believe determinations in this matter. The Commission believes its procedures were followed. Your clients are afforded notice and an opportunity to respond to all allegations of violations in their probable cause brief.

Also enclosed please find a copy of both the Franking Newspaper Ad and the Franking Radio Ad. The State Party Paid for these ads by a check dated May 20, 1986.

If you have any questions, please contact Patty Reilly, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosures

9104036054O

Dist Wong Reid Box 4.c

BREAK THE LAW

There is a strong possibility that Congressman Harry Reid may have broken the law when he used his free postage privilege to flood Northern Nevada with mail.

The House Franking Commission is investigating to determine if mass mailings outside of Harry Reid's southern Clark County district violated the law.

The law is clear: "A Member of the House who is a candidate for any other public office may not frank any mass mailing when (it) is delivered to any address outside the area constituting the congressional district from which such Member was elected."

A spokesman for the Commission, quoted in the Reno Gazette-Journal, said: "There are no exceptions."

FACT: By any reasonable measure, Harry Reid is a candidate for another office.

FACT: At least twice, Harry Reid has used his free mail privilege to send newsletters to Northern Nevada Voters.

FACT: The newsletters were produced and mailed at a cost of thousands of dollars to the taxpayers.

FACT: Free postage helps congressmen stay in touch with constituents. Harry Reid has no constituents in Northern Nevada.

The facts are clear: Harry Reid used your tax dollars to send mail with only one purpose — to further his candidacy for another office.

If you feel you have been affected by these mailings, write the Nevada Republican Party, P.O. Box 1888, Carson City, 89702.

Your letters will be forwarded to the appropriate officials in Washington, D.C.

(Paid for by the Nevada Republican Party, Robert A. Cashell, Chairman)

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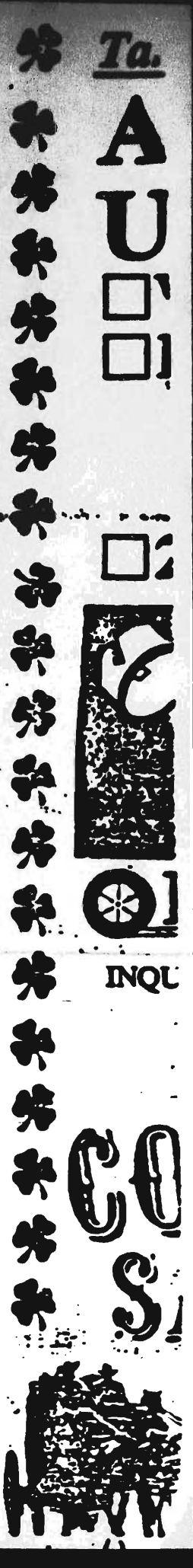

4.c)

Dunn Draper Glenn Randolph

ADVERTISING & MARKETING

CLIENT Nevada Republican Party TITLE Harry Reid

DATE 5/20/86 LENGTH :60 JOB ORDER # 7006-001-86 APPROVAL

RADIO

THERE IS AN INVESTIGATION GOING ON IN WASHINGTON TO DETERMINE IF CONGRESSMAN HARRY REID HAS BROKEN THE LAW... A CONGRESSIONAL COMMITTEE HAS BEEN ASKED TO DECIDE IF HARRY REID BROKE THE LAW WHEN HE USED HIS FREE POSTAGE PRIVILEGE TO FLOOD NORTHERN NEVADA WITH MAIL... THE LAW IS CLEAR... IF YOU ARE A CANDIDATE FOR ANY OTHER PUBLIC OFFICE, YOU CANNOT SEND FREE MAIL OUTSIDE OF YOUR DISTRICT...HARRY REID IS A CANDIDATE FOR ANOTHER OFFICE... AND AT LEAST TWICE HE HAS USED HIS FREE MAIL PRIVILEGE TO SEND NEWSLETTERS TO VOTERS IN NORTHERN NEVADA... ALL PRODUCED AND MAILED AT A COST OF THOUSANDS OF DOLLARS TO THE TAXPAYERS... FREE POSTAGE HELPS CONGRESSMEN STAY IN TOUCH WITH THEIR CONSTITUENTS... BUT HARRY REID DOESN'T HAVE ANY CONSTITUENTS IN NORTHERN NEVADA... THE FACTS ARE CLEAR... HARRY REID USED YOUR TAX DOLLARS TO FURTHER HIS PERSONAL CANDIDACY FOR ANOTHER OFFICE... IF YOU'RE CONCERNED, WRITE TO THE NEVADA REPUBLICAN PARTY, P.O. BOX 1888, CARSON CITY 89502... WE'LL SEE THAT YOUR CONCERNS ARE HEARD IN WASHINGTON...

...Paid for by the Nevada Republican Party.

10 SECS

15 SECS

30 SECS

45 SECS

60 SECS

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OGC 4010

WILEY, REIN & FIELDING

1776 K STREET, N.W.
WASHINGTON, D.C. 20006
(202) 429-7000

JAN W. BARAN
(202) 429-7330

TELECOPIER
(202) 429-7049
TELEX 248348 WYRN UR

September 14, 1989

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
89 SEP 14 PM 5:56

The Honorable Marjorie W. Emmons
Commission Secretary
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 2270 (Nevada Republican Party, et al.)

Dear Madame Secretary:

Enclosed please find Respondent's Brief and ten copies in the above-captioned matter filed pursuant to 11 C.F.R. § 111.16(c).

Sincerely,

Jan W. Baran

Enclosure

cc: Dan Peterson
Lawrence M. Noble, Esquire (3 copies)

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Nevada Republic Party/	)	
Nevada Republican State	)	MUR 2270
Central Committee Federal	)	
Account and Dan J. Peterson,	)	
as Treasurer	)	

RESPONDENTS' BRIEF

The undersigned counsel, on behalf of the Nevada Republican Party/Nevada Republican State Central Committee Federal Account and Dan J. Peterson, as Treasurer ("State Party") hereby file this Respondents' Brief in response to the General Counsel's Brief of July 5, 1989, in Matter Under Review ("MUR") 2270. The General Counsel's Brief recommends that the Commission find probable cause to believe that Respondents violated the Federal Election Campaign Act of 1971, as amended (the "Act"). Respondents urge the Commission to reject this recommendation, and find in lieu thereof no probable cause to believe.

I. FACTS

At issue in this matter is activity undertaken by the State Party in late 1985 and in 1986. Specifically, the General Counsel's Brief focuses on several expenditures made by the State Party in connection with volunteer activities, or in the normal course of the State Party's operation, but which the Brief concludes should be considered coordinated

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expenditures on behalf of Jim Santini, the Republican Candidate for the United States Senate in Nevada in 1986, thereby causing the State Party to exceed its 2 U.S.C. § 441a(d) expenditure limitations in violation of 2 U.S.C. § 441a(f). Each of these activities is discussed below.

A. Yard Signs

The State Party ordered yard signs in May, 1986, and volunteers distributed these signs in mid-June 1986. These signs contained Jim Santini's name. The State Party treated its expenditure for the yard signs as an exempt volunteer activity.

B. Mailers Reported As Coordinated Expenditures

The State Party distributed to all registered Republican voters in Nevada a mailer identified as the Laxalt Endorsement Mailer (Exhibit 1). The State Party has maintained throughout this matter that this mailer constituted a coordinated Party activity pursuant to 2 U.S.C. § 441a(d), and has reported its expenditures for this mailer as such on its October, 1986 Quarterly Report. As such, this mailer is not the subject of the General Counsel's recommendations with respect to 2 U.S.C. §§ 441a(d) or 434(b)(6)(b).

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C. The "Special Report" Mailer

The General Counsel's Brief has identified six mailings by the State Party which it argues should have also been considered coordinated expenditures on behalf of the Santini campaign. One was mailed in December, 1985 to registered "Republican" households in the State of Nevada.1/ This mailer, identified as the "Special Report" (Exhibit 2), reviewed the performance of Nevada's two U.S. Senators and two U.S. Representatives (Senators Laxalt and Hecht, and Congresswoman Vucanovich and Congressman Reid).2/ The Report contained three sections. The first ("Vote Comparison") simply listed the votes of Nevada's four "Representatives in Washington" on five "key issues." The second ("Ratings") listed the ratings given Nevada's four elected federal officials by several different independent groups. These groups ranged from liberal to conservative, and none are

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1/ Respondents incorrectly noted that the Special Report was mailed in late January, 1986 at page 1 of the November 21, 1986 Response to the complaints in MURs 2231 and 2233. The General Counsel's Brief also assumes that this mailer was sent in late January, 1986. However, as the November 20, 1986 Affidavit of Stu Piper in MUR 2231 clearly states at ¶3, "[p]lanning and production of this Special Report was completed in late 1985, and it was mailed December 19, 1985."

2/ The General Counsel's Brief states that Harry Reid was one of the four individuals identified by name in the Special Report and implies that Nevada has more than four individuals representing the State in Congress. See p. 7 of the General Counsel's Brief (G.C. Brief"). This implication is contrary to fact. Nevada has only two Senators and two Representatives. Thus, this piece rated all of Nevada's elected representatives in Washington.

affiliated with Republican party committees. The third ("Summary") concluded that only one member of Nevada's Congressional delegation had consistently voted against President Reagan, and against Republican policies. This mailer contains no reference to any election, or to any candidate for public office, and contains no exhortation to vote for or against any person in any election. This mailing was not a volunteer activity and was appropriately reported by the State Party as an operating expenditure.

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D. Volunteer Mailings

Two additional mailings by the State Party were the subject of the Commission's reason to believe finding in this matter: first, a volunteer mailer identified as the Harry Reid "Short" piece, also referred to as the Anti-Reid Mailer; and second, a volunteer mailer identified as "World Class Spenders." The General Counsel's Brief identifies three additional volunteer mailers which were not the subject of the Commission's reason to believe findings. As was the case with the Harry Reid "Short" piece, and the World Class Spender piece, each of these mailers involved extensive volunteer activity and each was mailed by the State Party after the 1986 primary and prior to the general election. The activities of the volunteers who put out these mailings are detailed herein, below. These mailers are identified as "All About Money"; "Positively for Nevada"; and the

Laxalt/Santini Letter. Each of these volunteer mailings has been attached at Exhibit 3.

E. Franking Ads

Finally, the General Counsel's Brief includes two items which were not subject to either the reason to believe finding or to the Commission's Interrogatory and Document Request. These items, identified by the General Counsel's Brief as "Franking Ads," found at Exhibit 4, both encourage readers to express their concerns about potential violations of the Ethics Rules of the House of Representatives by Congressman Reid. The newspaper ad states "if you feel you have been affected by these mailings, write the Nevada Republican Party .... Your letters will be forwarded to the appropriate officials in Washington, D.C." The radio ads conclude "IF YOU ARE CONCERNED, WRITE TO THE NEVADA REPUBLICAN PARTY ... WE'LL SEE THAT YOUR CONCERNS ARE HEARD IN WASHINGTON."

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II. DISCUSSION

This matter essentially revolves around two issues: First, whether the volunteer activity engaged in by the State Party is appropriately characterized as exempt volunteer activity under 2 U.S.C. § 431(9)(B)(viii) and therefore not subject to the limits of 2 U.S.C. § 441a(d); and second, whether an informational mailing involving each one of Nevada's elected officials to the United States Congress,

issued in December 1985, as well as two advertisements concerning the use of the Congressional Frank by Congressman Reid, were appropriately treated as non-allocable expenditures by the State Party.

1. The Volunteer Activity Exemption

At the heart of this matter is the question of whether the yard signs and the volunteer mailers (Harry Reid "Short", World Class Spenders; All About Money; Positively for Nevada; and the Laxalt/Santini letter) meet the requirements of the Federal Election Campaign Act of 1971, as amended ("the Act") and the Federal Election Commission Regulations as activities exempt from the definition of expenditure. The Act states that:

> The payment by a state or local committee of a political party of the costs of campaign materials (such as pins, bumper stickers, handbills, brochures, posters, party tabloids, and yard signs) used by such committee in connection with volunteer activities on behalf of nominees of such party ...

do not constitute expenditures under the Act. 2 U.S.C. § 431(9)(B)(viii). The Commission has issued a regulation with regard to this volunteer activity exemption. The regulation states in pertinent part:

> The payment by a state or local committee of a political party of the costs of campaign materials (such as pins, bumper stickers, handbills, brochures, posters, party tabloids or newsletters, and yard signs) used by such committee in connection with volunteer

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activities on behalf of any nominee(s) of such party is not an expenditure, provided that the following conditions are met.

(i) Such payment is not for costs incurred in connection with any broadcasting, newspaper, magazine, billboard, direct mail, or similar type of general public communication or political advertising. For the purpose of 11 CFR 100.8(b)(16)(i), the term "direct mail" means any mailing(s) by a commercial vendor or any mailing(s) made from commercial lists.

(ii) The portion of the cost of such materials allocable to Federal candidates is paid from contributions subject to the limitations and prohibitions of the Act.

(iii) . . .

(iv) Such materials are distributed by volunteers and not by commercial or for-profit operations . . . .

(v) If made by a political party committee, such payments shall be reported by that committee as disbursements in accordance with 11 CFR 104.3, but need not be allocated to specific candidates in committee reports.

(vi) . . .

(vii) Campaign materials purchased by the national committee of a political party and delivered to a State or local party committee, or materials purchased with funds donated by the national committee to such state or local committee for the purchase of such materials, shall not qualify under this exemption. Rather, the cost of such materials shall be subject to the limitations of 2 U.S.C. 441a(d) and 11 CFR 110.7.

11 C.F.R. § 100.8(b)(16) (emphasis added).

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It is the wording of that regulation upon which state parties must rely in executing their volunteer programs, and upon which the Commission must base its assessment of such programs. The General Counsel's analysis focuses on two parts of this regulation, first whether there was volunteer activity pursuant to section (iv); and second, whether these volunteer activities were paid for with funds donated by the Republican National Committee and the National Republican Senatorial Committee contrary to section (vii).

A. Volunteer Activity

i. Volunteer Mailings

As attested to by Respondents and recognized by the General Counsel's Office, volunteers at the State Party's Offices unloaded shipments of flyers and placed the flyers in a conference room; unpacked the flyers and stamped each individual flyer with a non-profit mail seal, rebundled, tagged and listed the flyers by zip code, and transported each mailer to the post office where they were unloaded for mailing. See Affidavit of Franklin Steinberg Before The Federal Election Commission in MUR 2270 ("Steinberg Aff.") at ¶5-8.3/ This activity required hundreds of hours of

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3/ Mr. Steinberg, who coordinated volunteer activity described the volunteer activity in the following fashion:

> The Shipments, which weighed between 2,000 and 4,000 pounds each, were either in mail bags or in cartons. Volunteers would meet the truck for the

(continued...)

volunteer time from numerous individuals as seen by the lists of volunteers which assisted the State Party in accomplishing this volunteer activity. See Exhibit 5. Obviously, the volunteers handled and processed each and every piece of

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3/(...continued)
purpose of unloading the truck. Volunteers would lift and drag the mail bags containing anywhere between 60,000 and 100,000 flyers into a conference room where they would be stored until the volunteers were ready to process them. Often times the bags would have to be dragged between two buildings (the main office and the volunteer office) so that the volunteers could work on them. Tables would even be set up outdoors so the volunteers could do this work.

Processing the flyers usually took place on a short fuse. The flyers would often have to be turned around in twenty-four hours or less. Thus, sometimes volunteers would work through the night to get the flyers ready for delivery to the U.S. Postal Service.

Each bag was unloaded by volunteers and either they themselves or other volunteers would affix the NRP's postage paid stamp to each piece in the shipment. Individual bundles would often be untied and then retied when the volunteers were finished preparing them for mailing. Once processed, the flyers were rebundled and put into mail sacks for delivery to the Post Office. Every bag of volunteer mailing required a label for the Postal Service. I personally verified the labels on the bags and properly tagged the bags. The Post Office also required that we list how many sacks were bundled for each zip code.

Once the flyers were bundled for delivery to the Post Office, volunteers would load the processed exempt volunteer flyers onto a truck so that the mailings could be delivered to the Post Office. On one occasion, I drove the loaded truck myself to the Post Office. No matter who drove to the Post Office, however, volunteers would ride along in back of the truck so that they could unload the truck at the Post Office. Once the sacks were unloaded at the Post Office the activity for that individual flyer would be concluded.

Steinberg Aff. at ¶¶5-8.

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mail, meaning hundreds of thousands of pieces, which the State Party reported as exempt volunteer activities.

The General Counsel's Brief does not dispute that the volunteers played an active role in the distribution of these flyers. It concludes, rather, that this activity on the part of the volunteers was not enough (without stating what is "enough"), and mistakenly labels the activity a "commercial operation," which the General Counsel's Brief asserts was not "envisioned" by the Act. The General Counsel's Office therefore concludes that "the absence of the requisite volunteer involvement places the disbursements for the mailings outside the volunteer exemption and instead subject to the limitations of section 441a(d)." General Counsel's Brief ("G.C. Brief") at pp. 19-20.

There is no basis or precedent for the position that volunteer activity undertaken by the State Party is insufficient. Neither the Act nor regulations specify any minimum amount of volunteer activity, nor has the Commission issued regulations which identify specific activities which must be engaged in by volunteers. The Act and regulations require only volunteer activity generally. Thus, the General Counsel's conclusion is nothing more than an unprecedented, subjective determination that more unspecified volunteer activity is required to come within the exemption.

Moreover, the General Counsel's Brief fails to grasp the essential nature of the activities undertaken by volunteers

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in this matter. It is beyond dispute that without the hundreds of hours of labor undertaken by volunteers on behalf of the Nevada Republican Party none of the pieces would have actually been mailed. The volunteer activity was integral to the distribution of the materials as supported by the weight of the evidence in this matter.4/ Indeed, the fact that the State Party kept lists and took actual photographs of the volunteers, as found in exhibit 5, is further evidence of the State Party's conscientiousness in executing its volunteer program. Thus, any conclusion that these mailers were not the result of volunteer activities cannot be supported by the facts of this matter. In sum, this volunteer activity fits squarely within the exemption provided by 2 U.S.C. § 431(9)(B)(viii).

ii. Yard Signs

The General Counsel's Brief states that "the State Party asserts that volunteers handed out signs at rallies, signed

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4/ The General Counsel's Office also adds in a footnote that these mailers constitute "direct mail" under the Act and therefore do not qualify under the volunteer exemption. The basis for this conclusion seems to be that the mailers were printed by a commercial printing firm. See G.C. Brief at p. 19, ft.8. While these mailings were printed by a commercial printing firm, these mailings were not "mailings by a commercial vendor." (It is difficult to imagine in this day and age any mailer which has not been printed by a commercial printing firm.) As established above, these mailings were done by the State Party, with the State Party's list, and with all costs of production and postage paid for by the State Party. Further, without the volunteers, these mailings could not have been distributed. Thus, they were not direct mail as defined in 11 C.F.R. § 100.8(b)(16)(i).

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up persons to display the signs and installed the signs." G.C. Brief at pp. 17-18. The General Counsel's Office does not assert that this volunteer activity was insufficient or dispute that it occurred. See G.C. Brief at pp. 19-20. In fact, it is difficult to conceive of any other activity in which volunteers could have participated with regard to these Yard Signs. As a result, this volunteer activity also fits squarely within the exemption provided by 2 U.S.C. § 431(a)(b)(viii).

B. Funding of Volunteer Activities

The second issue addressed by the General Counsel's Brief with regard to these mailings is whether the source of the funds was from either the National Republican Senatorial Committee ("NRSC") or the Republican National Committee ("RNC"). As an initial matter, there is no question that the State Party "raised sufficient contributions from individuals subject to the limitations of the Act to pay for its entire volunteer activity program in 1986." Affidavit of Keith Davis before the Federal Election Commission in MUR 2270 ("Davis Aff.") at ¶ 6 (Exhibit 6). The General Counsel's Brief does not argue otherwise, nor could it.

Rather, the General Counsel's Brief included two charts prepared by the Audit Division based on the timing of contributions from the NRSC and the RNC vis-a-vis the expenditures for these volunteer mailings, concluding that

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both charts show that, on a first-in-first-out basis, national party money was used for some of the volunteer activities. However, this is not the standard imposed by either the Act or regulations.

The Act states that expenditures qualify as volunteer activities when "such payments are not made from contributions designated to be spent on behalf of a particular candidate or particular candidates." 2 U.S.C. § 431(9)(B)(viii)(3) (emphasis added). The regulations state only that "materials purchased with funds donated by the national committee to such state or local committee for the purchase of such materials, shall not qualify under this exemption." 11 C.F.R. § 100.8(b)(16)(vii) (emphasis added). Neither of these provisions state that money which has not been designated by the national party committees to be spent on behalf of a particular candidate, or for the purchase of such materials, cannot in fact be used for volunteer activities.

Thus, in order to prove a violation, the General Counsel's Office must show that monies received by the State Party from the RNC or NRSC were specifically designated to be spent on behalf of Jim Santini, or that the money was given by the RNC or NRSC specifically for the purpose of purchasing materials to be used in connection with volunteer activities. The General Counsel has not shown, and has not attempted to show, that the State Party purchased any materials used in

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connection with this volunteer activity with funds donated by either the RNC or the NRSC for the purchase of these materials or designated to be spent on behalf of Jim Santini. Moreover, there is no evidence to support such a showing. Without such a showing, however, the Act has not been violated.

Furthermore, the Audit Division's analysis of the State Party's accounts in this case is misleading. As an accounting matter, the Audit Division arbitrarily chose to use a first-in-first-out analysis when conducting its review of the federal account ledger. This accounting method is not specified in the regulations nor required by the Act. In fact, the regulations are silent as to this issue, and as noted above, require only that the monies used for volunteer activities were not designated by the national party to be so used.

Nonetheless, even starting with the very assumptions used by the Audit Division to make its analyses, the figures are still subject to numerous different interpretations equally as valid as the one chosen by the Audit Division. The Audit Division's assumptions were: 1) that cash on hand at 1/1/86 was $13,825.79, all privately funded; 2) that the deposit date of the funds determined when the funds were available to be spent; and 3) that disbursements were made in check number order. Had the Audit Division also assumed, for instance, that the State Party had put its federal money into

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two separate bank accounts, one containing contributions from sources other than the national party committees, and the second containing contributions from only the national party committees, and that the State Party made payments for all non-exempt volunteer activity out of its account which contained party money, this issue as to the source of the funds never would have arisen. The Audit Division would have determined, as seen above, that there was more than enough non-party committee money to pay for all of the volunteer activities engaged in by the Party. The Audit Division's analysis, therefore, reduces this regulation into a function of timing. However, neither the language of the Act nor the regulations have anything to do with timing. Further, as demonstrated below, even if timing were a relevant issue, despite the fact that there is no evidence that the national party money was contributed to the State Party for this purpose, at most only about $7700 would have been spent from party committee money - less than the cost of one mailer. In fact, within just days, the Party had received enough private money equivalent to this $7700, and more. See Davis Aff. at ¶ 5.

Further, the Audit Division's analysis, using its own accounting method, is misleading. First, both charts include the entire payment to James R. Foster. However, the May 2, 1988 Response of the Nevada Republican Party to the Interrogatories of the FEC in MUR 2270 clearly established

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that the Foster payment was for six mailers, and that while the State Party paid for all six mailers, only five were distributed as volunteer mailings. The sixth mailer, called Raise Taxes, was destroyed. This Raise Taxes mailer accounted for $9,074.18 of the $73,752.54 payment to James R. Foster (leaving a lump sum amount of $64,678.36 attributable to volunteer activities). Certainly there is no limit on where the money for this putative mailer could come from within the State Party's federal account.

More importantly, however, the State Party also provided the Commission, at its request, with the actual costs of two of the remaining five mailers in its May 2 Response. Specifically, the Harry Reid "Short" Mailer cost $11,918.00 and the World Class Spender Mailer cost $9,074.18. The cost of the three remaining mailers was as follows:

All About Money - $9,074.18;
Positively for Nevada - $22,750.00;
Laxalt/Santini letter - $11,862.00.

The General Counsel's Brief seems to suggest that the entire payment to James R. Foster would be tainted by any "Party" money even though this payment accounted for five distinct volunteer mailings in addition to a mailing which was destroyed and could be paid for as the State Party chose. Obviously, had the State Party issued six different checks for these mailers, the entire payment would not have been tainted by RNC/NRSC money. The Commission's analysis is therefore inherently incorrect and overbroad.

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Furthermore, even under the General Counsel's analysis the State Party needed only sufficient non-national party committee funds in its federal account at the time of the purchase of the materials to satisfy the General Counsel's standard. Five payments were identified by the Audit Division as having been made with some proportion of state party money: the payments for the yard signs; the payment to James R. Foster for six distinctive mailings as identified above; and payments in early November for three items used in connection with the volunteer activities. An independent review of the State Party's federal financial activity in 1986 shows that the State Party had sufficient contributions from individuals to pay entirely for the yard signs paid on August 14, 1986. See Davis Aff. at ¶ 3. "In fact, based on the funds available to be spent, it appears that from July 2 through the end of September, the State Party may have had only private funds (i.e. moneys not transferred to the State Party from either the RNC or the NRSC) in its federal account." Id. Further, this analysis shows that, with regard to the payment to James R. Foster, "at most $7,770.81 came from moneys transferred to the State Party from either the RNC or the NRSC." Id. at ¶ 4. This is less that the cost of one mailer. "Finally, the State Party received sufficient private funds after October 29, 1986 to cover the cost of the three remaining expenditures identified by the

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Audit Division as having been paid for from RNC money." Id. at ¶ 5.

2. Other Activities

The remainder of the activities engaged in by the Party do not involve the volunteer exemption of 2 U.S.C. § 431(9)(B)(viii). The question with regard to these materials is whether or not they constitute coordinated expenditures as asserted in the General Counsel's Brief. Section 441a(d) of the Act requires that in order to be counted against a state party's limits, an expenditure must be "in connection with the general election campaign of candidates for Federal office."

The General Counsel's Brief states at page 3 that "[t]he Commission has consistently taken the position that such communications are subject to the limitations of section 441a(d) where they are made for the purpose of influencing the general election, depict a clearly identified candidate, and convey an electioneering message." Advisory Opinion 1984-15 and other unspecified Advisory Opinions are cited in support of this position .

The Commission's Advisory Opinions, including 1985-14, 1984-15 which involved questions on coordinated expenditures, and 1978-46 before that, have each involved communications which expressly advocate a candidate's election or defeat. This express advocacy requirement is consistent with that

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held by the Supreme Court in FEC v. Massachusetts Citizens for Life, Inc. (MCFL"), 107 S. Ct. 616, at 623 (1986) to be necessary in order to find a violation of this "in connection with" standard. In MCFL, the Court reviewed its holding in Buckley v. Valeo, 424 U.S. 1 (1976) in which it distinguished "between discussion[s] of issues and candidates and advocacy of election or defeat of candidates." The Court stated explicitly that "[w]e therefore hold that an expenditure must constitute 'express advocacy' in order to be subject to the prohibition of § 441(b)" which prohibits a corporation from making an expenditure "in connection with" any election.

Further, the State Party made clear in its response to MURs 2231 and 2233 that it believed the standard applicable to section 441a(d) expenditures was this express advocacy standard and was thus interpreting the term "electioneering message" as such. This position is not addressed by the General Counsel's Brief in this matter.5/ Rather, the General Counsel's Brief states only that "[r]espondents have previously asserted, however, that this mailer does not contain an electioneering message, and as such, would not qualify as a section 441a(d) expenditure." G.C. Brief at 7.

5/ In fact, the General Counsel's Brief never attempts to define the term "electioneering message."

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A. Special Report

The Special Report meets none of the requirements of an expenditure subject to section 441a(d). It was distributed in December of 1985 to Republican households in Nevada and reviewed the record of each individual representing Nevada with regard to several issues of public interest. Nonetheless, the General Counsel's Brief attempts to label this mailer as a section 441a(d) expenditure on the basis of a purely conclusory analysis.

After a brief review of the mailer's contents, the General Counsel's Brief states that "The ad notes a clearly identified candidate, Harry Reid. Because Mr. Reid was the obvious nominee of his party at the time the mailer was sent, the mailer is for the general election." G.C. Brief at p. 7. The Brief goes on to conclude that "[i]t is the opinion of the Office of the General Counsel that the Special Report mailer does include an electioneering message in its criticism of Harry Reid." Id. at pp. 7-8.

Apparently the General Counsel's Office knows something that not even Harry Reid could have been certain of at the time of this mailer; that in December, 1985, eleven months before the general election, he was the obvious nominee of his Party for the office of United States Senate. Harry Reid did not even declare his candidacy until February 11, 1986.6/

6/ The General Counsel's Brief states that Harry Reid (continued...)

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How he could have been assured of his party's nomination more than a month prior to becoming a candidate for his party's nomination in the primary election is not explained by the General Counsel's Brief.7/ This is pure speculation.

Furthermore, each and every individual who represented Nevada in the United States Congress was identified without reference to party affiliation; without reference to their candidacy for any office; and without reference to any election. In fact, the nearest election was nearly nine months away. So how is it that the General Counsel's Office concludes that this mailer includes an electioneering message? It notes that Harry Reid's voting record is different from that of Nevada's other three elected representatives in Washington. Specifically, the General Counsel's Brief states that the mailer focuses on issues that set Harry Reid apart from the rest of the congressional delegation.8/ However, the issues addressed in this mailer

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6/(...continued)
filed his Statement of Organization on January 31, 1986. The precise date, however, has no affect on the outcome of this matter.

7/ As previously noted in Respondents Brief of November 21, 1986 in MURs 2231 and 2233 at p. 11, n. 2, as late as May, 1986 Harry Reid stated in an answer filed with the House Committee on Congressional Mailing Standards that he was not "a candidate for any other public office."

8/ Clearly, Harry Reid could be set apart from the rest of the congressional delegation simply by being identified as a Democrat. This means that sending a mailer to Republican households in Nevada in December 1985 stating
(continued...)

were all issues which were part of the public debate in Nevada. See Affidavit of Stu Piper Before the Federal Election Commission in Mur 2231 and 2233 at ¶ 4. Indeed, one need only refer to any reference text on politics, such as Politics in America, to see some of Harry Reid's votes on the very same issues being discussed. Furthermore, the State Party has already provided copies of mailings done by interest groups in Nevada similar to the Special Report. See November 21, 1986 Response of the State Party in MURs 2231 and 2233 at Attachment 2. Moreover, this informational mailing in December, 1985 does not encourage the reader to take any action with regard to Harry Reid. In fact, the recipients, readers in Republican households in Nevada, could not possibly take any election related action until November, 1986, eleven months away. When viewed in this light, it is obvious that this mailing was not made in connection with the general election on behalf of Jim Santini, who did not himself establish an exploratory Committee until February 21, 1986, and did not become a candidate until April 4, 1986.

Thus, we can only assume that the General Counsel's position with regard to this mailer is akin to a flat prohibition against any criticism of a Member of Congress.

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8/ (...continued)
only: "Harry Reid - Nevada's Democratic Congressman" would have been enough to make this a coordinated expenditure under the General Counsel's analysis.

This view is clearly at odds with Buckley v. Valeo, 424 U.S. 1 (1976). In that case, the Supreme Court recognized the difference between election advocacy and issue advocacy. See Buckley 424 U.S. at 42, and notes the importance of distinguishing the two. Buckley stands for the proposition that criticism of an incumbent Congressman is not the basis for finding that a mailer expressly advocates the election or defeat of that Congressman, especially when the Congressman has not become a candidate for office, no election is to be held for nearly nine months, and the reader is not urged to take any action whatsoever, never mind election related action, with regard to that Congressman.9/

B. Franking Ads

Finally, two franking advertisements placed in May and June of 1986, prior to the September primary, are alleged to meet the requirements of 2 U.S.C. § 441a(d). Again, both of these advertisements involve pure issue advocacy.

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9/ Footnote 5 of the General Counsel's Brief was meant to guard against the possibility that the State Party would assert that this was an expenditure for the 1986 House Race, finding that this position would also implicate violations of the Act. What the footnote fails to recognize is that the argument that the State Party could also violate the limits with respect to the House race completely undermines the General Counsel's position that Harry Reid was the obvious nominee of his party for the office of United States Senate. He clearly could not have been the obvious nominee for both the House and the Senate. This further underscores the fact that the Special Report treats Harry Reid as an incumbent Congressman in the same way that it treats each of his counterparts: as incumbents.

Unlike the Special Report mailed in December, 1985 which does not identify Harry Reid as a candidate for office, these Franking Ads do state that Harry Reid is a candidate for another office, a statement denied by Harry Reid himself in responding to these alleged violations of the Franking Laws. See footnote 6 above. This identification, however, is not enough to convert these ads into expenditures subject to the limits of Section 441a(d). In fact, the ads only identify Harry Reid as a candidate insofar as it is necessary to explain why he may have broken the franking law quoted in the newspaper ad. The ad states:

> The law is clear: "A Member of the House who is a candidate for any other public office may not frank any mass mailing when (it) is delivered to any address outside the area constituting the congressional district from which such Member was elected."

See Exhibit 4. The newspaper ad goes on to show how the law is applicable to Harry Reid.10/ Further, both ads conclude with the specific request for the audience to "write the Nevada Republican Party." Once again, however, the General Counsel's office has taken the view that anything that reflects poorly on an incumbent is akin to express advocacy.11/ However, these ads clearly do not expressly

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10/ The Radio ad is substantially similar to the newspaper ad.

11/ In footnote 10 of The General Counsel's Brief at p. 22 the General Counsel's Office explicitly addresses this (continued...)

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advocate the defeat of Harry Reid, or the election of any other candidate. They do not advocate that the reader vote, or refer to any election. The only action these ads "urge" the public to take is to write the State Party. They are unambiguous. Thus, these franking ads were properly considered operating expenditures by the State Party and do not come within the preview of section 441a(d).

III. Reporting

the General Counsel's Office recommends finding a violation of 2 U.S.C. § 434(b)(6)(B) because it states that "aside from the disbursements made for the Laxalt Endorsement, the State Party has not reported these expenditures as coordinated party expenditures." G.C. Brief at p. 21. In fact, however, the State Party has appropriately reported each and every one of these

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11/(...continued)
question of express advocacy. It states "[i]t is also the opinion of this Office that the Franking Newspaper Ad and The Franking Radio Ad constitute express advocacy under FEC v. Furgatch, 807 F.2d 857 (9th Cir.), cert. denied, 108 C. Ct. 151 (1987). Furgatch demands precisely the opposite conclusion. The holding in Furgatch was that in order to be express advocacy the language must "be susceptible of no other reasonable interpretation but as an exhortation to vote for or against a specific candidate." 807 F.2d at 864. The court goes on to explain that one component of its finding is that "[s]peech cannot be 'express advocacy of the election or defeat of a clearly identified candidate' when reasonable minds could differ as to whether it encourages a vote for or against a candidate or encourages the reader to take some kind of action." Id. Here reasonable minds can differ. The speech explicitly urges the audience to write the State Party in connection with a potential examination by Congress of alleged violations of its Rules by an incumbent Congressman.

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expenditures as operating expenditures as can be seen from the reports on record with the FEC. The regulations specifically state that volunteer expenditures "shall be reported by [a political party committee] as disbursements, in accordance with 11 CFR 104.3, but need not be allocated to specific candidates in committee reports." 11 C.F.R. § 110.8(b)(16)(v). Further, the State Party has adhered to the requirements of 11 C.F.R. § 104.3 in reporting its expenditures for the Special Report and the Franking ads as operating expenditures.

IV. Notices

Finally, the State Party identified each mailer which is the subject of this MUR, as "[p]aid for by the Nevada Republican Party. In so doing, the State Party has been completely forthright in disclosing its activities and the general public has been, at all times, aware that the State Party was responsible for these mailers and advertisements.

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Accordingly, the FEC should find no probable cause to believe that Respondents violated the Act.

Respectfully submitted,

Jan W. Baran

Carol A. Laham

Carol A. Laham

Wiley, Rein & Fielding
1776 K Street, N.W.
Washington, D.C. 20006
(202) 429-7000

Counsel for Respondents,
Nevada Republican Party/
Nevada Republican State Central
Committee - Federal Account and
Dan J. Peterson, as Treasurer

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Laxalt Endorsement Mailer

9104086057 2

Jim Santini

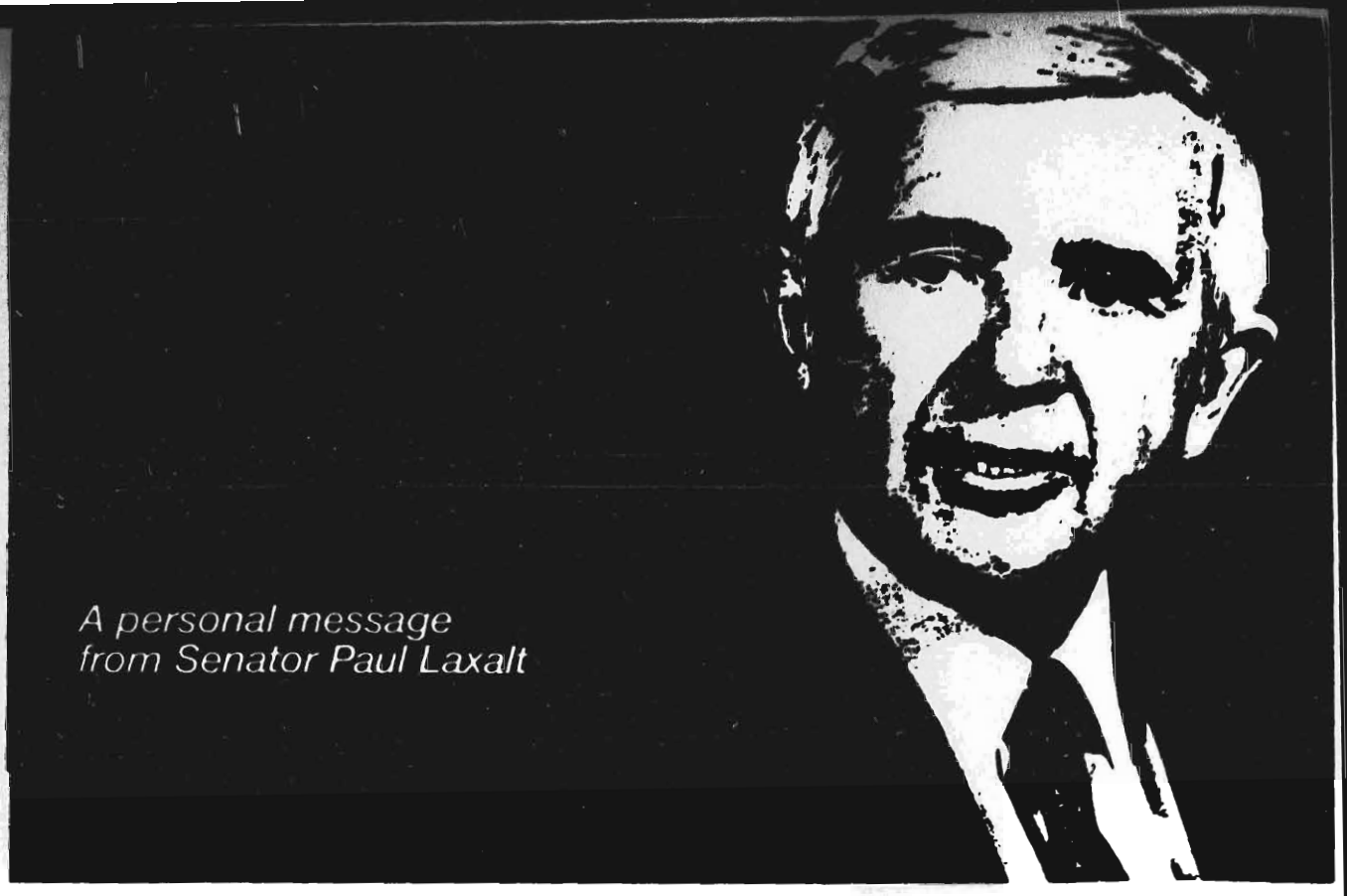
New Republican Leadership

Nevada Republican Party
121 Hill Street
Reno, Nevada 89501

Jim Santini: Real Accomplishment for Nevada

- Member of Congress 1974-1982.
- Received Watchdog of the Treasury award on numerous occasions from the National Federation of Independent Business.
- Copper Club "Man of the Year" award, 1980: first public office holder to receive this award.
- Man of the Year award 1981: Travel Industry Association of America.
- Guardian of Small Business award National Federation of Independent Business, 1980.

- Outstanding Congressional Leadership Award 1978: National Association of Counties.
- Chairman and Co-Founder, House of Representatives Travel and Tourism Caucus, 1980-1982.
- Chairman, House of Representatives Subcommittee on Mines and Mining, 1979-1982.
- Member, House Committee on Energy & Commerce, 1975-1982.
- Member, House Committee on Interior & Insular Affairs, 1975 – 1982.
- Member, National Strategic Materials and Minerals Program Advisory Committee, 1984-present.
- Member, Nevada Commission on Tourism, 1983-1986.
- Justice of the Peace, Las Vegas, Nevada 1970-1972.
- Public Defender, Clark County, Nevada 1968-1970: named one of three Outstanding Public Defenders in America 1969.
- Deputy District Attorney, Clark County Nevada 1966-1968.
- Owner/Lecturer "Nevada Bar Review" 1968-1973.
- Bachelor of Science Degree in Education, University of Nevada, Reno, 1959.
- [illegible] Laws Degree, Hastings College of [illegible] University of California San Francisco, 1962.



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Dear Friend,

This election year everything you and I have worked so hard for is threatened. Republicans could lose control of the Senate to the same kind of big government, big spending philosophy we experienced under Jimmy Carter and Walter Mondale. President Reagan's programs could be severely jeopardized.

But with vigorous new leaders like Jim Santini, I am convinced we will continue to expand our economic and moral recovery.

Jim Santini has long been a supporter of causes important to you and me. Now Jim has formally joined the Republican party. And that's important for Republicans who want a United States Senator with the leadership, experience and courage of conviction our Party needs.

I can tell you from personal experience, Jim Santini is a good and decent man . . . a man of high principle . . . a hard worker who has achieved great things for Nevada and America through his public service.

Jim Santini has the know-how, determination, and leadership that puts common sense and positive results above all else.

Jim Santini is exactly the kind of Republican we need to provide vision and forceful leadership for the 80's and beyond.

Paul Laxalt

Paul Laxalt
United States Senator

P.S. Please!! Do your part!
On September 2, go to the polls and join me in supporting Jim Santini.

Leadership
A Nevada Tradition

Jim Santini will maintain the Nevada tradition of leadership and common-sense to work against liberal politicians more interested in bigger government than in solving our Nation's problems.

And that's good news for those of us who want to continue the reforms initiated by Ronald Reagan . . . like honest tax reform and real relief . . . a federal government that helps, not hurts, our efforts to build an educational system which teaches children the basics, and prepares them to meet the challenges of adulthood . . . a greater concern for the needs of our older neighbors who've worked hard to enjoy their retirement years . . . and a more sensible approach to environmental protection, economic development, and the fight against drugs and crime.

"Like President Reagan, I started out as a Democrat in the party of Franklin Roosevelt and Harry Truman. But with Democratic leaders like Jimmy Carter, Tip O'Neill, and Walter Mondale, a "spend more-tax more" policy emerged that put our country on the verge of collapse.

"I asserted my independence in 1981, joined a handful of others in bucking the Democratic power bosses and gave President Reagan the narrow margin he needed to restore our economy at home and our image abroad. It was a difficult decision—but it was right.

"I'll always maintain my independent spirit. And now, as a Republican, I can enjoy the support and commitment of those who share my desire to maintain a strong America and a healthy and flourishing Nevada."

Jim Santini

For more than 20 years Jim Santini has proven he'll stand up for our beliefs with vigor, courage and confidence.

And with everything at stake in this election year, we need that now, more than ever.

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A [redacted] man.
A great Senator!

For eight years, Jim Santini was Nevada's lone voice in the House of Representatives, earning an outstanding reputation of hard work and high accomplishment for the people of our state.

Jim Santini is in step with Nevada.

As our Congressman, Jim Santini was constantly on guard for the people who pay the taxes, who want big government out of their lives and away from their paychecks.

He fought for fair and lasting tax relief and an end to wasteful government spending. He helped make government tighten its belt when families had to tighten theirs.

But Jim Santini's tireless devotion to making government more responsive isn't surprising. He spent his entire life helping the working men and women who live in Nevada.

As a Deputy District Attorney in Clark County between 1963 and 1968 he investigated and prosecuted dangerous criminals. Later, he served as Justice of the Peace for Las Vegas and as a Clark County District Court Judge.

Then, in 1974, Jim Santini was elected to the United States Congress. An impressive record of real accomplishment followed.

That's why the National Federation of Independent Business awarded Jim Santini its "Watchdog of the Treasury" Award and that's why he received the "Outstanding Congressional Leadership" award from the National Association of Counties.

Jim Santini, One of us, for all of us. A proven fighter for Nevada. A good man. A great United States Senator.

Jim Santini

New Republican Leadership

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Special Report Mailer

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SPECIAL REPORT T
NEVADA REPUBLICAN
WHO LISTENS TO YO
IN WASHINGTON D.C

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Senate Vote Comparison

**Separating political rhetoric from the facts can be difficult.
That's why the Nevada Republican Party has published this report.
Here's how our Representatives in Washington have voted on key issues.
Compare your positions with theirs, then decide who best represents you.**

		SENATORS		REPRESENTATIVES	
		PAUL LAXALT	CHIC HECHT	BARBARA VUCANOVICH	HARRY REID
1	**Line Item Veto — Give President Reagan the ability to cut the federal budget.** CQ#11, CQ#86, CQ#87, HR 2879, 1984	YES	YES	YES	NO
2	**Raise taxes by placing a $720 limit on President Reagan's 10% income tax cut in 1983.** CQ#207, 1983 CQ#170, 1983	NO	NO	NO	YES
3	Constitutional Amendment to balance the federal budget. CQ#334, 1984 CQ#238, 1982	YES	YES	YES	NO
4	Require literacy test for high school students. CQ#315, 1983	YES	YES	YES	NO
5	Support anti-Communist freedom fighters in Nicaragua. CQ#264, 1984 CQ#254, 1984	YES	YES	YES	NO

Positions have been taken from public statements and official records of the United States Congress
A copy of this report has been submitted to the Federal Elections Commission, Washington D.C.

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Section 2 Ratings

		SENATORS		REPRESENTATIV	
		PAUL LAXALT	CHIC HECHT	BARBARA VUCANOVICH	HAR REI
1	**Presidential Support** Figured on the number of times a member of Congress supported President Reagan's position on Legislation during 1983 and 1984.	80	87	72	3E
2	**Conservative Coalition** Based on the number of times a member of Congress supported the position of the Conservative Coalition (a group of conservative Democrats and Republicans) during 1983 and 1984.	83	91	90	3E
3	**American Conservative Union** A Congressional watchdog organization that rates members of Congress based on their support for free enterprise, limited government, strong national defense, and family values. (1984 ratings)	95	95	96	17
4	**American Security Council** Rates members of Congress on their support of foreign policy issues that protect the security of America.	100	100	100	4C
5	**Chamber of Commerce** Rates members of Congress on their support for small business and a strong economy.	89	89	82	28
6	**Americans for Democratic Action** A liberal organization that rates members of Congress on their support for increasing welfare and food stamp programs, forced busing, etc. . . .	5	0	0	7C

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Among the four members of Nevada's Congressional delegation in Washington D.C., only Harry Reid has consistently voted *against* President Reagan, a balanced federal budget, and fairer spending and tax policies.

In short, Harry Reid represents a philosophy that promises to raise taxes and spend our nation back to bigger government, bigger deficits and the certainty of higher interest rates and renewed unemployment.

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PLEASE RETURN TO: BUREAU OF LAND MANAGEMENT
Service Center
Denver Federal Center
Building 50
Denver, Colorado 80225

Harry Reid "Short"/ Anti-Reid Mailer

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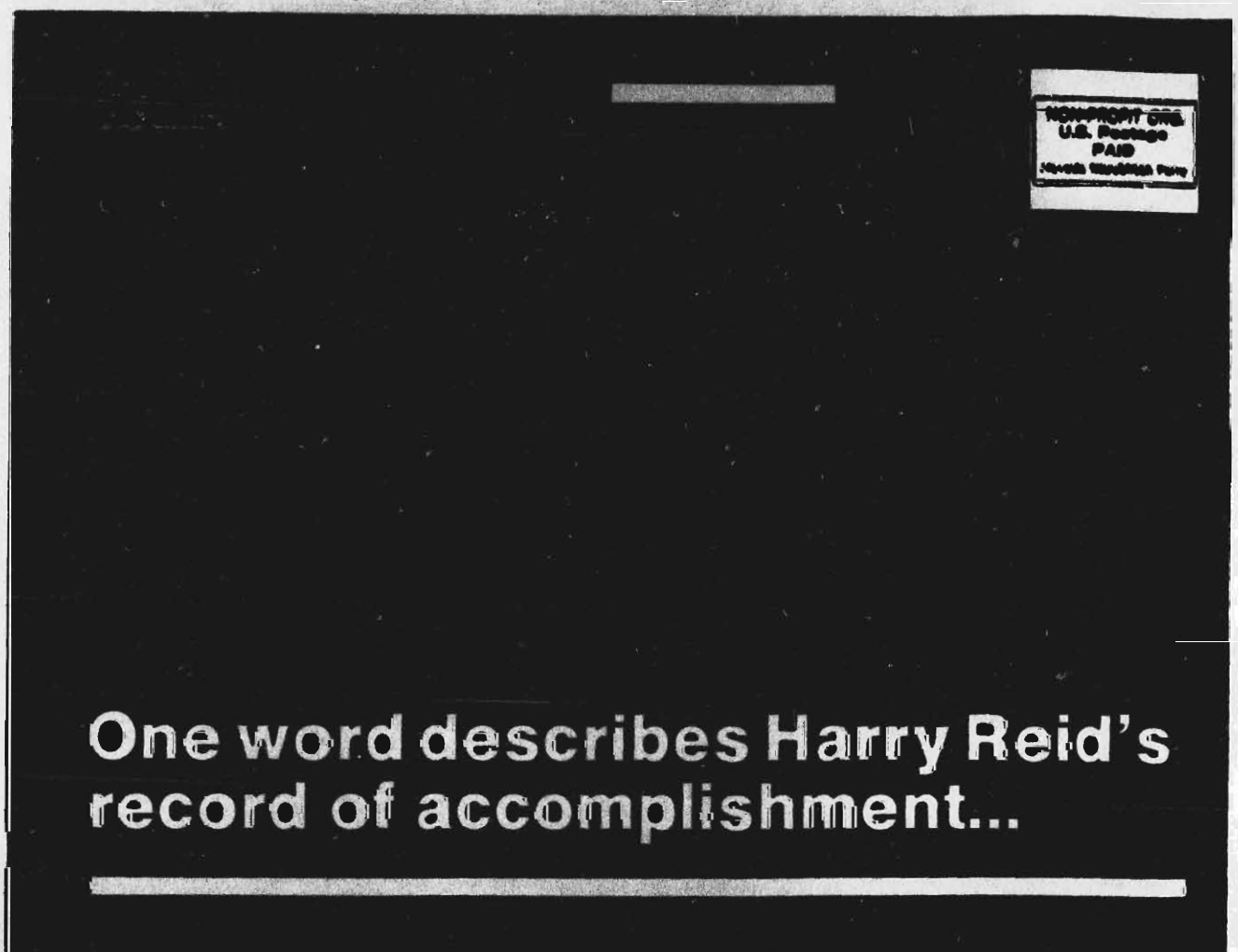

SHORT

9104036U586

Only two laws...

That's right. According to official public records, since his election to Congress, Harry Reid has written only two bills that became law.

Neither of Harry Reid's new laws created jobs for Nevadans.

Neither cut wasteful spending.

Neither reduced taxes . . . or improved education . . . or helped senior citizens.

It's not that Harry Reid has a bad record. It's just that he doesn't have much of any record at all.

So while Harry Reid wasn't working for Nevada, what was he doing?

Again, official records show that in 1983, his first year in Congress, Harry Reid visited 6 foreign countries at taxpayer expense.

Harry Reid traveled to Israel, Saudi Arabia, Japan, China, Singapore and Taiwan.

Then Harry Reid sent his travel bills to us, the taxpayers. Over $14,000 in bills.

In 1985, Harry Reid visited 10 more foreign countries—Portugal, Belgium, Israel, Denmark, Russia, Austria, Ireland, Switzerland, Italy and Yugoslavia.

And again Harry Reid billed us taxpayers. That time, nearly $15,000.

Of course, Harry Reid casts a lot of votes in Congress too.

Like his vote against allowing Congress to debate the Balanced Budget amendment.

Like his vote to raise taxes by placing a $720 limit on the 10% income tax cut in 1983.

And like his votes against President Reagan and his votes in support of Tip O'Neill.

In fact, official voting records say Harry Reid has opposed President Reagan 60% of the time. And he's supported Tip O'Neill and the liberals in Congress an average of 85% of the time.

So, that's Harry Reid. And that's Harry Reid's record. The long and the short of it.

Source: Congressional Quarterly. 1414 22nd Street, N.W., Washington, D.C. 20037-9982

World Class Spender Mailer

9104036058 7

9104036058 8

Permit Holder:
Nevada Republican Party
421 Hill Street
Reno, Nevada 89501

NON-PROFIT ORG.
U.S. Postage
PAID
Nevada Republican Party

WORLD CLASS SPENDERS

Six years ago Jimmy Carter and Walter Mondale controlled the White House. Tip O'Neill the House of Representatives. And Ted Kennedy and his friends the U.S. Senate. But they lost control and now, they want it back. Harry Reid is their candidate for Senate. And Nevada is their first step.

When first elected to Congress, Harry Reid promised moderate representation, independent from the political bosses and powerful special interests.

Now, Harry Reid is a candidate for United States Senate. And again, he promises moderate, independent representation.

But Harry Reid's record shows that he is a lot better at making promises than he is at keeping them.

Harry Reid, Tip O'Neill and Walter Mondale: raise taxes, increase spending

According to The Congressional Quarterly, Harry Reid has voted more than 8 out of 10 times with liberal Speaker of the House, Tip O'Neill.

And he's voted 60% of the time against President Reagan.

When Ronald Reagan tried to cut your taxes and bring runaway spending under control, Harry Reid fought the President and ridiculed his efforts.

Instead, he worked for Walter Mondale's campaign for President and supported Mondale's formula of higher taxes and increased spending.

In 1983, Harry Reid voted to raise our taxes by putting a $720 lid on the ten percent tax cut that took effect that year.

And one year later, Harry Reid joined Tip O'Neill and voted for the biggest tax increase in history — over $47 Billion in new taxes.

Against line-item veto and balanced budget

Harry Reid wants you to believe he is a fiscal conservative. But what he doesn't mention is that each year he has voted to increase spending — and the national debt — by Billions of dollars.

Now, rather than own up to his share of the blame for the federal deficit, Harry Reid blames President Reagan.

Even though Harry Reid voted against giving the President the ability to cut spending with the line-item veto.

And even though Harry Reid voted against an Amendment that would have forced Congress to balance the federal budget.

How to get ahead: put yourself first, and taxpayers last

Worst of all, while Harry Reid is voting to take more of your money away in higher taxes, he has refused to cut any of the tax money he spends on himself.

He voted against cutting his own expense account by 10% . . .

and against reducing the money he and his fellow Congressmen spend on their political mailings.

Harry Reid even voted against cutting back on the number of public employees who operate the automatic elevators in his Congressional office building.

Harry Reid: Congress' 40th biggest spender

In fact, in 1985, only 39 out of 435 other Congressmen have voted to spend more money than Harry Reid.

According to the National Taxpayers Union, Harry Reid has voted with the Taxpayers and the working men and women of America fewer than 3 out of 10 times.

One reason they've named Reid a "Big Spender" every single year he has been in Congress.

Now, Ted Kennedy is working to elect Harry Reid to the Senate — and has already contributed $10,000 to Reid's campaign.

Ted Kennedy knows, just like Tip O'Neill, that he can count on Harry Reid to support his big spending programs and the higher taxes to pay for them.

Harry Reid has not kept his word on taxes and spending. And he has not been honest with us on other important issues.

It's an old story. Tell the voters what they want to hear, but once elected, put your own political ambition first.

That's how a politician gets ahead.

On November 4th let's make it our turn to get ahead. Vote NO on Harry Reid and his political promises.

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All About Money Mailer

91040360590

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Permit Holder:
Nevada Republican Party
421 Hill Street
Reno, Nevada 89501

NON-PROFIT 3.93
U.S. Postage
PAID
Nevada Republican Party

All about money...

YOUR MONEY?

Here are six things you should know about Harry Reid's record before you vote.

1. In 1984, Harry Reid voted for the biggest tax hike in history — 47 Billion Dollars.

Congressional Quarterly, 1984
H.C.R. 280 CQ63

2. His first year in Congress, 1983, Harry Reid voted to raise our taxes by placing a $720 lid on President Reagan's ten percent tax cut.

Congressional Quarterly, 1983
H.R. 1183 CQ207

3. Harry Reid opposed legislation that would have forced Congress to balance the Federal Budget.

Congressional Quarterly, 1984
H.R. 2848 CQ384

4. Harry Reid voted with House Speaker Tip O'Neill more than 8 times out of 10 times. He opposed President Reagan 60% of the time.

Congressional Quarterly, 1983, 1984, 1985

5. According to the non-partisan National Taxpayers Union, only 39 out of all 435 members of Congress voted to spend more tax money than Harry Reid during the last three years. They have named Harry Reid one of Congress' "Big Spenders" every year since his election.

6. House Speaker Tip O'Neill and Senator Ted Kennedy are working hard to elect Harry Reid. Kennedy has already contributed $10,000 to Harry Reid's campaign.

FEC, June 28, 1986

On November 4th, say no to the politics of tax more—spend more... say no to Harry Reid.

9104086059 2

Positively For Nevada Mailer

9104086059 3

Permit Holder:
Nevada Republican Party
421 Hill Street
Reno, Nevada 89501

Non-Profit 3rd
U.S. Postage
Paid
Nevada Republican
Party

CAR-RT SORT C-R R01

JILL R PURSEL
2690 V LONE TREE RD
FALLON, NV 89406

"...I may never again ask for your vote...

"...I may never again ask for your vote...

9 1 0 4 0 8 6 0 5 9 5

...but I need Jim Santini now."

"I came to know Jim Santini when he and a handful of Democratic Congressmen courageously supported my budget and tax cuts in 1981. Jim kept his word to me, despite great pressure from his party's liberal leadership.

"He's a man of integrity . . . in the mainstream of Nevada. For America, I must have the support of those senators who share our values. I need Jim Santini to succeed Senator Paul Laxalt in the Senate."

Ronald Reagan

★

"In traveling throughout Nevada, one thing comes through loud and clear. Nevadans are just fed up with negative campaigning such as the Reid campaign conducted against me and my family back in 1974.

"That's why I'm asking you to look beyond the personal attacks on Jim Santini and instead look at his great record as our Congressman for eight years. And I'm asking you to vote to keep Nevada on the same side as President Reagan.

"You'll be proud of the job Jim does in the U.S. Senate. I know I will be too."

Paul Laxalt

A Positive Plan For Nevada's Future

On Nuclear Waste

Jim Santini was the first elected official to oppose nuclear waste. In fact, it was his amendment in 1980 in Congress which first gave states a veto over nuclear dumping.

Balanced Budget Amendment

Jim Santini voted for a Balanced Budget Amendment and voted for the tough Reagan budget cuts in 1981 that reduced our nation's deficit and cut our taxes – the largest tax cut in history.

National Defense

As the only veteran in the U.S. Senate campaign, Jim has always supported a powerful, but cost efficient, National Defense and has earned an 80% rating from the American Security Council

Right to Work

Jim Santini has a clear record of support for Nevada's Right to Work Law and has always said so

Nevada Lands

Jim Santini, Nevada's leader of the Sagebrush Rebellion while in Congress, believes in preserving our state's beauty, but believes that the use of Nevada's land should be determined by Nevadans and not by Washington bureaucrats.

Drugs and Crime

Jim Santini proposed a 12-point program to curb drug abuse in America. As a former prosecutor, District Court Judge, and a concerned father, he has seen first hand the tragic effects of drug abuse and will continue to push for stringent laws to combat the problem.

Seniors

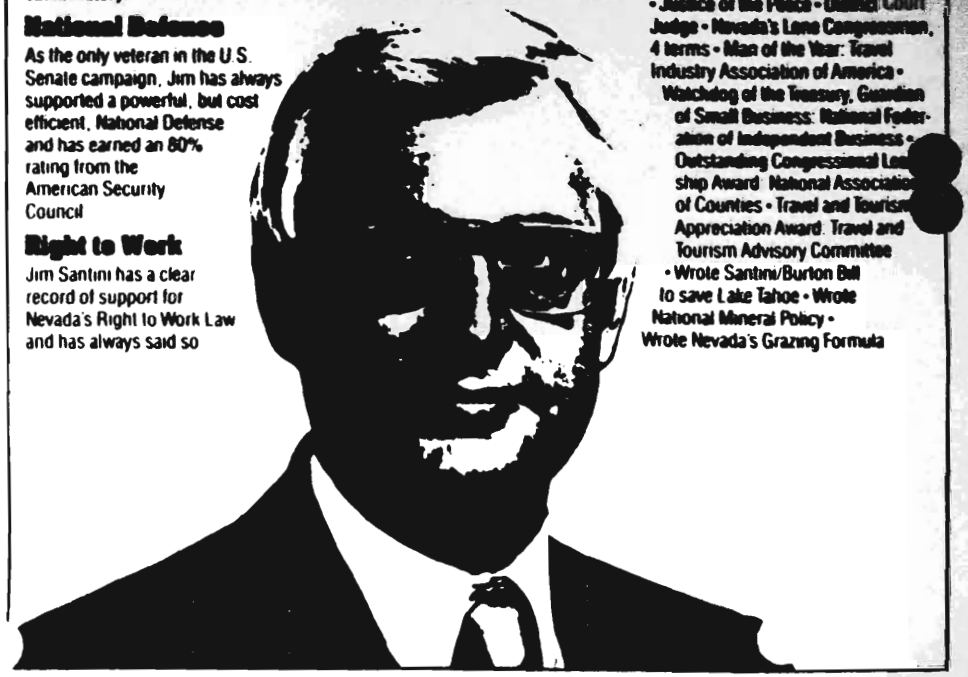
Jim Santini opposes mandatory retirement and any cut in Social Security.

Veterans

Jim Santini has always voted for cost of living increases for America's veterans.

A Record of Helping Nevada

• Clark County Deputy District Attorney • Justice of the Peace • District Court Judge • Nevada's Lone Congressman, 4 terms • Man of the Year: Travel Industry Association of America • Watchdog of the Treasury, Guardian of Small Business: National Federation of Independent Business • Outstanding Congressional Leadership Award: National Association of Counties • Travel and Tourism Appreciation Award: Travel and Tourism Advisory Committee • Wrote Santini/Burton Bill to save Lake Tahoe • Wrote National Mineral Policy • Wrote Nevada's Grazing Formula



Laxalt/Santini Mailer

9104036005996

Jim Santini
830 Pinehurst
Las Vegas, Nevada 89109

Dear Fellow Republican,

Election day is nearly here and I'm certain you are saying, "Thank goodness". Believe me, I echo your sentiments.

However, before another day goes by, Ann and I wanted to thank each of you for accepting us into the Republican party. Indeed, your patience and understanding is deeply appreciated.

Also, a brief comment on party change. In hindsight, I now wish I had changed parties earlier. However, as you know, I have consistently and strongly supported Ronald Reagan's programs with my votes and public stands despite intense pressure and threats from the Democratic leadership.

I am very proud of the support I gave President Reagan, and you can be absolutely confident I will continue to support the President and our Republican party, whether in the U.S. Senate or as a private citizen.

For me, as President Reagan has said, "It is better to leave your party than your principles". That is what I did and I'm proud to be a part of the Republican team.

I am particularily grateful for the support of our outstanding Senator Paul Laxalt, our totally dedicated Congressman Barbara Vucanovich, and our state and local party leaders.

Most of all, I am grateful to all of our Nevada Republicans who have supported me through the tough primary and general election months. You were outstanding.

No one replaces Senator Paul Laxalt. He's one of a kind.

But I do promise you that, just as I fought and worked for Nevada people and Nevada issues in Congress, I will continue that work and fight in the U.S. Senate. Nothing is more rewarding than working for our special state and people.

In closing, I ask for your support and for you to support our many fine Republican candidates with whom it has been a privilege to work during this campaign.

Please vote --- it is a privilege many people in the world do not enjoy and they quietly say, "I want to be an American".

Again, thanks and God bless.

Sincerely,

Jim Santini

Paid for by the Nevada Republican Party

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U.S. Senator Paul Laxalt

Dear Friends -

As we approach election day and my retirement from the U.S. Senate, I want to say "thanks" for your continued support over the past several years - I'll be forever appreciative -

Also, I urge you to vote for Jim Santini to follow me in the Senate. Simply, in my view, he is the better candidate -

Finally, Jim's election will help keep a needed balance in Congress so a Republican Senate can help our great President continue the Reagan Revolution and keep Washington, who understands Nevada, in key committee assignments —

I hope you will give us one more vote - It is important — to each of us —

Thanks much —

Sincerely —

Paul Laxalt

U.S. Senator

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Franking Advertisements

91040860600

BREAK THE LAW

There is a strong possibility that Congressman Harry Reid may have broken the law when he used his free postage privilege to flood Northern Nevada with mail.

The House Franking Commission is investigating to determine if mass mailings outside of Harry Reid's southern Clark County district violated the law.

The law is clear: "A Member of the House who is a candidate for any other public office may not frank any mass mailing when (it) is delivered to any address outside the area constituting the congressional district from which such Member was elected."

A spokesman for the Commission, quoted in the Reno Gazette-Journal, said: "There are no exceptions."

FACT: By any reasonable measure, Harry Reid is a candidate for another office.

FACT: At least twice, Harry Reid has used his free mail privilege to send newsletters to Northern Nevada Voters.

FACT: The newsletters were produced and mailed at a cost of thousands of dollars to the taxpayers.

FACT: Free postage helps congressmen stay in touch with constituents. Harry Reid has no constituents in Northern Nevada.

The facts are clear: Harry Reid used your tax dollars to send mail with only one purpose — to further his candidacy for another office.

If you feel you have been affected by these mailings, write the Nevada Republican Party, P.O. Box 1888, Carson City, 89702.

Your letters will be forwarded to the appropriate officials in Washington, D.C.

(Paid for by the Nevada Republican Party, Robert A. Cashell, Chairman)

9104084601

4.c)

Dunn Draper Glenn Randolph
ADVERTISING & MARKETING

CLIENT Nevada Republican Party TITLE Harry Reid

DATE 5/20/86 LENGTH :60 JOB ORDER # 7006-001-86 APPROVAL

RADIO

9104086060602

10 SECS
15 SECS
30 SECS
45 SECS
60 SECS

THERE IS AN INVESTIGATION GOING ON IN WASHINGTON TO DETERMINE IF CONGRESSMAN HARRY REID HAS BROKEN THE LAW... A CONGRESSIONAL COMMITTEE HAS BEEN ASKED TO DECIDE IF HARRY REID BROKE THE LAW WHEN HE USED HIS FREE POSTAGE PRIVILEGE TO FLOOD NORTHERN NEVADA WITH MAIL... THE LAW IS CLEAR... IF YOU ARE A CANDIDATE FOR ANY OTHER PUBLIC OFFICE, YOU CANNOT SEND FREE MAIL OUTSIDE OF YOUR DISTRICT...HARRY REID IS A CANDIDATE FOR ANOTHER OFFICE... AND AT LEAST TWICE HE HAS USED HIS FREE MAIL PRIVILEGE TO SEND NEWSLETTERS TO VOTERS IN NORTHERN NEVADA... ALL PRODUCED AND MAILED AT A COST OF THOUSANDS OF DOLLARS TO THE TAXPAYERS... FREE POSTAGE HELPS CONGRESSMEN STAY IN TOUCH WITH THEIR CONSTITUENTS... BUT HARRY REID DOESN'T HAVE ANY CONSTITUENTS IN NORTHERN NEVADA... THE FACTS ARE CLEAR... HARRY REID USED YOUR TAX DOLLARS TO FURTHER HIS PERSONAL CANDIDACY FOR ANOTHER OFFICE... IF YOU'RE CONCERNED, WRITE TO THE NEVADA REPUBLICAN PARTY, P.O. BOX 1888, CARSON CITY 89502... WE'LL SEE THAT YOUR CONCERNS ARE HEARD IN WASHINGTON...

...Paid for by the Nevada Republican Party.

9104080600603

Volunteer Activity Sign-In Sheets

9104086060604

EVENING – FRA[redacted]EINBERG
LOIS BARNES
MARCO BARBIERI – 6½ HRS
KURT HARDING
GINA CONTI – 2 HRS
JENNI CAPRI – 2 HRS
JENNIFER WYNN – 2 HRS
MARNI MASI
SHIRLEY FRANCIS

9/19/86 820AM – 7PM

MORNING – FRANK STEINBERG
HEATHER ISAACS
JO FLOYD
NORMA YOUNG

AFTERNOON – FRANK STEINBERG
JO FLOYD
PAT RAJSKY – 2 HRS
BRIGETTE AMES – 2 HRS
ANNE LAWYER
DONALD JONES

EVENING – FRANK STEINBERG
LOUISE DEPORTO

9/20/86 815AM – 5 PM

MORNING – FRANK STEINBERG
DOMINIQUE GUTIERREZ
JO FLOYD
ANGELICA GOMEZ
JENNY GARBAT
CINDI RANTS } 5 HRS EA.
JASON MEYER
MARCIA RODRIGUEZ

AFTERNOON – FRANK STEINBERG
ANGELICA GOMEZ
JENNY GARBAT
CINDI RANTS
JASON MEYER – 4½ HRS
MARCIA RODRIGUEZ
BETTY FULTON
ELVINA SEDLAK – 3½ HRS
MARCO BARBIERI – 2¼ HRS
TOM BERN – 2¼ HRS
STEVE CERIO – 2¼ HRS
RONNIE ALOGRSON – 3½ HRS

GREG MCGHEE
BARRY BLAKELY } 2 HRS EA.

OVER

9104086U605

MORNING – FRANK STEINBERG

AFTERNOON – FRANK STEINBERG
BETTY FULTON
JASON MEIER – 4 1/4 HRS
RONNIE ALDERSON – 1/2 HRS
STEVE OSHINS – 1/2 HRS

9/22/86 11AM – 5 PM

MORNING – FRANK STEINBERG
HEIDE BRETTHAUER
LETTY NESS
RHEAN PENDLETON

AFTERNOON – FRANK STEINBERG
LETTY NESS
RHEAN PENDLETON
MARTHA HOSKINS
LAMONT KINGLE
WENDY NOA
BARRY BLAKELY
MILLIE GONG

9/23/86 9AM – 7:15 PM

MORNING – FRANK STEINBERG
HEIDI BRETTHAUER
LETTY NESS
JO FLOYD

AFTERNOON – FRANK STEINBERG
GERTIE SLACK
JO FLOYD
MARIE SARVER
JACKLYN SYMONS
LISA YROLLE
DAVID SANGER
LORETTA BRADLEY

9/24/86 8:30 AM – 2 PM

MORNING – FRANK STEINBERG
HEIDI BRETTHAUER
JO FLOYD
DORIS NELSON

9540360606

9542
PIECES MAILED
9/29

10/3/86 [redacted]

12:45 PM - 6:30 PM
FRANK STEINBERG
DICK MASSAR
JOSEPH JOLLEY
DEVIN SMITH - 1:45 - 6PM
JACKIE PARSON
JO FLOYD
MARCIA RODRIGUEZ

~~[redacted]~~
10/4/86 9AM - 7PM
FRANK STEINBERG
HEATHER HACKMAN 9-
MINA HALL 9-
BRIAN BECKER 9:20-
MATT KLONOWSKI 9:30-
SERENA KNOPP 10-
DONNA GOLDSTON 10-
HELEN CAMPBELL
JOHN FRANKELL
DANIELLE DAIDONE
DOROTHY NOLAN
JANENE DAVIES
ABBIE BALLARD
ANNE DAVIS
WILL ENSLEY
JAMES ENSLEY
PATRICIA GIBSON
MADALENE FISCHER 11:15
MONICA MCCLINTIC 11:30 - 4:00
CHRIS WRIGHT
BRIGETTE AMES
WAYNE BARNEY
DANNY ROSS
NICOLE NEAGLE
JAMES BARTON
GREG GORDON
EVA LANG
JEFFREY GEIHS
DICK KEENE } BC HIGH 3:30 - 6
DON BUSH }
SHIRLEY FRANCIS
BARBARA MCDONALD
PERRY PENDLEY
DORIS NEILSON

10/5/86 [redacted]
FRANK STEINBERG
LISA DUNCAN } BC HIGH 11:10 - 4:10
LESLIE DUNCAN }
TONY GALASSO
MONICA MCCLINTIC 11:45 - 2:00 GORMAN

10/6/86 2:15 PM - 8:50PM
FRANK STEINBERG
LIZA YROLLE 2:15 - 3:30 } GORMA
CAMILLE QUIROGA 2:15 - 3:15 }
WENDY NOIA 3:20 - 5:20
SHALVETTE BURRELL 6:50 - 8:50 } GORMA
STACY MCKINNEY 6:50 - 8:50 }

10/7/86 7:20AM - 9AM
FRANK STEINBERG

MAILED 10/7/86
2:30PM

10/4/86 MORNING

10/4/86 MORNING

10/31/86 AFTERNOON

21U4036U6008

REC'D 9/30/86 [redacted] PM

9/30/86 3:55PM - 7PM

AFTERNOON - FRANK STEINBERG
DEAN MOESSER
BETTY FULTON

EVENING - FRANK STEINBERG

MORNING - FRANK STEINBERG
JULIE BANBURY
NANCY WYLIE
CLAUDIA VERZILLI
BETTY FULTON
HEIDI BRETTHAUER
BETTY SWEGLE

10/1/86 8:45AM - 8PM

MORNING - FRANK STEINBERG
DOROTHY FISHER
TRUDY COHEN
ANTOINETTE D'AMICO
JO FLOYD
HEIDI BRETTHAUER

AFTERNOON - FRANK STEINBERG (+EVENING)
DOROTHY FISHER
TRUDY COHEN
ANTOINETTE D'AMICO
JO FLOYD
LOUISE DEL PORTO
DORIS NEILSEN
JACKLYN SYMONDS
HANK BRYANT
FRANCES GREGORY
KELLY GOODALE
MELISSA BROWN (+EVENING)
LORI DOZARK
RANDI RUDOLPH
DEANEA FORD
ANGIE BALLARD
ANNE DAVIS
JANENE DAVIES
(+EVENING)

EVENING
SHERRY BROWN
KEN BROWN

TO P.O.
10/6/86
10:30 AM

9104036060609

10/2/86 9AM - 8PM

MORNING - FRANK STEINBERG
NANCY WYLIE
CLAUDIA VERZILLI
ANTOINETTE D'AMICO
BETTY FULTON
JOEY DODD

AFTERNOON - FRANK STEINBERG (+EVENING)
JOEY DODD
BETTY FULTON
ANTOINETTE D'AMICO
MARIANNE BUSH
JACKLYN SYMONDS
MISSY CLOSE
TASHA MAJERS
KAY NIDEY
CHRIS FREDRICKSON
ALICIA LOVEALL
SHIRLEY FRANCIS
JANENE DAVIES
ANGIE BALLARD (+EVENING)
ANNE DAVIS
TRISCIA DU BENION
JULIE BANBURY (+EVENING)

EVENING
JACKIE BANBURY

10/2/86 MORNING - JERGILL, WILLIE, FULTON, D'AMICO

10/1/86 MORNING
COHEN, FISHER, D'AMICO

10/1/86 AFTERNOON

9104036J610

Name Address zip Phone

Wed Oct 29, 1986

Zoe Matthews 5534 ANNIE OAKLEY 89120 451-2868 4 Hrs

Mike Hegaley 3411 Modena Circle 89120 4 Hrs 451-775

Madeline Farrell 3535 CAMBRIDGE #14 369-234

69

Betty Fulton

1:30

Gina Conti 1914 Shadow Mt. Pl. 89108 646-1737 2:30

Jan Miller 5120 Holmby Ave. 89102 (731-3227)

FRANK STEINBERG

Michael D. Davis 3:20 339 Moreno Ct. 89105

Alumni Desk 10:30-

Jacklyn Symonds 2116 Mesa Dale 89107 878-8807

Dorothy L Fisher

Lori Douglas 3329 Bee Rock 454-8953 4:00

Michelle Hubbard 2301 Wagon wheel 795-7715 4:00

Lisa Stanberg 45-0050 4:00 7:00

Ken Hogan 1809 south 14th 4:00

Barbara Glinski 2021 Wengert 382-3363 4:15

Gabi Collier [illegible] 425-[illegible] 4:15

Melissa Brown [illegible] 4:20

Jennifer Peter 4:45-6:15 1347 Lagunas Ave 89109 735-1345

Adria Narvaez 5181 Titanium Ct 89109 454-9141 4:45 10:00

Theda Mackeroy 5181 Titanium Ct 89109 454-9141 4:15 10:00

Cathy Sharon 420 Fairfax Cir #3 89119 736-0993 4:45 [illegible]

[illegible] and [illegible] 8:00-8:

Name Address Zip Phone

Wed. Oct. 29, 1986

Cindy Lazaroff			8:00-11:00
Susie Costa			8:00-11:00
Keri Beard	1412 Santa Margarita		877 1412
Laura Monson	5403 LaPalomas Ct.	89120	8:30-11:30
ELSE LAPPOEHN	5210 EVALIVE ST.		736-3603
TINA Booker	P.O.Box 60884		
Richard Heng	4050 Pacific Harbors Dr. #211		732-7838
Margaret C. Au	524 Fifth St., Boulder City		293-1510
Jamie F. Ong	"	"	"
Diana Lee	1661 Capistrano Ave	89109	735-3784
Danny Caronia	2442 Golden Arrow Dr.	89121	735-2633
Jennifer Peltier	1347 Laguna Ave	89109	735-7348
Jason Stuart			
Jackie C. Stewart	3715 So. Rainbow Cir.	89103	362-9618
MARCIA RODRIGUEZ			
Brian Christenson	5287 Burnham	89119	736-8374
David Lee	2939 CARNELIAN ST.	89121	457-4868
Jussi Delgado	2745 Burnham Ave	89109	733703
Ralph Lopez			737-7265
Antoinette D'Amico	3074 Bel Air		732-9298
Cordell Rumsey	9113 ALAMEDA AVE	89113	459-2948
Melissa Brown			361-2265

9:00-11:00 WED.
9:00-12:00 THUS.

9:00-11:00

9:00

8:00-11:20

3:00-12:00

10:00-12:00

9:30-11:30

10:00-12:00

10:00-12:00

9 1 0 4 0 3 6 0 5 1 3

Name	Address	Zip	Phone	
Diana Lee	1661 Capistrano Ave	89109	735-3784	6:00–9:30
Nina Costa	1414 Shadow Mt. Pl.	89108	646-1737	7:50 8:55
Julie Cost	1414 Shadow mt Pl	89108	646-1737	7:50 8:50
[illegible]	55 34 ANNIE OAKLEY DR.	89120	451-2867	8:00

Thurs Oct 30, 1986

Ken Beard	1412 Santa Margarita	89102	877-1412	8:30
Richard Sherg	4050 Pacific Harbor Dr. #211	89121	732-7838	8:00
Jason Starr	8:00am			
ELSE LAPPEHN	5210 EVALINE ST.		736-3603	
Margrete Orr	524 Fifth St, Boulder City		293-1510	
JAMES ORR	"		"	
Susie Costa			8.45	
Lisa Stanley			9:00	
Lisa Fitzgerald	8037 Red Barn		9:00	
Nancy Wylie	3175 E. Swallow Ln	89121	456-5178	9:15
David Lee	2939 CARNELIAN ST.	89121	457-4868	9:40 11:40
Antoniette D'amico	3027 Belair Dr.		732-9298	
Glenn Sedlak	515 Oakmount Pl #3005		737-1241	
Gary Dodd	10680 S. HAVEN Street		361-4939	11:25
Betty Fulton				
Marcia Lukin			457-8779	
Betty Trann			457-4648	

PLEASE PRINT

Name	Address zip	Phone
Jack Kiser ow	5904 Eugene Ave 89108	(215) 646-6478
George Kuattara	212 Marion Dr.	459-428
Ken Hagan		4:30-5:30 735-8228
Ken Long		4:30-5:30 384-1762
Luise PALMER		733-3064
Joseph Stoyt		737-7265
Tina Booker		
Laura Monson		451-2085
Tammy Clark		736-7949
Paul Wakefield	1:00 - 6:00	
Oct 31, 1986		
Martha Jenkins		457-8779
Jackie C. Stewart		362-9618
FRANK STEINBERG		
ELSE LAPPOEHN	5210 EVALINE ST.	736-3603
TINA Booker	P.O Box 60884 L.V.	Nev. 89160-0884
Betty Sultan		

9104080606 16

BEFORE THE FEDERAL ELECTION COMMISSION

City of Washington)
) MUR 2270
District of Columbia)

AFFIDAVIT OF KEITH DAVIS

KEITH DAVIS, being first duly sworn deposes and says:

1. I am Keith Davis, an employee of Huckaby & Associates, an accounting firm. In 1987 Huckaby & Associates was retained to assist the Nevada Republican Party ("State Party") and its federal committee, the Nevada Republican State Central Committee, in responding to an audit of the committee's accounts by the Federal Election Commission (the "FEC" or the "Commission"). Subsequently I was assigned to be the lead accountant for Huckaby & Associates in that project.

2. I have reviewed the General Counsel's Brief in this matter with regard to the methodology used by the Commission's Audit Division in determining whether funds used to pay for volunteer activities included those received by the State Party from the Republican National Committee ("RNC") or the National Republican Senatorial Committee ("NRSC").

3. I have independently reviewed the State Party ledger with regard to its 1986 federal activity. In so doing, I also started with each of the assumptions used by the audit staff: 1) that cash on hand at 1/1/86 was $13,825.79, all privately funded; 2) that the deposit date of

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the funds received determined when the funds were available to be spent; and 3) that disbursements were made in check number order.

3. This ledger reveals that the State Party had sufficient contributions from individuals in its federal account to pay for each expenditure reported as a volunteer activity through October 28, 1986. This includes the payment for the yard signs which the Audit Division determined may have been paid for in part with NRSC money. In fact, based on the funds available to be spent, it appears that from July 2 through the end of September, the State Party may have had only private funds (i.e. moneys not transferred to the State Party from either the RNC or the NRSC) in its federal account.

4. Further, with respect to the payment made to James R. Foster on October 29, 1986 I have assumed that the State Party did in fact pay for the mailer identified as "Raise Taxes" from money contributed by either the RNC or the NRSC leaving a balance of $64,678.36 which accounted for five volunteer mailings. Of this amount, at most $7,770.81 came from moneys transferred to the State Party from either the RNC or the NRSC.

5. Finally, the State Party received sufficient private funds after October 29, 1986 to cover the cost of the three remaining expenditures identified by the Audit Division as having been paid for from RNC money. Moreover, by

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November 10, the Party received enough private funds to have paid for all of its volunteer exempt mailings.

6. Furthermore, in reviewing the State Party's finances for 1986, it is clear that the federal committee raised sufficient contributions from individuals subject to the limitations of the Act to pay for its entire volunteer activity program in 1986.

Keith Davis

Signed and sworn to before me
this 14th day of September, 1989.

Roberta L. Barbee
Notary Public

My Commission expires: 1-31-93

9104086019

RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARIAT

90 MAY 24 PM 3:54

BEFORE THE FEDERAL ELECTION COMMISSION

SENSITIVE

In the Matter of)
Nevada Republican Party/)
Nevada Republican State) MUR 2270
Central Committee and Dan J.)
Peterson, as treasurer)

JUN 5 1990

GENERAL COUNSEL'S REPORT

EXECUTIVE SESSION

I. BACKGROUND

On July 6, 1989, the Office of the General Counsel sent a brief to respondents' counsel in the above-captioned matter recommending probable cause to believe the Nevada Republican Party/Nevada Republican State Central Committee and Dan J. Peterson, as treasurer, ("respondents") violated 2 U.S.C. §§ 441a(f), 434(b)(6)(B), and 441d(a). The bases of these recommendations were expenditures made by respondents during the 1986 election cycle that appeared to be coordinated party spending activity in excess of the Act's limitations. By letter dated July 13, 1989, the treasurer responded, asserting that he was not the treasurer at the time the alleged violations occurred, and informing this Office that the Committee's counsel would submit a response on its behalf.[1]

Following an initial extension of time, on July 21, 1989, this Office received a response from the State Party's counsel requesting further information regarding two mailers paid for by the State Party, as well as requesting a second extension of time

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1. The Commission's treasurer policy is addressed at Section IIF.

to submit responsive briefs.[2] The Commission granted a partial extension of time until September 15, 1989. A response brief was submitted by that date, arguing that the Commission should find no probable cause to believe that violations occurred. As developed below, this Office is not persuaded by these arguments and recommends that the Commission find probable cause to believe that respondents violated the Act.

II. ANALYSIS

The General Counsel's analysis of the possible violations in this matter are contained in the brief dated July 6, 1989. This report is divided into five parts. First, it discusses whether the materials in question are within the Commission's definition of section 441a(d) expenditures. Next, it discusses whether the State Party has demonstrated sufficient volunteer activity regarding five mailers produced by the State Party during the 1986 election cycle to come within the volunteer exemption to the definition of expenditure. Third, it analyses whether the State Party's use of funds donated by both the Republican National Committee ("RNC") and National Republican Senatorial Committee ("NRSC") provides an independent basis for concluding that the expenditures for these mailers, as well as for certain yard signs, fail to meet this volunteer exemption. Additionally, we discuss whether the Act's disclaimer requirements have been met and then whether the State Party has met the Act's reporting requirements.

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2. This response also argued that the Commission was required to make separate reason to believe determinations for each of the activity said to coordinated party spending. The Commission did not find merit with this argument.

Finally, it reviews the liability of the State Party's treasurer.

A. ALL OF THE ACTIVITY CITED IN THE BRIEF MEETS THE COMMISSION'S REQUIREMENTS FOR SECTION 441a(d) SPENDING

At issue in this matter is whether certain expenditures made by the State Party for seven mailers, yard signs, a newspaper ad and a radio ad are subject to the Act's limitations at 2 U.S.C. § 441a(d).[3] As discussed more fully in the General Counsel's Brief, an expenditure is subject to the limitations of this section when it is for the general election, depicts a clearly identified candidate, and contains an electioneering message. See General Counsel's Brief at pp. 2-4. See A.O.s 1984-15 and 1985-14. See also MUR 2288. For seven of the activities in question, respondents' brief does not directly dispute that materials produced by the State Party meet this definition, instead arguing that these materials are exempt activity.[4] Respondents do contest this determination regarding

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3. The State Party mailed the Special Report mailer in December, 1985. The yard signs were distributed in May, 1986. The Franking Newspaper Ad and Franking Radio Ad aired in May and June, 1986. The Laxalt Endorsement mailer was produced in September, 1986, as was the Anti-Reid mailer. The World Class Spender, All About Money, Positively for Nevada mailers, and Laxalt/Santini Letter were mailed in October, 1986. All were distributed to Republican households. Each of these are discussed separately in the General Counsel's Brief.

4. The yard signs urged voters to vote for Santini. According to an affidavit submitted by the State Party, Jim Santini was considered to be the nominee of his party in May of 1986 when the signs were ordered. Additionally, a mailer entitled the Laxalt Endorsement has been consistently reported by respondents as a coordinated party expenditure. Respondents' brief does not directly contest that the other mailers in question, the Anti-Reid mailer, All About Money mailer, Positively For Nevada mailer, Laxalt/Santini Letter and World Class Spender mailer, also met the Commission's definition for coordinated party spending.

the Special Report mailer, and the two Franking Ads. Thus, these are separately analyzed below.

As an initial matter, respondents continue to assert that communications are subject to the limitations of section 441a(d) only when such communications contain express advocacy. Respondents ignore the fact that section 441a(d) limits "expenditures" which the Act defines as being "for the purpose of influencing" federal elections. 2 U.S.C. § 431(9)(A). In its advisory opinions, the Commission has interpreted section 441a(d) to encompasses communications containing electioneering messages. Further, the Commission has defined electioneering messages as statements "designed to urge the public to elect a certain candidate or party." See A.O. 1984-62, 1984-15, citing United States v. United Auto Workers, 352 U.S. 567, 587 (1957). As discussed below, each of the three communications meet these requirements.

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1. The Special Report Mailer

Regarding the Special Report mailer, respondents assert that it fails to meet the requirements for a section 441a(d) expenditure, asserting that Harry Reid was not a candidate at the time the mailer circulated and that the mailer merely contains information on issues that were part of a public debate in Nevada.[5] Respondents' Brief at 21-22.

5.

The State Party issued a letter to Nevada Republican voters in late December, 1985.[6] The mailer contained three sections. The first section contained certain votes of Nevada's two senators and two representatives, with Harry Reid as one of the four identified by name. The section invites voters to see "how our representatives in Washington voted on key issues. Compare your position with theirs, then decide who best represents you." Mr. Reid was the lone Democrat; the other persons were Republicans, although the mailer did not list party affiliation. The key issues selected by the State Party were all ones in which the votes of Harry Reid assertedly differed substantially from those of the Republican lawmakers. Indeed, the votes of the Republican lawmakers were identical, while Mr. Reid's vote on each selected issue was the opposite. The second section lists ratings given to these four office holders by six interest groups, as well as the four's level of support for President Reagan's position and the "Conservative Coalition." Again, the other legislators had fairly uniform ratings indicating high level of support for groups

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(Footnote 5 continued from previous page)

6. The State Party's November 21, 1986 response to the Commission incorrectly stated that the State Party mailed this communication in late January, 1986. Respondents later submitted a second response stating that it was mailed on December 19, 1985. The General Counsel's Brief relied upon the information submitted in the earlier response. The State Party's Brief asserts that the December 19, 1985 mailing date is the correct one. A sworn affidavit was submitted with the second response citing the December date.

associated with the president, conservatism, American security, and the Chamber of Commerce, with very low ratings from Americans for Democratic Action. As in the previous section, Harry Reid's ratings are the opposite, with low levels from the former groups and a high rating from the latter group. The final section again singles out Harry Reid, focusing exclusively on him proclaiming:

> ... only Harry Reid has consistently voted against President Reagan, a balanced federal budget, and fairer spending and tax policies. In short, Harry Reid represents a philosophy that promises to raise taxes and spend our nation back to bigger government, bigger deficits, and the certainty of higher interest rates and renewed unemployment.

(emphasis in the original).

Regarding the candidacy of Mr. Reid, respondents assert that because this mailing occurred before Mr. Reid announced his candidacy for the nomination, the mailer cannot be related to the general election. There are a number of problems with this assertion. First, respondents ignore the Commission's long stated position that section 441a(d) expenditures are not necessarily made in the period between nomination and election. As stated in A.O. 1984-15, "Where a candidate appears assured of his party's... nomination, the general election campaign, at least from the political party's perspective, may begin prior to formal nomination." Id. at p. 5766. An entity of the Democratic State Party is the complainant in this matter and so from the State Party's perspective, Mr. Reid was considered to be the obvious nominee of his party in December, 1985.

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Next, respondents ignore that little more than one month after the State Party underwrote this mailing, Mr. Reid became a candidate and during December, 1985, shortly after the Special Report was distributed, the Reid Committee began to make disbursements relating to the 1986 Senate election.[7] Thus, this is an instance of a race beginning early and was one in which Mr. Reid, like his Republican opponent, faced only token opposition in the primary election. Moreover, respondents' themselves reported making section 441a(d) expenditures prior to their own nomination of Mr. Santini. In fact, they submitted a sworn affidavit that Mr. Santini was the obvious nominee of his party in May, 1986, months before the Republican primary.

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7. To respond to the State Party's arguments, we reviewed the Reid Committee's first filed report, the 1986 April Quarterly Report. This report indicates coverage dates on page 1 from January 30, 1986 until March 31, 1986. Schedule A, however, discloses that this Committee accepted its first contributions totaling $6,900 on January 17 and 18, 1986, and reported disbursements beginning on December 30, 1985. Thus, although Reid did not file his Statement of Candidacy until February 11, 1986, it appears that he became a candidate under the Act in mid-January 1986. See 2 U.S.C. § 431(2). There is also evidence to suggest that the Reid Committee intended to amend its Statement of Organization to reflect this Senate Candidacy in December, 1985. See Attachment One. In fact, the Democratic Senatorial Campaign Committee ("DSCC") made a $17,500 contribution to Reid's Senate race on December 21, 1985. Because the Senate Committee was not yet in existence, this contribution was reported by Reid's House Committee. See Id. In a response to a request for additional information from the Reports Analysis Division, the House Committee refunded this contribution to the DSCC on March 25, 1986. The Senate Committee then reported a $17,500 contribution from the DSCC on March 31, 1986.

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Respondents also assert that instead of containing an electioneering message, the mailer is simply part of a public debate regarding issues of importance to voters in that state. Respondents further state that mere criticism of an elected official should not constitute election-related activity.

Notwithstanding the fact that the mailers may have contributed to public debate on issues, the Special Report mailer

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8.

contains an electioneering message. As discussed above, as the obvious nominee of his party, Harry Reid is a clearly identified candidate. There can be no doubt that the mailer focuses on Harry Reid: its first two pages contain a selection of issues and ratings designed to set Reid apart from the remainder of the Nevada delegation, with the third of these pages focusing exclusively on Reid. This third page criticizes his votes and lack of support for President Reagan, as well as criticizes the candidate's basic philosophy. Thus, a plain reading of the mailer supports the conclusion that it contained an electioneering message.

Moreover, this argument is bolstered by the initial reports filed by the State Party regarding this mailer. In their description of the mailer on public reports submitted to the Commission, respondents' 1986 April Quarterly Report referred to this expenditure as "Campaign to Defeat U.S. Representative Harry Reid."[9] Additionally, as previously noted, the Vucanovich mailer also confirms that the Special Report Mailer was election related. Consequently, the Special Report contains an electioneering message, and is subject to the Act's limitation at 2 U.S.C. § 441a(d).

2. The Franking Ads

Respondents also dispute that two ads discussing Harry Reid's alleged violations of the franking laws are section 441a(d)

9. After being contacted by the Commission's Reports Analysis Division, the State Party submitted an amended report stating this disbursement had been "misdescribed" and relabeling the mailing as "informational mailings to Nevada voters."

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expenditures.[10] These ads were aired in May and June of 1986. Here respondents concede that both ads identified Harry Reid as a candidate for federal office, thus meeting the first requirement for a section 441a(d) expenditure. Respondents nevertheless argue that the ads are not related to an election because the ads purportedly do not urge the public to undertake any actions other than to write to the State Party regarding possible violations of law by Candidate Reid. Thus, respondents continue to argue that express advocacy is required for a section 441a(d) expenditure.

Again, this Office and respondents disagree as a matter of law regarding the definition of an electioneering message. It is our position that communications by a state party entity, to the voters of a state, criticizing a person by suggesting that he may have broken the law, and that identifies that individual as a "candidate for another office" constitutes an electioneering message.[11] Consequently, both Franking Ads are subject to the Act's limitations at 2 U.S.C. § 441a(d).

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B. THE VOLUNTEER EXEMPTION - SUFFICIENCY OF VOLUNTEER ACTIVITY

As noted in respondents' brief, the "heart of the matter in question" is whether certain payments made by the State Party are exempt from the definition of expenditure. Respondents' Brief at

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10. The texts of the two ads are similar. One was a newspaper advertisement, the other was a radio ad. A full description of the text appears at pages 11-12 of the General Counsel's Brief.

11.

6. Specifically, respondents challenge the General Counsel's determination that the State Party's payments for five mailers and yard signs were outside of the volunteer exemption.[12] The General Counsel's Brief provided two independent reasons why this exemption was not met: the insufficiency of the purported volunteer activity and the use of funds donated by the RNC and NRSC.

Regarding the issue of volunteers, the Act excludes from the definition of expenditure payments made by a state party committee of the costs of certain campaign materials (including brochures and yard signs) used by such committee in connection with volunteer activities on behalf of its nominees. See 2 U.S.C. § 431(9)(B)(1)(viii). The Act further provides this exemption applies only when the payments are not for costs in connection with broadcasting, direct mail, or similar types of general public communication or political advertising. The Commission's Regulations define "direct mail" to mean mailings by a commercial vendor or mailings made from a commercial list. 11 C.F.R. § 100.8(b)(16). Additionally, in relevant part, the Regulations require that volunteers and not commercial or for profit operations distribute the materials. Id.

There is no dispute of fact regarding the scope of the volunteers' activities in relation to these mailings. Respondents used a Texas-based direct mail firm not only to print the

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12. These are entitled, All About Money, Positively For Nevada, Laxalt/Santini Letter, Anti-Reid, World Class Spender and Special Report. They are discussed in the General Counsel's Brief at pages 5 to 9.

communications, but also to prepare them for mailing. It appears that this preparation included printing and folding the mailers, printing labels, attaching the labels to the mailers, sorting, tying, bagging the mailers and air shipping them to Nevada.[13] As evidenced by the responses in this matter, the task of the volunteers was limited to stamping on the non-profit mail seal on each mailer. It is true, as respondents point out, that the volunteers performed other tasks, such as unloading the mailers from the truck delivering them from the airport, untying the bundles to be stamped, and retying the bundles after they were stamped. The volunteers also took the mailers to the post office. See Respondents' Brief at pp 8-9. But this former activity is nothing other than incidental to the substantive task undertaken by the volunteers, that of stamping the mailers, since obviously, the mailers could not have been stamped in the tied, pre-labeled, pre-sorted bundles they arrived in from the direct mail firm. As discussed below, the transportation of the mailers to the post office does not alter this analysis.

As a matter of law, respondents and this Office disagree as to whether sufficient volunteer activity has been demonstrated to come within the volunteer exemption as envisioned by the Act, Regulations, and Legislative History. Respondents apparently argue that because there is no specific provision for a minimum

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13. The General Counsel's Brief in this matter noted that an invoice provided for one of the mailings describes these activities. Despite a detailed recitation of purported volunteer activity for all mailers, Respondents have not asserted that these activities were performed by anyone other than the direct mail firm with regard to all other mailings.

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amount of requisite volunteer activity, then the mere presence of volunteers is sufficient to come within the exemption. Moreover, respondents also apparently argue that exemption must be deemed satisfied here because the mailers would not have been accepted by the post office without a non-profit mail seal on each mailer. From this they reason that but for the presence of the volunteers, the mailers would not have circulated.

Respondents' assertion that there is no requirement of minimum volunteer activity to come within the volunteer exemption cannot stand. Such a reading would render the volunteer exemption meaningless. Indeed, the Commission has recognized in its enforcement actions that there are instances where the presence of a number of volunteers merely stamping on the non-profit mail seals does not constitute requisite minimum for volunteer activity. See MUR 2288 (240 volunteers individually stamping mailers). Moreover, respondents' other assertion that there must be sufficient volunteer activity because the mailers would not have delivered without the volunteer involvement is really no more than an observation that materials without postage cannot be mailed. Obviously, there are many tasks that must be performed before the post office will accept materials for mailing, but that is a different issue from whether there is requisite volunteer involvement.

In sum, the volunteer exemption is inapplicable in an instance where a state party committee contracts with a direct mail firm not only to print mailers, but to prepare them for mailing in every way short of stamping on the non-profit mail

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seal.[14] Therefore, in the absence of volunteer activity, respondents are squarely outside the exemption.

C. VOLUNTEER EXEMPTION - USE OF FUNDS DONATED

Respondents' use of funds donated by the Republican National Committee ("RNC") and the National Republican Senatorial Committee ("NRSC") provides a second independent basis for concluding that the expenditures at issue are not within the volunteer exemption. As demonstrated in the General Counsel's brief, an independent review of the payments by the Commission's auditors reveals that payments made for the yard signs and five mailers were made using funds donated by the NRSC and the RNC.

As discussed more fully in the brief, using the actual source material of the State Party's bank statements, deposit records, and check registers, the auditors used a First In, First Out Analysis to conclude that the State Party used funds donated by the RNC and NRSC to pay for the mailings at issue. The auditors' analysis was premised on two preconditions favorable to the State Party. First, the auditors assumed that cash on hand held by the State Party at the beginning of the review period was composed of entirely private funds. Second, the auditors performed alternative analyses regarding which types of funds (private vs.

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14. It is this total involvement of the direct mail firm in virtually every step of this operation that is the basis for the General Counsel's alternative argument that the mailings here are "direct mail" and thus outside the volunteer exemption. See Brief at footnote 8. This Office has never taken the position that the mere use of a commercial printing firm automatically place payments for materials outside the volunteer exemption. Respondents' suggestion that this is the case is without foundation. See State Party Brief at p. 11, n.4.

party) were deposited and used first when deposited on the same day. Nevertheless, under either analysis, the auditors concluded that the expenditures in question were made with funds donated by either the RNC or the NRSC. The use of such funds places these activities outside the volunteer exemption.

In essence, respondents raise three arguments in an attempt to refute the auditors' conclusion. First, respondents assert that the Act's requirements for the volunteer exemption look to funds that have not been specifically designated by the national party committee. They argue that funds provided by a national party committee without such a designation may be spent by the state party on volunteer activity without infringing the integrity of the expenditures. See State Party Brief at 13. Respondents base this argument on the Act's provision that expenditures qualify under the volunteer exemption when "such payments are not made from contributions designated to be spent on behalf of a particular candidate or candidates." See 2 U.S.C. § 431(9)(B)(viii)(3). Additionally, respondents read the language of the Regulation ("materials purchased with funds donated by the national committee... for the purchase of such materials,") 11 C.F.R. § 100.8(b)(16)(vii), only to taint national committee monies specifically earmarked for volunteer activities.

As an initial matter there is no authority or precedent for respondents' cramped reading of the Act and Regulations. Moreover, the Commission has not previously accepted such an argument. See MUR 2461. Additionally, the effect of respondents' argument is that national party committees could limitlessly

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underwrite state party spending in this area by merely avoiding designating the funds. Because national party committees would have no incentive to provide such a designation, this reading would cripple the legislative purpose behind the volunteer exemption: grass roots volunterism with funds raised in that state. Thus, instead of promoting local activity with local dollars, this application would open a virtual floodgate of spending financed by national party committees. Consequently, respondents argument is unsupported by both law and legislative intent.

Second, respondents challenge the methodology used by the Commission's auditors, arguing that the First in, First Out method employed by the auditors is not specified in the Act or Regulations and thus should not be utilized. Respondents have not provided any alternative method of analysis, but merely assert that by the end of 1986 the State Party had sufficient funds from individuals to pay for the volunteer program for that year. See Davis Affidavit at p.3. and State Party Brief at pp. 15 and 17. This argument effectively concedes that at the time the activities were conducted, respondents could not have paid for them without national committee money. It thus appears that respondents only dispute is with the Audit Division's result and not with its methodology.

Finally, respondents challenge the General Counsel's assertion that payments made to one vendor, James R. Foster, in October 1986, for the five mailers were made using funds donated. It is undisputed that respondents made a single, lump sum payment

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of $73,752.54 to this vendor for a total of six mailers. The State Party actually used only five of these mailers. A sixth mailer costing $9,074.18 was destroyed. According to the auditors' analysis, the source of between approximately $22,500 and $24,500 of the amount expended to this vendor was with funds donated by the NRSC and the RNC.[15] Respondents appear to assert that if they had paid for each of the mailings separately, then only two mailings would have been made using funds donated. Thus, respondents state that they are being unfairly treated because this Office allegedly takes the position that the use of some funds donated for the five mailers taints the payment for all the mailings.

Again, respondents' argument fails on the basis of the facts of this matter. Even if respondents had paid for each of the mailers separately they would still not be able to satisfy the Act's requirements because three other payments were also made to other vendors for expenses associated with these mailings.[16] Additionally, there is no dispute that the yard signs were paid for using funds donated. Consequently, respondents have failed to refute the General Counsel's conclusion that the mailings and yard signs were paid for using funds donated by national party

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15. Under the Type A analysis the auditors determined that the NRSC expended $22,000 and the RNC expended $2,658.48. Under the Type B analysis the NRSC expended the same amount, however, the RNC was determined to have spent only $588.48.

16. See General Counsel's Brief at p. 16. Disbursements made by the State Party for the ink stamps from which the mailers were stamped, as well as for the costs of producing and writing the mailers, were made from funds donated by the RNC.

committees. Accordingly, there is a second independent reason why respondents have failed to come within the volunteer exemption.

D. FAILURE TO AFFIX COMPLETE DISCLAIMERS AND TO REPORT COORDINATED PARTY EXPENDITURES

The Commission also found reason to believe that respondents violated 2 U.S.C. § 441a(d) by failing to affix full disclaimers on certain mailers. Pursuant to that provision, whenever a person makes an expenditure for a communication expressly advocating the election or defeat of a clearly identified candidate, such communication, if not paid for by a candidate or an authorized committee, must clearly state the name of the person who paid for it and whether or not such communication is authorized. 2 U.S.C. § 441d(a)(2) and (3). Thus, in this instance such communications by the State Party would require a disclaimer that the ad was paid for by the State Party, and whether or not it was authorized by the Candidate's committee. A number of these mailers contained only the disclaimer that they were "[p]aid for by the Nevada Republican Party."[17]

The State Party addresses this aspect of the General Counsel's Brief in a cursory fashion. See State Party's Brief at p. 26. Respondents apparently do not dispute that disclaimers were required; rather they merely assert that "the State Party has been completely forthright in disclosing its activities and the general public has been, at all times, aware that the State Party

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17. This disclaimer appeared on the Laxalt Endorsement, World Class Spender, Laxalt/Santini, Positively for Nevada, and All About Money mailers, as well as the Franking Radio Ad and the Franking Newspaper Ad.

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was responsible for these mailings and advertisements." Id. This statement, however, begs the question whether the public was also aware whether the candidate committees had authorized these mailings. Consequently, respondents have failed to meet the disclaimer requirement.

The General Counsel's Brief in this matter also recommended that the Commission find probable cause to believe the State Party violated 2 U.S.C. § 434(b)(6)(B) because the expenditures for the yard signs and mailers were not reported as coordinated party expenditures.[18] The State Party does not dispute the expenditures in question were not so reported, but notes that they were included with the State Party's operating expenditures, as would be appropriate for volunteer spending. Because, as illustrated above, the State Party has failed to meet the volunteer exemption for two independent reasons, this Office recommends that there is probable cause to believe respondents violated 2 U.S.C. § 434(b)(6)(B).

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E. LIABILITY OF THE STATE PARTY'S TREASURER

The State Party's treasurer submitted an initial response in this matter arguing that he was not treasurer at the time of the violations in question, and thus should not be named in a probable cause to believe recommendations. This contention, however, is inconsistent with the Commission's treasurer policy that requires naming as a respondent the treasurer of record at the time of the Commission's determination. The Commission has followed this

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18. As previously noted, the State Party reported the Laxalt Endorsement as a coordinated party expenditure.

policy notwithstanding similar arguments raised by other treasurers. See, e.g., MURs 2368 and 2441. Moreover, in the instant case, it appears that the response submitted by counsel is on behalf of both the State Party and Mr. Peterson, as treasurer. Thus, because the treasurer has been afforded notice and an opportunity to respond to the General Counsel's Brief, the probable cause recommendations name both the State Party and Mr. Peterson, in his capacity as treasurer.

F. SUMMARY OF VIOLATIONS

As noted above, the State Party has failed to meet the volunteer exemption because of the insufficiency of volunteer activity and the use of funds donated by national party committees. Moreover, the State Party failed to properly report these expenditures and failed to place appropriate disclaimers on certain mailers. Therefore, the Office of the General Counsel recommends that the Commission find probable cause to believe the Nevada Republican Party/Nevada Republican State Committee-Federal Account and Dan J. Peterson, as treasurer, violated 2 U.S.C. §§ 441a(f), 434(b)(6)(B) and 441d(a).

III. DISCUSSION OF CONCILIATION AND CIVIL PENALTY

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IV. GENERAL COUNSEL'S RECOMMENDATIONS

1. Find probable cause to believe Nevada Republican Party/Nevada Republican State Committee-Federal Account and Dan J. Peterson, as treasurer, violated 2 U.S.C. §§ 441a(f), 434(b)(6)(B) and 441d(a).

2. Approve the attached letter and conciliation agreement.

5/24/91
Date

Lawrence M. Noble
General Counsel

Attachments:
1. Reid Explanation of Statement of Organization
2. Vucanovich Letter
3. Proposed Letter
4. Proposed Conciliation Agreement

Staff assigned: Patty Reilly

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AR-90-22

MH/001088

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 25, 1990

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

THROUGH: JOHN C. SURINA
STAFF DIRECTOR

FROM: ROBERT J. COSTA
ASSISTANT STAFF DIRECTOR
AUDIT DIVISION

SUBJECT: MUR 2270 - ANALYSIS REGARDING USE OF FUNDS RECEIVED FROM NATIONAL PARTY COMMITTEES

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In accordance with directions received during the Executive Session of 6/19/90, the Audit staff has prepared the attached Exhibits A and B which depict the results of various approaches which may be used to calculate the amount of National Party funds to be applied to the payment of certain exempt activity disbursements.

The revised figures relative to National Party money applied to exempt activities under a straight FIFO analysis are shown at Exhibit A. The amount of Party money applied to check number 1054 ($73,752.54) has been reduced by $9,074.18 which represents the cost of the "Raise Taxes" mailing.

Exhibit B contains a set of cash balance figures developed using the Modified FIFO method based on directions received on 6/19/90.

The "dual account" approach, displayed at Exhibit C, was discussed at the Executive Session of 6/19/90 and apparently is the basis for the figures presented in the Keith Davis affidavit.

As can be seen by comparing the cash balance figures at Exhibits B and C, a small difference in the amounts exist, primarily due to (1) the timing of private and Party receipts and (2) the timing of identifed exempt activity disbursements.

Should you have any questions, please contact Rick Halter.

Attachments:

Exhibit A: Source and Application of Funds
Straight FIFO Analysis
Exhibit B: Source and Application of Funds
Modified FIFO Analysis
Exhibit C: Source and Application of Funds
"Dual Account" Analysis

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EXHIBIT A
SOURCE AND APPLICATION OF FUNDS
SUMMARY FEC ANALYSIS (REVISED)

NAME	CHECK NUMBER	CHECK DATE	AMOUNT	PURPOSE	SOURCE OF FUNDS TYPE A PARTY $	SOURCE OF FUNDS TYPE B PARTY $
1. BER Advertising	1029	8/14/86	$14,338.91	Yard Signs	$ 6,666.43	$ 6,916.43
2. U.S. Postmaster	1037	9/24/86	154.39	Vol. Mailings	-0-	-0-
3. U.S. Postmaster	1038	9/24/86	5,142.17	Vol. Mailings	-0-	-0-
4. U.S. Postmaster	1042	10/03/86	3,339.57	Vol. Mailings	-0-	-0-
5. U.S. Postmaster	1043	10/07/86	3,261.61	Vol. Mailings	-0-	-0-
6. U.S. Postmaster	1044	10/15/86	650.00	Vol. Mailings	-0-	-0-
7. Mail Resources	1046	10/23/86	1,515.12	Mailing/Postage	-0-	-0-
8. PDQ Printing	1048	10/28/86	1,972.24	Vol. Mailings	-0-	-0-
9. Passkey Systems	1049	10/28/86	3,949.11	Vol. Mailings	-0-	-0-
10. James R. Foster & Associates	1054	10/19/86	64,678.36#/	Vol. Mailings	15,584.30	13,514.30
11. Tony Marsh & Associates	1061	11/07/86	1,760.83	Vol. Mailings	1,760.83	1,760.83
12. B&K Printing	1064	11/07/86	396.56	Campaign Materials Vol. Mailings	396.56	396.56
13. B&K Printing	1090	11/18/86	41.67	Campaign Materials	41.67	41.67
			$101,200.54		$24,449.79	$22,629.79

#/ Does not include $9074.18 for mailing piece not used.

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EXHIBIT B
SOURCE AND APPLICATION OF FUNDS
MODIFIED FIFO ANALYSIS

PAYEE	CHECK NUMBER	CHECK DATE	AMOUNT	CASH BALANCES*/ NATIONAL PARTY	CASH BALANCES*/ PRIVATE
1. R&R Advertising	1029	8/14/86	$14,338.91	$6,916.43	$19,290.73
2. U.S. Postmaster	1037	9/24/86	154.39	-0-	75,821.54
3. U.S. Postmaster	1038	9/24/86	5,142.17	-0-	75,667.15
4. U.S. Postmaster	1042	10/03/86	3,339.57	28,979.07	65,197.21
5. U.S. Postmaster	1043	10/07/86	3,261.61	28,979.07	61,857.64
6. U.S. Postmaster	1044	10/15/86	650.00	28,979.07	58,596.03
7. Mail Resources	1046	10/23/86	1,515.12	38,393.07	59,243.03
8. PDQ Printing	1048	10/28/86	1,972.24	155,689.07	56,797.91
9. Passkey Systems	1049	10/28/86	3,949.11	155,689.07	54,825.67
10. James R. Foster & Associates	1054	10/19/86	64,678.36#/	155,689.07	50,876.56
11. Tony Marsh & Associates	1061	11/07/86	1,760.83	130,611.25	7,762.00
12. B&K Printing	1064	11/07/86	396.56	130,611.25	6,001.17
13. B&K Printing	1090	11/18/86	41.67	128,039.89	5,604.61
			$[illegible],200.54		

*/ Under modified FIFO, the cash balances are the same whether one assumes on a given deposit date Party money was deposited first or last.

#/ Does not include $9,074.18 for mailing piece not used.

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EXHIBIT C
SOURCE AND APPLICATION OF FUNDS
DISB. ACCOUNT ANALYSIS

PAYEE	CHECK NUMBER	CHECK DATE	AMOUNT	CASH BALANCES NATIONAL PARTY	CASH BALANCES PRIVATE
1. BSR Advertising	1029	8/14/86	$14,338.91	$ -0-	$26,207.16
2. U.S. Postmaster	1037	9/24/86	154.39	-0-	93,366.90
3. U.S. Postmaster	1038	9/24/86	5,142.17	-0-	93,212.51
4. U.S. Postmaster	1042	10/03/86	3,339.57	22,979.07	66,197.21
5. U.S. Postmaster	1043	10/07/86	3,261.61	22,979.07	62,857.64
6. U.S. Postmaster	1044	10/15/86	650.00	22,979.07	59,596.03
7. Mail Resources	1046	10/23/86	1,515.12	32,093.07	65,543.03
8. PDQ Printing	1048	10/28/86	1,972.24	32,093.07	64,125.67
9. Passkey Systems	1049	10/28/86	3,949.11	146,389.07	60,176.56
10. James R. Foster & Associates	1054	10/19/86	64,678.36*/	146,389.07	60,176.56
11. Tony Marsh & Associates	1061	11/07/86	1,760.83	130,611.25	7,762.00
12. B&K Printing	1064	11/07/86	396.56	130,611.25	6,001.17
13. B&K Printing	1090	11/18/86	41.67	128,039.89	5,604.61
			$101,200.54		

*/ Does not include $9,074.18 for mailing piece not used.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 2270
Nevada Republican Party/Nevada Republican State Central Committee and Dan J. Peterson, as treasurer	)	

CORRECTED CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on June 26, 1990, do hereby certify that the Commission took the following actions in MUR 2270:

1. Decided by a vote of 4-1 to find probable cause to believe Nevada Republican Party/ Nevada Republican State Committee-Federal Account and Dan J. Peterson, as treasurer, violated 2 U.S.C. §§ 441a(f), 434(b)(6)(B), and 441d(a).

   Commissioners Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision; Commissioner Elliott dissented.. Commissioner Aikens was not present.

(continued)

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2. Failed in a vote of 3-2 to pass a motion to approve the letter and the conciliation agreement attached to the General Counsel's report dated May 24, 1990.

Commissioners McDonald, McGarry, and Thomas voted affirmatively for the motion; Commissioners Elliott and Josefiak dissented; Commissioner Aikens was not present.

3. Decided by a vote of 5-0 to return the report to the Office of the General Counsel for revision of the conciliation agreement as agreed during the meeting discussion and circulation of the revised agreement for Commission approval on a tally vote basis.

Commissiones Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision. Commissioner Aikens was not present.

Attest:

7-5-90
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

mwe/s

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

SENSITIVE

July 10, 1990

MEMORANDUM

TO: The Commission

FROM: Lawrence M. Noble
General Counsel

SUBJECT: Revised Conciliation Agreement in MUR 2270

Pursuant to the Commission's directions at its June 26, 1990, executive session, attached for Commission approval is a revised conciliation agreement.

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RECOMMENDATION

Approve the attached conciliation agreement and appropriate letter.

7/10/90
Date

Lawrence M. Noble
General Counsel

Attachments
1. Proposed agreement
2. Certification

Staff assigned: Patty Reilly

FEDERAL ELECTION COMMISSION
WASHINGTON D C 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/DELORES HARRIS
COMMISSION SECRETARY

DATE: JULY 13, 1990

SUBJECT: MUR 2270 - REVISED CONCILIATION AGREEMENT IN MUR 2270. MEMORANDUM FROM GENERAL COUNSEL DATED JULY 10, 1990

The above-captioned document was circulated to the Commission on Wednesday, July 11, 1990 at 11:00 a.m.

Objection(s) have been received from the Commissioner(s) as indicated by the name(s) checked below:

Commissioner Aikens	
Commissioner Elliott	XXX
Commissioner Josefiak	
Commissioner McDonald	
Commissioner McGarry	
Commissioner Thomas	

This matter will be placed on the meeting agenda for Tuesday, July 24, 1990.

Please notify us who will represent your Division before the Commission on this matter.

9104086049

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 2270
Nevada Republican Party/Nevada Republican State Central Committee - Federal Account, and Dan J. Peterson, as treasurer	)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on July 24, 1990, do hereby certify that the Commission decided by a vote of 5-1 to reject the recommendation contained in the General Counsel's report dated July 10, 1990, and instead take the following actions in MUR 2270:

1. Direct the Office of General Counsel to amend the conciliation agreement attached to the staff report.

2. Direct the Office of General Counsel to send an appropriate letter.

Commissioners Elliott, Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision; Commissioner Aikens dissented.

Attest:

7-25-90
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

9104086060650

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 30, 1990

Jan Baran, Esquire
Wiley, Rein & Fielding
1776 K Street, N.W.
Washington, D.C. 20006

RE: MUR 2270
Nevada Republican Party/Nevada Republican State Central Committee-Federal Account and Dan J. Peterson, as treasurer

Dear Mr. Baran:

On June 26, 1990, the Federal Election Commission found that there is probable cause to believe the Nevada Republican Party/Nevada Republican State Central Committee-Federal Account and Dan J. Peterson, as treasurer, violated 2 U.S.C. §§ 441a(f), 434(b)(6)(B) and 441d(a), provisions of the Federal Election Campaign Act of 1971, as amended, in connection with certain coordinated party expenditures. Additionally, on July 24, 1990, the Commission approved the enclosed conciliation agreement.

The Commission has a duty to attempt to correct such violations for a period of 30 to 90 days by informal methods of conference, conciliation, and persuasion, and by entering into a conciliation agreement with a respondent. If we are unable to reach an agreement during that period, the Commission may institute a civil suit in United States District Court and seek payment of a civil penalty.

Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter. If you agree with the provisions of the enclosed agreement, please sign and return it, along with the civil penalty, to the Commission within ten days. I will then recommend that the Commission accept the agreement. Please make your check for the civil penalty payable to the Federal Election Commission.

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If you have any questions or suggestions for changes in the enclosed conciliation agreement, or if you wish to arrange a meeting in connection with a mutually satisfactory conciliation agreement, please contact Patty Reilly, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Conciliation Agreement

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RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

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WILEY, REIN & FIELDING

1776 K STREET, N.W.
WASHINGTON, D. C. 20006
(202) 429-7000

JAN WITOLD BARAN
(202) 429-7330

FACSIMILE
(202) 429-7049
TELEX 248349 WYRN UR

August 23, 1990

Lawrence M. Noble, Esq.
General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Attn: Patty Reilly

Re: MUR 2270 (Nevada Republican State Central Committee - Federal Account)

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
90 AUG 28 PM 2:33

Dear Mr. Noble:

Enclosed please find a newly executed Statement of Designation of Counsel for the Nevada State Republican Central Committee ("State Party") confirming this Firm's representation of the State Party in connection with Matter Under Review 2270.

Sincerely,

Jan Baran /CA

Jan Witold Baran

Enclosure

9104036053

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2270

NAME OF COUNSEL: Jan Witold Baran

ADDRESS: Wiley, Rein & Fielding
1776 K Street, N.W.
Washington, D.C. 20006

TELEPHONE: (202) 429-7330

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

August 21, 1990
Date

[signature], TREASURER
Signature

RESPONDENT'S NAME: Nevada State Republican Central Cmte.

ADDRESS: 1227 Lawton Court
Sparks, Nevada 89434

KEVIN G. HIGGINS, TREASURER

HOME PHONE: 702-359-6252

BUSINESS PHONE: 702-687-3528

9104036054

RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARIAT

90 SEP -5 AM 11:41

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

SENSITIVE

September 5 1990

MEMORANDUM

TO: The Commission

FROM: Lawrence M. Noble
General Counsel

SUBJECT: MUR 2270

Attached for the Commission's review is a supplemental brief stating the position of the General Counsel on the liability of the treasurer in the above-captioned matter. A copy of this brief and a letter notifying the respondent of the General Counsel's intent to recommend to the Commission a finding of probable cause to believe were mailed on September 4, 1990. Following receipt of the respondent's reply to this notice, this Office will make a further report to the Commission.

Attachments
1. Brief
2. Letter to respondent

9104036055

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 4, 1990

Jan Baran, Esquire
Wiley, Rein & Fielding
1776 K Street, N.W.
Washington D.C. 20006

RE: MUR 2270
Nevada Republican Party/Nevada Republican State Central Committee and Kevin G. Higgens, as treasurer

Dear Mr. Baran:

Based on complaints filed with the Federal Election Commission and information supplied by your clients, the Commission, on March 10, 1987, found that there was reason to believe the Nevada Republican Party/Nevada Republican State Central Committee, and its treasurer, violated 2 U.S.C. §§ 441a, 434(b)(6)(B) and 441a(d), and instituted an investigation of this matter.

On July 6, 1989, you were mailed a copy of the General Counsel's Brief that recommended that the Commission find probable cause to believe the State Party and Dan J. Peterson, as treasurer, violated 2 U.S.C. §§ 441a(f), 434(b)(6)(B) and 441a(d). After receiving your responsive brief, on June 26, 1990, the Commission found probable cause to believe the Nevada Republican Party/Nevada Republican State Central Committee and Dan J. Peterson, as treasurer, violated these sections of the Act.

It has come to this Office's attention, however, that the State Party has amended its Statement of Organization to change its treasurer. Consistent with the Commission's treasurer policy, enclosed please find a supplemental brief indicating the General Counsel's intention to recommend probable cause to believe Kevin G. Higgens, as treasurer, violated 2 U.S.C. §§ 441a(f), 434(b)(6)(B) and 441a(d).

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The Commission may or may not approve the General Counsel's recommendation. Submitted for your review is a brief stating the position of the General Counsel on treasurer's liability. Within 15 days of your receipt of this notice, you may file with the Secretary of the Commission a brief (ten copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of the General Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of whether there is probable cause to believe a violation has occurred.

If you are unable to file a responsive brief within 15 days, you may submit a written request for an extension of time. All requests for extensions of time must be submitted in writing five days prior to the due date, and good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

A finding of probable cause to believe requires that the Office of the General Counsel attempt for a period of not less than 30, but not more than 90 days, to settle this matter through a conciliation agreement.

Should you have any questions, please contact Patty Reilly, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Brief

9104086057

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
Nevada Republican Party/	)	MUR 2270
Nevada Republican State	)	
Central Committee and Kevin J.	)	
Higgens, as treasurer	)	

GENERAL COUNSEL'S SUPPLEMENTAL BRIEF

I. STATEMENT OF THE CASE

This matter was arose from four complaints filed by John J. Schroeder and Evan J. Wallach against the Nevada Republican Party/Nevada Republican State Central Committee-Federal Account, and its treasurer, ("Respondents").[1] The complaints alleged a number of violations arising from the State Party's spending during the 1986 general election campaign.

On March 10, 1987, the Commission determined to merge these matters into MUR 2270. Additionally, on that date the Commission found reason to believe the State Party violated 2 U.S.C. §§ 441a, 434(b)(6)(B) and 441d(a).

On July 6, 1989, the Office of the General Counsel mailed a brief to respondents' counsel informing them of the General Counsel's intention to recommend to the Commission a finding of probable cause to believe. Following two extensions of time, respondents submitted a responsive brief on September 15, 1990.

9104086058

1. The first, MUR 2231, was files on September 2, 1986 by James N. Schroeder, Chairman of the Democratic Party of Washoe County. The remaining three (MURs 2233, 2259, and 2270), were filed by Evan J. Wallach on September 10, September 30, and October 21, 1986, respectively.

On June 26, 1990, the Commission found probable cause to believe the State Party and Dan J. Peterson, as treasurer, violated 2 U.S.C. §§ 441a(f), 434(b)(6)(B) and 441a(d). On July 24, 1990, the Commission approved a proposed conciliation agreement in this matter.

II. STATUS OF THE STATE PARTY'S TREASURER

Subsequently, it has come to the attention of this Office that the State Party amended its Statement of Organization to change its treasurer during the course of these proceedings. Specifically, on July 2, 1990 the Commission received an amended Statement of Organization from the respondents. This form was dated June 11, 1990, and signed by Kevin G. Higgens, the new treasurer, on June 27, 1990. Because the Act requires a political committee to amend its Statement of organization within ten days from the date of a change in its treasurer, 2 U.S.C. § 433(c), it appears that Mr. Peterson may not have been the State Party's treasurer at the time of the Commission's probable cause to believe determination. In any event, the Commission has not made any probable cause determinations regarding Mr. Higgens, as treasurer. Consequently, consistent with the Commission's treasurer policy of providing the treasurer with notice of the General Counsel's probable cause recommendation, this Office recommends that the Commission find probable cause to believe Kevin G. Higgens, as treasurer of the Nevada Republican Party/Nevada Republican State Central Committee-Federal Account, violated 2 U.S.C. §§ 441a(f), 434(b)(6)(B) and 441a(d).

9104036059

III. RECOMMENDATIONS

Find probable cause to believe Kevin G. Higgens, as treasurer of the Nevada Republican Party/Nevada Republican State Central Committee-Federal Account, violated 2 U.S.C. §§ 441a(f), 434(b)(6)(B) and 441a(d).

9/4/90
Date

Lawrence M. Noble
General Counsel

9104036U660

OGC 7965

WILEY, REIN & FIELDING

1776 K STREET, N.W.
WASHINGTON, D.C. 20006
(202) 429-7000

JAN WITOLD BARAN
(202) 429-7330

FACSIMILE
(202) 429-7049
TELEX 248348 WYRN UR

September 21, 1990

Lawrence M. Noble, Esq.
General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Attn: Patty Reilly, Esq.

Re: MUR 2270 (Nevada Republican Party/
Nevada Republican State Central Committee
and Kevin G. Higgins as Treasurer)

Dear Mr. Noble:

In am in receipt of your letter dated September 4, 1990, informing me that the General Counsel's Office is prepared to recommend that the Federal Election Commission ("Commission") find probable cause to believe that Kevin G. Higgins, as Treasurer of the Nevada Republican Party/Nevada Republican State Central Committee ("Respondent"), has violated 2 U.S.C. §§ 441a(f), 434(b)(6)(B) and 441a(d) of the Federal Election Campaign Act of 1971, as amended in Matter Under Review 2270.

While the General Counsel's Supplemental Brief indicates that this recommendation is "consistent with the commission's treasurer policy of providing the treasurer with notice of the General Counsel's probable cause recommendation," Respondent believes that it is imperative to underscore the fact that Kevin G. Higgins was not the treasurer of the Nevada Republican Party at the time of any of the activity which is the subject of this Matter.

Respondent does not intend to otherwise respond to this Supplemental Brief. Please note for your records and for any further action in this case the correct spelling of Mr. Higgins' name, which we have used herein.

Sincerely,

Jan Witold Baran

cc: Kevin G. Higgins, Esq.

24 SEP 24 PM 3:07

2104036061

RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARIAT
90 OCT -5 AM 11:39

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of Nevada Republican Party/ Nevada Republican State Central Committee and Kevin G. Higgins, as treasurer	)	MUR 2270

SENSITIVE

OCT 23 1990

GENERAL COUNSEL'S REPORT

EXECUTIVE SESSION

I. BACKGROUND

On June 26, 1990 the Commission found probable cause to believe the Nevada Republican Party/Nevada Republican State Central Committee-Federal Account and Dan J. Peterson, as treasurer, violated 2 U.S.C. §§ 441a(f), 434(b)(6)(B) and 441d(a). Additionally, on July 24, 1990 the Commission approved a conciliation agreement in this matter. Respondents were notified of this determination by letter dated July 30, 1990.

On August 17, 1990, staff met with respondents' counsel to discuss the proposed agreement and to clarify the bases of the Commission's probable cause determinations.[1] At the conclusion of the meeting, counsel informed this Office that the State Party had recently changed its treasurer and that the Commission may not have named the treasurer of record in its probable cause to believe recommendation.[2] Consequently, on September 4, 1990,

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1. At this meeting we provided to counsel the Audit Division's Modified FIFO pool analysis used by the Commission to determine that respondents used funds donated by national party committees to pay for certain expenditures determined to be outside the volunteer exemption.

2. On July 2, 1990 the Commission received an amended Statement of Organization from the respondents. This form was dated June 11, 1990, and signed by Kevin G. Higgins, the new treasurer, on June 27, 1990. Because the Act requires a political committee to amend its Statement of organization within ten days from the date of a change in its treasurer, 2 U.S.C. § 433(c), it appears

following receipt of a designation of counsel form, this Office mailed a brief discussing the liability of the State Party's treasurer to respondents' counsel.

II. ANALYSIS

The General Counsel's analysis of the Commission's treasurer policy is contained in the General Counsel's Brief dated September 4, 1990. The sending of briefs recommending probable cause to believe as to a successor treasurer is consistent with the Commission's actions in other matters. See e.g. Federal Election Commission v. Friends of Isaih Fletcher Committee, Civil Action No. PN 88-2323 (D. Md. judgment entered April 24, 1990) (formerly MUR 2344). Respondents do not dispute this policy or the General Counsel's recommendation, stating only that "it is imperative" to note that Mr. Higgins was not the treasurer at the time the activity at issue occurred.[3] Accordingly, in light of the fact that Mr. Higgins is the State Party's current treasurer, this Office recommends that the Commission find probable cause to believe Kevin G. Higgins, as treasurer of the Nevada Republican Party/Nevada Republican State Central Committee-Federal Account, violated 2 U.S.C. §§ 441a(f), 434(b)(6)(B) and 441d(a).

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(Footnote 2 continued from previous page)
that Mr. Peterson may not have been the State Party's treasurer at the time of the Commission's probable cause to believe determination.

3. Respondents did not submit a brief, and made this comment in a letter dated September 21, 1990. This Office circulated this letter to the Commission.

III. DISCUSSION OF CONCILIATION AND CIVIL PENALTY

IV. RECOMMENDATIONS

1. Find probable cause to believe Kevin G. Higgins, as treasurer of the Nevada Republican Party/Nevada Republican State Central Committee-Federal Account, violated 2 U.S.C. §§ 441a(f), 434(b)(6)(B) and 441d(a).

2. Approve the attached conciliation agreement and appropriate letter.

10/4/90
Date

Lawrence M. Noble
General Counsel

Attachments
1. Conciliation Agreement

Staff Assigned: Patty Reilly

7104036064

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 2270
Nevada Republican Party/Nevada Republican State Central Committee and Kevin G. Higgins, as treasurer	)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on October 23, 1990, do hereby certify that the Commission decided by a vote of 4-2 to take the following actions in MUR 2270:

1. Find probable cause to believe Kevin G. Higgins, as treasurer of the Nevada Republican Party/Nevada Republican State Central Committee-Federal Account, violated 2 U.S.C. §§ 441a(f), 434(b)(6)(B) and 441d(a).

2. Approve the conciliation agreement and letter as recommended in the General Counsel's report dated October 4, 1990.

Commissioners Josefiak, McDonald, McGarry, and Thomas voted affirmatively for the decision; Commissioners Aikens and Elliott dissented.

Attest:

10-23-90
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

9104036065

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 5, 1990

Jan Baran, Esquire
Wiley, Rein & Fielding
1776 K Street, N.W.
Washington, D.C. 20006

RE: MUR 2270
Nevada Republican Party/Nevada Republican State Central Committee-Federal Account and Kevin G. Higgins, as treasurer

Dear Mr. Baran:

On June 26, 1990, the Federal Election Commission found that there is probable cause to believe the Nevada Republican Party/Nevada Republican State Central Committee-Federal Account and Dan J. Peterson, as treasurer, violated 2 U.S.C. §§ 441a(f), 434(b)(6)(B) and 441a(d), provisions of the Federal Election Campaign Act of 1971, as amended, in connection with certain coordinated party expenditures. Additionally, on July 24, 1990, the Commission approved a conciliation agreement. On October 23, 1990, the Commission found that there is probable cause to believe Kevin G. Higgins, as treasurer of the Nevada Republican Party/Nevada Republican State Central Committee-Federal Account, violated 2 U.S.C. §§ 441a(f), 434(b)(6)(B) and 441a(d), in connection with these coordinated party expenditures, and approved a revised conciliation agreement.

The Commission has a duty to attempt to correct such violations for a period of 30 to 90 days by informal methods of conference, conciliation, and persuasion, and by entering into a conciliation agreement with a respondent. If we are unable to reach an agreement during that period, the Commission may institute a civil suit in United States District Court and seek payment of a civil penalty.

If you agree with the provisions of the enclosed conciliation agreement, please sign and return it, along with the civil penalty, to the Commission within ten days. I will then recommend that the Commission accept the agreement. Please make your check for the civil penalty payable to the Federal Election Commission.

2104036U666

If you have any questions or suggestions for changes in the enclosed conciliation agreement, or if you wish to arrange a meeting in connection with a mutually satisfactory conciliation agreement, please contact Patty Reilly, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Conciliation Agreement

9104036067

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 12, 1990

Jan Baran, Esquire
Wiley, Rein & Fielding
1776 K Street, N.W.
Washington, D.C. 20006

RE: MUR 2270
Nevada Republican Party/Nevada Republican State Central Committee-Federal Account and Kevin G. Higgins, as treasurer

Dear Mr. Baran:

On November 5, 1990, you were notified that the Federal Election Commission found probable cause to believe that Kevin G. Higgins, as treasurer of the Nevada Republican Party/Nevada Republican State Central Committee-Federal Account violated 2 U.S.C. §§ 441a(f), 434(b)(6)(B) and 441d(a). On that same date, you were sent a conciliation agreement offered by the Commission in settlement of this matter. Moreover, you were previously notified on July 30, 1990, that the Commission had found probable cause to believe the State Party violated these sections of the Act.

Please note that pursuant to 2 U.S.C. § 437g(a)(4)(A)(i), the conciliation period in this matter may not extend for more than 90 days, but may cease after 30 days. Insofar as more than 30 days have elapsed without a response from you, and because you have had a proposed draft of a conciliation agreement since your receipt of the Commission's July 30, 1990 letter, a recommendation concerning the filing of a civil suit will be made to the Commission by the Office of the General Counsel unless we receive a response from you within five days of receipt of this letter.

Should you have any questions, please contact Patty Reilly, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

9104036068

90C9060

WILEY, REIN & FIELDING

1776 K STREET, N.W.
WASHINGTON, D.C. 20006
(202) 429-7000

JAN WITOLD BARAN
(202) 429-7330

December 19, 1990

FACSIMILE
(202) 429-7049
TELEX 248348 WYRN UR

Lawrence M. Noble, Esq.
General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Attn: Patty Reilly

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
90 DEC 19 PM 2:45

Re: MUR 2270 (Nevada Republican State Central Committee - Federal Account, and Kevin G. Higgins, as Treasurer)

21040360569

Dear Mr. Noble:

This letter is written in response to your letter of December 12, 1990, notifying the Nevada Republican Party that thirty days had elapsed since the Commission's notification that it had found probable cause to believe that Kevin G. Higgins, as Treasurer of the Nevada Republican State Central Committee - Federal Account, violated provisions of the Federal Election Campaign Act of 1971, as amended.

Both Mr. Higgins and the Chairman of the Nevada Republican Party have been in the hospital during this period. This understandably has delayed the decisionmaking process with regard to this Matter. However, the State Party is actively considering the avenues available to it in this Matter and believes that a mutually acceptable conciliation agreement is a viable option.

The State Party therefore respectfully requests that the Commission extend conciliation for an additional thirty days to and including January 18, in order to allow the State Party to respond to the Commission's proposed conciliation agreement. This thirty days takes into consideration the difficulty of meeting during the holiday season. Given the length of time since this Matter began, this requested extension will not prejudice the matter in any way.

Your favorable consideration of this request will be appreciated.

Sincerely,

Jan Witold Baran

cc: Kevin G. Higgins

21040360670

RECEIVED
FEDERAL ELECTION COMMISSION
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90 DEC 27 PM 2:10

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of Nevada Republican Party/ Nevada Republican State Central Committee and Kevin G. Higgins, as treasurer	)	MUR 2270 SENSITIVE

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On June 26, 1990, the Commission found probable cause to believe the Nevada Republican Party/Nevada Republican State Central Committee-Federal Account and Dan J. Peterson, as treasurer, violated 2 U.S.C. §§ 441a(f), 434(b)(6)(B) and 441a(d), in connection with certain coordinated party expenditures. Additionally, on July 24, 1990, the Commission approved a conciliation agreement. Following a meeting with counsel on August 17, 1990, counsel informed this Office that respondents had recently changed treasurers. Because it was unclear whether the treasurer of record at the time of the Commission's probable cause determinations had been afforded notice and an opportunity to respond, this Office prepared and mailed a second brief discussing the Commission's probable cause recommendations as to the new treasurer. Consequently, on October 23, 1990, the Commission found probable cause to believe Kevin G. Higgins, as treasurer of the Nevada Republican Party/Nevada Republican State Central Committee-Federal Account, violated 2 U.S.C. §§ 441a(f), 434(b)(6)(B) and 441a(d). Also on that date, the Commission approved a proposed conciliation agreement that was mailed on November 5, 1990.

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On December 12, 1990, this Office notified counsel that because they had a proposed draft of a conciliation agreement since the Commission's July 30, 1990 letter, a recommendation concerning the filing of a civil suit would be made to the Commission unless a response was received within five days.

On December 19, 1990, this Office received the attached letter from counsel stating that the hospitalization of both the chairman and treasurer had precluded a response. Counsel stated that a written response would be received by the Commission no later than January 18, 1990. Under these circumstances, this Office will continue conciliation for an additional thirty days.

12/27/90
Date

Lawrence M. Noble
General Counsel

Attachment
1. Letter

Staff Assigned: Patty Reilly

2104086067 2

RECEIVED
FEDERAL ELECTION COMMISSION
SECRETARIAT
91 JUN 24 PM 1:23

THE FEDERAL ELECTION COMMISSION

SENSITIVE

In the Matter of)
Nevada Republican Party/) MUR 2270 JUL 9 - 1991
Nevada Republican State)
Central Committee-Federal)
Account and Kevin G. Higgins,)
as treasurer) EXECUTIVE SESSION

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On June 26, 1990, the Commission found probable cause to believe the Nevada Republican Party/Nevada Republican State Central Committee-Federal Account ("the State Party") and Dan J. Peterson, as treasurer, violated 2 U.S.C. §§ 441a(f), 434(b)(6)(B) and 441d(a) in connection with certain coordinated party expenditures. Due to a replacement of the State Party's treasurer, on October 23, 1990, the Commission also found probable cause to believe Kevin G. Higgins, as treasurer of the Nevada Republican Party/Nevada Republican State Central Committee-Federal Account, violated 2 U.S.C. §§ 441a(f), 434(b)(6)(B) and 441d(a).[1]

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1. On July 24, 1990, the Commission approved a conciliation agreement that named Mr. Peterson as treasurer. Following an August 17, 1990 meeting, counsel informed this Office that respondents had changed treasurers. Because it was unclear whether the treasurer of record at the time of the Commission's probable cause determinations had been afforded notice and an opportunity to respond, respondents were provided with a second brief discussing the Commission's probable cause recommendations as to the new treasurer. Thus the second set of probable cause recommendations relates to Mr. Higgins in his capacity as the State Party's treasurer.

II. ANALYSIS OF THE COUNTERPROPOSAL

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III. RECOMMENDATIONS

1. Reject the counter-proposal of the Nevada Republican Party/Nevada Republican State Central Committee-Federal Account and Kevin Higgins, as treasurer.

2. Approve the attached revised conciliation agreement.

3. Authorize the Office of the General Counsel to file a civil suit in United States District Court against the Nevada Republican Party/Nevada Republican State Central Committee-Federal Account and Kevin Higgins, as treasurer, if respondents do not accept the attached conciliation agreement within 5 days of receipt.

4. Approve the appropriate letter.

6/21/91
Date

Lawrence M. Noble
General Counsel

Staff assigned: Patty Reilly

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 2270
Nevada Republican Party/Nevada Republican State Central Committee - Federal Account and Kevin G. Higgins, as treasurer	)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on July 9, 1991, do hereby certify that the Commission decided by a vote of 5-0 to reject the recommendations contained in the General Counsel's report dated June 21, 1991, and instead take the following actions in MUR 2270:

1. Accept the counter-proposal of the Nevada Republican Party/Nevada Republican State Central Committee-Federal Account and Kevin Higgins, as treasurer.

2. Direct the Office of General Counsel to send an appropriate letter.

3. Close the file.

Commissioners Aikens, Elliott, Josefiak, McDonald, and Thomas voted affirmatively for the decision; Commissioner McGarry was not present.

Attest:

7-10-91
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

9104030678

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 24, 1991

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

John N. Schroeder, Chairman
Democratic Party of Washoe County
P.O. Box 21373
Reno, Nevada 89515-1373

RE: MUR 2270 (formerly MUR 2231)

Dear Mr. Schroeder:

This is in reference to the complaint you filed with the Federal Election Commission on September 2, 1986, concerning the Santini for Senate Committee, the Nevada Republican Party/Nevada Republican State Central Committee, and their respective treasurers.

On March 10, 1987, the Commission determined to merge MURs 2231, 2233, and 2259 into MUR 2270. Additionally, on that date the Commission determined that there was no reason to believe the National Republican Senatorial Committee and its treasurer violated 2 U.S.C. § 441a(a). Moreover, on April 22, 1987 the Commission determined that there was no reason to believe the Santini for Senate Committee and its treasurer violated 2 U.S.C. § 441a(f).

After conducting an investigation in this matter, the Commission found that there was probable cause to believe the Nevada Republican Party/Nevada Republican State Central Committee and its treasurer violated 2 U.S.C. §§ 441a(f), 434(b)(6)(B) and 441a(d), provisions of the Federal Election Campaign Act of 1971, as amended. On July 10, 1991, a conciliation agreement signed by the respondents was accepted by the Commission, thereby concluding the matter. Accordingly, the Commission closed the file in this matter on July 10, 1991. A copy of this agreement is enclosed for your information.

2104036079

If you have any questions, please contact Patty Reilly, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Conciliation Agreement

2104036080

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 24, 1991

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Evan J. Wallach
300 So. 4th Street
Suite 1700
Las Vagas, Nevada 89101

RE: MUR 2270 (formerly MURs 2259 and 2233)

Dear Mr. Wallach:

This is in reference to the complaints you filed with the Federal Election Commission on September 10, September 30, and October 21, 1986, concerning the National Republican Senatorial Committee, the Santini for Senate Committee, the Nevada Republican Party/Nevada Republican State Central Committee, and their respective treasurers.

On March 10, 1987, the Commission determined to merge MURs 2231, 2233, and 2259 into MUR 2270. Additionally, on that date the Commission determined that there was no reason to believe the National Republican Senatorial Committee and its treasurer violated 2 U.S.C. § 441a(a). Moreover, on April 22, 1987 the Commission determined that there was no reason to believe the Santini for Senate Committee and its treasurer violated 2 U.S.C. § 441a(f).

After conducting an investigation in this matter, the Commission found that there was probable cause to believe the Nevada Republican Party/Nevada Republican State Central Committee and its treasurer violated 2 U.S.C. §§ 441a(f), 434(b)(6)(B) and 441a(d), provisions of the Federal Election Campaign Act of 1971, as amended. On July 10, 1991, a conciliation agreement signed by the respondents was accepted by the Commission, thereby concluding the matter. Accordingly, the Commission closed the file in this matter on July 10, 1991. A copy of this agreement is enclosed for your information.

2104036068 1

If you have any questions, please contact Patty Reilly, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Conciliation Agreement

9104036U682

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 24, 1991

Jan Baran, Esquire
Wiley, Rein, & Fielding
1776 K Street, N.W.
Washington, D.C. 20006

RE: MUR 2270
Santini for Senate Committee
and J. Glen Sanford, as
treasurer

Dear Mr. Baran:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Patty Reilly, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

2104036063 3

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CLOSED

July 24, 1991

Leslie Kerman, Esquire
Epstein, Becker & Green, P.C.
1227 25th Street, N.W.
Washington, D.C. 20037-1156

RE: MUR 2270 (formerly MURs 2231, 2233, and 2259)
National Republican Senatorial Committee and James L. Hagen, as treasurer

Dear Ms. Kerman:

We are directing this letter to you since it is our understanding that Stuart Gerson is no longer with the firm. This is to advise you that the entire file in the above-captioned matter has now been closed and will become part of the public record within 30 days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within ten days. Such materials should be sent to the Office of the General Counsel.

Should you have any questions, contact Patty Reilly, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 24, 1991

Jan Baran, Esquire
Wiley, Rein, & Fielding
1776 K Street, N.W.
Washington, D.C. 20006

RE: MUR 2270
Nevada Republican Party/Nevada Republican State Central Committee and Kevin G. Higgins, as treasurer

Dear Mr. Baran:

On July 9, 1991, the Federal Election Commission accepted the signed conciliation agreement submitted on your clients' behalf in settlement of violations of 2 U.S.C. §§ 441d(a), 434(b)(6)(B)(iv) and 441a(f), provisions of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter.

This matter will become a part of the public record within 30 days. If you wish to submit any factual or legal materials to appear on the public record, please do so within ten days. Such materials should be sent to the Office of the General Counsel. Please be advised that information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B). The enclosed conciliation agreement, however, will become a part of the public record.

Enclosed you will find a copy of the fully executed conciliation agreement for your files. I remind you that the civil penalty is due within 30 days of the conciliation agreement's effective date. If you have any questions, please contact Patty Reilly, the attorney assigned to this matter, at (202) 376-5690.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Conciliation Agreement

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Nevada Republican Party/Nevada Republican State Central Committee-Federal Account, and Kevin G. Higgins, as treasurer	)	MUR 2270

CONCILIATION AGREEMENT

This matter was initiated by a signed, sworn, and notarized complaints by John J. Schroeder and Evan J. Wallach. An investigation was conducted, and the Federal Election Commission ("Commission") found probable cause to believe that the Nevada Republican Party/Nevada Republican State Central Committee-Federal Account, and Kevin G. Higgins, as treasurer, ("Respondents") violated 2 U.S.C. §§ 441a(f), 434(b)(6)(B) and 441d(a).

NOW, THEREFORE, the Commission and the Respondents, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(4)(A)(i), do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding.

II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondents enter voluntarily into this agreement with the Commission.

IV. The Pertinent facts in this matter are as follows:

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1. The Respondent, the Nevada Republican Party/Nevada Republican State Central Committee-Federal Account is a political committee within the meaning of 2 U.S.C. § 431(4).

2. Respondent Kevin G. Higgins is the current treasurer of the Nevada Republican Party/Nevada Republican State Central Committee-Federal Account. Mr. Higgins was not the treasurer at the time the activities in question occurred.

3. Pursuant to 2 U.S.C. § 431(9)(B)(viii)(3) the definition of expenditure does not include the payment by a state or local committee of a political party of the costs of campaign materials provided that such payments are not made from contributions designated to be spent on behalf of a particular candidate or candidates, and provided that certain other conditions are met.

4. Pursuant to 11 C.F.R. § 100.8(b)(16)(vii) the cost of campaign materials purchased by the national committee of a political party and delivered to a state or local committee, or materials purchased with funds donated by the national committee to such state or local committee for the purchase of such materials do not qualify for the volunteer exemption. Rather the cost of such materials shall be subject to the limitations of 2 U.S.C. § 441a(d).

5. Pursuant to 2 U.S.C. § 441a(d)(3)(A) and as adjusted by the Consumer Price Index for the 1986 general

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election, a state committee of a political party in Nevada may not make any expenditure in connection with the general election campaign of a candidate for Senator who is affiliated with such party that exceeds $43,620.

6. Pursuant to 2 U.S.C. § 434(b)(6)(B)(iv) a reporting committee must report each person who receives any expenditure under section 441a(d), together with the date, amount, and purpose of any such expenditure, as well as the name of, and the office sought by, the candidate on whose behalf the expenditure is made.

7. Pursuant to 2 U.S.C. § 441a(f), political committees are prohibited from knowingly making expenditures exceeding the Act's limitations.

8. Pursuant to 2 U.S.C. § 441d, whenever any person makes an expenditure for the purpose of financing communications expressly advocating the election or defeat of a clearly identified candidate, such communication shall clearly state the name of the person who paid for the communication and state whether or not the communication was authorized by any candidate or any candidate's committee.

9. Respondents authorized the National Republican Senatorial Committee ("NRSC") to make $19,629 in coordinated party expenditures on its behalf. Thus, the State Party's expenditure limitation for the Senatorial election was $23,991. Respondents reported making $23,602 in coordinated

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party expenditures for a mailer entitled the "Laxalt Endorsement Mailer."

10. Respondents made the following expenditures relating to the 1986 general election campaign for the U.S. Senate in Nevada:

Expenditure	Amount
Laxalt Endorsement Mailing	$ 23,602.00*
Anti-Reid Mailing	$ 11,918.00
World Class Spender Mailing	$ 9,074.18
Positively For Nevada Mailing	$ 22,750.00
Laxalt/Santini Mailing	$ 11,862.00
All About Money Mailing	$ 9,074.18
Postage	$ 8,558.17
Other costs Associated with Mailer:	
Tony Marsh & Associates	$ 1,760.33
B&K Printing	$ 396.56
B&K Printing	$ 41.67
Total	$ 99,037.09
Franking Radio and Newspaper Advertisements	$ 12,995.77
Total	$112,032.86

*includes postage

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Using a cash on hand analysis, the Commission determined the Respondents had $50,876.56 in non-national party committee contributions on October 19, 1986 when they made a $64,678.36 expenditure to James R. Foster and Associates for work on the five mailings (Anti-Reid, World Class Spender, Positively For Nevada, Laxalt/Santini Mailing and All About Money). Accordingly, national party committee funds were used in making this expenditure. Because national committee funds were used, the cost of these mailings is outside the

regulations' exemption at section 100.8(b)(16)(vii). Thus, the entire cost of those mailings is subject to the coordinated expenditure limit of 2 U.S.C. § 441a(d)(3). When this amount is added to the Laxalt Endorsement, the total cost of mailings subject to the coordinated expenditure limit is $99,037.09. Respondents also spent $12,995.77 on the Franking Radio and Newspaper Advertisements, which both contained the phrase "Harry Reid is a candidate for another office. . .," constituting an electioneering message and subjecting those expenditures to the coordinated expenditure limit. Thus, Respondents expended a total of $112,032.86 for coordinated party expenditures and reported only $23,602 of this amount as coordinated party expenditures. The remainder of these expenditures were reported as exempt volunteer activities or otherwise as operating expenditures.

11. The Commission has determined that because national committee funds were used in the five mailings discussed in subparagraph 10 above (Anti-Reid, World Class Spender, Positively For Nevada, Laxalt/Santini Mailing and All About Money), the entire costs of these mailings are subject to the coordinated party spending limit. The Commission further determined that the two Franking Ads discussed in subparagraph 10 above contain an electioneering message, and thus are also coordinated party expenditures. Consequently, based on these determinations, the Commission further

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determined that respondents reported only $23,602 in coordinated party expenditures of their total of $112,032.86 in coordinated party expenditures.

12. Respondents paid for five mailings (Laxalt Endorsement, World Class Spender, Laxalt/Santini, Positively For Nevada, and All About Money), all of which failed to state whether or not the communications were authorized by the candidate or the candidate's committee.

V. 1. Respondents failed to place complete disclaimers on the mailers noted in Paragraph IV., Subparagraph 12, in violation of 2 U.S.C. § 441d(a).

2. Respondents have contended that all the expenditures cited in Paragraph IV., Subparagraph 10 of this agreement (except for the Laxalt Endorsement) were not coordinated party expenditures. For the sole purposes of settling this matter, Respondents no longer contest that the expenditures cited in Subparagraph 10 in this agreement were coordinated party expenditures and that the making of these expenditures violated 2 U.S.C. §§ 434(b)(6)(B)(iv) and 441a(f).

VI. Respondents will pay a civil penalty to the Federal Election Commission in the amount of Twenty-five Thousand Dollars ($25,000), pursuant to 2 U.S.C. § 437g(a)(5)(A).

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters

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at issue herein or on its own motion, may review compliance with the agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

VIII. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

IX. Respondents shall have no more than thirty (30) days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

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FOR THE COMMISSION:

Lawrence M. Noble
General Counsel

Date 7/23/91

FOR THE RESPONDENTS:

Kevin G. Higgins
Treasurer

Date May 7, 1991

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 2270

DATE FILMED 9/28/91 CAMERA NO. 4

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